

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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HOUSE BILL 753*

Short Title: Indemnification of Officers/Directors.

(Public)

Sponsors: Representative R. Hunter.

Referred to: Judiciary III.

April 15, 1991

A BILL TO BE ENTITLED

AN ACT TO PROVIDE FOR BROADER POWERS FOR HOSPITAL, MEDICAL AND DENTAL SERVICE CORPORATIONS TO PROVIDE FOR INDEMNIFICATION OF INSURANCE FOR OFFICERS AND DIRECTORS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 58-65-173(b) reads as rewritten:

"(b) The authorization, adoption, approval, or favorable recommendation by the board of directors of a ~~public~~-corporation of any provision in any articles of incorporation, bylaw, contract or resolution, as permitted in this section, shall not be deemed an act or corporate transaction in which a director has a conflict of interest, and no such articles of incorporation or bylaw provision or contract or resolution shall be void or voidable on such grounds. The authorization, adoption, approval, or favorable recommendation by the board of directors of a ~~nonpublic~~-corporation of any provision in any articles of incorporation, bylaw, contract or resolution, as permitted in this section, which occurred on or prior to the effective date of this act, shall not be deemed an act or corporate transaction in which a director has a conflict of interest, and no such articles of incorporation, bylaw provision, contract or resolution shall be void or voidable on such grounds. ~~Except as permitted in G.S. 55-8-31, no such bylaw, contract, or resolution not adopted, authorized, approved or ratified by shareholders shall be effective as to claims made or liabilities asserted against any director prior to its adoption, authorization, or approval by the board of directors.~~"

Sec. 2. This act is effective upon ratification.