

§ 74C-10. Certificate of liability insurance required; form and approval; suspension for noncompliance.

(a) through (d) Repealed by Session Laws 1983, c. 673, s. 4.

(e) No security guard and patrol, armored car, or special limited guard and patrol license shall be issued under this Chapter unless the applicant files with the Board evidence of a liability insurance policy. The policy must provide for the following minimum coverage: fifty thousand dollars (\$50,000) because of bodily injury or death of one person as a result of the negligent act or acts of the principal insured or his or her agents operating in the course and scope of his or her employment; subject to said limit for one person, one hundred thousand dollars (\$100,000) because of bodily injury or death of two or more persons as the result of the negligent act or acts of the principal insured or his or her agents operating in the course and scope of his or her agency; twenty thousand dollars (\$20,000) because of injury to or destruction of property of others as the result of the negligent act or acts of the principal insured or his agents operating in the course and scope of his or her agency. If a licensee or a trainee supervised by a licensee, other than a security guard and patrol, armored car, or special limited guard and patrol licensee, carries a firearm while engaged in private protective services activities, the licensee shall obtain a policy of liability insurance with a minimum coverage as specified above. A licensee or trainee is deemed to be "carrying a firearm" for purposes of this section while engaged in private protective services if the licensee or trainee has a firearm on the licensee's or trainee's person or in the automobile the licensee or trainee is using to perform private protective services. A licensee may provide coverage for a trainee under the licensee's supervision; however, failure of the licensee to provide coverage does not exempt the trainee from the requirements of this section.

(e1) The Board shall approve the form, execution, and terms of the liability insurance policy.

(f) An insurance carrier has the right to cancel a liability insurance policy upon giving a 30-day notice to the Board. Provided, however, that the cancellation shall not affect any liability on the policy that accrued prior thereto.

(g) Persons registered pursuant to G.S. 74C-11 are not required to obtain a certificate of liability insurance.

(h) Every security guard and patrol licensee, armored car licensee, special limited guard and patrol licensee, or licensee carrying a firearm while engaged in private protective services shall at all times maintain on file with the Board the certificate of insurance required by this Chapter in full force and effect and upon failure to do so, the license of such licensee shall be automatically suspended and shall not be reinstated until an application therefor, in the form prescribed by the Board, is filed together with a proper insurance certificate.

No cancellation or refusal to renew by an insurer of a licensee under this Chapter shall be effective unless the insurer has given the insured licensee notice of the cancellation or refusal to renew. Upon termination of insurance coverage for said licensee, the insurer shall give notice to the Director of the Board.

(i) The Board may deny the application notwithstanding the applicant's compliance with this section:

- (1) For any reason which would justify refusal to issue or a suspension or revocation of a license; or
- (2) Because the applicant engaged in a private protective services profession while the applicant's license was suspended for failure to keep the required liability insurance policy in force. (1973, c. 528, s. 1; 1979, c. 818, s. 2; 1981, c. 807, ss. 4, 5; 1983, c. 673, ss. 4-6, 8; c. 794, s. 4; 1989, c. 759, s. 8; 2001-487, s. 64(e); 2007-511, ss. 4, 5; 2022-66, s. 1.)