

02 NCAC 34 .0902 FINANCIAL RESPONSIBILITY

(a) A licensee shall obtain and maintain a general liability insurance policy which covers structural pest control operations in progress and completed structural pest control operations. The insurance policy must provide coverage for all employees that work for the licensee. If an insurance policy is issued to a structural pest control company that employs more than one licensee and the policy otherwise meets the standard set forth in this Rule, all licensees employed by the structural pest control company will be deemed to have insurance.

(b) The insurance policy required in Paragraph (a) of this Rule must provide the following minimum coverage:

- (1) Single limit
 - Property Damage \$100,000 Each Occurrence
 - Bodily Injury \$300,000 Each Occurrence
- (2) Combined single limit \$300,000 Each Occurrence

(c) Each applicant for a license in any phase of structural pest control shall show evidence of his or her financial ability to the Structural Pest Control Division to indemnify persons adversely affected by the use or application of pesticides in the form of a Certificate of Insurance completed by the insurance company with the Division named as a certificate holder.

(d) The Certificate of Insurance shall set forth the type of coverage, limits of liability, and any exclusions of the policy and shall have an endorsement attached which indicates that the policy provides coverage for any pollution or contamination occurring as a result of the use or application of any pesticide, or shall state that such an endorsement has been issued with the policy.

(e) The license applicant shall be responsible for the submission of the Certificate of Insurance to the Division as specified in Paragraphs (c) and (d) of this Rule. No license shall be issued, reissued, or renewed until said Certificate of Insurance is received by the Division.

(f) The insurance policy(s) shall be with companies licensed, or otherwise approved to do business in North Carolina, by the NC Department of Insurance. The insurance policy shall be in full force and effect during the entire period covered by the license certificate. The license shall expire upon:

- (1) reduction of the available coverage under the policy below the minimum limits set forth in Paragraph (b) of this Rule;
- (2) cancellation of the policy; or
- (3) expiration of the policy.

Such expired license shall be reinstated only upon submission to the Division that the licensee has obtained the required Certificate of Insurance from the insurer, as required in this Rule.

(g) The licensee shall give the Division at least 10 days notice prior to the occurrence of the following:

- (1) cancellation of the policy;
- (2) material change in the policy; or
- (3) reduction of the available coverage under the policy below the minimum limits set forth in Paragraph (b) of this Rule.

(h) No structural pest control license shall be issued to any person when an outstanding and unpaid final judgment exists against said person resulting from any damages suffered by a plaintiff as the result of a misuse of a pesticide by said person. Any current and valid structural pest control license shall become null and void 180 days following the imposition of a final judgment awarding damages to any plaintiff resulting from a civil suit arising out of losses suffered as the result of a pesticide misuse by the holder of said license, unless the final judgment is settled in full within said 180 days.

(i) Paragraphs (a) through (g) of this Rule shall not apply to any person holding an inactive license, as defined by Rule .0102(31) of this Chapter.

*History Note: Authority G.S. 106-65.37;
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