

**§8116. Liability insurance**

The legislative or executive body or any department of the State or any political subdivision may procure insurance against liability for any claim against it or its employees for which immunity is waived under this chapter or under any other law. If the insurance provides protection in excess of the limit of liability imposed by section 8105, then the limits provided in the insurance policy shall replace the limit imposed by section 8105. If the insurance provides coverage in areas where the governmental entity is immune, the governmental entity shall be liable in those substantive areas but only to the limits of the insurance coverage. Reserve funds, excess insurance or reinsurance contracts maintained by a governmental entity, by an insurer providing liability insurance or by a public self-funded pool to meet obligations imposed by this Act shall not increase the limits of liability imposed by section 8105. [PL 1987, c. 740, §15 (AMD).]

A governmental entity or a public self-funded pool, which self-insures against the obligations and liabilities imposed by this Act, shall designate funds set aside to meet such obligations and liabilities as self-insurance funds. Any such governmental entity which self-insures under this Act or any entity that is a member of a public self-funded pool shall maintain as part of its public records a written statement which shall include a provision setting forth the financial limits of liability assumed by the governmental entity, those limits to be no less than the limits imposed in this Act, and a provision setting forth the scope of the liability assumed by the governmental entity, or the pool, that scope to be no less than that imposed in this Act. [PL 1985, c. 713, §2 (AMD).]

A governmental entity may purchase insurance or may self-insure on behalf of its employees to insure them against any personal liability for which a governmental entity is obligated or entitled to provide defense or indemnity under section 8112. [PL 1987, c. 740, §16 (RPR).]

Any insurance purchased by the State under this section must be purchased through the Department of Administrative and Financial Services, Risk Management Division.

**SECTION HISTORY**

PL 1977, c. 2, §§2,5 (NEW). PL 1977, c. 578, §§5,5-A (AMD). PL 1977, c. 591, §6 (AMD). PL 1979, c. 68, §5 (AMD). PL 1981, c. 602, §§1,2 (AMD). PL 1985, c. 599, §3 (AMD). PL 1985, c. 713, §§1,2 (AMD). PL 1987, c. 740, §§15,16,17 (AMD). PL 2007, c. 466, Pt. A, §37 (AMD).

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