

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

S

1

SENATE BILL 1185

Short Title: Workers' Comp/Uninsured Employees.

(Public)

Sponsors: Senators Plyler; Conder and Smith.

Referred to: Insurance.

May 18, 1993

A BILL TO BE ENTITLED

AN ACT TO ESTABLISH THE UNINSURED EMPLOYEES INJURY FUND TO PROVIDE COMPENSATION FOR INJURED EMPLOYEES WHOSE EMPLOYERS FAILED TO SECURE THE PAYMENT OF COMPENSATION AND TO REQUIRE INSURERS THAT WRITE WORKERS' COMPENSATION INSURANCE IN THIS STATE TO CONTRIBUTE TO THIS FUND.

The General Assembly of North Carolina enacts:

Section 1. Chapter 97 of the General Statutes is amended by adding the following new sections to read:

"§ 97-94.1. Uninsured Employees Injury Fund.

(a) The Uninsured Employees Injury Fund is created and is to be administered by the Department of Insurance for the purpose of providing compensation to any employee who was awarded compensation pursuant to this Article, which compensation was determined to be payable by an employer who failed to secure the payment of compensation pursuant to G.S. 97-93. The Department of Insurance of North Carolina shall pay the award from this Fund within six months after the final award of compensation was ordered.

(b) The Uninsured Employees Injury Fund shall consist of contributions paid into the Fund by insurers that write workers' compensation insurance in this State pursuant to G.S. 97-94.3 and any interest that accrues to these contributions.

(c) The Department of Insurance of North Carolina shall report annually beginning January 1, 1994, to the General Assembly as to the amount of funds in the Fund and the number and amount of awards paid to uninsured employees from this Fund during the preceding calendar year.

1 **"§ 97-94.2. Verified report of premiums to be filed by insurers.**

2 Every insurer that writes workers' compensation insurance in this State shall, on or
3 before September 1 of each year and March 1 of the following year, file with the State
4 Treasurer and with the Commissioner of Insurance identical returns, under oath, on a
5 form to be prescribed and furnished by the Commissioner, stating the amount of net
6 written premiums for the six months' period ending June 30 of that year and December
7 31 of that year, respectively, on policies issued, renewed, or extended by the insurer, to
8 secure payment of compensation pursuant to G.S. 97-93. For the purposes of this
9 section, 'net written premiums' mean gross written premiums less return premiums on
10 policies returned not taken, and on policies canceled.

11 **"§ 97-94.3. Contributions to Uninsured Employees Injury Fund.**

12 For the privilege of doing business in North Carolina, every insurer that writes
13 workers' compensation insurance, upon filing each semiannual return pursuant to G.S.
14 97-94.2, shall pay into the Uninsured Employees Injury Fund a tax equal to five-tenths
15 percent (.5%) of the net written premiums for the period covered by the return.

16 **"§ 97-94.4. Contributions to stop when Fund exceeds limit.**

17 (a) Subject to subsection (b) of this section, whenever the Uninsured Employees
18 Injury Fund, less all known liabilities, exceeds one million dollars (\$1,000,000), no
19 further contributions shall be required as of the following December 31.

20 (b) Whenever the Uninsured Employees Injury Fund is reduced to an amount less
21 than one million dollars (\$1,000,000) due to payments made, pursuant to G.S. 97-94.1,
22 to any employees who were awarded compensation pursuant to this Article but whose
23 employers failed to secure the payment of this compensation, then the contributions to
24 this Fund shall be resumed immediately and shall continue until the Fund, taking all
25 known liabilities into account, exceeds one million dollars (\$1,000,000)."

26 Sec. 2. This act is effective upon ratification. This act applies to awards
27 ordered pursuant to final decisions under the Workers' Compensation Act entered on or
28 after March 15, 1993. The tax imposed by this act applies to premiums for workers'
29 compensation insurance policies written on or after January 1, 1993.