

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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HOUSE BILL 1090\*

Short Title: Workers' Comp./Subcontractors.

(Public)

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Sponsors: Representatives Lemmond; Allred, Buchanan, Cocklereece, Crawford, McComas, McMahan, G. Miller, Sexton, Sharpe, and Thompson.

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Referred to: Insurance, if favorable, Business and Labor.

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May 14, 1996

A BILL TO BE ENTITLED

AN ACT TO REMOVE THE REQUIREMENT FOR WORKERS' COMPENSATION  
COVERAGE FOR SUBCONTRACTORS WITH NO EMPLOYEES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 97-19 reads as rewritten:

**"§ 97-19. Liability of principal contractors; certificate that subcontractor has  
complied with law; right to recover compensation of those who would  
have been liable; order of liability.**

Any principal contractor, intermediate contractor, or subcontractor who shall sublet  
any contract for the performance of any work without requiring from such subcontractor  
or obtaining from the Industrial Commission a certificate, issued by a workers'  
compensation insurance carrier, or a certificate of compliance issued by the Department  
of Insurance to a self-insured subcontractor, stating that such subcontractor has complied  
with G.S. 97-93 hereof, shall be liable, irrespective of whether such subcontractor has  
regularly in service fewer than three employees in the same business within this State, to  
the same extent as such subcontractor would be if he were subject to the provisions of  
this Article for the payment of compensation and other benefits under this Article on  
account of the injury or death of ~~any such subcontractor, any principal or partner of such  
subcontractor or~~ any employee of such subcontractor due to an accident arising out of and

1 in the course of the performance of the work covered by such subcontract. If the principal  
2 contractor, intermediate contractor or subcontractor shall obtain such certificate at the  
3 time of subletting such contract to subcontractor, he shall not thereafter be held liable to  
4 ~~any such subcontractor, any principal or partner of such subcontractor, or any employee of~~  
5 such subcontractor for compensation or other benefits under this Article.

6 Any principal contractor, intermediate contractor, or subcontractor paying  
7 compensation or other benefits under this Article, under the foregoing provisions of this  
8 section, may recover the amount so paid from any person, persons, or corporation who  
9 independently of such provision, would have been liable for the payment thereof.

10 Every claim filed with the Industrial Commission under this section shall be instituted  
11 against all parties liable for payment, and said Commission, in its award, shall fix the  
12 order in which said parties shall be exhausted, beginning with the immediate employer.

13 The principal or owner may insure any or all of his contractors and their employees in  
14 a blanket policy, and when so insured such contractor's employees will be entitled to  
15 compensation benefits regardless of whether the relationship of employer and employee  
16 exists between the principal and the contractor."

17 Sec. 2. This act is effective upon ratification.