

GENERAL ASSEMBLY OF NORTH CAROLINA  
1995 SESSION

CHAPTER 555  
HOUSE BILL 1090

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

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

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

The principal or owner may insure any or all of his contractors and their employees in a blanket policy, and when so insured such contractor's employees will be entitled to

compensation benefits regardless of whether the relationship of employer and employee exists between the principal and the contractor."

Sec. 2. This act is effective upon ratification.

In the General Assembly read three times and ratified this the 10th day of June, 1996.

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Dennis A. Wicker  
President of the Senate

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Harold J. Brubaker  
Speaker of the House of Representatives