

GENERAL ASSEMBLY OF NORTH CAROLINA
1985 SESSION

CHAPTER 119
SENATE BILL 83

AN ACT TO TRANSFER THE REGULATION OF WORKERS' COMPENSATION
SELF- INSURANCE FROM THE INDUSTRIAL COMMISSION TO THE
DEPARTMENT OF INSURANCE.

The General Assembly of North Carolina enacts:

Section 1. G.S. 97-93 is rewritten to read:

"§ 97-93. Employers required to carry insurance or prove financial ability to pay for benefits; self-insured employers regulated by Commissioner of Insurance.–

(a) Every employer subject to the provisions of this Article relative to the payment of compensation shall either:

- (1) Insure and keep insured his liability under this Article in any authorized corporation, association, organization, or in any mutual insurance association formed by a group of employers so authorized;
or
- (2) Furnish to the Commissioner of Insurance satisfactory proof of the employer's financial ability, either alone or through membership in a group comprising two or more employers who agree to pool their liabilities under this Article, to directly pay the compensation in the amount and manner and when due as provided for in this Article.

(b) In the case of subdivision (a)(2) of this section, the Commissioner of Insurance may require the deposit of an acceptable security, indemnity, or bond to secure the payment of compensation liabilities as they are incurred. Any individual employer or group of employers who furnish proof of financial ability under subdivision (a)(2) of this section shall be governed in all respects by this Article and by such rules as may be promulgated by the Commissioner of Insurance.

(c) Payment of dividends to the members of any group of employers who agree to pool their liabilities under subdivision (a)(2) of this section shall not be contingent upon the maintenance or continuance of membership in such pools."

Sec. 2. G.S. 97-100(j) is amended in the 2nd, 3rd, and 5th lines by substituting the words, "Commissioner of Insurance" for the word, "Commission".

Sec. 3. G.S. 105-228.5 is amended in the final paragraph by rewriting the 4th and 5th lines to read:

"Insurance Commissioner as provided in G.S. 97-100(j)."

Sec. 4. G.S. 97-94(a) and (b) and G.S. 97-96 are amended by substituting "Commissioner of Insurance" for "Commission" wherever the word appears; and G.S.

97-96 is amended by substituting "Commissioner of Insurance" for "Industrial Commission".

Sec. 5. Article 2 of General Statutes Chapter 58 is amended by adding a new section to read:

"§ 58-16.3. Examination, annual statement, and records of employers self-insuring for workers' compensation.—The provisions of G.S. 58-16, 58-16.1, 58-16.2, 58-17, 58-18, 58-21, 58-22, 58-25, 58-25.1, 58-27, and 58-63 apply to employers that furnish proof of financial responsibility to the Commissioner under G.S. 97-93(a)(2) and to persons that administer workers' compensation self-insurance for such employers."

Sec. 6. This act shall become effective July 1, 1985.

In the General Assembly read three times and ratified, this the 25th day of April, 1985.