

NORTH CAROLINA RATE BUREAU

**POST OFFICE BOX 176010
RALEIGH, NORTH CAROLINA 27619-6010**

JOHN W. WATKINS
General Manager

3401 SIX FORKS ROAD
RALEIGH, NORTH CAROLINA 27609-4433

TELEPHONE (919) 783-9790
FAC SIMILE (919) 783-0333

JERRY G. HAMRICK
Workers Compensation Manager

DAVID E. STINE, JR.
Acting Manager

CHARLES B. TAYLOR
Personal Lines Manager

August 2, 1995

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Senate Bill 345

Attached is a memorandum which sets forth excerpts of Senate Bill 345, enacted during the 1995 North Carolina General Assembly, which makes substantive changes to several insurance laws affecting this Rate Bureau and the North Carolina Reinsurance Facility.

With respect to the attached memorandum:

Section 18 amends G.S. 58-36-1(5) with respect to handling of "difficult to place" workers' compensation insurance risks. Subsection (a) has been amended to delete an obsolete provision that permitted an assigned risk insurer to request a certification form from the North Carolina Department of Labor.

Subsection (b) has been amended to permit the Rate Bureau to furnish information regarding employers unable to purchase voluntary workers compensation insurance (Note: Procedures for requesting and disseminating the employer information will be developed and distributed at a later date).

Section 19 amends G.S. 58-36-25 with respect to procedures to be followed in connection with calculating any premium refunds to be paid to policyholders and the method for computing interest to be paid on such refunds.

Section 20 amends G.S. 58-36-30(b) and deals with consent-to-rate business.

Section 21 amends G.S. 58-36-30(c) and authorizes the Commissioner of Insurance to furnish to the Rate Bureau any workers compensation rate approved under the consent-to-rate provisions of G.S. 58-36-30(b).

Section 22 amends G.S. 58-36-85(e) and deals with the Insurance Department's administrative procedures for reviewing automobile insurance policy terminations.

Section 23 amends G.S. 58-37-30(b) and deals with rates to be charged on risks ceded to the Reinsurance Facility.

Section 24 amends G.S. 58-37-40(e) and provides for amendments to the Reinsurance Facility's Plan of Operation dealing with distribution of Facility gains incurred since September 1, 1977.

Section 25 amends G.S. 58-40-10(2) and changes the definition of "nonfleet" motor vehicle.

Section 35 amends G.S. 97-2(2), the North Carolina Workers Compensation Act, to permit a sole proprietor, a partner of a business or a member of a limited liability company, including those with no employees, to purchase a workers compensation insurance policy and elect to be included as an employee under that policy.

Section 36 amends G.S. 97-19 by deleting the provision that permits a subcontractor, with no employees, to waive his right to workers compensation benefits.

As provided in Senate Bill 345, Sections 20, 23, 25 and 36 become effective October 1, 1995. The other sections listed above became effective on ratification which occurred on July 29, 1995.

Please see to it that this circular letter is distributed to all interested personnel in your Company.

Very truly yours,

John W. Watkins

General Manager

JWW:lg

[Enclosure](#)

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