

September 9, 2013

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Workers Compensation Insurance
North Carolina Amended Coverage Endorsement
Revision to Form Number WC 32 03 01B
Resulting from Session Law 2013-413

A new mandatory North Carolina Amended Coverage Endorsement, form number WC 32 03 01 C, has been adopted by the North Carolina Rate Bureau and approved by the North Carolina Commissioner of Insurance. This endorsement replaces the existing endorsement WC 32 03 01 B and is mandatory on all new and renewal policies becoming effective on and after January 1, 2014.

The changes to this endorsement are the result of changes made to the statute governing cancellation of Workers Compensation insurance policies (N.C. Gen. Stat. §58-36-105) during the 2013 Legislative Session in North Carolina. These changes are contained in section 13(a) of Session Law 2013-413 (House Bill 74).

The revised statute changes the requirement that notice of cancellation can only be given by certified mail, return receipt requested and instead provides that certified mail, return receipt requested may be used to effect cancellation. However, the revised statute did not remove the requirement that, if that method is used, cancellation by the insurer is not effective "unless and until such method is employed and completed." The revised statute now also allows notice of cancellation, termination or nonrenewal to be given by any method permitted for service of process pursuant to Rule 4 of the North Carolina Rules of Civil Procedure.

For your further information, the following are attached:

- New North Carolina Amended Coverage Endorsement WC 32 03 01 C (Exhibit A).
- Mark-up of the existing endorsement showing the approved changes (Exhibit B).
- Session Law 2013-413 (Exhibit C). Note that section 13.(a) begins on page 12.
- Rule 4 of the North Carolina Rules of Civil Procedure (Exhibit D).

Please see to it that this circular is brought to the attention of all interested personnel in your company.

Sincerely,

Sue Taylor

Director of Insurance Operations

ST:dms
Attachments
C-13-12