

NORTH CAROLINA RATE BUREAU

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October 6, 1995

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Workers Compensation Insurance

Subcontractor's Waiver

As described in a Circular Letter to All Member Companies (G-95-2) dated August 2, 1995, one of the provisions of SB 345 amended NC GS 97-19 to delete the provision that permitted a subcontractor, with no employees, to waive his right to workers compensation benefits.

The elimination of the subcontractor's waiver has raised many questions with regard to the applicability of the waiver of compensation on and after October 1, 1995, the effective date of the amendment to NC GS 97-19.

While the Rate Bureau is unable to provide legal advice with regard to the statutory provisions, attached is a copy of a letter from Commissioner J. Randolph Ward, North Carolina Industrial Commission, in connection with the waiver. (Note: The *Woodard v. Smith d/b/a The Roof Company* decision referenced in Commissioner Ward's letter has not been reproduced for attachment to this Circular Letter.)

You should consult with your own counsel as to the effects of these statutory amendments.

Very truly yours,

Jerry G. Hamrick

Workers Compensation Manager

JGH:lm

Enclosure (Attachment not included)

C-95-21