

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

S

1

SENATE BILL 587

Short Title: Workers' Comp./Notice of Coverage.

(Public)

Sponsors: Senator Simpson.

Referred to: Manufacturing and Labor.

March 29, 1993

A BILL TO BE ENTITLED

AN ACT TO REQUIRE EMPLOYERS TO POST NOTICE AT ITS PLACES OF
EMPLOYMENT INDICATING THE EMPLOYER'S ABILITY TO PAY
BENEFITS PURSUANT TO THE WORKERS' COMPENSATION ACT.

The General Assembly of North Carolina enacts:

Section 1. G.S. 97-93 reads as rewritten:

"§ 97-93. Employers required to carry insurance or prove financial ability to pay for benefits; employers required to post notice; 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.

(a1) Every employer who is in compliance with the provisions of subsection (a) of this section shall post in a conspicuous place in places of employment a notice stating that employment by this employer is subject to The North Carolina Workers' Compensation Act and stating whether the employer has a policy of insurance against

1 liability or qualifies as a self-insured employer. In the event the employer allows its
2 insurance to lapse or ceases to qualify as a self-insured employer, the employer shall,
3 within five working days of this occurrence, post in a conspicuous place in places of
4 employment a notice stating that:

5 (1) Employment by this employer is subject to The North Carolina
6 Workers' Compensation Act;

7 (2) The employer fails to have a policy of insurance against liability and
8 fails to qualify as a self-insured employer, as required by this section;
9 and

10 (3) The employer does not have the financial ability to pay for benefits for
11 its employees

12 and remove any notices indicating otherwise.

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

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

22 Sec. 2. This act is effective upon ratification.