

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

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HOUSE BILL 27*
Committee Substitute Favorable 2/13/13

Short Title: Workers' Comp Fund/Safety Workers Allocation.

(Public)

Sponsors:

Referred to:

January 31, 2013

1 A BILL TO BE ENTITLED
2 AN ACT MODIFYING THE ALLOCATION OF THE PROCEEDS FROM THE GROSS
3 PREMIUM TAX ON INSURANCE COMPANIES UNDER G.S.105-228.5 TO
4 INCLUDE DEDICATED FUNDING FOR THE WORKERS' COMPENSATION FUND
5 FOR THE BENEFIT OF VOLUNTEER SAFETY WORKERS.

6 The General Assembly of North Carolina enacts:

7 SECTION 1. G.S. 105-228.5(d)(3) reads as rewritten:

8 "(d) Tax Rates; Disposition. –

9 ...

10 (3) Additional Rate on Property Coverage Contracts. – An additional tax at the
11 rate of seventy-four hundredths percent (0.74%) applies to gross premiums
12 on insurance contracts for property coverage. The tax is imposed on ten
13 percent (10%) of the gross premiums from insurance contracts for
14 automobile physical damage coverage and on one hundred percent (100%)
15 of the gross premiums from all other contracts for property coverage. Thirty
16 percent (30%) of the net proceeds of this additional tax must be credited to
17 the Volunteer Fire Department Fund established in Article 87 of Chapter 58
18 of the General Statutes. Twenty-five percent (25%) of the net proceeds must
19 be credited to the Department of Insurance for disbursement pursuant to
20 G.S. 58-84-25. ~~The remaining net proceeds must be credited to the General~~
21 ~~Fund.~~ Forty-five percent (45%) of the net proceeds must be credited to the
22 Department of Insurance for the Workers' Compensation Fund established
23 under G.S. 58-87-10.

24 The following definitions apply in this subdivision:

- 25 a. Automobile physical damage. – The following lines of business
26 identified by the NAIC: private passenger automobile physical
27 damage and commercial automobile physical damage.
28 b. Property coverage. – The following lines of business identified by
29 the NAIC: fire, farm owners multiple peril, homeowners multiple
30 peril, nonliability portion of commercial multiple peril, ocean
31 marine, inland marine, earthquake, private passenger automobile
32 physical damage, commercial automobile physical damage, aircraft,
33 and boiler and machinery. The term also includes insurance contracts
34 for wind damage.
35 c. NAIC. – National Association of Insurance Commissioners.

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1 **SECTION 2.** This act becomes effective July 1, 2013. This act does not obligate
2 the General Assembly to appropriate funds.