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SENATE BILL 326
Finance Committee Substitute Adopted 4/4/23
Judiciary Committee Substitute Adopted 4/18/23
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Short Title: Firefighter Cancer Ins/Alt Crim Rec Check.

(Public)

Sponsors:

Referred to:

March 20, 2023

A BILL TO BE ENTITLED

AN ACT TO MAKE PERMANENT THE FIREFIGHTERS' HEALTH BENEFITS PILOT PROGRAM AND TO RENAME IT THE FIREFIGHTERS' CANCER INSURANCE PROGRAM, TO MODIFY THE CURRENT PERCENTAGE DISTRIBUTION OF THE GROSS PREMIUMS TAX TO FUND THE PROGRAM, TO SET A MAXIMUM RESERVE FOR THE WORKERS' COMPENSATION FUND, AND TO PROVIDE AN ALTERNATIVE MEANS OF BACKGROUND CHECKS FOR FIREFIGHTING AND PREVENTION SERVICES APPLICANTS LIVING IN NORTH CAROLINA FOR LONGER THAN FIVE YEARS.

The General Assembly of North Carolina enacts:

SECTION 1. Effective July 1, 2023, G.S. 105-228.5(d)(3) reads as rewritten:

"(d) Tax Rates; Disposition. –

...

(3) Additional Rate on Property Coverage Contracts. – An additional tax at the rate of seventy-four hundredths percent (0.74%) applies to gross premiums on insurance contracts for property coverage. The tax is imposed on ten percent (10%) of the gross premiums from insurance contracts for automobile physical damage coverage and on one hundred percent (100%) of the gross premiums from all other contracts for property coverage. Twenty percent (20%) of the net proceeds of this additional tax must be credited to the Volunteer Fire Department Fund established in Article 87 of Chapter 58 of the General Statutes. Twenty percent (20%) of the net proceeds must be credited to the Department of Insurance for disbursement pursuant to G.S. 58-84-25. Up to twenty percent (20%), as determined in accordance with G.S. 58-87-10(f), must be credited to the Workers' Compensation Fund. Fund but in no event shall the fund reserve exceed forty-five million dollars (\$45,000,000), and the balance of the twenty percent (20%) must be credited to the Department of Insurance to be used to fund the Firefighters' Cancer Insurance Program. The remaining net proceeds must be credited to the General Fund. The additional tax imposed on property coverage contracts under this subdivision is a special purpose assessment based on gross premiums and not a gross premiums tax.

The following definitions apply in this subdivision:



- 1 a. Automobile physical damage. – The following lines of business
2 identified by the NAIC: private passenger automobile physical
3 damage and commercial automobile physical damage.
4 b. Property coverage. – The following lines of business identified by the
5 NAIC: fire, farm owners multiple peril, homeowners multiple peril,
6 nonliability portion of commercial multiple peril, ocean marine, inland
7 marine, earthquake, private passenger automobile physical damage,
8 commercial automobile physical damage, aircraft, and boiler and
9 machinery. The term also includes insurance contracts for wind
10 damage.
11 c. NAIC. – National Association of Insurance Commissioners."

12 **SECTION 2.** Chapter 58 of the General Statutes is amended by adding a new Article

13 to read:

14 "Article 86A.

15 "Firefighters' Cancer Insurance Program.

16 **"§ 58-86A-1. Purpose.**

17 The purpose of this program is to provide health benefits as authorized by this Article to
18 eligible firefighters with a new diagnosis of cancer on or after January 1, 2022. The health
19 benefits provided under this Article shall be supplemental to any other health benefits authorized
20 by law for firefighters.

21 **"§ 58-86A-2. Definitions.**

22 The following definitions apply in this Article:

- 23 (1) Cancer. – Malignant neoplasms of the body that may be caused by exposure
24 to heat, radiation, or a known carcinogen, as defined by the World Health
25 Organization's International Agency for Research on Cancer.
26 (2) Eligible firefighter. – A firefighter who meets the requirements of
27 G.S. 58-86A-3.
28 (3) Fire department. – Any organization that is not a federal agency, including
29 any public or government-sponsored organization, that is located and based in
30 this State and provides rescue, fire suppression, and related activities.
31 (4) Firefighter. – As defined in G.S. 58-84-5.

32 **"§ 58-86A-3. Eligibility.**

33 To be eligible to receive benefits under the pilot program, a firefighter:

- 34 (1) Must have served in a North Carolina fire department for a minimum of five
35 continuous years.
36 (2) Must have received a new diagnosis of cancer on or after January 1, 2022. A
37 firefighter with a diagnosis of cancer prior to January 1, 2022, is not eligible
38 for benefits in the pilot program for that previously diagnosed cancer type but
39 remains eligible for benefits in the pilot program upon diagnosis of any other
40 cancer type. A firefighter is not eligible to receive benefits under the pilot
41 program if the firefighter is receiving benefits related to cancer under Article
42 1 of Chapter 97 of the General Statutes, the North Carolina Workers'
43 Compensation Act.

44 **"§ 58-86A-4. Benefits.**

45 The following benefits shall be provided under this program:

- 46 (1) Medical costs reimbursement. – An eligible firefighter shall receive
47 reimbursement of up to twelve thousand dollars (\$12,000) for any
48 out-of-pocket medical expenses incurred, including deductibles, copayments,
49 or coinsurance costs, for each diagnosis of cancer.
50 (2) Lump sum benefit. – Not to exceed a total of fifty thousand dollars (\$50,000),
51 a lump sum benefit of twenty-five thousand dollars (\$25,000) for each

1 diagnosis of cancer shall be payable to an eligible firefighter upon sufficient
2 proof to the insurance carrier, the Department, or other applicable payor of a
3 diagnosis of cancer by a board-certified, licensed physician in the medical
4 specialty appropriate for the type of cancer diagnosed.

5 (3) Disability benefit. – Upon sufficient proof to the insurance carrier, the
6 Department, or other applicable payor of total disability resulting from the
7 diagnosis of cancer or that the cancer precludes the firefighter from serving as
8 a firefighter, the following disability benefits shall be paid to an eligible
9 firefighter beginning six months after the total disability or inability to
10 perform the duties of a firefighter, whichever applies:

11 a. For a nonvolunteer firefighter. – A monthly benefit that is either (i)
12 equal to seventy-five percent (75%) of the firefighter's monthly salary
13 or (ii) five thousand dollars (\$5,000), whichever is less.

14 b. For a volunteer firefighter. – A monthly benefit of one thousand five
15 hundred dollars (\$1,500).

16 **§ 58-86A-5. Limitations on disability benefit.**

17 The following limitations apply to disability benefits under this section:

18 (1) Disability benefits shall continue for no more than 36 consecutive months.

19 (2) Any firefighter receiving disability benefits may be required to have his or her
20 condition reevaluated to determine if that firefighter has regained the ability
21 to perform the duties of a firefighter. If that reevaluation indicates that the
22 firefighter has regained the ability to perform the duties of a firefighter, then
23 the monthly disability benefits shall cease on the last day of the month the
24 reevaluation was conducted.

25 (3) If there is no reevaluation performed under subdivision (2) of this section, but
26 the firefighter's treating physician determines that the firefighter is again able
27 to perform the duties of a firefighter, then the disability benefits shall cease on
28 the last day of the month that the physician made the determination.

29 (4) If a firefighter returns to work as a firefighter before exhaustion of the 36
30 months of disability benefit an eligible firefighter may receive under this
31 section, and if there is a subsequent recurrence of disability caused by cancer
32 that again precludes the firefighter from performing the duties of a firefighter,
33 then the firefighter shall be entitled to any remaining monthly disability
34 benefits, not to exceed 36 months in total.

35 (5) The monthly disability benefit shall be subordinate to any other benefit paid
36 from any source to the firefighter solely for a disability related to the cancer
37 diagnosis, so long as that source is not private insurance purchased solely by
38 the firefighter. Disability benefits under this section shall be limited to the
39 difference between the benefit amount paid by the other source and the
40 amounts specified under G.S. 58-86A-4(3).

41 **§ 58-86A-6. Reporting requirements.**

42 On January 1 of each year, the Department shall submit a report to the General Assembly and
43 to the Governor that includes the following information:

44 (1) The number, type, and primary work location of all firefighters participating
45 in the program. For purposes of this section, the term "type" means a
46 volunteer, employee, contractor, or member of a rated and certified fire
47 department, or employee of a county fire marshal's office whose sole duty is
48 to act as fire marshal, deputy fire marshal, assistant fire marshal, or firefighter
49 of the county.

50 (2) The number of benefit claims filed, by type.

51 (3) The types of cancer for which benefit claims were filed, by type.

1 (4) All benefits paid out under this section, by type."

2 **SECTION 3.(a)** G.S. 153A-233 reads as rewritten:

3 "**§ 153A-233. Fire-fighting and prevention services.**

4 A county may establish, organize, equip, support, and maintain a fire department; may
5 prescribe the duties of the fire department; may provide financial assistance to incorporated
6 volunteer fire departments; may contract for fire-fighting or prevention services with one or more
7 counties, cities or other units of local government, incorporated ~~volunteer~~ fire departments, or
8 with an agency of the State government; and may for these purposes appropriate funds not
9 otherwise limited as to use by law. A county shall ensure that any county, city or other unit of
10 local government, or incorporated ~~volunteer~~ fire department with whom the county contracts for
11 fire-fighting and prevention services shall obtain a criminal history record check ~~of any person~~
12 ~~who applies for~~ for an applicant over the age of 18 prior to offering that applicant a paid or
13 volunteer position providing fire-fighting or prevention services. The criminal history record
14 check shall be conducted and evaluated as provided in ~~G.S. 143B-943.~~G.S. 143B-943, or, if an
15 applicant has been a resident of North Carolina for over five years and reports no charges or
16 convictions on the application, the record check requirement of this section may be conducted
17 through the county clerk of court or a third-party vendor. The county may also designate fire
18 districts or parts of existing districts and prescribe the boundaries thereof for insurance grading
19 purposes."

20 **SECTION 3.(b)** G.S. 153A-234(b) reads as rewritten:

21 "(b) ~~The fire marshal~~ marshal, or the fire marshal's designee, shall obtain a criminal history
22 record check ~~of any person who applies for~~ for an applicant over the age of 18 prior to offering
23 that applicant a paid or volunteer position with the fire department. The criminal history record
24 check shall be conducted and evaluated as provided in ~~G.S. 143B-943.~~G.S. 143B-943, or, if an
25 applicant has been a resident of North Carolina for over five years and reports no charges or
26 convictions on the application, the record check requirement of this subsection may be conducted
27 through the county clerk of court or a third-party vendor."

28 **SECTION 3.(c)** G.S. 160A-292(b) reads as rewritten:

29 "(b) ~~The fire chief~~ chief, or the fire chief's designee, shall obtain a criminal history record
30 check ~~of any person who applies for~~ for an applicant over the age of 18 prior to offering that
31 applicant a paid or volunteer position with the fire department. The criminal history record check
32 shall be conducted and evaluated as provided in ~~G.S. 143B-943.~~G.S. 143B-943, or, if an
33 applicant has been a resident of North Carolina for over five years and reports no charges or
34 convictions on the application, the record check requirement of this subsection may be conducted
35 through the county clerk of court or a third-party vendor."

36 **SECTION 4.** Sections 1 and 2 of this act become effective July 1, 2023, and apply
37 to the distribution of net proceeds of the gross premiums tax collected on or after that date.
38 Section 3 of this act is effective when it becomes law and applies to applications submitted on or
39 after that date. Except as otherwise provided, this act is effective when it becomes law.