

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

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HOUSE BILL 354*

Short Title: Workers' Compensation Amendments-AB. (Public)

Sponsors: Representatives Dockham and Hurley (Primary Sponsors).

Referred to: Insurance.

March 1, 2001

A BILL TO BE ENTITLED

AN ACT TO REMOVE AN INEQUITY FROM THE INSURANCE GUARANTY ASSOCIATION ACT RELATING TO WORKERS' COMPENSATION CLAIMS ARISING ON AND AFTER JANUARY 1, 1993; TO CHANGE A REQUIREMENT IN THE LOSS COSTS RATE-MAKING LAW; AND TO AMEND THE RATE BUREAU APPEAL STATUTE TO PROVIDE THAT MEMBER COMPANIES ARE NOT ALLOWED TO APPEAL BUREAU DECISIONS ON RATES OR LOSS COSTS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 58-48-110 reads as rewritten:

"§ 58-48-110. Purpose of the accounts.

The purpose of the accounts created in the Association pursuant to under G.S. 58-48-115 and G.S. 58-48-120 of this Article shall be solely to:

- (1) Receive the balance from the accounts created under former G.S. 97-107 and ~~G.S. 97-114~~; G.S. 97-114.
- (2) Receive assessment moneys from member companies as provided in G.S. 58-48-115(a)(3), 58-48-120(b), and ~~58-48-120(e)~~; 58-48-120(c).
- (3) Receive interest on moneys in the ~~aeccounts~~; accounts.
- (4) Pay stock or mutual carrier claims made against the security funds established under G.S. 97-107 and ~~G.S. 97-114~~, ~~but only for claims existing before January 1, 1993~~; and G.S. 97-114.
- (5) Refund to the contributing stock companies in accordance with G.S. 58-48-115 the excess moneys in the stock fund account as set forth in G.S. 58-48-115(a)(2)."

SECTION 2. G.S. 58-36-100(j) reads as rewritten:

"(j) For reference filings filed by the Bureau:

- 1 (1) If the insurer has filed to have its loss multiplier remain on file,
2 applicable to subsequent reference filings, and a new reference filing is
3 filed and approved and if:
- 4 a. The insurer decides to use the revision of the prospective loss
5 costs and effective date as filed, then the insurer does not file
6 anything with the Commissioner. Rates are the combination of
7 the prospective loss costs and the on-file loss multiplier and
8 become effective on the effective date of the loss costs.
- 9 b. The insurer decides to use the prospective loss costs as filed but
10 with a different effective date, then the insurer must notify the
11 Commissioner of its effective date before the effective date of
12 the loss costs.
- 13 c. The insurer decides to use the revision of the prospective loss
14 costs, but wishes to change its loss multiplier, then the insurer
15 must file a revised reference filing adoption form before the
16 effective date of the reference filing.
- 17 d. The insurer decides not to revise its rates using the prospective
18 loss costs, then the insurer must notify the Commissioner before
19 the effective date of the loss costs.
- 20 (2) If an insurer has not elected to have its loss multiplier remain on file,
21 applicable to future prospective loss costs reference filings, and a new
22 reference filing is filed and approved, and if:
- 23 a. The insurer decides to use the prospective loss costs to revise its
24 rates, then the insurer must file a reference filing adoption form
25 including its effective date.
- 26 b. The insurer decides not to use the revisions, then the insurer
27 does not file anything with the Commissioner.
- 28 c. The insurer decides to change its multiplier, then the insurer
29 must file a reference filing adoption form referencing the
30 current approved prospective loss costs, including its effective
31 date and, if applicable, its loss costs modification factor and
32 supporting documentation. The insurer shall not make a change
33 to its loss costs multiplier based on any reference filing other
34 than the current approved reference filing."

35 **SECTION 3.** G.S. 58-36-35 reads as rewritten:

36 **"§ 58-36-35. Appeal to Commissioner from decision of Bureau.**

37 (a) Any member of the Bureau may appeal to the Commissioner from any decision
38 of the ~~Bureau.~~ Bureau, except for a decision made under G.S. 58-36-1(2). After a
39 hearing held on not less fewer than 10 days' written notice to the appellant and to the
40 Bureau, the Commissioner shall issue an order approving the decision or directing the
41 Bureau to reconsider the decision. ~~In the event~~ If the Commissioner directs the Bureau
42 to reconsider the decision and the Bureau fails to take action satisfactory to the
43 Commissioner, the Commissioner shall make such order as ~~he~~ the Commissioner may
44 see fit.

1 (b) No later than 20 days before ~~each~~ the hearing, the appellant shall file with the
2 Commissioner or ~~his~~ the Commissioner's designated hearing officer and shall serve on
3 the appellee a written statement of his case and any evidence ~~he~~ the appellant intends to
4 offer at the hearing. No later than five days before such hearing, the appellee shall file
5 with the Commissioner or ~~his~~ the Commissioner's designated hearing officer and shall
6 serve on the appellant a written statement of ~~his~~ the appellee's case and any evidence ~~he~~
7 the appellee intends to offer at the hearing. Each such hearing shall be recorded and
8 transcribed. The cost of ~~such~~ the recording and transcribing shall be borne equally by
9 the appellant and appellee; provided that upon any final adjudication the prevailing
10 party shall be reimbursed for his share of such costs by the other party. Each party shall,
11 on a date determined by the Commissioner or ~~his~~ the Commissioner's designated
12 hearing officer, but not sooner than 15 days after delivery of the completed transcript to
13 the party, submit to the Commissioner or ~~his~~ the Commissioner's designated hearing
14 officer and serve on the other party, a proposed order. The Commissioner or ~~his~~ the
15 Commissioner's designated hearing officer shall then issue an order."

16 **SECTION 4.** Sections 1 and 4 of this act become effective January 1, 1993.
17 The remainder of this act is effective when it becomes law.