

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013**

H

D

**HOUSE BILL 27*
PROPOSED COMMITTEE SUBSTITUTE H27-PCS30050-SV-1**

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

(Public)

Sponsors:

Referred to:

January 31, 2013

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

The General Assembly of North Carolina enacts:

SECTION 1. 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. Thirty percent (30%) 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-five percent (25%) of the net proceeds must be credited to the Department of Insurance for disbursement pursuant to G.S. 58-84-25. ~~The remaining net proceeds must be credited to the General Fund.~~ Forty-five percent (45%) of the net proceeds must be credited to the Department of Insurance for the Workers' Compensation Fund established under G.S. 58-87-10.

The following definitions apply in this subdivision:

- a. Automobile physical damage. – The following lines of business identified by the NAIC: private passenger automobile physical damage and commercial automobile physical damage.
- b. Property coverage. – The following lines of business identified by the NAIC: fire, farm owners multiple peril, homeowners multiple peril, nonliability portion of commercial multiple peril, ocean marine, inland marine, earthquake, private passenger automobile physical damage, commercial automobile physical damage, aircraft, and boiler and machinery. The term also includes insurance contracts for wind damage.



* H 2 7 - P C S 3 0 0 5 0 - S V - 1 *

1 c. NAIC. – National Association of Insurance Commissioners.

2 "

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