

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2013**

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**HOUSE DRH10031-LR-5C\* (11/15)**

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

(Public)

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Sponsors: Representatives Howard, Hager, and Torbett (Primary Sponsors).

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Referred to:

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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 NORTH CAROLINA FIREMEN'S AND  
5 RESCUE SQUAD WORKERS' PENSION FUND AND THE WORKERS'  
6 COMPENSATION FUND FOR THE BENEFIT OF VOLUNTEER SAFETY WORKERS.

7 The General Assembly of North Carolina enacts:

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

9 "(d) Tax Rates; Disposition. –

10 ...

11 (3) Additional Rate on Property Coverage Contracts. – An additional tax at the  
12 rate of seventy-four hundredths percent (0.74%) applies to gross premiums  
13 on insurance contracts for property coverage. The tax is imposed on ten  
14 percent (10%) of the gross premiums from insurance contracts for  
15 automobile physical damage coverage and on one hundred percent (100%)  
16 of the gross premiums from all other contracts for property coverage. Thirty  
17 percent (30%) of the net proceeds of this additional tax must be credited to  
18 the Volunteer Fire Department Fund established in Article 87 of Chapter 58  
19 of the General Statutes. Twenty-five percent (25%) of the net proceeds must  
20 be credited to the Department of Insurance for disbursement pursuant to  
21 G.S. 58-84-25. ~~The remaining net proceeds must be credited to the General~~  
22 ~~Fund.~~ Twenty-seven percent (27%) of the net proceeds must be credited to  
23 the Department of Insurance for the Workers' Compensation Fund  
24 established under G.S. 58-87-10. Eighteen percent (18%) of the net proceeds  
25 must be credited to the Office of the State Treasurer for The North Carolina  
26 Firemen's and Rescue Squad Workers' Pension Fund established under  
27 Article 86 of Chapter 58 of the General Statutes.

28 The following definitions apply in this subdivision:

- 29 a. Automobile physical damage. – The following lines of business  
30 identified by the NAIC: private passenger automobile physical  
31 damage and commercial automobile physical damage.  
32 b. Property coverage. – The following lines of business identified by  
33 the NAIC: fire, farm owners multiple peril, homeowners multiple  
34 peril, nonliability portion of commercial multiple peril, ocean  
35 marine, inland marine, earthquake, private passenger automobile



- 1 physical damage, commercial automobile physical damage, aircraft,  
2 and boiler and machinery. The term also includes insurance contracts  
3 for wind damage.
- 4 c. NAIC. – National Association of Insurance Commissioners.
- 5 (4) Repealed by Session Laws 2006-196, effective for taxable years beginning  
6 on or after January 1, 2008.
- 7 (5) Repealed by Session Laws 2003-284, s. 43.1, effective for taxable years  
8 beginning on or after January 1, 2004.
- 9 (6) Repealed by Session Laws 2005-276, s. 38.4(a), effective for taxable years  
10 beginning on or after January 1, 2007."
- 11 **SECTION 2.** This act becomes effective July 1, 2013. This act does not obligate  
12 the General Assembly to appropriate funds.