

FAILED



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 532

AMENDMENT NO. A1
(to be filled in by
Principal Clerk)

H532-ATU-43 [v.2]

Page 1 of 3

Amends Title [NO]
Third Edition

Date _____, 2015

Senator Bryant

1 moves to amend the bill on page 1, lines 6 – 7, by inserting the following between the lines:

2
3 "SECTION 1.1. G.S. 97-19 reads as rewritten:

4 **§ 97-19. Liability of principal contractors; certificate that subcontractor has complied**
5 **with law; right to recover compensation of those who would have been liable;**
6 **order of liability.**

7 Any principal contractor, intermediate contractor, or subcontractor who shall sublet any
8 contract for the performance of any work without obtaining from such subcontractor or
9 obtaining from the Industrial Commission a certificate, issued by a workers' compensation
10 insurance carrier, or a certificate of compliance issued by the Department of Insurance to a
11 self-insured subcontractor, stating that such subcontractor has complied with G.S. 97-93 for a
12 specified term, shall be liable, irrespective of whether such subcontractor has regularly in
13 service fewer than three employees in the same business within this State, to the same extent as
14 such subcontractor would be if he were subject to the provisions of this Article for the payment
15 of compensation and other benefits under this Article on account of the injury or death of any
16 employee of such subcontractor due to an accident arising out of and in the course of the
17 performance of the work covered by such subcontract. If the principal contractor, intermediate
18 contractor or subcontractor shall obtain such certificate at any time before subletting such
19 contract to the subcontractor, he shall not thereafter be held liable to any employee of such
20 subcontractor for compensation or other benefits under this Article and within the term
21 specified by the certificate.

22 Notwithstanding the provisions of this section, any principal contractor, intermediate
23 contractor, or subcontractor who shall sublet any contract for the performance of work shall not
24 be held liable to any employee of such subcontractor if either (i) the subcontractor has a
25 workers' compensation insurance policy in compliance with G.S. 97-93 in effect on the date of
26 injury regardless of whether the principal contractor, intermediate contractor, or subcontractor
27 failed to timely obtain a certificate from the subcontractor; or (ii) the policy expired or was
28 cancelled prior to the date of injury provided the principal contractor, intermediate contractor,
29 or subcontractor obtained a certificate at any time before subletting such contract to the
30 subcontractor and has requested notice in writing from the issuing workers' compensation
31 insurance carrier or the Department of Insurance to be notified of any modifications to the
32 policy that may affect coverage, was not notified and was unaware of the expiration or



* H 5 3 2 - A T U - 4 3 - V - 2 *

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 532

FAILED

AMENDMENT NO. A1
(to be filled in by
Principal Clerk)

H532-ATU-43 [v.2]

Page 2 of 3

1 cancellation. Following the receipt of a request, the issuing carrier shall be required to provide
2 said notifications to the requesting entity in a timely manner prior to the expiration or
3 cancellation of the policy.

4 Any principal contractor, intermediate contractor, or subcontractor paying compensation or
5 other benefits under this Article, under the foregoing provisions of this section, may recover the
6 amount so paid from any person, persons, or corporation who independently of such provision,
7 would have been liable for the payment thereof.

8 Every claim filed with the Industrial Commission under this section shall be instituted
9 against all parties liable for payment, and said Commission, in its award, shall fix the order in
10 which said parties shall be exhausted, beginning with the immediate employer.

11 The principal or owner may insure any or all of his contractors and their employees in a
12 blanket policy, and when so insured such contractor's employees will be entitled to
13 compensation benefits regardless of whether the relationship of employer and employee exists
14 between the principal and the contractor."

15 **SECTION 1.3.** G.S. 58-36-105(b) reads as rewritten:

16 (b) ~~Any~~ Subject to the provisions of G.S. 97-19, any cancellation permitted by
17 subsection (a) of this section is not effective unless written notice of cancellation has been
18 given to the insured not less than 15 days before the proposed effective date of cancellation.
19 The notice may be given by registered or certified mail, return receipt requested, to the insured
20 and any other person designated in the policy to receive notice of cancellation at their addresses
21 shown in the policy or, if not indicated in the policy, at their last known addresses. The notice
22 shall state the precise reason for cancellation. Whenever notice of intention to cancel is given
23 by registered or certified mail, no cancellation by the insurer shall be effective unless and until
24 such method is employed and completed. Notice of cancellation, termination, or nonrenewal
25 may also be given by any method permitted for service of process pursuant to Rule 4 of the
26 North Carolina Rules of Civil Procedure. Failure to send this notice, as provided in this section,
27 to any other person designated in the policy to receive notice of cancellation invalidates the
28 cancellation only as to that other person's interest."

29 **SECTION 1.4.** G.S. 58-36-110(e) reads as rewritten:

30 (e) ~~The~~ Subject to the provisions of G.S. 97-19, the notice required by this section shall
31 be given by mail to the insured and any other person designated in the policy to receive this
32 notice at their addresses shown in the policy or, if not indicated in the policy, at their last
33 known addresses. The notice of nonrenewal shall state the precise reason for nonrenewal.
34 Failure to send this notice, as provided in this section, to any other person designated in the
35 policy to receive this notice invalidates the nonrenewal only as to that other person's interest."

36
37
38

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 532

FAILED

AMENDMENT NO. A1
(to be filled in by
Principal Clerk)

H532-ATU-43 [v.2]

Page 3 of 3

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

**The official copy of this document, with signatures
and vote information, is available in the
Senate Principal Clerk's Office**