

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2023

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SENATE BILL 319  
House Committee Substitute Favorable 6/12/24  
PROPOSED HOUSE COMMITTEE SUBSTITUTE S319-PCS15462-BRF-31

Short Title: Insurance Rev/Online Auctions/Firefighters.

(Public)

Sponsors:

Referred to:

March 20, 2023

A BILL TO BE ENTITLED

AN ACT TO REVISE STATUTES RELATED TO CAPTIVE INSURANCE, TO ESTABLISH A PROCEDURE FOR REMOTE BIDDING AT A FORECLOSURE SALE, TO PERMIT HEALTH BENEFIT PLAN SPONSORS TO OBTAIN CONSENT TO ELECTRONIC MAILING OF REQUIRED COMMUNICATIONS, TO REVISE LAWS PERTAINING TO THE LICENSING OF INSURANCE PRODUCERS, TO AMEND THE DEFINITION OF AN UNDERINSURED VEHICLE, TO MAKE TECHNICAL CHANGES TO CERTAIN PROVISIONS IN S.L. 2023-133 CONCERNING THE CALCULATION OF UNDERINSURED MOTORIST COVERAGE AND INSURANCE RATEMAKING LAWS, 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 INCREASE THE MONTHLY PAYMENT AND PENSION FOR MEMBERS OF THE NORTH CAROLINA FIREFIGHTERS' AND RESCUE SQUAD WORKERS' PENSION 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.** G.S. 58-22-15 is amended by adding a new subsection to read:

"(c1) Examination Regarding Financial Condition. – The Commissioner may examine any risk retention group whenever the Commissioner deems it prudent and reasonable. The examination shall be (i) coordinated with other examining bodies in a manner that avoids unnecessarily repetitious examinations, (ii) conducted in an expeditious manner, and (iii) conducted in accordance with the Examiner Handbook of the NAIC. The costs associated with an examination pursuant to this subsection shall be the responsibility of the examined risk retention group."

**SECTION 2.** G.S. 58-22-20 reads as rewritten:

**"§ 58-22-20. Risk retention groups not chartered in this State.**

Risk retention groups that have been chartered in states other than this State and that seek to do business as risk retention groups in this state must observe and abide by the laws of this State as follows:

...

(3) Taxation. –



\* S 3 1 9 - P C S 1 5 4 6 2 - B R F - 3 1 \*

- 1 a. All premiums paid for coverages within this State to risk retention  
2 groups shall be subject to taxation at the ~~same~~ rate of one and  
3 eighty-five hundredths percent (1.85%) and subject to the same  
4 payment procedures and to the same interest, fines, and penalties for  
5 nonpayment as those applicable to surplus lines insurance under  
6 Article 21 of this Chapter. Premiums paid by purchasing groups are,  
7 however, taxed as provided in G.S. 58-22-35(b).

8 ...."

9 **SECTION 3.(a)** G.S. 105-228.4A(g) reads as rewritten:

10 "(g) A captive insurance company formed and licensed under the laws of a jurisdiction  
11 other than North Carolina that (i) obtains the approval of the North Carolina Commissioner of  
12 Insurance to redomesticate to North Carolina pursuant to G.S. 58-10-380(g) to operate as a North  
13 Carolina-domiciled captive insurance company and (ii) redomesticates to North Carolina ~~on or~~  
14 ~~before December 31, 2022,~~ is exempted from premium taxes imposed by this section for the year  
15 in which the redomestication occurs and the premium taxes imposed by this section for the  
16 calendar year following the redomestication. This subsection expires for taxable years beginning  
17 on or after January 1, ~~2024, 2026.~~"

18 **SECTION 3.(b)** This section is effective when it becomes law.

19 **SECTION 4.(a)** G.S. 45-21.4 reads as rewritten:

20 **"§ 45-21.4. Place of sale of real property.**

21 (a) Every sale of real property shall be held in the county where the property is situated  
22 unless the property consists of a single tract situated in two or more counties.

23 (b) A sale of a single tract of real property situated in two or more counties may be held  
24 in any one of the counties in which any part of the tract is situated. As used in this section, a  
25 "single tract" means any tract which has a continuous boundary, regardless of whether parts  
26 thereof may have been acquired at different times or from different persons, or whether it may  
27 have been subdivided into other units or lots, or whether it is sold as a whole or in parts.

28 (c) When a mortgage or deed of trust with power of sale of real property designates the  
29 place of sale within the county, the sale shall be held at the place so designated.

30 (d) When a mortgage or deed of trust with power of sale of real property confers upon  
31 the mortgagee or trustee the right to designate the place of sale, the sale shall be held at the place  
32 designated by the notice of sale, which place shall be either on the premises to be sold or as  
33 follows:

34 (1) Property situated wholly within a single county shall be sold at the courthouse  
35 door of the county in which the land is ~~situated,~~ situated or at another public  
36 location within the county where the land is situated as designated by the  
37 mortgagee or trustee.

38 (2) A single tract of property situated in two or more counties may be sold at the  
39 courthouse door of any one of the counties in which some part of the real  
40 property is ~~situated,~~ situated or at another public location within any one of the  
41 counties in which some part of the real property is situated as designated by  
42 the mortgagee or trustee.

43 (e) When a mortgage or deed of trust with power of sale of real property does not  
44 designate, or confer upon the mortgagee or trustee the right to designate, the place of sale, or  
45 when it designates as the place of sale some county in which no part of the property is situated,  
46 such real property shall be sold as follows:

47 (1) Property situated wholly within a single county shall be sold at the courthouse  
48 door of the county in which the land is ~~situated,~~ situated or at another public  
49 location within the county where the land is situated as designated by the clerk  
50 of the superior court of the county where the land is situated.

- 1 (2) A single tract of property situated in two or more counties may be sold at the  
2 courthouse door of any one of the counties in which some part of the real  
3 property is ~~situated~~situated or another public location within one of the  
4 counties in which some part of the real property is situated as designated by  
5 the clerk of the superior court of one of the counties in which some part of the  
6 real property is situated."

7 **SECTION 4.(b)** G.S. 45-21.23 reads as rewritten:

8 **"§ 45-21.23. Time of sale.**

9 A sale shall begin at the time designated in the notice of sale or as soon thereafter as  
10 practicable, but not later than ~~one hour~~three hours after the time fixed therefor unless it is delayed  
11 by other sales held at the same place. The sale shall be held between the hours of 10:00 A.M. and  
12 4:00 P.M. on any day when the clerk's office is normally open for transactions."

13 **SECTION 4.(c)** Part 2 of Article 2A of Chapter 45 of the General Statutes is  
14 amended by adding a new section to read:

15 **"§ 45-21.25A. Bids placed remotely.**

16 (a) The person exercising the power of sale of real property, or that person's agent, may  
17 accept remote bids from bidders not physically present at the place of sale, as designated pursuant  
18 to G.S. 45-21.4. All bids accepted at the sale must be clearly announced to all participating  
19 bidders, whether physically present or not.

20 (b) Prior to accepting a remote bid, the person exercising the power of sale of real  
21 property, or that person's agent, shall collect all funds required to be paid by the winning bidder  
22 in accordance with G.S. 45-21.10.

23 (c) Any charges incurred by the person exercising the power of sale of real property, or  
24 that person's agent, in connection with remote bidding authorized under this section shall not be  
25 chargeable to the mortgagor or otherwise recoverable as costs and expenses of the foreclosure."

26 **SECTION 5.** G.S. 58-2-255 reads as rewritten:

27 **"§ 58-2-255. Electronic insurance communications and records.**

28 (a) Definitions. – ~~As used~~The following definitions apply in this section:

- 29 (1) ~~"Communications" means notices,~~Communications. – Notices, offers,  
30 disclosures, documents, forms, information, and ~~correspondence~~  
31 correspondence, including an identification card, required or permitted to be  
32 provided to a party in writing under the insurance laws of this State or that are  
33 otherwise provided by an insurer, including, but not limited to, notices  
34 pertaining to the cancellation, termination, or nonrenewal of insurance.

- 35 (2) ~~"Delivered by electronic means" includes any~~Delivered by electronic means.  
36 – Any of the following:

- 37 a. Delivery to an electronic mail address or an electronic account at  
38 which a party has consented to receive electronic communications.  
39 b. Displaying information, or a link to information, as an essential step  
40 to completing the transaction to which such information relates.  
41 c. Providing notice to a party at the electronic mail address or an  
42 electronic account at which the party has consented to receive notice  
43 of the posting of a communication on an electronic network or site.

44 (2a) Health benefit plan. – As defined in G.S. 58-3-167.

45 (2b) Health benefit plan sponsor. – A person, other than a regulated entity, who  
46 establishes, adopts, or maintains a health benefit plan that covers residents of  
47 this State, including a plan established, adopted, or maintained by an employer  
48 or jointly by an employer and one or more employee organizations, an  
49 association, a committee, a joint board of trustees, or any similar group of  
50 representatives who establish, adopt, or maintain a health benefit plan.

- 51 (3) ~~"Insurer" has the same meaning as~~Insurer. – As defined in G.S. 58-1-5(3).

1 (4) ~~"Party" means a Party.~~ – A recipient of any communications defined in this  
2 section. "Party" includes an applicant, policyholder, insured, claimant,  
3 member, provider, or beneficiary.

4 (b) When any insurance law of this State requires a communication to be provided to a  
5 party in writing, signed by a party, provided by means of a specific delivery method, or retained  
6 by an insurer, those requirements are satisfied if the insurer complies with Article 40 of Chapter  
7 66 of the General Statutes.

8 (c) Verification of communications delivered by electronic means shall constitute proof  
9 of mailing in civil and administrative proceedings and under the insurance laws of this State.

10 (d) Nothing in this section affects requirements related to the content or timing of any  
11 communication required under the insurance laws of this State.

12 (e) A recording of an oral communication between an insurer and a party that is reliably  
13 stored and reproduced by an insurer shall constitute an electronic communication or record.  
14 When a communication is required under the insurance laws of this State to be provided in  
15 writing, the communication provided in accordance with this subsection shall satisfy the  
16 requirement that the communication be in writing. When a communication is required under the  
17 insurance laws of this State to be signed, a recorded oral communication in which a party agrees  
18 to the terms stated in the oral communication shall satisfy the requirement.

19 (f) A health benefit plan sponsor may, on behalf of any individual enrolled in the plan,  
20 provide consent for all communications related to the plan to be delivered by electronic means,  
21 unless such action is prohibited under any applicable provisions of the federal Employee  
22 Retirement and Income Security Act of 1974 (ERISA).

23 (g) Before consenting on behalf of an individual covered by a plan, as described in  
24 subsection (f) of this section, the health benefit plan sponsor shall confirm that the covered  
25 individual routinely uses electronic communications during the normal course of employment.

26 (h) Before delivering communications by electronic means, an insurer must:

27 (1) Give the covered individual the opportunity to opt out of delivery by  
28 electronic means.

29 (2) Send the communications by U.S. Mail if the insurer becomes aware the  
30 electronic mail address at which the covered individual consented to receive  
31 communications is no longer valid.

32 (3) Maintain a record of the communications delivered by electronic means.

33 (4) Comply with all applicable provisions of Article 40 of Chapter 66 of the  
34 General Statutes.

35 (i) Covered individuals may withdraw their consent to receive communications by  
36 electronic means at any time.

37 (j) No insurer shall cancel, refuse to issue, or refuse to renew any policy because an  
38 individual refuses to agree to receive communications delivered by electronic means."

39 **SECTION 6.(a)** G.S. 58-33-26(p) is repealed.

40 **SECTION 6.(b)** G.S. 58-33-40(e) reads as rewritten:

41 "(e) An appointment shall continue in effect as long as the appointed insurance producer  
42 is properly licensed and the appointing insurer is authorized to transact business in this State,  
43 unless the appointment is cancelled. Notice of the cancellation may be submitted to the  
44 Commissioner by either the appointing insurer or appointed insurance producer."

45 **SECTION 7.(a)** G.S. 20-279.21(b) reads as rewritten:

46 "(b) Except as provided in G.S. 20-309(a2), such owner's policy of liability insurance:

47 ...

48 (4) Shall, in addition to the coverages set forth in subdivisions (2) and (3) of this  
49 subsection, provide underinsured motorist coverage, to be used only with a  
50 policy that is written at limits that exceed those prescribed by subdivision (2)  
51 of this subsection. The limits of such underinsured motorist bodily injury

1 coverage shall be equal to the highest limits of bodily injury liability coverage  
2 for any one vehicle insured under the policy; provided, however, that (i) the  
3 limits shall not exceed one million dollars (\$1,000,000) per person and one  
4 million dollars (\$1,000,000) per accident regardless of whether the highest  
5 limits of bodily injury liability coverage for any one vehicle insured under the  
6 policy exceed those limits, (ii) a named insured may purchase greater or lesser  
7 limits, except that the limits shall exceed the bodily injury liability limits  
8 required pursuant to subdivision (2) of this subsection, and in no event shall  
9 an insurer be required by this subdivision to sell underinsured motorist bodily  
10 injury coverage at limits that exceed one million dollars (\$1,000,000) per  
11 person and one million dollars (\$1,000,000) per accident, and (iii) the limits  
12 shall be equal to the limits of uninsured motorist bodily injury coverage  
13 purchased pursuant to subdivision (3) of this subsection. When the policy is  
14 issued and renewed, the insurer shall notify the named insured as provided in  
15 subsection (m) of this section. An "uninsured motor vehicle," as described in  
16 subdivision (3) of this subsection, includes an "underinsured highway  
17 vehicle," which means a highway vehicle with respect to the ownership,  
18 maintenance, or use of which, the sum of the limits of liability under all bodily  
19 injury liability bonds and insurance policies applicable at the time of the  
20 accident is less than the applicable limits of underinsured motorist ~~coverage~~  
21 ~~for the vehicle involved in the accident and insured under the owner's policy.~~  
22 coverage. For purposes of an underinsured motorist claim asserted by a person  
23 injured in an accident where more than one person is injured, a highway  
24 vehicle will also be an "underinsured highway vehicle" if the total amount  
25 actually paid to that person under all bodily injury liability bonds and  
26 insurance policies applicable at the time of the accident is less than the  
27 applicable limits of underinsured motorist ~~coverage for the vehicle involved~~  
28 ~~in the accident and insured under the owner's policy.~~ coverage.  
29 Notwithstanding the immediately preceding sentence, a highway vehicle shall  
30 not be an "underinsured motor vehicle" for purposes of an underinsured  
31 motorist claim under an owner's policy insuring that vehicle unless the owner's  
32 policy insuring that vehicle provides underinsured motorist coverage with  
33 limits that are greater than that policy's bodily injury liability limits. For the  
34 purposes of this subdivision, the term "highway vehicle" means a land motor  
35 vehicle or trailer other than (i) a farm-type tractor or other vehicle designed  
36 for use principally off public roads and while not upon public roads, (ii) a  
37 vehicle operated on rails or crawler-treads, or (iii) a vehicle while located for  
38 use as a residence or premises. The provisions of subdivision (3) of this  
39 subsection shall apply to the coverage required by this subdivision.  
40 Underinsured motorist coverage is deemed to apply when, by reason of  
41 payment of judgment or settlement, all liability bonds or insurance policies  
42 providing coverage for bodily injury caused by the ownership, maintenance,  
43 or use of the underinsured highway vehicle have been exhausted. Exhaustion  
44 of that liability coverage for the purpose of any single liability claim presented  
45 for underinsured motorist coverage is deemed to occur when either (a) the  
46 limits of liability per claim have been paid upon the claim, or (b) by reason of  
47 multiple claims, the aggregate per occurrence limit of liability has been paid.  
48 Underinsured motorist coverage is deemed to apply to the first dollar of an  
49 underinsured motorist coverage claim beyond amounts paid to the claimant  
50 under the exhausted liability policy.

1 In any event, the limit of underinsured motorist coverage applicable to any  
2 claim is determined to be the difference between the amount paid to the  
3 claimant under the exhausted liability policy or policies and the limit of  
4 underinsured motorist coverage applicable to the motor vehicle involved in  
5 the accident. Furthermore, if a claimant is an insured under the underinsured  
6 motorist coverage on separate or additional policies, the limit of underinsured  
7 motorist coverage applicable to the claimant is the difference between the  
8 amount paid to the claimant under the exhausted liability policy or policies  
9 and the total limits of the claimant's underinsured motorist coverages as  
10 determined by combining the highest limit available under each policy;  
11 provided that this sentence shall apply only to insurance on nonfleet private  
12 passenger motor vehicles as described in G.S. 58-40-15(9) and (10). The  
13 underinsured motorist limits applicable to any one motor vehicle under a  
14 policy shall not be combined with or added to the limits applicable to any  
15 other motor vehicle under that policy.

16 An underinsured motorist insurer may at its option, upon a claim pursuant  
17 to underinsured motorist coverage, pay moneys without there having first been  
18 an exhaustion of the liability insurance policy covering the ownership, use,  
19 and maintenance of the underinsured highway vehicle. In the event of  
20 payment, the underinsured motorist insurer shall be either: (a) entitled to  
21 receive by assignment from the claimant any right or (b) subrogated to the  
22 claimant's right regarding any claim the claimant has or had against the owner,  
23 operator, or maintainer of the underinsured highway vehicle, provided that the  
24 amount of the insurer's right by subrogation or assignment shall not exceed  
25 payments made to the claimant by the insurer. No insurer shall exercise any  
26 right of subrogation or any right to approve settlement with the original owner,  
27 operator, or maintainer of the underinsured highway vehicle under a policy  
28 providing coverage against an underinsured motorist where the insurer has  
29 been provided with written notice before a settlement between its insured and  
30 the underinsured motorist and the insurer fails to advance a payment to the  
31 insured in an amount equal to the tentative settlement within 30 days  
32 following receipt of that notice. Further, the insurer shall have the right, at its  
33 election, to pursue its claim by assignment or subrogation in the name of the  
34 claimant, and the insurer shall not be denominated as a party in its own name  
35 except upon its own election. Assignment or subrogation as provided in this  
36 subdivision shall not, absent contrary agreement, operate to defeat the  
37 claimant's right to pursue recovery against the owner, operator, or maintainer  
38 of the underinsured highway vehicle for damages beyond those paid by the  
39 underinsured motorist insurer. The claimant and the underinsured motorist  
40 insurer may join their claims in a single suit without requiring that the insurer  
41 be named as a party. Any claimant who intends to pursue recovery against the  
42 owner, operator, or maintainer of the underinsured highway vehicle for  
43 moneys beyond those paid by the underinsured motorist insurer shall before  
44 doing so give notice to the insurer and give the insurer, at its expense, the  
45 opportunity to participate in the prosecution of the claim. Upon the entry of  
46 judgment in a suit upon any such claim in which the underinsured motorist  
47 insurer and claimant are joined, payment upon the judgment, unless otherwise  
48 agreed to, shall be applied pro rata to the claimant's claim beyond payment by  
49 the insurer of the owner, operator or maintainer of the underinsured highway  
50 vehicle and the claim of the underinsured motorist insurer.

1 A party injured by the operation of an underinsured highway vehicle who  
2 institutes a suit for the recovery of moneys for those injuries and in such an  
3 amount that, if recovered, would support a claim under underinsured motorist  
4 coverage shall give notice of the initiation of the suit to the underinsured  
5 motorist insurer as well as to the insurer providing primary liability coverage  
6 upon the underinsured highway vehicle. Upon receipt of notice, the  
7 underinsured motorist insurer shall have the right to appear in defense of the  
8 claim without being named as a party therein, and without being named as a  
9 party may participate in the suit as fully as if it were a party. The underinsured  
10 motorist insurer may elect, but may not be compelled, to appear in the action  
11 in its own name and present therein a claim against other parties; provided  
12 that application is made to and approved by a presiding superior court judge,  
13 in any such suit, any insurer providing primary liability insurance on the  
14 underinsured highway vehicle may upon payment of all of its applicable limits  
15 of liability be released from further liability or obligation to participate in the  
16 defense of such proceeding. However, before approving any such application,  
17 the court shall be persuaded that the owner, operator, or maintainer of the  
18 underinsured highway vehicle against whom a claim has been made has been  
19 apprised of the nature of the proceeding and given his right to select counsel  
20 of his own choice to appear in the action on his separate behalf. If an  
21 underinsured motorist insurer, following the approval of the application, pays  
22 in settlement or partial or total satisfaction of judgment moneys to the  
23 claimant, the insurer shall be subrogated to or entitled to an assignment of the  
24 claimant's rights against the owner, operator, or maintainer of the  
25 underinsured highway vehicle and, provided that adequate notice of right of  
26 independent representation was given to the owner, operator, or maintainer, a  
27 finding of liability or the award of damages shall be res judicata between the  
28 underinsured motorist insurer and the owner, operator, or maintainer of  
29 underinsured highway vehicle.

30 As consideration for payment of policy limits by a liability insurer on  
31 behalf of the owner, operator, or maintainer of an underinsured motor vehicle,  
32 a party injured by an underinsured motor vehicle may execute a contractual  
33 covenant not to enforce against the owner, operator, or maintainer of the  
34 vehicle any judgment that exceeds the policy limits. A covenant not to enforce  
35 judgment shall not preclude the injured party from pursuing available  
36 underinsured motorist benefits, unless the terms of the covenant expressly  
37 provide otherwise, and shall not preclude an insurer providing underinsured  
38 motorist coverage from pursuing any right of subrogation.

39 Notwithstanding the provisions of this subsection, no policy of motor  
40 vehicle liability insurance applicable solely to commercial motor vehicles as  
41 defined in G.S. 20-4.01(3d) or applicable solely to fleet vehicles shall be  
42 required to provide underinsured motorist coverage. When determining  
43 whether a policy is applicable solely to fleet vehicles, the insurer may rely  
44 upon the number of vehicles reported by the insured at the time of the issuance  
45 of the policy for the policy term in question. In the event of a renewal of the  
46 policy, when determining whether a policy is applicable solely to fleet  
47 vehicles, the insurer may rely upon the number of vehicles reported by the  
48 insured at the time of the renewal of the policy for the policy term in question.  
49 Any motor vehicle liability policy that insures both commercial motor  
50 vehicles as defined in G.S. 20-4.01(3d) and noncommercial motor vehicles  
51 shall provide underinsured motorist coverage in accordance with the

1 provisions of this subsection in an amount equal to the highest limits of bodily  
 2 injury liability coverage for any one noncommercial motor vehicle insured  
 3 under the policy, subject to the right of the insured to purchase greater or lesser  
 4 underinsured motorist bodily injury liability coverage limits as set forth in this  
 5 subsection. For the purpose of the immediately preceding sentence,  
 6 noncommercial motor vehicle shall mean any motor vehicle that is not a  
 7 commercial motor vehicle as defined in G.S. 20-4.01(3d), but that is otherwise  
 8 subject to the requirements of this subsection."

9 **SECTION 7.(b)** This section is effective when it becomes law and applies to all  
 10 claims pending on or arising after that date.

11 **SECTION 8.(a)** G.S. 20-279.21, as amended by S.L. 2023-133, reads as rewritten:  
 12 **"§ 20-279.21. "Motor vehicle liability policy" defined.**

13 ...  
 14 (b) Except as provided in G.S. 20-309(a2), such owner's policy of liability insurance:

15 ...  
 16 (4) Shall, in addition to the coverages set forth in subdivisions (2) and (3) of this  
 17 subsection, provide underinsured motorist ~~coverage, to be used only with a~~  
 18 ~~policy that is written at limits that exceed those prescribed by subdivision (2)~~  
 19 ~~of this subsection. coverage.~~ The limits of such underinsured motorist bodily  
 20 injury coverage shall be equal to the highest limits of bodily injury liability  
 21 coverage for any one vehicle insured under the policy; provided, however, that  
 22 (i) the limits shall not exceed one million dollars (\$1,000,000) per person and  
 23 one million dollars (\$1,000,000) per accident regardless of whether the  
 24 highest limits of bodily injury liability coverage for any one vehicle insured  
 25 under the policy exceed those limits, (ii) a named insured may purchase  
 26 greater or lesser limits, ~~except that the limits shall exceed the bodily injury~~  
 27 ~~liability limits required pursuant to subdivision (2) of this subsection,~~ and in  
 28 no event shall an insurer be required by this subdivision to sell underinsured  
 29 motorist bodily injury coverage at limits that exceed one million dollars  
 30 (\$1,000,000) per person and one million dollars (\$1,000,000) per accident,  
 31 and (iii) the limits shall be equal to the limits of uninsured motorist bodily  
 32 injury coverage purchased pursuant to subdivision (3) of this subsection.  
 33 When the policy is issued and renewed, the insurer shall notify the named  
 34 insured as provided in subsection (m) of this section. An "uninsured motor  
 35 vehicle," as described in subdivision (3) of this subsection, includes an  
 36 "underinsured highway vehicle," which means a highway vehicle with respect  
 37 to the ownership, maintenance, or use of which, the sum of the limits of  
 38 liability under all bodily injury liability bonds and insurance policies  
 39 applicable at the time of the accident is less than the total damages sustained  
 40 by an individual seeking payment of benefits under this subdivision. For  
 41 purposes of an underinsured motorist claim asserted by a person injured in an  
 42 accident where more than one person is injured, a highway vehicle will also  
 43 be an "underinsured highway vehicle" if all bodily injury liability bonds and  
 44 insurance policies applicable to such highway vehicle at the time of the  
 45 accident are exhausted and the total amount actually paid to that person from  
 46 the exhaustion of all bodily injury liability bonds and insurance policies  
 47 applicable to such highway vehicle at the time of the accident is less than the  
 48 total damages sustained by such person seeking payment of benefits under this  
 49 subdivision. Notwithstanding the immediately preceding sentence, a highway  
 50 vehicle shall not be an "underinsured motor vehicle" for purposes of an  
 51 underinsured motorist claim under an owner's policy insuring that vehicle



1 unless the owner's policy insuring that vehicle provides underinsured motorist  
2 coverage with limits that are greater than that policy's bodily injury liability  
3 limits, in which event the available underinsured motorist coverage is that  
4 amount of underinsured motorist coverage under the owner's policy insuring  
5 that vehicle which exceeds the policy's bodily injury liability limits. For the  
6 purposes of this subdivision, the term "highway vehicle" means a land motor  
7 vehicle or trailer other than (i) a farm-type tractor or other vehicle designed  
8 for use principally off public roads and while not upon public roads, (ii) a  
9 vehicle operated on rails or crawler-treads, or (iii) a vehicle while located for  
10 use as a residence or premises. The provisions of subdivision (3) of this  
11 subsection shall apply to the coverage required by this subdivision.  
12 Underinsured motorist coverage is deemed to apply when, by reason of  
13 payment of judgment or settlement, all liability bonds or insurance policies  
14 providing coverage for bodily injury caused by the ownership, maintenance,  
15 or use of the underinsured highway vehicle have been exhausted. Exhaustion  
16 of that liability coverage for the purpose of any single claim presented for  
17 underinsured motorist coverage is deemed to occur when either (a) the limits  
18 of liability per claim have been paid or tendered upon the claim, or (b) by  
19 reason of multiple claims, the aggregate per occurrence limit of liability has  
20 been paid or tendered. Underinsured motorist coverage is deemed to apply to  
21 the first dollar of an underinsured motorist coverage claim beyond amounts  
22 paid to the claimant under the exhausted liability policy or policies applicable  
23 to the underinsured highway vehicle at the time of the accident. The amount  
24 of underinsured motorist coverage applicable to any claim for benefits under  
25 this subdivision shall not be reduced by a setoff or credit against any coverage,  
26 including liability insurance, except for workers' compensation coverage to  
27 the extent provided for in subsection (e) of this section. If a claimant is an  
28 insured under the underinsured motorist coverage on separate or additional  
29 policies, the total amount of underinsured motorist coverage applicable to the  
30 claimant is the sum of the limits of the claimant's underinsured motorist  
31 coverages as determined by combining the highest limit available under each  
32 policy, and shall not be reduced by a setoff against any coverage, including  
33 liability insurance, except for workers' compensation coverage to the extent  
34 provided for in subsection (e) of this section. The previous sentence shall  
35 apply only to insurance on nonfleet private passenger motor vehicles as  
36 described in G.S. 58-40-10(1) and (2).

37 The underinsured motorist limits applicable to any one motor vehicle  
38 under a policy shall not be combined with or added to the limits applicable to  
39 any other motor vehicle under that policy.

40 An underinsured motorist insurer may at its option, upon a claim pursuant  
41 to underinsured motorist coverage, pay moneys without there having first been  
42 an exhaustion of the liability insurance policy covering the ownership, use,  
43 and maintenance of the underinsured highway vehicle. In the event of  
44 payment, the underinsured motorist insurer shall be either: (a) entitled to  
45 receive by assignment from the claimant any right or (b) subrogated to the  
46 claimant's right regarding any claim the claimant has or had against the owner,  
47 operator, or maintainer of the underinsured highway vehicle, provided that the  
48 amount of the insurer's right by subrogation or assignment shall not exceed  
49 payments made to the claimant by the insurer. No insurer shall exercise any  
50 right of subrogation or any right to approve settlement with the original owner,  
51 operator, or maintainer of the underinsured highway vehicle under a policy

1 providing coverage against an underinsured motorist where the insurer has  
2 been provided with written notice before a settlement between its insured and  
3 the underinsured motorist and the insurer fails to advance a payment to the  
4 insured in an amount equal to the tentative settlement within 30 days  
5 following receipt of that notice. Further, the insurer shall have the right, at its  
6 election, to pursue its claim by assignment or subrogation in the name of the  
7 claimant, and the insurer shall not be denominated as a party in its own name  
8 except upon its own election. Assignment or subrogation as provided in this  
9 subdivision shall not, absent contrary agreement, operate to defeat the  
10 claimant's right to pursue recovery against the owner, operator, or maintainer  
11 of the underinsured highway vehicle for damages beyond those paid by the  
12 underinsured motorist insurer. The claimant and the underinsured motorist  
13 insurer may join their claims in a single suit without requiring that the insurer  
14 be named as a party. Any claimant who intends to pursue recovery against the  
15 owner, operator, or maintainer of the underinsured highway vehicle for  
16 moneys beyond those paid by the underinsured motorist insurer shall before  
17 doing so give notice to the insurer and give the insurer, at its expense, the  
18 opportunity to participate in the prosecution of the claim. Upon the entry of  
19 judgment in a suit upon any such claim in which the underinsured motorist  
20 insurer and claimant are joined, payment upon the judgment, unless otherwise  
21 agreed to, shall be applied pro rata to the claimant's claim beyond payment by  
22 the insurer of the owner, operator or maintainer of the underinsured highway  
23 vehicle and the claim of the underinsured motorist insurer.

24 A party injured by the operation of an underinsured highway vehicle who  
25 institutes a suit for the recovery of moneys for those injuries and in such an  
26 amount that, if recovered, would support a claim under underinsured motorist  
27 coverage shall give notice of the initiation of the suit to the underinsured  
28 motorist insurer as well as to the insurer providing primary liability coverage  
29 upon the underinsured highway vehicle. Upon receipt of notice, the  
30 underinsured motorist insurer shall have the right to appear in defense of the  
31 claim without being named as a party therein, and without being named as a  
32 party may participate in the suit as fully as if it were a party. The underinsured  
33 motorist insurer may elect, but may not be compelled, to appear in the action  
34 in its own name and present therein a claim against other parties; provided  
35 that application is made to and approved by a presiding superior court judge,  
36 in any such suit, any insurer providing primary liability insurance on the  
37 underinsured highway vehicle may upon payment of all of its applicable limits  
38 of liability be released from further liability or obligation to participate in the  
39 defense of such proceeding. However, before approving any such application,  
40 the court shall be persuaded that the owner, operator, or maintainer of the  
41 underinsured highway vehicle against whom a claim has been made has been  
42 apprised of the nature of the proceeding and given his right to select counsel  
43 of his own choice to appear in the action on his separate behalf. If an  
44 underinsured motorist insurer, following the approval of the application, pays  
45 in settlement or partial or total satisfaction of judgment moneys to the  
46 claimant, the insurer shall be subrogated to or entitled to an assignment of the  
47 claimant's rights against the owner, operator, or maintainer of the  
48 underinsured highway vehicle and, provided that adequate notice of right of  
49 independent representation was given to the owner, operator, or maintainer, a  
50 finding of liability or the award of damages shall be res judicata between the

1 underinsured motorist insurer and the owner, operator, or maintainer of  
2 underinsured highway vehicle.

3 As consideration for payment of policy limits by a liability insurer on  
4 behalf of the owner, operator, or maintainer of an underinsured motor vehicle,  
5 a party injured by an underinsured motor vehicle may execute a contractual  
6 covenant not to enforce against the owner, operator, or maintainer of the  
7 vehicle any judgment that exceeds the policy limits. A covenant not to enforce  
8 judgment shall not preclude the injured party from pursuing available  
9 underinsured motorist benefits, unless the terms of the covenant expressly  
10 provide otherwise, and shall not preclude an insurer providing underinsured  
11 motorist coverage from pursuing any right of subrogation.

12 Notwithstanding the provisions of this subsection, no policy of motor  
13 vehicle liability insurance applicable solely to commercial motor vehicles as  
14 defined in G.S. 20-4.01(3d) or applicable solely to fleet vehicles shall be  
15 required to provide underinsured motorist coverage. When determining  
16 whether a policy is applicable solely to fleet vehicles, the insurer may rely  
17 upon the number of vehicles reported by the insured at the time of the issuance  
18 of the policy for the policy term in question. In the event of a renewal of the  
19 policy, when determining whether a policy is applicable solely to fleet  
20 vehicles, the insurer may rely upon the number of vehicles reported by the  
21 insured at the time of the renewal of the policy for the policy term in question.  
22 Any motor vehicle liability policy that insures both commercial motor  
23 vehicles as defined in G.S. 20-4.01(3d) and noncommercial motor vehicles  
24 shall provide underinsured motorist coverage in accordance with the  
25 provisions of this subsection in an amount equal to the highest limits of bodily  
26 injury liability coverage for any one noncommercial motor vehicle insured  
27 under the policy, subject to the right of the insured to purchase greater or lesser  
28 underinsured motorist bodily injury liability coverage limits as set forth in this  
29 subsection. For the purpose of the immediately preceding sentence,  
30 noncommercial motor vehicle shall mean any motor vehicle that is not a  
31 commercial motor vehicle as defined in G.S. 20-4.01(3d), but that is otherwise  
32 subject to the requirements of this subsection.

33 ...

34 (m) Every insurer that sells motor vehicle liability policies subject to the requirements of  
35 subdivisions (b)(3) and (b)(4) of this section shall, when issuing and renewing a policy, give  
36 reasonable notice to the named insured of all of the following:

- 37 (1) The named insured is required to purchase uninsured motorist bodily injury  
38 coverage, uninsured motorist property damage coverage, and underinsured  
39 motorist bodily injury coverage.
- 40 (2) The named insured's uninsured motorist bodily injury coverage limits shall be  
41 equal to the highest limits of bodily injury liability coverage for any one  
42 vehicle insured under the policy unless the insured elects to purchase greater  
43 or lesser limits for uninsured motorist bodily injury coverage.
- 44 (3) The named insured's uninsured motorist property damage coverage limits  
45 shall be equal to the highest limits of property damage liability coverage for  
46 any one vehicle insured under the policy unless the insured elects to purchase  
47 lesser limits for uninsured motorist property damage coverage.
- 48 (4) The named insured's underinsured motorist bodily injury coverage limits shall  
49 be equal to the highest limits of bodily injury liability coverage for any one  
50 vehicle insured under the policy unless the insured elects to purchase greater  
51 or lesser limits for underinsured motorist bodily injury coverage.

- 1 (5) The named insured may purchase uninsured motorist bodily injury coverage  
2 ~~and, if applicable, and~~ underinsured motorist coverage with limits up to one  
3 million dollars (\$1,000,000) per person and one million dollars (\$1,000,000)  
4 per accident.

5 An insurer shall be deemed to have given reasonable notice if it includes the following or  
6 substantially similar language on the policy's original and renewal declarations pages or in a  
7 separate notice accompanying the original and renewal declarations pages in at least 12 point  
8 type:

9 NOTICE: YOU ARE REQUIRED TO PURCHASE UNINSURED MOTORIST BODILY  
10 INJURY COVERAGE, UNINSURED MOTORIST PROPERTY DAMAGE COVERAGE  
11 ~~AND, IN SOME CASES, AND~~ UNDERINSURED MOTORIST BODILY INJURY  
12 COVERAGE. THIS INSURANCE PROTECTS YOU AND YOUR FAMILY AGAINST  
13 INJURIES AND PROPERTY DAMAGE CAUSED BY THE NEGLIGENCE OF OTHER  
14 DRIVERS WHO MAY HAVE LIMITED OR ONLY MINIMUM COVERAGE OR EVEN NO  
15 LIABILITY INSURANCE. YOU MAY PURCHASE UNINSURED MOTORIST BODILY  
16 INJURY COVERAGE ~~AND, IF APPLICABLE, AND~~ UNDERINSURED MOTORIST  
17 COVERAGE WITH LIMITS UP TO ONE MILLION DOLLARS (\$1,000,000) PER PERSON  
18 AND ONE MILLION DOLLARS (\$1,000,000) PER ACCIDENT OR AT SUCH LESSER  
19 LIMITS YOU CHOOSE. YOU CANNOT PURCHASE COVERAGE FOR LESS THAN THE  
20 MINIMUM LIMITS FOR THE BODILY INJURY AND PROPERTY DAMAGE COVERAGE  
21 THAT ARE REQUIRED FOR YOUR OWN VEHICLE. IF YOU DO NOT CHOOSE A  
22 GREATER OR LESSER LIMIT FOR UNINSURED MOTORIST BODILY INJURY  
23 COVERAGE, A LESSER LIMIT FOR UNINSURED MOTORIST PROPERTY DAMAGE  
24 COVERAGE, AND/OR A GREATER OR LESSER LIMIT FOR UNDERINSURED  
25 MOTORIST BODILY INJURY COVERAGE, THEN THE LIMITS FOR THE UNINSURED  
26 MOTORIST BODILY INJURY COVERAGE ~~AND, IF APPLICABLE, AND~~ THE  
27 UNDERINSURED MOTORIST BODILY INJURY COVERAGE WILL BE THE SAME AS  
28 THE HIGHEST LIMITS FOR BODILY INJURY LIABILITY COVERAGE FOR ANY ONE  
29 OF YOUR OWN VEHICLES INSURED UNDER THE POLICY AND THE LIMITS FOR THE  
30 UNINSURED MOTORIST PROPERTY DAMAGE COVERAGE WILL BE THE SAME AS  
31 THE HIGHEST LIMITS FOR PROPERTY DAMAGE LIABILITY COVERAGE FOR ANY  
32 ONE OF YOUR OWN VEHICLES INSURED UNDER THE POLICY. IF YOU WISH TO  
33 PURCHASE UNINSURED MOTORIST ~~AND, IF APPLICABLE, AND~~ UNDERINSURED  
34 MOTORIST COVERAGE AT DIFFERENT LIMITS THAN THE LIMITS FOR YOUR OWN  
35 VEHICLE INSURED UNDER THE POLICY, THEN YOU SHOULD CONTACT YOUR  
36 INSURANCE COMPANY OR AGENT TO DISCUSS YOUR OPTIONS FOR OBTAINING  
37 DIFFERENT COVERAGE LIMITS. YOU SHOULD ALSO READ YOUR ENTIRE POLICY  
38 TO UNDERSTAND WHAT IS COVERED UNDER UNINSURED AND UNDERINSURED  
39 MOTORIST COVERAGES.

40 ...."

41 **SECTION 8.(b)** G.S. 58-37-35(b), as amended by S.L. 2023-133, reads as rewritten:

42 "(b) The Facility shall reinsure for each coverage available in the Facility to the standard  
43 percentage of one hundred percent (100%) or lesser equitable percentage established in the  
44 Facility's plan of operation as follows:

- 45 (1) For the following coverages of motor vehicle insurance and in at least the  
46 following amounts of insurance:
- 47 a. Bodily injury liability: fifty thousand dollars (\$50,000) each person,  
48 one hundred thousand dollars (\$100,000) each accident;
  - 49 b. Property damage liability: fifty thousand dollars (\$50,000) each  
50 accident;

- c. Medical payments: one thousand dollars (\$1,000) each person; except that this coverage shall not be available for motorcycles or mopeds;
- d. Uninsured motorist: fifty thousand dollars (\$50,000) each person; one hundred thousand dollars (\$100,000) each accident for bodily injury; fifty thousand dollars (\$50,000) each accident property damage (one hundred dollars (\$100.00) deductible);
- d1. Underinsured motorist: fifty thousand dollars (\$50,000) each person; one hundred thousand dollars (\$100,000) each accident for bodily injury;
- e. Any other motor vehicle insurance or financial responsibility limits in the amounts required by any federal law or federal agency regulation; by any law of this State; or by any rule duly adopted under Chapter 150B of the General Statutes or by the North Carolina Utilities Commission.

...."

**SECTION 8.(c)** Section 12(i) of S.L. 2023-133 reads as rewritten:

**"SECTION 12.(i)** This section becomes effective ~~January 1, 2025,~~ July 1, 2025, and applies to policies issued or renewed on or after that date."

**SECTION 9.(a)** G.S. 58-36-65(k), as amended by S.L. 2023-133, reads as rewritten:

"(k) For insureds receiving a drivers license for the first time ~~on or before January 1, 2025,~~ July 1, 2025, the subclassification plan may provide for premium surcharges for insureds having less than three years' driving experience as licensed drivers. Notwithstanding subsection (j) of this section, for insureds receiving a drivers license for the first time on or after ~~January 1, 2025,~~ July 1, 2025, the subclassification plan may provide for premium surcharges for insureds having less than eight years' driving experience as licensed drivers."

**SECTION 9.(b)** Section 16(j) of S.L. 2023-133 reads as rewritten:

**"SECTION 16.(j)** This section becomes effective ~~January 1, 2025,~~ July 1, 2025. Section 16(e) of this act becomes effective July 1, 2025, and applies to convictions occurring on or after that date. Section 16(h) of this act becomes effective July 1, 2025, and applies to prior convictions and prayers for judgment continued occurring on or after that date."

**FIREFIIGHTERS' CANCER INSURANCE PROGRAM**

**SECTION 10.1.** Chapter 58 of the General Statutes is amended by adding a new Article to read:

"Article 86A.

"Firefighters' Cancer Insurance Program.

**"§ 58-86A-1. Firefighters' Cancer Insurance Program established; purpose.**

There is hereby established the Firefighters' Cancer Insurance Program in the Office of the State Fire Marshal. The purpose of the Program is to provide health benefits as authorized by this Article to eligible firefighters with a new diagnosis of cancer on or after January 1, 2022. The health benefits provided under this Program shall be supplemental to any other health benefits authorized by law for firefighters. The Office of the State Fire Marshal shall administer the Program instead of purchasing private insurance for that purpose, and the Office shall perform this duty by contracting with a third-party administrator. The contracting procedure for the third-party administrator is not subject to Article 3C of Chapter 143 of the General Statutes. The Office of the State Fire Marshal may use up to ten percent (10%) of the funds appropriated in each fiscal biennium for the Program for the reasonable and necessary expenses incurred by the Office in administering the Program.

**"§ 58-86A-2. Definitions.**

The following definitions apply in this Article:

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

10 **"§ 58-86A-3. Eligibility.**

11 To be eligible to receive benefits under the Program, a firefighter:

- 12           (1) Must meet either of the following criteria:
  - 13           a. Have served in a North Carolina fire department or in a fire department  
14 on a military base in North Carolina for a minimum of five continuous  
15 years; provided, however, if a firefighter, during those five years,  
16 experiences a lapse in service of no more than six months, the  
17 firefighter shall not be ineligible to receive benefits under the Program.
  - 18           b. Have been included on the certified roster submitted to the North  
19 Carolina State Firefighters' Association pursuant to G.S. 58-86-25 for  
20 a period of no more than 10 years as "retired/nonactive" after the  
21 firefighter no longer meets the definition of the term "firefighter"  
22 under G.S. 58-84-5(3a).
- 23           (2) Must have received a new diagnosis of cancer on or after January 1, 2022. A  
24 firefighter with a diagnosis of cancer prior to January 1, 2022, is not eligible  
25 for benefits in the Program for that previously diagnosed cancer type but  
26 remains eligible for benefits in the Program upon diagnosis of any other  
27 cancer type, even if the other cancer type diagnosed on or after January 1,  
28 2022, metastasized from a cancer diagnosed before January 1, 2022. A  
29 firefighter is not eligible to receive benefits under the Program if the  
30 firefighter is receiving benefits related to cancer under the North Carolina  
31 Workers' Compensation Act established in Article 1 of Chapter 97 of the  
32 General Statutes.

33 **"§ 58-86A-4. Benefits.**

34 The following benefits shall be provided under the Program:

- 35           (1) Lump sum benefit. – Not to exceed a total of seventy-four thousand dollars  
36 (\$74,000), a lump sum benefit of thirty-seven thousand dollars (\$37,000) for  
37 each diagnosis of cancer shall be payable to an eligible firefighter upon  
38 sufficient proof to the insurance carrier, the Department, the Office of the  
39 State Fire Marshal, or other applicable payor of a diagnosis of cancer by a  
40 board-certified, licensed physician in the medical specialty appropriate for the  
41 type of cancer diagnosed.
- 42           (2) Disability benefit. – Upon sufficient proof to the insurance carrier, the  
43 Department, the Office of the State Fire Marshal, or other applicable payor of  
44 total disability resulting from the diagnosis of cancer or that the cancer  
45 precludes the firefighter from serving as a firefighter, the following disability  
46 benefits shall be paid to an eligible firefighter beginning six months after the  
47 total disability or inability to perform the duties of a firefighter, whichever  
48 applies:
  - 49           a. For a nonvolunteer firefighter. – A monthly benefit that is either (i)  
50 equal to seventy-five percent (75%) of the firefighter's monthly salary  
51 or (ii) five thousand dollars (\$5,000), whichever is less.

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

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

The following limitations apply to disability benefits under this section:

- (1) Disability benefits shall continue for no more than 36 consecutive months.
- (2) Any firefighter receiving disability benefits may be required to have his or her condition reevaluated to determine if that firefighter has regained the ability to perform the duties of a firefighter. If that reevaluation indicates that the firefighter has regained the ability to perform the duties of a firefighter, then the monthly disability benefits shall cease on the last day of the month the reevaluation was conducted.
- (3) If there is no reevaluation performed under subdivision (2) of this section, but the firefighter's treating physician determines that the firefighter is again able to perform the duties of a firefighter, then the disability benefits shall cease on the last day of the month that the physician made the determination.
- (4) If a firefighter returns to work as a firefighter before exhaustion of the 36 months of disability benefit an eligible firefighter may receive under this section, and if there is a subsequent recurrence of disability caused by cancer that again precludes the firefighter from performing the duties of a firefighter, then the firefighter shall be entitled to any remaining monthly disability benefits, not to exceed 36 months in total.
- (5) The monthly disability benefit shall be subordinate to any other benefit paid from any source to the firefighter solely for a disability related to the cancer diagnosis, so long as that source is not private insurance purchased solely by the firefighter. Disability benefits under this section shall be limited to the difference between the benefit amount paid by the other source and the amounts specified under G.S. 58-86A-4(3).

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

On January 1 of each year, the Office of the State Fire Marshal shall submit a report to the Joint Oversight Committee on General Government, the Governor, and the Fiscal Research Division that includes all of the following information:

- (1) The number, type, and primary work location of all firefighters participating in the program. For purposes of this section, the term "type" means a volunteer, employee, contractor, or member of a rated and certified fire department or employee of a county fire marshal's office whose sole duty is to act as fire marshal, deputy fire marshal, assistant fire marshal, or firefighter of the county.
- (2) The number of benefit claims filed, by type.
- (3) The types of cancer for which benefit claims were filed, by type.
- (4) All benefits paid out under this section, by type."

**SECTION 10.2.** Effective July 1, 2025, 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

1 the General Statutes. Twenty percent (20%) of the net proceeds must be  
 2 credited to the Department of Insurance for disbursement pursuant to  
 3 G.S. 58-84-25. ~~Up to twenty percent (20%), Ten percent (10%) of the net~~  
 4 ~~proceeds, as determined in accordance with G.S. 58-87-10(f), must be~~  
 5 ~~credited to the Workers' Compensation Fund.—Fund established in~~  
 6 ~~G.S. 58-87-10, but in no event shall the Fund reserve exceed forty-five million~~  
 7 ~~dollars (\$45,000,000). Ten percent (10%) of the net proceeds must be credited~~  
 8 ~~to the Office of the State Fire Marshal in the Department of Insurance to be~~  
 9 ~~used to fund the Firefighters' Cancer Insurance Program established in Article~~  
 10 ~~86A of Chapter 58 of the General Statutes, but in no event shall the amount~~  
 11 ~~credited to the Office of the State Fire Marshal exceed ten million dollars~~  
 12 ~~(\$10,000,000). The remaining net proceeds—proceeds, including the net~~  
 13 ~~proceeds that exceed the limits established in this subdivision for the Workers'~~  
 14 ~~Compensation Fund and the Office of the State Fire Marshal, must be credited~~  
 15 ~~to the General Fund. The additional tax imposed on property coverage~~  
 16 ~~contracts under this subdivision is a special purpose assessment based on gross~~  
 17 ~~premiums and not a gross premiums tax.~~

18 ...."

19 **SECTION 10.3.** G.S. 58-87-10 reads as rewritten:

20 **"§ 58-87-10. Workers' Compensation Fund for the benefit of certain safety workers.**

21 ...

22 (f) Funding Study. – The Office of the State Fire Marshal shall annually conduct an  
 23 actuarial study that shall do all of the following:

24 ...

25 (3) Calculate how much revenue from the State and from member premiums  
 26 would be required to meet the needs of the Fund for each of the following  
 27 scenarios:

28 a. The Fund receives ~~twenty percent (20%)~~ ten percent (10%) of the net  
 29 proceeds from the tax collected under G.S. 105-228.5(d)(3).

30 ...

31 (g) Allocation of Taxes. – The study conducted under subsection (f) of this section shall  
 32 be reviewed by the Office of State Budget and Management. On or before March 1 of each year,  
 33 the Office of State Budget and Management, in consultation with the Department of Insurance,  
 34 must notify the Secretary of Revenue of the amount required to meet the needs of the Fund, as  
 35 determined by the study, for the upcoming fiscal year. The Secretary of Revenue shall remit that  
 36 amount, subject to the ~~twenty percent (20%)~~ ten percent (10%) limitation in  
 37 G.S. 105-228.5(d)(3), to the Fund.

38 ...."

39 **SECTION 10.4.** G.S. 58-78A-1 reads as rewritten:

40 **"§ 58-78A-1. Office of the State Fire Marshal.**

41 ...

42 (b) The Office of the State Fire Marshal shall be responsible for all of the following:

43 ...

44 (9a) Firefighters' Cancer Insurance Program, Article 86A of Chapter 58 of the  
 45 General Statutes.

46 ...."

47  
 48 **NORTH CAROLINA FIREFIGHTERS' AND RESCUE SQUAD WORKERS' PENSION**  
 49 **FUND**

50 **SECTION 11.1.** G.S. 58-86-35 reads as rewritten:



1 **"§ 58-86-35. Firefighters' application for membership in fund; monthly payments by**  
2 **members; payments credited to separate accounts of members; termination of**  
3 **membership.**

4 Those firefighters who are eligible pursuant to G.S. 58-86-25 may apply to the board for  
5 membership. Each firefighter upon becoming a member of the fund shall pay the director of the  
6 fund the sum of ~~ten dollars (\$10.00)~~ fifteen dollars (\$15.00) per month; each payment shall be  
7 made no later than March 31 subsequent to the end of the calendar year in which the month  
8 occurred. The Pension Fund shall not award fully credited service based on payments received  
9 later than March 31 subsequent to the end of the calendar year in which the month occurred  
10 unless the payment is applied as provided in G.S. 58-86-45(a1). The monthly payments shall be  
11 credited to the separate account of the member and shall be kept by the custodian so it is available  
12 for payment on withdrawal from membership or retirement.

13 A member may elect to terminate membership in the fund at any time and request the refund  
14 of payments previously made to the fund. However, a member's delinquency in making the  
15 monthly payments required by this section does not result in the termination of membership  
16 without such an election by the member."

17 **SECTION 11.2.** G.S. 58-86-40 reads as rewritten:

18 **"§ 58-86-40. Rescue squad worker's application for membership in funds; monthly**  
19 **payments by members; payments credited to separate accounts of members;**  
20 **termination of membership.**

21 Those rescue squad workers eligible pursuant to G.S. 58-86-30 may apply to the board for  
22 membership. Each eligible rescue squad worker upon becoming a member shall pay the director  
23 of the fund the sum of ~~ten dollars (\$10.00)~~ fifteen dollars (\$15.00) per month; each payment shall  
24 be made no later than March 31 subsequent to the end of the calendar year in which the month  
25 occurred. The Pension Fund shall not award fully credited service based on payments received  
26 later than March 31 subsequent to the end of the calendar year in which the month occurred  
27 unless the payment is applied as provided in G.S. 58-86-45(a1). The monthly payments shall be  
28 credited to the separate account of the member and shall be kept by the custodian so it is available  
29 for payment on withdrawal from membership or retirement.

30 A member may elect to terminate membership in the fund at any time and request the refund  
31 of payments previously made to the fund. However, a member's delinquency in making the  
32 monthly payments required by this section does not result in the termination of membership  
33 without such an election by the member."

34 **SECTION 11.3.** G.S. 58-86-55 reads as rewritten:

35 **"§ 58-86-55. Monthly pensions upon attaining the age of 55 years.**

36 (a) Any member who has served 20 years as an "eligible firefighter" or "eligible rescue  
37 squad worker" in the State of North Carolina, as provided in G.S. 58-86-25 and G.S. 58-86-30,  
38 and who has attained the age of 55 years is entitled to be paid a monthly pension from this fund.  
39 The monthly pension shall be in the amount of ~~one hundred seventy dollars (\$170.00)~~ one  
40 hundred seventy-five dollars (\$175.00) per month. Any retired firefighter receiving a pension  
41 shall, effective ~~July 1, 2008,~~ July 1, 2024, receive a pension of ~~one hundred seventy dollars~~  
42 ~~(\$170.00)~~ one hundred seventy-five dollars (\$175.00) per month.

43 (b) Members shall pay ~~ten dollars (\$10.00)~~ fifteen dollars (\$15.00) per month as required  
44 by G.S. 58-86-35 and G.S. 58-86-40 for a period of no longer than 20 years. No "eligible rescue  
45 squad member" shall receive a pension prior to July 1, 1983.

46 (c) A member who is totally and permanently disabled while in the discharge of the  
47 member's official duties as a result of bodily injuries sustained or as a result of extreme exercise  
48 or extreme activity experienced in the course and scope of those official duties and who leaves  
49 the fire or rescue squad service because of this disability shall be entitled to be paid from the fund  
50 a monthly benefit in an amount of ~~one hundred seventy dollars (\$170.00)~~ one hundred  
51 seventy-five dollars (\$175.00) per month beginning the first month after the member's fifty-fifth

1 birthday. All applications for disability are subject to the approval of the board who may appoint  
2 physicians to examine and evaluate the disabled member prior to approval of the application, and  
3 annually thereafter. Any disabled member shall not be required to make the monthly payment of  
4 ~~ten dollars (\$10.00)~~ fifteen dollars (\$15.00) as required by G.S. 58-86-35 and G.S. 58-86-40.

5 (d) A member who is totally and permanently disabled for any cause, other than line of  
6 duty, who leaves the fire or rescue squad service because of this disability and who has at least  
7 10 years of service with the pension fund, may be permitted to continue making a monthly  
8 contribution of ~~ten dollars (\$10.00)~~ fifteen dollars (\$15.00) to the fund until the member has made  
9 contributions for a total of 240 months. The member shall upon attaining the age of 55 years be  
10 entitled to receive a pension as provided by this section. All applications for disability are subject  
11 to the approval of the board who may appoint physicians to examine and evaluate the disabled  
12 member prior to approval of the application and annually thereafter.

13 (d1) Benefits shall be paid in the following manner when a member is killed in the line of  
14 duty and the requirements of Article 12A of Chapter 143 of the General Statutes are met:

15 (1) If the member had been receiving a monthly pension fund benefit prior to  
16 being killed in the line of duty, there shall be paid to the member's principal  
17 beneficiary, if only one principal beneficiary is eligible and has not accepted  
18 a return of contributions, an amount of ~~one hundred seventy dollars (\$170.00)~~  
19 one hundred seventy-five dollars (\$175.00) per month beginning the month  
20 following the member's month of death, payable until the beneficiary's death.  
21 If the member became a member prior to July 1, 2018, and had not designated  
22 a principal beneficiary prior to being killed in the line of duty, there shall be  
23 paid to the member's living spouse upon the spouse's application to the Board,  
24 an amount of ~~one hundred seventy dollars (\$170.00)~~ one hundred seventy-five  
25 dollars (\$175.00) per month beginning the month following the member's  
26 month of death, payable until the spouse's death.

27 ...

28 (3) If the member had not yet begun receiving a monthly benefit prior to being  
29 killed in the line of duty, there shall be paid to the member's principal  
30 beneficiary, if only one principal beneficiary is eligible and has not accepted  
31 a return of contributions, an amount of ~~one hundred seventy dollars (\$170.00)~~  
32 one hundred seventy-five dollars (\$175.00) per month beginning the month  
33 following the month the member would have attained age 55, or if the member  
34 had already attained age 55, beginning the month following the member's  
35 month of death, payable until the beneficiary's death. If the member became a  
36 member prior to July 1, 2018, and had not designated a principal beneficiary  
37 prior to being killed in the line of duty, there shall be paid to the member's  
38 living spouse upon the spouse's application to the Board, an amount of ~~one~~  
39 ~~hundred seventy dollars (\$170.00)~~ one hundred seventy-five dollars (\$175.00)  
40 per month beginning the month following the month the member would have  
41 attained age 55, or if the member had attained age 55, beginning the month  
42 following the member's month of death, payable until the spouse's death.

43 ...

44 A beneficiary under this subsection shall not be required to make the monthly payment of ~~ten~~  
45 ~~dollars (\$10.00)~~ fifteen dollars (\$15.00) as required by G.S. 58-86-35 and G.S. 58-86-40 after  
46 the member has been killed in the line of duty.

47 ...

48 (e) A member who, because the member's residence is annexed by a city under Part 2 or  
49 Part 3 of Article 4A of Chapter 160A of the General Statutes, or whose department is closed  
50 because of an annexation by a city under Part 2 or Part 3 of Article 4A of Chapter 160A of the  
51 General Statutes, or whose volunteer department is taken over by a city or county, and because

1 of such annexation or takeover is unable to perform as a firefighter or rescue squad worker of  
2 any status, and if the member has at least 10 years of service with the pension fund, may be  
3 permitted to continue making a monthly contribution of ~~ten dollars (\$10.00)~~ fifteen dollars  
4 (\$15.00) to the fund until the member has made contributions for a total of 240 months. The  
5 member upon attaining the age of 55 years and completion of such contributions shall be entitled  
6 to receive a pension as provided by this section. Any application to make monthly contributions  
7 under this section shall be subject to a finding of eligibility by the Board of Trustees upon  
8 application of the member.

9 ...."

## 11 **FIREFIGHTER & PREVENTION SERVICES BACKGROUND CHECKS**

12 **SECTION 12.1.** G.S. 153A-233 reads as rewritten:

### 13 **"§ 153A-233. Fire-fighting and prevention services.**

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

29 **SECTION 12.2.** G.S. 153A-234 reads as rewritten:

### 30 **"§ 153A-234. Fire marshal.**

31 ...

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

39 **SECTION 12.3.** G.S. 160A-292 reads as rewritten:

### 40 **"§ 160A-292. Duties of fire chief.**

41 ...

42 (b) The fire ~~chief~~ chief, or the fire chief's designee, shall obtain a criminal history record  
43 check for an applicant over the age of 18 prior to offering that applicant a paid or volunteer  
44 position with the fire department. The criminal history record check shall be conducted and  
45 evaluated as provided in ~~G.S. 143B-943~~ G.S. 143B-943, or, if an applicant has been a resident of  
46 North Carolina for over five years and reports no charges or convictions on the application, the  
47 record check requirement of this section may be conducted through the county clerk of court or  
48 a third-party vendor."

49 **SECTION 13.** Sections 1 and 2 of this act become effective October 1, 2024, and  
50 apply to contracts issued, renewed, or amended on or after that date. Section 4 of this act becomes  
51 effective October 1, 2024, and applies to notices of foreclosure sale filed with the clerk of

1 superior court on or after that date. Section 5 of this act becomes effective October 1, 2024, and  
2 applies to contracts entered into on or after that date. Section 7 of this act is effective when it  
3 becomes law and applies to claims pending on or arising after that date. Sections 10.1 through  
4 10.3 of this act become effective July 1, 2025, and apply to the distribution of net proceeds of the  
5 gross premiums tax collected on or after that date. Section 10.4 of this act is effective July 1,  
6 2025. Sections 11.1 through 11.3 of this act are effective July 1, 2024. Sections 12.1 through 12.4  
7 of this act are effective when it becomes law and apply to applications submitted on or after that  
8 date. Except as otherwise provided, this act is effective when it becomes law.