

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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HOUSE BILL 1086*

Committee Substitute Favorable 5/17/96

Senate Pensions and Retirement/Insurance/State Personnel Committee Substitute
Adopted 6/19/96

Short Title: Loss Costs Cleanup.

(Public)

Sponsors:

Referred to:

May 14, 1996

A BILL TO BE ENTITLED

AN ACT TO MAKE TECHNICAL CORRECTIONS IN THE 1995 WORKERS' COMPENSATION INSURANCE LOSS COSTS RATING LAWS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 58-2-145(c) reads as rewritten:

"(c) Each self-insured employer group must determine its individual member employers' premiums or contributions using the ~~current~~ most recent rates and classifications filed by the North Carolina Rate Bureau and approved by the Commissioner under Article 36 of this Chapter. Deviations from these rates or classifications are permitted only in accordance with Article 36 of this Chapter, except that no deviation is required to be filed with the Rate Bureau.

The Commissioner shall approve a request filed for a deviation to reduce premiums or contributions or provide discounts if the filed request is accompanied by competent, independent financial and actuarial information. Despite the provisions of G.S. 58-36-30(c), a deviation shall not be required to apply uniformly to all classifications. The Commissioner may deny a filed request for a deviation only if he finds, after notice and a public hearing, that the deviation would result in a hazardous financial condition to the

1 group, based on financial, actuarial or other information. The public hearing shall be
2 held within 45 days after the requested deviation is filed in its entirety, and the
3 Commissioner shall give at least 14 days' notice of the hearing to the person filing the
4 request and to other persons designated by the Commissioner. The Commissioner shall
5 make a determination as expeditiously as reasonably practicable after the conclusion of
6 the hearing, provided that the request shall be deemed approved unless denied within 60
7 days after it was filed in its entirety.

8 'Hazardous financial condition', for purposes of this subsection, means that, based on
9 its present or reasonably anticipated financial condition, a group, although not yet
10 financially impaired or insolvent, is unlikely to be able:

11 (1) To meet obligations with respect to known claims and reasonably
12 anticipated claims; or

13 (2) To pay other obligations in the normal course of business."

14 Sec. 2. This act is effective upon ratification.