

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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SENATE BILL 1160*

Short Title: Workers' Compensation/Subcontractors.

(Public)

Sponsors: Senators Ballance, Kerr; and Parnell.

Referred to: Judiciary II/Election Laws.

May 15, 1996

A BILL TO BE ENTITLED

1 AN ACT TO REMOVE THE REQUIREMENT FOR WORKERS' COMPENSATION
2 COVERAGE FOR SUBCONTRACTORS WITH NO EMPLOYEES.

3 The General Assembly of North Carolina enacts:

4 Section 1. G.S. 97-19 reads as rewritten:

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

9 Any principal contractor, intermediate contractor, or subcontractor who shall sublet
10 any contract for the performance of any work without requiring from such subcontractor
11 or obtaining from the Industrial Commission a certificate, issued by a workers'
12 compensation insurance carrier, or a certificate of compliance issued by the Department
13 of Insurance to a self-insured subcontractor, stating that such subcontractor has complied
14 with G.S. 97-93 hereof, shall be liable, irrespective of whether such subcontractor has
15 regularly in service fewer than three employees in the same business within this State, to
16 the same extent as such subcontractor would be if he were subject to the provisions of
17 this Article for the payment of compensation and other benefits under this Article on
18 account of the injury or death of ~~any such subcontractor, any principal or partner of such~~
19 ~~subcontractor or any employee of such subcontractor~~ due to an accident arising out of and
20 in the course of the performance of the work covered by such subcontract. If the principal

1 contractor, intermediate contractor or subcontractor shall obtain such certificate at the
2 time of subletting such contract to subcontractor, he shall not thereafter be held liable to
3 ~~any such subcontractor, any principal or partner of such subcontractor, or any employee of~~
4 such subcontractor for compensation or other benefits under this Article.

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

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

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

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