

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 587

Manufacturing and Labor Committee Substitute Adopted 5/24/93

Short Title: Workers' Compensation Study Commission.

(Public)

Sponsors:

Referred to: Appropriations.

March 29, 1993

A BILL TO BE ENTITLED

AN ACT TO CREATE THE WORKERS' COMPENSATION STUDY
COMMISSION.

The General Assembly of North Carolina enacts:

Section 1. The Workers' Compensation Study Commission is created. The Commission shall consist of 12 members: six Senators appointed by the President Pro Tempore of the Senate, and six Representatives appointed by the Speaker of the House of Representatives. These appointments shall be made within seven days of the effective date of this act. The Commission shall conduct its first meeting within 15 days of the Speaker and President Pro Tempore making the appointments.

Sec. 2. The President Pro Tempore of the Senate shall designate one Senator as cochair and the Speaker of the House of Representatives shall designate one Representative as cochair.

Sec. 3. The Commission shall conduct a balanced and comprehensive study of the current workers' compensation system in North Carolina. The Commission shall consider both the current benefits to employees under the Workers' Compensation Act and the cost to employers of providing these benefits. The Commission shall consider:

- (1) The impact on employees and employers of the amendment to G.S. 97-2(6), pursuant to Chapter 833 of the 1983 Session Laws, allowing compensation for a back injury that is a direct result of a specific traumatic incident;
- (2) The impact on employees and employers of the line of cases that include *Whitley v. Columbia Lumber Mfg. Co.* 318 N.C. 89, 348

- 1 S.E.2d 336 (1986) and *Gupton v. Builders Transp.*, 320 N.C. 38, 357
2 S.E.2d 674 (1987);
- 3 (3) The reasons for the increase in the numbers of employees in the
4 assigned risk pool and the significance of current criteria of the
5 "difficult to place" under G.S. 58-36-1;
- 6 (4) Reasons for the rapid rise in rates for workers' compensation
7 insurance, including the medical cost component;
- 8 (5) All aspects of fraud in the workers' compensation system and possible
9 methods to prevent fraud including the fraudulent obtaining of
10 benefits, the fraudulent denial of benefits, and fraud on the part of
11 health care providers;
- 12 (6) Incentives for the establishment of employer safety programs
13 including a reduction in the annual premium rate for workers'
14 compensation insurance for employers with safety programs;
- 15 (7) Approval by the Industrial Commission of attorneys' fees for both the
16 plaintiff's and the defendant's counsel including limitations on the
17 amount of such fees;
- 18 (8) The inclusion of deductibles in workers' compensation insurance
19 policies;
- 20 (9) The length of time from injury to the receipt of benefits;
- 21 (10) The pooling of small employers for the purchase of workers'
22 compensation insurance;
- 23 (11) The issue of physician selection; and
- 24 (12) Any other workers' compensation issues the Commission determines
25 are worthy of its consideration.

26 Sec. 4. The Commission shall submit a report of its findings and
27 recommendations to the General Assembly on or before the first day of the 1993
28 Session of the General Assembly (1994 Regular Session) by filing the report with the
29 President Pro Tempore of the Senate and the Speaker of the House of Representatives.
30 Upon filing its report, the Commission shall terminate.

31 Sec. 5. The Commission, while in the discharge of official duties, may
32 exercise all the powers provided for under the provisions of G.S. 120-19, and G.S. 120-
33 19.1 through G.S. 120-19.4. The Commission may meet at any time upon the joint call
34 of the cochairs. The Commission may meet in the Legislative Building or the
35 Legislative Office Building.

36 Sec. 6. Members of the Commission shall receive subsistence and travel
37 expenses at the rates set forth in G.S. 120-3.1.

38 Sec. 7. The Legislative Services Commission, through the Legislative
39 Administrative Officer, shall assign professional staff to assist in the work of the
40 Commission. The House of Representatives' and the Senate's Supervisors of Clerks
41 shall assign clerical staff to the Commission, upon the direction of the Legislative
42 Services Commission. The expenses relating to clerical employees shall be borne by
43 the Commission.

1 Sec. 8. When a vacancy occurs in the membership of the Commission, the
2 vacancy shall be filled by the same appointing officer who made the initial appointment.

3 Sec. 9. All State departments and agencies and local governments and their
4 subdivisions shall furnish the Commission with any information in their possession or
5 available to them.

6 Sec. 10. The Commission shall use any funds, not to exceed fifteen thousand
7 dollars (\$15,000), that were appropriated to the General Assembly for the 1992-93 fiscal
8 year and that remain available for the expenses of the Workers' Compensation Study
9 Commission. There is appropriated from the General Fund to the General Assembly the
10 sum of twenty-five thousand dollars (\$25,000) for the 1993-94 fiscal year for the
11 expenses of the Workers' Compensation Study Commission.

12 Sec. 11. This act is effective upon ratification.