

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023**

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**SENATE BILL 326
Finance Committee Substitute Adopted 4/4/23**

Short Title: Firefighter Cancer Ins. & WC Program Funding.

(Public)

Sponsors:

Referred to:

March 20, 2023

A BILL TO BE ENTITLED

1 AN ACT TO MAKE PERMANENT THE FIREFIGHTERS' HEALTH BENEFITS PILOT
2 PROGRAM AND TO RENAME IT THE FIREFIGHTERS' CANCER INSURANCE
3 PROGRAM, TO MODIFY THE CURRENT PERCENTAGE DISTRIBUTION OF THE
4 GROSS PREMIUMS TAX TO FUND THE PROGRAM, AND TO SET A MAXIMUM
5 RESERVE FOR THE WORKERS' COMPENSATION FUND.
6

7 The General Assembly of North Carolina enacts:

8 **SECTION 1.** Effective July 1, 2023, G.S. 105-228.5(d)(3) reads as rewritten:

9 "(d) Tax Rates; Disposition. –

10 ...

11 (3) Additional Rate on Property Coverage Contracts. – An additional tax at the
12 rate of seventy-four hundredths percent (0.74%) applies to gross premiums on
13 insurance contracts for property coverage. The tax is imposed on ten percent
14 (10%) of the gross premiums from insurance contracts for automobile
15 physical damage coverage and on one hundred percent (100%) of the gross
16 premiums from all other contracts for property coverage. Twenty percent
17 (20%) of the net proceeds of this additional tax must be credited to the
18 Volunteer Fire Department Fund established in Article 87 of Chapter 58 of
19 the General Statutes. Twenty percent (20%) of the net proceeds must be
20 credited to the Department of Insurance for disbursement pursuant to
21 G.S. 58-84-25. Up to twenty percent (20%), as determined in accordance with
22 G.S. 58-87-10(f), must be credited to the Workers' Compensation ~~Fund~~ Fund
23 but in no event shall the fund reserve exceed forty-five million dollars
24 (\$45,000,000), and the balance of the twenty percent (20%) must be credited
25 to the Department of Insurance to be used to fund the Firefighters' Cancer
26 Insurance Program. The remaining net proceeds must be credited to the
27 General Fund. The additional tax imposed on property coverage contracts
28 under this subdivision is a special purpose assessment based on gross
29 premiums and not a gross premiums tax.

30 The following definitions apply in this subdivision:

- 31 a. Automobile physical damage. – The following lines of business
32 identified by the NAIC: private passenger automobile physical
33 damage and commercial automobile physical damage.
34 b. Property coverage. – The following lines of business identified by the
35 NAIC: fire, farm owners multiple peril, homeowners multiple peril,
36 nonliability portion of commercial multiple peril, ocean marine, inland



1 marine, earthquake, private passenger automobile physical damage,
2 commercial automobile physical damage, aircraft, and boiler and
3 machinery. The term also includes insurance contracts for wind
4 damage.

5 c. NAIC. – National Association of Insurance Commissioners."

6 **SECTION 2.** Chapter 58 of the General Statutes is amended by adding a new Article
7 to read:

8 "Article 86A.

9 "Firefighters' Cancer Insurance Program.

10 **"§ 58-86A-1. Purpose.**

11 The purpose of this program is to provide health benefits as authorized by this Article to
12 eligible firefighters with a new diagnosis of cancer on or after January 1, 2022. The health
13 benefits provided under this Article shall be supplemental to any other health benefits authorized
14 by law for firefighters.

15 **"§ 58-86A-2. Definitions.**

16 The following definitions apply in this Article:

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

26 **"§ 58-86A-3. Eligibility.**

27 To be eligible to receive benefits under the pilot program, a firefighter:

- 28 (1) Must have served in a North Carolina fire department for a minimum of five
29 continuous years.
30 (2) Must have received a new diagnosis of cancer on or after January 1, 2022. A
31 firefighter with a diagnosis of cancer prior to January 1, 2022, is not eligible
32 for benefits in the pilot program for that previously diagnosed cancer type but
33 remains eligible for benefits in the pilot program upon diagnosis of any other
34 cancer type. A firefighter is not eligible to receive benefits under the pilot
35 program if the firefighter is receiving benefits related to cancer under Article
36 1 of Chapter 97 of the General Statutes, the North Carolina Workers'
37 Compensation Act.

38 **"§ 58-86A-4. Benefits.**

39 The following benefits shall be provided under this program:

- 40 (1) Medical costs reimbursement. – An eligible firefighter shall receive
41 reimbursement of up to twelve thousand dollars (\$12,000) for any
42 out-of-pocket medical expenses incurred, including deductibles, copayments,
43 or coinsurance costs, for each diagnosis of cancer.
44 (2) Lump sum benefit. – Not to exceed a total of fifty thousand dollars (\$50,000),
45 a lump sum benefit of twenty-five thousand dollars (\$25,000) for each
46 diagnosis of cancer shall be payable to an eligible firefighter upon sufficient
47 proof to the insurance carrier, the Department, or other applicable payor of a
48 diagnosis of cancer by a board-certified, licensed physician in the medical
49 specialty appropriate for the type of cancer diagnosed.
50 (3) Disability benefit. – Upon sufficient proof to the insurance carrier, the
51 Department, or other applicable payor of total disability resulting from the

1 diagnosis of cancer or that the cancer precludes the firefighter from serving as
2 a firefighter, the following disability benefits shall be paid to an eligible
3 firefighter beginning six months after the total disability or inability to
4 perform the duties of a firefighter, whichever applies:

- 5 a. For a nonvolunteer firefighter. – A monthly benefit that is either (i)
6 equal to seventy-five percent (75%) of the firefighter's monthly salary
7 or (ii) five thousand dollars (\$5,000), whichever is less.
8 b. For a volunteer firefighter. – A monthly benefit of one thousand five
9 hundred dollars (\$1,500).

10 **"§ 58-86A-5. Limitations on disability benefit.**

11 The following limitations apply to disability benefits under this section:

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

35 **"§ 58-86A-6. Reporting requirements.**

36 On January 1 of each year, the Department shall submit a report to the General Assembly and
37 to the Governor that includes the following information:

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

47 **SECTION 3.** This act becomes effective July 1, 2023, and applies to the distribution
48 of net proceeds of the gross premiums tax collected on or after that date.