

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2023**

**SESSION LAW 2024-29  
SENATE BILL 319**

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. –

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



...."

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**"§ 45-21.23. Time of sale.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

...

(4) Shall, in addition to the coverages set forth in subdivisions (2) and (3) of this subsection, provide underinsured motorist coverage, to be used only with a policy that is written at limits that exceed those prescribed by subdivision (2) of this subsection. The limits of such underinsured motorist bodily injury coverage shall be equal to the highest limits of bodily injury liability coverage for any one vehicle insured under the policy; provided, however, that (i) the limits shall not exceed one million dollars (\$1,000,000) per person and one million dollars (\$1,000,000) per accident regardless of whether the highest limits of bodily injury liability coverage for any one vehicle insured under the policy exceed those limits, (ii) a named insured may purchase greater or lesser limits, except that the limits shall exceed the bodily injury liability limits

required pursuant to subdivision (2) of this subsection, and in no event shall an insurer be required by this subdivision to sell underinsured motorist bodily injury coverage at limits that exceed one million dollars (\$1,000,000) per person and one million dollars (\$1,000,000) per accident, and (iii) the limits shall be equal to the limits of uninsured motorist bodily injury coverage purchased pursuant to subdivision (3) of this subsection. When the policy is issued and renewed, the insurer shall notify the named insured as provided in subsection (m) of this section. An "uninsured motor vehicle," as described in subdivision (3) of this subsection, includes an "underinsured highway vehicle," which means a highway vehicle with respect to the ownership, maintenance, or use of which, the sum of the limits of liability under all bodily injury liability bonds and insurance policies applicable at the time of the accident is less than the applicable limits of underinsured motorist ~~coverage for the vehicle involved in the accident and insured under the owner's policy.~~ coverage. For purposes of an underinsured motorist claim asserted by a person injured in an accident where more than one person is injured, a highway vehicle will also be an "underinsured highway vehicle" if the total amount actually paid to that person under all bodily injury liability bonds and insurance policies applicable at the time of the accident is less than the applicable limits of underinsured motorist ~~coverage for the vehicle involved in the accident and insured under the owner's policy.~~ coverage. Notwithstanding the immediately preceding sentence, a highway vehicle shall not be an "underinsured motor vehicle" for purposes of an underinsured motorist claim under an owner's policy insuring that vehicle unless the owner's policy insuring that vehicle provides underinsured motorist coverage with limits that are greater than that policy's bodily injury liability limits. For the purposes of this subdivision, the term "highway vehicle" means a land motor vehicle or trailer other than (i) a farm-type tractor or other vehicle designed for use principally off public roads and while not upon public roads, (ii) a vehicle operated on rails or crawler-treads, or (iii) a vehicle while located for use as a residence or premises. The provisions of subdivision (3) of this subsection shall apply to the coverage required by this subdivision. Underinsured motorist coverage is deemed to apply when, by reason of payment of judgment or settlement, all liability bonds or insurance policies providing coverage for bodily injury caused by the ownership, maintenance, or use of the underinsured highway vehicle have been exhausted. Exhaustion of that liability coverage for the purpose of any single liability claim presented for underinsured motorist coverage is deemed to occur when either (a) the limits of liability per claim have been paid upon the claim, or (b) by reason of multiple claims, the aggregate per occurrence limit of liability has been paid. Underinsured motorist coverage is deemed to apply to the first dollar of an underinsured motorist coverage claim beyond amounts paid to the claimant under the exhausted liability policy.

In any event, the limit of underinsured motorist coverage applicable to any claim is determined to be the difference between the amount paid to the claimant under the exhausted liability policy or policies and the limit of underinsured motorist coverage applicable to the motor vehicle involved in the accident. Furthermore, if a claimant is an insured under the underinsured motorist coverage on separate or additional policies, the limit of underinsured motorist coverage applicable to the claimant is the difference between the amount paid to the claimant under the exhausted liability policy or policies

and the total limits of the claimant's underinsured motorist coverages as determined by combining the highest limit available under each policy; provided that this sentence shall apply only to insurance on nonfleet private passenger motor vehicles as described in G.S. 58-40-15(9) and (10). The underinsured motorist limits applicable to any one motor vehicle under a policy shall not be combined with or added to the limits applicable to any other motor vehicle under that policy.

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

A party injured by the operation of an underinsured highway vehicle who institutes a suit for the recovery of moneys for those injuries and in such an amount that, if recovered, would support a claim under underinsured motorist coverage shall give notice of the initiation of the suit to the underinsured motorist insurer as well as to the insurer providing primary liability coverage upon the underinsured highway vehicle. Upon receipt of notice, the underinsured motorist insurer shall have the right to appear in defense of the claim without being named as a party therein, and without being named as a party may participate in the suit as fully as if it were a party. The underinsured

motorist insurer may elect, but may not be compelled, to appear in the action in its own name and present therein a claim against other parties; provided that application is made to and approved by a presiding superior court judge, in any such suit, any insurer providing primary liability insurance on the underinsured highway vehicle may upon payment of all of its applicable limits of liability be released from further liability or obligation to participate in the defense of such proceeding. However, before approving any such application, the court shall be persuaded that the owner, operator, or maintainer of the underinsured highway vehicle against whom a claim has been made has been apprised of the nature of the proceeding and given his right to select counsel of his own choice to appear in the action on his separate behalf. If an underinsured motorist insurer, following the approval of the application, pays in settlement or partial or total satisfaction of judgment moneys to the claimant, the insurer shall be subrogated to or entitled to an assignment of the claimant's rights against the owner, operator, or maintainer of the underinsured highway vehicle and, provided that adequate notice of right of independent representation was given to the owner, operator, or maintainer, a finding of liability or the award of damages shall be res judicata between the underinsured motorist insurer and the owner, operator, or maintainer of underinsured highway vehicle.

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

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

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

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

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

...  
(4) Shall, in addition to the coverages set forth in subdivisions (2) and (3) of this subsection, provide underinsured motorist coverage, ~~to be used only with a policy that is written at limits that exceed those prescribed by subdivision (2) of this subsection.~~ coverage. The limits of such underinsured motorist bodily injury coverage shall be equal to the highest limits of bodily injury liability coverage for any one vehicle insured under the policy; provided, however, that (i) the limits shall not exceed one million dollars (\$1,000,000) per person and one million dollars (\$1,000,000) per accident regardless of whether the highest limits of bodily injury liability coverage for any one vehicle insured under the policy exceed those limits, (ii) a named insured may purchase greater or lesser limits, ~~except that the limits shall exceed the bodily injury liability limits required pursuant to subdivision (2) of this subsection,~~ and in no event shall an insurer be required by this subdivision to sell underinsured motorist bodily injury coverage at limits that exceed one million dollars (\$1,000,000) per person and one million dollars (\$1,000,000) per accident, and (iii) the limits shall be equal to the limits of uninsured motorist bodily injury coverage purchased pursuant to subdivision (3) of this subsection. When the policy is issued and renewed, the insurer shall notify the named insured as provided in subsection (m) of this section. An "uninsured motor vehicle," as described in subdivision (3) of this subsection, includes an "underinsured highway vehicle," which means a highway vehicle with respect to the ownership, maintenance, or use of which, the sum of the limits of liability under all bodily injury liability bonds and insurance policies applicable at the time of the accident is less than the total damages sustained by an individual seeking payment of benefits under this subdivision. For purposes of an underinsured motorist claim asserted by a person injured in an accident where more than one person is injured, a highway vehicle will also be an "underinsured highway vehicle" if all bodily injury liability bonds and insurance policies applicable to such highway vehicle at the time of the accident are exhausted and the total amount actually paid to that person from the exhaustion of all bodily injury liability bonds and insurance policies applicable to such highway vehicle at the time of the accident is less than the total damages sustained by such person seeking payment of benefits under this subdivision. Notwithstanding the immediately preceding sentence, a highway vehicle shall not be an "underinsured motor vehicle" for purposes of an underinsured motorist claim under an owner's policy insuring that vehicle unless the owner's policy insuring that vehicle provides underinsured motorist coverage with limits that are greater than that policy's bodily injury liability limits, in which event the available underinsured motorist coverage is that amount of underinsured motorist coverage under the owner's policy insuring that vehicle which exceeds the policy's bodily injury liability limits. For the purposes of this subdivision, the term "highway vehicle" means a land motor vehicle or trailer other than (i) a farm-type tractor or other vehicle designed for use principally off public roads and while not upon public roads, (ii) a



vehicle operated on rails or crawler-treads, or (iii) a vehicle while located for use as a residence or premises. The provisions of subdivision (3) of this subsection shall apply to the coverage required by this subdivision. Underinsured motorist coverage is deemed to apply when, by reason of payment of judgment or settlement, all liability bonds or insurance policies providing coverage for bodily injury caused by the ownership, maintenance, or use of the underinsured highway vehicle have been exhausted. Exhaustion of that liability coverage for the purpose of any single claim presented for underinsured motorist coverage is deemed to occur when either (a) the limits of liability per claim have been paid or tendered upon the claim, or (b) by reason of multiple claims, the aggregate per occurrence limit of liability has been paid or tendered. Underinsured motorist coverage is deemed to apply to the first dollar of an underinsured motorist coverage claim beyond amounts paid to the claimant under the exhausted liability policy or policies applicable to the underinsured highway vehicle at the time of the accident. The amount of underinsured motorist coverage applicable to any claim for benefits under this subdivision shall not be reduced by a setoff or credit against any coverage, including liability insurance, except for workers' compensation coverage to the extent provided for in subsection (e) of this section. If a claimant is an insured under the underinsured motorist coverage on separate or additional policies, the total amount of underinsured motorist coverage applicable to the claimant is the sum of the limits of the claimant's underinsured motorist coverages as determined by combining the highest limit available under each policy, and shall not be reduced by a setoff against any coverage, including liability insurance, except for workers' compensation coverage to the extent provided for in subsection (e) of this section. The previous sentence shall apply only to insurance on nonfleet private passenger motor vehicles as described in G.S. 58-40-10(1) and (2).

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

An underinsured motorist insurer may at its option, upon a claim pursuant to underinsured motorist coverage, pay moneys without there having first been an exhaustion of the liability insurance policy covering the ownership, use, and maintenance of the underinsured highway vehicle. In the event of payment, the underinsured motorist insurer shall be either: (a) entitled to receive by assignment from the claimant any right or (b) subrogated to the claimant's right regarding any claim the claimant has or had against the owner, operator, or maintainer of the underinsured highway vehicle, provided that the amount of the insurer's right by subrogation or assignment shall not exceed payments made to the claimant by the insurer. No insurer shall exercise any right of subrogation or any right to approve settlement with the original owner, operator, or maintainer of the underinsured highway vehicle under a policy providing coverage against an underinsured motorist where the insurer has been provided with written notice before a settlement between its insured and the underinsured motorist and the insurer fails to advance a payment to the insured in an amount equal to the tentative settlement within 30 days following receipt of that notice. Further, the insurer shall have the right, at its election, to pursue its claim by assignment or subrogation in the name of the claimant, and the insurer shall not be denominated as a party in its own name except upon its own election. Assignment or subrogation as provided in this

subdivision shall not, absent contrary agreement, operate to defeat the claimant's right to pursue recovery against the owner, operator, or maintainer of the underinsured highway vehicle for damages beyond those paid by the underinsured motorist insurer. The claimant and the underinsured motorist insurer may join their claims in a single suit without requiring that the insurer be named as a party. Any claimant who intends to pursue recovery against the owner, operator, or maintainer of the underinsured highway vehicle for moneys beyond those paid by the underinsured motorist insurer shall before doing so give notice to the insurer and give the insurer, at its expense, the opportunity to participate in the prosecution of the claim. Upon the entry of judgment in a suit upon any such claim in which the underinsured motorist insurer and claimant are joined, payment upon the judgment, unless otherwise agreed to, shall be applied pro rata to the claimant's claim beyond payment by the insurer of the owner, operator or maintainer of the underinsured highway vehicle and the claim of the underinsured motorist insurer.

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

As consideration for payment of policy limits by a liability insurer on behalf of the owner, operator, or maintainer of an underinsured motor vehicle, a party injured by an underinsured motor vehicle may execute a contractual covenant not to enforce against the owner, operator, or maintainer of the vehicle any judgment that exceeds the policy limits. A covenant not to enforce judgment shall not preclude the injured party from pursuing available underinsured motorist benefits, unless the terms of the covenant expressly

provide otherwise, and shall not preclude an insurer providing underinsured motorist coverage from pursuing any right of subrogation.

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

...

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

- (1) The named insured is required to purchase uninsured motorist bodily injury coverage, uninsured motorist property damage coverage, and underinsured motorist bodily injury coverage.
- (2) The named insured's uninsured motorist bodily injury coverage limits shall be equal to the highest limits of bodily injury liability coverage for any one vehicle insured under the policy unless the insured elects to purchase greater or lesser limits for uninsured motorist bodily injury coverage.
- (3) The named insured's uninsured motorist property damage coverage limits shall be equal to the highest limits of property damage liability coverage for any one vehicle insured under the policy unless the insured elects to purchase lesser limits for uninsured motorist property damage coverage.
- (4) The named insured's underinsured motorist bodily injury coverage limits shall be equal to the highest limits of bodily injury liability coverage for any one vehicle insured under the policy unless the insured elects to purchase greater or lesser limits for underinsured motorist bodily injury coverage.
- (5) The named insured may purchase uninsured motorist bodily injury coverage ~~and, if applicable, and~~ underinsured motorist coverage with limits up to one million dollars (\$1,000,000) per person and one million dollars (\$1,000,000) per accident.

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

NOTICE: YOU ARE REQUIRED TO PURCHASE UNINSURED MOTORIST BODILY INJURY COVERAGE, UNINSURED MOTORIST PROPERTY DAMAGE COVERAGE ~~AND, IN SOME CASES, AND~~ UNDERINSURED MOTORIST BODILY INJURY COVERAGE. THIS INSURANCE PROTECTS YOU AND YOUR FAMILY AGAINST INJURIES AND PROPERTY DAMAGE CAUSED BY THE NEGLIGENCE OF OTHER DRIVERS WHO MAY HAVE LIMITED OR ONLY MINIMUM COVERAGE OR EVEN NO LIABILITY INSURANCE. YOU MAY PURCHASE UNINSURED MOTORIST BODILY INJURY COVERAGE ~~AND, IF APPLICABLE, AND~~ UNDERINSURED MOTORIST COVERAGE WITH LIMITS UP TO ONE MILLION DOLLARS (\$1,000,000) PER PERSON AND ONE MILLION DOLLARS (\$1,000,000) PER ACCIDENT OR AT SUCH LESSER LIMITS YOU CHOOSE. YOU CANNOT PURCHASE COVERAGE FOR LESS THAN THE MINIMUM LIMITS FOR THE BODILY INJURY AND PROPERTY DAMAGE COVERAGE THAT ARE REQUIRED FOR YOUR OWN VEHICLE. IF YOU DO NOT CHOOSE A GREATER OR LESSER LIMIT FOR UNINSURED MOTORIST BODILY INJURY COVERAGE, A LESSER LIMIT FOR UNINSURED MOTORIST PROPERTY DAMAGE COVERAGE, AND/OR A GREATER OR LESSER LIMIT FOR UNDERINSURED MOTORIST BODILY INJURY COVERAGE, THEN THE LIMITS FOR THE UNINSURED MOTORIST BODILY INJURY COVERAGE ~~AND, IF APPLICABLE, AND~~ THE UNDERINSURED MOTORIST BODILY INJURY COVERAGE WILL BE THE SAME AS THE HIGHEST LIMITS FOR BODILY INJURY LIABILITY COVERAGE FOR ANY ONE OF YOUR OWN VEHICLES INSURED UNDER THE POLICY AND THE LIMITS FOR THE UNINSURED MOTORIST PROPERTY DAMAGE COVERAGE WILL BE THE SAME AS THE HIGHEST LIMITS FOR PROPERTY DAMAGE LIABILITY COVERAGE FOR ANY ONE OF YOUR OWN VEHICLES INSURED UNDER THE POLICY. IF YOU WISH TO PURCHASE UNINSURED MOTORIST ~~AND, IF APPLICABLE, AND~~ UNDERINSURED MOTORIST COVERAGE AT DIFFERENT LIMITS THAN THE LIMITS FOR YOUR OWN VEHICLE INSURED UNDER THE POLICY, THEN YOU SHOULD CONTACT YOUR INSURANCE COMPANY OR AGENT TO DISCUSS YOUR OPTIONS FOR OBTAINING DIFFERENT COVERAGE LIMITS. YOU SHOULD ALSO READ YOUR ENTIRE POLICY TO UNDERSTAND WHAT IS COVERED UNDER UNINSURED AND UNDERINSURED MOTORIST COVERAGES.

...."

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

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

(1) For the following coverages of motor vehicle insurance and in at least the following amounts of insurance:

- a. Bodily injury liability: fifty thousand dollars (\$50,000) each person, one hundred thousand dollars (\$100,000) each accident;
- b. Property damage liability: fifty thousand dollars (\$50,000) each 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."

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

### **"§ 58-86A-3. Eligibility.**

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

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

**"§ 58-86A-4. Benefits.**

The following benefits shall be provided under the Program:

- (1) Lump sum benefit. – Not to exceed a total of seventy-four thousand dollars (\$74,000), a lump sum benefit of thirty-seven thousand dollars (\$37,000) for each diagnosis of cancer shall be payable to an eligible firefighter upon sufficient proof to the insurance carrier, the Department, the Office of the State Fire Marshal, or other applicable payor of a diagnosis of cancer by a board-certified, licensed physician in the medical specialty appropriate for the type of cancer diagnosed.
- (2) Disability benefit. – Upon sufficient proof to the insurance carrier, the Department, the Office of the State Fire Marshal, or other applicable payor of total disability resulting from the diagnosis of cancer or that the cancer precludes the firefighter from serving as a firefighter, the following disability benefits shall be paid to an eligible firefighter beginning six months after the total disability or inability to perform the duties of a firefighter, whichever applies:
  - a. For a nonvolunteer firefighter. – A monthly benefit that is either (i) equal to seventy-five percent (75%) of the firefighter's monthly salary 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 the General Statutes. Twenty percent (20%) of the net proceeds must be credited to the Department of Insurance for disbursement pursuant to G.S. 58-84-25. Up to twenty percent (20%), Ten percent (10%) of the net proceeds, as determined in accordance with G.S. 58-87-10(f), must be credited to the Workers' Compensation Fund. Fund established in G.S. 58-87-10, but in no event shall the Fund reserve exceed forty-five million dollars (\$45,000,000). Ten percent (10%) of the net proceeds must be credited to the Office of the State Fire Marshal in the Department of Insurance to be used to fund the Firefighters' Cancer Insurance Program established in Article

86A of Chapter 58 of the General Statutes, but in no event shall the amount credited to the Office of the State Fire Marshal exceed ten million dollars (\$10,000,000). The remaining net ~~proceeds~~ proceeds, including the net proceeds that exceed the limits established in this subdivision for the Workers' Compensation Fund and the Office of the State Fire Marshal, must be credited to the General Fund. The additional tax imposed on property coverage contracts under this subdivision is a special purpose assessment based on gross premiums and not a gross premiums tax.

...."

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

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

...

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

...

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

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

...

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

...."

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

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

...

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

...

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

...."

## **NORTH CAROLINA FIREFIGHTERS' AND RESCUE SQUAD WORKERS' PENSION FUND**

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

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

Those firefighters who are eligible pursuant to G.S. 58-86-25 may apply to the board for membership. Each firefighter upon becoming a member of the fund shall pay the director of the fund the sum of ~~ten dollars (\$10.00)~~ fifteen dollars (\$15.00) per month; each payment shall be made no later than March 31 subsequent to the end of the calendar year in which the month occurred. The Pension Fund shall not award fully credited service based on payments received later than March 31 subsequent to the end of the calendar year in which the month occurred unless the payment is applied as provided in G.S. 58-86-45(a1). The monthly payments shall be



credited to the separate account of the member and shall be kept by the custodian so it is available for payment on withdrawal from membership or retirement.

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

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

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

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

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

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

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

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

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

(c) A member who is totally and permanently disabled while in the discharge of the member's official duties as a result of bodily injuries sustained or as a result of extreme exercise or extreme activity experienced in the course and scope of those official duties and who leaves the fire or rescue squad service because of this disability shall be entitled to be paid from the fund a monthly benefit in an amount of ~~one hundred seventy dollars (\$170.00)~~ one hundred seventy-five dollars (\$175.00) per month beginning the first month after the member's fifty-fifth birthday. All applications for disability are subject to the approval of the board who may appoint physicians to examine and evaluate the disabled member prior to approval of the application, and annually thereafter. Any disabled member shall not be required to make the monthly payment of ~~ten dollars (\$10.00)~~ fifteen dollars (\$15.00) as required by G.S. 58-86-35 and G.S. 58-86-40.

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

to the approval of the board who may appoint physicians to examine and evaluate the disabled member prior to approval of the application and annually thereafter.

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

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

...

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

...

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

...

(e) A member who, because the member's residence is annexed by a city under Part 2 or Part 3 of Article 4A of Chapter 160A of the General Statutes, or whose department is closed because of an annexation by a city under Part 2 or Part 3 of Article 4A of Chapter 160A of the General Statutes, or whose volunteer department is taken over by a city or county, and because of such annexation or takeover is unable to perform as a firefighter or rescue squad worker of any status, and if the member has at least 10 years of service with the pension fund, may be permitted to continue making a monthly contribution of ~~ten dollars (\$10.00)~~ fifteen dollars (\$15.00) to the fund until the member has made contributions for a total of 240 months. The member upon attaining the age of 55 years and completion of such contributions shall be entitled to receive a pension as provided by this section. Any application to make monthly contributions under this section shall be subject to a finding of eligibility by the Board of Trustees upon application of the member.

...."

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

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

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

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

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

**"§ 153A-234. Fire marshal.**

...

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

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

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

...

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

**SECTION 13.** Sections 1 and 2 of this act become effective October 1, 2024, and apply to contracts issued, renewed, or amended on or after that date. Section 4 of this act becomes effective October 1, 2024, and applies to notices of foreclosure sale filed with the clerk of superior court on or after that date. Section 5 of this act becomes effective October 1, 2024, and applies to contracts entered into on or after that date. Section 7 of this act is effective when it becomes law and applies to claims pending on or arising after that date. Sections 10.1 through 10.3 of this act become effective July 1, 2025, and apply to the distribution of net proceeds of the gross premiums tax collected on or after that date. Section 10.4 of this act is effective July 1, 2025. Sections 11.1 through 11.3 of this act are effective July 1, 2024. Sections 12.1 through 12.4 of this act are effective when it becomes law and apply to applications submitted on or after that date. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 25<sup>th</sup> day of June, 2024.

s/ Phil Berger  
President Pro Tempore of the Senate

s/ Howard Penny, Jr.  
Presiding Officer of the House of Representatives

s/ Roy Cooper  
Governor

Approved 5:18 p.m. this 2<sup>nd</sup> day of July, 2024