

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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HOUSE BILL 707

Short Title: WC/Independent Truckers. (Public)

Sponsors: Representatives Wray, Lewis, and Stevens (Primary Sponsors).

For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Judiciary, if favorable, Rules, Calendar, and Operations of the House

April 11, 2019

1 A BILL TO BE ENTITLED
2 AN ACT TO AMEND THE WORKERS' COMPENSATION ACT CONCERNING THE
3 STATUS OF TRUCK DRIVERS AS EMPLOYEES OR INDEPENDENT
4 CONTRACTORS.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 97-19.1 reads as rewritten:

7 "**§ 97-19.1. Truck, tractor, or truck tractor trailer driver's status as employee or**
8 **independent contractor.**

9 (a) An individual in the interstate or intrastate carrier industry who operates a truck,
10 tractor, or truck tractor trailer ~~licensed by a governmental motor vehicle regulatory agency for a~~
11 motor carrier as defined in G.S. 20-4.01(21b) may be an employee or an independent contractor
12 under this Article dependent upon the application of the common law test for determining
13 employment status.

14 Any principal contractor, intermediate contractor, or subcontractor, irrespective of whether
15 such contractor regularly employs three or more employees, who contracts with an individual in
16 the interstate or intrastate carrier industry who operates a truck, tractor, or truck tractor trailer
17 ~~licensed by the United States Department of Transportation for a motor carrier as defined by~~
18 G.S. 20-4.01(21b) and who has not secured the payment of compensation in the manner provided
19 for employers set forth in G.S. 97-93 for himself personally and for his employees and
20 subcontractors, if any, shall be liable as an employer under this Article for the payment of
21 compensation and other benefits on account of the injury or death of the independent contractor
22 and his employees or subcontractors due to an accident arising out of and in the course of the
23 performance of the work covered by such contract.

24 (b) Notwithstanding subsection (a) of this section, a principal contractor, intermediate
25 contractor, or subcontractor shall not be liable as an employer under this Article for the payment
26 of compensation on account of the injury or death of the independent contractor if the principal
27 contractor, intermediate contractor, or subcontractor (i) contracts with an independent contractor
28 ~~who is an individual licensed by the United States Department of Transportation and owns or~~
29 leases the vehicle providing service, (ii) ~~the independent contractor personally is operating the~~
30 vehicle solely pursuant to that license-operates or is responsible for hiring or engaging and paying
31 personnel who operate the vehicle, and (iii) the independent contractor is covered under an
32 occupational accident policy either issued to the independent contractor or motor carrier.

33 (c) ~~The principal contractor, intermediate contractor, or subcontractor may insure any~~
34 ~~and all of his independent contractors and their employees or subcontractors in a blanket policy,~~



1 and when insured, the independent contractors, subcontractors, and employees will be entitled to
2 compensation benefits under the blanket policy.

3 ~~A principal contractor, intermediate contractor, or subcontractor may include in the~~
4 ~~governing contract with an independent contractor in the interstate or intrastate carrier industry~~
5 ~~who operates a truck, tractor, or truck tractor trailer licensed by a governmental motor vehicle~~
6 ~~regulatory agency an agreement for the independent contractor to reimburse the cost of covering~~
7 ~~that independent contractor under the principal contractor's, intermediate contractor's, or~~
8 ~~subcontractor's coverage of his business.~~

9 (c) A motor carrier and an independent contractor meeting the criteria contained in
10 subsection (b) of this section may, if mutually agreed to by the independent contractor and motor
11 carrier in writing, provide that the independent contractor and any of the independent contractor's
12 employees be covered by the motor carriers' workers' compensation insurance policy or
13 self-insurance and that the independent contractor and any of the independent contractor's
14 employees would be deemed employees of the motor carrier for purposes of workers'
15 compensation only. The motor carrier may charge the independent contractor for any agreed
16 upon premiums or, if self-insured, for any equitable assessment for such coverage. The agreement
17 shall not affect the independent contractor status of the independent contractor for any purpose
18 other than for workers' compensation.

19 (d) For purposes of this section, the term "occupational accident insurance" means the
20 type of insurance policy obtained by independent contractor owner operators in the trucking
21 industry that includes the following benefit categories: (i) temporary total disability type wage
22 replacement benefit, (ii) permanent disability or impairment benefit, (iii) a medical expense
23 payment benefit, and (iv) a death benefit. The occupational accident insurance policy may be
24 issued directly to the independent contractor owner operator or issued as a master policy for
25 which the motor carrier may charge the independent contractor owner operator an equitable sum
26 for the coverage.

27 (e) To satisfy the requirements of this section, any occupational accident policy or
28 workers' compensation policy must be purchased from an insurance company having an AM Best
29 "A" rating."

30 **SECTION 2.** This act is effective when it becomes law.