

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

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HOUSE BILL 535

Short Title: Firefighters Fighting Cancer Act of 2021. (Public)

Sponsors: Representatives D. Hall, Bell, Saine, and Hardister (Primary Sponsors).

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

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

April 13, 2021

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE A SUPPLEMENTAL INSURANCE POLICY FOR FIREFIGHTERS
3 DIAGNOSED WITH CANCER.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** This act shall be known as "The Firefighters Fighting Cancer Act of
6 2021."

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

9 "Article 87A.

10 "Firefighter Cancer Health Care Benefit Plan.

11 "**§ 59-87A-1. Definitions.**

12 The following definitions apply in this Article:

- 13 (1) Cancer. – Malignant neoplasms of the body that may be caused by exposure
14 to heat, radiation, or a known carcinogen, as defined by the World Health
15 Organization's International Agency for Research on Cancer.
16 (2) Cancer Benefit Plan. – The North Carolina Firefighter Cancer Health Care
17 Benefit Plan established under this Article.
18 (3) Eligible firefighter. – A firefighter who meets the requirements of
19 G.S. 59-87A-10.
20 (4) Fire Department. – Any organization that is not a federal agency, including
21 any public or government-sponsored organization, that is located and based in
22 this State and provides rescue, fire suppression, and related activities.
23 (5) Firefighter. – As defined in G.S. 58-84-5.

24 "**§ 59-87A-5. Firefighter Cancer Health Care Benefit Plan.**

25 There is established a North Carolina Firefighter Cancer Health Care Benefit Plan to be
26 administered by the Department. The Cancer Benefit Plan shall be a supplemental insurance
27 policy that provides the benefits required under this Article to an eligible firefighter with a new
28 diagnosis of cancer on or after January 1, 2022.

29 "**§ 59-87A-10. Cancer Benefit Plan eligibility.**

30 (a) All firefighters that have served in a North Carolina fire department for a minimum
31 of five continuous years shall be eligible for benefits under the Cancer Benefit Plan.

32 (b) Only firefighters with a new diagnosis of cancer on or after January 1, 2022, shall be
33 eligible for benefits under the Cancer Benefit Plan. A firefighter with a diagnosis of cancer prior
34 to January 1, 2022, is not eligible for benefits under the Cancer Benefit Plan for that previously



1 diagnosed cancer type but remains eligible for benefits under the Cancer Benefit Plan upon
2 diagnosis of any other cancer type.

3 (c) A firefighter is not eligible to receive benefits under this Article if that firefighter is
4 receiving benefits related to cancer under Article 1 of Chapter 97 of the General Statutes, the
5 North Carolina Workers' Compensation Act.

6 **"§ 59-87A-15. Benefits under the Cancer Benefit Plan.**

7 (a) Medical Costs Reimbursement. – An eligible firefighter shall receive reimbursement
8 of up to twelve thousand dollars (\$12,000) annually for any out-of-pocket medical expenses
9 incurred, including deductibles, copayments, or coinsurance costs.

10 (b) Lump Sum Benefit. – Not to exceed a lifetime benefit of fifty thousand dollars
11 (\$50,000), a lump sum benefit of twenty-five thousand dollars (\$25,000) for each diagnosis of
12 cancer shall be payable to an eligible firefighter upon sufficient proof to the insurance carrier,
13 the Department, or other applicable payor of a diagnosis of cancer by a board-certified, licensed
14 physician in the medical specialty appropriate for the type of cancer diagnosed.

15 (c) Disability Benefit. – Upon sufficient proof to the insurance carrier, the Department,
16 or other applicable payor of total disability resulting from the diagnosis of cancer or that the
17 cancer precludes the firefighter from serving as a firefighter, the following disability benefits
18 shall be paid to an eligible firefighter beginning six months after the total disability or inability
19 to perform the duties of a firefighter, whichever applies:

20 (1) For a nonvolunteer firefighter. – A monthly benefit that is either (i) equal to
21 seventy-five percent (75%) of the firefighter's monthly salary or (ii) five
22 thousand dollars (\$5,000), whichever is less.

23 (2) For a volunteer firefighter. – A monthly benefit of one thousand five hundred
24 dollars (\$1,500).

25 (d) Limitations on Disability Benefit. – The following limitations apply to disability
26 benefits under this section:

27 (1) Disability benefits shall continue for no more than 36 consecutive months.

28 (2) Any firefighter receiving disability benefits may be required to have his or her
29 condition reevaluated to determine if that firefighter has regained the ability
30 to perform the duties of a firefighter. If that reevaluation indicates that the
31 firefighter has regained the ability to perform the duties of a firefighter, then
32 the monthly disability benefits shall cease on the last day of the month the
33 reevaluation was conducted.

34 (3) If there is no reevaluation performed under subdivision (2) of this subsection,
35 but the firefighter's treating physician determines that the firefighter is again
36 able to perform the duties of a firefighter, then the disability benefits shall
37 cease on the last day of the month that the physician made the determination.

38 (4) If a firefighter returns to work as a firefighter before exhaustion of the 36
39 months of disability benefit an eligible firefighter may receive under this
40 section, and if there is a subsequent recurrence of disability caused by cancer
41 that again precludes the firefighter from performing the duties of a firefighter,
42 then the firefighter shall be entitled to any remaining monthly disability
43 benefits, not to exceed 36 months in total.

44 (5) The monthly disability benefit shall be subordinate to any other benefit paid
45 from any source to the firefighter solely for a disability related to the cancer
46 diagnosis, so long as that source is not private insurance purchased solely by
47 the firefighter. Disability benefits under this Article shall be limited to the
48 difference between the benefit amount paid by the other source and the
49 amounts specified under subsection (c) of this section.

50 **"§ 58-87A-20. Reporting requirements.**

1 On January 1, 2023, and annually thereafter, the Department shall submit a report to the
2 General Assembly and to the Governor that includes the following information for the year prior
3 to the report:

- 4 (1) The number, type, and primary work location of all firefighters participating
5 in the Cancer Benefit Plan.
6 (2) The number of Cancer Benefit Plan claims filed.
7 (3) The types of cancer for which claims are filed.
8 (4) All benefits paid out under this Article."

9 **SECTION 2.(b)** This section becomes effective January 1, 2022.

10 **SECTION 3.** No later than January 1, 2022, the Department of Insurance shall show
11 proof of insurance coverage that meets the requirements of this act for all firefighters included
12 on the Certified Roster submitted to the North Carolina State Firefighters' Association.

13 **SECTION 4.(a)** G.S. 105-228.5(d)(3) reads as rewritten:

- 14 "(3) Additional Rate on Property Coverage Contracts. – An additional tax at the
15 rate of ~~seventy-four hundredths percent (0.74%)~~ one and one hundred
16 twenty-five thousandths percent (1.125%) applies to gross premiums on
17 insurance contracts for property coverage. The tax is imposed on ten percent
18 (10%) of the gross premiums from insurance contracts for automobile
19 physical damage coverage and on one hundred percent (100%) of the gross
20 premiums from all other contracts for property coverage. ~~Twenty percent~~
21 ~~(20%)~~ Ten percent (10%) of the net proceeds of this additional tax must be
22 credited to the Volunteer Fire Department Fund established in Article 87 of
23 Chapter 58 of the General Statutes. ~~Twenty percent (20%)~~ Fourteen percent
24 (14%) of the net proceeds must be credited to the Department of Insurance for
25 disbursement pursuant to G.S. 58-84-25. Up to ~~twenty percent (20%)~~,
26 fourteen percent (14%), as determined in accordance with G.S. 58-87-10(f),
27 must be credited to the ~~Workers' Compensation Fund~~ North Carolina
28 Firefighters' and Rescue Squad Workers' Pension Fund under G.S. 58-86-1.
29 Five and one-half percent (5.5%) of the net proceeds must be credited to
30 individual fire departments' relief funds to be used in accordance with
31 G.S. 58-84-35(a)(8) for early cancer detection programs. Eleven and
32 three-quarters percent (11.75%) of the net proceeds must be credited to the
33 Department of Insurance to fund the Firefighter Cancer Benefit Plan
34 established under G.S. 59-87A-5. The remaining net proceeds must be
35 credited to the General Fund. The additional tax imposed on property
36 coverage contracts under this subdivision is a special purpose assessment
37 based on gross premiums and not a gross premiums tax.

38 The following definitions apply in this subdivision:

- 39 a. Automobile physical damage. – The following lines of business
40 identified by the NAIC: private passenger automobile physical
41 damage and commercial automobile physical damage.
42 b. Property coverage. – The following lines of business identified by the
43 NAIC: fire, farm owners multiple peril, homeowners multiple peril,
44 nonliability portion of commercial multiple peril, ocean marine, inland
45 marine, earthquake, private passenger automobile physical damage,
46 commercial automobile physical damage, aircraft, and boiler and
47 machinery. The term also includes insurance contracts for wind
48 damage.
49 c. NAIC. – National Association of Insurance Commissioners."

50 **SECTION 4.(b)** G.S. 105-153.5(b) is amended by adding a new subdivision to read:

1 "(15) The amount received by or paid to an eligible firefighter during the taxable
2 year for benefits under the Cancer Benefit Plan established in Article 87A of
3 Chapter 59 of the General Statutes."

4 **SECTION 4.(c)** This section is effective for taxes imposed for taxable years
5 beginning on or after July 1, 2021.

6 **SECTION 5.** Except as otherwise provided, this act is effective when it becomes
7 law.