

NCAHU Legislative Report, April 23, 2007

This was another busy week at the General Assembly, though most of the activity was behind the scenes. The House Insurance Committee met yesterday, and considered **H.B. 731 – Revise Life and Health Insurance Laws**. The primary component of this bill would be the adoption of an NAIC model act regulating the sales of annuities. The emphasis would be on ensuring the suitability of annuities for consumers. Legislative staff did not prepare a bill summary for this legislation, and it was withdrawn from the Committee until this summary is available. I would expect that this bill will again be heard next week.

The House Insurance Committee gave a favorable report to **H.B. 1531 – Clarify Small Business Health Insurance Credit**. This tax credit legislation was given a technical correction which clarifies and simplifies the types of small employer plans that must be purchased in order for the credit to apply.

H.B. 1476 – Health Insurance for All Children. Rep. Verla Insko, D-Chapel Hill, was on this week's House Insurance calendar, but it was pulled from the calendar without being heard.

Next week **H.B. 748 – Insurer/Cover RX in Emergencies** will be on the House Insurance calendar. This legislation would promote the coverage of prescriptions that are refilled during declared disasters and emergencies. Also note that **H.B. 1307 – Reenact Chiropractic Provision** is scheduled to be heard in House Insurance on May 1.

Legislation relating to **529 Plans** continues to be on the move. This week **H.B. 1016 – Revise 529 Plan Deductions** passed the House. Under this legislation, deductions would increase from \$750 to \$2,500 for individuals and from \$1,500 to \$5,000 for married couples filing jointly. Perhaps more importantly, legislation that would expand the deductibility of contributions made to 529 Plans outside the State of North Carolina (**S.B. 1141** and **H.B. 1410**) is gaining momentum. The Department of Revenue is slowly getting on board, and this legislation seems to definitely be heading in the right direction.

H.B. 265 – Establish High Risk Pool demanded a great deal of attention this week. It was scheduled to be heard on second reading on the floor of the House on Wednesday, but the bill sponsor, Rep. Verla Insko, pulled the bill after being confronted with questions that focus on assessments and the funding mechanism. Small business and the Association of Health Plans continue to hammer away on the perceived inequities of assessments falling on small employers. ERISA plans would not be subject to assessment, and they argue that assessments should be State funded. I am working with House leaders and the DOI to rebut the arguments on the funding issue. The bill is now on the House calendar for second reading on Monday evening. I am working with the DOI to prepare debating points for the bill sponsor, and have asked that the Democratic Caucus include this bill on its agenda when it meets Monday afternoon prior to session. I believe that there is a chance that this legislation could become a Caucus issue. So,

behind the scenes, the battle has been joined, and I will stay in touch as the debate continues.

To keep you fully up to date on matters that are of riveting attention to legislators, please note that efforts to make the American Bull Frog (*Rana Catesbeiana*) the State amphibian are halfway to fruition. This legislation passed the House last week and is headed to Senate Rules. Also, efforts are underway to make the Ayden Collard Festival the official Collard Festival of North Carolina. Festivals that would be relegated to unofficial status are incensed.

There will be a lot on our plates, collards or otherwise, between now and crossover. I will continue to keep you advised of all developments, and would, as always, welcome your thoughts, comments and observations at any times.

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