

## NCAHU Legislative Report, April 9, 2007

Just the facts today. I'll try to be straight, to the point and brief.

House Insurance met this week at the North Carolina General Assembly and gave a favorable report to **HB 738 - Custodial Agreements and Clearing Corporations Act**, a DOI bill which adopt an NAIC model act which would authorize insurers to use modern systems for holding and transferring securities without physical delivery of securities certificates. **HB 729 - Rate Evasion** was discussed in House Insurance but not voted upon, and this auto insurance bill continues to be a work in progress.

House Insurance is scheduled to meet only next Thursday, April 19, at this point and not on Tuesday as well. Note that **HB 1307 - Reenact Chiropractic Provision** is on the agenda. While the way in which the original version of the chiropractic provision was enacted has met with disfavor, the provision itself seems to have a solid base of support. **HB 860 - Effect of PJC's on Insurance Rates** is now on the House Insurance agenda as week. This is an auto insurance bill. No other bills of interest as yet appear on the agenda for House Insurance next week.

Senate Commerce met this week, but holding true to form considered no bills of interest.

There were several bill filings of note this week, and they include the following:

**HB 1373 - State Supplemental Posttax Ins. Products** was filed this week by Rep. Alice Underhill (D-New Bern). It would provide for the central coordination of supplemental posttax insurance products available to State employees. The State Personnel Commission would coordinate the establishment of a Centralized Supplemental Benefits Committee to offer posttax supplemental benefit options on a statewide basis to State agencies, departments, institutions and the UNC system. There would be a "thorough and competitive" procurement process.

**HB 1410 - Section 529 Plan - Tax Deduction** was introduced yesterday, and is sponsored by House Majority Leader and Insurance Committee Chairman Hugh Holliman (D-Lexington). It would expand the 529 program by permitting contributions "to a qualified tuition program that is organized under Section 529" of the tax code. Current language confines contributions to "accounts in the Parental Savings Trust Fund of the State Education Assistance Authority".

There were 2 P&C filings of potential interest. **HB 1423 - Reinsurance Facility/Plan Notification** was introduced by House Insurance Co-Chairmen Holliman and Goforth as primary sponsors and by Rep. Jerry Dockham (R-Denton) as a co-sponsor. Under NCGS 58-37-40(e)(2), in order to transfer business to the Motor Vehicle Reinsurance Facility when the binder, policy or renewal first become effective, insurers must within 30 days notify the Facility of the pertinent policy information. This legislation would reduce this notification period from 30 days to 5 days. The bill is not listed as an agency bill, but preliminary indications are that the DOI requested its filing.

**HB 1430 - Revise Insurance Rate Filing Approval** is the House companion to **SB 901**. It was filed yesterday, and is sponsored by Rep. Drew Saunders (D-Huntersville).

Lastly, back to more germane issues. Rep. Verla Insko (D-Chapel Hill) filed **HB 1476 - Health Insurance for All Children**. It would establish the Carolina Cares for Children Health Insurance Program. It would cover kids who are not eligible for Medicaid and the Health Insurance Program for Children. Family income guidelines for eligibility would make the program available for families with incomes between 200% and 300% of the federal poverty level. Benefits would equal those of Medicaid and the NC Health Choice Program, and premiums would

be paid on a sliding scale ability-to-pay basis. Grants for coverage under private plans would be available. An appropriation of \$4.7 million would get things going next year, with the appropriation growing to \$7 million in year two.

**HB 265 - Establish High Risk Pool** should be heard next week in the Health and Human Services Subcommittee of the Appropriations Committee. The bill contains an \$850,000 appropriation for pool start up costs. The DOI has submitted a grant application to the federal government for reimbursement of these start up costs, and accordingly, there should be no net cost to the State. It is this appropriation that causes the bill to go to Appropriations. You will recall that this legislation has so far survived visits to House Health, House Insurance and House Finance.

April 18 is the bill filing deadline in the House, so at the conclusion of next week we will at last have reached the cut off for the introduction of House bills. The Senate deadline has been in place for several weeks. The crossover deadline remains May 17, 2007.

That should cover all the bases for now, and I shall keep you posted as to all developments. I look forward to our Day on the Hill activities next week, and look forward to seeing you then.

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