

## Legislative Report; Week of May 14, 2007

The center of activity this week at the General Assembly was the House Insurance Committee. On Tuesday, May 15, the Committee gave a favorable report to **H.B. 773 – Protect Military Personnel/Life Insurance Sales**. This bill would protect soldiers from predatory and unscrupulous sales tactics. This legislation is now loosely based on a NAIC model act that is a work in progress. This bill is being moved in its current form to pass the House by the May 24 crossover deadline. However, it will thereafter quietly sit until the NAIC model bill is perfected. At that point, the legislation will be modified to comply with the NAIC model act.

**H.B. 973 – Mental Health Parity** was discussed in detail in House Insurance. A number of mental health professionals spoke in favor of it. The Association of Health Plans and NC 100, a coalition of small businesses, spoke in opposition to it. No vote was taken on the bill. The principal sticking point at this point is parity in coverage for substance abuse. Many legislators support a fairly tightly focused version of parity of mental health parity that does not include substance abuse parity. The bill sponsors are reluctant to give up on the substance abuse component of the bill. My hunch is that if substance abuse remains in the bill that it will have a difficult time getting out of committee. I will keep you advised when the bill is again calendared for debate.

There were a number of items of interest on the Senate Commerce calendar this week. However, no bills of interest to us emerged from that Committee. Matters pending in Senate Commerce that are of interest include **H.B. 1032 – Health Insurance/Prompt Pay Guidelines** and **S.B. 1258 – State Supplemental Post Tax Insurance Products**. The “prompt pay” bill would limit the amount of time that insurers have to seek overpayment of claims. The supplemental insurance products bill will create a centralized process for the sale of supplemental products to state employees and retirees.

As I noted above, the crossover deadline is now May 24. Therefore, all the committees will be in overdrive to pass legislation so that it remains eligible for further consideration during this session. House Insurance will certainly be a busy place next week. **H.B. 1476 – Health Insurance for All Children**, **S.B. 1489 – Life Settlement Transactions**, **H.B. 1642 – Life Insurance; Funeral Establishments** and **S.B. 735 – Mediation of Property Insurance Claims** will all be on the agenda. Please note also that mental health parity may be calendared as well, and several matters relating to auto insurance may well arise.

House Insurance today was to have considered **H.B. 655 – Amend Insurance Laws**. However, it was removed from the calendar so that the bill’s sponsor, Rep. William Wainwright (D-Havelock) and the DOI can continue to perfect it. In conferring with the DOI, I have learned that the continuing education fees will not change after all. Also, additional work needs to be done on grandfathering those agents with current licenses so they do not face impediments to continuing to work in the lines of coverage for which they are licensed. I will keep you advised as **H.B. 655** is revised.

That should cover our bases for now. Next week, with crossover looming large, will be just as busy as this week. I will keep you advised, and would welcome your thoughts, comments and questions at any time.

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