

## Legislative Report; Week of May 7, 2007

There was good news and bad news this week at the North Carolina General Assembly. The good news is not of paramount importance to us, but several unfavorable bills on the auto insurance front will slumber quietly for the rest of the session. The bad news is that the May 17 crossover deadline has been extended until May 24. The reason that this is bad news is that there were so many bills to be considered prior to May 17 that many of them were simply not being calendared for debate in committee. This had the result of reducing the number of bills with which we had to contend. The extension of the crossover deadline opens the door a bit wider for mayhem and mischief.

House Insurance was a busy place this week. The Tuesday meeting saw the demise of several bills relating to auto insurance. Just as an FYI here's what happened: Legislation that would have increased the number of PJC's available to families failed to advance. Also, bills that would have made uninsured and underinsured motorist coverage mandatory and that would have increased the minimum limits for auto insurance failed to move forward. These latter two bills, along with a bill designed to permit "stacking" of uninsured and underinsured motorist coverage, were sent to a subcommittee. There was considerable debate and discussion over these bills, and no other matters came before House Insurance on Tuesday.

At yesterday's meeting of House Insurance, two bills were on the calendar but only one of them was reached. **H.B. 1307 – Reenact Chiropractic Provision** was debated robustly. There was strong sentiment that trying to reenact this provision before Speaker Black had been sentenced was not a good idea. There was also considerable substantive opposition to the bill from the Association of Health Plans and Blue Cross. This legislation was ultimately sent to a subcommittee, which will be composed of Representatives Dockham, Saunders, Dickson, Wright, and Goforth. It is my expectation that this bill is dead for this session.

**H.B. 973 – Mental Health Parity** was also on the calendar for House Insurance yesterday. A goodly number of proponents and opponents of this legislation were in attendance, but the bill was not reached. It appears on the calendar for House Insurance for Tuesday, May 15. It appears that the vote in committee on the mental health parity issue will be a close one, and it is now too close to call.

Several additional bills of interest are scheduled to be considered next week. **S.B. 1258 – State Supplemental Post-tax Insurance** is one of 26 bills on the calendar for Senate Commerce on Tuesday. This legislation is being sponsored by Senator Tony Rand (D-Fayetteville). Note that **S.B. 1258** provides for the central coordination of supplemental post-tax insurance products available to state employees.

House Health Insurance is scheduled to consider **H.B. 1590 – Policy Change/Fiscal Impact**. This bill relates to health insurance policies, and would require insurers that provide health benefit plans to provide health care providers

with a physical impact report when the insurer makes a substantial policy change.

In addition to mental health parity, House Insurance is also scheduled to consider **H.B. 1489 – Protect Consumers/ Life Settlement Transactions**. The American Council of Life Insurance supports the concept of this bill, which is an NAIC model act. The model act has not yet been perfected, and if this bill advances, it will be as a “placeholder” until perfected legislation can be introduced.

**H.B. 748 – Insurers/Cover Prescriptions in Emergencies** passed the house on May 7. It will be sent to Senate Commerce.

**H.B. 731 – Revise Life and Health Insurance Laws** was received by the Senate this week from the House, and has been referred to Senate Commerce. You will recall that this legislation will impose “suitability” requirements on the sale of annuities.

Lastly, the House had a lengthy debate yesterday and early this morning on **H.B. 1473 – 2007 Appropriations Act**. The budget passed second reading late last night, and thereafter passed third reading in the wee hours of this morning. It will now be sent to the Senate. At first reading, the budget looks to be salutary with respect to matters of interest to us. **Long term care tax credits** would be reenacted. The insurance regulatory fee would stay at 5.5 percent. And, in a pleasantly unexpected twist, there appear to be no special provisions that work against our interests. We will continue to be vigilant as budget discussions continue, and we will keep you advised should any special provisions be added on matters of importance to us.

**BILL OF THE WEEK, PART II.** First bullfrogs. Then collards. Now bats. That’s right; I said bats. Wildlife Resources was the scene of considerable tumult this week as the rafinesque’s big-eared bat was endorsed at our State’s official bat. The truly curious can learn more about this legislation by examining **H.B. 1683**.

The next two weeks will be busy ones. Please contact me at any time with any questions or comments you might have. I look forward to keeping you posted as the rush to crossover continues.

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