

The 2009 legislative session continues in Raleigh. A number of bills of interest have been introduced. However, the House and Senate leadership have not yet made committee appointments, and therefore, the normal pace of legislative activity is still just a bit away. It appears that committee appointments might be made next week, and I will keep you advised as this occurs.

On the health insurance side of things, **SB 88 – Health Insurance Tax Deduction** will be introduced on Monday evening, February 9, 2009. This legislation would allow individuals to deduct the cost of health insurance from their income tax liability. The primary sponsor is Sen. Jerry Tillman (R-Archdale), and there are ten other co-sponsors. These co-sponsors are as follows: Harris Blake (R-Pinehurst), Andrew Brock (R-Mocksville), Harry Brown (R-Jacksonville), Pete Brunstetter (R-Lewisville), Debbie Clary (R-Shelby), Neal Hunt (R-Raleigh), Jim Jacumin (R-Connelly Springs), Jean Preston (R-Emerald Isle), Bob Rucchio (R-Matthews) and David Weinstein (D-Lumberton).

Also introduced this week on the health insurance side of things was **HB 14 – Chiropractic Services/Insurance**. This legislation would reenact the law concerning health benefit plan co-payments for chiropractic services that received consideration during the tenure of former Speaker Jim Black. It would provide that an insurer shall not impose as a limitation on treatment or level of coverage a co-payment amount charged to the insurer for chiropractic services that is higher than the co-payment amount charged to the insured for the services of a duly licensed primary care physician for a comparable medically necessary treatment or condition. The primary sponsors of this legislation are Representatives Cullie Tartleton (D-Blowing Rock) and Bruce Goforth (D-Asheville). Other sponsors include Nelson Cole (D-Reidsville), Tricia Cotham (D-Charlotte), Beverly Earl (D-Charlotte), Miriam McLawhorn (D-Grifton), Tim Moore (R-Shelby), Tim Spear (D-Creswell), Edith Warren (D-Farmville) and Michael Wray (D-Gaston).

For those of you with an interest in auto insurance, please note that Representative Bill Faison (D-Durham) has introduced two bills of note. **HB 29 – Allow UM/UIM Stacking** would allow interpolicy stacking of underinsured and uninsured motorist coverage.

**HB 82 – Increase Auto Insurance Limits** would increase the amount of mandatory auto liability insurance coverage. Insureds are now required to have coverage in the amount of \$30,000 because of bodily injury to or death of one person in any one accident, \$60,000 because of bodily injury to or death of two or more persons in any one accident, and \$25,000 because of injury to or destruction of property of others in any one accident. Representative Faison proposes changing these amounts from \$30,000 to \$75,000, from \$60,000 to \$150,000 and from \$25,000 to \$50,000, respectively.

The cost and availability of homeowners insurance in the beach and coastal area is drawing considerable attention at the legislature. **SB 6 (=HB 26) - Beach Plan and Insurance Rate and Deductible Stay** has been introduced by Senators Julia Boseman, R.C. Soles, Harry Brown and Jean Preston. Senator Boseman and Senator Soles are Democrats from Wilmington and Tabor City, respectively, while Senators Brown and

Preston are Republicans from Jacksonville and Emerald Isle. The late Commissioner of Insurance Jim Long recently approved increases in deductibles and surcharges for Beach and FAIR Plan policies, and **SB 6 and HB 26** would provide that these increases may not go into effect for homeowners' coverage on permanent residences. The legislation would ban increases for Beach and FAIR Plan coverages, and would also restrict certain rate increases addressed recently by the Department of Insurance and the North Carolina Rate Bureau. This legislation would expire by its own terms on May 1, 2011.

**HB 26** is the House version of **SB 6**, and House sponsors include Tim Spear (D-Creswell), Robert Grady (R-Jacksonville), Carolyn Justice (R-Hampstead), Pat McElrath (R-Emerald Isle), Bonner Stiller (R-Oak Island) and Alice Underhill (D-New Bern).

Concern about the impact of the digital age on drivers of automobiles has resulted in legislation that would ban texting while driving. Should this legislation be of interest to you, you may follow **SB 22 (= HB 9) and HB 68**. The sponsor of **SB 22** is Senator Jim Forrester (R-Stanley). Representatives Garland Pierce (D-Wagram) and Pricey Harrison (D-Greensboro) are sponsoring **HB 9**, while Representative Nelson Cole (D-Reidsville) is promoting **HB 68**.

The length of legislative sessions and legislative terms is again under consideration. **SB 15 – Sessions Limits** would provide for 135 days of per diem for long sessions and 60 days of per diem for short sessions. Senator Tony Rand introduced this legislation and please note that he has been joined by 36 other sponsors in the Senate. With a total of 50 senators, this means that a substantial majority of the Senate favors some type of session limits.

**HB 71 – Four-year Terms** was introduced by Representative Bruce Goforth (D-Asheville), and would provide that once a legislator is elected he or she would serve for four years rather than the current two years. Note that Rep. Goforth was joined by 58 other members of the House on this bill, and should they receive three additional supporters, this legislation would pass the House. Constitutional amendments would be required to increase the length of service from two years to four years.

**HB 48 – Line Item Veto** was introduced by Representative John Blust (R-Greensboro), and would give the Governor the ability to veto single items in the budget rather than having to veto the entire budget package. This legislation would also require a Constitutional amendment.

The concept of tort reform is receiving quiet, but steady attention during the early stages of this legislative session. North Carolina continues to operate under the contributory negligence standard, and various groups are beginning to wonder if some form of comparative fault might be preferable to the contributory negligence standard. The current idea being circulated is that if a plaintiff were 51% or more responsible for his or her injuries that he or she would not be permitted a recovery. Under this approach joint and severable liability would be abolished. This would be a significant development in

North Carolina, and I will keep you advised as discussions about comparative fault continue.

Discussions about Stranger-Originated Life Insurance (“STOLI”) are continuing and I will stay in touch as this important legislation is addressed during these early stages of this legislative session.

Lastly, former Insurance Commissioner Jim Long was laid to rest this week. His family hosted a visitation in Raleigh on February 4, with a funeral service in Raleigh on February 5. Today the family held a service for Commissioner Long in Burlington.

This report should cover all the bases on matters of interest through this week. I will stay in touch as the session continues, and would welcome your comments on matters of interest at any time.

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