

Thanks to all who attended this year's Day on the Hill activities. There were knowledgeable, informative and entertaining speakers on Tuesday afternoon, and Commissioner of Insurance Wayne Goodwin found time to visit with us. Wednesday morning's breakfast for legislators was well attended, and there was considerable lively discourse with the members of the General Assembly who joined us for breakfast. Thanks again to all those who attended.

A number of matters of interest have been introduced this week. They include the following:

H.B. 397 – Conscience Protection/Contraceptive Coverage. This legislation, introduced by Rep. Mark Hilton (R-Conover; 5 terms in the House) would amend the health benefit plan definitions of “outpatient contraceptive services” and “prescribed contraceptive drugs and or devices” to declare that these services do not include those used to induce an abortion or devices that interfere with the development of an embryo after fertilization. No health insurer or employer would be required to provide prescription contraceptive coverage or outpatient contraceptive services coverage when the provision of the coverage is contrary to the religious beliefs or moral convictions of the insurer, employer, or insured individual.

On the auto side of things, Rep. Ric Killian (R-Mecklenburg) introduced House Bills 417 and 418. Under **H.B. 417 – Driver's License Changes/Young Drivers**, young drivers who are at least 16 years old but less than 18 could obtain a full provisional license if they have held a limited provisional license for at least 12 months (now 6) and not convicted of a moving violation or seatbelt infraction during the preceding 12 months (now 6). Under **H.B. 418 – Driver's License Changes/Older Drivers**, Rep. Killian would revise the law on driver's license renewals by requiring persons who are at least 85 years of age to take road tests administered by DMV.

Today in both the House and Senate legislation was introduced to impose a temporary stay on increased surcharges and deductibles under Beach and FAIR Plan policies and on property insurance rate increases for homeowners policies across the state. See **Senate Bill 428**, and note that the House version, HB 426, is identical.

The legislation provides that rate increases approved by the Commissioner will not take effect, and this legislation would expire on July 1, 2010.

The Senate version of this legislation is sponsored by Sen. Julia Boseman (D-Wilmington; represents New Hanover County), and has as co-sponsors Sen. Harry Brown (R-Jacksonville; represents Jones and Onslow Counties), Sen. Jean Preston (R-Emerald Isle; represents Carteret, Camden and Pamlico Counties) and Sen. R.C. Soles (D-Tabor City; represents Brunswick, Columbus and Pender Counties.)

The House legislation has four primary sponsors: Rep. Tim Spear (D-Creswell; represents Chowan, Dare, Hyde and Washington Counties; was a member of the Coastal Insurance Study Committee); Rep. William Wainwright (D-Havelock; represents Craven

and Lenoir Counties); Rep. Bill Owens (D-Elizabeth City; represents Camden, Currituck, Pasquotank and Tyrell Counties; is Chairman of House Rules and the Appropriations Subcommittee on Capital) and Rep. Pat McElraft (R-Emerald Isle; represents Carteret and Jones Counties).

There are eight co-sponsors of the House bill: Rep. George Cleveland (R-Jacksonville; represents Onslow County); Rep. Robert Grady (R-Jacksonville; represents Onslow County); Rep. Sandra Spaulding Hughes (D-Wilmington; represents New Hanover and Pender Counties); Rep. Carolyn Justice (R-Hampstead; represents New Hanover and Pender Counties); Rep. Danny McComas (R-Wilmington; represents New Hanover County); Rep. Annie Mobley (D-Ahoskie; represents Bertie, Gates, Hertford and Perquimmons Counties); Rep. Alice Underhill (D-New Bern; represents Craven and Pamlico Counties) and Rep. Winkie Wilkins (D-Roxboro; represents Durham and Person Counties).

Please note that there is a great deal of interest at the General Assembly in the coastal insurance issue. Commissioner Goodwin is under considerable pressure to address rate issues, and for legislators the issue has become a priority.

S.B. 365 – Child Health Insurance Tax Credit was introduced this week by Senate Minority Leader Phil Berger and six other Republicans. Under this legislation, an individual would be allowed a tax credit equal to the premium costs the individual paid during the taxable year on qualified health coverage for a dependent for whom the individual was allowed to deduct a personal exemption. “Qualified health coverage” means coverage that equals or exceeds the minimum provisions of the basic health care plan of coverage under N.C.G.S. 58-50-125.

Senator Bill Purcell (D-Laurinburg) introduced **S.B. 375 – Insurance/Cover Hearing Aids**. Sen. Purcell is joined by eight co-sponsors. The legislation would require health benefit plans and the State Health Plan to cover the purchase and replacement of hearing aids up to \$2,500 per hearing aid every 36 months for covered individuals under the age of 22. This bill has been referred to Senate Commerce, and if it emerges from there, it will go on to Senate Appropriations.

H.B. 2 (= S.B. 205) – Prohibit Smoking in Public Workplaces is being addressed in the House. It was first considered in the House Health Committee, where it received a favorable report. It was then re-referred to Judiciary I. I will keep you advised as this legislation moves forward in the House.

Stranger Originated Life Insurance (“STOLI”) is at a bit of a crossroads. The American Council of Life Insurers has determined that it does not have the financial resources to pursue this legislation without substantial help from the Department of Insurance. The DOI is focusing virtually all of its efforts at this time on the coastal insurance issues, and we should know something fairly soon on whether or not the DOI will add STOLI to the list of issues it is promoting during this legislative session. I will keep you advised as to what I learn. In the Senate, legislation must be submitted to the Bill Drafting by March

13, and thereafter filed by March 25. In the House, bills must be to the Bill Drafting by March 26, and must be filed by April 8. I will continue to stay in touch as discussions on STOLI continue.

That should cover the bases for now. Thanks again to those who traveled to Raleigh to participate in the Day on the Hill activities. I shall stay in touch, and would welcome your thoughts and learned observations at any time.

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