

The North Carolina General Assembly convened on Tuesday, May 13, 2008, for its short session. Matters relating to the budget and appropriations have taken center stage this week. Appropriations committees had been meeting for several weeks in advance of the session, and legislators were able to hit the ground running on money matters. Fine tuning the budget is the primary reason that the short session is held. There appears to be a modest surplus at issue, and early reports are that the leadership of both houses wants to wrap up this session by July.

Neither the House Insurance nor the Senate Commerce Committees met this week. There were, however, several filings of potential interest. They include the following:

SB 1577 - Amend Liability of Ski Areas. I bring this bill to your attention because it sounds in the area of tort reform, a topic of continuing interest to many of you. Sen. Steve Goss (D-Boone) filed this bill, and it would impose the doctrine of assumption of risk on skiers, and would make ski area operators immune from liability for collisions that their skiing patrons have. The bill is being held for now and has not yet been referred to committee.

HB 2111 - Long-Term Care Insurance - No Income Limit. Rep. Cary Allred (R-Burlington) proposes that the income limits be removed from the credit for premiums paid on long-term care insurance. See NCGS 105-151.28(a). These limits are as follows: \$100,000 for those with a filing status of "married, filing jointly"; \$80,000 for heads of households, \$60,000 for singles and \$50,000 for "married, filing separately". Note that the Commission on Aging, which met in the "off season", will recommend during this session that the tax credit for the purchase of LTC coverage be increased to 75% of the premiums paid up to a maximum of \$1000. There is now a 15%/\$350 limitation. The Assisted Living Association has endorsed the increase in the tax credit, and we will join a coalition seeking to promote these enhancements to LTC coverage.

STOLI - HB 1489 will soon be on the agenda. A placeholder STOLI bill passed the House last session, and therefore, stranger owned life insurance is very much eligible during this session. The American Council of Life Insurers and the DOI are taking the lead on this legislation, and their goal is to use NCOIL and/or NAIC model legislation to address life settlement transactions. Senate Commerce will be the bill's first stop, and I will keep you advised as it is scheduled for debate. Note that the life settlement industry said last year that legislators should wait for the NCOIL and/or NAIC models, and now that those models are in fact here, the life settlement industry is changing their tune. Expect them to resist vigorously any efforts to have meaningful reform on stranger owned life insurance. The ACLI and the DOI are looking to the agent community for strong grass roots support in the pursuit of the passage of STOLI legislation, and I will have information available next week at Day on the Hill for use in conferring with legislators about the STOLI issue.

That should cover our bases for now. Both houses go in at 10:00 this morning, permitting them to adjourn early and get out of town until Monday evening. This has been a quick and relatively uneventful first week. I shall stay in touch as the session progresses, and, as always, welcome your thoughts, comments, questions and insights at any time.

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