

This week at the General Assembly has seen a bit more activity than occurred during the week after crossover. The House is ramping up its efforts to complete its version of the budget, and all Appropriations Committees are meeting today. The State's fiscal year ends on June 30, and the House wishes to pass its version of the budget so House and Senate conferees can begin meeting to iron out their budgetary differences.

With respect to bills of interest, note that **SB 957 – Special Enrollment Period/Group Health Insurance** passed out of House Health this week with a favorable report. It is being considered by House Insurance today. By way of background, the Federal American Recovery and Reinvestment Act of 2009 included a 65% subsidy for COBRA continuation coverage for up to nine months for workers who are involuntarily terminated and did not elect continuation coverage or terminated the coverage. **SB 957** would address involuntarily terminated employees who failed under the State's continuation coverage to elect such coverage when eligible or who had terminated their continuation coverage. They could elect such coverage under an extended enrollment period. Senator Martin Nesbitt (D-Asheville) is handling this bill, and it has seen smooth sailing to date. I would anticipate its ultimate enactment.

HB 589 – Insurance/Coverage Hearing Aids was also considered this week by House Health and received a favorable report. The Senate version of this bill, **SB 375**, is on for consideration in Senate Commerce today. This legislation would provide coverage for hearings aids for children and young adults up to 22 years of age. Advocates for this legislation indicate that approximately 3,000 children and young adults would be affected by this bill. They estimate that the annual cost to the State Employee's Health Plan at approximately \$250,000 to \$275,000. Advocates estimate that the cost to insurers would be 39 cents per policy. I will keep you advised as this legislation continues to be debated.

HB 1402 – Cover NC Health Care Access Program is scheduled for debate today in House Health. The bill would authorize the Legislative Research Commission to study the feasibility of establishing a program to provide health care access to uninsured individuals and their families. It would also authorize the study of a program to provide a single, centralized market for the sale and purchase of various products that enable individuals to pay for health care. Note that the original version of this bill sought to implement these programs rather than study them. I will keep you advised as this legislation is considered. The Legislative Research Commission is frequently authorized to study a wide variety of proposals, and the sheer volume of issues directed to the Legislative Research Commission precludes them from studying each one. I will let you know if it becomes apparent that the LRC will undertake an active study of the matters addressed in **HB 1402**.

HB 1166 – Insurance Law Changes is in House Insurance today. It is a Department of Insurance bill, and it would, do the following: require licensees for variable life and variable annuity products to meet the Financial Industry Regulatory Authority ("FINRA") requirements of the Secretary of State rather than the National Association of Security Dealers' requirements. It would prohibit an individual from holding a P&C license as well as an adjustor's license (this is current law; only a nomenclature change is at issue). It would authorize the Department of

Justice to provide a criminal record check to the Commissioner for any person who has applied for or holds a license through the Commissioner. It would require carriers to file notices of agent appointments within 15 days after the date the first insurance application is submitted. Collection agencies and bail bonding agencies are also addressed in this bill, as are motor clubs. This DOI bill has generated little controversy or discussion, and I will keep you advised as it progresses.

There were no developments of note this week on the P&C front.

That should cover the bases for now. I hope your week is progressing nicely, and I look forward to staying in touch as this session continues.