

The Senate passed its version of the budget this week. It differs in significant small details from the House's version, and the House will not accept what the Senate has done. Therefore, next week conferees will be appointed to iron out budgetary differences. Given the tenacity with which each house has approached the issues in dispute, it may be that considerable negotiating will be involved to get a final budget in place. Our State's fiscal year ends on June 30. Continuing budget resolutions are routinely passed when final budgets have not been finalized by the end of the fiscal year. Stay tuned.

Next week we expect to be a busy one. Senate Commerce is expected to meet on Tuesday, June 24, and **HB 738** will be on the agenda. This is the DOI bill that includes updates to the Health Insurance Risk Pool's enabling legislation. Note as well that the uninsured and underinsured motorists coverages of auto policies would be addressed.

HB 1489 - STOLI may also come up next week in Senate Commerce. The ACLI has been working closely with the DOI and the life settlement industry on this issue, and I will be in touch about having members of our association attend Tuesday's meeting and voice support for this legislation.

HB 2335 - Expand Small Business Health Benefits Credit is scheduled to come on for second and third readings in the House on Monday, June 23. I will let you know how this vote goes.

HB 2229 - Buncombe County Pilot Project appeared for a short while on the agenda for House Insurance this week. It was ultimately removed from the calendar, and was not heard. The DOI stepped up to the plate and spoke with the bill sponsors in articulating concerns, and a substitute proposal was worked on that eliminated cherry picking, made the concept a fully insured one rather than a self-funded one and addressed various rating issues. Also, the word is that staff counsel suggested that the State constitution prohibits local acts from addressing public health concerns, but no one is saying publicly that this in fact occurred. Whatever the case, the bill was pulled, and I'll keep you posted as this legislation.

All else is quiet, at least for now. I shall stay in touch as things heat up next week. Thanks.

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