

House and Senate budget conferees continue to hammer away at resolving their differences over the budget. Leaders in both houses report incremental progress, and by early next week we should have a better understanding of how close to adjournment we may be.

Senate Commerce met this week and gave a favorable report to **H.B. 738 – Insurance Changes**. This bill is on for second reading in the Senate today. This bill modestly revises the Risk Pool's enabling legislation to clarify that the Pool's Executive Director acts upon the "approval and authorization" of the Board of Directors rather than "in collaboration with" the Board. With respect to auto insurance, it makes uninsured and underinsured motorists coverage mandatory and eliminates the selection/rejection form. It also provides a "safe harbor" provision so that a consumer does not receive auto coverage for which he or she did not pay.

H.B. 1489 – STOLI was to have been considered in Senate Commerce this week. However, the American Council of Life Insurers and the agent community could never come to terms with the life settlement industry, which continued to push for a watered down version of STOLI legislation. The bill is dead for this session, and we shall stay in touch as the STOLI issue gets revisited in 2009.

For general information purposes, note that **H.B. 2340 – Transporting Children in Open Beds of Pickups** is on for second and third readings in the House today. This bill was amended in House J-1 to permit DMV to assess two driver's license points for violations of the prohibition on transporting children in the back of pickup trucks. The age on this prohibition would rise from 12 years of age to 16.

H.B. 2335 – Expand Small Business Health Benefits Credit has been referred back to House Finance. It had been on the House calendar this week. It would increase the employer's tax credit for providing a health benefit plan from \$250 to \$300. For this tax credit to be increased, it will need to be incorporated into the budget bill, and for that reason it has been returned to House Finance.

Next week, on Tuesday, July 1, 2008 at noon in room 544 of the Legislative Office Building, House Health will hold a public hearing on **HB 2688 - Health Care Policy Council**. This legislation is sponsored by Representatives Insko, Holliman, Wainwright and Fisher. It would develop a program to broaden access to health care in North Carolina. The Council would examine "moving from the current fragmented health care system to an integrated system of public and private health care services." The Council would be comprised of 31 members, and the bill seeks an appropriation of \$300,000 so that the Council could begin its work. The bill's goal would be to have a revised health care system in place by 2013. I will attend this hearing and report to you and what transpires.

Lastly, the legacy of former Speaker Jim Black continues to erode. You may recall that he was an optometrist, and had inserted into a prior budget an appropriation to require

that children get screened for vision problems. This eye exam mandate is fading away as leaders of both the House and the Senate lose interest in funding this mandate.

House Insurance met this morning at 9:00, but considered only **H.B. 2443 – State Health Plan**. This legislation revises health and long term care benefits for state employees eligible to participate in the State Health Plan.

That is where we are at the end of this legislative week. I will stay in touch, and please contact me at your convenience with any questions you might have.

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