

Budget considerations continue to be front and center at the North Carolina General Assembly. The end of the State's fiscal year has come and gone without a new budget in place, and the House and the Senate were able to agree on a continuing resolution which permits State government to keep operating. Stay tuned as House and Senate conferees continue to work on the budget, and I will keep you advised as it is finalized.

This week the House concurred on Senate amendments to **HB 1294 - Health Insurance Risk Pool Premiums/Notice** and the bill has been sent to the Governor for signing. This bill permits the Risk Pool to implement premium subsidies if federal grants are received for this purpose, and insurers are to notify their applicants of the existence of the Pool where appropriate. The abbreviated pre-existing condition waiting period for new enrollees will be extended for the rest of this calendar year.

Representatives Verla Insko and Jerry Dockham were instrumental in the passage of this legislation, and if you should cross paths with either of them, please extend thanks for a job well done.

House Insurance met this morning and was to have considered **SB 877 - Health Plan Provider Contracts/Transparency**. However, this bill was pulled at the last minute and will be discussed next week. This bill requires that the fundamental elements and obligations of contracts between health plans and providers be spelled out in plain English.

Next week in Senate Commerce **HB 1485 - Insurance/Health Care Provider Relationship** will be considered. This legislation reforms the process for recovery of overpayments to providers by health insurers. It requires insurers to provide specific details of the claim so that it can be identified and addressed, and also allows for offsets of future payments where providers are non-responsive to inquiries about overpayments.

HB 535 - Health Insurance Coverage/Lymphodema was on the Senate calendar this week for second reading. However, it was withdrawn from the calendar and is now set to be heard on Wednesday, July 8.

On the property and casualty front, note that **HB 1305 - Beach Plan Changes** received a favorable report this week from House Insurance. It was now to be re-referred to House Finance. This legislation addresses how the Beach Plan will pay for truly catastrophic storms. Insurers now face unlimited assessments for the payment of catastrophic losses. This legislation would require that insurers pay the first \$1 billion in losses through assessments that the Beach Plan makes on them. After that point, they could recoup future payments by placing surcharges on residential and commercial policyholders across the state. This surcharge could not exceed 10% of the insured's annual premium. Note that the Beach Plan would also be authorized to develop its own means of financing the payment of losses through CAT bonds and other methods. This legislation would also reduce the maximum insured value of residences covered by the Beach Plan from \$1.5 million to \$750,000, and it would require that the Beach Plan surplus accumulate and not be distributed to member companies. The Beach Plan surplus is now in excess of \$750 million. I will keep you advised as debate and discussion on this legislation continues.

This morning House Insurance also considered **SB 749 - Revise Uninsured Motorists/Underinsured Motorist Coverage Requirements**. This legislation provides adjustments to a bill passed last year which makes it mandatory for motorists to carry UM and UIM coverage. The bill received a favorable report, and is off to House Ways and Means for further refinement.

All else is quiet as legislators head out of town to celebrate the July 4th weekend. I hope that yours is a good one, and I look forward to keeping you advised as this legislative session continues.