

March 4, 1999

H 294. LIFE & HEALTH INS. AMENDMENTS. TO PROVIDE MEDICARE SUPPLEMENT INSURANCE FOR PERSONS WHO DELAY MEDICARE PART B ENROLLMENT; TO PRESCRIBE STANDARDS FOR DISABILITY INCOME INSURANCE; TO CONFORM NORTH CAROLINA'S 1997 POST-MASTECTOMY RECONSTRUCTIVE SURGERY LAWS TO THE FEDERAL WOMEN'S HEALTH AND CANCER RIGHTS ACT OF 1998; TO UPDATE THE LAW ON VIATICAL SETTLEMENTS; AND TO AUTHORIZE THE WRITING OF FAMILY LEAVE CREDIT INSURANCE. (1) Amends GS 58-54-55 (Medicare supplement insurance) as title indicates. (2) Adds new GS 58-51-130 to establish standards for disability income insurance policies regarding disclosure, preexisting conditions, integration of benefits, and required provisions. (3) Amends statutes regarding coverage for reconstructive breast surgery following mastectomy to require coverage for prostheses and physical complications in all stages of mastectomy, including lymphadenomas. (4) Amends statutes regarding viatical settlements to define or redefine "financing entity," "financing transaction," "viatical settlement broker," "viatical settlement contract," "viatical settlement provider," "viatical settlement representative," "viaticated policy," and "viator." Provides that viatical settlement broker represents only the viator and owes fiduciary duty to viator to act according to viator's instructions and in viator's best interest. Makes viatical settlement representatives and viatical settlement brokers (as well as viatical settlement providers) subject to registration and examination. Adds provision restricting disclosure of identity of viator. Amends provision regarding disclosure of information by viatical settlement provider to viator before execution of viatical settlement contract. (5) Adds new GS 58-57-115 establishing standards for family leave credit insurance policies to provide coverage for loss of income because of voluntary, employer approved, leaves of absence for birth or adoption of child, illness of family member, or other specified reasons. (6) Except for provisions regarding Medicare supplement insurance, act is effective Oct. 1, 1999.

Intro. by Hurley.

Ref. to Insurance

GS 58

April 12, 1999

H 294. LIFE & HEALTH INS. AMENDMENTS. Intro. 3/4/99. House committee substitute makes the following changes to 1st edition. Deletes provision providing Medicare supplement insurance for people who delay Medicare B enrollment. Modifies amendment to GS 58-58-42(i) so that failure to tender viatical settlement contract consideration by date disclosed to viator renders contract null and void (original bill, voidable by viator until time consideration is tendered to and accepted by viator). Adds provision amending GS 58-51-15(h) (preexisting condition exclusion clarification) to provide that sub-subdivision (a)(2)b. of section does not apply to excepted benefits as described in GS 58-68-25(b)(1), (2), and (4) [now, GS 58-68-25(b)]. Effective Oct. 1, 1999, adds provisions: (1) amending GS 58-57-1 (application of article) to include all credit insurance on credit card balances and all family leave credit insurance; and (2) amending GS 58-57-5 to define "family credit leave insurance" as insurance on debtor in connection with specified loan or other credit transaction to provide payment to creditor of debtor for installment payments or other periodic payment becoming due when debtor suffers loss of income because of voluntary, employer-approved leave of absence for qualifying events specified in GS 58-57-115(d).

July 7, 1999

H 294. LIFE AND HEALTH INS. AMENDMENTS/AB. Intro. 3/4/99. Senate committee substitute makes the following changes to 2nd edition. Changes title to AN ACT TO AMEND THE LAW GOVERNING THE APPLICABILITY OF PREEXISTING CONDITION LIMITATIONS TO CERTAIN TYPES OF HEALTH INSURANCE POLICIES; TO PRESCRIBE STANDARDS FOR DISABILITY INCOME INSURANCE; TO CONFORM NORTH CAROLINA'S 1997 POSTMASTECTOMY RECONSTRUCTIVE SURGERY LAWS TO THE FEDERAL WOMEN'S HEALTH AND CANCER RIGHTS ACT OF 1998; TO UPDATE THE LAW ON VIATICAL SETTLEMENTS; TO AUTHORIZE THE WRITING OF FAMILY LEAVE CREDIT INSURANCE; TO CLARIFY THAT LOCAL GOVERNMENT INSURANCE RISK POOLS ARE SUBJECT TO INSURANCE LAWS IN CHAPTER 58 ONLY WHEN SPECIFICALLY REFERRED TO IN THOSE

LAWS; TO MAKE CONFORMING CHANGES IN THE STATE HEALTH PLAN REIMBURSEMENT FOR PASTORAL COUNSELORS; AND TO MAKE A TECHNICAL CHANGE CONCERNING THE CLAIMS ACKNOWLEDGMENT STATUTE. Amends GS 58-58-42(a)(4a) to add to non-covered "provider" a financing entity (1) whose sole activity related to the transaction is providing funds to effect the viatical settlement provider and (2) that has a written agreement with a licensed viatical settlement provider to act as a participant in a financing transaction. Amends GS 58-58-42(b) to provide that Comm'r may require applicant to disclose fully the identity of all stockholders directly or indirectly holding 10% or more of the voting securities of the viatical settlement provider, and may refuse registration if not satisfied that such stockholder, officer, employee, or partner who may materially influence the applicant's conduct meets the standards of this section. Adds new GS 58-23-45 to provide that unless local government risk pools are specifically referenced in a particular section of this Chapter, no provisions of this Chapter other than this Article apply to local government risk pools. Makes conforming change to GS 135-40.7B for state health plan reimbursement for pastoral counselors, retroactively effective to June 30, 1999.