

March 4, 1999

H 296. INSURANCE TECHNICAL CHANGES. TO REPEAL OBSOLETE OR UNNECESSARY LAWS AND MAKE TECHNICAL AND CLARIFYING AMENDMENTS AND CORRECTIONS IN VARIOUS INSURANCE STATUTES. Includes repeal of GS 58-3-125 (revocation of license), GS 58-6-10 (licensing of underwriters), GS 58-7-150 (consolidation of insurers), and GS 58-71-90 (bondsmen appeal) as obsolete or unnecessary.

Continuing care retirement communities. Amends GS Ch. 58, Art. 64 to rename “continuing care facilities” as “continuing care retirement communities.”

Workers Compensation. Amends GS Ch. 58, Art. 36 (workers' compensation) to integrate “loss costs” as a regulated item, like rates. Includes amendment of GS 58-36-10 to provide that loss costs may not be excessive, inadequate, or unfairly discriminatory. Makes clarifying changes in statutes concerning deviations from rates filed with the Rate Bureau. Amends GS 58-36-100(b)(1) to include in definition of expenses taxes “levied by the State or by any political subdivision of the State, licensing costs, fees.” Amends GS 97-133 (powers and duties of Self-insurance Guaranty Ass'n) to delete duty of obtaining reports about aggregate benefits, to clarify that assessments are based on “gross premiums” rather than “standard premiums”, and to require that the Secretary of Revenue provide the Ass'n with self-insurer premium and payroll information gathered under specified statutes. Amends GS 97-170(c) to remove requirements concerning employee base for applicants for self-insurance. Amends GS 97-180(d) to provide that self-insurers must provide a report of annual payroll information on the Commissioner of Insurance's request (now, within 120 days after the end of the fiscal year).

Health insurance. Amends GS Ch. 58 statutes concerning health insurance. Includes amendment of GS 58-50-130(a) (small employer health benefit plans) to include a provision that: a late enrollee may only be excluded from coverage for the greater of 18 months or an 18-month preexisting-condition exclusion; if both applied to a late enrollee, the combined exclusion period cannot exceed 18 months; and, at the end of the exclusion period the late enrollee must be enrolled in the health benefit plan. Clarifies that benefits excepted under GS 58-68-25 are not covered by GS 58-51-55(d), 58-65-90(d), 58-67-75(d), or 58-51-15(h).

Bail bonds. Amends GS 58-71-82 (bail bonds licenses) to clarify that holding a professional bondsman's license or runner's license and a surety bondsman's license simultaneously are considered one license for the purpose of disciplinary action involving nonrenewal of the licenses.

Agent associations merger. Amends GS 58, Art. 32 to merge references and responsibilities of the Carolina Ass'n of Professional Insurance Agents into the Independent Insurance Agents of North Carolina. For example, where three nominees to the Public Officers and Employees Liability Insurance Commission are now made by the Professional Insurance Agents under GS 58-32-1, those nominees would come from the Independent Insurance Agents. Renames “fire and casualty” under GS 58-33-135(b) as “property and liability.”

Automobile insurance. Repeals GS 58-36-75(c) (list of offenses to which facility recoupment surcharges apply). Amends GS 58-37-1 and 58-37-35(b)(2) to clarify that underinsured motorist insurance is included in the definition of motor vehicle insurance. Increases Reinsurance Facility coverage rates as follows: increases underinsured motorist and uninsured motorist from \$100,000 to \$1 million for each person and each accident for bodily injury liability. Increases uninsured motorist coverage for property damage from \$15,000 to \$50,000. Amends GS 58-37-35(e) to clarify that a chair of the Reinsurance Facility Board of Governors may continue to serve as chair until a successor is elected and qualified, even if it take the chair beyond their two year limit of service.

Motor clubs. Deletes Gs 58-69-1, -77-1, and -77-5 concerning motor club and replaces them with new GS 58-69-2, 58-69-50, and 58-69-55. Explicitly defines the variety of services motor clubs may provide (i.e. bail services, auto theft reward service, or towing service).

Replaces term “certificate of authority” with term “license” throughout GS Ch. 58. Corrects numerous statutory references. Makes other clarifying and technical amendments throughout.

Intro. by Hurley.

Ref. to Insurance

GS 58

April 14, 1999

H 296. INSURANCE TECHNICAL CHANGES. Intro. 3/4/99. House committee substitute makes the following changes to 1st edition. Changes effective date of workers' compensation loss cost provisions to Sept. 1, 1999 (was, when bill becomes law) and makes other technical and clarifying changes.