

March 4, 1999

H 306. INSURANCE AMENDMENTS. *TO AUTHORIZE THE COMMISSIONER OF INSURANCE TO CONDUCT HEARINGS AND ADOPT CERTAIN RULES RELATED TO THE BEACH AND FAIR PLANS, TO AUTHORIZE THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO APPROVE ADDITIONAL BEDS FOR CONTINUING CARE RETIREMENT FACILITIES UNDER CERTAIN CIRCUMSTANCES, TO REVISE THE LAW PROHIBITING DISCRIMINATION IN THE TREATMENT OF HANDICAPPED AND DISABLED PERSONS, TO GOVERN MANAGED CARE WITH REGARD TO WORKERS' COMPENSATION, TO EXEMPT COMMERCIAL AIRCRAFT INSURANCE FROM STATE REGULATION, TO REQUIRE ADDITIONAL INFORMATION FROM SURPLUS LINES LICENSEES, TO CLARIFY WHICH SECTIONS OF THE GENERAL STATUTES APPLY TO SURPLUS LINES INSURANCE, TO AUTHORIZE THE SECRETARY OF REVENUE TO PROVIDE THE NORTH CAROLINA SELF-INSURANCE GUARANTY ASSOCIATION WITH INFORMATION ON SELF-INSURERS' PREMIUMS, TO REPEAL THE REQUIREMENT FOR A BIENNIAL REPORT FROM THE DEPARTMENT OF INSURANCE, TO REPEAL THE AGENCY BUSINESS CESSATION LAW, AND TO AUTHORIZE THE COMMISSIONER TO ADOPT RULES RECOGNIZING NEW ANNUITY MORTALITY TABLES.*

Amends GS 58-2-50 to require that all hearings provided by in chapter to be held by Commissioner or designee; that all hearings be held in accord with chapter and with GS Ch. 150B, Art. 3, unless otherwise provided; and that there be written notice of all hearings. Amends GS 58-45-50 and 58-46-30 to provide that appeal procedures and recording and transcribing fees are to be set by Commissioner, rather than by statute. Adds new GS 58-64-46, applicable when Commissioner has been appointed receiver under Art. 30 of Ch. 58 for provider or facility subject to Article 64, allowing Department of Health and Human Services to accept and approve addition of beds for facility if it appears to court that such additional beds will best serve best interests of facility or welfare of persons who have previously contracted with provider or who may contract with facility. Amends GS 168-10 to extend prohibition against discrimination against handicapped persons to service corporations, multiple employer welfare arrangements, or health maintenance organizations. Deletes proviso allowing insurers to exclude by waiver or otherwise pre-existing conditions. Amends GS 168-22(b) to delete provision that deems family group home a residential use of property for insurance classification purposes.

Amends GS 58-50-65 to provide for resolution of conflicts between Insurance Commissioner regulation and Industrial Comm'n regulation of managed care under workers' compensation. Amends various sections in GS Ch. 58 deleting authority to regulate commercial aircraft insurance. Amends 58-21-35 to add required material to reports filed by surplus lines licensee. Adds GS 58-21-2 providing that surplus lines insurance and licensees are not subject to other articles of GS Ch. 58 unless specifically included. Amends GS 105-259(b) to permit Department of Revenue to provide NC Self-Insurance Guaranty Ass'n information on self-insurer's premiums, for purpose of collecting assessments authorized in GS 97-133(a). Amends GS 58-2-120 to delete requirement that Commissioner of Insurance make biennial report to General Assembly. Repeals GS 58-41-35 (Notice of cessation of business through insurance agency). Amends GS 58-58-50(k) to permit Insurance Commissioner to adopt rules for recognizing new annuity mortality tables for use in determining reserve liabilities for annuities and rules that govern minimum valuation standards for reserves of life insurance companies.

Changes to GS 58-2-50, 58-45-50, and 58-46-30 effective upon enactment. Other changes effective October 1, 1999.

Intro. by Hardaway.

Ref. to Insurance

GS 58, 168, 97, 105

April 12, 1999

H 306. INSURANCE AMENDMENTS. Intro. 3/4/1999. House committee substitute makes the following changes to 1st edition. Revises amendment to GS 58-50-65(a) to provide that GS 58-50-56(g) and (h) (concerning regulation by Insurance Comm'r of preferred provider benefit plans) apply to workers' compensation insurance and to individual and group self-funded workers' compensation insurance plans. Specifies that if there is any conflict between managed care

provisions of GS ch. 58 and the managed care provisions of GS ch. 97 with respect to workers' compensation insurance, the ch. 97 provisions govern.

Amends GS 97-133, regarding Self-Insurance Guaranty Ass'n, to delete subsection (a)(1) that requires each member to submit annual report to Insurance Comm'r concerning benefits member paid during previous calendar year and the annual standard premium that member would have paid during that year. Revises subsections (a)(2) and (c) to base annual assessment of each member, as well as any post-insolvency assessment, on gross premiums as determined under GS 105-228.5(b), (b1), and (c), rather than on annual standard premium. For purposes of these assessments, Sec'y of Revenue to report to ass'n the self-insurer premium and payroll information under GS 105-228.5(b), (b1), and (c), and comm'r to provide the group self-insurer premium information reported to him under GS 58-47-75 and 58-2-165.

April 13, 1999

H 306. INSURANCE AMENDMENTS. Intro. 3/4/99. House amendment makes the following changes to 2nd edition. Makes technical changes only.

May 19, 1999

H 306. INSURANCE AMENDMENTS. Intro. 3/4/99. Senate committee substitute makes the following changes to 3rd edition. Amends GS 58-45-50 and 58-46-30 to provide that appellant must file its statement of the case appealed pursuant to either section with the Commissioner not later than 10 (now, 20) days before hearing. Deletes proposed amendments to both sections authorizing Commissioner to adopt rules governing recording and transactions of hearings. Inserts in its place an amendment to specify that if matter appealed is between insurer and NC Insurance Underwriting Association, parties initially bear costs of recording equally; adds amendment specifying that if matter is between insured and Association, cost of transcribing is borne equally by appellant and appellee unless insured is unable to pay, in which case Association bears whole cost. Adds amendment to GS 58-36-1(3) to specify that North Carolina Rate Bureau has no jurisdiction for excess worker's compensation insurance for employers qualifying as self-insurers as provided in Article 47 of Ch. 58 and Article 5 of GS Ch. 97. Also specifies that insurance covering mechanical breakdown of nonfleet private passenger motor vehicles is not subject to Bureau's jurisdiction.