

February 26, 2001

S 241. HEALTH INSURANCE TERMINATION NOTICE. TO STRENGTHEN THE LAW MAKING IT A FELONY FOR AN INSURANCE FIDUCIARY TO CAUSE TERMINATION OF GROUP HEALTH OR LIFE INSURANCE COVERAGE BY NONPAYMENT OF PREMIUM WITHOUT GIVING NOTICE TO MEMBERS OF THE GROUP. Amends GS 58-50-40 to clarify that section applies to group health plans as defined in the federal Employment Retirement Income Security Act. Makes violation of GS 58-50-40 a class G felony (currently, class H). Requires insurers to notify Comm'r of Insurance when an insurance fiduciary fails to pay group health or life insurance premiums, and to notify insureds by publication of notice of the fiduciary's failure to pay. Authorizes insurer to recover costs of publication and related administrative expenses from the insurance fiduciary. Makes additional technical and conforming changes.

Intro. by Dalton and Reeves.

Ref. to Insurance	GS 58
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April 10, 2001

S 241. HEALTH INSURANCE TERMINATION NOTICE. Intro. 02/26/01. House committee substitute makes the following changes to 1st edition. Provides that upon termination of a group health insurance contract, the insurer shall notify every subscriber and certificate holder under the contract of the contract termination. Removes all provisions requiring insurer to notify the Comm'r of Insurance and publish notice in newspaper.