

March 14, 2007

H 731. REVISE LIFE AND HEALTH INSURANCE LAWS (=S 736). Filed 3/14/07. *TO PROTECT CONSUMERS PURCHASING ANNUITY PRODUCTS; ADDRESS PORTABILITY IN ACCIDENT AND HEALTH AND LIFE INSURANCE; MAKE MINOR CHANGES IN THE LAWS ON MANAGED CARE EXTERNAL REVIEWS; CLARIFY DEFINITIONS IN LONG-TERM CARE INSURANCE; ADDRESS SMALL EMPLOYER CARRIER PLAN ELECTIONS; DEFINE "CRITICAL PERIOD CONVERSION RATION" FOR CREDIT INSURANCE; MAKE MISCELLANEOUS AMENDMENTS TO OTHER PROVISIONS RELATED TO LIFE AND HEALTH INSURANCE; AND MAKE TECHNICAL CORRECTIONS IN INSURANCE CODE REFERENCES TO THE TEACHERS' AND STATE EMPLOYEES' MAJOR MEDICAL PLAN.*

Identical to S 736, filed 3/13/07.

Intro. by Goforth, Holliman.

GS 58

May 2, 2007

H 731. REVISE LIFE AND HEALTH INSURANCE LAWS. Filed 3/14/07. House committee substitute makes the following changes to 1st edition. Enacts a new GS 58-60-173 to require the Commissioner of Insurance to suspend or revoke the license of an insurance producer or insurer that violates the new part (suitability in annuity transactions) and specifies the elements of a violation of the part. Modifies the proposed amendments to GS 58-3-34 (stipulations as to jurisdiction and limitations of actions) to restore MEWAs to the coverage of the statute (first edition deleted MEWAs). Rewrites the effective date section to (1) clarify that the changes related to suitability in annuity transactions apply to violations occurring on or after January 1, 2008, (2) make the amendments to GS 58-56-51 relating to expiration of a license or registration of a TPA effective for renewal applications submitted on or after October 1, 2007, and (3) make effective when the bill becomes law the changes relating to portability of certain insurance, external review, small employer group health insurance, and Teachers' and State Employees' Major Medical Plan technical corrections. Makes the remainder of the act effective October 1, 2007. Makes technical wording and renumbering changes.

July 11, 2007

H 731. REVISE LIFE AND HEALTH INSURANCE LAWS. Filed 3/14/07. Senate committee substitute makes the following changes to 2nd edition. Modifies proposed new GS 58-60-155 by deleting the provision stating that nothing in the part creates or implies a private cause of action for a violation. Deletes proposed new GS 58-60-173 concerning enforcement and penalties. Modifies proposed new GS 58-60-170(b) to require reasonable efforts to obtain information about the consumer before recommending (was, before the execution of) the purchase or exchange of an annuity resulting from a recommendation. Also provides that the information to be obtained is not limited to the information listed in the statute. Modifies GS 58-60-170(c) to clarify that the requirement for accurate and complete information applies to information required by the insurer or insurance producer.

July 31, 2007

SL 2007-298 (H 731). REVISE LIFE AND HEALTH INSURANCE LAWS. AN ACT TO PROTECT CONSUMERS PURCHASING ANNUITY PRODUCTS; ADDRESS PORTABILITY IN ACCIDENT AND HEALTH AND LIFE INSURANCE; MAKE MINOR CHANGES IN THE LAWS ON MANAGED CARE EXTERNAL REVIEWS; CLARIFY DEFINITIONS IN LONG-TERM CARE INSURANCE; ADDRESS SMALL EMPLOYER CARRIER PLAN ELECTIONS; DEFINE "CRITICAL PERIOD CONVERSION RATIO" FOR CREDIT INSURANCE; MAKE MISCELLANEOUS AMENDMENTS TO OTHER PROVISIONS RELATED TO LIFE AND HEALTH INSURANCE; AND MAKE TECHNICAL CORRECTIONS IN INSURANCE CODE REFERENCES TO THE TEACHERS' AND STATE EMPLOYEES' MAJOR MEDICAL PLAN. Summarized in *Daily Bulletin* 3/14/07, 5/2/07, and 7/11/07. Enacted July 28, 2007. Part I is effective January 1, 2008. Sections 7.4 and 7.5 apply to renewal applications submitted on or

after October 1, 2007. Section 10 and Parts II, III, V, and VIII are effective July 28, 2007. The remainder is effective October 1, 2007.