

This week at the North Carolina General Assembly saw the deadline for the introduction of agency bills, and the DOI was hard at work getting their package filed in a timely fashion. Here is a brief run down on their proposals:

**SB 712 (= HB 748) - Insurers/Cover Prescriptions in Emergencies** would require health plans to cover the refilling of prescriptions during emergencies.

**SB 731 (= HB 588) - Update Unauthorized Insurer Laws.** This legislation would increase the criminal penalties for agents who place coverage for unauthorized insurers, and would make them financially responsible for covering claims for such insurers.

**SB 735 (= HB 730) - Mediation of Property Insurance Claims** would modestly but importantly re-write last session's legislation on the mediation of property claims arising out of hurricanes or other disasters. I understand the need for revisions to this legislation, and we shall work with the DOI and industry to get this bill in the best possible shape.

**SB 736 (= HB 731) - Revise Life and Health Insurance Laws** would adopt model legislation on "suitability" standards for the sale of annuities, and addresses portability issues in A&H and life insurance policies.

**SB 759 - Health Insurance/Infertility Coverage** was introduced by Sen. Charlie Dannelly (D-Charlotte), and is a mandate. It would require health plans to cover treatment of infertility.

**SB 870 (= HB 738) - Custodial Agreements and Clearing Corp. Act** would adopt an NAIC model act which would permit insurers to use modern systems for holding and transferring securities without physical delivery of security certificates.

**HB 737 (=SB 839) - Insurance Financial Omnibus** would revise laws relating to the DOI's monitoring of companies' solvency.

**HB 655 - Amend Insurance Laws** will follow earlier "reciprocity" legislation and turn to "uniformity" issues with respect to continuing education requirements for agents. Fees for continuing ed will increase, and fees for duplicate licenses will disappear.

**HB 729 (= SB 795) - Auto Insurance Rate Evasion** is an effort by the DOI and the auto insurance industry to prevent out-of-staters from coming to North Carolina for the sole purpose of purchasing auto insurance. New York, for example, has auto rates far in excess of ours, and consumers up that way are figuring out how to game to system to their financial advantage.

One other bill of interest was considered this week, and it merits the following report:

**HB 502 - Repeal Special Provision/Chiropractic Payments** received a favorable report in House Insurance this week. You will recall that former Speaker Jim Black got in major trouble for accepting payments from chiropractors in exchange for quietly seeing to the passage of legislation that addressed health insurance co-payments in a way that the chiropractic community found pleasing. The General Assembly took the first step this week in repealing this legislation. It may be introduced again, but this time the concept will be heard in committee and receive a hearing on its merits.

I know all this is a lot to digest, but this has been a busy week. I look forward to following up on the many issues at hand, and may the ball bounce your way this weekend.

**Robert C. Paschal**  
Young Moore & Henderson, P.A.  
3101 Glenwood Avenue  
Raleigh, North Carolina 27612  
919-861-5107 (direct)  
919-782-6860 (main)  
919-782-6753 (fax)  
[rcp@ymh.com](mailto:rcp@ymh.com)