

March 6, 2003

H 339. LIFE AND HEALTH INSURANCE OMNIBUS. TO CONFORM NORTH CAROLINA'S THIRD PARTY ADMINISTRATOR ARTICLE TO REVISIONS TO THE NAIC MODEL THIRD PARTY ADMINISTRATOR STATUTE; REQUIRE GROUP ANNUITY INSURERS TO ISSUE INDIVIDUAL CERTIFICATES OF COVERAGE TO EACH ANNUITANT; REORGANIZE ARTICLE 60 OF CHAPTER 58 OF THE GENERAL STATUTES AND AMEND CURRENT DISCLOSURE REQUIREMENTS FOR SOLICITATION OF LIFE INSURANCE PRODUCTS AND ANNUITIES; REQUIRE INSURERS TO NOTIFY EMPLOYEES OF THE EXISTENCE OF EMPLOYER-OWNED LIFE INSURANCE POLICIES WITHIN THIRTY DAYS AFTER THE EFFECTIVE DATE OF COVERAGE; REQUIRE THAT ASSOCIATION PREMIUM RATES FOR ACCIDENT AND HEALTH INSURANCE BE ACTUARIALLY SOUND AND THAT ASSOCIATIONS BE RATED AS A SINGLE GROUP WHEN THE COVERAGE PROVIDED IS NOT EMPLOYER-BASED; LIMIT AN INDIVIDUAL ACCIDENT AND HEALTH INSURER'S USE OF AN INDIVIDUAL'S OWN CLAIMS' EXPERIENCE TO DEVELOP THE INDIVIDUAL'S RENEWAL RATE; EXEMPT A SOLE PROPRIETOR FROM THE FULL-TIME BASIS OR THIRTY-HOUR WORKWEEK REQUIREMENTS TO BE ELIGIBLE FOR LARGE GROUP HEALTH COVERAGE LIKE THE PROPRIETOR'S FULL-TIME EMPLOYEES; CORRECT AN INADVERTENT CROSS-REFERENCE IN ORDER TO REAPPLY NEWBORN COVERAGE TO A MORE COMPREHENSIVE GROUP OF INSURERS; TECHNICALLY CORRECT AN OMISSION REGARDING PROVISIONS GOVERNING PREEXISTING CONDITIONS FOR LIMITED HEALTH, SUPPLEMENTAL HEALTH, AND SPECIFIED DISEASE POLICIES; REQUIRE A GROUP HEALTH INSURER FOR AN EMPLOYER TO PROVIDE, UPON THE GROUP POLICYHOLDERS' REQUEST, THE GROUP'S EXPERIENCE INFORMATION; ALLOW PERSONS RETROACTIVELY ENROLLED IN MEDICARE PART B THE SAME SIX-MONTH OPEN ENROLLMENT PERIOD FOR MEDICARE SUPPLEMENT PLANS AS PERSONS WHO ENROLLED IN MEDICARE PART B WITHOUT A RETROACTIVE EFFECTIVE DATE OF COVERAGE; TECHNICALLY CORRECT THE REVOCATION AND SUSPENSION LAW TO INCLUDE A BENEFICIARY OF A LIFE OR ANNUITY CONTRACT AS A CLAIMANT; MANDATE HEALTH BENEFIT COVERAGE FOR DESIGNATED TRAVEL EXPENSES WHEN THE REQUIRED DISTANCE TRAVELED THRESHOLD IS MET; AND MAKE TECHNICAL CORRECTIONS TO THE CREDIT INSURANCE LAWS. Completely rewrites the Third Party Administrator Act and makes numerous other changes in GS Ch. 58, as title indicates. Most of the act is effective January 1, 2004, and applies to policies or certificates issued or renewed on or after that date. Provisions relating to required group health benefit plan experience disclosures, enrollment period for supplemental Medicare plans, health benefit plan travel expenses, and credit insurance are effective when the act becomes law and apply to policies or certificates issued or renewed on or after that date.

Intro. by Wright.

Ref. to Insurance	GS 58
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April 24, 2003

H 339. LIFE AND HEALTH INSURANCE OMNIBUS. Intro. 3/6/03. House committee substitute makes the following changes to 1st edition. Deletes provisions concerning required group health benefit plan experience disclosures. Amends GS 58-50-150(b), small employer health reinsurance pool board, to reduce board from nine to six members, with five (now six) being small employer carriers. Modifies proposed GS 58-3-270, requiring health insurers to cover travel expenses associated with obtaining care, to subject coverage required by section to plan requirements including any overall health care benefit plan aggregate limitations.

April 30, 2003

H 339. LIFE AND HEALTH OMNIBUS. Intro. 3/6/03. House committee substitute makes the following changes to 2nd edition. Amends GS 58-54-25(f) to provide that no insurer shall use attained age as a methodology for determining Medicare supplement insurance rates. Adds new GS 58-54-10(f) requiring that insurer use issue age as a structure or methodology for its Medicare supplement insurance rates and providing that insurer may not change premium rates unless

rates and schedule have been approved by Comm'r of Insurance. New GS 58-54-10(g) prohibits insurer from filing more than one policy or certificate of each type for each standard policy, although insurer is allowed to offer four additional policies or certificates of same type for same standard policy in order to include new benefits, add either direct response or agency marketing methods or guaranteed issue or underwritten coverage, or offer coverage to individual eligible for Medicare by reason of disability. New GS 58-54-10(h) requires that insurer continue to sell any policy or certificate issued on or after Jan. 1, 2004, and approved by Comm'r, as long as policy was actively offered for sale within immediately preceding 12 months. New GS 58-54-10(i) authorizes insurer to discontinue policy availability upon providing Comm'r with written notice at least 30 days prior to policy discontinuance and provides that upon discontinuance of policy insurer may not request approval of same policy for period of five years from discontinuance. Further defines discontinuance as the sale or transfer of insurer's Medicare supplement business or certain changes in rating structure or methodology of policy. Effective Jan. 1, 2004.