

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005**

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**SENATE BILL 739\***

Short Title: Health Insurance Market/Small Businesses.

(Public)

Sponsors: Senators Rand; and Bingham.

Referred to: Commerce.

March 22, 2005

1 A BILL TO BE ENTITLED  
2 AN ACT TO OPEN UP THE HEALTH INSURANCE MARKET FOR SMALL  
3 EMPLOYERS IN NORTH CAROLINA.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 58-50-110(1a) and (1b) are repealed.

6 SECTION 2. G.S. 58-50-115 is amended by adding a new subsection to  
7 read:

8 "(c) The provisions of this Part do not apply to a trade association group health  
9 plan meeting the following conditions:

10 (1) The sponsoring trade association obtains a license as a trade  
11 association group health plan by providing the Commissioner the  
12 required information on a form prescribed by the Commissioner at  
13 least 90 days before the proposed licensing date. The applicant shall  
14 furnish to the Commissioner satisfactory proof of the proposed group's  
15 eligibility to meet the requirements of subdivision (2) of this  
16 subsection. No application is complete until the Commissioner has  
17 received all required information.

18 (2) Any trade association group health plan shall be comprised of two or  
19 more employers who are members of and are sponsored by a single  
20 bona fide trade or professional association. The association shall meet  
21 all of the following conditions:

22 a. Be comprised of members engaged in the same or substantially  
23 similar business or profession within the State.

24 b. Be incorporated in the State.

25 c. Have been in existence for at least 25 years before the date of  
26 application to the Commissioner to form a group.

27 d. Have been determined by the Internal Revenue Service to be  
28 exempt from taxation under 26 U.S.C. § 501(c).

- 1                    e.     Maintain on deposit with an FDIC insured institution reserves  
2                                    of at least one million dollars (\$1,000,000).  
3            (3)    Two or more trade associations meeting the requirements of this  
4                    subsection may jointly sponsor a trade association group health plan.  
5            (4)    Unless specifically exempted by law, a trade association group health  
6                    plan shall be subject to the jurisdiction and laws of this State pursuant  
7                    to Article 49 of this Chapter."

8            **SECTION 3.** G.S. 58-50-130(b) and (f) are repealed.

9            **SECTION 4.** This act becomes effective October 1, 2005.