

April 7, 2009

H 1183. HEALTH AND OTHER INSURANCE LAW CHANGES. Filed 4/7/09. *TO MAKE VARIOUS CHANGES IN THE LAWS GOVERNING HEALTH INSURANCE AND MANAGED CARE; TO CHANGE CERTAIN HEALTH INSURANCE LAWS TO COMPORT WITH RECENT CONGRESSIONAL ENACTMENTS; TO MAKE A TECHNICAL CORRECTION IN A CREDIT INSURANCE LAW; AND TO REPEAL THE EXPIRATION DATE OF THE INTERSTATE INSURANCE PRODUCT REGULATION COMPACT ACT.*

Amends GS 58-51-17(a)(1) to change the definition of creditable coverage to a group health plan as defined in GS 58-68-25(a)(4a) or health insurance coverage without regard to whether the coverage is offered in the group market, the individual market, or otherwise. Effective October 1, 2009.

Amends GS 58-68-25(a) to define *group health insurance coverage* and *group market*. Effective October 1, 2009.

Amends GS 58-58-25(a)(5) to specify that the definition of *health insurance coverage* includes group health insurance coverage and individual health insurance coverage. Effective October 1, 2009.

Amends GS 58-68-30(c)(1) to (1) specify that the definition of creditable coverage includes a group health plan and health insurance coverage without regard to whether the coverage is offered in the group market, the individual market, or otherwise and (2) to specify that short-term limited-duration health insurance coverage is creditable coverage for purposes of GS 58-68-30(c) only, not for purposes of GS 58-51-15(a)(2)b. Effective October 1, 2009.

Amends GS 58-68-60(b)(1) to make a technical change. Effective October 1, 2009.

Amends GS 58-65-2 and GS 58-67-171 to add GS 58-51-15(a)(2)b (Accident and health policy provisions) and GS 58-51-17 (Portability for accident and health insurance) to the list of other laws applicable to service corporations and health maintenance organizations (HMOs), respectively. Effective October 1, 2009.

Amends GS 58-51-15 and GS 58-51-17 to specify that the sections apply to all accident and health insurance policies delivered or issues for delivery in this state, including certificates issued under group policies. The section also applies to certificates issued under a policy issued and delivered to a trust or association outside this state and covering persons residing in this state. Effective October 1, 2009.

Amends GS 58-51-17(b) to prohibit an individual health insurer (was, group health insurer) from imposing any preexisting condition exclusion in the case of a child who is adopted or placed for adoption before attaining 18 years of age and who meets other specified criteria. Effective October 1, 2009.

Amends GS 58-54-45 to specify that an insurer at least make standardized Medicare Supplement Plan A available to persons eligible for Medicare by reason of disability before age 65 and also standardized Plan C or F if marketing either Plan to persons eligible for Medicare due to age. Effective October 1, 2009.

Amends GS 58-56-26(c) to require every insurer to file with the Commissioner of Insurance, on July 1, 2010, and annually thereafter, a certification of completion of certain specified audits. Requires the insurer to maintain certain records. Effective October 1, 2009.

Amends GS 58-56-26 to authorize the Commissioner of Insurance to adopt any necessary rules to implement, administer, and enforce the statutory provisions. Effective October 1, 2009.

Amends GS 58-58-146 to require an agent, broker, or other producer of an annuity to provide to the annuitant or proposed owner a copy of any application executed in applying for any individual annuity contract. Specifies certain delivery and acknowledgement requirements. Makes other technical changes. Effective October 1, 2009.

Amends GS 58-58-147 to specify that any deferred annuity contract that contains a provision that reduces the death benefit of the contract by a surrender fee when death occurs during the surrender period, must include a prominent statement to that effect on the cover page of the first specifications page (appears to intend to require the statement on the cover page or the first specifications page). Also requires that any deferred annuity for which the death benefit in any year is less than the account value to include a prominent statement to that effect on the coverage page or the first specifications page. Effective October 1, 2009.

Enacts GS 58-63-70 to authorize the Commissioner of Insurance to adopt rules setting forth standards to protect consumers from misleading and fraudulent marketing practices with respect to the use of senior-specific certifications and professional designations in the solicitation, sale, or purchase of, or advice made in connection with, a life insurance or annuity product. Specifies certain requirements for the rules. Effective October 1, 2009.

Amends GS 58-3-225(h) to require the recovery of overpayments or offsetting of future payments by an insurer from a health care provider or health care facility to be made within the two years after the date of the original claim payment, except under specified circumstances. Authorizes the recovery of underpayments or nonpayments by a health care provider or health care facility from an insurer within two years after the date of the original claim adjudication, except under specified circumstances. Effective October 1, 2009.

Amends GS 58-51-25 to require certain health benefit plans that provide that coverage of a dependent child must terminate upon a change in enrollment of the child in a postsecondary educational institution to provide for the continued eligibility of the dependent child during a medically necessary leave of absence from the postsecondary educational institution in accordance with Public Law 110-381. Makes other technical changes. Effective October 1, 2009.

Amends GS 58-3-215 (Genetic information in health insurance), GS 58-3-220 (Mental illness benefits coverage), GS 58-51-50 (Coverage for chemical dependency treatment), GS 58-65-75 (Coverage for chemical dependency treatment), and GS 58-67-70 (Coverage for chemical dependency treatment) to ensure compliance with various federal laws. Effective October 1, 2009.

Amends GS 58-68-30(f) to require a group health plan insurer to permit an employee, or eligible dependent of the employee, who is eligible, but not enrolled, for coverage under the terms of the plan to enroll for coverage under certain, specified circumstances. Effective October 1, 2009.

Amends GS 58-50-75(b) and GS 58-50-79(b) to make technical changes. Effective October 1, 2009.

Amends GS 58-50-80(a) to extend the time period for a covered person to file a request for an external review with the Commissioner of Insurance to 120 days (was 60 days) after receipt of the notice under GS 58-50-77. Effective October 1, 2009.

Amends GS 58-50-80(c) to extend the time period during which a covered person must furnish the Commissioner of Insurance with any requested information or materials to 150 days (was 90 days) after the date of the insurer's decision for which external review is requested. Effective October 1, 2009.

Amends GS 58-50-82(a) and GS 58-80-82(b)(1) to require that a covered person file a written request for an expedited external review with the Commissioner of Insurance and that the Commissioner of Insurance provide a copy of the request to the insurer, respectively. Effective October 1, 2009.

Amends GS 58-50-80(f) to make a technical change. Effective October 1, 2009.

Amends GS 58-50-85(c) to require that an independent review organization be accredited by a nationally recognized private accrediting entity that the Commissioner of Insurance has determined has independent review organization accreditation standards that are equivalent to or exceed the minimum qualifications established under GS 58-50-87 in order to be eligible for approval by the Commissioner of Insurance. Authorizes the Commissioner of Insurance to approve independent review organizations that are not accredited by a nationally recognized private accrediting entity if there are not acceptable nationally recognized private accrediting entities providing independent review organization accreditation. Effective October 1, 2009.

Amends GS 58-50-90(b) to specify that each organization required to maintain records on all requests for external review must submit them, upon request, to the Commissioner of Insurance. Effective October 1, 2009.

Appears to intend to amend GS 58-50-94(b) to eliminate costs as one of the criteria by which the Commissioner of Insurance will review in selecting the independent review organizations.

Amends GS 58-57-100(a) to make technical changes.

Amends Section 3 of SL 2005-183 to repeal the expiration date of October 1, 2009.

Intro. by Goforth, Wray.

GS 58

April 22, 2009

H 1183. HEALTH AND OTHER INSURANCE LAW CHANGES. Filed 4/7/09. House committee substitute makes the following changes to 1st edition. Makes technical corrections to statutory references throughout. Enacts new GS 58-63-75 (was, GS 58-63-70 in 1st edition), which authorizes the Commissioner of Insurance to adopt rules setting forth standards to protect consumers from misleading and fraudulent marketing practices with respect to the use of senior-specific certifications and professional designations in the solicitation, sale, or purchase of, or advice made in connection with, a life insurance or annuity product. Makes other technical changes.

Changes the effective date for the repeal of the October 1, 2009, expiration date in Section 3 of SL 2005-183 to when the act becomes law (was, October 1, 2009).

Changes the title to *AN ACT TO MAKE VARIOUS CHANGES IN THE LAWS GOVERNING HEALTH INSURANCE AND MANAGED CARE; TO CHANGE CERTAIN HEALTH INSURANCE LAWS TO COMPORT WITH RECENT CONGRESSIONAL ENACTMENTS; TO MAKE A TECHNICAL CORRECTION IN A CREDIT INSURANCE LAW; TO CONFORM MOTOR VEHICLE INSPECTION COMPLIANCE REQUIREMENT WITH DISCONTINUATION OF STICKERS; AND TO REPEAL THE EXPIRATION DATE OF THE INTERSTATE INSURANCE PRODUCT REGULATION COMPACT ACT.*

April 27, 2009

H 1183. HEALTH AND OTHER INSURANCE LAW CHANGES. Filed 4/7/09. House amendment makes the following changes to 2nd edition.

Deletes the proposed changes to GS 58-58-147 that specified the inclusion of a prominent statement on the first specifications page regarding certain provisions of deferred annuity contracts or deferred annuities.

June 15, 2009

H 1183. HEALTH AND OTHER INSURANCE LAW CHANGES. Filed 4/7/09. Senate committee substitute makes the following changes to 3rd edition. Amends GS 58-58-146 [requiring submission of an application for each individual (non-group) annuity contract]. Provides that the required copy of the application for an individual annuity contract may be either a (1) photocopy of the original completed application, (2) paper print of the completed application, or (3) document that represents a compilation of information from the application process. Provides that this subsection does not prohibit the use of electronic application forms if the format complies with these requirements (was, permitted the application copy to be delivered electronically unless the annuitant, the proposed owner, or the insurer instructed the agent, broker, or other producer to deliver the copy in paper form).

Amends GS 58-60-170(h) to provide that compliance with the Financial Industry Regulatory Authority (was, National Association of Securities Dealers), pertaining to suitability satisfies the requirements under this section for the recommendation of annuities subject to the Conduct Rules (was, variable annuities). Provides that nothing in subsection (h) limits the Commissioner of Insurance's ability to enforce the provisions of Article 60 (was, of this Part).

June 17, 2009

H 1183. HEALTH AND OTHER INSURANCE LAW CHANGES . Filed 4/7/09. Senate amendment makes the following changes to 4th edition. Changes the effective date to provide that Section 37 of the act (effective date), instead of Section 36 [amending GS 58-60-170(h)], is effective when the act becomes law. Section 36 now becomes effective October 1, 2009.

August 3, 2009

SL 2009-382 (H 1183). HEALTH AND OTHER INSURANCE LAW CHANGES. *AN ACT TO MAKE VARIOUS CHANGES IN THE LAWS GOVERNING HEALTH INSURANCE AND MANAGED CARE; TO CHANGE CERTAIN HEALTH INSURANCE LAWS TO COMPORT WITH RECENT CONGRESSIONAL ENACTMENTS; TO MAKE A TECHNICAL CORRECTION IN A*

CREDIT INSURANCE LAW; TO CONFORM MOTOR VEHICLE INSPECTION COMPLIANCE REQUIREMENT WITH DISCONTINUATION OF STICKERS;

AND TO REPEAL THE EXPIRATION DATE OF THE INTERSTATE INSURANCE PRODUCT REGULATION COMPACT ACT. Summarized in *Daily Bulletin* 4/7/09, 4/22/09, 4/27/09, 6/15/09, and 6/17/09. Enacted July 31, 2009. Sections 34, 35, and 37 are effective July 31, 2009. The remainder is effective October 1, 2009.