

March 27, 2009

S 1029. PEO AMENDMENTS. Filed 3/26/09. *TO AMEND THE NORTH CAROLINA PROFESSIONAL EMPLOYER ORGANIZATION ACT CONCERNING BONDING PROVISIONS AND MAINTENANCE OF EMPLOYEE BENEFITS.*

Amends GS 58-89A-50 to provide that professional employer organizations (PEOs) regulated by Article 89A of GS Chapter 58 must post a surety bond for the benefit of the Commissioner of Insurance (Commissioner) of \$100,000 if they were initially licensed before October 1, 2008, and PEOs licensed after that date must post a bond of 5% of the applicant's wages and specified benefits, up to a \$500,000 maximum or a greater amount if the Commissioner so requires. (Current law requires the latter bond of all applicants.) Adds new subsection (a1) to GS 58-89A-105 to allow a client company under the act to maintain employee benefit plans for the benefit of assigned employees.

Intro. by Bingham.

GS 58

May 4, 2009

S 1029. PEO AMENDMENTS. Filed 3/26/09. Senate committee substitute makes the following changes to 1st edition. Makes technical changes only.

June 10, 2009

S 1029. PEO AMENDMENTS. Filed 5/14/2009. House committee substitute makes the following changes to 2nd edition. Amends GS 58-89A-31 to provide that covered employees are considered employees solely of the client for the purposes of determining tax credits and other economic incentives provided by the state or a political subdivision (was, state) and based on employment. Makes a conforming title change.

July 7, 2009

S 1029. PEO AMENDMENTS. Filed 3/26/09. House committee substitute makes the following changes to 3rd edition. Amends GS 58-89A-105 to provide that Professional Employer Organizations (PEOs) that self-insure their health insurance benefit plans on October 1, 2009, may continue to self-insure if the PEO meets the conditions specified in new GS 58-89A-106. Enacts GS 58-89A-106 to allow a PEO that self-insures its health benefit plan on October 1, 2009, to continue to self-insure provided that the PEO meets the following conditions: (1) uses a third party administrator; (2) holds all health insurance plans in a separate trust account; (3) provides sound reserves for the health benefit plan; (4) maintains the plan for employees only; (5) issues a policy or summary plan, with conspicuous notice regarding benefits and coverage, to all covered employees; (6) files all third-party administrator contracts with the Commissioner of Insurance (Commissioner); (7) maintains actuarially sound, aggregate, and individual stop-loss insurance; (8) files a summary plan with the Commissioner; (9) the plans are not required to provide coverage meeting the requirements of other provisions of the Chapter mandating coverage or the offer of coverage by the type or level of health care services or provider; and (10) maintains a written plan of operation for the plan filed with the Commissioner and files the plan of operation with the Commissioner within 30 days of implementation. Enacts new GS 58-89A-107 allowing the Commissioner to examine PEO benefit plans as often as the Commissioner deems appropriate. Limits the amount paid by a PEO for an exam to \$60,000 unless the PEO and Commissioner agree on a higher amount.

Makes organizational changes.

August 5, 2009

S 1029. PEO AMENDMENTS. Filed 3/26/09. House committee substitute makes the following changes to 4th edition. Modifies the required components of a licensee's health benefit plan under proposed GS 58-89A-106 to (1) require that the reserves for the health benefit plan must be annually determined to be sound by an actuary who is a member in good standing of the American Academy of Actuaries (was, by generally accepted actuarial standards); (2) to require actuarial determinations regarding stop-loss insurance to include consideration of surplus, to be

done by a “qualified” (was, “certified”) actuary, and, if prescribed by the Commissioner of Insurance (Commissioner), to satisfy net retention levels in accordance with a Professional Employer Organization’s (PEO’s) surplus and expected claims; and (3) to provide information, as requested, to the Commissioner to show that the health benefit plan is actuarially sound. Directs the Department of Insurance to report to the 2010 General Assembly on implementation, administration, and enforcement of act. Makes organizational changes.

September 1, 2009

SL 2009-552 (S 1029). PROFESSIONAL EMPLOYER ORGANIZATION AMENDMENTS.
AN ACT TO AMEND THE NORTH CAROLINA PROFESSIONAL EMPLOYER ORGANIZATION ACT CONCERNING BONDING PROVISIONS AND MAINTENANCE OF EMPLOYEE BENEFITS, AND TO CLARIFY THE APPLICATION OF TAX CREDITS AND OTHER INCENTIVES TO PROFESSIONAL EMPLOYER ORGANIZATIONS. Summarized in *Daily Bulletin* 3/27/09, 5/4/09, 6/10/09, 7/7/09, and 8/5/09. Enacted August 28, 2009. Effective August 28, 2009.