

Insurance

See full summary documents for additional detail

H26 - Workers' Comp/Approval of Disputed Legal Fees. (SL 2017-124)

S.L. 2017-124 provides that if an employer has begun paying workers compensation benefits pursuant to a Commission-approved agreement with its injured employee, the employee is not entitled to compensation for additional medical treatment for a condition or injury not identified in the agreement, unless the employee provides that the injury or condition is causally related to the compensable injury. The act also requires the Commission to give notice of the amount of the approved attorneys' fees in a workers' compensation case to all attorneys who represented the injured worker. This act became effective July 20, 2017, and applies to claims accrued or pending on or after that date.

H140 - Dental Plans Provider Contracts/Transparency. (SL 2017-205)

S.L. 2017-205 makes entities that write stand-alone dental insurance subject to the disclosure and notification provisions for fee schedules, reimbursement policies, and claim submission policies contained in G.S. 58-3-227. It clarifies that "household property" for the purposes of single interest credit property insurance includes household furniture, furnishings, appliances, and other personal property of a debtor, not including an automobile. It also requires credit insurance rate standards to be set every third year beginning January 1, 2018.

This bill was vetoed by the Governor on July 27, 2017. The veto was overridden on August 30, 2017. This act becomes effective October 1, 2017.

H208 - Occupational Therapy Choice of Provider. (SL 2017-24)

S.L. 2017-24 amends G.S. 58-50-30 to allow insureds to receive insurance-covered occupational therapy from the licensed occupational therapist of their choice.

The act becomes effective October 1, 2017, and applies to health benefits contracts issued, renewed, or amended on or after that date.

H383 - NAIC Models/ORSA & Credit for Reinsurance. (SL 2017-136)

S.L. 2017-136 amends North Carolina's insurance laws to comply with the National Association of Insurance Commissioners (NAIC) and allow the North Carolina Department of Insurance (DOI) to maintain its NAIC accreditation.

Specifically, the act 1) creates a new insurance regulation, Own Risk and Solvency Assessment (ORSA), which requires an insurer to perform an internal assessment of its material and relevant risks and the sufficiency of its capital resources to support its risks, 2) establishes a certification program for foreign

reinsurers, and 3) requires DOI to adopt rules substantially similar to the most recent model regulation on suitability in annuity transactions issued by the NAIC.

This act has multiple effective dates. The provisions of this act pertaining to a certification program for foreign reinsurers become effective January 1, 2019. The provision of this act pertaining to ORSA becomes effective January 1, 2018.

For the effective dates for the provisions of this act pertaining to suitability in annuity transactions, please see the full summary. Except as otherwise provided, the remainder of this act became effective July 20, 2017.

H440 - Federal Home Loan Bank/Insurer Receivership. (SL 2017-164)

S.L. 2017-164 clarifies the obligations between the Federal Home Loan Bank (FHLB) and an insurance company in the conservatorship and rehabilitation process.

This act became effective July 21, 2017.

H466 - The Pharmacy Patient Fair Practices Act. (SL 2017-116)

S.L. 2017-116 permits pharmacists to discuss lower-cost alternative drugs with consumers and sell lower-cost alternative drugs to consumers. It prohibits pharmacy benefits managers from using contract terms to prevent pharmacies from providing store direct delivery services. Pharmacy benefits managers are also prohibited from charging insureds a co-pay that exceeds the total submitted charges by a network pharmacy. Finally, it allows pharmacy benefits managers to charge pharmacies a fee for costs related to claim adjudication only if the fee was set out in a contract or reported on the remittance advice of the claim.

This act will become effective October 1, 2017, and apply to all contracts entered into, renewed, or amended on or after that date.

H501 - Department of Transportation Surveying Information in Plans/Department of Transportation Residue Property Disposal/Taxicab Liability Insurance. (SL 2017-137)

S.L. 2017-137 requires the Department of Transportation (DOT) to include specified surveying data on plans to acquire property rights; makes changes to DOT's residue property disposal procedures; and increases the liability insurance limits for taxicabs.

This act becomes effective October 1, 2017.

H666 - Revise Volunteer Fire Department Requirements. (SL 2017-167)

S.L. 2017-666 revises the primary personnel requirement to allow a fire department to apply for a waiver from the requirement that the fire department maintain 20 primary personnel on its certified state roster, provided that the requirement is not reduced below 15 primary personnel.

This act became effective July 21, 2017.

S100 - Aerial Adventure Financial Responsibility. (SL 2017-118)

S.L. 2017-118 requires owners and operators of challenge and aerial courses in North Carolina to have liability insurance coverage of at least \$1,000,000 per occurrence and \$2,000,000 in the aggregate against liability for injury to persons or property arising out of the operation of the facilities or devices and authorizes the Commissioner of Insurance to enforce those requirements.

The Commissioner of Insurance became authorized to adopt rules to implement this act on July 18, 2017. The remainder of this act becomes law on June 1, 2018.

S257 - Appropriations Act of 2017.

Sec. 15.17: Industrial Commission Service of Process. (SL 2017-57)

Sec. 15.17 of S.L. 2017-57 provides that the Industrial Commission may send notice of an award by any class of prepaid U.S. mail, or electronic mail, and makes other technical changes.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 15.18: Industrial Commission Expense Carryforward. (SL 2017-57)

Sec. 15.18 of S.L. 2017-57 does the following:

- Enables the North Carolina Industrial Commission (Commission) to carry forward up to \$250,000 of State funds appropriated in the 2015-2016 fiscal year for legal services. This includes the employment and supervision of private counsel. This provision became effective June 30, 2017.
- Allows the Commission to utilize \$300,000 of funds appropriated to it in the 2017-2018 fiscal year for private legal services, litigation-related expenses, and the defense of members in his or her official capacity arising from S.L. 2016-125. S.L. 2016-125 consolidated the functions of elections, campaign finance, lobbying, and ethics under one state agency by creating the North Carolina Bipartisan State Board of Elections and Ethics Enforcement. This provision became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 15.19A: Transfer Industrial Commission to Department of Insurance. (SL 2017-57)

Sec. 15.19A of S.L. 2017-57 transfers the Industrial Commission (Commission) to the Department of Insurance (DOI) under a Type II transfer. A Type II transfer means the Commission is now administered under the direction and supervision of DOI, but will exercise all of its prescribed statutory powers independently of the head of DOI. The Commission will continue to maintain its statutory duties and independent operation. Management functions of the Commission will now be performed under the direction and supervision of the head of DOI.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 22.1: Insurance Regulatory Charge.. (SL 2017-57)

North Carolina law requires an annual insurance regulatory charge be levied on each insurance company, other than a captive insurance company. Sec. 22.1 of S.L. 2017-57 sets the percentage rate to be used in calculating the insurance regulatory charge at 6.5% for the 2018 calendar year.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 22.2: Department of Insurance End Support of Eight Office of State Construction Engineer Positions in Department of Administration.. (SL 2017-57)

Sec. 22.2 of S.L. 2017-257, as amended by Sec. 6.2 of S.L. 2017-197, repeals budget provisions from 2009 and 2012 that transferred four building code review positions from the Department of Insurance (DOI) to the Department of Administration (DOA) and established within DOA four new Advanced Engineering/Architectural Technician positions, all of which were supported by the Insurance Regulatory Fund.

This section, as amended, became effective on July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 22.3: Allow Adaptive Behavior Treatment Covered by a Health Benefit Plan to be Provided or Supervised by a Board Certified Behavior Analyst.. (SL 2017-57)

Sec. 22.3 of S.L. 2017-57 adds "board-certified behavior analyst" to the professionals listed in the statute who can provide or supervise adaptive behavior treatment and have it covered by insurance.

This section became effective on July 1, 2017, and applies to insurance contracts issued, renewed, or amended on or after that date.

S257 - Appropriations Act of 2017.

Sec. 22.4: Allow the State Fire Marshal to Investigate Arson.. (SL 2017-57)

Sec. 22.4 of S.L. 2017-57 authorizes the State Fire Marshal to investigate the cause, origin, and circumstances of every fire in the State in which property has been destroyed or damaged, and to specially make investigation whether the fire was the result of carelessness or design.

This section became effective on June 28, 2017.

S257 - Appropriations Act of 2017.

Sec. 22.5 Study Health Insurance High Risk Pools. (SL 2017-57)

Section 22.5 of S.L. 2017-57 requires the Department of Insurance to conduct a study on the establishment of a State high-risk health insurance pool in the event the provision of the Affordable Care Act preventing denial of insurance for pre-existing conditions is repealed. The Department must issue a report to the Joint Legislative Oversight Committee on Government Operations no later than March 1, 2018. The report must contain the following information: an update on changes to the Affordable Care Act, the design and cost of a State high-risk insurance pool, sources of funding for a State high-risk insurance pool, recommendations regarding the options studied, and proposed legislation.

This section became effective July 1, 2017.

S415 - Clarify Definition of Collection Agency. (SL 2017-149)

OVERVIEW: S.L. 2017-149 clarifies the definition of "collection agency" by excluding corporations or associations engaged in routine accounting, bookkeeping or data processing services.

This act became effective July 20, 2017.

S489 - Clarify Workers' Comp. Policy Cancellation. (SL 2017-150)

S.L. 2017-150 provides that an insurer's delivery of a notice of cancellation of a workers' compensation insurance policy will be deemed to have been completed within three days of having been sent if the insurer also sends it on the same day by first-class mail and by electronic means to the insured and to any other person designated in the policy to receive notice. The act also provides that if the deputy commissioner or commissioner who conducted the hearing is unable to decide the case and issue an award, the Commission is authorized to appoint another deputy commissioner or commissioner to do so. This act became effective July 20, 2017, and applies to notices of cancellation sent on or after that date and to claims pending on or after that date