

# Insurance

See full summary documents for additional detail

## **H156 - Medicaid PHP Licensure & Transformation Mods. (SL 2018-49)**

S.L. 2018-49 does the following:

- Creates a Prepaid Health Plan (PHP) Licensure Act governing the Department of Insurance's licensure of Medicaid PHPs as part of Medicaid transformation.
- Makes various changes to laws pertaining to health insurance and Medicaid transformation.

This act became effective June 22, 2018. The sections pertaining to the lock-in program for certain controlled substances apply to health benefit plan contracts issued, renewed, or amended on or after June 22, 2018.

## **H382 - DOI Omnibus. (SL 2018-120)**

S.L. 2018-120 makes various changes to North Carolina's insurance laws as follows:

- Incorporates model act language from the National Association of Insurance Commissioners (NAIC) into North Carolina's Life and Health Insurance Guaranty Association Act.
- Amends the Surplus Lines Act to allow an insurer to be designated a Domestic Surplus Lines Insurer ("DSL") and be domiciled in and write surplus lines insurance in North Carolina.
- Amends the notice provisions in the consent to rate statute and adds data collection provisions.
- Amends and makes technical changes to other insurance laws, as recommended by the Department of Insurance.

This act was vetoed by the Governor on June 25, 2018, and that veto was overridden by the General Assembly on June 28, 2018. Except as otherwise provided, this act became effective June 28, 2018.

## **H569 - Pretax Supplemental Benefits. (SL 2018-64)**

S.L. 2018-64 provides that supplemental insurance plans offered to State employees through the Employee Insurance Committees may be offered on a pre-tax basis if the offering complies with Section 125 of the Internal Revenue Code.

## **H931 - UI Technical Changes. (SL 2018-94)**

S.L. 2018-94 makes the following changes to the unemployment insurance (UI) system:

- Excludes direct sellers from the definition of employment for UI.
- Delays the effective date for a requirement that employers respond to UI claims in 10 days until January 1, 2019.
- Reduces the number of job contacts required for UI to 3 contacts per week.

- Requires electronic filing of employer's quarterly report if the employer has 10 or more employees (currently, employer with 25 or more employees must file electronically).
- Creates a procedure to withdraw a UI claim for good cause.

S.L. 2018-94 is currently effective, except the electronic filing requirement which becomes effective January 1, 2019.

**S99 - Appropriations Act of 2018.**

**Sec. 22.1: Workers' Compensation/Allow Alternative Employer Penalty. (SL 2018-5)**

Sec. 22.1 of S.L. 2018-5 reduces the penalty for employers in noncompliance with the coverage requirements of the Workers' Compensation Act (the Act) for employers with fewer than fifty employees, provides an alternative penalty for first-time noncompliant employers, and prohibits assessment of a penalty for a period of noncompliance that occurred more than three years prior to the date the penalty was first assessed. This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.**

**Sec. 22.2: Insurance Regulatory Fee. (SL 2018-5)**

North Carolina law requires an annual insurance regulatory charge be levied on each insurance company, other than a captive insurance company. Sec. 22.2 of S.L. 2018-5 sets the percentage rate to be used in calculating the insurance regulatory charge at 6.5% for the 2019 calendar year.

This act was vetoed by the Governor on June 6, 2018, and that veto was overridden by the General Assembly on June 12, 2018. This section became effective on July 1, 2018.

**S140 - Title Insurance Revisions/Bailbondsmen Deposits. (SL 2018-38)**

S.L. 2018-38 makes various changes to the law governing regulation of real estate title insurance companies, including:

- Revising the requirements and release formula related to the statutory premium reserve;
- Repealing the specific requirements for how the statutory premium reserve was to be held and utilized; and
- Repealing the specific requirements and limitations for a title insurance company whose statutory premium reserve falls below what is required

The act also reduces the deposit required of professional bondsmen who act as sureties on bail bonds in this State.

The reduction in the deposit required of professional bondsmen became effective June 22, 2018. The remainder of the act becomes effective October 1, 2018.