

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003**

**SESSION LAW 2003-309
SENATE BILL 1011**

AN ACT TO ALLOW A LIENHOLDER TO REQUEST AN ACCOUNTING OF DISBURSEMENTS OF SUMS RECOVERED FOR PERSONAL INJURY WITH RESPECT TO LIENS IN FAVOR OF PROVIDERS OF HEALTH-RELATED GOODS AND SERVICES.

The General Assembly of North Carolina enacts:

SECTION 1. Article 9 of Chapter 44 of the General Statutes is amended by adding a new section to read:

"§ 44-50.1. Accounting of disbursements; attorney's fees to enforce lien rights.

(a) Notwithstanding any confidentiality agreement entered into between the injured person and the payor of proceeds as settlement of compensation for injuries, upon the lienholder's written request and the lienholder's written agreement to be bound by any confidentiality agreements regarding the contents of the accounting, any person distributing funds to a lienholder under this Article in an amount less than the amount claimed by that lienholder shall provide to that lienholder a certification with sufficient information to demonstrate that the distribution was pro rata and consistent with this Article. If the person distributing settlement or judgment proceeds is an attorney, the accounting required by this section is not a breach of the attorney-client privilege.

(b) The certification under subsection (a) of this section shall include a statement of all of the following:

- (1) The total amount of the settlement.
- (2) The total distribution to lienholders, the amount of each lien claimed, and the percentage of each lien paid.
- (3) The total attorney's fees.

(c) Nothing in this Article shall be construed to require any person to act contrary to the requirements of the Health Insurance Portability and Accountability Act of 1996, P.L. 104-91, and regulations adopted pursuant to that Act."

SECTION 2. This act becomes effective October 1, 2003, and applies to any liens perfected on or after that date.

In the General Assembly read three times and ratified this the 26th day of June, 2003.

s/ Marc Basnight
President Pro Tempore of the Senate

s/ Richard T. Morgan
Speaker of the House of Representatives

s/ Michael F. Easley
Governor

Approved 4:58 p.m. this 4th day of July, 2003