

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

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SENATE BILL 758

Short Title: More Sm. Employer Health Ins. Available. (Public)

Sponsors: Senators Rand, Clodfelter, and Soles.

Referred to: Commerce.

April 3, 2003

1 A BILL TO BE ENTITLED
2 AN ACT TO OPEN UP THE HEALTH INSURANCE MARKET FOR SMALL
3 EMPLOYERS IN NORTH CAROLINA.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 55-50-115 is amended by adding a new subsection to
6 read:

7 "(c) The provisions of this Part do not apply to a trade association group health
8 plan meeting the following conditions:

9 (1) The sponsoring trade association obtains a license as a trade
10 association group health plan by providing the Commissioner the
11 required information on a form prescribed by the Commissioner at
12 least 90 days before the proposed licensing date. The applicant shall
13 furnish to the Commissioner satisfactory proof of the proposed group's
14 eligibility to meet the requirements of subdivision (2) of this
15 subsection. No application is complete until the Commissioner has
16 received all required information.

17 (2) Any trade association group health plan shall comprise two or more
18 employers who are members of and are sponsored by a single bona
19 fide trade or professional association. The association shall meet all of
20 the following conditions:

- 21 a. Be comprised of members engaged in the same or substantially
22 similar business or profession within the State.
23 b. Be incorporated in the State.
24 c. Have been in existence for at least 25 years before the date of
25 application to the Commissioner to form a group.
26 d. Has been determined by the Internal Revenue Service to be
27 exempt from taxation under 26 U.S.C. § 501(c).
28 e. Maintains on deposit with an FDIC insured institution reserves
29 of at least one million dollars (\$1,000,000).

- 1 (3) Two or more trade associations meeting the requirements of this
2 subsection may jointly sponsor a trade association group health plan.
3 (4) Unless specifically exempted by law, a trade association group health
4 plan shall be subject to the jurisdiction and laws of this State pursuant
5 to Article 49 of this Chapter."

6 **SECTION 2.** This act becomes effective October 1, 2003.