

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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SENATE DRS35158-LT-70A* (3/14)

Short Title: Health Insurance Market/Small Businesses. (Public)

Sponsors: Senator Rand.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO OPEN UP THE HEALTH INSURANCE MARKET FOR SMALL EMPLOYERS IN NORTH CAROLINA.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 58-50-110(1a) and (1b) are repealed.

SECTION 2. G.S. 58-50-115 is amended by adding a new subsection to read:

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

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

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

a. Be comprised of members engaged in the same or substantially similar business or profession within the State.

b. Be incorporated in the State.

c. Have been in existence for at least 25 years before the date of application to the Commissioner to form a group.

- 1 d. Have been determined by the Internal Revenue Service to be
2 exempt from taxation under 26 U.S.C. § 501(c).
3 e. Maintain on deposit with an FDIC insured institution reserves
4 of at least one million dollars (\$1,000,000).
5 (3) Two or more trade associations meeting the requirements of this
6 subsection may jointly sponsor a trade association group health plan.
7 (4) Unless specifically exempted by law, a trade association group health
8 plan shall be subject to the jurisdiction and laws of this State pursuant
9 to Article 49 of this Chapter."

10 **SECTION 3.** G.S. 58-50-130(b) and (f) are repealed.

11 **SECTION 4.** This act becomes effective October 1, 2005.