

GENERAL ASSEMBLY OF NORTH CAROLINA
1985 SESSION

CHAPTER 304
SENATE BILL 234

AN ACT TO PROVIDE A MEANS TO DETERMINE THE JURISDICTION OF THE
COMMISSIONER OF INSURANCE OVER PROVIDERS OF HEALTH CARE
BENEFITS.

The General Assembly of North Carolina enacts:

Section 1. General Statutes Chapter 58 is amended by adding a new Article to read:

"ARTICLE 27C.

"Determination of Jurisdiction Over Providers of Health Care Benefits.

"§ 58-262.30. **Purposes.**—The purposes of this Article are: To give the State jurisdiction over providers of health care benefits; to indicate how each provider of health care benefits may show under what jurisdiction it falls; to allow for examinations by the State if the provider of health care benefits is unable to show it is subject to another jurisdiction; to make such a provider of health care benefits subject to the laws of the State if it cannot show that it is subject to another jurisdiction; and to disclose the purchasers of such health care benefits whether or not the plans are fully insured.

"§ 58-262.31. **Authority and jurisdiction of Commissioner.**— Notwithstanding any other provision of law, and except as provided in this Article, any person that provides coverage in this State for medical, surgical, chiropractic, physical therapy, speech pathology, audiology, professional mental health, dental, hospital, or optometric expenses, whether such coverage is by direct payment, reimbursement, or otherwise, shall be presumed to be subject to the jurisdiction of the Commissioner, unless the person shows that while providing such services it is subject to the jurisdiction of another agency or subdivision of this State or of the federal government.

"§ 58-262.32. **How to show jurisdiction.**—A person may show that it is subject to the jurisdiction of another agency or subdivision of this State or the federal government, by providing to the Commissioner the appropriate certificate, license, or other document issued by the other governmental agency that permits or qualifies it to provide those services.

"§ 58-262.33. **Examination.**—Any person that is unable to show under G.S. 58-262.32 that it is subject to the jurisdiction of another agency or subdivision of this State or of the federal government, shall submit to an examination by the Commissioner to determine the organization and solvency of the person, and to determine whether or not such person complies with the applicable provisions of this Chapter or General Statutes Chapters 57 or 57B.

"§ 58-262.34. **Subject to State laws.**—Any person unable to show that it is subject to the jurisdiction of another agency or subdivision of this State or the federal government, shall be subject to all appropriate provisions of this Chapter or General Statutes Chapters 57 or 57B regarding the conduct of its business.

"§ 58-262.35. **Disclosure.**—(a) Any production agency or administrator that advertises, sells, transacts, or administers the coverage in this State described in G.S. 58-262.31 and that is required to submit to an examination by the Commissioner under G.S. 58-262.33, shall, if said coverage is not fully insured or otherwise fully covered by an admitted life, accident, health, accident and health, or disability insurer, nonprofit hospital, medical, or dental service plan, or nonprofit health care plan, clearly and distinctly advise every purchaser, prospective purchaser, and covered person of such lack of insurance or other coverage.

(b) Any administrator that advertises or administers the coverage in this State described in G.S. 58-262.31 and that is required to submit to an examination by the Commissioner under G.S. 58-262.33, shall advise any production agency of the elements of the coverage, including the amount of 'stop-loss' insurance in effect."

Sec. 2. This act shall become effective August 1, 1985.

In the General Assembly read three times and ratified, this the 3rd day of June, 1985.