

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**SESSION 1999**

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HOUSE BILL 1307

Short Title: Office of Consumer Advocate.

(Public)

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Sponsors: Representatives Edwards, Goodwin (Primary Sponsors); and Barefoot.

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Referred to: Appropriations.

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April 21, 1999

A BILL TO BE ENTITLED

1 AN ACT TO DEVELOP A PROPOSAL FOR THE ESTABLISHMENT OF THE  
2 OFFICE OF CONSUMER ADVOCATE AND TO APPROPRIATE FUNDS FOR  
3 THAT PURPOSE.  
4

5 The General Assembly of North Carolina enacts:

6 Section 1. The Office of the Governor shall develop a proposal for the  
7 establishment of the Office of Consumer Advocate ("Office") to protect the citizens of  
8 the State from deceptive and unfair practices of the insurance industry by providing  
9 consumers of insurance products and services with a fair, impartial, and effective  
10 advocate in judicial and administrative proceedings and with regard to proposed changes  
11 to insurance rates and coverage. In developing the proposal, the Office of the Governor  
12 shall review similar offices or divisions in other states. The proposal shall include  
13 recommendations regarding:

14 (1) The organizational and administrative structure of the Office of  
15 Consumer Advocate;

16 (2) The functions and duties of the State's consumer advocate. In  
17 developing the proposed functions and duties of the consumer advocate,  
18 the Office of the Governor shall consider authorizing the advocate to (i)  
19 initiate and appear in judicial and administrative proceedings on behalf  
20 of consumers of insurance services or products provided by any person

1 or corporation licensed by the State, (ii) obtain discovery, present  
2 evidence, and advocate in matters or proceedings involving proposed  
3 changes in insurance rates, coverage amounts, or benefits, and inform  
4 the public of those changes, and (iii) educate and inform the public  
5 about services available to consumers of insurance products and  
6 services in the State;

7 (3) The staffing of the Office, including a list of proposed personnel  
8 positions, the desired qualifications of personnel, and the proposed  
9 salaries of those positions;

10 (4) The proposed budget for the Office, including the source of funds, any  
11 fee schedule that would be instituted by the Office, and the cost of  
12 contracting with actuarial consultants, accountants, investigators, and  
13 expert witnesses to fulfill the functions and duties of the Office;

14 (5) Any reporting requirements of the Office; and

15 (6) The date by which the Office is expected to be functioning effectively  
16 and efficiently.

17 Section 2. On or before April 1, 2000, the Governor shall report the proposal  
18 for establishment of the Office of Consumer Advocate, including any legislative  
19 proposals and funding requirements that are required to implement the purposes and  
20 functions of the Office, to the General Assembly.

21 Section 3. There is appropriated from the General Fund to the Office of the  
22 Governor the sum of fifty thousand dollars (\$50,000) for the 1999-2000 fiscal year to  
23 implement this act.

24 Section 4. Section 3 of this act becomes effective July 1, 1999. The remainder  
25 of this act is effective when it becomes law.