

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**SESSION 1999**

**S**

**1**

**SENATE BILL 1429**

Short Title: Self-Insured Benefit Plan Study Funds.

(Public)

---

Sponsors: Senators Dalton; and Miller.

---

Referred to: Rules and Operations of the Senate.

---

May 25, 2000

**A BILL TO BE ENTITLED**

**AN ACT TO AUTHORIZE THE LEGISLATIVE RESEARCH COMMISSION TO  
STUDY EMPLOYER-SPONSORED, SELF-INSURED GROUP HEALTH  
BENEFIT PLANS AND TO APPROPRIATE FUNDS FOR THAT PURPOSE.**

The General Assembly of North Carolina enacts:

Section 1. The General Assembly finds that some employer-sponsored group health benefit plans have failed because of neglect, ineptitude, or intentional misconduct on the part of plan sponsors and plan administrators. The General Assembly further finds that plan failures have had an enormous adverse effect on employers and beneficiaries who were covered by the failed plans, leaving them liable for unpaid medical and hospital expenses. It is the intent of the General Assembly to conduct a comprehensive study to determine how best to protect the citizens of North Carolina from mismanaged employer-sponsored group health benefit plans. The study should identify recommendations that will promote accountability of employer-sponsored group health benefit plans and education of the private sector employees and employers about those plans.

Section 2. The Legislative Research Commission may study the issue of how to protect the citizens of the State from self-insured group health benefit plans that fail or become insolvent due to ineptitude, criminal acts, or other factors. If it undertakes the study, the Commission may examine:

- 1           (1)    The Employee Retirement Income Security Act of 1974 (ERISA) and  
2           the limitation of that Act on the jurisdiction of states to monitor,  
3           regulate, and require accountings of self-insured plans;  
4           (2)    The problems encountered by private sector employees who are covered  
5           under employer-sponsored, self-insured group health benefit plans;  
6           (3)    The adverse effects on private sector employees covered by self-insured  
7           plans that fail or become insolvent;  
8           (4)    The most effective and efficient ways to educate the citizens of the State  
9           about the risks of self-insured plans and to make plan sponsors and  
10          administrators more accountable to employees and beneficiaries covered  
11          by the plans; and  
12          (5)    The criminal and civil sanctions imposed under North Carolina law for  
13          the breach of fiduciary duty or intentional misconduct in the  
14          management of the plans.

15           Section 3. The Legislative Research Commission may report its findings and  
16          any recommendations to the 2001 General Assembly.

17           Section 4. There is appropriated from the General Fund to the General  
18          Assembly the sum of ten thousand dollars (\$10,000) for the 2000-2001 fiscal year to  
19          implement this act.

20           Section 5. This act becomes effective July 1, 2000.