

Insurance

See full summary documents for additional detail

H19 - Modify Definition of Firefighter. (SL 2016-51)

S.L. 2016-51 changes the name of the North Carolina State Fireman's Association to the North Carolina State Firefighters' Association, amends the definition of "Firefighter" to include firefighters employed by county fire marshal offices, modifies the appointment process for the board of trustees of local Firefighters' Relief funds, provides that the board of trustees of local Firefighters' Relief funds may disburse funds to cover necessary management and investment costs, and clarifies that fire alarms that are unintentional and result in no damage would not be considered in calculating minimum response requirements for initial rating or classification.

This act became effective July 1, 2016.

H287 - Amend Insurance Laws. (SL 2016-78)

SUMMARY: S.L. 2016-78 amends various insurance laws as follows:

- Increases property damage thresholds under the State's Safe Driver Incentive Plan. This provision becomes effective on October 1, 2017, and applies to accidents that occur on or after that date.
- Places a 25% cap on annual premium increases on long-term care insurance policies. This provision becomes effective October 1, 2017, and applies to policies issued, renewed, or amended on or after that date.
- Adds notice requirements to North Carolina's consent to rate laws for homeowner's insurance and allows the use of catastrophe models in rate filings under certain circumstances. These provisions become effective on October 1, 2017, and apply to policies issued, renewed, or amended on or after that date and filings submitted on or after that date.
- Makes various updates to the fire and rescue provisions in North Carolina's insurance statutes.
- Directs the Office of the State Fire Marshal in the Department of Insurance (DOI) to study the reduction in recruitment and retention of volunteer firefighters in North Carolina.
- Effective December 1, 2016, increases penalties for fraudulent and criminal acts involving insurance.
- Makes technical and substantive changes to North Carolina's captive insurance laws
- Authorizes the DOI to plan for and establish a private flood insurance market.
- Effective December 1, 2016, enables third parties, including insurers, to recover restitution from convicted defendants.
- Exempts accountable care organizations participating in Medicare programs from DOI regulation.
- Makes various other changes to insurance laws, as recommended by the DOI.

Except as otherwise provided, this act became effective June 30, 2016.

H959 - Department of Transportation Proposed Legislative Changes. (SL 2016-90)

S.L. 2016-90, as amended by Secs. 35.20(g) and 35.21(c) of S.L. 2016-94, makes various changes to the transportation and motor vehicles laws of the State, as follows:

Department of Transportation (DOT) Related Changes

- Exempts small DOT projects with a cost of \$250,000 or less from the local consultation requirement.
- Authorizes DOT to also allow placement of non-utility owned or operated communications or data transmission infrastructure on DOT right-of-way, and directs DOT to study the issue of administrative fees for encroachments.
- Modifies weight limits applicable to metal commodities and steel coils, and extends certain federal weight exemptions to the State's highways.
- Delays the sunset of a law authorizing DOT to participate, in limited circumstances, in private developer contracts for State highway system engineering, design, or construction of improvements.

Turnpike Authority Related Changes

- Authorizes the Turnpike Authority to send bills for tolls via electronic mail, if the registered owner consents.
- Requires the Authority to report the number of one-time toll facility users who are charged more than \$50 in penalties and fees to the Joint Legislative Transportation Oversight Committee by January 31, 2017, and in its annual report thereafter.

Bicycle Related Changes

- Repeals a requirement for DOT to maintain certain off-road cycling records.
- Requires bicycles to have a red rear light or that the operator wear reflective clothing when operating at night.
- Authorizes the passing of a slower moving bicycle or moped, even where passing is otherwise prohibited, in certain circumstances.
- Increases the penalties for unsafe traffic movements that cause injury to bicycles.
- Clarifies the required hand signals for bicycle turning and stopping.

Division of Motor Vehicles (DMV) Related Changes

- Amends State commercial driver's license laws to conform with federal requirements.
- Provides that the registration of a motor vehicle renewed by means other than a renewal sticker expires at midnight on February 15 of each year.
- Sets the period of validity for all temporary driving certificates at 60 days, and allows a certificate to be used for identification purposes when conducting business with the DMV.
- Eliminates the requirement for sign and symbol and vision testing when a person is renewing a driver's license remotely via the internet or at a DMV kiosk.
- Makes changes to the law governing DMV notices sent by e-mail.
- Requires DMV to provide an option for indicating ownership by joint tenancy with right of survivorship on applications for registration and certificate of title.

- Amends the applicability of the requirement for DMV to inspect out-of-state vehicles such that the requirements applies only to 1980 model year or older vehicles.
- Repeals the requirement for the owner of a registered motor vehicle to sign their vehicle registration card.
- Revises the definition of an autocycle to include vehicles without an airbag, and with partially enclosed seating within the definition.
- Authorizes moped liability insurers to cede moped liability insurance coverage to the North Carolina Reinsurance Facility.
- Defines "electric assisted bicycles," and exempts them from the definition of motor vehicles.
- Clarifies the definition of moped to include mopeds powered by electricity or alternative fuel, but does not include motor-driven bicycles or electric assisted bicycles.
- Allows use of dealer plates by employees of independent dealers, and by immediate family members of independent dealers and their employees.
- Provides that law enforcement may provide an uncertified copy of an accident report to an insurance agent or driver upon being provided with evidence that a certified copy of the accident report has been requested from DMV and the applicable fee has been paid.

Unmanned Aircraft Change

- Changes the authorized minimum age for operation of a commercial unmanned aircraft system from age 17 to age 16, the same age as authorized under recently adopted federal rules.

Map Act Related Changes

- Clarifies how Map Act-related litigation damages and costs will be funded.
- Places a one-year moratorium on the filing of any new transportation corridor official maps.
- Rescinds all adopted transportation corridor official maps.
- Changes the rate of interest that DOT must pay on condemnation-related judgments, from 8%, to the prime lending rate at the time of the taking, not to exceed 8%.
- Directs DOT to study the development of a process that equitably balances the interest of the State in protecting proposed transportation corridors from development, the property rights of affected landowners, and the taxpayers of the State.

This act became effective July 11, 2106, and several provisions have different effective dates. Please see the full summary for more detail.

H1030 - 2016 Appropriations Act.

Sec. 23.1: Insurance Regulatory Charge. (SL 2016-94)

G.S. 58-6-25 requires an annual insurance regulatory charge be levied on each insurance company, other than a captive insurance company. Sec. 23.1 of S.L. 2016-94 sets the percentage rate to be used in calculating the insurance regulatory charge at 6.5% for the 2017 calendar year.

This section became effective July 1, 2016.

S725 - Unemployment Insurance Technical Changes. (SL 2016-4)

S.L. 2016-4 makes two technical changes to the unemployment insurance laws as follows:

- Clarifies G.S. 96-11.7(c) that treats a new employer as the same employer as an existing business enterprise if continuity of control exists between the businesses.
- Amends G.S. 96-4(q) by adding the phrase "have the power to" to clarify that the Board of Review has the authority to independently select a hearing officer.

This act became effective May 11, 2016.

S770 - North Carolina Farm Act of 2016.

Sec. 13: Exclude Certain Minor Repairs From Building Permit Requirements. (SL 2016-113)

Sec. 13 of S.L. 2016-113 provides that no permit is required to conduct any construction, installation, repair, replacement, or alteration activities costing \$15,000 or less in residential and farm structures if the work is performed in accordance with the current edition of the North Carolina State Building Code and involves:

- Replacements of windows; doors; exterior siding; or pickets, railings, stair treads, and decking of porches and exterior decks.
- Plumbing replacements that do not change size or capacity.
- Replacement of roofing.

This section further provides that no permit is required for:

- Replacement of water heaters in one- or two-family dwellings, if (1) the energy use or thermal input does not exceed that of the water heater being replaced and there is no change in fuel, energy source, location, or routing or sizing of venting and piping, and (2) the work is performed by a person or employee of a company licensed by the State Board of Examiners of Plumbing, Heating, and Fire Sprinkler Contractors.
- Repair or replacement of dishwashers, disposals, electrical devices, or lighting fixtures in residential or commercial structures, if (1) the repair or replacement does not require addition or relocation of additional electrical wiring, and (2) the work is performed by a person or employee of a company licensed by the State Board of Examiners of Electrical Contractors.

This section also provides that no permit is required, either under the State Building Code or any local variant, for routine maintenance of fuel dispensing pumps and other dispensing devices.

This section becomes effective October 1, 2016.

S815 - Charter School in State Health Plan. (SL 2016-106)

S.L. 2016-106 authorizes another opportunity for the Board of Directors of Longleaf School of the Arts, a charter school located in Raleigh, to elect to participate in the State Health Plan for Teachers and State Employees.

This act became effective July 22, 2016.

S865 - State Health Plan/Administrative Changes/Local Governments. (SL 2016-104)

S.L. 2016-104 makes several changes to the statutes governing the State Health Plan for Teachers and State Employees (the Plan) including:

- What information and at what frequency claims processors must provide information to the Plan.
- The purposes for which the Plan may use information obtained from claims processors.
- When information obtained by the Plan may be shared with a third party.
- Under what circumstances a claims processor, who discloses information, is exempt from civil liability.

This act also increases the number of local government employees and local government employees' dependents that may participate in the Plan from 10,000 to 16,000. The act prohibits local governments from charging employees more for their coverage than allowed under the structure set by the Plan and allows local governments to determine premiums for employees' dependents, but those premiums must not be greater than those set by the Plan. The act also sets a schedule for the increase in membership and allows local governments to withdraw from the Plan under certain circumstances.

In addition, the act clarifies when the Plan or an employer is responsible for federal filing requirements under certain sections of the Internal Revenue Code for retirees, direct bill members, and other individuals. Lastly, the act amends the definition of "health benefit plan" in the statutes governing Insurance (Chapter 58 of the General Statutes).

The provision of the act pertaining to local governments' participation in the Plan becomes effective on January 1, 2017, and applies to premiums paid on or after that date. The remainder of this act became effective July 22, 2016, and applies to contracts entered into on or after that date.

S886 - Retirement Amendments. (SL 2016-108)

S.L. 2016-108 does the following:

- Honors firefighter Captain Bradley Long, who was killed in the line of duty.
- Adds language providing survivorship benefits for a member killed in the line of duty for the NC Firefighters' and Rescue Squad Workers' Pension Fund (FRSWPF).
- Clarifies the retirement information that is subject to the Public Records Law.

- Allows certain forms to be transmitted electronically to Teachers' and State Employees' Retirement System (TSERS) members and Local Governmental Employees' Retirement System (LGERS) members.
- Allows letters of credit issued by a Federal Home Loan Bank to be used to collateralize deposits.
- Requires the LGERS Board of Trustees to develop a State Contribution Rate Stabilization Policy for the FRSWPF.
- Amends the law pertaining to the Retirement System for Teachers and State Employees to: (i) add the Director of the Office of State Human Resources as an ex officio member of the TSERS Board of Trustees, replacing a representative of higher education; (ii) provide for the TSERS and LGERS that the State Treasurer is the ex officio chair of the Board and has authority to appoint the director of the Retirement System; and (iii) require the annual valuation to TSERS and LGERS Board to include a section providing an analysis of assets on a market basis using the 30-year treasury rate as the discount rate.
- Makes references to the Supplemental Retirement Board of Trustees consistent across statutes and provides that the 403(b) uses the same procurement procedures as the 401(k) and 457 plans; and amends the reporting of earnings requirements under the Disability Income Plan.

This act became effective July 22, 2016, except for the provision that pertains to the survivorship benefits for a FRSWPF member killed in the line of duty. The aforementioned provision has various effective dates. Please see the full summary for more detail.