

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2013

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SENATE BILL 556

Short Title: Wind Up High Risk Health Insurance Pool. (Public)

Sponsors: Senator Hise (Primary Sponsor).

Referred to: Insurance.

April 1, 2013

1 A BILL TO BE ENTITLED  
2 AN ACT TO WIND UP THE NORTH CAROLINA HEALTH INSURANCE RISK POOL.  
3 The General Assembly of North Carolina enacts:

4 SECTION 1. Part 6 of Article 50 of Chapter 58 of the General Statutes is amended  
5 by adding a new section to read as follows:

6 **"§ 58-50-260. Dissolution of Pool.**

7 (a) Insurance operations of the Pool under this Part shall sunset on January 1, 2014.

8 (b) In order to be handled in the regular course of business, rather than under subsection  
9 (f) of this section, all invoices for medical, pharmacy, and any other services provided under  
10 this Part must be submitted no later than 90 days after the sunset of insurance operations of the  
11 Pool under subsection (a) of this section.

12 (c) In order to be handled in the regular course of business, rather than under subsection  
13 (f) of this section, all appeals and grievances under this Part must be submitted no later than 90  
14 days after the sunset of insurance operations of the Pool under subsection (a) of this section.

15 (d) On or before September 1, 2013, the Pool shall submit to the Commissioner a plan  
16 for dissolution of the Pool. The plan shall address the following:

17 (1) Continuity of care for those participants in the Pool that are inpatient at the  
18 time of sunset of insurance operations of the Pool under subsection (a) of  
19 this section.

20 (2) Continuation of administrative services following the sunset of the Pool's  
21 insurance operations.

22 (3) Closing the Pool's bank and investment accounts.

23 (4) Cessation of premium subsidy programs.

24 (5) Performance and completion by June 30, 2014, of a final audit by the State  
25 Auditor and submission of the Pool's annual report to the State.

26 (6) A plan for maintenance of the Pool's books and records pursuant to  
27 G.S. 58-56-16 by the Pool's final third-party administrator.

28 (7) Efforts to secure contingency funding should the Pool's operations so  
29 require.

30 (8) Final dissolution of the Pool.

31 (9) The deposit and management of funding held in reserve following final  
32 dissolution of the Pool to be used in connection with actions by or against  
33 the Pool that are timely filed, as provided in subsection (e) of this section.

34 (10) Other matters that the Commissioner may reasonably require.

35 (e) The plan of dissolution for the Pool shall become effective upon approval in writing  
36 by the Commissioner. The Commissioner shall approve the plan of dissolution if he or she



1 determines that the plan is suitable to assure the fair, reasonable, and equitable dissolution of  
2 the Pool and that the plan complies with subsection (d) of this section.

3 (f) Notwithstanding any longer statute of limitations provided under law for an action,  
4 all actions by or against the Pool must be filed on or before one year following the sunset of  
5 insurance operations of the Pool under subsection (a) of this section. After final dissolution of  
6 the Pool, the Pool's liability for insurance benefits, provider or vendor invoices, and all other  
7 matters shall be limited to the reserve amount established under subdivision (9) of subsection  
8 (d) of this section, less the costs of resolving the claims by or against the Pool.

9 (g) Any funds in excess of the reserve amount established under subdivision (9) of  
10 subsection (d) of this section that remain in the North Carolina Health Insurance Risk Pool  
11 Fund at the time of final dissolution shall be paid into the General Fund. After the resolution of  
12 timely filed actions against the Pool, any reserve funds remaining in the Risk Pool Fund shall  
13 be paid into the General Fund."

14 **SECTION 2.** The sum of one million dollars (\$1,000,000) is transferred from the  
15 Insurance Regulatory Fund to the North Carolina Health Insurance Risk Pool Fund to be used  
16 for the purposes allowed under G.S. 58-50-225 and for the winding up of the North Carolina  
17 Health Insurance Risk Pool.

18 **SECTION 3.** Effective January 1, 2015, G.S. 58-50-225(c) is repealed.

19 **SECTION 4.** Effective January 1, 2017, Part 6 of Article 50 of Chapter 58 of the  
20 General Statutes is repealed.

21 **SECTION 5.** Except as otherwise provided, this act is effective when it becomes  
22 law.