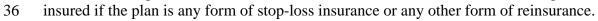
## GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2009

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## HOUSE BILL 1023

Sponsors:       Representative Goforth.         Referred to:       Insurance, if favorable, Finance.         April 2, 2009         1       A BILL TO BE ENTITLED         2       AN ACT TO AMEND THE NORTH CAROLINA PROFESSIONAL EMPLOYER         3       ORGANIZATION ACT CONCERNING BONDING PROVISIONS AND         4       MAINTENANCE OF EMPLOYEE BENEFITS.         5       The General Assembly of North Carolina enacts:         6       SECTION 1. G.S. 58-89A-50(a) reads as rewritten:         7       "(a) An applicant for licensure shall file with the Commissioner a surety bond for the benefit of the Commissioner as follows:         9       (1)         9       (1)         11       If the applicant was initially licensed prior to October 1, 2008, the bond or as provided for in subsection (f) of this section shall be in the amount of one hundred thousand dollars (\$100,000).         12       (2)       If the applicant was not initially licensed prior to October 1, 2008, the bond or as provided for in subsection (f) of this section shall be in an amount or as provided for in subsection (f) of this section shall be in an amount		
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13 or as provided for in subsection (f) of this section shall be in an amount		
14 equal to five percent (5%) of the applicant's prior year's total North Carolina		
15 wages, benefits, workers compensation premiums, and unemployment		
16 compensation contributions, but not greater than five hundred thousand		
17 dollars (\$500,000), or such greater amount as the Commissioner may		
18 require."		
19 SECTION 2. G.S. 58-89A-105 reads as rewritten:		
<ul> <li>20 "§ 58-89A-105. Employee benefit plans; required disclosure; other reports.</li> <li>21 (a) A licensee may sponsor and maintain employee benefit plans for the benefit of</li> </ul>		
(a) A licensee may sponsor and maintain employee benefit plans for the benefit of		
assigned employees. Any health insurance plan sponsored and maintained by a licensee		
23 <u>licensed on or after October 1, 2009</u> , shall only be fully insured by one of the following:		
24 (1) A licensed insurance company that is authorized to write accident and health		
25 insurance, as defined in G.S. 58-7-15(3).		
26 (2) A service corporation organized and licensed under Article 65 of this		
27 Chapter.		
28 (3) A health maintenance organization organized and licensed under Article 67		
29 of this Chapter.		
30 (a1) <u>A client company may sponsor and maintain employee benefit plans for the benefit</u>		
31 <u>of assigned employees.</u>		
32 (b), (c) Repealed by Session Laws 2008-124, s. 7.4, effective October 1, 2008.		
33 (d) For the purposes of this section, a health insurance plan is fully insured only if all of		
34 the benefits provided under the plan are covered by an approved policy issued by one or more		
35 of the entities specified in subsection (a) of this section. A health insurance plan is not fully 36 insured if the plan is any form of stop-loss insurance or any other form of reinsurance.		





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	General Assem	Session 2009		
1	(e) Exist	ting licensees shall comply with subsection (a) of this section	by October 1,	
2	2009. Before October 1, 2009, if an An existing licensee sponsors and maintains that sponsored			
3	and maintained any health insurance plan that is not fully insured by one or more of the entities			
4	specified in subsection (a) of this section, the licensee section before October 1, 2009, shall do			
5	all of the follow	ing:		
6	(1)	Use a third-party administrator licensed or registered under Ar	ticle 56 of this	
7		Chapter.		
8	(2)	Hold all plan assets, including participant contributions, in a tru	ust account.	
9	(3)	Provide sound reserves for the plan as determined by generation	rally accepted	
10		actuarial standards."		
11	SEC	<b>TION 3.</b> This act is effective when it becomes law.		