



# CAHU News

Coastal Association of Health Underwriters

Fall 2005

[www.cahu.info](http://www.cahu.info)

**URGENT!** Tim Walsh advises that as a coordination with the National's Katrina Relief program, NAHU has agreed to match locals contributions! Contributions will be collected during our meeting on Thursday or they may be mailed to PO Box 4654, Wilmington, NC 28406. Please make checks payable to CAHU and earmark "Hurricane Katrina Relief". Thank you for your support!

## Inside this issue:

- President's Message
- Programs
- Education
- Media Relations
- Public Service
- Awards
- State Legislative Report

## President's Message



A new year begins and we have programs lined up thru January 2006!!! Our September meeting on the 22<sup>nd</sup> will have our installation of officers as well as a program on Diabetes from Kelly Clark with Liberty Home Care. Prior to the meeting the new board of directors will meet and hopefully approve the 2005-2006 budget which will be posted on the website [www.cahu.info](http://www.cahu.info) for all to review. Another big year is in store for us as we are adding vice chairpersons to all the standing committees so if they ever were a time to step and volunteer now is the time. Give me a call and we can discuss your helping out with this organization. Speaking of volunteering, Connette Bradley and I met with the Trish Doyle, Executive Director at Tileston Outreach Health Clinic and we have a list of volunteer activities. A sign up sheet will be passed around during the September meeting. So if you are good with Filling out insurance forms, pulling stock in the pharmacy, publishing the newsletter, interior painting, or completing Rx forms then we have a place for you. This is an ongoing volunteer commitment, as Trish needs volunteers on a bi weekly or monthly basis. We do intend to have another annual cleanup of the entrance one Saturday morning, which will include trimming shrubs, painting, washing furniture and pulling weeds.

Stay tuned for our 2<sup>nd</sup> annual legislative panel for October 27<sup>th</sup>, which will include Senator Julia Boseman, Representative Danny McComas, Representative Thomas Wright, and Representative Carolyn Justice. Our own lobbyist Robert Paschal will serve as Moderator and present the panel with a list of questions. November meeting will be a joint meeting with the Wilmington Association of Life Underwriters on the 3<sup>rd</sup> Thursday of the month since our usual meeting 4<sup>th</sup> Thursday falls on Thanksgiving Day. The meeting will have the Tax Institute giving a workshop to show insurance agents how to reduce their taxes. A continuing education class will follow the meeting. Watch the website for future meeting announcements as currently scheduled for our January meeting will be the North Carolina Insurance Commissioner, Jim Long.

We do have one new member to join our association this month and we will welcome at our September meeting Dr. James J. Tuzzeo CFE who is with JT Financial Solutions here in Wilmington. Welcome aboard and thanks for joining Jim.

## 2005/06 CAHU Board:

- Dennis Stokley - President
- Nick Ogden - V. President
- Hughes Waren - Past President
- Jim Williams - Sec/Treas
- Dennis Stokley - Website
- Robert Mclver - Programs/Newsletter
- Connette Bradley - Education
- Hughes Waren - Legislation
- Patti Hill - Public Service
- Bobbie Smith - HUPAC/NCPAC
- Tim Walsh - Awards
- Tim Cook - Membership
- Amanda Smith - Media Relations

## Programs - Wilson's, 11:45 am (Robert Mclver)

**September 22, 2005 - Liberty HomeCare** ([www.libertyhomecare.com](http://www.libertyhomecare.com))

Come hear about how Diabetes affects everyone's lives. We will also plan to install the 2005/06 Officers and Board Members at this meeting. Special thanks to Liberty HomeCare for sponsoring this meeting!!! Please thank Kelly Clark and the Liberty HomeCare folks for their generosity!



**October 27, 2005 - Legislative Panel**

We are fortunate to have all of our area legislators team up for this meeting with our own Robert Paschal, NCAHU Lobbyist, leading the discussion. Make plans to come hear from Julia Bosemen, Thomas



## Upcoming Programs.....continued

**November 17, 2005** (NOTE: 1 week earlier!) - Tax Research & CE Class

Since Thanksgiving is on our normal meeting day, we are meeting with the Wilmington Association of Insurance & Financial Advisors this month. Learn about tax issues as they relate to our business!



**December 8, 2005** - Christmas Party/Silent Auction

Location to be announced via E-mail and at November meeting.

**January 26, 2006** - Jim Long, Commissioner of Insurance



### **NOTE These Events!**

**March 1-3, 2006** - NC Symposium (High Point, NC)

**Feb 7-9, 2006** - NAHU Capital Conference (Washington, DC)

**June 27-30, 2006** - NAHU Annual Convention (San Francisco, CA)



---

## Education (Connette Bradley)

Learning is constant for CAHU members, and often is through stories shared by agents at the lunch table. Please attend our "season opener" meeting and give your education co-chairs, Connette Bradley and Barbara Fleming, your ideas for CE classes. If you know of fabulous instructors you've had in other classes, or topics of special interest, please let us know.

We have a major goal this year to form a study group for members wishing to obtain their RHU or REBC through The American College, or CSA through the Society of Certified Senior Advisors, or CLTC through the Corporation for Long-Term Care Certification, or the XYZ through Are You Reading This. Actually we will have a table at our first meeting with information on the various designations available and a sign-up sheet for those interested in being part of a study group.

There will be a free CE class for CAHU members (\$10 for non-members) held after the November 17th meeting. Plan to stay with us after lunch and take advantage of this!

---

*"Free CE for CAHU members (\$10 for non-members) after our November 17th meeting!"*

---

## Media Relations (Amanda Smith)

CAHU has moved to a higher level and Media Relations is gearing up to the challenge. To that end, we are delighted to welcome Ms Jackson Boyum, District Sales Coordinator of AFLAC, as co-chair. Jackson brings an energetic, capable and well-connected presence to Media Relations. She is married to Russ Boyum and has two girls ages 8 & 11, so she is a very busy person. And as we all know, busy people are the ones that get things done. Her husband, Russ, is employed by WECT TV in sales.

Perhaps now we can finally get a bit of TV coverage for our major events (the Legislative Panel and Golf Tournament come to mind). I'm hoping the some of our more photogenic and articulate members will be making appearances on the early morning TV talk shows.



## Public Service (Patti Hill)

**Great News!** Please refer to the Urgent message at the beginning of the newsletter! Thanks to NAHU, they will match the CAHU contributions toward Hurricane Katrina! Make your checks payable to CAHU and earmark them Hurricane Katrina Relief. Be sure to bring your checks to our September 22nd meeting! Thanks for your continued support as we try to give back to those in need.

Finally! I have delivered all the bags of toiletries we gathered in the first half of 2005 to the Domestic Violence Shelter. They were so grateful!! Kitty (the director) asked if I would ask if any of you would like to buy a raffle ticket (to benefit DVS) with a chance to win a new Lexus!!! I am sure you all have seen this advertised on TV...there are so many worthwhile charities and this is certainly one of them. Tickets will be available at the check in desk at our first meeting.

Again, thank you all for your support in our efforts to give back ....we have been given so much. You never disappoint me. Patti



---

## Awards (Nick Ogden)

What a fantastic 2004-2005 year! Under Tim Walsh's direction as Award's Chair, CAHU was presented with three prestigious awards at the national convention in June. The Pacesetter award was presented for the 3<sup>rd</sup> consecutive time to CAHU. This award honors local chapters for outstanding achievements and excellence in serving their members and the health insurance industry. This is given to only 4 chapters of our size throughout the country (there are 214 chapters national). CAHU also received the Legislative Excellence Award that honors local chapters that excel in their legislative involvement by performing outstanding service throughout the year. This award is given to only one chapter of our size in the country.

Finally, Hughes Warren's leadership earned the Presidential Citation Award that recognizes local presidents that have strengthened their membership and public outreach programs. It is our goal to continue the excellent work of the 2004-2005 board.



---

## State Legislative Report (Hughes Waren)

The 2005 session of the North Carolina General Assembly began on January 26 and ended on September 2 and was indeed a "long session." I have listed below a sampling of bills related to our industry that passed or did not pass.

### BILLS THAT PASSED

**S.B. 577 (= H.B. 659) – Unauthorized Insurer Misconduct** was ratified on July 13, 2005 and was signed by the Governor on July 25, 2005. This Department of Insurance bill clarifies that unauthorized insurers shall not operate in this state in their own name or under a "doing business as" designation as a third-party administrator.

**S.B. 622 – State Appropriations Act** was the annual budget bill and included in the initial House version of this bill were two special provisions of note. One was an "any willing pharmacy" provision which was ultimately deleted. This required serious lobbying of the Senate leadership, which refused to accept this provision. A second provision of the bill as enacted prohibits a co-payment from being charged to an insured for chiropractic services that is higher than the co-payment charged to the insured for primary care services for comparable services.

**H.B. 320 – Modify 2005 Appropriations Act** was passed on September 2, 2005, the last day of this year's session and amended the payment provision relating to chiropractic care. This amendment provides that an insurer shall not impose as a limitation on treatment or level of coverage a co-payment amount charged to the insured for chiropractic services that is higher than the co-payment amount charged to the insured for the services of a duly licensed primary care physician for a comparable medically necessary treatment or condition.

**H.B. 673 – Interstate Insurance Product Regulation Compact.** This Department of Insurance bill was ratified on July 6, 2005 and signed by Governor Easley on July 12, 2005. It establishes North Carolina as a member of the Interstate Insurance

## State Legislative Report .....Continued

Product Regulation Compact. The Commissioner is permitted to determine whether continued participation by North Carolina in the compact is in the best interest of the citizens and policyholders in this state, and the bill contains a sunset provision which requires the bill to expire on October 1, 2009. The bill was meant to be part of the "speed to market" process by facilitating the approval of policy forms and contracts.

**H.B. 735 – A&H Insurance; Rate Stabilization.** This legislation was introduced at the request of the NC Department of Insurance by House Insurance Committee Chairman Hugh Holliman, and was ratified and presented to the Governor on August 23, 2005. This legislation requires actuarial certification of rates, and, with respect to closed blocks of business, creates notification requirements when insurers make the determination to close a block of business. Notice this must be provided to policyholders, agents and the Commissioner. The bill will become effective on July 1, 2006 should it be signed by the Governor.

**H.B. 737 – Improve Health Insurance Underwriting.** This bill was also a Department of Insurance bill introduced by Rep. Holliman. It was ratified and signed by Governor Easley on July 27, 2005. The salient issue in this bill requires that premium rates for A&H policies issued by associations be actuarially sound. It also prohibits health insurers from calculating an individual's renewal premium based on any health-status related factors. Please note that **H.B. 734 – Improve Managed Care Statutes** was stripped late in the session and used as a vehicle for municipal zoning legislation. Its provision relating to improvements to uniform credentialing statutes and the elimination of external review outside of normal business hours were included in H.B. 737 as ratified.

### BILLS THAT DID NOT PASS

**S.B. 44 – Health Care Liability Claims.** This effort at tort reform was referred to Senate Commerce, but was never considered. It would have limited the amount of damages that may be awarded in civil actions against health care providers for health care liability claims. The limitation on non-economic damages would have been \$250,000. The qualifications for expert witnesses would have been strengthened, collateral source evidence would have been admissible, periodic damage payments would have been permitted, and there would have been a limitation on attorney's fees paid on a contingency fee basis. This bill was filed early in the session by Senator Robert Pittenger (R-Charlotte) and several co-sponsors, but was never placed on the agenda of Senate Commerce for consideration.

**S.B. 122 – LTC Tax Credit.** Senator Bill Purcell (D-Laurinburg) introduced this legislation to reenact the LTC tax credit. It was referred to Senate Finance and did not emerge from that committee.

**S.B. 364 – Small Business Health Insurance Credit.** Senator Walter Dalton (D-Rutherford) introduced this matter which would have provided a tax credit for small businesses that provide their employees with health insurance. This matter died in Senate Finance.

**S.B. 534 – High Risk Insurance Pool.** Senator Phil Berger (R-Eden), the Senate minority leader, introduced this legislation to authorize the creation of a high risk pool for health insurance. This bill was referred to Senate Commerce, but was never considered by that Committee.

**S.B. 1100 (= H.B. 893) – Mental Health Parity.** Senator Martin Nesbitt (D-Asheville) introduced this bill, which represents the annual effort at the General Assembly to implement mental health parity in health insurance plans. It was referred to Senate Commerce, but neither this bill nor the House version of it ever received a public hearing.

**H.B. 20 – Small Business/Health Insurance Credit.** This bill was introduced by House Insurance Committee Chairman Hugh Holliman (D-Lexington), and, in final form, would have provided a tax credit of \$800 per employee for employers who sponsored health benefit plans. This provision was of significant interest in the House, but the Senate never warmed up to the idea. The passage of this bill was complicated at the end of the session when provisions to increase the State's minimum wage were added to this legislation. H.B. 20 also appeared in House versions of the budget.

**H.B. 1535 – Establish High Risk Pool.** This bill, introduced by Representatives Hugh Holliman and Verla Insko would have established a high risk pool for health insurance in North Carolina. The bill was debated in Committee and carefully considered by a study committee. However, it became apparent that many revisions to the bill were necessary, and when the House began devoting virtually all of its attention to the State budget, the concept of the risk pool was placed on the back burner. Interest in the risk pool idea remains high, and it is definitely high on the priority list of House Insurance Committee Chairman Hugh Holliman.

**H.J.R. 1792 – Urge Congress to Adopt AHPs.** Rep. Hugh Holliman introduced this House resolution, which urged Congress to adopt association health plan legislation. It was adopted by the House on August 23, 2005.

CAHU.INFO