

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2011

S

2

SENATE BILL 6  
Insurance Committee Substitute Adopted 5/5/11

Short Title: State Health Plan/Refunds for No Coverage. (Public)

Sponsors:

Referred to:

January 31, 2011

A BILL TO BE ENTITLED

AN ACT TO REQUIRE THE STATE HEALTH PLAN FOR TEACHERS AND STATE  
EMPLOYEES TO REFUND PREMIUMS PAID WHEN THE PLAN DID NOT  
ACTUALLY PROVIDE COVERAGE.

The General Assembly of North Carolina enacts:

**SECTION 1.** Part 3 of Article 3A of Chapter 135 of the General Statutes is  
amended by adding a new section to read:

**"§ 135-45.12A. Refund of premiums.**

The Plan shall refund premiums to a subscriber who paid premiums during months in which  
the subscriber or a dependent was not actually covered under the Plan due to ineligibility.  
When refunding premiums, the Plan may deduct (i) the amount of ineligible claims paid by the  
Plan during the period in which the subscriber or dependent was not actually covered under the  
Plan and (ii) reasonable administrative costs directly related to a subscriber's failure to notify  
the Plan of a coverage category change in a timely manner.

Regardless of the amount of a refund, a subscriber may still owe the Plan reimbursement  
for claims paid during the period in which the subscriber or dependent was not covered under  
the Plan.

The Plan is not required to refund premiums under this section in cases of fraud."

**SECTION 2.** This act becomes effective April 1, 2011.

