

By: Representatives Deweese, McMillan,
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To: Insurance

HOUSE BILL NO. 1627

1 AN ACT TO CREATE NEW SECTION 83-1-111, MISSISSIPPI CODE OF
2 1972, TO EXEMPT NONPROFIT AGRICULTURAL MEMBERSHIP ORGANIZATIONS
3 FROM INSURANCE REGULATION; TO PROVIDE THAT A NONPROFIT
4 AGRICULTURAL MEMBERSHIP ORGANIZATION MAY PROVIDE COVERAGE FOR
5 HEALTHCARE BENEFITS OR SERVICES FOR ITS MEMBERS AND THEIR FAMILIES
6 PURSUANT TO CONTRACTS BETWEEN MEMBERS AND THE ORGANIZATION OR ITS
7 AFFILIATES; TO PROVIDE THAT A NONPROFIT AGRICULTURAL MEMBERSHIP
8 ORGANIZATION OR ITS AFFILIATE SHALL HAVE A DESIGNATED INDIVIDUAL
9 WHO, IN CONSULTATION WITH THE STATE INSURANCE DEPARTMENT, OPERATES
10 AS AN OMBUDSMAN TO ADDRESS CONCERNS FROM INSURED MEMBERS REGARDING
11 THE NAMO PLAN; TO PROVIDE THAT THE STATE INSURANCE DEPARTMENT
12 SHALL HAVE THE AUTHORITY TO REVIEW AND COMMENT ON THE COMPLAINT,
13 PROVIDED THAT ALL COMPLAINTS SHALL BE INVESTIGATED AND RESOLVED
14 SOLELY BY THE OMBUDSMAN AND NAMO OR ITS DESIGNEE; TO PROVIDE
15 CERTAIN REQUIREMENTS FOR NAMO PLANS; TO PROVIDE THAT HEALTHCARE
16 BENEFITS OR SERVICES MAY BE SOLD OR SOLICITED ONLY BY AN INSURANCE
17 PRODUCER WHO IS BOTH APPOINTED BY AN ORGANIZATION MEETING THE
18 REQUIREMENTS OF THIS ACT AND LICENSED AS AN INSURANCE PRODUCER TO
19 SELL OR SOLICIT ACCIDENT AND HEALTH INSURANCE IN THIS STATE; TO
20 AMEND SECTION 83-1-101, MISSISSIPPI CODE OF 1972, TO CONFORM TO
21 THE PROVISIONS OF THE ACT; TO BRING FORWARD SECTIONS 83-5-1 AND
22 83-5-3, MISSISSIPPI CODE OF 1972, FOR THE PURPOSE OF POSSIBLE
23 AMENDMENT; AND FOR RELATED PURPOSES.

24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

25 **SECTION 1.** The following shall be codified as Section
26 83-1-111, Mississippi Code of 1972:



27 83-1-111. (1) For purposes of this act, a "nonprofit
28 agricultural membership organization" (NAMO) shall mean an
29 organization that:

30 (a) Is incorporated under the laws of this state;
31 (b) Has representation in every county of this state;
32 (c) Has a purpose of promoting the interests of
33 farmers, growers, ranchers, rural citizens, association members or
34 their affiliates in this state; and

35 (d) Provides coverage for healthcare benefits or
36 services for its members and their families pursuant to contracts
37 between members and the organization or its affiliates.

38 (2) Healthcare benefits or services covered by a nonprofit
39 agricultural membership organization must be provided, under a
40 self-funded arrangement, hereinafter referred to as a "NAMO Plan,"
41 and administered by an entity that holds a certificate of
42 authority as a third-party administrator in this state.

43 (3) A nonprofit agricultural membership organization
44 providing coverage for healthcare benefits or services under a
45 NAMO Plan shall have a designated individual who, in consultation
46 with the State Insurance Department, operates as an ombudsman to
47 address concerns from NAMO Plan members pursuant to a complaint
48 policy and procedure to be created by the nonprofit agricultural
49 membership organization that is materially similar to the policy
50 and procedure used by the State Insurance Department. The State
51 Insurance Department shall have the authority to review and



52 comment on the complaint, provided that all complaints shall be
53 investigated and resolved solely by the ombudsman and nonprofit
54 agricultural membership organization or its designee.

55 (4) If a complaint is received by the State Insurance
56 Department from members enrolled in a NAMO Plan, then the
57 department shall forward the complaint to the designated
58 individual operating as the applicable nonprofit agricultural
59 membership organization's ombudsman.

60 (5) Any risk of loss arising out of a contract for coverage
61 for healthcare benefits or services between a member of a
62 nonprofit agricultural membership organization and a nonprofit
63 agricultural membership organization, or its affiliate, may be
64 reinsured by an insurer that is authorized to transact insurance
65 in this state. A nonprofit agricultural membership organization,
66 or its affiliate, shall annually file a signed, certified
67 actuarial statement of plan reserves with the State Insurance
68 Department demonstrating that such reserves are adequate and
69 conform to appropriate actuarial standards of practice.

70 (6) Coverage for healthcare benefits or services as set
71 forth in this section shall be subject to the following:

72 (a) The application for coverage of any healthcare
73 benefits or services provided pursuant to this section must
74 prominently state that the healthcare benefits or services plan
75 providing such coverage is not insurance, is not provided by an
76 insurance company, is not subject to the laws and rules governing



77 insurance, and is not subject to the jurisdiction of the State
78 Insurance Department or the Commissioner of Insurance. The
79 application should provide the phone number for the plan's
80 ombudsman. Any contract for coverage of any healthcare benefits
81 or services provided pursuant to a NAMO Plan shall include the
82 same information as required for the application in this
83 paragraph.

84 (b) Coverage for healthcare benefits or services
85 covered under a NAMO Plan must include a level of coverage for:

- 86 (i) Ambulatory patient services;
- 87 (ii) Hospitalization;
- 88 (iii) Emergency services; and
- 89 (iv) Laboratory services.

90 (c) The aggregate value of healthcare benefits or
91 services covered under a NAMO Plan shall not be subject to an
92 annual limit of less than Two Million Dollars (\$2,000,000.00) per
93 year per enrollee.

94 (d) Notwithstanding any other provision of this
95 chapter, a nonprofit agricultural organization that offers
96 healthcare benefits or services under a NAMO Plan shall not
97 require a waiting period of more than six (6) months for treatment
98 of a preexisting condition otherwise covered by the NAMO Plan.

99 (7) Healthcare benefits or services provided under this
100 section may be sold or solicited only by an insurance producer who
101 is both appointed by an organization meeting the requirements of



102 this section and licensed as an insurance producer to sell or
103 solicit accident and health insurance in this state.

104 (8) The provisions of Title 83, Mississippi Code of 1972,
105 and any rules promulgated by the State Insurance Department shall
106 not apply to a nonprofit agricultural membership organization
107 operating in accordance with the provisions of this section.

108 **SECTION 2.** Section 83-1-101, Mississippi Code of 1972, is
109 amended as follows:

110 83-1-101. Notwithstanding any other provision of law to the
111 contrary, and except as provided herein, any person or other
112 entity which provides coverage in this state for medical,
113 surgical, chiropractic, physical therapy, speech pathology,
114 audiology, professional mental health, dental, hospital, or
115 optometric expenses, whether such coverage is by direct payment,
116 reimbursement, or otherwise, shall be presumed to be subject to
117 the jurisdiction of the State Insurance Department, unless (a) the
118 person or other entity shows that while providing such services it
119 is subject to the jurisdiction of another agency of this state,
120 any subdivisions thereof, or the federal government; * * * (b) the
121 person or other entity is providing coverage under the Direct
122 Primary Care Act in Sections 83-81-1 through 83-81-11; or (c) the
123 entity that is providing coverage is a nonprofit agricultural
124 membership organization acting in accordance with Section
125 83-1-111.



126 **SECTION 3.** Section 83-5-1, Mississippi Code of 1972, is
127 brought forward as follows:

128 83-5-1. All indemnity or guaranty companies, all companies,
129 including those companies defined in Section 83-41-303(n),
130 corporations, partnerships, associations, individuals and
131 fraternal orders, whether domestic or foreign, transacting, or to
132 be admitted to transact, the business of insurance in this state
133 are insurance companies within the meaning of this chapter, and
134 shall be subject to the inspection and supervision of the
135 commissioner.

136 **SECTION 4.** Section 83-5-3, Mississippi Code of 1972, is
137 brought forward as follows:

138 83-5-3. Every insurance company, foreign or domestic, that
139 qualifies to do business in the State of Mississippi shall be
140 required to execute an agreement to be bound by the statute laws
141 of the State of Mississippi pertaining to the periods of
142 limitation prescribed by the statute law of this state.

143 The insurance commissioner is hereby required, as a condition
144 precedent to authorizing any insurance company to qualify and
145 operate under the laws of this state or to do business in this
146 state, to require said companies to execute an agreement binding
147 said company to conform to and to be bound and regulated by the
148 statute laws of this jurisdiction as defined in the first
149 paragraph.



150 For purposes of the administration of this section, insurance
151 companies shall consist of all types of insurance companies, both
152 domestic and foreign, that operate in this jurisdiction, including
153 stock companies, mutuals, and fraternal societies and
154 organizations when such fraternal society or organization engages
155 in the insuring of its members or other persons.

156 **SECTION 5.** This act shall take effect and be in force from
157 and after July 1, 2024.

