

*****Adopted***
AMENDMENT No. 1 PROPOSED TO**

House Bill NO. 683

By Senator(s) Committee

**Amend by striking all after the enacting clause and inserting
in lieu thereof the following:**

9 **SECTION 1.** Section 83-9-5, Mississippi Code of 1972, is
10 amended as follows:

11 83-9-5. (1) **Required provisions.** Except as provided in
12 subsection (3) of this section, each such policy delivered or
13 issued for delivery to any person in this state shall contain the
14 provisions specified in this subsection in the words in which the
15 same appear in this section. However, the insurer may, at its
16 option, substitute for one or more of such provisions,
17 corresponding provisions of different wording approved by the
18 commissioner which are in each instance not less favorable in any
19 respect to the insured or the beneficiary. Such provisions shall
20 be preceded individually by the caption appearing in this
21 subsection or, at the option of the insurer, by such appropriate
22 individual or group captions or subcaptions as the commissioner
23 may approve.

24 As used in this section, the term "insurer" means a health
25 maintenance organization, an insurance company or any other entity
26 responsible for the payment of benefits under a policy or contract
27 of accident and sickness insurance; however, the term "insurer"
28 shall not mean a liquidator, rehabilitator, conservator or

29 receiver or third party administrator of any health maintenance
30 organization, insurance company or other entity responsible for
31 the payment of benefits which is in liquidation, rehabilitation or
32 conservation proceedings, nor shall it mean any responsible
33 guaranty association.

34 (a) A provision as follows:

35 Entire contract; changes: This policy, including the
36 endorsements and the attached papers, if any, constitutes the
37 entire contract of insurance. No change in this policy shall be
38 valid until approved by an executive officer of the insurer and
39 unless such approval be endorsed hereon or attached hereto. No
40 agent has authority to change this policy or to waive any of its
41 provisions.

42 (b) A provision as follows:

43 Time limit on certain defenses:

44 1. After two (2) years from the date of issue of
45 this policy, no misstatements, except fraudulent misstatements,
46 made by the applicant in the application for such policy shall be
47 used to void the policy or to deny a claim for loss incurred or
48 disability (as defined in the policy) commencing after the
49 expiration of such two-year period.

50 (The foregoing policy provision shall not be so construed as
51 to effect any legal requirement for avoidance of a policy or
52 denial of a claim during such initial two-year period, nor to
53 limit the application of subparagraphs (2) (a) and (2) (b) of this
54 section in the event of misstatement with respect to age or
55 occupation.)

56 (A policy which the insured has the right to continue in
57 force subject to its terms by the timely payment of premium (1)
58 until at least age fifty (50) or, (2) in the case of a policy
59 issued after age forty-four (44), for at least five (5) years from
60 its date of issue, may contain in lieu of the foregoing the
61 following provision (from which the clause in parentheses may be
62 omitted at the insurer's option) under the caption

63 "INCONTESTABLE":

64 After this policy has been in force for a period of two (2)
65 years during the lifetime of the insured (excluding any period
66 during which the insured is disabled), it shall become
67 incontestable as to the statements in the application.)

68 2. No claim for loss incurred or disability (as
69 defined in the policy) commencing after two (2) years from the
70 date of issue of this policy shall be reduced or denied on the
71 ground that a disease or physical condition not excluded from
72 coverage by name or specific description effective on the date of
73 loss had existed prior to the effective date of coverage of this
74 policy.

75 (c) A provision as follows:

76 Grace period:

77 A grace period of seven (7) days for weekly premium policies,
78 ten (10) days for monthly premium policies and thirty-one (31)
79 days for all other policies will be granted for the payment of
80 each premium falling due after the first premium, during which
81 grace period the policy shall continue in force.

82 (A policy which contains a cancellation provision may add, at
83 the end of the above provision, "subject to the right of the
84 insurer to cancel in accordance with the cancellation provision
85 hereof."

86 A policy in which the insurer reserves the right to refuse
87 any renewal shall have, at the beginning of the above provision,
88 "unless not less than five (5) days prior to the premium due date
89 the insurer has delivered to the insured or has mailed to his last
90 address as shown by the records of the insurer written notice of
91 its intention not to renew this policy beyond the period for which
92 the premium has been accepted.")

93 (d) A provision as follows:

94 Reinstatement:

95 If any renewal premium be not paid within the time granted
96 the insured for payment, a subsequent acceptance of premium by the
97 insurer or by any agent duly authorized by the insurer to accept
98 such premium, without requiring in connection therewith an

99 application for reinstatement, shall reinstate the policy.
100 However, if the insurer or such agent requires an application for
101 reinstatement and issues a conditional receipt for the premium
102 tendered, the policy will be reinstated upon approval of such
103 application by the insurer or, lacking such approval, upon the
104 forty-fifth day following the date of such conditional receipt
105 unless the insurer has previously notified the insured in writing
106 of its disapproval of such application. The reinstated policy
107 shall cover only loss resulting from such accidental injury as may
108 be sustained after the date of reinstatement and loss due to such
109 sickness as may begin more than ten (10) days after such date. In
110 all other respects the insured and insurer shall have the same
111 rights thereunder as they had under the policy immediately before
112 the due date of the defaulted premium, subject to any provisions
113 endorsed hereon or attached hereto in connection with the
114 reinstatement. Any premium accepted in connection with a
115 reinstatement shall be applied to a period for which premium has
116 not been previously paid, but not to any period more than sixty
117 (60) days prior to the date of reinstatement. (The last sentence
118 of the above provision may be omitted from any policy which the
119 insured has the right to continue in force subject to its terms by
120 the timely payment of premiums (1) until at least age fifty (50)
121 or, (2) in the case of a policy issued after age forty-four (44),
122 for at least five (5) years from its date of issue.)

123 (e) A provision as follows:

124 Notice of claim:

125 Written notice of claim must be given to the insurer within
126 thirty (30) days after the occurrence or commencement of any loss
127 covered by the policy, or as soon thereafter as is reasonably
128 possible. Notice given by or on behalf of the insured or the
129 beneficiary to the insurer at _____ (insert the
130 location of such office as the insurer may designate for the
131 purpose), or to any authorized agent of the insurer, with
132 information sufficient to identify the insured, shall be deemed
133 notice to the insurer.

134 (In a policy providing a loss-of-time benefit which may be
135 payable for at least two (2) years, an insurer may, at its option,
136 insert the following between the first and second sentences of the
137 above provision: "Subject to the qualifications set forth below,
138 if the insured suffers loss of time on account of disability for
139 which indemnity may be payable for at least two (2) years, he
140 shall, at least once in every six (6) months after having given
141 notice of claim, give to the insurer notice of continuance of said
142 disability, except in the event of legal incapacity. The period
143 of six (6) months following any filing of proof by the insured or
144 any payment by the insurer on account of such claim or any denial
145 of liability in whole or in part by the insurer shall be excluded
146 in applying this provision. Delay in the giving of such notice
147 shall not impair the insured's right to any indemnity which would
148 otherwise have accrued during the period of six (6) months
149 preceding the date on which such notice is actually given.")

150 (f) A provision as follows:

151 Claim forms:

152 The insurer, upon receipt of a notice of claim, will furnish
153 to the claimant such forms as are usually furnished by it for
154 filing proofs of loss. If such forms are not furnished within
155 fifteen (15) days after the giving of such notice, the claimant
156 shall be deemed to have complied with the requirements of this
157 policy as to proof of loss upon submitting, within the time fixed
158 in the policy for filing proofs of loss, written proof covering
159 the occurrence, the character and the extent of the loss for which
160 claim is made.

161 (g) A provision as follows:

162 Proofs of loss:

163 Written proof of loss must be furnished to the insurer at its
164 said office, in case of claim for loss for which this policy
165 provides any periodic payment contingent upon continuing loss,
166 within ninety (90) days after the termination of the period for
167 which the insurer is liable, and in case of claim for any other
168 loss, within ninety (90) days after the date of such loss.

169 Failure to furnish such proof within the time required shall not
170 invalidate or reduce any claim if it was not reasonably possible
171 to give proof within such time, provided such proof is furnished
172 as soon as reasonably possible and in no event, except in the
173 absence of legal capacity, later than one (1) year from the time
174 proof is otherwise required.

175 (h) A provision as follows:

176 Time of payment of claims:

177 1. All benefits payable under this policy for any
178 loss, other than loss for which this policy provides any periodic
179 payment, will be paid within twenty-five (25) days after receipt
180 of due written proof of such loss in the form of a clean claim
181 where claims are submitted electronically, and will be paid within
182 thirty-five (35) days after receipt of due written proof of such
183 loss in the form of clean claim where claims are submitted in
184 paper format. Benefits due under the policies and claims are
185 overdue if not paid within twenty-five (25) days or thirty-five
186 (35) days, whichever is applicable, after the insurer receives a
187 clean claim containing necessary medical information and other
188 information essential for the insurer to administer preexisting
189 condition, coordination of benefits and subrogation provisions. A
190 "clean claim" means a claim received by an insurer for
191 adjudication and which requires no further information, adjustment
192 or alteration by the provider of the services or the insured in
193 order to be processed and paid by the insurer. A claim is clean
194 if it has no defect or impropriety, including any lack of
195 substantiating documentation, or particular circumstance requiring
196 special treatment that prevents timely payment from being made on
197 the claim under this provision. A clean claim includes
198 resubmitted claims with previously identified deficiencies
199 corrected.

200 A clean claim does not include the following:

201 a. A duplicate claim, which means an original
202 claim and its duplicate when the duplicate is filed within thirty
203 (30) days of the original claim;

204 b. Claims which are submitted fraudulently or
205 that are based upon material misrepresentations;

206 c. Claims that require a preexisting
207 condition or coordination of benefits; and

208 d. Claims submitted more than thirty (30)
209 days after the date of billing by the provider.

210 Not later than twenty-five (25) days after the date the
211 insurer actually receives an electronic claim, the insurer shall
212 pay the appropriate benefit in full, or any portion of the claim
213 that is clean, and notify the provider (where the claim is owed to
214 the provider) or the insured (where the claim is owed to the
215 insured) of the reasons why the claim or portion thereof is not
216 clean and will not be paid and what substantiating documentation
217 and information is required to adjudicate the claim as clean. Not
218 later than thirty-five (35) days after the date the insurer
219 actually receives a paper claim, the insurer shall pay the
220 appropriate benefit in full, or any portion of the claim that is
221 clean, and notify the provider (where the claim is owed to the
222 provider) or the insured (where the claim is owed to the insured)
223 of the reasons why the claim or portion thereof is not clean and
224 will not be paid and what substantiating documentation and
225 information is required to adjudicate the claim as clean. Any
226 claim or portion thereof resubmitted with the supporting
227 documentation and information requested by the insurer shall be
228 paid within twenty (20) days after receipt.

229 For purposes of this provision, the term "pay" means that the
230 insurer shall either send cash or a cash equivalent by United
231 States mail, or send cash or a cash equivalent by other means such
232 as electronic transfer, in full satisfaction of the appropriate
233 benefit due the provider (where the claim is owed to the provider)
234 or the insured (where the claim is owed to the insured). To
235 calculate the extent to which any benefits are overdue, payment
236 shall be treated as made on the date a draft or other valid
237 instrument was placed in the United States mail to the last known
238 address of the provider (where the claim is owed to the provider)

239 or the insured (where the claim is owed to the insured) in a
240 properly addressed, postpaid envelope, or, if not so posted, or
241 not sent by United States mail, on the date of delivery of payment
242 to the provider or insured.

243 2. Subject to due written proof of loss, all
244 accrued benefits for loss for which this policy provides periodic
245 payment will be paid _____ (insert period for payment
246 which must not be less frequently than monthly), and any balance
247 remaining unpaid upon the termination of liability will be paid
248 within thirty (30) days after receipt of due written proof.

249 3. If the claim is not denied for valid and proper
250 reasons by the end of the applicable time period prescribed in
251 this provision, the insurer must pay the provider (where the claim
252 is owed to the provider) or the insured (where the claim is owed
253 to the insured) interest on accrued benefits at the rate of one
254 and one-half percent (1-1/2%) per month accruing from the day
255 after payment was due on the amount of the benefits that remain
256 unpaid until the claim is finally settled or adjudicated.
257 Whenever interest due pursuant to this provision is less than One
258 Dollar (\$1.00), such amount shall be credited to the account of
259 the person or entity to whom such amount is owed.

260 4. In the event the insurer fails to pay benefits
261 when due, the person entitled to such benefits may bring action to
262 recover such benefits, any interest which may accrue as provided
263 in subsection (1)(h)3 of this section and any other damages as may
264 be allowable by law.

265 (i) A provision as follows:

266 Payment of claims:

267 Indemnity for loss of life will be payable in accordance with
268 the beneficiary designation and the provisions respecting such
269 payment which may be prescribed herein and effective at the time
270 of payment. If no such designation or provision is then
271 effective, such indemnity shall be payable to the estate of the
272 insured. Any other accrued indemnities unpaid at the insured's
273 death may, at the option of the insurer, be paid either to such

274 beneficiary or to such estate. All other indemnities will be
275 payable to the insured. When payments of benefits are made to an
276 insured directly for medical care or services rendered by a health
277 care provider, the health care provider shall be notified of such
278 payment. The notification requirement shall not apply to a
279 fixed-indemnity policy, a limited benefit health insurance policy,
280 medical payment coverage or personal injury protection coverage in
281 a motor vehicle policy, coverage issued as a supplement to
282 liability insurance or workers' compensation.

283 (The following provisions, or either of them, may be included
284 with the foregoing provision at the option of the insurer: "If
285 any indemnity of this policy shall be payable to the estate of the
286 insured, or to an insured or beneficiary who is a minor or
287 otherwise not competent to give a valid release, the insurer may
288 pay such indemnity, up to an amount not exceeding \$ _____
289 (insert an amount which must not exceed One Thousand Dollars
290 (\$1,000.00)), to any relative by blood or connection by marriage
291 of the insured or beneficiary who is deemed by the insurer to be
292 equitably entitled thereto. Any payment made by the insurer in
293 good faith pursuant to this provision shall fully discharge the
294 insurer to the extent of such payment."

295 "Subject to any written direction of the insured in the
296 application or otherwise, all or a portion of any indemnities
297 provided by this policy on account of hospital, nursing, medical
298 or surgical services may, at the insurer's option and unless the
299 insured requests otherwise in writing not later than the time of
300 filing proofs of such loss, be paid directly to the hospital or
301 person rendering such services; but it is not required that the
302 service be rendered by a particular hospital or person.")

303 (j) A provision as follows:

304 Physical examinations:

305 The insurer at his own expense shall have the right and
306 opportunity to examine the person of the insured when and as often
307 as it may reasonably require during the pendency of a claim
308 hereunder.

309 (k) A provision as follows:

310 Legal actions:

311 No action at law or in equity shall be brought to recover on
312 this policy prior to the expiration of sixty (60) days after
313 written proof of loss has been furnished in accordance with the
314 requirements of this policy. No such action shall be brought
315 after the expiration of three (3) years after the time written
316 proof of loss is required to be furnished.

317 (l) A provision as follows:

318 Change of beneficiary:

319 Unless the insured makes an irrevocable designation of
320 beneficiary, the right to change the beneficiary is reserved to
321 the insured, and the consent of the beneficiary or beneficiaries
322 shall not be requisite to surrender or assignment of this policy,
323 or to any change of beneficiary or beneficiaries, or to any other
324 changes in this policy.

325 (The first clause of this provision, relating to the
326 irrevocable designation of beneficiary, may be omitted at the
327 insurer's option.)

328 (2) **Other provisions.** Except as provided in subsection (3)
329 of this section, no such policy delivered or issued for delivery
330 to any person in this state shall contain provisions respecting
331 the matters set forth below unless such provisions are in the
332 words in which the same appear in this section. However, the
333 insurer may, at its option, use in lieu of any such provision a
334 corresponding provision of different wording approved by the
335 commissioner which is not less favorable in any respect to the
336 insured or the beneficiary. Any such provision contained in the
337 policy shall be preceded individually by the appropriate caption
338 appearing in this subsection or, at the option of the insurer, by
339 such appropriate individual or group captions or subcaptions as
340 the commissioner may approve.

341 (a) A provision as follows:

342 Change of occupation:

343 If the insured be injured or contract sickness after having

344 changed his occupation to one classified by the insurer as more
345 hazardous than that stated in this policy or while doing for
346 compensation anything pertaining to an occupation so classified,
347 the insurer will pay only such portion of the indemnities provided
348 in this policy as the premium paid would have purchased at the
349 rates and within the limits fixed by the insurer for such more
350 hazardous occupation. If the insured changes his occupation to
351 one classified by the insurer as less hazardous than that stated
352 in this policy, the insurer, upon receipt of proof of such change
353 of occupation, will reduce the premium rate accordingly, and will
354 return the excess pro rata unearned premium from the date of
355 change of occupation or from the policy anniversary date
356 immediately preceding receipt of such proof, whichever is the most
357 recent. In applying this provision, the classification of
358 occupational risk and the premium rates shall be such as have been
359 last filed by the insurer prior to the occurrence of the loss for
360 which the insurer is liable, or prior to date of proof of change
361 in occupation, with the state official having supervision of
362 insurance in the state where the insured resided at the time this
363 policy was issued; but if such filing was not required, then the
364 classification of occupational risk and the premium rates shall be
365 those last made effective by the insurer in such state prior to
366 the occurrence of the loss or prior to the date of proof of change
367 in occupation.

368 (b) A provision as follows:

369 Misstatement of age:

370 If the age of the insured has been misstated, all amounts
371 payable under this policy shall be such as the premium paid would
372 have purchased at the correct age.

373 (c) A provision as follows:

374 Relation of earnings to issuance:

375 If the total monthly amount of loss of time benefits promised
376 for the same loss under all valid loss of time coverage upon the
377 insured, whether payable on a weekly or monthly basis, shall
378 exceed the monthly earnings of the insured at the time disability

379 commenced or his average monthly earnings for the period of two
380 (2) years immediately preceding a disability for which claim is
381 made, whichever is the greater, the insurer will be liable only
382 for such proportionate amount of such benefits under this policy
383 as the amount of such monthly earnings or such average monthly
384 earnings of the insured bears to the total amount of monthly
385 benefits for the same loss under all such coverage upon the
386 insured at the time such disability commences and for the return
387 of such part of the premiums paid during such two (2) years as
388 shall exceed the pro rata amount of the premiums for the benefits
389 actually paid hereunder; but this shall not operate to reduce the
390 total monthly amount of benefits payable under all such coverage
391 upon the insured below the sum of Two Hundred Dollars (\$200.00) or
392 the sum of the monthly benefits specified in such coverages,
393 whichever is the lesser, nor shall it operate to reduce benefits
394 other than those payable for loss of time.

395 (The foregoing policy provision may be inserted only in a
396 policy which the insured has the right to continue in force
397 subject to its terms by the timely payment of premiums (1) until
398 at least age fifty (50) or, (2) in the case of a policy issued
399 after age forty-four (44), for at least five (5) years from its
400 date of issue. The insurer may, at its option, include in this
401 provision a definition of "valid loss of time coverage," approved
402 as to form by the commissioner, which definition shall be limited
403 in subject matter to coverage provided by governmental agencies or
404 by organizations subject to regulations by insurance law or by
405 insurance authorities of this or any other state of the United
406 States or any province of Canada, or to any other coverage the
407 inclusion of which may be approved by the commissioner, or any
408 combination of such coverages. In the absence of such definition,
409 such term shall not include any coverage provided for such insured
410 pursuant to any compulsory benefit statute (including any workers'
411 compensation or employer's liability statute), or benefits
412 provided by union welfare plans or by employer or employee benefit
413 organizations.)

414 (d) A provision as follows:

415 Unpaid premium:

416 Upon the payment of a claim under this policy, any premium
417 then due and unpaid or covered by any note or written order may be
418 deducted therefrom.

419 (e) A provision as follows:

420 Cancellation:

421 The insurer may cancel this policy at any time by written
422 notice delivered to the insured, or mailed to his last address as
423 shown by the records of the insurer, stating when, not less than
424 five (5) days thereafter, such cancellation shall be effective;
425 and after the policy has been continued beyond its original term,
426 the insured may cancel this policy at any time by written notice
427 delivered or mailed to the insurer, effective upon receipt or on
428 such later date as may be specified in such notice. In the event
429 of cancellation, the insurer will return promptly the unearned
430 portion of any premium paid. If the insured cancels, the earned
431 premium shall be computed by the use of the short-rate table last
432 filed with the state official having supervision of insurance in
433 the state where the insured resided when the policy was issued.
434 If the insurer cancels, the earned premium shall be computed pro
435 rata. Cancellation shall be without prejudice to any claim
436 originating prior to the effective date of cancellation.

437 (f) A provision as follows:

438 Conformity with state statutes:

439 Any provision of this policy which, on its effective date, is
440 in conflict with the statutes of the state in which the insured
441 resides on such date is hereby amended to conform to the minimum
442 requirements of such statutes.

443 (g) A provision as follows:

444 Illegal occupation:

445 The insurer shall not be liable for any loss to which a
446 contributing cause was the insured's commission of or attempt to
447 commit a felony or to which a contributing cause was the insured's
448 being engaged in an illegal occupation.

449 (h) A provision as follows:

450 Intoxicants and narcotics:

451 The insurer shall not be liable for any loss sustained or
452 contracted in consequence of the insured's being intoxicated or
453 under the influence of any narcotic unless administered on the
454 advice of a physician.

455 (3) **Inapplicable or inconsistent provisions.** If any
456 provision of this section is in whole or in part inapplicable to
457 or inconsistent with the coverage provided by a particular form of
458 policy, the insurer, with the approval of the commissioner, shall
459 omit from such policy any inapplicable provision or part of a
460 provision, and shall modify any inconsistent provision or part of
461 the provision in such manner as to make the provision as contained
462 in the policy consistent with the coverage provided by the policy.

463 (4) **Order of certain policy provisions.** The provisions
464 which are the subject of subsections (1) and (2) of this section,
465 or any corresponding provisions which are used in lieu thereof in
466 accordance with such subsections, shall be printed in the
467 consecutive order of the provisions in such subsections or, at the
468 option of the insurer, any such provision may appear as a unit in
469 any part of the policy, with other provisions to which it may be
470 logically related, provided the resulting policy shall not be in
471 whole or in part unintelligible, uncertain, ambiguous, abstruse or
472 likely to mislead a person to whom the policy is offered,
473 delivered or issued.

474 (5) **Third-party ownership.** The word "insured," as used in
475 Sections 83-9-1 through 83-9-21, Mississippi Code of 1972, shall
476 not be construed as preventing a person other than the insured
477 with a proper insurable interest from making application for and
478 owning a policy covering the insured, or from being entitled under
479 such a policy to any indemnities, benefits and rights provided
480 therein.

481 (6) **Requirements of other jurisdictions.**

482 (a) Any policy of a foreign or alien insurer, when
483 delivered or issued for delivery to any person in this state, may

484 contain any provision which is not less favorable to the insured
485 or the beneficiary than the provisions of Sections 83-9-1 through
486 83-9-21, Mississippi Code of 1972, and which is prescribed or
487 required by the law of the state under which the insurer is
488 organized.

489 (b) Any policy of a domestic insurer may, when issued
490 for delivery in any other state or country, contain any provision
491 permitted or required by the laws of such other state or country.

492 (7) **Filing procedure.** The commissioner may make such
493 reasonable rules and regulations concerning the procedure for the
494 filing or submission of policies subject to the cited sections as
495 are necessary, proper or advisable to the administration of said
496 sections. This provision shall not abridge any other authority
497 granted the commissioner by law.

498 (8) **Administrative penalties.**

499 (a) If the commissioner finds that an insurer, during
500 any calendar year, has paid at least eighty-five percent (85%),
501 but less than ninety-five percent (95%), of all clean claims
502 received from all providers during that year in accordance with
503 the provisions of subsection (1)(h) of this section, the
504 commissioner may levy an aggregate penalty in an amount not to
505 exceed Ten Thousand Dollars (\$10,000.00). If the commissioner
506 finds that an insurer, during any calendar year, has paid at least
507 fifty percent (50%), but less than eighty-five percent (85%), of
508 all clean claims received from all providers during that year in
509 accordance with the provision of subsection (1)(h) of this
510 section, the commissioner may levy an aggregate penalty in an
511 amount of not less than Ten Thousand Dollars (\$10,000.00) nor more
512 than One Hundred Thousand Dollars (\$100,000.00). If the
513 commissioner finds that an insurer, during any calendar year, has
514 paid less than fifty percent (50%) of all clean claims received
515 from all providers during that year in accordance with the
516 provisions of subsection (1)(h) of this section, the commissioner
517 may levy an aggregate penalty in an amount not less than One
518 Hundred Thousand Dollars (\$100,000.00) nor more than Two Hundred

519 Thousand Dollars (\$200,000.00). In determining the amount of any
520 fine, the commissioner shall take into account whether the failure
521 to achieve the standards in subsection (1)(h) of this section were
522 due to circumstances beyond the control of the insurer. The
523 insurer may request an administrative hearing to contest the
524 assessment of any administrative penalty imposed by the
525 commissioner pursuant to this subsection within thirty (30) days
526 after receipt of the notice of assessment.

527 (b) Examinations to determine compliance with
528 subsection (1)(h) of this section may be conducted by the
529 commissioner or any of his examiners. The commissioner may
530 contract with qualified impartial outside sources to assist in
531 examinations to determine compliance. The expenses of any such
532 examinations shall be paid by the insurer examined.

533 (c) Nothing in the provisions of subsection (1)(h) of
534 this section shall require an insurer to pay claims that are not
535 covered under the terms of a contract or policy of accident and
536 sickness insurance.

537 (d) An insurer and a provider may enter into an express
538 written agreement containing timely claim payment provisions which
539 differ from, but are at least as stringent as, the provisions set
540 forth under subsection (1)(h) of this section, and in such case,
541 the provisions of the written agreement shall govern the timely
542 payment of claims by the insurer to the provider. If the express
543 written agreement is silent as to any interest penalty where
544 claims are not paid in accordance with the agreement, the interest
545 penalty provision of subsection (1)(h)3 of this section shall
546 apply.

547 (e) The commissioner may adopt rules and regulations
548 necessary to ensure compliance with this subsection.

549 **SECTION 2.** This act shall take effect and be in force from
550 and after January 1, 2003.

**Further, amend by striking the title in its entirety and
inserting in lieu thereof the following:**

1 AN ACT TO AMEND SECTION 83-9-5, MISSISSIPPI CODE OF 1972, TO
2 REQUIRE ACCIDENT AND HEALTH POLICIES TO CONTAIN CERTAIN PROVISIONS
3 ESTABLISHING PROCEDURES FOR THE PROMPT PAYMENT OF CLEAN CLAIMS; TO
4 DEFINE THE TERM "CLEAN CLAIM"; TO AUTHORIZE THE COMMISSIONER OF
5 INSURANCE TO IMPOSE ADMINISTRATIVE PENALTIES WHEN CLEAN CLAIMS ARE
6 NOT PAID IN ACCORDANCE WITH THE PROVISIONS OF THIS ACT; AND FOR
7 RELATED PURPOSES.