

House Amendments to Senate Bill No. 2224

TO THE SECRETARY OF THE SENATE:

THIS IS TO INFORM YOU THAT THE HOUSE HAS ADOPTED THE AMENDMENTS SET OUT BELOW:

AMENDMENT NO. 2

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

13 **SECTION 1.** The Commissioner of Insurance may adopt rules and
14 regulations to examine and address any inequalities or
15 irregularities regarding provider reimbursement rates paid by an
16 insurer, subcontractor, third-party administrator or other payor
17 regarding covered services received by covered persons in this
18 state. Such rules and regulations shall allow an insurer to show
19 evidence as to why any inequality or irregularity may be
20 justified. Failure to comply with rules and regulations adopted
21 by the Commissioner under this section may result in a fine not to
22 exceed Ten Thousand Dollars (\$10,000.00) per violation. This
23 section shall stand repealed on July 1, 2027.

24 **SECTION 2.** Section 83-9-5, Mississippi Code of 1972, is
25 amended as follows:

26 83-9-5. (1) **Required provisions.** Except as provided in
27 subsection (3) of this section, each such policy delivered or
28 issued for delivery to any person in this state shall contain the
29 provisions specified in this subsection in the words in which the

30 same appear in this section. However, the insurer may, at its
31 option, substitute for one or more of such provisions,
32 corresponding provisions of different wording approved by the
33 commissioner which are in each instance not less favorable in any
34 respect to the insured or the beneficiary. Such provisions shall
35 be preceded individually by the caption appearing in this
36 subsection or, at the option of the insurer, by such appropriate
37 individual or group captions or subcaptions as the commissioner
38 may approve.

39 As used in this section, the term "insurer" means a health
40 maintenance organization, an insurance company or any other entity
41 responsible for the payment of benefits under a policy or contract
42 of accident and sickness insurance; however, the term "insurer"
43 shall not mean a liquidator, rehabilitator, conservator or
44 receiver or third-party administrator of any health maintenance
45 organization, insurance company or other entity responsible for
46 the payment of benefits which is in liquidation, rehabilitation or
47 conservation proceedings, nor shall it mean any responsible
48 guaranty association. Further, no cause of action shall accrue
49 against a liquidator, rehabilitator, conservator or receiver or
50 third-party administrator of any health maintenance organization,
51 insurance company or other entity responsible for the payment of
52 benefits which is in liquidation, rehabilitation or conservation
53 proceedings or any responsible guaranty association under
54 paragraph (h)3 of this subsection or any policy provision in
55 accordance therewith.

56 (a) A provision as follows:

57 Entire contract; changes: This policy, including the
58 endorsements and the attached papers, if any, constitutes the
59 entire contract of insurance. No change in this policy shall be
60 valid until approved by an executive officer of the insurer and
61 unless such approval be endorsed hereon or attached hereto. No
62 agent has authority to change this policy or to waive any of its
63 provisions.

64 (b) A provision as follows:

65 Time limit on certain defenses:

66 1. After two (2) years from the date of issue of
67 this policy, no misstatements, except fraudulent misstatements,
68 made by the applicant in the application for such policy shall be
69 used to void the policy or to deny a claim for loss incurred or
70 disability (as defined in the policy) commencing after the
71 expiration of such two-year period.

72 (The foregoing policy provision shall not be so construed as
73 to effect any legal requirement for avoidance of a policy or
74 denial of a claim during such initial two-year period, nor to
75 limit the application of subsection (2) (a) and (2) (b) of this
76 section in the event of misstatement with respect to age or
77 occupation.)

78 (A policy which the insured has the right to continue in
79 force subject to its terms by the timely payment of premium (1)
80 until at least age fifty (50) or, (2) in the case of a policy
81 issued after age forty-four (44), for at least five (5) years from

82 its date of issue, may contain in lieu of the foregoing the
83 following provision (from which the clause in parentheses may be
84 omitted at the insurer's option) under the caption
85 "INCONTESTABLE":

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

90 2. No claim for loss incurred or disability (as
91 defined in the policy) commencing after two (2) years from the
92 date of issue of this policy shall be reduced or denied on the
93 ground that a disease or physical condition not excluded from
94 coverage by name or specific description effective on the date of
95 loss had existed prior to the effective date of coverage of this
96 policy.

97 (c) A provision as follows:

98 Grace period:

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

104 (A policy which contains a cancellation provision may add, at
105 the end of the above provision, "subject to the right of the
106 insurer to cancel in accordance with the cancellation provision
107 hereof."

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

115 (d) A provision as follows:

116 Reinstatement:

117 If any renewal premium be not paid within the time granted
118 the insured for payment, a subsequent acceptance of premium by the
119 insurer or by any agent duly authorized by the insurer to accept
120 such premium, without requiring in connection therewith an
121 application for reinstatement, shall reinstate the policy.
122 However, if the insurer or such agent requires an application for
123 reinstatement and issues a conditional receipt for the premium
124 tendered, the policy will be reinstated upon approval of such
125 application by the insurer or, lacking such approval, upon the
126 forty-fifth day following the date of such conditional receipt
127 unless the insurer has previously notified the insured in writing
128 of its disapproval of such application. The reinstated policy
129 shall cover only loss resulting from such accidental injury as may
130 be sustained after the date of reinstatement and loss due to such
131 sickness as may begin more than ten (10) days after such date. In
132 all other respects the insured and insurer shall have the same
133 rights thereunder as they had under the policy immediately before

134 the due date of the defaulted premium, subject to any provisions
135 endorsed hereon or attached hereto in connection with the
136 reinstatement. Any premium accepted in connection with a
137 reinstatement shall be applied to a period for which premium has
138 not been previously paid, but not to any period more than sixty
139 (60) days prior to the date of reinstatement. (The last sentence
140 of the above provision may be omitted from any policy which the
141 insured has the right to continue in force subject to its terms by
142 the timely payment of premiums (1) until at least age fifty (50)
143 or, (2) in the case of a policy issued after age forty-four (44),
144 for at least five (5) years from its date of issue.)

145 (e) A provision as follows:

146 Notice of claim:

147 Written notice of claim must be given to the insurer within
148 thirty (30) days after the occurrence or commencement of any loss
149 covered by the policy, or as soon thereafter as is reasonably
150 possible. Notice given by or on behalf of the insured or the
151 beneficiary to the insurer at _____ (insert the
152 location of such office as the insurer may designate for the
153 purpose), or to any authorized agent of the insurer, with
154 information sufficient to identify the insured, shall be deemed
155 notice to the insurer.

156 (In a policy providing a loss of time benefit which may be
157 payable for at least two (2) years, an insurer may, at its option,
158 insert the following between the first and second sentences of the
159 above provision: "Subject to the qualifications set forth below,

160 if the insured suffers loss of time on account of disability for
161 which indemnity may be payable for at least two (2) years, he
162 shall, at least once in every six (6) months after having given
163 notice of claim, give to the insurer notice of continuance of said
164 disability, except in the event of legal incapacity. The period
165 of six (6) months following any filing of proof by the insured or
166 any payment by the insurer on account of such claim or any denial
167 of liability, in whole or in part, by the insurer shall be
168 excluded in applying this provision. Delay in the giving of such
169 notice shall not impair the insured's right to any indemnity which
170 would otherwise have accrued during the period of six (6) months
171 preceding the date on which such notice is actually given.")

172 (f) A provision as follows:

173 Claim forms:

174 The insurer, upon receipt of a notice of claim, will furnish
175 to the claimant such forms as are usually furnished by it for
176 filing proofs of loss. If such forms are not furnished within
177 fifteen (15) days after the giving of such notice, the claimant
178 shall be deemed to have complied with the requirements of this
179 policy as to proof of loss upon submitting, within the time fixed
180 in the policy for filing proofs of loss, written proof covering
181 the occurrence, the character and the extent of the loss for which
182 claim is made.

183 (g) A provision as follows:

184 Proofs of loss:

185 Written proof of loss must be furnished to the insurer at its
186 said office, in case of claim for loss for which this policy
187 provides any periodic payment contingent upon continuing loss,
188 within ninety (90) days after the termination of the period for
189 which the insurer is liable, and in case of claim for any other
190 loss, within ninety (90) days after the date of such loss.
191 Failure to furnish such proof within the time required shall not
192 invalidate or reduce any claim if it was not reasonably possible
193 to give proof within such time, provided such proof is furnished
194 as soon as reasonably possible and in no event, except in the
195 absence of legal capacity, later than one (1) year from the time
196 proof is otherwise required.

197 (h) A provision as follows:

198 Time of payment of claims:

199 1. All benefits payable under this policy for any
200 loss, other than loss for which this policy provides any periodic
201 payment, will be paid within twenty-five (25) days after receipt
202 of due written proof of such loss in the form of a clean claim
203 where claims are submitted electronically, and will be paid within
204 thirty-five (35) days after receipt of due written proof of such
205 loss in the form of clean claim where claims are submitted in
206 paper format. Benefits due under the policies and claims are
207 overdue if not paid within twenty-five (25) days or thirty-five
208 (35) days, whichever is applicable, after the insurer receives a
209 clean claim containing necessary medical information and other
210 information essential for the insurer to administer preexisting

211 condition, coordination of benefits and subrogation provisions. A
212 "clean claim" means a claim received by an insurer for
213 adjudication and which requires no further information, adjustment
214 or alteration by the provider of the services or the insured in
215 order to be processed and paid by the insurer. A claim is clean
216 if it has no defect or impropriety, including any lack of
217 substantiating documentation, or particular circumstance requiring
218 special treatment that prevents timely payment from being made on
219 the claim under this provision. A clean claim includes
220 resubmitted claims with previously identified deficiencies
221 corrected. Upon request, the insurer shall provide to the insured
222 or the provider submitting a claim a written list of the
223 information required and the documentation required for the
224 insurer to deem a claim to be clean, and the insurer shall then be
225 bound to such list. Errors, such as system errors, attributable
226 to the insurer, do not change the clean claim status.

227 A clean claim does not include any of the following:

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

231 b. Claims which are submitted fraudulently or
232 that are based upon material misrepresentations;

233 c. Claims that require information essential
234 for the insurer to administer preexisting condition, coordination
235 of benefits or subrogation provisions; or

236 d. Claims submitted by a provider more than
237 thirty (30) days after the date of completion of service; if the
238 provider does not submit the claim on behalf of the insured, then
239 a claim is not clean when submitted more than thirty (30) days
240 after the date of billing by the provider to the insured.

241 Not later than twenty-five (25) days after the date the
242 insurer actually receives an electronic claim, the insurer shall
243 pay the appropriate benefit in full, or any portion of the claim
244 that is clean, and notify the provider (where the claim is owed to
245 the provider) or the insured (where the claim is owed to the
246 insured) of the reasons why the claim or portion thereof is not
247 clean and will not be paid and what substantiating documentation
248 and information is required to adjudicate the claim as clean. Not
249 later than thirty-five (35) days after the date the insurer
250 actually receives a paper claim, the insurer shall pay the
251 appropriate benefit in full, or any portion of the claim that is
252 clean, and notify the provider (where the claim is owed to the
253 provider) or the insured (where the claim is owed to the insured)
254 of the reasons why the claim or portion thereof is not clean and
255 will not be paid and what substantiating documentation and
256 information is required to adjudicate the claim as clean. Any
257 claim or portion thereof resubmitted with the supporting
258 documentation and information requested by the insurer shall be
259 paid within twenty (20) days after receipt.

260 For purposes of this provision, the term "pay" means that the
261 insurer shall either send cash or a cash equivalent by United

262 States mail, or send cash or a cash equivalent by other means such
263 as electronic transfer, in full satisfaction of the appropriate
264 benefit due the provider (where the claim is owed to the provider)
265 or the insured (where the claim is owed to the insured). To
266 calculate the extent to which any benefits are overdue, payment
267 shall be treated as made on the date a draft or other valid
268 instrument was placed in the United States mail to the last known
269 address of the provider (where the claim is owed to the provider)
270 or the insured (where the claim is owed to the insured) in a
271 properly addressed, postpaid envelope, or, if not so posted, or
272 not sent by United States mail, on the date of delivery of payment
273 to the provider or insured.

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

280 3. If the claim is not denied for valid and proper
281 reasons by the end of the applicable time period prescribed in
282 this provision, the insurer must pay the provider (where the claim
283 is owed to the provider) or the insured (where the claim is owed
284 to the insured) interest on accrued benefits at the rate of three
285 percent (3%) per month accruing from the day after payment was due
286 on the amount of the benefits that remain unpaid until the claim
287 is finally settled or adjudicated. Whenever interest due pursuant

288 to this provision is less than One Dollar (\$1.00), such amount
289 shall be credited to the account of the person or entity to whom
290 such amount is owed. The provisions of this subparagraph 3 shall
291 not apply to any claims or benefits owed under Medicare Advantage
292 plans or Medicare Advantage Prescription Drug plans.

293 4. In the event the insurer fails to pay benefits
294 when due, the person entitled to such benefits may bring action to
295 recover such benefits, any interest which may accrue as provided
296 in subparagraph 3 of this paragraph (h) and any other damages as
297 may be allowable by law. If it is determined in such action that
298 the insurer acted in bad faith as evidenced by a repeated or
299 deliberate pattern of failing to pay benefits and/or claims when
300 due, the person entitled to such benefits (health care provider or
301 insured) shall be entitled to recover damages in an amount up to
302 three (3) times the amount of the benefits that remain unpaid
303 until the claim is finally settled or adjudicated.

304 (i) A provision as follows:

305 Payment of claims:

306 Indemnity for loss of life will be payable in accordance with
307 the beneficiary designation and the provisions respecting such
308 payment which may be prescribed herein and effective at the time
309 of payment. If no such designation or provision is then
310 effective, such indemnity shall be payable to the estate of the
311 insured. Any other accrued indemnities unpaid at the insured's
312 death may, at the option of the insurer, be paid either to such
313 beneficiary or to such estate. All other indemnities will be

314 payable to the insured. When payments of benefits are made to an
315 insured directly for medical care or services rendered by a health
316 care provider, the health care provider shall be notified of such
317 payment. The notification requirement shall not apply to a
318 fixed-indemnity policy, a limited benefit health insurance policy,
319 medical payment coverage or personal injury protection coverage in
320 a motor vehicle policy, coverage issued as a supplement to
321 liability insurance or workers' compensation. If the insured
322 provides the insurer with written direction that all or a portion
323 of any indemnities or benefits provided by the policy be paid to a
324 licensed health care provider rendering hospital, nursing, medical
325 or surgical services, then the insurer shall pay directly the
326 licensed health care provider rendering such services. That
327 payment shall be considered payment in full to the provider, who
328 may not bill or collect from the insured any amount above that
329 payment, other than the deductible, coinsurance, copayment or
330 other charges for equipment or services requested by the insured
331 that are noncovered benefits. Any dispute between a provider and
332 the insured arising under these provisions regarding assignment of
333 benefits and billing may be resolved by the Commissioner of
334 Insurance. The Commissioner of Insurance shall adopt any rules
335 and regulations necessary to enforce these provisions regarding
336 assignment of benefits and billing.

337 (The following provision may be included with the foregoing
338 provision at the option of the insurer: "If any indemnity of this
339 policy shall be payable to the estate of the insured, or to an

340 insured or beneficiary who is a minor or otherwise not competent
341 to give a valid release, the insurer may pay such indemnity, up to
342 an amount not exceeding \$_____ (insert an amount which
343 must not exceed One Thousand Dollars (\$1,000.00)), to any relative
344 by blood or connection by marriage of the insured or beneficiary
345 who is deemed by the insurer to be equitably entitled thereto.
346 Any payment made by the insurer in good faith pursuant to this
347 provision shall fully discharge the insurer to the extent of such
348 payment.")

349 (j) A provision as follows:

350 Physical examinations:

351 The insurer at his own expense shall have the right and
352 opportunity to examine the person of the insured when and as often
353 as it may reasonably require during the pendency of a claim
354 hereunder.

355 (k) A provision as follows:

356 Legal actions:

357 No action at law or in equity shall be brought to recover on
358 this policy prior to the expiration of sixty (60) days after
359 written proof of loss has been furnished in accordance with the
360 requirements of this policy. No such action shall be brought
361 after the expiration of three (3) years after the time written
362 proof of loss is required to be furnished.

363 (l) A provision as follows:

364 Change of beneficiary:

365 Unless the insured makes an irrevocable designation of
366 beneficiary, the right to change the beneficiary is reserved to
367 the insured, and the consent of the beneficiary or beneficiaries
368 shall not be requisite to surrender or assignment of this policy,
369 or to any change of beneficiary or beneficiaries, or to any other
370 changes in this policy.

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

374 (2) **Other provisions.** Except as provided in subsection (3)
375 of this section, no such policy delivered or issued for delivery
376 to any person in this state shall contain provisions respecting
377 the matters set forth below unless such provisions are in the
378 words in which the same appear in this section. However, the
379 insurer may, at its option, use in lieu of any such provision a
380 corresponding provision of different wording approved by the
381 commissioner which is not less favorable in any respect to the
382 insured or the beneficiary. Any such provision contained in the
383 policy shall be preceded individually by the appropriate caption
384 appearing in this subsection or, at the option of the insurer, by
385 such appropriate individual or group captions or subcaptions as
386 the commissioner may approve.

387 (a) A provision as follows:

388 Change of occupation:

389 If the insured be injured or contract sickness after having
390 changed his occupation to one classified by the insurer as more

391 hazardous than that stated in this policy or while doing for
392 compensation anything pertaining to an occupation so classified,
393 the insurer will pay only such portion of the indemnities provided
394 in this policy as the premium paid would have purchased at the
395 rates and within the limits fixed by the insurer for such more
396 hazardous occupation. If the insured changes his occupation to
397 one classified by the insurer as less hazardous than that stated
398 in this policy, the insurer, upon receipt of proof of such change
399 of occupation, will reduce the premium rate accordingly, and will
400 return the excess pro rata unearned premium from the date of
401 change of occupation or from the policy anniversary date
402 immediately preceding receipt of such proof, whichever is the most
403 recent. In applying this provision, the classification of
404 occupational risk and the premium rates shall be such as have been
405 last filed by the insurer prior to the occurrence of the loss for
406 which the insurer is liable, or prior to date of proof of change
407 in occupation, with the state official having supervision of
408 insurance in the state where the insured resided at the time this
409 policy was issued; but if such filing was not required, then the
410 classification of occupational risk and the premium rates shall be
411 those last made effective by the insurer in such state prior to
412 the occurrence of the loss or prior to the date of proof of change
413 in occupation.

414 (b) A provision as follows:

415 Misstatement of age:

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

419 (c) A provision as follows:

420 Relation of earnings to issuance:

421 If the total monthly amount of loss of time benefits promised
422 for the same loss under all valid loss of time coverage upon the
423 insured, whether payable on a weekly or monthly basis, shall
424 exceed the monthly earnings of the insured at the time disability
425 commenced or his average monthly earnings for the period of two
426 (2) years immediately preceding a disability for which claim is
427 made, whichever is the greater, the insurer will be liable only
428 for such proportionate amount of such benefits under this policy
429 as the amount of such monthly earnings or such average monthly
430 earnings of the insured bears to the total amount of monthly
431 benefits for the same loss under all such coverage upon the
432 insured at the time such disability commences and for the return
433 of such part of the premiums paid during such two (2) years as
434 shall exceed the pro rata amount of the premiums for the benefits
435 actually paid hereunder; but this shall not operate to reduce the
436 total monthly amount of benefits payable under all such coverage
437 upon the insured below the sum of Two Hundred Dollars (\$200.00) or
438 the sum of the monthly benefits specified in such coverages,
439 whichever is the lesser, nor shall it operate to reduce benefits
440 other than those payable for loss of time.

441 (The foregoing policy provision may be inserted only in a
442 policy which the insured has the right to continue in force
443 subject to its terms by the timely payment of premiums (1) until
444 at least age fifty (50) or, (2) in the case of a policy issued
445 after age forty-four (44), for at least five (5) years from its
446 date of issue. The insurer may, at its option, include in this
447 provision a definition of "valid loss of time coverage," approved
448 as to form by the commissioner, which definition shall be limited
449 in subject matter to coverage provided by governmental agencies or
450 by organizations subject to regulations by insurance law or by
451 insurance authorities of this or any other state of the United
452 States or any province of Canada, or to any other coverage the
453 inclusion of which may be approved by the commissioner, or any
454 combination of such coverages. In the absence of such definition,
455 such term shall not include any coverage provided for such insured
456 pursuant to any compulsory benefit statute (including any workers'
457 compensation or employer's liability statute), or benefits
458 provided by union welfare plans or by employer or employee benefit
459 organizations.)

460 (d) A provision as follows:

461 Unpaid premium:

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

465 (e) A provision as follows:

466 Cancellation:

467 The insurer may cancel this policy at any time by written
468 notice delivered to the insured, or mailed to his last address as
469 shown by the records of the insurer, stating when, not less than
470 five (5) days thereafter, such cancellation shall be effective;
471 and after the policy has been continued beyond its original term,
472 the insured may cancel this policy at any time by written notice
473 delivered or mailed to the insurer, effective upon receipt or on
474 such later date as may be specified in such notice. In the event
475 of cancellation, the insurer will return promptly the unearned
476 portion of any premium paid. If the insured cancels, the earned
477 premium shall be computed by the use of the short-rate table last
478 filed with the state official having supervision of insurance in
479 the state where the insured resided when the policy was issued.
480 If the insurer cancels, the earned premium shall be computed pro
481 rata. Cancellation shall be without prejudice to any claim
482 originating prior to the effective date of cancellation.

483 (f) A provision as follows:

484 Conformity with state statutes:

485 Any provision of this policy which, on its effective date, is
486 in conflict with the statutes of the state in which the insured
487 resides on such date is hereby amended to conform to the minimum
488 requirements of such statutes.

489 (g) A provision as follows:

490 Illegal occupation:

491 The insurer shall not be liable for any loss to which a
492 contributing cause was the insured's commission of or attempt to

493 commit a felony or to which a contributing cause was the insured's
494 being engaged in an illegal occupation.

495 (h) A provision as follows:

496 Intoxicants and narcotics:

497 The insurer shall not be liable for any loss sustained or
498 contracted in consequence of the insured's being intoxicated or
499 under the influence of any narcotic unless administered on the
500 advice of a physician.

501 (3) **Inapplicable or inconsistent provisions.** If any
502 provision of this section is, in whole or in part, inapplicable to
503 or inconsistent with the coverage provided by a particular form of
504 policy, the insurer, with the approval of the commissioner, shall
505 omit from such policy any inapplicable provision or part of a
506 provision, and shall modify any inconsistent provision or part of
507 the provision in such manner as to make the provision as contained
508 in the policy consistent with the coverage provided by the policy.

509 (4) **Order of certain policy provisions.** The provisions
510 which are the subject of subsections (1) and (2) of this section,
511 or any corresponding provisions which are used in lieu thereof in
512 accordance with such subsections, shall be printed in the
513 consecutive order of the provisions in such subsections or, at the
514 option of the insurer, any such provision may appear as a unit in
515 any part of the policy, with other provisions to which it may be
516 logically related, provided the resulting policy shall not be, in
517 whole or in part, unintelligible, uncertain, ambiguous, abstruse

518 or likely to mislead a person to whom the policy is offered,
519 delivered or issued.

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

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

528 (a) Any policy of a foreign or alien insurer, when
529 delivered or issued for delivery to any person in this state, may
530 contain any provision which is not less favorable to the insured
531 or the beneficiary than the provisions of Sections 83-9-1 through
532 83-9-21, Mississippi Code of 1972, and which is prescribed or
533 required by the law of the state under which the insurer is
534 organized.

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

538 (7) **Filing procedure.** The commissioner may make such
539 reasonable rules and regulations concerning the procedure for the
540 filing or submission of policies subject to the cited sections as
541 are necessary, proper or advisable to the administration of said
542 sections. This provision shall not abridge any other authority
543 granted the commissioner by law.

544 (8) **Administrative penalties.**

545 (a) If the commissioner finds that an insurer, during
546 any calendar year, has paid at least eighty-five percent (85%),
547 but less than ninety-five percent (95%), of all clean claims
548 received from all providers during that year in accordance with
549 the provisions of subsection (1)(h) of this section, the
550 commissioner may levy an aggregate penalty in an amount not to
551 exceed Ten Thousand Dollars (\$10,000.00). If the commissioner
552 finds that an insurer, during any calendar year, has paid at least
553 fifty percent (50%), but less than eighty-five percent (85%), of
554 all clean claims received from all providers during that year in
555 accordance with the provisions of subsection (1)(h) of this
556 section, the commissioner may levy an aggregate penalty in an
557 amount of not less than Ten Thousand Dollars (\$10,000.00) nor more
558 than One Hundred Thousand Dollars (\$100,000.00). If the
559 commissioner finds that an insurer, during any calendar year, has
560 paid less than fifty percent (50%) of all clean claims received
561 from all providers during that year in accordance with the
562 provisions of subsection (1)(h) of this section, the commissioner
563 may levy an aggregate penalty in an amount not less than One
564 Hundred Thousand Dollars (\$100,000.00) nor more than Two Hundred
565 Thousand Dollars (\$200,000.00). In determining the amount of any
566 fine, the commissioner shall take into account whether the failure
567 to achieve the standards in subsection (1)(h) of this section were
568 due to circumstances beyond the control of the insurer. The
569 insurer may request an administrative hearing to contest the

570 assessment of any administrative penalty imposed by the
571 commissioner pursuant to this subsection within thirty (30) days
572 after receipt of the notice of assessment.

573 (b) Examinations to determine compliance with
574 subsection (1)(h) of this section may be conducted by the
575 commissioner or any of his examiners. The commissioner may
576 contract with qualified impartial outside sources to assist in
577 examinations to determine compliance. The expenses of any such
578 examinations shall be paid by the insurer examined.

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

583 (d) An insurer and a provider may enter into an express
584 written agreement containing timely claim payment provisions which
585 differ from, but are at least as stringent as, the provisions set
586 forth under subsection (1)(h) of this section, and in such case,
587 the provisions of the written agreement shall govern the timely
588 payment of claims by the insurer to the provider. If the express
589 written agreement is silent as to any interest penalty where
590 claims are not paid in accordance with the agreement, the interest
591 penalty provision of subsection (1)(h)3 of this section shall
592 apply.

593 (e) The commissioner may adopt rules and regulations
594 necessary to ensure compliance with this * * * section.

595 **SECTION 3.** This act shall take effect and be in force from
596 and after its passage.

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

1 AN ACT TO AUTHORIZE THE COMMISSIONER OF INSURANCE TO ADOPT
2 RULES AND REGULATIONS TO EXAMINE AND ADDRESS ANY INEQUALITIES
3 REGARDING PROVIDER REIMBURSEMENT RATES PAID BY AN INSURER,
4 SUBCONTRACTOR, OTHER PAYOR OR BY THIRD-PARTY ADMINISTRATORS; TO
5 PROVIDE THAT FAILURE TO COMPLY WITH RULES AND REGULATIONS ADOPTED
6 BY THE COMMISSIONER MAY RESULT IN A FINE NOT TO EXCEED \$10,000.00
7 PER VIOLATION; TO ADD A FOUR-YEAR REPEALER TO THE SECTION; TO
8 AMEND SECTION 83-9-5, MISSISSIPPI CODE OF 1972, TO CLARIFY
9 REQUIREMENTS FOR A CLEAN CLAIM; TO PROVIDE THAT THE COMMISSIONER
10 OF INSURANCE MAY ADOPT RULES AND REGULATIONS NECESSARY TO ENSURE
11 COMPLIANCE WITH THE SECTION; AND FOR RELATED PURPOSES.

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Andrew Ketchings
Clerk of the House of Representatives