

By: Senator(s) Michel, Simmons (12th),
Blackwell, Younger, Chassaniol, DeBar, Berry,
Seymour, Tate, Fillingane, Whaley, Rhodes,
Barrett, Blount, Blackmon, Barnett, England,
McCaughn, Jackson, Butler, Robinson, Thomas,
Hickman, Boyd, Suber, Sparks, Williams,
Frazier, Parks, Polk, Turner-Ford, Carter,
Hopson, McLendon, Norwood, Kirby, Parker,
Hill

To: Insurance

SENATE BILL NO. 2851

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; AND FOR RELATED PURPOSES.

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

23 **SECTION 1.** The following shall be codified as Section
24 83-1-111, Mississippi Code of 1972:

25 83-1-111. (1) For purposes of this act, a "nonprofit
26 agricultural membership organization" (NAMO) shall mean an
27 organization that:



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

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

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

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



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

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

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

70 (a) The application for coverage of any healthcare
71 benefits or services provided pursuant to this section must
72 prominently state that the healthcare benefits or services plan
73 providing such coverage is not insurance, is not provided by an
74 insurance company, is not subject to the laws and rules governing
75 insurance, and is not subject to the jurisdiction of the State
76 Insurance Department or the Commissioner of Insurance. The
77 application should provide the phone number for the plan's



78 ombudsman. Any contract for coverage of any healthcare benefits
79 or services provided pursuant to a NAMO Plan shall include the
80 same information as required for the application in this
81 paragraph.

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

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

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

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

97 (7) Healthcare benefits or services provided under this
98 section may be sold or solicited only by an insurance producer who
99 is both appointed by an organization meeting the requirements of
100 this section and licensed as an insurance producer to sell or
101 solicit accident and health insurance in this state.



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

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

108 83-1-101. Notwithstanding any other provision of law to the
109 contrary, and except as provided herein, any person or other
110 entity which provides coverage in this state for medical,
111 surgical, chiropractic, physical therapy, speech pathology,
112 audiology, professional mental health, dental, hospital, or
113 optometric expenses, whether such coverage is by direct payment,
114 reimbursement, or otherwise, shall be presumed to be subject to
115 the jurisdiction of the State Insurance Department, unless (a) the
116 person or other entity shows that while providing such services it
117 is subject to the jurisdiction of another agency of this state,
118 any subdivisions thereof, or the federal government; * * * (b) the
119 person or other entity is providing coverage under the Direct
120 Primary Care Act in Sections 83-81-1 through 83-81-11; or (c) the
121 entity that is providing coverage is a nonprofit agricultural
122 membership organization acting in accordance with Section
123 83-1-111.

124 **SECTION 3.** This act shall take effect and be in force from
125 and after July 1, 2024.

