

House \_\_\_\_\_ Amendment NO. \_\_\_\_\_

Offered By \_\_\_\_\_

1 AMEND Senate Bill No. 194, Page 4, Section 354.603, Line 1022, by inserting after all of said line  
2 the following:

3  
4 "376.426. No policy of group health insurance shall be delivered in this state unless it  
5 contains in substance the following provisions, or provisions which in the opinion of the director of  
6 the department of insurance, financial institutions and professional registration are more favorable  
7 to the persons insured or at least as favorable to the persons insured and more favorable to the  
8 policyholder; except that: provisions in subdivisions (5), (7), (12), (15), and (16) of this section  
9 shall not apply to policies insuring debtors; standard provisions required for individual health  
10 insurance policies shall not apply to group health insurance policies; and if any provision of this  
11 section is in whole or in part inapplicable to or inconsistent with the coverage provided by a  
12 particular form of policy, the insurer, with the approval of the director, shall omit from such policy  
13 any inapplicable provision or part of a provision, and shall modify any inconsistent provision or part  
14 of the provision in such manner as to make the provision as contained in the policy consistent with  
15 the coverage provided by the policy:

16 (1) A provision that the policyholder is entitled to a grace period of thirty-one days for the  
17 payment of any premium due except the first, during which grace period the policy shall continue in  
18 force, unless the policyholder shall have given the insurer written notice of discontinuance in  
19 advance of the date of discontinuance and in accordance with the terms of the policy. The policy  
20 may provide that the policyholder shall be liable to the insurer for the payment of a pro rata  
21 premium for the time the policy was in force during such grace period;

22 (2) A provision that the validity of the policy shall not be contested, except for nonpayment  
23 of premiums, after it has been in force for two years from its date of issue, and that no statement  
24 made by any person covered under the policy relating to insurability shall be used in contesting the  
25 validity of the insurance with respect to which such statement was made after such insurance has  
26 been in force prior to the contest for a period of two years during such person's lifetime nor unless it  
27 is contained in a written instrument signed by the person making such statement; except that, no  
28 such provision shall preclude the assertion at any time of defenses based upon the person's  
29 ineligibility for coverage under the policy or upon other provisions in the policy;

30 (3) A provision that a copy of the application, if any, of the policyholder shall be attached to  
31 the policy when issued, that all statements made by the policyholder or by the persons insured shall  
32 be deemed representations and not warranties and that no statement made by any person insured  
33 shall be used in any contest unless a copy of the instrument containing the statement is or has been  
34 furnished to such person or, in the event of the death or incapacity of the insured person, to the  
35 individual's beneficiary or personal representative;

36 (4) A provision setting forth the conditions, if any, under which the insurer reserves the

Action Taken \_\_\_\_\_ Date \_\_\_\_\_

1 right to require a person eligible for insurance to furnish evidence of individual insurability  
2 satisfactory to the insurer as a condition to part or all of the individual's coverage;

3 (5) A provision specifying the additional exclusions or limitations, if any, applicable under  
4 the policy with respect to a disease or physical condition of a person, not otherwise excluded from  
5 the person's coverage by name or specific description effective on the date of the person's loss,  
6 which existed prior to the effective date of the person's coverage under the policy.

7 Any such exclusion or limitation may only apply to a disease or physical condition for which  
8 medical advice or treatment was received by the person during the twelve months prior to the  
9 effective date of the person's coverage.

10 In no event shall such exclusion or limitation apply to loss incurred or disability commencing after  
11 the earlier of:

12 (a) The end of a continuous period of twelve months commencing on or after the effective  
13 date of the person's coverage during all of which the person has received no medical advice or  
14 treatment in connection with such disease or physical condition; or

15 (b) The end of the two-year period commencing on the effective date of the person's  
16 coverage;

17 (6) If the premiums or benefits vary by age, there shall be a provision specifying an  
18 equitable adjustment of premiums or of benefits, or both, to be made in the event the age of the  
19 covered person has been misstated, such provision to contain a clear statement of the method of  
20 adjustment to be used;

21 (7) A provision that the insurer shall issue to the policyholder, for delivery to each person  
22 insured, a certificate setting forth a statement as to the insurance protection to which that person is  
23 entitled, to whom the insurance benefits are payable, and a statement as to any family member's or  
24 dependent's coverage;

25 (8) A provision that written notice of claim must be given to the insurer within twenty days  
26 after the occurrence or commencement of any loss covered by the policy. Failure to give notice  
27 within such time shall not invalidate nor reduce any claim if it shall be shown not to have been  
28 reasonably possible to give such notice and that notice was given as soon as was reasonably  
29 possible;

30 (9) A provision that the insurer shall furnish to the person making claim, or to the  
31 policyholder for delivery to such person, such forms as are usually furnished by it for filing proof of  
32 loss. If such forms are not furnished before the expiration of fifteen days after the insurer receives  
33 notice of any claim under the policy, the person making such claim shall be deemed to have  
34 complied with the requirements of the policy as to proof of loss upon submitting, within the time  
35 fixed in the policy for filing proof of loss, written proof covering the occurrence, character, and  
36 extent of the loss for which claim is made;

37 (10) A provision that in the case of claim for loss of time for disability, written proof of  
38 such loss must be furnished to the insurer within ninety days after the commencement of the period  
39 for which the insurer is liable, and that subsequent written proofs of the continuance of such  
40 disability must be furnished to the insurer at such intervals as the insurer may reasonably require,  
41 and that in the case of claim for any other loss, written proof of such loss must be furnished to the  
42 insurer within ninety days after the date of such loss. Failure to furnish such proof within such time  
43 shall not invalidate nor reduce any claim if it was not reasonably possible to furnish such proof  
44 within such time, provided such proof is furnished as soon as reasonably possible and in no event,  
45 except in the absence of legal capacity of the claimant, later than one year from the time proof is  
46 otherwise required;

47 (11) A provision that all benefits payable under the policy other than benefits for loss of  
48 time shall be payable not more than thirty days after receipt of proof and that, subject to due proof

1 of loss, all accrued benefits payable under the policy for loss of time shall be paid not less  
2 frequently than monthly during the continuance of the period for which the insurer is liable, and that  
3 any balance remaining unpaid at the termination of such period shall be paid as soon as possible  
4 after receipt of such proof;

5 (12) A provision that benefits for accidental loss of life of a person insured shall be payable  
6 to the beneficiary designated by the person insured or, if the policy contains conditions pertaining to  
7 family status, the beneficiary may be the family member specified by the policy terms. In either  
8 case, payment of these benefits is subject to the provisions of the policy in the event no such  
9 designated or specified beneficiary is living at the death of the person insured. All other benefits of  
10 the policy shall be payable to the person insured. The policy may also provide that if any benefit is  
11 payable to the estate of a person, or to a person who is a minor or otherwise not competent to give a  
12 valid release, the insurer may pay such benefit, up to an amount not exceeding two thousand dollars,  
13 to any relative by blood or connection by marriage of such person who is deemed by the insurer to  
14 be equitably entitled thereto;

15 (13) A provision that the insurer shall have the right and opportunity, at the insurer's own  
16 expense, to examine the person of the individual for whom claim is made when and so often as it  
17 may reasonably require during the pendency of the claim under the policy and also the right and  
18 opportunity, at the insurer's own expense, to make an autopsy in case of death where it is not  
19 prohibited by law;

20 (14) A provision that no action at law or in equity shall be brought to recover on the policy  
21 prior to the expiration of sixty days after proof of loss has been filed in accordance with the  
22 requirements of the policy and that no such action shall be brought at all unless brought within three  
23 years from the expiration of the time within which proof of loss is required by the policy;

24 (15) A provision specifying the conditions under which the policy may be terminated. Such  
25 provision shall state that except for nonpayment of the required premium or the failure to meet  
26 continued underwriting standards, the insurer may not terminate the policy prior to the first  
27 anniversary date of the effective date of the policy as specified therein, and a notice of any intention  
28 to terminate the policy by the insurer must be given to the policyholder at least thirty-one days prior  
29 to the effective date of the termination. Any termination by the insurer shall be without prejudice to  
30 any expenses originating prior to the effective date of termination. An expense will be considered  
31 incurred on the date the medical care or supply is received;

32 (16) A provision stating that if a policy provides that coverage of a dependent child  
33 terminates upon attainment of the limiting age for dependent children specified in the policy, such  
34 policy, so long as it remains in force, shall be deemed to provide that attainment of such limiting age  
35 does not operate to terminate the hospital and medical coverage of such child while the child is and  
36 continues to be both incapable of self-sustaining employment by reason of mental or physical  
37 handicap and chiefly dependent upon the certificate holder for support and maintenance. Proof of  
38 such incapacity and dependency must be furnished to the insurer by the certificate holder at least  
39 thirty-one days after the child's attainment of the limiting age. The insurer may require at  
40 reasonable intervals during the two years following the child's attainment of the limiting age  
41 subsequent proof of the child's incapacity and dependency. After such two-year period, the insurer  
42 may require subsequent proof not more than once each year. This subdivision shall apply only to  
43 policies delivered or issued for delivery in this state on or after one hundred twenty days after  
44 September 28, 1985;

45 (17) A provision stating that if a policy provides that coverage of a dependent child  
46 terminates upon attainment of the limiting age for dependent children specified in the policy, such  
47 policy, so long as it remains in force, until the dependent child attains the limiting age, shall remain  
48 in force at the option of the certificate holder. Eligibility for continued coverage shall be established

1 where the dependent child is:

2 (a) Unmarried and no more than that twenty-five years of age; and

3 (b) A resident of this state; and

4 (c) Not provided coverage as a named subscriber, insured, enrollee, or covered person under  
5 any group or individual health benefit plan, or entitled to benefits under Title XVIII of the Social  
6 Security Act, P.L. 89-97, 42 U.S.C. Section 1395, et seq.;

7 (18) In the case of a policy insuring debtors, a provision that the insurer shall furnish to the  
8 policyholder for delivery to each debtor insured under the policy a certificate of insurance  
9 describing the coverage and specifying that the benefits payable shall first be applied to reduce or  
10 extinguish the indebtedness;

11 (19) Notwithstanding any other provision of law to the contrary, a health carrier, as defined  
12 in section 376.1350, may offer a health benefit plan that is a managed care plan that requires all  
13 health care services to be delivered by a participating provider in the health carrier's network, except  
14 for emergency services, as defined in section 376.1350, and the services described in subsection 4 of  
15 section 376.811. Such a provision shall be disclosed in clear, conspicuous, and understandable  
16 language in the enrollment application and in the policy form. Whenever a health carrier offers a  
17 health benefit plan pursuant to this subdivision to a group contract holder as an exclusive or full  
18 replacement health benefit plan the health carrier shall offer at least one additional health benefit  
19 plan option that includes an out-of-network benefit. The decision to accept or reject the offer of the  
20 option of a health benefit plan that includes an out-of-network benefit shall be made by the enrollee  
21 and not the group contract holder;

22 (20) A provision stating that a health benefit plan issued pursuant to subdivision (19) of this  
23 section shall have in place a procedure by which an enrollee may obtain a referral to a  
24 nonparticipating provider when the enrollee is diagnosed with a life-threatening condition or  
25 disabling degenerative disease.

26  
27 ~~[The provisions of subdivisions (19) and (20) of this section shall expire and be null and void at the~~  
28 ~~end of the calendar year following the repeal of 42 U.S.C. Section 300gg by the United States~~  
29 ~~Congress or at the end of the calendar year following a finding by a court of competent jurisdiction~~  
30 ~~that such section is unconstitutional or otherwise infirm.]; and~~

31  
32 Further amend said bill by amending the title, enacting clause, and intersectional references  
33 accordingly.