Amendments to Senate Bill No. 133
1st Reading Copy

Requested by Senator Joseph (Joe) Tropila

For the Senate Business, Labor, and Economic Affairs Committee

Prepared by Pat Murdo
January 9, 2009 (4:06pm)

1. Title, page 1, line 13.
Following: "PROVISIONS;"
Insert: "CLARIFYING CERTAIN INCURRED GROUP HEALTH INSURANCE CLAIMS MAY BE HELD PENDING PREMIUM PAYMENT;"

2. Title, page 1, line 15.
Following: "33-22-302,"
Insert: "33-22-530,"

3. Page 24.
Following: line 18
Insert: "Section 26. Section 33-22-530, MCA, is amended to read:

"33-22-530. Notice required for cancellation for nonpayment of group health insurance. (1) A health insurance issuer shall provide at least 15 days prior notification of cancellation for nonpayment of premium for group health insurance coverage.

(2) The notice must be sent to the policyholder at the policyholder's last-known address and must specify the date of cancellation of coverage. The insurer shall attach a properly executed proof of mailing to this notice and maintain a copy of the proof of mailing in its records.

(3) The health insurance issuer shall hold for processing of payment any claims ~~received~~ <u>incurred</u> during the 15-day notification period for nonpayment of premium for group health insurance coverage. Upon receipt of the premium, claims held for the 15-day notification period must be processed for payment.

(4) The policy continues in full force and effect, subject to the requirements of subsection (3), until the proper 15-day notice has been given, unless the coverage has already been replaced.

(5) The 15-day period begins to run from the date of the proof of mailing.

(6) The issuer may collect premiums for any time period that the coverage remains in effect.

(7) When coverage is actually canceled, notice must also be mailed to all certificate holders at:

(a) their last-known home addresses if available; or

(b) the business address of the group policyholder.

(8) The notice of cancellation to certificate holders must be separate from the certificate of creditable coverage required in 33-22-142, although it may be mailed simultaneously with the certificate."

{*Internal References to 33-22-530:*
33-22-142x }"

Renumber: subsequent sections

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