

CAYMAN ISLANDS



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**A BILL FOR A LAW TO AMEND THE HEALTH INSURANCE LAW
(2003 REVISION) TO MAKE FURTHER PROVISION IN RESPECT OF
HEALTH INSURANCE CONTRACTS; AND FOR INCIDENTAL AND
CONNECTED PURPOSES**

THE HEALTH INSURANCE (AMENDMENT) BILL, 2003

MEMORANDUM OF OBJECTS AND REASONS

This Bill seeks to amend the Health Insurance Law (2003 Revision) to effect miscellaneous amendments relating to health insurance contracts.

Clause 1 of the Bill provides for the short title.

Clause 2, among other things, amends section 2 of the principal Law to re-define the term “spouse” as a Caymanian or a person entitled to reside in the Islands in accordance with the Immigration Law, 2003.

Clause 3 inserts into the principal Law a new section 2A making it an offence for a person, other than an approved insurer, to issue a contract of health insurance to provide insurance cover in respect of health care benefits relating to a person resident in the Islands.

Clause 4 amends section 3 of the principal Law to provide an age limitation in respect of a seaman applying for health insurance.

Clause 5 repeals and replaces section 11 of the principal Law to enable a person to conclude with an insurer, in addition to a standard health insurance contract, any other contract of health insurance providing for supplemental health care benefits that are in addition to those contained in a standard health insurance contract. The term “supplemental health care benefits” means -

- (a) dental benefits;
- (b) vision benefits; and
- (c) alternative medicine benefits.

Clause 5 also enables a person to conclude an agreement with an approved insurer providing for such supplemental medical benefits as may be approved by the Commission in addition to the benefits contained in Standard Contract IV set out in the First Schedule to the Health Insurance Regulations. The term “supplemental medical benefits” means benefits provided to compulsorily insured persons, including in-patient and out-patient services, routine medical examinations and tests, emergency medical services, hospital services, and other medical services specifically defined by an approved insurer.

Clause 6 amends section 14A of the principal Law to delete the requirement for the Commission to publish, in the Gazette, health benefit fees charged by health care facilities and medical practitioners.

Clause 7 repeals and replaces section 15 of the principal Law to require a person providing medical care to submit his claim for recovery of a sum due in respect of the medical care, not later than one hundred and eighty days after the medical care has been provided.

Clause 8 corrects a clerical error.

Clause 9 contains savings provisions that preserve the existing rights of a non-Caymanian or non-resident spouse who is currently covered under a contract of health insurance. By virtue of the clause, that spouse will continue to be treated as a spouse under and for the purposes of the new Law and will continue to be covered by that contract of health insurance, until the expiry of the contract of health insurance.

THE HEALTH INSURANCE (AMENDMENT) BILL, 2003

ARRANGEMENT OF CLAUSES

1. Short title.
2. Amendment of section 2 of the Health Insurance Law (2003 Revision) – definitions.
3. Insertion of section 2A - approved insurer shall pay benefit directly to health provider.
4. Amendment of section 3 - compulsory health insurance.
5. Repeal and replacement of section 11 - voluntary health insurance.
6. Amendment of section 14A - filing and publication of medical fee.
7. Repeal and substitution of section 15 - recovery of payment by provider of a health benefit.
8. Amendment of section 16 - approved insurer shall pay benefit directly to health provider.
9. Savings.

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**A BILL FOR A LAW TO AMEND THE HEALTH INSURANCE LAW
(2003 REVISION) TO MAKE FURTHER PROVISION IN RESPECT OF
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ENACTED by the Legislature of the Cayman Islands.

1. This Law may be cited as the Health Insurance (Amendment) Law, 2004.
2. The Health Insurance Law (2003 Revision), in this Law referred to as the “principal Law”, is amended in section 2 as follows -
 - (a) by inserting the following definitions in their appropriate alphabetical order -
 - “Caymanian” means a Caymanian as defined in section 2 of the Immigration Law, 2003;
 - “legal resident” means a Caymanian or a person entitled to reside in the Islands in accordance with the Immigration Law, 2003;
 - “supplemental health care benefits” means –
 - (a) dental benefits;
 - (b) vision benefits; and
 - (c) alternative medicine benefits;

Short title

Amendment of section 2
of the Health Insurance
Law (2003 Revision) –
definitions

“supplemental medical benefits” means benefits provided to compulsorily insured persons, including in-patient and out-patient services, routine medical examinations and tests, emergency medical services, hospital services, and other medical services specifically defined by an approved insurer;”;

- (b) in paragraph (c) of the definition of “seaman” by repealing the words “(as defined in the Immigration Law (2003 Revision))”; and
- (c) by repealing the definitions of “spouse” and “unemployed spouse” and substituting the following definitions -

“ “spouse”, in relation to a person, means a legal resident who is -

- (a) the legal husband or wife of that person; or
- (b) a person of the opposite sex who, although not legally married to that person, lives with that person in the same household under the same domestic arrangements as a legal husband or wife and has been so living with that person for a continuous period of five years,

and any reference in this Law to marriage or to a married person shall be construed, with the necessary changes being made, so as to give effect to paragraph (a) or (b), as the case may be; but where a person is judicially or otherwise separated from a legal spouse he shall not be considered to have any other spouse except that legal spouse;

“unemployed spouse”, in respect of an employer or employee, means (in the case of a male employer or employee) a female legal resident, or (in the case of a female employer or employee) a male legal resident, to whom that employer or employee is married and who-

- (a) is not living apart from that employer or employee under a deed of separation or order of the court;
- (b) is not an employer or employee; and
- (c) is resident in the Islands,

and includes a retired person;”.

Insertion of section 2A - approved insurer shall pay benefit directly to health provider

3. The principal Law is amended by inserting after section 2 the following section -

“Restriction on issue of health insurance contracts

2A. (1) No person carrying on business in or from within the Islands, other than an approved insurer, shall issue a contract of health insurance to provide insurance cover in respect of health care benefits relating to a person resident in the Islands.

(2) Any person who contravenes subsection (1) is guilty of an offence and liable on summary conviction to a fine of twenty thousand dollars and to imprisonment for one year, and in the case of a continuing offence to a fine of one thousand dollars for each day during which the offence continues.”.

4. The principal Law is amended in section 3 as follows -

Amendment of section 3 - compulsory health insurance

- (a) in subsection (4) by repealing the words “a seaman” and substituting the words “a seaman fifty-five years of age or older”; and
- (b) in subsection (10a) by repealing the words “(as defined in the Immigration Law (2003 Revision))”.

5. The principal Law is amended by repealing section 11 and substituting the following section -

Repeal and replacement of section 11 - voluntary health insurance

“Voluntary health insurance

11. (1) Notwithstanding section 3, nothing in this Law shall be construed as preventing any person from concluding with any approved insurer, in addition to a standard health insurance contract, any other contract of health insurance providing for himself, his employees, his spouse or his children supplemental health care benefits that are in addition to those contained in a standard health insurance contract; and such additional contract may provide that benefits to an employee, his spouse or his children shall be covered under the additional contract for any stated period of time while he is employed, or after the employee has retired.

(2) Notwithstanding section 3, nothing in this Law shall be construed as preventing any person from concluding an agreement with an approved insurer providing for himself, his employees, his spouse or his children such supplemental medical benefits as may be approved by the Commission in addition to the benefits contained in Standard Contract IV set out in the First Schedule to the Health Insurance Regulations

(2002 Revision); and such agreement may provide that supplemental medical benefits to an employee, his spouse or his children shall be covered under the agreement for any stated period of time while he is employed, or after the employee has retired.

(3) No benefits, other than supplemental medical benefits, may be added to a standard health insurance contract.”.

Amendment of section 14A - filing and publication of medical fees

6. The principal Law is amended in section 14A as follows -
- (a) in the marginal note by repealing the words “and publication”; and
 - (b) by repealing subsection (2).

Repeal and substitution of section 15 - recovery of payment by provider of a health benefit

7. The principal Law is amended by repealing section 15 and substituting the following section -

“Recovery of payment by provider of a health benefit

15. (1) Subject to subsection (2), a sum due to a health care facility or to a registered medical practitioner in respect of medical care provided to a compulsorily insured person may, without prejudice to any other remedy, be recovered as a debt either from that person or from the approved insurer, and the health care facility or registered medical practitioner shall first seek to recover such debt from the approved insurer.

(2) Notwithstanding any provision of the Limitation Law (1996 Revision), no sum due to a health care facility or to a registered medical practitioner in respect of medical care provided to a compulsorily insured person, shall be recovered as a debt pursuant to subsection (1), either from that person or from the approved insurer, after the expiration of one hundred and eighty days from the date on which the medical care was provided.”.

Amendment of section 16 - approved insurer shall pay benefit directly to health provider

8. The principal Law is amended in section 16(3) by repealing the words “in accordance with section 14A” and substituting the words “in accordance with section 14B”.

Savings

9. (1) If, immediately before the date of commencement of this Law, a spouse as defined in section 2 of the former Law was covered under the former Law by a contract of health insurance, that spouse shall, until the expiry of that contract of health insurance -

- (a) continue to be treated as a spouse under and for the purposes of the new Law; and
- (b) continue to be covered by that contract of health insurance on the same terms and conditions in all respects as if the new Law had not come into force.

(2) If, immediately before the date of commencement of this Law a seaman, not being fifty-five years of age or older, was covered under the former Law by a contract of health insurance, that seaman shall, until the expiry of that contract of health insurance continue to be covered by that contract of health insurance on the same terms and conditions in all respects as if the new Law had not come into force.

(3) In this section -

“former Law” means the principal Law in force immediately before the date of commencement of this Law; and
“new Law” means the principal Law as amended by this Law.

Passed by the Legislative Assembly the day of , 2004.

Speaker.

Clerk of the Legislative Assembly.