**A** **BILL**

TO AMEND SECTION 38‑71‑340 OF THE 1976 CODE, RELATING TO REQUIRED PROVISIONS IN INDIVIDUAL ACCIDENT AND HEALTH POLICY FORMS, TO PROVIDE THAT POLICY FORMS SHALL CONTAIN A PROVISION STATING THE INSURER MAY PAY ALL OR A PORTION OF INDEMNITIES TO THE CARE PROVIDER UNLESS THE INSURED DIRECTS OTHERWISE IN WRITING.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 38‑71‑340(9) of the 1976 Code is amended to read:

“(9) A provision as follows:

PAYMENT OF CLAIMS:

Benefits will be paid to the insured. Loss of life benefits are payable in accordance with the beneficiary designation in effect at the time of payment. If none is then in effect, the benefits will be paid to the insured’s estate. Any other benefits unpaid at death may be paid, at the company’s option, either to the insured’s beneficiary or estate.

The company shall pay all or a portion of any indemnities provided for health care services to the provider, unless the insured directs otherwise in writing by the time proofs of loss are filed. The company cannot require that the services be rendered by a particular provider.

Optional paragraph: If benefits are payable to the insured’s estate or a beneficiary who cannot execute a valid release, the company can pay benefits up to one thousand dollars to someone related to the insured or beneficiary by blood or marriage whom the company considers to be entitled to the benefits. The company will be discharged to the extent of any such payment made in good faith.

~~Optional paragraph: The company may pay all or a portion of any indemnities provided for health care services to the provider, unless the insured directs otherwise in writing by the time proofs of loss are filed. The company cannot require that the services be rendered by a particular provider.~~”

SECTION 2. This act takes effect upon approval by the Governor.

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