

CAYMAN ISLANDS



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**A BILL FOR A LAW TO AMEND THE HEALTH INSURANCE LAW  
(2016 REVISION) TO ENABLE THE ISSUE OF CERTIFICATES TO  
APPROVED INSURERS; TO MAKE IT CLEAR THAT INSURANCE  
COVERAGE CAN BE OBTAINED FOR DENTAL CARE; AND FOR  
INCIDENTAL AND CONNECTED PURPOSES**



**THE HEALTH INSURANCE (AMENDMENT) BILL, 2017**

**MEMORANDUM OF OBJECTS AND REASONS**

This Bill amends the Health Insurance Law (2016 Revision).

Clause 1 of the Bill provides the short title.

Clause 2 amends section 2 of the principal Law to amend the definition of the term “approved insurer” by including a reference to a new approval process. The clause also inserts a definition of the term “registered dental practitioner”.

Clause 3 inserts into the principal Law new sections 4A and 4B. The new section 4A empowers the Health Insurance Commission to issue to an insurer a certificate stating that the insurer has been approved by the Commission to provide the standard health insurance contract. The certificate would be valid for one year but could be revoked at an earlier date, if there is a breach of a condition to which the certificate is subject. One such condition is that the holder of the certificate shall provide cover to individuals, groups and organizations under the terms and conditions of a contract of health insurance.

Where the holder of the certificate acts in contravention of the principal Law, the new section 4B would empower the Commission to either revoke the certificate or order the holder of the certificate to cease the illegal activity.

Clause 4 of the Bill amends section 8 of the principal Law to correct a clerical error.

Clause 5 amends section 20 of the principal Law to make it clear that insurance coverage can be obtained for dental care as well as for medical care.

Clause 6 amends section 23 of the principal Law to enable a person aggrieved by the Commission’s decision in respect of the issue of an approved insurer certificate or the decision to revoke the certificate, to appeal to the Grand Court.

Clause 7 contains transitional provisions in respect of existing approved insurers.

**THE HEALTH INSURANCE (AMENDMENT) BILL, 2017**

**ARRANGEMENT OF CLAUSES**

1. Short title
2. Amendment of section 2 of the Health Insurance Law (2016 Revision) - definitions
3. Insertion of sections 4A and 4B - approved insurer certificate; cease and desist orders
4. Amendment of section 8 - premium of dependants
5. Amendment of section 20 - recovery of payment by provider of a health benefit
6. Amendment of section 23 - appeals
7. Transitional provisions

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ENACTED by the Legislature of the Cayman Islands.

1. This Law may be cited as the Health Insurance (Amendment) Law, 2017.

Short title

2. The Health Insurance Law (2016 Revision) is amended in section 2 as follows -

Amendment of section 2  
of the Health Insurance  
Law (2016 Revision) -  
definitions

- (a) in the definition of the words “approved insurer” by inserting after the words “approved by the Commission” the words “, under section 4A(3)(a) of this Law,”;
- (b) by inserting, after the definition of the words “prescribed health care benefits”, the following definition -  
  
“ “registered dental practitioner” means a person registered to practise dentistry under the Health Practice Law (2013 Revision);” and
- (c) in the definition of the words “registered medical practitioner” by inserting after the words “Law (2013 Revision)” the words “and includes a registered dental practitioner”.

Insertion of sections 4A and 4B - approved insurer certificate; cease and desist orders

3. The principal Law is amended by inserting after section 4 the following sections -

“Approved insurer certificate  
Law 32 of 2010

4A. (1) An insurer licensed under the Insurance Law, 2010 as a Class “A” insurer shall make written application to the Commission for approval to provide the standard health insurance contract.

(2) An application under subsection (1) shall be accompanied by a fee of one thousand five hundred dollars.

(3) On receipt of an application by an insurer under subsection (1) and the fee specified under subsection (2), the Commission shall consider the application and may -

- (a) grant the insurer approval to provide the standard health insurance contract; or
- (b) reject the application and return the fee.

(4) Where approval is granted under subsection (3)(a), the Commission shall issue to the insurer a certificate stating that the insurer has been approved by the Commission to provide the standard health insurance contract.

(5) A certificate issued under subsection (4) shall be subject to -

- (a) a condition that the holder of the certificate shall provide cover to individuals, groups and organizations under the terms and conditions of a contract of health insurance; and
- (b) such other conditions as the Commission sees fit;

and, subject to section 4B(1)(a), the Commission may revoke the certificate upon breach of any condition.

(6) A certificate issued under subsection (4) shall be valid for a period of one year unless earlier

revoked under subsection (5).

Cease and desist orders

4B. (1) Subject to subsection (2), where the Commission makes a determination that there are reasonable grounds for believing that the holder of a certificate issued under section 4A(4) -

(2016 Revision)

- (a) failed to comply with a condition of the certificate;
- (b) prepared or submitted false or misleading information to the Commission;
- (c) failed to contribute or meet its obligation to the segregated insurance fund established under the Health Insurance Commission Law (2016 Revision); or
- (d) is acting in contravention of this Law or any regulations made under this Law,

the Commission may revoke the certificate or may order the holder of the certificate -

- (i) to cease or refrain from committing the act;
- (ii) to cease the issuing of any new contract of health insurance that would provide health insurance cover in respect of healthcare benefits relating to a legal resident; and
- (iii) to carry out such acts as in the opinion of the Commission are necessary to remedy the matter.

(2) Before making a determination under subsection (1) in relation to the holder of a certificate, the Commission shall -

- (a) advise the holder of the certificate, in writing, of the nature of the conduct alleged against the holder;
- (b) provide an opportunity for the holder of the certificate to give an explanation of the alleged conduct;

- and
- (c) take into consideration any explanation given by the holder of the certificate.

(3) An order under subsection (1)(i), (ii) and (iii) shall -

- (a) state the nature of the alleged conduct and the name of the approved insurer against whom the allegation is made; and
- (b) be accompanied by documents, if any, in support of the allegation.”.

Amendment of section 8  
- premium of dependants

4. The principal Law is amended in section 8 by deleting the words “of the premiums under the” and substituting the words “of the”.

Amendment of section 20 - recovery of payment by provider of a health benefit

5. The principal Law is amended in section 20 by inserting after the words “medical care” wherever they appear, the words “or dental care”.

Amendment of section 23 - appeals

6. The principal Law is amended in section 23(1) by inserting after the words “A person aggrieved” the words “by a decision of the Commission under section 4A, 4B or”.

Transitional provisions

7. (1) An existing approved insurer shall, within ninety days of the coming into force of this Law, make written application under section 4A(1) of the principal Law for approval to provide the standard health insurance contract and the provisions of that section shall apply with any necessary changes except that the Commission shall consider the application for no more than ninety days before deciding whether to grant the approval or reject the application.

(2) In this section -

“Commission” and “standard health insurance contract” have the respective meanings assigned to those expressions by section 2 of the principal Law; and

“existing approved insurer” means an insurer who, at the coming into force of this Law, is licensed under the Insurance Law, 2010 as a Class “A” insurer and approved by the Commission to provide standard health insurance contracts.

Passed by the Legislative Assembly the      day of                      , 2017.

Speaker.

Clerk of the Legislative Assembly.