

State of Arkansas

77th General Assembly

Regular Session, 1989

A Bill

SENATE BILL

36

By: Senator Hoofman

For An Act To Be Entitled

"AN ACT TO AMEND ARKANSAS CODE 23-86-112 TO PROVIDE THAT GROUP DISABILITY POLICYHOLDERS MAY ASSIGN THEIR INDEMNITIES UNDER A GROUP DISABILITY POLICY TO BE PAID DIRECTLY TO THE SERVICE PROVIDER; AND FOR OTHER PURPOSES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code 23-86-112 is hereby amended to read as follows:

"23-86-112. Group disability insurance - Direct payment of hospital or medical services.

(a) On request by a group disability policyholder, all or any portion of any indemnities provided by any policy on account of hospital, nursing, medical, or surgical services shall be paid directly by the insurer to the hospital or person rendering such services; but the policy may not require that the service be rendered by a particular hospital or person.

(b) Payment so made shall discharge the insurer's obligation with respect to the amount of insurance paid."

SECTION 2. All provisions of this Act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

SECTION 3. All laws and parts of laws in conflict with this Act are hereby repealed.