

By: Representative Stevens

To: Insurance

HOUSE BILL NO. 6

1 AN ACT TO AMEND SECTION 27-15-83, MISSISSIPPI CODE OF 1972,
2 TO INCREASE THE PRIVILEGE TAX ON FRATERNAL INSURANCE SOCIETIES; TO
3 AMEND SECTIONS 83-29-27 AND 83-29-29, MISSISSIPPI CODE OF 1972, TO
4 CHANGE THE LICENSE RENEWAL DATE FOR FRATERNAL SOCIETIES FROM MARCH
5 1 TO JANUARY 1; AND FOR RELATED PURPOSES.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

7 SECTION 1. Section 27-15-83, Mississippi Code of 1972, is
8 amended as follows:

9 27-15-83. (1) Upon each foreign insurance company licensed
10 as a single line company defined under Section 83-19-1, the
11 privilege tax is as follows:

- 12 (a) Fire and allied lines and/or industrial
- 13 fire..... \$200.00
- 14 (b) Casualty/liability..... \$200.00
- 15 (c) Fidelity and/or surety..... \$200.00
- 16 (d) Workers' compensation..... \$200.00
- 17 (e) Boiler and machinery..... \$200.00
- 18 (f) Plate glass..... \$200.00
- 19 (g) Aircraft..... \$200.00
- 20 (h) Inland marine and/or ocean marine..... \$200.00
- 21 (i) Automobile physical damage/automobile
- 22 liability..... \$200.00
- 23 (j) Homeowners/farmowners..... \$200.00
- 24 (k) Guaranty/mortgage guaranty..... \$200.00
- 25 (l) Trip accident and baggage..... \$200.00
- 26 (m) Legal..... \$200.00
- 27 (n) Life and/or accident and health; credit life,

28 accident and health; industrial life, accident
29 and health; and variable contracts..... \$200.00
30 (o) Title..... \$200.00
31 (p) Fraternal..... \$100.00

32 (2) For any combination of classifications of a foreign
33 insurance company, the privilege tax for a multiple line company
34 shall be Three Hundred Fifty Dollars (\$350.00).

35 (3) Any stock, mutual, reciprocal or reinsurance company
36 shall pay the appropriate privilege tax for each line of insurance
37 the company is licensed to underwrite.

38 (4) For each domestic insurance which has its home office
39 located in Mississippi, the privilege tax shall be one-half (1/2)
40 of the fees listed in this section.

41 (5) Each insurance company or association which amends its
42 privilege license shall pay a fee of Twenty-five Dollars (\$25.00).

43 SECTION 2. Section 83-29-27, Mississippi Code of 1972, is
44 amended as follows:

45 83-29-27. Societies which are now authorized to transact
46 business in this state may continue such business until the first
47 day of January next succeeding the adoption of this chapter, and
48 the authority of such societies may hereafter be renewed annually,
49 but in all cases to terminate on the first day of the succeeding
50 January; provided, however, the license shall continue in full
51 force and effect until the new license be issued or specifically
52 refused. For each such license or renewal the society shall pay
53 the Commissioner of Insurance * * * as provided in Section
54 27-15-83. * * *

55 SECTION 3. Section 83-29-29, Mississippi Code of 1972, is
56 amended as follows:

57 83-29-29. No foreign society not now authorized to transact
58 business in this state shall transact any business herein without
59 a license from the Commissioner of Insurance. Any such society
60 shall be entitled to transact business within this state upon

61 filing with the commissioner a duly certified copy of its charter
62 or articles of association; a copy of its constitution and laws,
63 certified by its secretary or corresponding officer; a power of
64 attorney to the commissioner as hereinafter provided; the last
65 annual statement of its business, under oath of its president and
66 secretary or corresponding officers, in the form required by the
67 commissioner, duly verified by an examination made by the
68 supervising insurance official of its home state or other state
69 satisfactory to the Commissioner of Insurance of this state; a
70 certificate from the proper official in its home state, province
71 or country that the society is legally organized; a copy of its
72 insurance contracts, which must show that benefits are provided
73 for by periodical or other payments by persons holding similar
74 contracts; and upon furnishing the commissioner such other
75 information as he may deem necessary to a proper exhibit of its
76 business and plan of working, and upon showing that its assets are
77 invested in accordance with the laws of the states, territory,
78 district, province or country where it is organized, he shall
79 issue a license to such society to do business in this state until
80 the first day of the succeeding January. Such license shall, upon
81 compliance with the provisions of this chapter, be renewed
82 annually, but in all cases to terminate on the first day of the
83 succeeding January; provided, however, that license shall continue
84 in full force and effect until the new license be issued or
85 specifically refused. Any foreign society desiring admission to
86 this state shall have the qualifications required of domestic
87 societies organized under this chapter, upon a valuation by any
88 one (1) of the standards authorized in this chapter, and shall at
89 the same time possess net cash assets of not less than One Hundred
90 Thousand Dollars (\$100,000.00), or net cash assets of not less
91 than Fifty Thousand Dollars (\$50,000.00) with also invested assets
92 of not less than One Hundred Thousand Dollars (\$100,000.00), and
93 in each case with additional contingent assets of not less than

94 Three Hundred Thousand Dollars (\$300,000.00); and shall have its
95 assets invested as required by the laws of the state, territory,
96 district, country or province where it is organized. * * * When
97 the commissioner refuses to license any society, or revokes its
98 authority to do business in this state, he shall reduce his
99 ruling, order or decision to writing and file the same in his
100 office, and shall furnish a copy thereof, together with a
101 statement of his reason, to the officers of the society, upon
102 request. Nothing contained in this, or the preceding section, or
103 in this chapter, shall be taken or construed as preventing any
104 such society from continuing in good faith all contracts made in
105 this state during the time such society was legally authorized to
106 transact business therein, and such society shall have full right
107 and authority to continue to collect payments from its members, to
108 carry out its contracts, and to perform all the usual functions of
109 said society except that of acquiring and admitting new members in
110 this state after it has either been refused a renewal of its
111 license herein or has voluntarily relinquished said license. Such
112 activities on its part shall not be construed as doing business in
113 said state so as to subject it to any fee, demand or charge
114 whatsoever from the Insurance Department or other agency of this
115 state.

116 SECTION 4. This act shall take effect and be in force from
117 and after July 1, 1999.