

By: Representative Bowles

To: Insurance

HOUSE BILL NO. 411

1 AN ACT TO PROHIBIT AN INSURER FROM INCREASING THE PREMIUM OF
2 AN INSURED INVOLVED IN AN ACCIDENT IF THE ACCIDENT IS NOT THE
3 INSURED'S FAULT; TO AMEND SECTION 83-11-3, MISSISSIPPI CODE OF
4 1972, TO PROHIBIT CANCELLATION OF A POLICY IF THE INSURED IS NOT
5 AT FAULT; AND FOR RELATED PURPOSES.

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

7 SECTION 1. Any insurance company, association or other
8 organization providing automobile liability coverage, automobile
9 physical damage coverage or automobile collision coverage in this
10 state shall not increase the insurance premium of an insured
11 solely because the insured is involved in an accident if the
12 insured is not at fault.

13 SECTION 2. Section 83-11-3, Mississippi Code of 1972, is
14 amended as follows:

15 83-11-3. (1) A notice of cancellation of a policy shall be
16 effective only if it is based on one or more of the following
17 reasons:

18 (a) Nonpayment of premium;

19 (b) The driver's license or motor vehicle registration
20 of the named insured, or of any other operator who either resides
21 in the same household or customarily operates an automobile
22 insured under the policy, has been under suspension or revocation
23 during the policy period or, if the policy is a renewal, during
24 its policy period or the one hundred eighty (180) days immediately
25 preceding its effective date, unless within seven (7) days from
26 the date of any such cancellation or suspension, the insured shall
27 give insurer written notice of such revocation or suspension and

28 shall direct the insurer to exclude from coverage under the policy
29 the person whose license was so suspended or revoked; further use
30 of the insured vehicle by an excluded driver shall be grounds for
31 immediate cancellation of a policy; or

32 (c) Failure to make timely payment of dues to, or to
33 maintain membership in good standing with, a designated
34 association, corporation or other organization where the original
35 issue of such policy or renewal was dependent upon such
36 membership.

37 (2) This section shall not apply to any policy or coverage
38 which has been in effect less than sixty (60) days at the time
39 notice of cancellation is mailed or delivered by the insurer,
40 unless it is a renewal policy.

41 (3) Modification of automobile physical damage coverage by
42 the inclusion of a deductible not exceeding One Hundred Dollars
43 (\$100.00) shall not be deemed a cancellation of the coverage or of
44 the policy.

45 (4) Any insurance company, association or other organization
46 providing automobile liability coverage, automobile physical
47 damage coverage or automobile collision coverage in this state
48 shall not cancel a policy solely because the insured is involved
49 in an accident if the insured is not at fault.

50 (5) This section shall not apply to nonrenewal.

51 SECTION 3. This act shall take effect and be in force from
52 and after July 1, 1999.