

By: Senator(s) Kirby

To: Insurance

SENATE BILL NO. 2097

1 AN ACT TO AMEND SECTION 27-15-83, MISSISSIPPI CODE OF 1972,  
 2 TO INCREASE THE PRIVILEGE TAXES FOR INSURANCE COMPANIES LICENSED  
 3 AS FRATERNAL SOCIETIES; TO AMEND SECTIONS 83-29-27 AND 83-29-29,  
 4 MISSISSIPPI CODE OF 1972, TO CHANGE THE LICENSE RENEWAL DATE FOR  
 5 INSURANCE COMPANIES LICENSED AS FRATERNAL SOCIETIES; TO AMEND  
 6 SECTION 83-5-61, MISSISSIPPI CODE OF 1972, TO INCREASE THE FILING  
 7 FEE FOR THE DIRECT PLACEMENT OF PROPERTY INSURANCE; TO CREATE A  
 8 NEW CODE SECTION TO REQUIRE AN ANNUAL FEE TO BE PAID TO THE  
 9 COMMISSIONER OF INSURANCE FOR THE REGISTRATION OF RISK RETENTION  
 10 GROUPS AND RISK PURCHASING GROUPS; AND FOR RELATED PURPOSES.

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

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

14 27-15-83. (1) Upon each foreign insurance company licensed  
 15 as a single line company defined under Section 83-19-1, the  
 16 privilege tax is as follows:

- 17 (a) Fire and Allied Lines and/or
- 18 Industrial Fire..... \$200.00
- 19 (b) Casualty/Liability..... \$200.00
- 20 (c) Fidelity and/or Surety..... \$200.00
- 21 (d) Workers' Compensation..... \$200.00
- 22 (e) Boiler and Machinery..... \$200.00
- 23 (f) Plate Glass..... \$200.00
- 24 (g) Aircraft..... \$200.00
- 25 (h) Inland Marine and/or Ocean Marine..... \$200.00
- 26 (i) Automobile Physical Damage/Automobile
- 27 Liability..... \$200.00
- 28 (j) Homeowners/Farmowners..... \$200.00
- 29 (k) Guaranty/Mortgage Guaranty..... \$200.00
- 30 (l) Trip Accident and Baggage..... \$200.00

31 (m) Legal..... \$200.00  
32 (n) Life and/or Accident and Health;  
33 Credit Life, Accident and Health;  
34 Industrial Life, Accident and Health;  
35 and Variable Contracts..... \$200.00  
36 (o) Title..... \$200.00  
37 (p) Fraternal..... \$100.00

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

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

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

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

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

51 83-29-27. Societies which are now authorized to transact  
52 business in this state may continue such business until the first  
53 day of January next succeeding the adoption of this chapter, and  
54 the authority of such societies may hereafter be renewed annually,  
55 but in all cases to terminate on the first day of the succeeding  
56 January; provided, however, the license shall continue in full  
57 force and effect until the new license be issued or specifically  
58 refused. For each such license or renewal the society shall pay  
59 the Commissioner of Insurance \* \* \*, as provided in Section  
60 27-15-83. \* \* \*

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

63 83-29-29. No foreign society not now authorized to transact

64 business in this state shall transact any business herein without  
65 a license from the Commissioner of Insurance. Any such society  
66 shall be entitled to transact business within this state upon  
67 filing with the commissioner a duly certified copy of its charter  
68 or articles of association; a copy of its Constitution and laws,  
69 certified by its secretary or corresponding officer; a power of  
70 attorney to the commissioner as hereinafter provided; the last  
71 annual statement of its business, under oath of its president and  
72 secretary or corresponding officers, in the form required by the  
73 commissioner, duly verified by an examination made by the  
74 supervising insurance official of its home state or other state  
75 satisfactory to the Commissioner of Insurance of this state; a  
76 certificate from the proper official in its home state, province,  
77 or country that the society is legally organized; a copy of its  
78 insurance contracts, which must show that benefits are provided  
79 for by periodical or other payments by persons holding similar  
80 contracts; and upon furnishing the commissioner such other  
81 information as he may deem necessary to a proper exhibit of its  
82 business and plan of working, and upon showing that its assets are  
83 invested in accordance with the laws of the states, territory,  
84 district, province, or country where it is organized, he shall  
85 issue a license to such society to do business in this state until  
86 the first day of the succeeding January. Such license shall, upon  
87 compliance with the provisions of this chapter, be renewed  
88 annually, but in all cases to terminate on the first day of the  
89 succeeding January; provided, however, that license shall continue  
90 in full force and effect until the new license be issued or  
91 specifically refused. Any foreign society desiring admission to  
92 this state shall have the qualifications required of domestic  
93 societies organized under this chapter, upon a valuation by any  
94 one of the standards authorized in this chapter, and shall at the  
95 same time possess net cash assets of not less than One Hundred  
96 Thousand Dollars (\$100,000.00), or net cash assets of not less

97 than Fifty Thousand Dollars (\$50,000.00) with also invested assets  
98 of not less than One Hundred Thousand Dollars (\$100,000.00), and  
99 in each case with additional contingent assets of not less than  
100 Three Hundred Thousand Dollars (\$300,000.00); and shall have its  
101 assets invested as required by the laws of the state, territory,  
102 district, country, or province where it is organized. \* \* \* When  
103 the commissioner refuses to license any society, or revokes its  
104 authority to do business in this state, he shall reduce his  
105 ruling, order, or decision to writing and file the same in his  
106 office, and shall furnish a copy thereof, together with a  
107 statement of his reason, to the officers of the society, upon  
108 request. Nothing contained in this, or the preceding section, or  
109 in this chapter, shall be taken or construed as preventing any  
110 such society from continuing in good faith all contracts made in  
111 this state during the time such society was legally authorized to  
112 transact business therein, and such society shall have full right  
113 and authority to continue to collect payments from its members, to  
114 carry out its contracts, and to perform all the usual functions of  
115 said society except that of acquiring and admitting new members in  
116 this state after it has either been refused a renewal of its  
117 license herein or has voluntarily relinquished said license. Such  
118 activities on its part shall not be construed as doing business in  
119 said state so as to subject it to any fee, demand, or charge  
120 whatsoever from the insurance department or other agency of this  
121 state.

122 SECTION 4. Section 83-5-61, Mississippi Code of 1972, is  
123 amended as follows:

124 83-5-61. All corporations, firms, persons, or individuals  
125 obtaining insurance on property situated in this state owned by  
126 corporations, firms, or individuals resident therein, against  
127 fire, lightning, or tornado from companies, associations, firms,  
128 or corporations not authorized to transact business in this state,  
129 shall file with the Commissioner of Insurance a sworn statement or

130 declaration, setting forth the name of the company, number of  
131 policy, amount of insurance rate, premium, and description, shall  
132 be required to pay to the Commissioner of Insurance a tax thereon  
133 of three percent (3%) of the premiums paid on said policies, and  
134 shall further pay to said commissioner a fee of Twenty Dollars  
135 (\$20.00) on each policy for filing a record of the said statement  
136 or declaration, which record shall be kept for the private  
137 information of the Department of Insurance and shall not be a  
138 public record.

139 SECTION 5. (1) Upon an initial filing of an application for  
140 registration to operate as a risk retention group in the State of  
141 Mississippi, the risk retention group shall pay to the  
142 Commissioner of Insurance a fee in the amount of Five Hundred  
143 Dollars (\$500.00).

144 (2) Upon filing for an annual registration renewal to  
145 operate as a risk retention group in the State of Mississippi, the  
146 risk retention group shall pay to the Commissioner of Insurance an  
147 annual fee in the amount of Five Hundred Dollars (\$500.00) on or  
148 before June 1 of each year.

149 (3) Upon an initial filing of an application for  
150 registration to operate as a risk purchasing group in the State of  
151 Mississippi, the risk purchasing group shall pay to the  
152 Commissioner of Insurance a fee in the amount of Two Hundred Fifty  
153 Dollars (\$250.00).

154 (4) Upon filing for an annual registration renewal to  
155 operate as a risk purchasing group in the State of Mississippi,  
156 the risk purchasing group shall pay to the Commissioner of  
157 Insurance an annual fee of Two Hundred Fifty Dollars (\$250.00) on  
158 or before June 1 of each year.

159 (5) If any risk retention group or risk purchasing group  
160 that wishes to continue to do business in the State of Mississippi  
161 fails to file the required renewal fee, the Commissioner of  
162 Insurance shall revoke any registration or license held by the

163 entity.

164           (6) Each risk retention group or risk purchasing group  
165 operating in the State of Mississippi shall file with the  
166 Department of Insurance on or before March 1 of each year a  
167 listing of the premiums written on risks in Mississippi.

168           SECTION 6. This act shall take effect and be in force from  
169 and after July 1, 1999.