

By: Bowles

To: Insurance

HOUSE BILL NO. 398

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, 2000.