

By: Stevens

To: Banks and Banking;
Insurance

HOUSE BILL NO. 1282

1 AN ACT TO CREATE THE MISSISSIPPI CREDITOR-PLACED INSURANCE
2 ACT; TO DEFINE CERTAIN TERMS; TO PROVIDE FOR THE TIME WHEN
3 CREDITOR-PLACED INSURANCE SHALL BECOME EFFECTIVE OR IS TERMINATED;
4 TO PROVIDE FOR THE METHOD BY WHICH PREMIUMS FOR CREDITOR-PLACED
5 INSURANCE COVERAGE MAY BE CALCULATED; TO PROVIDE THAT
6 CREDITOR-PLACED INSURANCE SHALL BE SET FORTH IN AN INDIVIDUAL
7 POLICY OR CERTIFICATE OF INSURANCE; TO REQUIRE ALL POLICY FORMS
8 AND CERTIFICATES OF CREDITOR-PLACED INSURANCE DELIVERED IN THIS
9 STATE TO BE FILED WITH THE COMMISSIONER OF INSURANCE; TO PROVIDE
10 THAT THE ENTIRE AMOUNT OF THE PREMIUM DUE FROM A CREDITOR SHALL BE
11 REMITTED TO THE INSURER OR ITS PRODUCER IN ACCORDANCE WITH THE
12 INSURER'S REQUIREMENTS; TO PROVIDE THAT A CREDITOR SHALL NOT
13 IMPOSE CHARGES ON A DEBTOR FOR CREDITOR-PLACED INSURANCE COVERAGE
14 UNLESS ADEQUATE DISCLOSURE OF THE REQUIREMENT TO MAINTAIN
15 INSURANCE HAS BEEN MADE TO THE DEBTOR; TO AUTHORIZE THE
16 COMMISSIONER OF INSURANCE TO CONDUCT INVESTIGATIONS OF INSURERS
17 AND PRODUCERS; TO AUTHORIZE THE COMMISSIONER OF INSURANCE TO
18 PROMULGATE RULES AND REGULATIONS; AND FOR RELATED PURPOSES.

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

20 SECTION 1. The purposes of this act are to:

21 (a) Promote the public welfare by regulating
22 creditor-placed insurance;

23 (b) Create a legal framework within which
24 creditor-placed insurance may be written in this state;

25 (c) Help maintain the separation between creditors and
26 insurers; and

27 (d) Minimize the possibilities of unfair competitive
28 practices in the sale of creditor-placed insurance.

29 SECTION 2. (1) This act applies to an insurer or producer
30 transacting creditor-placed insurance as defined in this act.

31 (2) All creditor-placed insurance written in connection with
32 credit transactions for personal, family or household purposes is
33 subject to the provisions of this act, except:

34 (a) Transactions involving extensions of credit

35 primarily for business or commercial purposes;

36 (b) Insurance on collateralized real property; however,
37 creditor-placed insurance written for mobile homes or manufactured
38 housing shall be subject to the provisions of this act;

39 (c) Insurance offered by the creditor and elected by
40 the debtor at the debtor's option;

41 (d) Insurance for which no specific charge is made to
42 the debtor or the debtor's account; or

43 (e) Blanket insurance, whether paid for by the debtor
44 or the creditor.

45 (3) Nothing in this act shall be construed to create or
46 imply a private cause of action for violation of this act, and the
47 commissioner shall have authority to bring administrative or
48 judicial proceedings to enforce this act.

49 SECTION 3. As used in this act, unless the context otherwise
50 requires:

51 (a) "Actual cash value (ACV)" means the cost of
52 replacing damaged or destroyed property with comparable new
53 property, minus depreciation and obsolescence.

54 (b) "Blanket insurance" means insurance that provides
55 coverage on collateral as defined in a policy issued to a
56 creditor, without specifically listing the collateral covered.

57 (c) "Collateral" means personal property that is
58 pledged as security for the satisfaction of a debt.

59 (d) "Credit agreement" means the written document that
60 sets forth the terms of the credit transaction and includes the
61 security agreement.

62 (e) "Credit transaction" means a transaction by the
63 terms of which the repayment of money loaned or credit commitment
64 made, or payment of goods, services or properties sold or leased,
65 is to be made at a future date or dates.

66 (f) "Creditor" means the lender of money or vendor or
67 lessor of goods, services, property, rights or privileges for

68 which payment is arranged through a credit transaction, or any
69 successor to the right, title or interest of a lender, vendor or
70 lessor.

71 (g) "Creditor-placed insurance" means insurance that is
72 purchased unilaterally by the creditor, who is the named insured,
73 subsequent to the date of the credit transaction, providing
74 coverage against loss, expense or damage to collateralized
75 personal property as a result of fire, theft, collision or other
76 risks of loss that would either impair a creditor's interest or
77 adversely affect the value of collateral covered by limited dual
78 interest insurance. It is purchased according to the terms of the
79 credit agreement as a result of the debtor's failure to provide
80 required physical damage insurance, with the cost of the coverage
81 being charged to the debtor. It shall be either single interest
82 insurance or limited dual interest insurance.

83 (h) "Debtor" means the borrower of money or a purchaser
84 or lessee of goods, services, property, rights or privileges, for
85 which payment is arranged through a credit transaction.

86 (i) "Insurance tracking" means monitoring evidence of
87 insurance on collateralized credit transactions to determine
88 whether insurance required by the credit agreement has lapsed, and
89 communicating with debtors concerning the status of insurance
90 coverage.

91 (j) "Insurer" means an insurance company, association
92 or exchange authorized to issue insurance policies in the State of
93 Mississippi.

94 (k) "Lapse" means that the insurance coverage required
95 by the credit agreement is not in force.

96 (l) "Limited dual interest insurance" means insurance
97 purchased by the creditor to insure its interest in the collateral
98 securing the debtor's credit transaction. This insurance waives
99 the three (3) conditions for loss payment under single interest
100 insurance and extends coverage on the collateral while in the

101 possession of the debtor.

102 (m) "Loss ratio" means the ratio of incurred losses to
103 earned premium.

104 (n) "Net debt" means the amount necessary to liquidate
105 the remaining debt in a single lump-sum payment, excluding all
106 unearned interest and other unearned charges.

107 (o) "Producer" means a person who receives a commission
108 for insurance placed or written or who, on behalf of an insurer or
109 creditor, solicits, negotiates, effects, procures, delivers,
110 renews, continues or binds policies of insurance to which this act
111 applies, except a regular salaried officer, employee or other
112 representative of an insurer who devotes substantially all working
113 time to activities other than those specified here and who
114 receives no compensation that is directly dependent on the amount
115 of insurance business written, and except a regular salaried
116 officer or employee of a creditor who receives no compensation
117 that is directly dependent on the amount of insurance effected or
118 procured.

119 (p) "Single interest insurance" means insurance
120 purchased by the creditor to insure its interest in the collateral
121 securing a debtor's credit transaction. Three (3) conditions must
122 be met for payment of loss under the policy:

123 (i) The debtor has defaulted in payment;

124 (ii) The creditor has legally repossessed the
125 collateral, unless collateral has been stolen from the debtor; and

126 (iii) The creditor has suffered an impairment of
127 interest.

128 (q) "Commissioner" means the Commissioner of Insurance.

129 SECTION 4. (1) Creditor-placed insurance shall become
130 effective on the latest of the following dates:

131 (a) The date of the credit transaction;

132 (b) The date prior coverage, including prior
133 creditor-placed insurance coverage lapsed;

134 (c) One (1) year before the date on which the related
135 insurance charge is made to the debtor's account; or

136 (d) A later date provided for in the agreement between
137 the creditor and insurer.

138 (2) Creditor-placed insurance shall terminate on the
139 earliest of the following dates:

140 (a) The date other acceptable insurance becomes
141 effective, subject to the debtor providing acceptable evidence of
142 the other insurance to the creditor;

143 (b) The date the collateralized personal property is
144 repossessed, unless the property is returned to the debtor within
145 ten (10) days of the repossession. The creditor placed insurance
146 may be kept in force, but the lender must pay the premium that is
147 earned after repossession;

148 (c) The date the collateralized personal property is
149 determined by the insurer to be a total loss;

150 (d) The date the debt is completely extinguished; or

151 (e) An earlier date specified in the individual policy
152 or certificate of insurance.

153 (3) An insurance charge shall not be made to a debtor for a
154 term longer than the scheduled term of the creditor-placed
155 insurance when it becomes effective, nor may an insurance charge
156 be made to the debtor for creditor-placed insurance before the
157 effective date of the insurance.

158 (4) If a charge is made to a debtor for creditor-placed
159 insurance coverage that exceeds a term of one year, the debtor
160 shall be notified at least annually that the insurance will be
161 canceled and a refund or credit of unearned charges made if
162 evidence of acceptable insurance secured by the debtor is
163 provided.

164 SECTION 5. (1) Premiums for creditor-placed insurance
165 coverage may be calculated based on:

166 (a) An amount not exceeding the net debt even though

167 the coverage may limit the insurer's liability to the net debt,
168 actual cash value or cost of repair; or

169 (b) Other premium calculation methods that more closely
170 reflect the exposure of each item insured and approximate the
171 premium calculation method of the coverage required by the credit
172 agreement.

173 (2) An insurer shall not write creditor-placed insurance for
174 which the premium rate differs from that determined by the
175 schedules of the insurer on file and approved by the commissioner.

176 The premium or amount charged to the debtor for creditor-placed
177 insurance shall not exceed the premiums charged by the insurer,
178 computed at the time the charge to the debtor is determined.

179 (3) A method of billing insurance charges to the debtor on
180 closed-end credit transactions that creates a balloon payment at
181 the end of the credit transaction or extends the credit
182 transaction's maturity date is prohibited, unless specifically
183 disclosed at the time of the origination of the credit agreement.

184 SECTION 6. (1) Creditor-placed insurance coverage shall not
185 include:

186 (a) Coverage for the cost of repossession;

187 (b) Skip, confiscation and conversion coverage;

188 (c) Coverage for payment of mechanics' or other liens
189 that do not arise from a covered loss occurrence;

190 (d) Coverage that requires a debtor's insurance
191 deductible to be less than Two Hundred Dollars (\$200.00); or

192 (e) Coverage that is broader than the insurance
193 coverages that meet the minimum insurance requirements of the
194 credit agreement.

195 (2) Nothing in this section shall be deemed to prohibit the
196 issuance of a separate policy or endorsement providing the
197 coverages listed in subsection (1) of this section. However, no
198 charge shall be passed along to the debtor for the coverages.

199 SECTION 7. Creditor-placed insurance shall be set forth in

200 an individual policy or certificate of insurance. A copy of the
201 individual policy, certificate of insurance coverage, or other
202 evidence of insurance coverage shall be mailed, first class mail,
203 or delivered in person to the last known address of the debtor.

204 SECTION 8. (1) All policy forms and certificates of
205 creditor-placed insurance to be delivered or issued for delivery
206 in this state and the schedules of premium rates pertaining
207 thereto shall be filed with the Commissioner of Insurance.

208 (2) The commissioner shall within thirty (30) days after the
209 filing of the policy forms and certificates of insurance
210 disapprove a form that does not conform to this act or to other
211 applicable provisions of the insurance statutes and regulations
212 and shall, within thirty (30) days of filing, disapprove a
213 schedule of premium rates pertaining to the form if it does not
214 conform to the standard set forth in subsection (5).

215 (3) If the commissioner disapproves a form or schedule of
216 premium rates in accordance with subsection (2), the commissioner
217 shall promptly notify the insurer in writing of the disapproval,
218 and it shall be unlawful for the insurer to issue or use the form
219 or schedule. In the notice, the commissioner shall specify the
220 reasons for disapproval and state that a hearing will be granted
221 within sixty (60) days after receipt of request in writing by the
222 insurer.

223 (4) Unless the commissioner disapproves the form or schedule
224 of premium rates in accordance with subsections (2) and (3) or
225 gives written approval of the form or schedule within thirty (30)
226 days after the filing, the form or schedule shall be deemed
227 approved on the thirty-first day after the filing. However,
228 within thirty (30) days after receiving a filing, the commissioner
229 may issue a notice which delays the effective date of a filing for
230 not more than thirty (30) days after the notice is issued if the
231 commissioner determines that additional information or
232 clarification concerning the rate or policy form is required.

233 (5) The schedules of premium rates shall not be excessive,
234 inadequate or unfairly discriminatory. In determining whether a
235 schedule of premium rates are excessive, inadequate or unfairly
236 discriminatory, the commissioner shall take into account past and
237 prospective loss experience, general and administrative expenses,
238 loss settlement and adjustment expenses, reasonable creditor
239 compensation and other acquisition costs including insurance
240 tracking costs, reserves, taxes, licenses, fees and assessments,
241 reasonable insurer profit and other relevant data. Rates are not
242 unfairly discriminatory because different premiums result for
243 different policyholders, including group policyholders, with
244 similar loss exposures but different expense factors or similar
245 expense factors but different loss exposures, nor are rates
246 unfairly discriminatory if they are averaged broadly among all
247 persons insured in this state or all persons insured under a group
248 insurance policy.

249 (6) The commissioner may withdraw approval of an approved
250 form or schedule of premium rates when the commissioner would be
251 required to disapprove the form or schedule of premium rates if it
252 were filed at the time of the withdrawal. The withdrawal shall be
253 in writing and shall specify the reasons for withdrawal and the
254 effective date of the withdrawal. An insurer adversely affected
255 by a withdrawal may, within thirty (30) days after receiving the
256 written notification of the withdrawal, request in writing a
257 hearing, to determine whether the withdrawal should be annulled,
258 modified or confirmed. Unless the commissioner grants an
259 extension in writing in the withdrawal or subsequently grants an
260 extension, the withdrawal shall, in the absence of a request for
261 hearing, become effective, prospectively and not retroactively, on
262 the ninety-first day following delivery of the notice of
263 withdrawal and, if the request for hearing is filed, on the
264 ninety-first day following delivery of written notice of the
265 commissioner's determination.

266 (7) Forms and rates filed and approved in accordance with
267 this section shall be deemed to be in compliance in all respects
268 with the laws of this state.

269 SECTION 9. (1) Within sixty (60) calendar days after the
270 termination of creditor-placed insurance coverage, and in
271 accordance with the formulas approved by the commissioner, an
272 insurer shall refund any unearned premium or other identifiable
273 charges.

274 (2) Within sixty (60) calendar days after the termination
275 date of creditor-placed insurance coverage, the insurer or
276 creditor shall provide to the debtor a statement of refund
277 disclosing the effective date, the termination date, the amount of
278 premium being refunded and the amount of premium charged for the
279 coverage provided. No statement shall be required in the event
280 that the policy terminates pursuant to subsection (2) (d) of
281 Section 4 of this act.

282 (3) The entire amount of premiums, minimum premiums, fees or
283 charges of any kind shall be refunded if no coverage was provided.

284 SECTION 10. (1) In the event of a loss under the
285 creditor-placed insurance policy, the insurer shall pay, at a
286 minimum, the least of the following, the value of which shall be
287 determined as of the date of loss:

288 (a) The cost to repair the collateral less any
289 applicable deductible;

290 (b) The actual cash value of the collateral less any
291 applicable deductible;

292 (c) The net debt, less any applicable deductible; or

293 (d) If single interest insurance is provided, the
294 amount by which the creditor's interest is impaired.

295 (2) The net debt or actual cash value amounts in subsection
296 (1) may be reduced by the value of salvage if the insurer does not
297 take possession of the insured property. This does not preclude
298 the borrower's right to retain possession of the damaged

299 collateral, if desired.

300 (3) In the event of a loss, no subrogation shall run against
301 the debtor from the insurer.

302 (4) Whenever a claim is made on a creditor-placed insurance
303 policy, the insurer shall furnish to the creditor a written
304 statement of the loss explaining the settlement amount and the
305 method of settlement, and the creditor shall furnish this
306 information to the debtor.

307 (5) A creditor or insurer may not abandon salvage to a
308 towing or storage facility in lieu of payment of storage fees
309 without the consent of the facility and the claimant. The insurer
310 shall be responsible for the payment of towing and storage charges
311 for a covered loss occurrence from the time the claim is reported
312 to the insurer in accordance with the terms of the policy to the
313 time the claim is paid. After the claim is paid, the debtor shall
314 be responsible for the payment of any towing or storage charges.

315 SECTION 11. (1) In order for the creditor to place
316 insurance on the collateral pledged by the debtor and pass the
317 cost of the insurance on to the debtor:

318 (a) The creditor must have a security interest in the
319 personal property;

320 (b) The credit agreement must require the debtor to
321 maintain insurance on the collateral to protect the creditor's
322 interest;

323 (c) The credit agreement must authorize the creditor to
324 place the insurance if the debtor fails to provide evidence of the
325 insurance; and

326 (d) The information set forth in (a) through (c) of
327 this subsection (1) must be clearly disclosed to the debtor at the
328 inception of the credit transaction.

329 (2) The debtor shall always have the right to provide
330 required insurance through existing policies of insurance owned or
331 controlled by the debtor or of procuring and furnishing the

332 required coverage through an insurer authorized to transact
333 insurance within this state. However, a creditor may establish
334 maximum acceptable deductibles, insurer solidity standards and
335 other reasonable conditions with respect to the required
336 insurance.

337 SECTION 12. (1) The entire amount of the premium due from a
338 creditor shall be remitted to the insurer or its producer in
339 accordance with the insurer's requirements. No commissions may be
340 paid to, or retained by, a person or entity except a licensed and
341 appointed insurance producer.

342 (2) The retention by the creditor of unearned premiums upon
343 cancellation of the insurance without crediting to the debtor's
344 account the amount of unearned insurance charges is prohibited.

345 (3) Rebates to the creditor of a portion of the premium
346 charged to the debtor are prohibited as are other inducements
347 provided to the creditor by an insurer or producer. The listing
348 of the following activities as prohibited rebates or inducements
349 is not intended to be restrictive, and the commissioner may
350 identify an activity as prohibited by rule, regulation or order:

351 (a) Allowing insurers or producers to purchase
352 certificates of deposit from the creditor or to maintain accounts
353 with the creditor at less than the market interest rates and
354 charges that the creditor applies to other customers for deposit
355 accounts of similar amounts and duration; and

356 (b) Paying a commission to a person, including a
357 creditor, who is not appropriately licensed as a producer in this
358 state.

359 (4) Prohibited rebates or inducements do not include:

360 (a) The providing of insurance tracking and other
361 services incidental to the creditor-placed insurance program;

362 (b) The paying of commissions and other compensation to
363 a duly licensed and appointed insurance producer, whether or not
364 affiliated with the creditor;

365 (c) The paying to the creditor policyholder of group
366 experience rated refunds or policy dividends; and

367 (d) The paying to the creditor of amounts intended to
368 reimburse the creditor for its expenses incurred incidental to the
369 creditor-placed insurance program (such as costs of data
370 processing, mail processing, telephone service, insurance
371 tracking, billing, collections and related activities); provided
372 that these payments are calculated in a manner that does not
373 exceed an amount reasonably estimated to equal the expenses
374 incurred by the creditor.

375 (5) Nothing contained in this section shall prohibit or
376 restrict an insurer or producer from maintaining a demand, premium
377 deposit or other account or accounts with a creditor for which the
378 insurer or agent provides insurance if the accounts pay the market
379 interest rate and charges that the creditor applies to other
380 customers for deposit accounts of similar amounts and duration.

381 SECTION 13. (1) A creditor shall not impose charges,
382 including premium costs and related interest and finance charges,
383 on a debtor for creditor-placed insurance coverage unless adequate
384 disclosure of the requirement to maintain insurance has been made
385 to the debtor. Adequate disclosure is accomplished if the
386 following occurs:

387 (a) The credit agreement sets forth the requirement
388 that the debtor must maintain insurance on the collateral as
389 provided for in Section 11 of this act;

390 (b) The creditor makes reasonable efforts to notify the
391 debtor of the requirement to maintain insurance and allows a
392 reasonable time for compliance with this requirement;

393 (c) A final notice as required by this act is sent to
394 the debtor; and

395 (d) If creditor-placed insurance coverage is issued, a
396 copy of the policy or certificate, with disclosure of premium
397 charged, is sent to the debtor as provided for in Section 7 of

398 this act.

399 (2) After adequate disclosure of the request to maintain
400 insurance has been made to the debtor as required by this section,
401 a creditor may proceed to impose charges for creditor-placed
402 insurance if the debtor fails to provide evidence of insurance. A
403 creditor may impose charges no earlier than ten (10) calendar days
404 after sending the final notice. However, the charges can be
405 retroactive to the date of exposure to loss.

406 (3) Reasonable efforts to notify the debtor are accomplished
407 if:

408 (a) The creditor mails a notice by first-class mail to
409 the debtor's last known address as contained in the creditor's
410 records, stating that the creditor intends to charge the debtor
411 for creditor-placed insurance coverage on the collateral if the
412 debtor fails to provide evidence of the property insurance to the
413 creditor;

414 (b) The creditor allows the debtor at least twenty (20)
415 calendar days to respond to the notice and provide evidence of
416 acceptable insurance coverage before sending a final notice; and

417 (c) The creditor sends a final notice in compliance
418 with this section by first-class mail to the debtor's last known
419 address as contained in the creditor's records at least ten (10)
420 calendar days before the cost of insurance is charged to the
421 debtor by the creditor. Proof of the mailing of the final notice
422 shall be retained for at least three (3) years following the
423 expiration or termination of the coverage or as otherwise required
424 by law. A register of letters shall be deemed sufficient proof to
425 satisfy this requirement.

426 (4) The initial notice shall be in a form determined by the
427 creditor to remind the debtor of the requirement to maintain
428 insurance on the collateral. The final notice shall be as
429 complete as the following notice, printed in not less than twelve
430 (12) point type, and modified where necessary to fit the nature of

431 the credit transaction:

432 "FINAL NOTICE

433 Your credit agreement with us requires you to have
434 property insurance on the collateral until you pay off
435 your loan. You have not given us proof you have
436 insurance on the property. You can ask your insurance
437 company or agent to give us proof of insurance or you
438 can send us proof you have property insurance within ten
439 (10) calendar days after the date this letter was
440 postmarked. If you do not, we will charge you for the
441 insurance we buy.

442 You must pay for the property insurance we buy. It
443 may cost more than insurance you can buy on your own.
444 The premium of the insurance we buy may be added to your
445 loan balance and we may charge you interest on it. You
446 will be charged interest on the premium at the rate of
447 _____ per annum.

448 The insurance we buy will pay claims to us (the
449 creditor) for physical damage to your property. It will
450 not pay any claims made against you and it may not pay
451 you for any claims you make. The insurance we buy will
452 not give you any liability insurance coverage and will
453 not meet any other requirements of state law.

454 We may receive compensation for placing this
455 insurance, which is included in the cost of coverage
456 charged to you.

457 The property coverage we buy will start on the date
458 shown in the policy or certificate, which may go back to
459 the date of the loan or the date your prior coverage
460 stopped. We will cancel the insurance we bought for you
461 and give you a refund or credit of unearned charges if
462 you give us proof you have bought property insurance
463 somewhere else or if you have paid off the loan."

464 (5) All creditor-placed insurance shall be set forth in an
465 individual policy or certificate of insurance. Not earlier than
466 the sending of the final notice nor fifteen (15) days after a
467 charge is made to the debtor for creditor-placed insurance
468 coverage, the creditor shall cause a copy of the individual
469 policy, certificate or other evidence of insurance coverage
470 evidencing the creditor-placed insurance coverage to be sent,
471 first-class mail, to the debtor's last known address.

472 (6) A creditor's compliance with or failure to comply with
473 this act shall not be construed to require the creditor to
474 purchase insurance coverage on the collateral, and the creditor
475 shall not be liable to the debtor or a third party as a result of
476 its failure to purchase the insurance.

477 SECTION 14. (1) The commissioner may conduct investigations
478 and/or examinations of insurers and producers to ensure compliance
479 with the provisions of the act or any rule, regulation or order
480 hereunder, as well as under any other applicable statutes or
481 regulations.

482 (2) The commissioner may by order, deny, suspend or revoke
483 an insurer's certificate of authority or a producer's license if
484 the commissioner finds that such insurer or producer has violated
485 any provision of the act.

486 (3) If the commissioner has reason to believe that any
487 person or entity is engaging in any activity that would be a
488 violation of this part or any rule promulgated under this part,
489 the commissioner may issue an order directing that person or
490 entity to cease and desist from committing the violations, impose
491 a civil penalty for the violations, provide an equitable remedy
492 for past violations, or any combination of these. Such order may
493 be issued without prior notice if the commissioner makes a finding
494 that such order is necessary for the protection of policyholders
495 and that the public health, safety, and welfare require the order
496 to be issued without prior notice to affected parties. At any

497 hearing or other proceeding conducted as a result of an order to
498 cease and desist, pursuant to this part, the person or entity
499 subject to the order shall be required to show cause why such
500 order should be annulled, modified or confirmed.

501 (4) Whenever it appears to the commissioner that any person
502 or entity has engaged or is about to engage in an act of practice
503 constituting a violation of any provision of this act or any rule,
504 regulation or order hereunder, the commissioner may, in the
505 commissioner's discretion, bring an action in chancery court of
506 any county in this state to enjoin the acts or practices and to
507 enforce compliance with this act or any rule, regulation or order
508 hereunder. Upon a proper showing, a permanent or temporary
509 injunction, restraining order, writ of mandamus, disgorgement, or
510 other proper equitable relief shall be granted.

511 (5) Additionally, upon a finding that any person or entity
512 has violated a provision of this act, the commissioner may impose
513 a civil penalty of not more than One Thousand Dollars (\$1,000.00)
514 for each violation, and may revoke, suspend or decline to renew
515 any license of such person or entity to sell or issue insurance.

516 (6) Any person aggrieved by a final order of the
517 commissioner under this act may obtain judicial review of the
518 order in the Circuit Court of Hinds County by filing, within
519 thirty (30) days of the issuance and service of such order, a
520 written petition or complaint praying that said order be modified
521 or set aside. A copy of such petition shall be served upon the
522 commissioner, and the commissioner shall file a complete record of
523 the proceedings with said court, which shall then have
524 jurisdiction of the proceedings and questions determined therein.

525 SECTION 15. The commissioner is authorized after notice and
526 hearing to promulgate rules and regulations to effectuate the
527 purposes of this act. The commissioner may require such
528 information as is reasonably necessary for the enforcement of this
529 act. All rules and regulations adopted and promulgated pursuant

530 to this act shall be subject to the Mississippi Administrative
531 Procedures Law, Section 25-43-1, et seq.

532 SECTION 16. If any provision of this act or the application
533 thereof to any person or circumstance is held invalid, such
534 invalidity shall not affect other provisions or applications of
535 the act which can be given effect without the invalid provision or
536 application, and to that end the provisions of this act are
537 declared to be severable.

538 SECTION 17. This act shall take effect and be in force from
539 and after July 1, 2000.