To: Insurance

MISSISSIPPI LEGISLATURE

By: Senator(s) Kirby

REGULAR SESSION 2001

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SENATE BILL NO. 2163

AN ACT TO AMEND SECTION 83-2-35, MISSISSIPPI CODE OF 1972, TO REVISE THE FEES PAID BY PROPERTY AND CASUALTY INSURERS TO THE COMMISSIONER OF INSURANCE; TO AMEND SECTION 83-5-73, MISSISSIPPI CODE OF 1972, TO REVISE THE GENERAL FEES RELATIVE TO INSURANCE COMPANIES; TO AMEND SECTION 83-5-75, MISSISSIPPI CODE OF 1972, TO REVISE THE FEES PAID BY FRATERNAL ORDERS; TO AMEND SECTION 83-5-77, MISSISSIPPI CODE OF 1972, TO REVISE THE PUBLICATION FEES CHARGED BY THE COMMISSIONER OF INSURANCE; TO AMEND SECTION 83-7-17, MISSISSIPPI CODE OF 1972, TO REVISE THE FEES PAID BY LIFE INSURANCE COMPANIES; TO AMEND SECTION 83-11-243, MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE COMMISSIONER OF INSURANCE TO IMPOSE A FEE FOR THE FILING OF FINANCIAL STATEMENTS BY AUTOMOBILE CLUBS; TO AMEND SECTION 83-9-3, MISSISSIPPI CODE OF 1972, TO REVISE THE FEES PAID BY ACCIDENT AND HEALTH INSURANCE COMPANIES; TO AMEND SECTION 83-18-27, MISSISSIPPI CODE OF 1972, TO SPECIFY THE FEE IMPOSED BY THE COMMISSIONER OF INSURANCE ON INSURANCE ADMINISTRATORS FOR FILING AN ANNUAL REPORT; TO AMEND SECTION 83-21-17, MISSISSIPPI CODE OF 1972, TO REVISE THE FEES PAID BY NONADMITTED INSURERS; TO AMEND SECTION 27-15-83, MISSISSIPPI CODE OF 1972, TO REVISE THE FEES PAID BY INSURANCE COMPANIES OR ASSOCIATIONS WHICH AMEND THEIR PRIVILEGE LICENSES; AND FOR RELATED PURPOSES.

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

SECTION 1. Section 83-2-35, Mississippi Code of 1972, is amended as follows:

83-2-35. (1) This section applies to all forms of property and casualty insurance on risks or operations in this state by any insurer authorized to do business in this state, except:

(a) Accident and health;
(b) Ocean marine insurance;
(c) Reinsurance;
(d) Aircraft liability and aircraft hull insurance;
(e) Title insurance;
(f) Credit accident and health insurance.

(2) All such insurers shall pay to the Commissioner of Insurance a fee of Fifty Dollars ($50.00) per company for each combination of rate/rule change(s) and Twenty-five Dollars...
SECTION 2. Section 83-5-73, Mississippi Code of 1972, is amended as follows:

83-5-73. The commissioner shall collect and pay into the special fund in the State Treasury designated as the "Insurance Department Fund" the following fees: for certificate of authority to each agent or manager, Twenty Dollars ($20.00); for filing and processing an agent's certificate of authority cancellation, Twenty Dollars ($20.00); for filing and examining statement preliminary to admission, One Thousand Dollars ($1,000.00); for filing any other paper required by law, Fifty Dollars ($50.00); for continuing education courses or programs filed by the certification company licensed status, Forty Dollars ($40.00); for each seal when required, Twenty Dollars ($20.00); for service of process on the commissioner as attorney, Twenty-five Dollars ($25.00).

SECTION 3. Section 83-5-75, Mississippi Code of 1972, is amended as follows:

83-5-75. If a fraternal order doing an insurance business has direct premiums written of less than One Million Dollars ($1,000,000.00) in any calendar year and less than one thousand policyholders or members of directly written policies nationwide at the end of such calendar year, except for insures having assumed premiums pursuant to contracts and/or treaties of reinsurance of One Million Dollars ($1,000,000.00) or more, the commissioner shall collect the following charges: for filing charter, etc., of fraternal orders doing an insurance business,
preliminary to admission, Twenty-five Dollars ($25.00); for filing and auditing annual statement, Ten Dollars ($10.00); all other fees and charges due and payable by any company, association, order or individual in his department. For all other fraternal orders doing business, the commissioner shall collect charges as provided in Section 83-5-73, as well as all other fees and charges due and payable by any company, association, order or individual in his department.

SECTION 4. Section 83-5-77, Mississippi Code of 1972, is amended as follows:

83-5-77. For publication of annual statement (to be paid publishers), Forty Dollars ($40.00). The commissioner shall receive for copy of any record or paper in his office, Twenty-five Cents (25¢) per page, and Twenty Dollars ($20.00) for certifying same, or any fact or data from the records of the office.

SECTION 5. Section 83-7-17, Mississippi Code of 1972, is amended as follows:

83-7-17. All life insurance companies other than fraternal beneficiary associations, authorized to do the business of life insurance in this state, are hereby required to print or stamp in conspicuous type on the face or first page of each and every policy sold to citizens of this state words indicating correctly and fully the kind and character of the policy. The same words shall also be printed or stamped on the back or title page of every such policy so that they may be easily seen and read when the policy is folded. Every such life insurance company shall submit to the commissioner for his approval the words required in this section to be printed on each policy, together with sample copy of every kind or class of policies offered for sale in this state; and every life insurance company shall print on each of its policies sold to citizens of this state such words as the Insurance Commissioner shall approve. The license of any insurance company doing business in this state may be revoked by
A policy of life insurance shall not be issued or delivered in this state until the form has been approved and filed by the Insurance Commissioner. The commissioner shall collect and pay into the Insurance Department Fund in the State Treasury a Fifty Dollar ($50.00) filing and processing fee for the following services:

- Each individual policy contract, including revisions;
- Each group master policy or contract, including revisions;
- Each rider, endorsement or amendment, etc.;
- Each insurance application where written application is required and is to be made a part of the policy or contract;
- Each questionnaire;
- Each rate filing;
- Each resubmission where payment is not included with the original submission; and
- Each tentative approval.

SECTION 6. Section 83-11-243, Mississippi Code of 1972, is amended as follows:

83-11-243. Each authorized automobile club shall annually, before March 1, file with the commissioner a true statement of its financial condition, transactions and affairs as of December 31 preceding. The statement shall contain such information as may be reasonably required by the commissioner, and shall be verified by the oaths of at least two (2) of the automobile club's principal officers.

The commissioner shall collect and pay into the special fund in the State Treasury designated as the "Insurance Department Fund" a fee of One Hundred Dollars ($100.00) for the filing of the statement of its financial condition, transactions and affairs.
The commissioner may suspend or revoke the certificate of authority of any automobile club failing to file its annual statement when due or during any extension of time therefor which the commissioner, for good cause, may grant.

SECTION 7. Section 83-9-3, Mississippi Code of 1972, is amended as follows:

83-9-3. (1) No policy of accident and sickness insurance shall be delivered or issued for delivery to any person in this state unless:

(a) The entire money and other considerations therefor are expressed therein; and

(b) The time at which the insurance takes effect and terminates is expressed therein; and

(c) It purports to insure only one (1) person, except that a policy may insure, originally or by subsequent amendment, upon the application of an adult member of a family who shall be deemed the policyholder, any two (2) or more eligible members of that family, including husband, wife, dependent children or any children under a specified age which shall not exceed nineteen (19) years, and any other person dependent upon the policyholder; and

(d) The style, arrangement and overall appearance of the policy give no undue prominence to any portion of the text, and unless every printed portion of the text of the policy and of any endorsements or attached papers is plainly printed in lightfaced type of a style in general use, the size of which shall be uniform and not less than ten-point with a lowercase unspaced alphabet length not less than one hundred and twenty-point (the "text" shall include all printed matter except the name and address of the insurer, name or title of the policy, the brief description if any, and captions and subcaptions); and

(e) The exceptions and reductions of indemnity are set forth in the policy and, except those which are set forth in
Section 83-9-5, are printed, at the insurer's option, either with
the benefit provision to which they apply, or under an appropriate
caption such as "Exceptions," or "Exceptions and Reductions,"
provided that if an exception or reduction specifically applies
only to a particular benefit of the policy, a statement of such
exception or reduction shall be included with the benefit
provision to which it applies; and

(f) Each such form, including riders and endorsements,
shall be identified by a form number in the lower left-hand corner
of the first page thereof; and

(g) It contains no provision purporting to make any
portion of the charter, rules, constitution or bylaws of the
insurer a part of the policy unless such portion is set forth in
full in the policy, except in the case of the incorporation of, or
reference to, a statement of rates or classification of risks, or
short-rate table filed with the commissioner.

(2) No individual or group policy covering health and
accident insurance (including experience-rated insurance
contracts, indemnity contracts, self-insured plans and self-funded
plans), or any group combinations of these coverages, shall be
issued by any commercial insurer doing business in this state
which, by the terms of such policy, limits or excludes payment
because the individual or group insured is eligible for or is
being provided medical assistance under the Mississippi Medicaid
Law. Any such policy provision in violation of this section shall
be invalid.

(3) If any policy is issued by an insurer domiciled in this
state for delivery to a person residing in another state, and if
the official having responsibility for the administration of the
insurance laws of such other state shall have advised the
commissioner that any such policy is not subject to approval or
disapproval by such official, the commissioner may, by ruling,
require that such policy meet the standards set forth in subsection (1) of this section and in Section 83-9-5.

(4) The commissioner shall collect and pay into the Special Fund in the State Treasury designated as the "Insurance Department Fund" a Fifty Dollar ($50.00) filing and processing fee for the following services provided under this section: * * *

Each individual policy contract, including revisions * * *

Each group master policy or contract, including revisions * * *

Each rider, endorsement or amendment, etc. * * *

Each insurance application where written application is required and is to be made a part of the policy or contract * * *

Each questionnaire * * *

Each rate filing;

Each resubmission where payment is not included with the original submission * * ; and

Each tentative approval * * .

SECTION 8. Section 83-18-27, Mississippi Code of 1972, is amended as follows:

83-18-27. (1) Each administrator shall file an annual report for the preceding calendar year with the commissioner on or before March 1 of each year, or within such extension of time therefor as the commissioner for good cause may grant. The report shall be in the form and contain such matters as the commissioner prescribes and shall be verified by at least two (2) officers of the administrator.

(2) The annual report shall include the complete names and addresses of all insurers with which the administrator had an agreement during the preceding fiscal year.

(3) The commissioner shall collect and pay into the special fund in the State Treasury designated as the "Insurance Department Fund" a fee of One Hundred Dollars ($100.00) for the filing of the annual report.
SECTION 9. Section 83-21-17, Mississippi Code of 1972, is amended as follows:

83-21-17. The Commissioner of Insurance shall annually promulgate a list of nonadmitted insurers and each such insurer shall meet the same requirements as to capital and surplus as is required of a company licensed to do business in the State of Mississippi and annually pay a filing fee of One Thousand Dollars ($1,000.00) for certification review as a nonadmitted insurer. An alien insurer shall be listed with the nonadmitted Insurers Information Office of the National Association of Insurance Commissioners. In the case of an alien insurer authorized to transact insurance of the kind involved in at least one (1) state of the United States, the insurer must have unimpaired capital and/or surplus or an effective trust fund amounting to at least One Million Five Hundred Thousand Dollars ($1,500,000.00) and, in the case of a group including incorporated and individual unincorporated insurers, the trust fund must be in the amount of not less than Fifty Million Dollars ($50,000,000.00). The incorporated members of the group shall not be engaged in any business other than underwriting as a member of the group and shall be subject to the same level of solvency regulation and control by the group's domiciliary regulator as are the unincorporated members. In the case of an alien insurer not authorized to transact business in at least one (1) state of the United States, the insurer must have an established trust fund of at least One Million Five Hundred Thousand Dollars ($1,500,000.00) within the United States administered by a recognized financial institution and held for the benefit of all its policyholders in the United States. The Commissioner of Insurance is specifically vested with authority to promulgate such rules and regulations as deemed necessary to carry out the provisions hereof and to publish a list of nonadmitted insurers found eligible for writing business in the State of Mississippi on a nonadmitted basis.
commissioner may, by giving seven (7) days' notice, at any time remove a nonadmitted insurer from such eligible list when it appears that such insurer no longer meets the requirements of the statute or regulations of the commissioner. When a nonadmitted insurer is placed upon or removed from the eligible list, all agents holding licenses under Sections 83-21-17 through 83-21-31 shall be notified of such eligibility or removal. Any agent of this state who places insurance with a nonadmitted insurer not on the list of eligible insurers shall be deemed in violation of the cited sections and shall be subject to revocation of license in the manner provided by statute for revocation of license of fire and casualty insurance agents.

SECTION 10. Section 27-15-83, Mississippi Code of 1972, is amended as follows:

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

(a) Fire and Allied Lines and/or
   Industrial Fire ................................. $200.00
(b) Casualty/Liability .............................. $200.00
(c) Fidelity and/or Surety .......................... $200.00
(d) Workers' Compensation ....................... $200.00
(e) Boiler and Machinery ........................... $200.00
(f) Plate Glass .................................... $200.00
(g) Aircraft ........................................ $200.00
(h) Inland Marine and/or Ocean Marine .......... $200.00
(i) Automobile Physical Damage/Automobile Liability ......................... $200.00
(j) Homeowners/Farmowners ....................... $200.00
(k) Guaranty/Mortgage Guaranty ................... $200.00
(l) Trip Accident and Baggage ................... $200.00
(m) Legal .......................................... $200.00
(n) Life and/or Accident and Health;
Credit Life, Accident and Health;
Industrial Life, Accident and Health;
and Variable Contracts ...................... $200.00

(o) Title ........................................ $200.00

(p) Fraternal ................................. $50.00

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

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

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

(5) Each insurance company or association which amends its privilege license shall pay a fee of Fifty Dollars ($50.00).

SECTION 11. This act shall take effect and be in force from and after July 1, 2001.