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

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

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

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

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

(a) Nonpayment of premium;

(b) The driver’s license or motor vehicle registration of the named insured, or of any other operator who either resides in the same household or customarily operates an automobile insured under the policy, has been under suspension or revocation during the policy period or, if the policy is a renewal, during its policy period or the one hundred eighty (180) days immediately preceding its effective date, unless within seven (7) days from the date of any such cancellation or suspension, the insured shall give insurer written notice of such revocation or suspension and shall direct the insurer to exclude from coverage under the policy...
the person whose license was so suspended or revoked; further use
of the insured vehicle by an excluded driver shall be grounds for
immediate cancellation of a policy; or

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

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

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

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

(5) This section shall not apply to nonrenewal.

SECTION 3. This act shall take effect and be in force from
and after July 1, 2003.