

By: Representative Howell

To: Insurance

HOUSE BILL NO. 278

1 AN ACT TO REQUIRE ALL INSURANCE COMPANIES THAT SELL POLICIES  
 2 OF LIABILITY INSURANCE IN THIS STATE TO REPORT ANNUALLY TO THE  
 3 INSURANCE COMMISSIONER THE TOTAL AMOUNT THAT SUCH COMPANIES PAID  
 4 OUT IN LIABILITY INSURANCE CLAIMS, JUDGMENTS AND SETTLEMENTS  
 5 DURING THE PREVIOUS YEAR ON BEHALF OF THEIR POLICYHOLDERS; TO  
 6 PROVIDE THAT THE COMMISSIONER OF INSURANCE SHALL COMPILE THESE  
 7 REPORTS AND MAKE THE REPORTS AVAILABLE FOR PUBLIC INSPECTION; AND  
 8 FOR RELATED PURPOSES.

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

10 **SECTION 1.** (1) The commissioner shall require each insurer  
 11 licensed to write property or casualty insurance in this state to  
 12 record and report its loss and expense experience and other data  
 13 and to submit a report, on a form furnished by the commissioner,  
 14 showing its direct writings in this state and the United States,  
 15 unless an insurer, for good causes submitted in writing to the  
 16 commissioner and approved by the commissioner, shall be exempted  
 17 for any given year.

18 (2) Such report required by subsection (1) of this section  
 19 shall include, but not be limited to, the following types of  
 20 insurance written by such insurer:

- 21 (a) Motor vehicle bodily injury liability insurance;
- 22 (b) Products liability insurance;
- 23 (c) Medical malpractice insurance;
- 24 (d) Attorneys' malpractice insurance;
- 25 (e) Architects and engineers malpractice insurance;
- 26 (f) Motor vehicle property liability insurance;
- 27 (g) Motor vehicle medical payment insurance;
- 28 (h) Uninsured motorist insurance; and
- 29 (i) Underinsured motorist insurance.



30           (3) Such report shall include the following data by the type  
31 of insurance for the previous year ending on December 31:

32           (a) Direct premiums written;

33           (b) Direct premiums earned;

34           (c) Net investment income, including net realized  
35 capital gains and losses, using appropriate estimates where  
36 necessary;

37           (d) Incurred claims, developed as the sum of the  
38 following:

39               (i) Dollar amount of claims closed with payment  
40 including, but not limited to, the amounts paid in judgments and  
41 settlements of claims; plus

42               (ii) Reserves for reported claims at the end of  
43 the current year; minus

44               (iii) Reserves for reported claims at the end of  
45 the previous year; plus

46               (iv) Reserves for incurred but not reported claims  
47 at the end of the current year; minus

48               (v) Reserves for incurred but not reported claims  
49 at the end of the previous year; plus

50               (vi) Reserves for loss adjustment expense at the  
51 end of the current year; minus

52               (vii) Reserves for loss adjustment expense at the  
53 end of the previous year;

54           (e) Actual incurred expenses allocated separately to  
55 loss adjustment, commissions, other acquisition costs,  
56 advertising, general office expenses, taxes, licenses and fees,  
57 and all other expenses;

58           (f) Net underwriting gain or loss;

59           (g) Net operation gain or loss, including net  
60 investment income;

61           (h) The number and dollar amount of claims closed with  
62 payment, by year incurred, and the amount reserved for them;



63 (i) The number of claims closed without payment and the  
64 dollar amount reserved for those claims; and

65 (j) Any other information requested by the  
66 commissioner.

67 (4) The first year only in which the insurer is required to  
68 file this supplemental report, the data required by subsection  
69 (3)(a) through (g) of this section shall include the previous  
70 calendar year.

71 (5) It shall be the duty of the commissioner to annually  
72 compile and review all such reports submitted by insurers pursuant  
73 to subsection (2) to determine the appropriateness of premium  
74 rates for property and casualty insurance in this state. The  
75 commissioner's findings and the filings shall be published and  
76 made available to any interested insured or citizen. If the  
77 commissioner finds at any time that any rate no longer meets the  
78 standards of this chapter and as otherwise provided by law, he  
79 shall issue an order withdrawing his approval as provided in  
80 Section 83-2-11.

81 (6) An insurer shall not be required to record or report its  
82 experience on a classification basis inconsistent with its own  
83 rating system; provided, however, that for Workers' Compensation  
84 Insurance, all insurers shall use the classification system,  
85 rates, rules, forms and statistical plan of the rate service  
86 organization designated by the commissioner.

87 **SECTION 2.** This act shall take effect and be in force from  
88 and after July 1, 2003.

