AN ACT TO AMEND SECTION 83-2-3, MISSISSIPPI CODE OF 1972, TO PROHIBIT PROPERTY AND CASUALTY INSURERS FROM CHARGING HIGHER RATES TO SINGLE PERSONS SOLELY BECAUSE OF THEIR SINGLE STATUS; AND FOR RELATED PURPOSES.

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

SECTION 1. Section 83-2-3, Mississippi Code of 1972, is amended as follows:

83-2-3. (1) Rates shall comply with the following standards:

(a) Rates shall not be excessive, inadequate or unfairly discriminatory.

(b) A rate is excessive if it is likely to produce a profit that is unreasonably high for the insurance provided or if the expense provision included therein is unreasonably high in relation to the services rendered.

(c) A rate is inadequate if it threatens the solvency of the insurance company or tends to create a monopoly.

(d) Unfair discrimination exists if, after allowing for practical limitations, price differentials fail to reflect equitably the differences in expected losses and expenses. A rate is not unfairly discriminatory because different premiums result for policyholders with like loss exposures with different expenses, or like expenses but different loss exposures, so long as the rate reflects the differences with reasonable accuracy.

Unfair discrimination exists if the rates charged for single persons are higher than the rates charged for married persons of the same age and experience. Insurers are prohibited from...
increasing rates solely because of the single status of the
insured.

(2) In determining whether rates comply with the standards
set forth in subsection (1), the following criteria shall apply:

(a) Due consideration shall be given to past and
prospective loss and expense experience within and outside this
state; to catastrophe hazards; to any residual market loss
redistributions and other similar obligations; to a reasonable
provision for profit and contingencies; to trends within and
outside this state; to loadings for leveling premium rates over a
reasonable period of time or for dividends or savings to be
allowed or returned by insurers to their policyholders, members or
subscribers; and to all other relevant factors, including the
judgment of the filer.

(b) Risks may be classified in any reasonable way for
the establishment of rates except that no risks may be grouped by
classifications based in whole or in part on race, color, creed,
or national origin of the risk. Rates may be modified for
individual risks in accordance with rating plans or schedules
which provide for recognition of probable variations in hazards,
expenses or both.

(c) The systems of expense provisions included in rates
for use by an insurer or group of insurers may differ from those
of other insurers or group of insurers to reflect the operating
methods of such insurer or group with respect to any kind of
insurance, or with respect to any subdivision or combination
thereof.

(d) Any homeowners' insurance policy filed with the
Commissioner of Insurance that offers a percentage deductible for
the peril of windstorm from a named storm shall offer a buy-back
provision for that deductible which is actuarially sound; however,
the Commissioner of Insurance may grant a waiver from the
mandatory buy-back provision in accordance with the following procedure and criteria:

(i) An insurance company shall make a formal filing requesting a waiver from the buy-back provision requirement with the Commissioner of Insurance.

(ii) An insurance company shall submit written proof in its formal filing as to why it is in the best interest of Mississippi policyholders to receive a waiver from the buy-back provision requirement and shall provide any supporting documentation requested by the commissioner deemed appropriate to make his decision.

(iii) All expenses incurred by the Commissioner of Insurance or his designee in determining the validity of the waiver request shall be borne by the petitioning insurer. Such expenses may include, but not be limited to, the cost of reviewing the filing by actuaries, and if the commissioner deems a public hearing appropriate, the cost of a facility, the cost of publicity and the cost of a court reporter for the hearing.

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