HOUSE BILL NO. 690

AN ACT TO AMEND SECTION 83-19-69, MISSISSIPPI CODE OF 1972, TO PROHIBIT A DOMESTIC INSURANCE COMPANY FROM INSURING RISKS OUTSIDE OF THE UNITED STATES UNLESS IT IS AUTHORIZED UNDER THE LAWS OF THAT COUNTRY OR JURISDICTION TO DO BUSINESS THEREIN; AND FOR RELATED PURPOSES.

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

SECTION 1. Section 83-19-69, Mississippi Code of 1972, is amended as follows:

83-19-69. Subject to the exceptions set forth herein, no domestic insurer shall enter into a contract of insurance upon the life or person of a resident of any other state, country or jurisdiction or covering property or risks located in any other state, country or jurisdiction unless such insurer is authorized pursuant to the laws of such other state, country or jurisdiction to do business therein.

The following constitute the exceptions to the foregoing provisions of this section:

(a) Life insurance contracts entered into where the prospective insurant is personally present in a state in which the insurer is authorized to do business when he signs the application.

(b) Issuance of certificates under any lawfully transacted group life, group accident, group health, or other group disability policy, where the master policy is entered into in a state in which the insurer is authorized to do business.

(c) Contracts made pursuant to a pension or retirement plan of an employer, when such contracts are applied for in a
state where the employer is personally present or doing business and the insurer is authorized to do business.

(d) The renewal, reinstatement, conversion, or continuance in force with or without modification of contracts otherwise lawfully entered into and which were not originally executed in violation of this section, where the terms of such policy as originally executed leave no option as to renewal, reinstatement, or continuance in force to the insurer, but vest such rights in the insured alone.

(e) Reinsurance contracts entered into upon request from companies in other states covering risks in other states, provided such companies requesting reinsurance are licensed in the states in which the risks are located.

Any company wilfully violating this section shall be subject to suspension of its license to do business in this state for a period of not more than one (1) year, after ten (10) days' notice in writing and hearing by the Commissioner of Insurance.

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