

By: Senator(s) Kirby

To: Insurance

COMMITTEE SUBSTITUTE  
FOR  
SENATE BILL NO. 2253

1 AN ACT TO AMEND SECTION 83-30-57, MISSISSIPPI CODE OF 1972,  
2 TO CLARIFY THAT FOREIGN OR ALIEN LARGER FRATERNAL BENEFIT  
3 SOCIETIES SHALL FILE WITH THE COMMISSIONER OF INSURANCE ITS  
4 CHARTER OR ARTICLES OF INCORPORATION; TO AMEND SECTION 83-30-69,  
5 MISSISSIPPI CODE OF 1972, TO REVISE THE METHOD AND FEE FOR SERVICE  
6 OF PROCESS UPON LARGER FRATERNAL BENEFIT SOCIETIES; TO AMEND  
7 SECTION 83-30-51, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT A  
8 LARGER FRATERNAL BENEFIT SOCIETY SHALL BE HELD TO BE LEGALLY  
9 SOLVENT AS LONG AS THE FUNDS BELONGING TO THE SOCIETY ARE EQUAL TO  
10 OR IN EXCESS OF ITS MATURED LIABILITIES; TO AMEND SECTION  
11 83-30-53, MISSISSIPPI CODE OF 1972, TO REVISE THE LICENSE TERM OF  
12 LARGER FRATERNAL BENEFIT SOCIETIES AND TO CLARIFY THE FEES FOR  
13 SUCH LICENSE OR RENEWAL; AND FOR RELATED PURPOSES.

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

15 **SECTION 1.** Section 83-30-57, Mississippi Code of 1972, is  
16 amended as follows:

17 83-30-57. No foreign or alien society shall transact  
18 business in this state without a license issued by the  
19 commissioner. Any such society desiring admission to this state  
20 shall comply substantially with the requirements and limitations  
21 of this chapter applicable to domestic societies. Any such  
22 society may be licensed to transact business in this state upon  
23 filing with the commissioner:

24 (a) A duly certified copy of its charter or articles of  
25 incorporation;

26 (b) A copy of its bylaws, certified by its secretary or  
27 corresponding officer;

28 (c) A power of attorney to the commissioner as  
29 prescribed in Section 83-29-31;

30 (d) A statement of its business under oath of its  
31 president and secretary or corresponding officers in a form  
32 prescribed by the commissioner, duly verified by an examination



33 made by the supervising insurance official of its home state or  
34 other state, territory, province or country, satisfactory to the  
35 commissioner;

36 (e) Certification from the proper official of its home  
37 state, territory, province or country that the society is legally  
38 incorporated and licensed to transact business therein;

39 (f) Copies of its certificate forms; and

40 (g) Such other information as the commissioner may deem  
41 necessary;

42 and upon a showing that its assets are invested in accordance with  
43 the provisions of this chapter.

44 **SECTION 2.** Section 83-30-69, Mississippi Code of 1972, is  
45 amended as follows:

46 83-30-69. (1) Every society authorized to do business in  
47 this state shall appoint in writing the commissioner and each  
48 successor in office to be its true and lawful attorney upon whom  
49 all lawful process in any action or proceeding against it shall  
50 be served, and shall agree in such writing that any lawful  
51 process against it which is served on such attorney shall be of  
52 the same legal force and validity as if served upon the society,  
53 and that the authority shall continue in force so long as any  
54 liability remains outstanding in this state. Copies of such  
55 appointment, certified by the commissioner, shall be deemed  
56 sufficient evidence thereof and shall be admitted in evidence  
57 with the same force and effect as the original thereof might be  
58 admitted.

59 (2) Service shall only be made upon the commissioner, or if  
60 absent, upon the person in charge of his or her office. It shall  
61 be made in duplicate and shall constitute sufficient service upon  
62 the society. When legal process against a society is served upon  
63 the commissioner, he shall forthwith forward \* \* \* the duplicate  
64 copy by certified mail, prepaid, directed to the secretary or  
65 corresponding officer. No such service shall require a society



66 to file its answer, pleading or defense in less than thirty (30)  
67 days from the date of mailing the copy of the service to a  
68 society. Legal process shall not be served upon a society except  
69 in the manner herein provided.

70 (3) At the time of serving any process upon the  
71 commissioner, the plaintiff or complainant in the action shall pay  
72 to the commissioner a fee of Twenty-five Dollars (\$25.00).

73 **SECTION 3.** Section 83-30-51, Mississippi Code of 1972, is  
74 amended as follows:

75 83-30-51. (1) Every society transacting business in this  
76 state shall annually, on or before March 1, unless for cause  
77 shown such time has been extended by the commissioner, file with  
78 the commissioner a true statement of its financial condition,  
79 transactions and affairs for the preceding calendar year. The  
80 statement shall be in general form and context as approved by the  
81 National Association of Insurance Commissioners for fraternal  
82 benefit societies and as supplemented by additional information  
83 required by the commissioner.

84 (2) As part of the annual statement herein required, each  
85 society shall, on or before March 1, file with the commissioner a  
86 valuation of its certificates in force on December 31 last  
87 preceding, provided the commissioner may, in his or her  
88 discretion for cause shown, extend the time for filing such  
89 valuation for not more than two (2) calendar months. Such  
90 valuation shall be done in accordance with the standards  
91 specified in Section 83-30-49. Such valuation and underlying  
92 data shall be certified by a qualified actuary or, at the expense  
93 of the society, verified by the actuary of the department of  
94 insurance of the state of domicile of the society. This  
95 valuation shall not be considered or regarded as a test of the  
96 financial solvency of the society, but as an indication of the  
97 ability of the society to pay the benefits promised under its  
98 certificates without change in benefits or in rates of



99 contribution; and each society shall be held to be legally  
100 solvent as long as the funds belonging to the society are equal  
101 to or in excess of its matured liabilities.

102 (3) A society neglecting to file the annual statement in the  
103 form and within the time provided by this section may be subject  
104 to a fine of One Hundred Dollars (\$100.00) for each day during  
105 which such neglect continues, and its authority to do business in  
106 this state may be suspended by the commissioner while such default  
107 continues.

108 **SECTION 4.** Section 83-30-53, Mississippi Code of 1972, is  
109 amended as follows:

110 83-30-53. Societies which are now authorized to transact  
111 business in this state may continue such business until the first  
112 day of January next succeeding July 1, 2003, and the authority of  
113 such societies may hereafter be renewed annually, but in all cases  
114 to terminate on the first day of the succeeding January. However,  
115 a license so issued shall continue in full force and effect until  
116 the new license is issued or specifically refused. For each such  
117 license or renewal the society shall pay the commissioner the fees  
118 prescribed in Sections 27-15-83 and 83-5-75. \* \* \*

119 **SECTION 5.** This act shall take effect and be in force from  
120 and after July 1, 2003.

