To: Insurance

MISSISSIPPI LEGISLATURE REGULAR SESSION 2003
By: Senator(s) Kirby

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 2253

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

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

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

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

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

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

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

(d) A statement of its business under oath of its president and secretary or corresponding officers in a form prescribed by the commissioner, duly verified by an examination.
made by the supervising insurance official of its home state or
other state, territory, province or country, satisfactory to the
commissioner;

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

(f) Copies of its certificate forms; and

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

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

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

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

(2) Service shall only be made upon the commissioner, or if
absent, upon the person in charge of his or her office. It shall
be made in duplicate and shall constitute sufficient service upon
the society. When legal process against a society is served upon
the commissioner, he shall forthwith forward the duplicate
copy by certified mail, prepaid, directed to the secretary or
corresponding officer. No such service shall require a society
to file its answer, pleading or defense in less than thirty (30) days from the date of mailing the copy of the service to a society. Legal process shall not be served upon a society except in the manner herein provided.

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

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

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

(2) As part of the annual statement herein required, each society shall, on or before March 1, file with the commissioner a valuation of its certificates in force on December 31 last preceding, provided the commissioner may, in his or her discretion for cause shown, extend the time for filing such valuation for not more than two (2) calendar months. Such valuation shall be done in accordance with the standards specified in Section 83-30-49. Such valuation and underlying data shall be certified by a qualified actuary or, at the expense of the society, verified by the actuary of the department of insurance of the state of domicile of the society. This valuation shall not be considered or regarded as a test of the financial solvency of the society, but as an indication of the ability of the society to pay the benefits promised under its certificates without change in benefits or in rates of
contribution; and each society shall be held to be legally
solvent as long as the funds belonging to the society are equal
to or in excess of its matured liabilities.

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

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

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

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