

By: Senator(s) Dawkins

To: Insurance

SENATE BILL NO. 2752

1 AN ACT TO AMEND SECTION 83-47-5, MISSISSIPPI CODE OF 1972, TO  
2 DECLARE THE INTENT OF THE LEGISLATURE TO AUTHORIZE THE FORMATION  
3 OF NONPROFIT MEDICAL LIABILITY INSURANCE CORPORATIONS FOR THE  
4 PURPOSE OF PROVIDING MEDICAL MALPRACTICE LIABILITY COVERAGE FOR  
5 ALL MODERATE AND LOW RISK PHYSICIANS IN THE STATE OF MISSISSIPPI;  
6 AND FOR RELATED PURPOSES.

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

8 **SECTION 1.** Section 83-47-5, Mississippi Code of 1972, is  
9 amended as follows:

10 83-47-5. Corporations organized under this chapter shall not  
11 have capital stock, but shall have members as prescribed and  
12 contemplated by the terms and provisions of this chapter; and such  
13 members shall have the privileges provided for in this chapter.  
14 The subscribers to the articles of incorporation as the organizers  
15 of the corporation shall have power to elect the first board of  
16 directors, who shall serve for the terms prescribed in the next  
17 sentence of this section, or until their successors are elected  
18 and qualified. One-third ( 1/3) of the members of the first board  
19 of directors shall be elected for a term of one (1) year,  
20 one-third ( 1/3) for a term of two (2) years, and one-third ( 1/3)  
21 for a term of three (3) years. Thereafterwards, directors shall  
22 be elected for terms of three (3) years. Provisions shall be made  
23 for subsequent elections of directors, including the time and  
24 place of such elections and notice thereof to the membership by  
25 (a) resolution of the directors entered upon the minutes not less  
26 than sixty (60) days before such election, designating the time  
27 and place of such election, such minutes to be open to the  
28 membership as hereinafter provided, or (b) by the time and place  
29 of such election being fixed by resolution of the directors, and



30 notice thereof being mailed to the members at least fifteen (15)  
31 days before the time fixed for such election. All minutes of the  
32 corporation with respect to the time and place fixed for any such  
33 election of directors shall be open to members at all reasonable  
34 times, but no notice of elections shall be necessary, other than  
35 as herein provided. Each member shall be entitled to one (1) vote  
36 in the election of directors. It shall be the duty of the  
37 directors to provide for elections as the terms of office of  
38 directors expire, and it shall be the duty of the Commissioner of  
39 Insurance as a part of his supervisory jurisdiction over such  
40 corporations to see that the directors faithfully perform this  
41 duty. If such directors shall fail to so provide for the election  
42 of directors, it shall be the duty of the Commissioner of  
43 Insurance to report this fact to the membership of the corporation  
44 and himself call a meeting of the membership for the election of  
45 directors; and the corporation shall forthwith, upon demand of the  
46 commissioner, reimburse him for all expenses incurred in the  
47 performance of these duties. A majority vote of the members  
48 present in person (or by proxy, if proxy be provided for) and  
49 voting shall be required and shall be sufficient for the election  
50 of directors.

51 The membership of the corporation shall consist of any  
52 individual who has applied for, or been granted, a license to  
53 practice medicine in the State of Mississippi, or any other state  
54 or jurisdiction, provided he has first applied for membership on  
55 the form prescribed by the board of directors and paid the  
56 requisite fees, charges and premiums in advance therefor, and  
57 agreed to comply with and be bound by the charter and bylaws and  
58 amendments thereto, and the rules, regulations and guidelines  
59 adopted from time to time by the board of directors or any  
60 committee authorized by the board of directors to so act.

61 It is the intent of the Legislature to authorize the  
62 formation of nonprofit medical liability insurance corporations



63 which shall provide medical malpractice liability coverage for all  
64 moderate and low risk physicians in the State of Mississippi.  
65 Corporations organized under this chapter shall maintain its  
66 finances in such a manner to offer liability coverage to  
67 physicians who have been determined to be in good standing and who  
68 possess a moderate or low insurance risk in accordance with  
69 criteria established by the Commissioner of Insurance. The  
70 Commissioner of Insurance shall establish such criteria no later  
71 than June 30, 2003.

72 No person may own more than one (1) membership in the  
73 corporation, nor shall any member be entitled to more than one (1)  
74 vote upon any matter submitted to a vote at the meeting of the  
75 members.

76 Membership shall not be granted until a membership  
77 certificate in the form prescribed by the board of directors shall  
78 have been duly issued.

79 The event of (a) death, or (b) revocation of license to  
80 practice medicine, or (c) nonpayment of membership fees, dues,  
81 assessments or premiums, or (d) failure to comply with and abide  
82 by all provisions of the charter and bylaws and amendments  
83 thereto, and the rules, regulations and guidelines adopted from  
84 time to time by the board of directors or (e) termination of  
85 insurance with the corporation for any reason, shall operate ipso  
86 facto to terminate membership in the corporation, and all interest  
87 of any such member in the assets of the corporation shall then and  
88 thereby terminate and cease, except for the right to receive  
89 benefits provided for under contracts or the bylaws of the  
90 corporation.

91 The directors shall have power to adopt bylaws, elect  
92 officers and manage the affairs of the corporation. They shall  
93 also have the power to determine whether voting in the election of  
94 directors may be done by proxy and, if so, the manner and method  
95 thereof.



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

