SENATE BILL NO. 2752

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

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

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

83-47-5. Corporations organized under this chapter shall not have capital stock, but shall have members as prescribed and contemplated by the terms and provisions of this chapter; and such members shall have the privileges provided for in this chapter. The subscribers to the articles of incorporation as the organizers of the corporation shall have power to elect the first board of directors, who shall serve for the terms prescribed in the next sentence of this section, or until their successors are elected and qualified. One-third (1/3) of the members of the first board of directors shall be elected for a term of one (1) year, one-third (1/3) for a term of two (2) years, and one-third (1/3) for a term of three (3) years. Thereafterwards, directors shall be elected for terms of three (3) years. Provisions shall be made for subsequent elections of directors, including the time and place of such elections and notice thereof to the membership by (a) resolution of the directors entered upon the minutes not less than sixty (60) days before such election, designating the time and place of such election, such minutes to be open to the membership as hereinafter provided, or (b) by the time and place of such election being fixed by resolution of the directors, and
notice thereof being mailed to the members at least fifteen (15) days before the time fixed for such election. All minutes of the corporation with respect to the time and place fixed for any such election of directors shall be open to members at all reasonable times, but no notice of elections shall be necessary, other than as herein provided. Each member shall be entitled to one (1) vote in the election of directors. It shall be the duty of the directors to provide for elections as the terms of office of directors expire, and it shall be the duty of the Commissioner of Insurance as a part of his supervisory jurisdiction over such corporations to see that the directors faithfully perform this duty. If such directors shall fail to so provide for the election of directors, it shall be the duty of the Commissioner of Insurance to report this fact to the membership of the corporation and himself call a meeting of the membership for the election of directors; and the corporation shall forthwith, upon demand of the commissioner, reimburse him for all expenses incurred in the performance of these duties. A majority vote of the members present in person (or by proxy, if proxy be provided for) and voting shall be required and shall be sufficient for the election of directors.

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

It is the intent of the Legislature to authorize the formation of nonprofit medical liability insurance corporations.
which shall provide medical malpractice liability coverage for all 
moderate and low risk physicians in the State of Mississippi.

Corporations organized under this chapter shall maintain its 
finances in such a manner to offer liability coverage to 
physicians who have been determined to be in good standing and who 
possess a moderate or low insurance risk in accordance with 
criteria established by the Commissioner of Insurance. The 
Commissioner of Insurance shall establish such criteria no later 

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

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

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

The directors shall have power to adopt bylaws, elect 
officers and manage the affairs of the corporation. They shall 
also have the power to determine whether voting in the election of 
directors may be done by proxy and, if so, the manner and method 
thereof.
SECTION 2. This act shall take effect and be in force from and after July 1, 2003.