

By: Representatives Guice, Chism, Davis,  
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To: Insurance

HOUSE BILL NO. 834  
(As Passed the House)

1 AN ACT TO AMEND SECTION 71-3-159, MISSISSIPPI CODE OF 1972,  
2 TO CREATE TWO NONPROFIT UNINCORPORATED LEGAL ENTITIES TO BE KNOWN  
3 AS THE "MISSISSIPPI WORKERS' COMPENSATION INDIVIDUAL SELF-INSURER  
4 GUARANTY ASSOCIATION" AND THE "MISSISSIPPI WORKERS' COMPENSATION  
5 GROUP SELF-INSURER GUARANTY ASSOCIATION"; TO PROVIDE THAT ANY  
6 INDIVIDUAL OR GROUP SELF-INSURER COMPOSED OF THE STATE, OR ANY  
7 AGENCY THEREOF, OR COUNTY OR MUNICIPAL GOVERNMENTS SHALL NOT BE  
8 REQUIRED TO BE MEMBERS OF THE INDIVIDUAL ASSOCIATION OR THE GROUP  
9 ASSOCIATION; TO AMEND SECTION 71-3-157, MISSISSIPPI CODE OF 1972,  
10 TO REVISE DEFINITIONS; TO AMEND SECTION 71-3-161, MISSISSIPPI CODE  
11 OF 1972, TO PROVIDE FOR BOARDS OF DIRECTORS OF THE INDIVIDUAL  
12 ASSOCIATION AND THE GROUP ASSOCIATION; TO AMEND SECTION 71-3-163,  
13 MISSISSIPPI CODE OF 1972, TO PROVIDE THAT ALL FUNDS IN THE  
14 MISSISSIPPI WORKERS' COMPENSATION SELF-INSURER GUARANTY  
15 ASSOCIATION SHALL BECOME AND REMAIN ASSETS OF THE MISSISSIPPI  
16 WORKERS' COMPENSATION INDIVIDUAL SELF-INSURER GUARANTY  
17 ASSOCIATION; TO PROVIDE FOR CERTAIN ASSESSMENTS TO EACH INDIVIDUAL  
18 SELF-INSURER AND TO EACH GROUP SELF-INSURER; TO AMEND SECTION  
19 71-3-165, MISSISSIPPI CODE OF 1972, TO REQUIRE THAT EACH  
20 ASSOCIATION SHALL SUBMIT A PLAN OF OPERATION TO THE COMMISSION; TO  
21 AMEND SECTION 71-3-169, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT  
22 CERTAIN EXPENSES, INTEREST AND PENALTIES SHALL BE ADDED TO ANY  
23 RECOVERY BY AN ASSOCIATION FROM A SELF-INSURER IN DEFAULT; TO  
24 AMEND SECTION 71-3-173, MISSISSIPPI CODE OF 1972, TO PROVIDE FOR  
25 CERTAIN EXAMINATIONS OF THE FINANCIAL CONDITION OF MEMBER  
26 SELF-INSURERS AND GROUP SELF-INSURERS; TO CREATE NEW CODE SECTION  
27 71-3-174, MISSISSIPPI CODE OF 1972, TO PROVIDE FOR SPECIAL  
28 ASSESSMENT PLANS IF AN ASSOCIATION ASSUMES OBLIGATIONS OF AN  
29 INDIVIDUAL SELF-INSURER OR GROUP SELF-INSURER WHICH EXCEED THE  
30 ASSETS OF SUCH ASSOCIATION; TO AMEND SECTIONS 71-3-153, 71-3-167,  
31 71-3-175, 71-3-177, 71-3-179 AND 71-3-181, MISSISSIPPI CODE OF  
32 1972, IN CONFORMITY THERETO; AND FOR RELATED PURPOSES.

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

34 **SECTION 1.** Section 71-3-153, Mississippi Code of 1972, is  
35 amended as follows:

36 71-3-153. The purpose of Sections 71-3-151 through 71-3-181  
37 is to provide a mechanism for the payment of the covered claims  
38 under the Workers' Compensation Law, to avoid excessive delay in  
39 payment and to avoid financial loss to claimants because of the  
40 insolvency of a self-insurer, to assist in the detection and  
41 prevention of self-insurer insolvencies, and to provide \* \* \*

42 associations to assess the cost of such protection among  
43 self-insurers.

44 Sections 71-3-151 through 71-3-181 shall apply to all  
45 employers who are self-insurers under the provisions of Section  
46 71-3-75, Mississippi Code of 1972.

47 **SECTION 2.** Section 71-3-157, Mississippi Code of 1972, is  
48 amended as follows:

49 71-3-157. For the purposes of Sections 71-3-151 through  
50 71-3-181, the following words shall have the meanings ascribed  
51 herein unless the context shall otherwise require:

52 (a) "Individual association" means the Mississippi  
53 Workers' Compensation Individual Self-insurer Guaranty Association  
54 created under Section 71-3-159.

55 (b) "Group association" means the Mississippi Workers'  
56 Compensation Group Self-insurer Guaranty Association created under  
57 Section 71-3-159.

58 (c) "Commission" means the Mississippi Workers'  
59 Compensation Commission.

60 (d) "Compensation" means amounts payable to claimants  
61 under the Mississippi Workers' Compensation Law as defined in  
62 Section 71-3-3(j), Mississippi Code of 1972.

63 (e) "Covered claim" means an unpaid claim upon which  
64 compensation or medical is payable by an individual self-insurer  
65 or a group self-insurer under the Workers' Compensation Law.

66 (f) "Self-insurer in default" means an individual  
67 self-insurer or a group self-insurer as defined by this chapter  
68 that has defaulted or failed for any reason to satisfy any of its  
69 obligations under the Workers' Compensation Law, including,  
70 without limitation, all obligations for payment of indemnity  
71 compensation, disability, expenses of medical, hospital, surgical,  
72 rehabilitation and other services, death benefits and funeral  
73 expenses, whether such default or failure is the result of  
74 insolvency or bankruptcy or receivership or otherwise.

75           (g) "Member self-insurer" means a self-insurer as  
76 defined by this chapter who is a member of the Mississippi  
77 Workers' Compensation Individual Self-insurer Guaranty Association  
78 or the Mississippi Workers' Compensation Group Self-insurer  
79 Guaranty Association.

80           (h) "Individual self-insurer" is an employer who has  
81 been authorized under Section 71-3-75(2), Mississippi Code of  
82 1972, to insure under the Workers' Compensation Law.

83           (i) "Group self-insurer" is a group of employers who  
84 have been authorized under Section 71-3-75(3), Mississippi Code of  
85 1972, to insure under the Workers' Compensation Law.

86           (j) "Person" means any individual, corporation,  
87 partnership, association or voluntary organization.

88           **SECTION 3.** Section 71-3-159, Mississippi Code of 1972, is  
89 amended as follows:

90           71-3-159. There are created \* \* \* nonprofit unincorporated  
91 legal entities to be known as the "Mississippi Workers'  
92 Compensation Individual Self-insurer Guaranty Association" and the  
93 "Mississippi Workers' Compensation Group Self-insurer Guaranty  
94 Association." All individual self-insurers shall be and remain  
95 members of the individual association and all group self-insurers  
96 shall be and remain members of the group association as a  
97 condition of their authority under Section 71-3-75, Mississippi  
98 Code of 1972. These associations shall perform their functions  
99 under \* \* \* plans of operation established and approved under  
100 Section 71-3-165 and shall exercise their powers through \* \* \*  
101 boards of directors established under Section 71-3-161. However,  
102 any individual or group self-insurer composed of the state, or any  
103 agency thereof, or county or municipal governments shall not be  
104 required to be members of the individual association or the group  
105 association.

106           **SECTION 4.** Section 71-3-161, Mississippi Code of 1972, is  
107 amended as follows:

108           71-3-161. (1) The boards of directors of the individual  
109 association and the group association shall each consist of not  
110 less than five (5) nor more than nine (9) persons, serving terms  
111 as established in their plans of operation. The members of each  
112 of the boards shall be selected by their respective member  
113 self-insurers, subject to the approval of the commission.  
114 Vacancies of the boards shall be filled for the remaining period  
115 of the term in the same manner as initial appointments.

116           (2) In approving selections to the boards, the commission  
117 shall consider, among other things, whether all member  
118 self-insurers of their respective association are fairly  
119 represented.

120           (3) Subject to board approval, members of the boards may be  
121 reimbursed from the assets of their respective associations for  
122 expenses, including, but not limited to, attorney fees, incurred  
123 by them as members of the boards of directors.

124           **SECTION 5.** Section 71-3-163, Mississippi Code of 1972, is  
125 amended as follows:

126           71-3-163. (1) Each association shall:

127           (a) Be obligated to the extent of its covered claims  
128 existing prior to the date of default and arising within thirty  
129 (30) days after the date of default. In no event shall an  
130 association be obligated to a claimant in an amount in excess of  
131 the obligation of the defaulting member self-insurer of such  
132 association.

133           (b) Be deemed the self-insurer to the extent of  
134 obligations on its \* \* \* covered claims and to such extent shall  
135 have all rights, duties and obligations of the individual  
136 self-insurer in default or insolvent group self-insurer in default  
137 as if such self-insurer were not in default.

138           (c) Assess its respective individual self-insurers or  
139 group self-insurers amounts necessary to pay the obligations of  
140 the association under subsection (2) of this section, the expenses

141 of handling covered claims and other expenses authorized by  
142 Sections 71-3-151 through 71-3-181. The assessments of each  
143 individual self-insurer and each group self-insurer shall be two  
144 percent (2%) of the gross paid compensation and medical supplies  
145 and services of said member self-insurer during each period of six  
146 (6) months. Said two percent (2%) assessment shall be collected  
147 by the commission at the same time as and pursuant to the  
148 procedures adopted by the commission pursuant to Section 71-3-99,  
149 Mississippi Code of 1972. All funds in the Mississippi Workers'  
150 Compensation Self-insurer Guaranty Association on July 1, 2004,  
151 shall become and remain assets of the Mississippi Workers'  
152 Compensation Individual Self-insurer Guaranty Association, but  
153 shall be used only for purposes of satisfying obligations arising  
154 from covered claims filed with the Mississippi Workers'  
155 Compensation Self-insurer Guaranty Association on and before July  
156 1, 2004. All obligations arising from covered claims filed with  
157 the Mississippi Workers' Compensation Self-insurer Guaranty  
158 Association on and before July 1, 2004, shall remain obligations  
159 of all employers who were approved self-insureds as of the dates  
160 such covered claims were filed. All obligations arising from  
161 covered claims filed after July 1, 2004, shall become the sole  
162 obligation of the association to which the insolvent individual  
163 self-insurer or group self-insurer belongs. The two percent (2%)  
164 assessment to each individual self-insurer and to each group  
165 self-insurer is to be collected by the commission until the sum of  
166 Two Million Dollars (\$2,000,000.00) is accumulated by each  
167 association. At that time the assessments shall be suspended.  
168 However, any employer that becomes authorized under Section  
169 71-3-75 to be a member self-insurer after July 1, 1996, is not  
170 entitled to have the two percent (2%) assessment suspended until  
171 such member self-insurer has contributed to the guaranty fund to  
172 which it belongs for the first four (4) years such employer is a  
173 member self-insurer \* \* \* regardless of the amount in the guaranty

174 fund of the association to which it belongs. The two percent (2%)  
175 assessment shall be reinstated for all member self-insurers of  
176 the individual association or group association at any time that  
177 the guaranty fund balance of the association to which they belong  
178 reaches One Million Five Hundred Thousand Dollars (\$1,500,000.00)  
179 and such assessment shall continue until such time as the balance  
180 in the guaranty fund of their association is Two Million Dollars  
181 (\$2,000,000.00). If the maximum assessment, together with the  
182 other assets of an association, does not provide in any one (1)  
183 year an amount sufficient to make all necessary payments, the  
184 funds available in such association shall be paid as directed by  
185 the commission and any unpaid portion shall be paid as soon  
186 thereafter as funds in such association become available. When  
187 the guaranty fund balance of the group association reaches One  
188 Million Dollars (\$1,000,000.00), the commission may waive the need  
189 for bonding requirements for self-funded pools.

190 (d) Investigate claims brought against the association;  
191 adjust, compromise, settle and pay covered claims to the extent of  
192 the association's obligations; deny all other claims; and may  
193 review settlements, releases and judgments to which the member  
194 self-insurer in default were parties to determine the extent to  
195 which such settlements, releases and judgments may be properly  
196 contested.

197 (e) Notify such persons as the commission directs under  
198 Section 71-3-167(2)(a).

199 (f) Handle claims through its employees or through one  
200 or more other persons designated as servicing facilities.  
201 Designation of a servicing facility is subject to the approval of  
202 the commission.

203 (g) Reimburse each servicing facility for obligations  
204 of the association paid by the facility and for expenses incurred  
205 by the facility while handling claims on behalf of the

206 association, and shall pay the other expenses of the association  
207 authorized by Sections 71-3-151 through 71-3-181.

208 (2) Each association may:

209 (a) Employ or retain such persons as are necessary to  
210 handle claims and perform other duties of the association.

211 (b) Sue or be sued.

212 (c) Negotiate and become a party to such contracts as  
213 are necessary to carry out the purposes of Sections 71-3-151  
214 through 71-3-181.

215 (d) Perform such other acts as are necessary or proper  
216 to effectuate the purposes of Sections 71-3-151 through 71-3-181.

217 **SECTION 6.** Section 71-3-165, Mississippi Code of 1972, is  
218 amended as follows:

219 71-3-165. (1) Each association shall submit to the  
220 commission a plan of operation and any amendments thereto  
221 necessary or suitable to assure the fair, reasonable and equitable  
222 administration of the association. The plan of operation and any  
223 amendments thereto shall become effective upon approval in writing  
224 by the commission.

225 (2) If at any time an association fails to submit suitable  
226 amendments to its plan, the commission shall, after notice and  
227 hearings, adopt and promulgate such reasonable rules as are  
228 necessary or advisable to effectuate the provisions of Sections  
229 71-3-151 through 71-3-181. Such rules shall continue in force  
230 until modified by the commission or superseded by a plan submitted  
231 by the noncomplying association and approved by the commission.

232 (3) All member self-insurers shall comply with the plan of  
233 operation of the association to which they belong. The plan of  
234 operation of each association shall:

235 (a) Establish the procedures whereby all the powers and  
236 duties of the association under Section 71-3-163 will be  
237 performed.

238           (b) Establish procedures for handling assets of the  
239 association.

240           (c) Establish the amount and method of reimbursing  
241 members of the board of directors under Section 71-3-161.

242           (d) Establish procedures by which claims may be filed  
243 with the association, and establish acceptable forms of proof of  
244 covered claims.

245           (e) Establish regular places and times for meetings of  
246 the board of directors.

247           (f) Establish procedures for records to be kept of all  
248 financial transactions of the association, its agents and the  
249 board of directors.

250           (g) Provide that any individual self-insurer or group  
251 self-insurer aggrieved by any final action or decision of the  
252 association to which it belongs may appeal to the commission  
253 within thirty (30) days after the action or decision.

254           (h) Establish the procedures whereby selections for the  
255 board of directors will be submitted to the commission.

256           (i) Contain additional provisions necessary or proper  
257 for the execution of the powers and duties of the association.

258           (4) The plan of operation of each association may provide  
259 that any or all powers and duties of the association, except those  
260 under Section 71-3-163(1)(c) and Section 71-3-174, are delegated  
261 to a corporation, association or other organization which performs  
262 or will perform functions similar to those of the association.  
263 Such a corporation, association or organization shall be  
264 reimbursed as a servicing facility would be reimbursed, and shall  
265 be paid for its performance of any other functions of the  
266 association. A delegation under this subsection shall take effect  
267 only with the approval of both the board of directors of the  
268 association and the commission, and may be made only to a  
269 corporation, association or organization which extends protection



270 not substantially less favorable and effective than that provided  
271 by Sections 71-3-151 through 71-3-181.

272 **SECTION 7.** Section 71-3-167, Mississippi Code of 1972, is  
273 amended as follows:

274 71-3-167. (1) The commission shall:

275 (a) Upon the request of an association or of any other  
276 party or without any request on its own motion, enter any  
277 appropriate order finding a member self-insurer to be in default  
278 and to determine the date of such default and promptly notify the  
279 association to which such member self-insurer belongs of the  
280 existence of such default and the date of such default.

281 (b) Upon request of the board of directors of an  
282 association, provide such association with a statement of  
283 compensation payments of each member self-insurer of such  
284 association.

285 (2) The commission may:

286 (a) Require that the group association notify the  
287 member self-insurers of any group self-insurer in default and any  
288 other interested parties of the default. Such notification shall  
289 be by mail at their last known address, where available, but if  
290 sufficient information for notification by mail is not available,  
291 notice by publication in a newspaper of general circulation shall  
292 be sufficient.

293 (b) Suspend or revoke, after notice and hearing, the  
294 authority to self-insure granted under Section 71-3-75,  
295 Mississippi Code of 1972, of any member self-insurer who fails to  
296 pay an assessment when due, or fails to comply with the plan of  
297 operation of the association to which it belongs. As an  
298 alternative, the commission may levy a fine on any member  
299 self-insurer who fails to pay an assessment when due or fails to  
300 comply with the plan of operation. Such fine shall not exceed  
301 five percent (5%) of the unpaid assessment per month, except that

302 no fine shall be less than One Hundred Dollars (\$100.00) per  
303 month.

304 (c) Revoke the designation of any servicing facility if  
305 it finds claims are being handled unsatisfactorily.

306 (3) Any final action or order of the commission under  
307 Sections 71-3-151 through 71-3-181 shall be subject to judicial  
308 review in a court of competent jurisdiction.

309 **SECTION 8.** Section 71-3-169, Mississippi Code of 1972, is  
310 amended as follows:

311 71-3-169. (1) Any person recovering from an association  
312 under Sections 71-3-151 through 71-3-181 shall be deemed to have  
313 assigned his rights under the Workers' Compensation Law to such  
314 association to the extent of his recovery from such association.  
315 Any claimant seeking the protection of Sections 71-3-151 through  
316 71-3-181 shall cooperate with the association against which claim  
317 is made to the same extent as such person would have been required  
318 to cooperate with the member self-insurer in default. Such  
319 association shall have no cause of action under the Workers'  
320 Compensation Law against the claimant \* \* \* of the member  
321 self-insurer in default for any sums it has paid out except such  
322 causes of action as such member self-insurer in default would have  
323 had if such sums had been paid by such member self-insurer in  
324 default.

325 (2) An association may recover from the self-insurer in  
326 default and from a group self-insurer in default all amounts paid  
327 by such association on account of covered claims of employees of  
328 the member self-insurer in default and any group self-insurer in  
329 default to which such member self-insurer in default belongs, as  
330 well as all expenses incurred by such association in evaluating,  
331 adjusting, defending or settling covered claims of such  
332 employees \* \* \*. It shall be presumed that all amounts paid by  
333 such association under this section are reasonable, necessary and  
334 otherwise in compliance with this chapter. There shall be added

335 to any recovery under this section expenses of litigation of such  
336 association in obtaining such recovery, interest at the rate of  
337 eight percent (8%) per annum commencing on the date of such  
338 default and a ten percent (10%) penalty.

339 **SECTION 9.** Section 71-3-173, Mississippi Code of 1972, is  
340 amended as follows:

341 71-3-173. To aid in the detection and prevention of  
342 individual self-insurer insolvencies and group self-insurer  
343 insolvencies:

344 (a) The board of directors of an association may, upon  
345 majority vote, request that the commission order an examination of  
346 any of its member self-insurers and group self-insurers which the  
347 board in good faith believes may be in a financial condition  
348 hazardous to the potential claimants or the public. Upon making  
349 any such request to the commission, such board of directors shall  
350 recommend for commission approval persons to perform the  
351 examination. The examination shall commence within thirty (30)  
352 days following the commission's approval of such request for  
353 examination. The commission may request a board of directors to  
354 recommend for commission approval, and a board of directors can  
355 request the commission to approve, alternative persons to complete  
356 an examination if it is believed the examination is not being  
357 performed in a timely and efficient manner. \* \* \* The cost of  
358 such examination shall be paid by the association requesting such  
359 examination, and \* \* \* examination reports shall be forwarded to  
360 the commission and treated as are other examination reports. In  
361 no event shall reports of such examination \* \* \* be released to  
362 the board of directors of such association prior to release to the  
363 public, but this shall not preclude the commission from complying  
364 with paragraph (b) of this section. The commission shall notify  
365 the board of directors of such association when the examination is  
366 completed. Each request for an examination by an association  
367 shall be kept on file by the commission, but it shall not be open

368 to public inspection prior to the release of an examination report  
369 to the public.

370 (b) It shall be the duty of the commission to report to  
371 the board of directors of an association when it has reasonable  
372 cause to believe that any member self-insurer or group  
373 self-insurer examined or being examined at the request of the  
374 board of directors of such association may be insolvent or in a  
375 financial condition hazardous to potential claimants or the  
376 public.

377 (c) The board of directors of an association may, upon  
378 majority vote, make reports and recommendations to the commission  
379 upon any matter germane to the solvency, bankruptcy or  
380 reorganization of any of its member self-insurers and group  
381 self-insurers. Such reports and recommendations shall not be  
382 considered public documents.

383 (d) The board of directors of an association may, upon  
384 majority vote, make recommendations to the commission for the  
385 detection and prevention of member self-insurer insolvencies and  
386 group self-insurer insolvencies.

387 (e) The board of directors of an association shall, at  
388 the conclusion of any \* \* \* insolvency, bankruptcy case or \* \* \*  
389 default \* \* \* where such association was obligated to pay covered  
390 claims, prepare a report on the history and causes of such  
391 insolvency and bankruptcy, based on the information available to  
392 such association, and submit such report to the commission.

393 **SECTION 10.** The following section shall be codified as  
394 Section 71-3-174, Mississippi Code of 1972:

395 71-3-174. If an association assumes any obligations of an  
396 individual self-insurer or group self-insurer under this chapter,  
397 and payments of such obligations exceed the assets of such  
398 association, such association shall within not less than sixty  
399 (60) days thereafter submit for approval by the commission a plan  
400 for special assessment of each individual self-insurer and group

401 self-insurer who may be responsible for payment of such  
402 obligations in excess of the assets of such association. Such  
403 plan for special assessment shall also include the expenses of  
404 such association related to the processing of obligations covered  
405 by the special assessment plan. Failure to comply with a  
406 commission-approved special assessment plan of an association  
407 shall create a cause of action in favor of such association  
408 against any noncompliant member self-insurer and any noncompliant  
409 group self-insurer for recovery of payments and expenses by such  
410 association for which the noncompliant member self-insurer or  
411 noncompliant group self-insurer should have been obligated. It  
412 shall be presumed that all obligations paid by an association  
413 pursuant to a commission-approved special assessment plan,  
414 including, but not limited to, expenses associated with processing  
415 such obligations, are reasonable, necessary and otherwise in  
416 compliance with the requirements of this chapter. There shall be  
417 added to any recovery under this section expenses of litigation of  
418 such association related to such cause of action, interest at the  
419 rate of eight percent (8%) per annum beginning on the date of such  
420 noncompliance and a ten percent (10%) penalty.

421 **SECTION 11.** Section 71-3-175, Mississippi Code of 1972, is  
422 amended as follows:

423 71-3-175. The individual association and group association  
424 shall be subject to examination and regulation by the commission.  
425 The board of directors of each association shall submit, not later  
426 than March 30 of each year, a financial report for the preceding  
427 calendar year in a form approved by the commission. The  
428 commission shall furnish the board of directors of an association  
429 any records of the commission which would aid in the preparation  
430 of this financial report.

431 **SECTION 12.** Section 71-3-177, Mississippi Code of 1972, is  
432 amended as follows:

433           71-3-177. The individual association and group association  
434 shall be exempt from payment of all fees and all taxes levied by  
435 this state or any of its subdivisions except taxes levied on real  
436 or personal property.

437           **SECTION 13.** Section 71-3-179, Mississippi Code of 1972, is  
438 amended as follows:

439           71-3-179. Subject to Section 71-3-174, there shall be no  
440 liability on the part of and no cause of action of any nature  
441 shall arise against any individual self-insurer, any group  
442 self-insurer, association, \* \* \* agents and employees of an  
443 association, board of directors of an association, and the  
444 commission and its employees and representatives, or any of them,  
445 for any good faith, affirmative action taken by any of them in the  
446 performance of their powers and duties under Sections 71-3-151  
447 through 71-3-181. This section does not apply to individual  
448 employers who are members of a group self-insurer. Such immunity  
449 shall not extend to any acts of gross negligence by any such  
450 individual self-insurer, group self-insurer, association, agents  
451 and employees of an association, board of directors of an  
452 association and the commission and its employees and  
453 representative committed in the performance of their duties  
454 hereunder.

455           **SECTION 14.** Section 71-3-181, Mississippi Code of 1972, is  
456 amended as follows:

457           71-3-181. All proceedings in which any individual  
458 self-insurer in default or group self-insurer in default is a  
459 party before the commission or in any court in this state, on  
460 order of the commission, may be stayed for a period not to exceed  
461 six (6) months from the date of the default to permit proper  
462 defense by such association of all covered claims. If any  
463 judgment, order, decision, verdict or finding is made or entered  
464 against such individual self-insurer in default or group  
465 self-insurer in default while the stay provided in this section is

466 effective, the association to which such individual self-insurer  
467 or group self-insurer belongs may apply to have such judgment,  
468 order, decision, verdict or finding set aside by the same court or  
469 administrator that made such judgment, order, decision, verdict or  
470 finding. Such association shall be permitted to enter its  
471 appearance and defend against any covered claim which is pending  
472 on the date of default or which is filed thereafter.

473         **SECTION 15.** This act shall take effect and be in force from  
474 and after July 1, 2004.