

By: Senator(s) Kirby

To: Insurance

SENATE BILL NO. 2141

1 AN ACT TO AMEND SECTION 83-1-151, MISSISSIPPI CODE OF 1972,
2 TO INCLUDE CERTAIN LARGER FRATERNAL BENEFIT SOCIETIES UNDER THE
3 DEFINITION OF "INSURER"; AND FOR RELATED PURPOSES.

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

5 **SECTION 1.** Section 83-1-151, Mississippi Code of 1972, is
6 amended as follows:

7 83-1-151. As used in Sections 83-1-151 through 83-1-169, the
8 following items shall have the meanings ascribed herein unless the
9 context indicates otherwise:

10 (a) "Insurer" means and includes every person engaged
11 as indemnitor, surety or contractor in the business of entering
12 into contracts of insurance or of annuities as limited to:

13 (i) Any insurer who is doing an insurer business,
14 or has transacted insurance in this state, and against whom claims
15 arising from that transaction may exist now or in the future.

16 (ii) Any fraternal benefit society or larger
17 fraternal benefit society which is subject to the provisions of
18 Section 83-29-1 et seq. or Section 83-30-1 et seq.

19 (iii) All corporate bodies organized for the
20 purpose of carrying on the business of mutual insurance subject to
21 the provisions of Section 83-31-1 et seq.

22 (iv) All health maintenance organizations
23 established under Section 41-7-401.

24 (b) "Exceeded its powers" means the following
25 conditions:

26 (i) The insurer has refused to permit examination
27 of its books, papers, accounts, records or affairs by the

28 commissioner, his deputies, employees or duly commissioned
29 examiners;

30 (ii) A domestic insurer has unlawfully removed
31 from this state books, papers, accounts or records necessary for
32 an examination of the insurer;

33 (iii) The insurer has failed to promptly comply
34 with the applicable financial reporting statutes or rules and
35 departmental requests relating thereto;

36 (iv) The insurer has neglected or refused to
37 comply with an order of the commissioner to make good, within the
38 time prescribed by law, any prohibited deficiency in its capital,
39 capital stock or surplus;

40 (v) The insurer is continuing to transact
41 insurance or write business after its license has been revoked or
42 suspended by the commissioner;

43 (vi) The insurer, by contract or otherwise, has
44 unlawfully or has in violation of an order of the commissioner or
45 has without first having obtained written approval of the
46 commissioner if approval is required by law:

47 (A) Totally reinsured its entire outstanding
48 business, or

49 (B) Merged or consolidated substantially its
50 entire property or business with another insurer;

51 (vii) The insurer engaged in any transaction in
52 which it is not authorized to engage under the laws of this state;

53 (viii) The insurer refused to comply with a lawful
54 order of the commissioner.

55 (c) "Consent" means agreement to administrative
56 supervision by the insurer.

57 (d) "Commissioner" means the Commissioner of Insurance.

58 (e) "Department" means the Department of Insurance.

59 **SECTION 2.** This act shall take effect and be in force from
60 and after July 1, 2004.