

By: Senator(s) Kirby

To: Insurance

SENATE BILL NO. 2829

1 AN ACT TO PROVIDE FOR A FLEXIBLE RATING SYSTEM FOR PROPERTY  
2 AND CASUALTY INSURANCE RATES; TO ALLOW SUCH INSURERS TO INCREASE  
3 OR DECREASE EXISTING RATES WITHIN A CERTAIN PERCENTAGE WITHOUT  
4 PRIOR APPROVAL BY THE COMMISSIONER OF INSURANCE; TO PROVIDE THAT  
5 THE COMMISSIONER MAY DETERMINE THAT THE RATE CHANGE IS INADEQUATE  
6 OR UNFAIRLY DISCRIMINATORY AND MAY ORDER THE FILING NO LONGER  
7 EFFECTIVE; AND FOR RELATED PURPOSES.

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

9 SECTION 1. The following provision shall be codified within  
10 Chapter 2, Title 83, Mississippi Code of 1972:

11 83-2-\_\_\_. (1) Notwithstanding any provision of law to the  
12 contrary, a filing made by an insurer under this section that  
13 provides for an overall statewide rate increase or decrease of no  
14 more than twelve percent (12%) in the aggregate for all personal  
15 lines coverages that are subject to the filing may take effect the  
16 date it is filed. The twelve percent (12%) limitation does not  
17 apply on an individual insured basis. No more than one (1) rate  
18 filing may be made by an insurer pursuant to the expedited process  
19 provided in this subsection during any twelve-month period, unless  
20 a rate filing, when combined with any other rate filing or filings  
21 made by an insurer within the preceding twelve (12) months, does  
22 not result in an overall statewide increase or decrease of more  
23 than twelve percent (12%) in the aggregate for all personal lines  
24 coverages that are subject to the filing.

25 (2) Rate filings falling outside of the limitation provided  
26 in subsection (1) of this section shall be subject to the filing  
27 and approval requirements provided in this chapter, unless  
28 otherwise exempt as provided by law.

29           (3) A filing submitted pursuant to subsection (1) of this  
30 section is considered to comply with state law. However, if the  
31 Commissioner of Insurance determines that the filing is inadequate  
32 or unfairly discriminatory, he shall issue a written order  
33 specifying in detail the provisions of the insurance code the  
34 insurer has violated and the reasons the filing is inadequate or  
35 unfairly discriminatory and stating a reasonable future date on  
36 which the filing is to be considered no longer effective. An  
37 order by the commissioner pursuant to this subsection that is  
38 issued more than thirty (30) days from the date on which the  
39 commissioner received the rate filing is prospective only and does  
40 not affect any contract issued or made before the effective date  
41 of the order. For purposes of this section, an "unfairly  
42 discriminatory" means a rate for a risk that is classified in  
43 whole or in part on the basis of race, color, creed or national  
44 origin.

45           (4) No rate increase within the limitation specified in  
46 subsection (1) of this section may be implemented with regard to  
47 an individual existing policy, unless the increase is applied at  
48 the time of a renewal or conditional renewal of an existing policy  
49 and the insurer, at least thirty (30) days in advance of the end  
50 of the insured's policy period, mails or delivers to the named  
51 insured, at the address shown in the policy, a written notice that  
52 clearly and conspicuously discloses its intention to change the  
53 rate. A notice of renewal or conditional renewal that clearly and  
54 conspicuously discloses the renewal premium applicable to the  
55 policy shall be deemed to be in compliance with this subsection.

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