

By: Senator(s) Kirby

To: Insurance

SENATE BILL NO. 2043

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 eight percent (8%) 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 eight percent (8%) 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 eight percent (8%) 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, "unfairly
42 discriminatory rate" 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, 2005.