

By: Representative Formby

To: Insurance

HOUSE BILL NO. 1277

1 AN ACT TO AMEND SECTIONS 83-34-5 AND 83-34-13, MISSISSIPPI
2 CODE OF 1972, TO AUTHORIZE THE MISSISSIPPI WINDSTORM UNDERWRITING
3 ASSOCIATION TO ESTABLISH GEOGRAPHICAL ZONES OF COVERAGE; AND FOR
4 RELATED PURPOSES.

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

6 **SECTION 1.** Section 83-34-5, Mississippi Code of 1972, is
7 amended as follows:

8 83-34-5. The association shall, pursuant to the provisions
9 of this chapter and the plan of operation, and with respect to
10 essential property insurance on insurable property, have the power
11 on behalf of its members:

12 (a) To cause to be issued, or issue, policies of
13 insurance to applicants;

14 (b) To assume reinsurance from its members; and

15 (c) To cede reinsurance to its members and to purchase
16 reinsurance in behalf of its members; and

17 (d) To establish geographical zones of coverage within
18 the coast area.

19 **SECTION 2.** Section 83-34-13, Mississippi Code of 1972, is
20 amended as follows:

21 83-34-13. Within forty-five (45) days after the passage of
22 this chapter, the directors of the association shall submit to the
23 commissioner for review and approval a proposed plan of operation.
24 Such proposed plan shall set forth the number, qualifications,
25 terms of office, and manner of election of the members of the
26 board of directors; shall grant proper credit annually to each
27 member of the association for essential property insurance
28 voluntarily written in the coast area; and shall provide for the

29 efficient, economical, fair and nondiscriminatory administration
30 of the association. Such proposed plan may include a preliminary
31 assessment of all members for initial expenses necessary to the
32 commencement of operation, the establishment of necessary
33 facilities, management of the association, plans for the
34 assessment of members to defray losses and expenses, underwriting
35 standards, the establishment of geographical zones of coverage
36 within the coast area, procedures for the acceptance and cession
37 of reinsurance, procedures for determining the amounts of
38 insurance to be provided to specific risks, time limits and
39 procedures for processing applications for insurance, and for such
40 other provisions as may be deemed necessary by the commissioner to
41 carry out the purposes of this chapter.

42 The proposed plan shall be reviewed by the commissioner and
43 approved if he finds that such plan fulfills the purposes provided
44 by Section 1 of Chapter 459, Laws 1987 [See Editor's Note
45 following Section 83-34-1]. In the review of the proposed plan,
46 the commissioner, in his discretion, may consult with the
47 directors of the association and may seek any further information
48 which it deems necessary for a decision. If the commissioner
49 approves the proposed plan, he shall certify such approval to the
50 directors, and the plan shall become effective ten (10) days after
51 such certification. If the commissioner disapproves all or any
52 part of the proposed plan of operation, he shall return the same
53 to the directors with a written statement giving the reasons for
54 disapproval and any recommendations the commissioner may wish to
55 make. The directors may alter the plan in accordance with the
56 commissioner's recommendation or may, within thirty (30) days from
57 the date of disapproval, return a new plan to the commissioner.
58 Should the directors fail to submit a proposed plan of operation
59 within forty-five (45) days following passage of this chapter, or
60 a new plan which is acceptable to the commissioner, or accept the
61 recommendation of the commissioner within thirty (30) days after

62 disapproval of the plan, the commissioner shall promulgate and
63 place into effect a plan of operation certifying the same to the
64 directors of the association. Any such plan promulgated by the
65 commissioner shall take effect ten (10) days after certification
66 to the directors.

67 The directors of the association may, subject to the approval
68 of the commissioner, amend the plan of operation at any time. The
69 commissioner may review the plan of operation at any time he deems
70 expedient or prudent. After review of such plan, the commissioner
71 may amend the plan after consultation with the directors of the
72 association and upon certification to the directors of such
73 amendment.

74 **SECTION 3.** This act shall take effect and be in force from
75 and after July 1, 2007.