

By: Senator(s) Kirby

To: Insurance

SENATE BILL NO. 2675

1 AN ACT TO AMEND SECTION 71-3-77, MISSISSIPPI CODE OF 1972, TO
2 REVISE THE NOTICE OF CANCELLATION REQUIREMENTS PROVIDED IN
3 WORKERS' COMPENSATION POLICIES; AND FOR RELATED PURPOSES.

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

5 **SECTION 1.** Section 71-3-77, Mississippi Code of 1972, is
6 amended as follows:

7 71-3-77. (1) Every contract for the insurance of the
8 compensation herein provided, or against liability therefor, shall
9 be deemed to be made subject to the provisions of this chapter,
10 and provisions thereof inconsistent with the chapter shall be
11 void. Such contract shall be allowed to offer deductibles on all
12 liability of the assured under and according to the provisions of
13 the chapter, notwithstanding any agreement of the parties to the
14 contrary. However, the payments of the claims, including the
15 deductible amounts, shall be made directly from the insurance
16 company to the employee, except for medical benefits which shall
17 be paid to the medical provider. A copy of such payments shall be
18 forwarded to the employer. The insurance company shall collect
19 the deductible from the employer as shall be provided in the
20 contract between the employer and the insurer. No such policy
21 shall be subject to nonrenewal, or cancelled by the insurer within
22 the policy period, until a notice in writing shall be given to the
23 commission and to the insured, fixing the date on which it is
24 proposed to cancel it or declaring that the company does not
25 intend to renew the policy upon expiration date. * * * Notice to
26 the insured shall be served personally or by registered or
27 certified mail. * * * Notice to the commission shall be provided

28 in such manner and on such form as the commission may prescribe or
29 direct. No such cancellation or nonrenewal shall be effective
30 until thirty (30) days after the service of such notice on the
31 insured and the provision of notice to the commission, unless the
32 employer has obtained other insurance coverage, in which case such
33 policy shall be deemed cancelled as of the effective date of such
34 other insurance, whether or not such notice has been given.

35 The insured may also cancel such a policy on the day that the
36 insured either (a) returns the policy to the agent, or (b) signs
37 and delivers to the agent a "lost policy release." If the insured
38 desires to cancel a policy before the policy has become effective,
39 he may cancel the policy by written notice of cancellation to the
40 agent or company without return of the policy or a release.

41 (2) In any case where the employer is not a self-insurer, in
42 order that the liability for compensation imposed by this chapter
43 may be most effectively discharged by the employer and in order
44 that the administration of this chapter in respect of such
45 liability may be facilitated, the commission shall by regulation
46 provide for the discharge, by the carrier or carriers for such
47 employer, of such obligations and duties of the employer in
48 respect of such liability imposed by this chapter upon the
49 employer as it considers proper in order to effectuate the
50 provisions of this chapter. For such purpose (a) notice to or
51 knowledge of an employer of the occurrence of the injury shall be
52 notice to or knowledge of the carrier or carriers; (b)
53 jurisdiction of the employer by the commission or any court under
54 this chapter shall be jurisdiction of the carrier or carriers; and
55 (c) any requirement by the commission or any court under any
56 compensation order, finding, or decision shall be binding upon the
57 carrier or carriers in the same manner and to the same extent as
58 upon the employer.

59 **SECTION 2.** This act shall take effect and be in force from
60 and after July 1, 2007.