

By: Representatives DeLano, Busby, Bennett,
Baria, Willis, Eure, Monsour, Crawford,
Haney, Patterson, Anderson

To: Insurance

HOUSE BILL NO. 739

1 AN ACT TO CREATE THE PROPERTY INSURANCE CLARITY ACT; TO
2 REQUIRE INSURERS AUTHORIZED TO TRANSACT HOMEOWNERS INSURANCE
3 BUSINESS IN THE STATE TO PROVIDE POLICY AND PREMIUM INFORMATION TO
4 THE DEPARTMENT OF INSURANCE; TO AUTHORIZE THE DEPARTMENT TO
5 PROVIDE ON THE DEPARTMENT WEBSITE AGGREGATE INFORMATION FOR
6 HOMEOWNERS INSURANCE POLICIES, PERTAINING TO THE NUMBER OF
7 POLICIES IN FORCE AND THE DIRECT INCURRED LOSSES, DIRECT EARNED
8 PREMIUMS AND POLICY LIMITS REPRESENTING THE TOTAL OF EVERY INSURER
9 DOING BUSINESS IN THE STATE; TO AUTHORIZE THE DEPARTMENT TO POST
10 ON THE DEPARTMENT WEBSITE A COMPREHENSIVE DESCRIPTION OF THE
11 ACTUARIAL MODEL USED BY THE DEPARTMENT FOR HOMEOWNERS PROPERTIES
12 RISK AND OTHER RELATED DATA; TO PROVIDE PENALTIES FOR INSURER
13 NONCOMPLIANCE; AND FOR RELATED PURPOSES.

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

15 **SECTION 1.** (1) This act shall be known and may be cited
16 as the Property Insurance Clarity Act.

17 (2) It is the intent and purpose of the Legislature that
18 this act shall serve to allow the Mississippi Insurance Department
19 to receive and aggregate insurers' homeowner claims loss data for
20 the purposes of determining the accuracy and adequacy of
21 catastrophic models and determine the adequacy of rates. This act
22 is not intended to and shall not create any separate cause of
23 action.



24 **SECTION 2.** (1) Each insurance company and the Mississippi
25 Windstorm Underwriting Association (herein after "insurers")
26 authorized to transact homeowners insurance business in the State
27 of Mississippi shall annually submit to the Mississippi Insurance
28 Department, commencing on or before October 1, 2015, for
29 homeowners insurance policies, computations of the total amount of
30 direct incurred losses, direct earned premiums, policy limits and
31 the number of policies in force for the prior calendar year. The
32 insurers shall report the computations to the department by zip
33 code. The information received by the department shall be
34 aggregated across all insurers collectively and the aggregated
35 totals shall be arranged by zip code. Homeowners insurance shall
36 also include condominium insurance, dwelling fire policies,
37 renters/tenants insurance, and mobile home/manufactured housing
38 property insurance. Creditor-placed property insurance,
39 condominium association insurance, and commercial insurance are
40 excluded from this act.

41 (2) Based upon the information submitted to or otherwise
42 gathered by the department, the department may post on the
43 department website the aggregated total of the computations
44 provided under subsection (1) of this section by zip code for the
45 prior calendar year. The department may also post on the
46 department website a general description of the rate-making
47 methodology that the department allows insurers to use in
48 establishing their homeowners rates.



49 (3) Each insurer authorized to transact homeowners insurance
50 business in the state shall annually submit to the department,
51 commencing on or before October 1, 2015, computations of the
52 direct incurred losses, direct earned premiums, policy limits and
53 the number of policies in force, by zip code, by calendar year for
54 the prior calendar year, for each of the following policy
55 categories:

56 (a) All homeowners policies that include windstorm
57 coverage;

58 (b) All homeowners policies that exclude windstorm
59 coverage; and

60 (c) All policies that only include windstorm coverage.

61 (4) Each insurer authorized to transact homeowners insurance
62 business in the state shall submit to the department catastrophe
63 wind/hail information pursuant to a data call by the department
64 based on a specific catastrophic event.

65 **SECTION 3.** Beginning on October 1, 2015, each insurer
66 authorized to transact homeowners insurance business in this state
67 shall provide the information required pursuant to Section 2(1) of
68 this act, commencing with the calendar year 2005. Voluntary
69 submissions of the information required by Section 2(1) of this
70 act for calendar years prior to 2005, may be submitted and shall
71 be compiled by the department and may be posted by the department
72 on the department website in the same manner. Based upon the
73 submitted information, the department shall compile aggregate



74 totals, commencing with calendar year 2005, and may post those
75 aggregate totals on the department website pursuant to Section
76 2(2) of this act.

77 **SECTION 4.** (1) Upon written request of an insurer, the
78 commissioner may waive, modify, or extend for an additional time
79 period, for good cause shown, the reporting requirements imposed
80 by this act. The request shall demonstrate good cause for
81 waiving, modifying, or extending the reporting requirements. Good
82 cause may include, but is not limited to, the insurer's limited
83 percentage of the total homeowners insurance market in this state,
84 or the undue burden of compiling and reporting the computations,
85 data, and other information required by this act due to the
86 manner, format, or method in which the insurer has stored the
87 computations, data, or other information required.

88 (2) Any insurer that fails to timely comply with the
89 reporting requirements imposed by this act shall be given notice
90 by the department of such failure and provided ninety (90) days
91 within which to comply. Any insurer that fails to comply on or
92 before the ninetieth day shall be fined Two Thousand Five Hundred
93 Dollars (\$2,500.00) per month by the department until the date of
94 compliance. Any funds collected pursuant to this subsection shall
95 be deposited into the Municipal Fire Protection Fund.

96 **SECTION 5.** (1) Any information reported to the department
97 by an insurer pursuant to this act is considered a commercially



98 valuable trade secret and shall be confidential as provided by
99 Section 75-71-607.

100 (2) Once the information from all of the insurers is
101 aggregated, such aggregated information is not a commercially
102 valuable trade secret or otherwise confidential and the department
103 shall provide such information in a digital format in accordance
104 with this act upon the request of any person.

105 (3) The department, absent a court order, shall not release
106 confidential information described in subsection (1) of this
107 section. Notice of at least ten (10) business days shall be given
108 to the applicable insurer if its confidential information is
109 ordered by a court order to be provided by the department.

110 **SECTION 6.** This act shall take effect and be in force from
111 and after July 1, 2015.

