

**Adopted  
COMMITTEE AMENDMENT NO 1 PROPOSED TO**

**House Bill No. 773**

**BY: Committee**

**Amend by striking all after the enacting clause and inserting  
in lieu thereof the following:**

12           **SECTION 1.** Section 83-2-7, Mississippi Code of 1972, is  
13 amended as follows:  
14           83-2-7. (1) Except as provided in Section 83-2-9 and  
15 subsections (2) \* \* \*, (3) and (5) of this section, every insurer  
16 shall file with the commissioner all rates, supplementary rate  
17 information, policy forms and endorsements at least thirty (30)  
18 days prior to the proposed effective date which shall be stated in  
19 the filing. Rates, supplementary rate information, policy forms  
20 and endorsements need not be filed for inland marine risks which  
21 by general custom of the business are not written according to



22 manual rules or rating plans. Upon the request of the  
23 commissioner, supporting information shall also be filed. Any  
24 filing made under this section is deemed to be approved unless  
25 disapproved by the Commissioner of Insurance within thirty (30)  
26 days after the date of filing.

27 (2) A filing of adjustments of rates for existing rating  
28 systems made under this section which does not involve a change in  
29 the relationship between such rates and the expense portion  
30 thereof or does not involve a change of the element of expenses  
31 which are paid as a percentage of premiums and does not involve a  
32 change in rate relativities among such classifications on any  
33 basis other than loss experience is effective on the date  
34 specified in the filing which shall not be less than thirty (30)  
35 days after the filing is made and shall be deemed to meet the  
36 requirements of this chapter.

37 (3) The commissioner may give written notice within thirty  
38 (30) days of the receipt of the filing that additional time, not  
39 to exceed sixty (60) days from the date of such notice, is  
40 necessary to consider the filing. A filing is deemed to meet the  
41 requirements of this chapter and becomes effective unless  
42 disapproved by the commissioner before the expiration of the  
43 waiting period or an extension thereof. Whenever a filing made  
44 under this section is not accompanied by sufficient supporting  
45 information, the commissioner shall inform the filing entity as to  
46 what information is required to complete the filing. The filing



47 shall not be deemed to be completed until such information is  
48 furnished.

49 (4) No insurance company shall make or issue a contract or  
50 policy except in accordance with filings made with the  
51 commissioner, if such filings are required.

52 (5) Subject to the provisions of subsections (6), (7) and  
53 (8) of this section, rates and supplementary rate information for  
54 the following commercial lines insurance coverages shall be exempt  
55 from filing and approval requirements. However, the rates shall  
56 remain subject to the standards set forth in Section 83-2-3.  
57 Policy forms and endorsements for the following commercial lines  
58 insurance coverages must be filed with the commissioner within  
59 sixty (60) days of use for informational purposes only:

- 60 (a) Surety and Fidelity;  
61 (b) Boiler and Machinery;  
62 (c) Environmental Impairment or Pollution Liability;  
63 (d) Kidnap and Ransom;  
64 (e) Political Risk or Expropriation;  
65 (f) Excess and Umbrella Liability;  
66 (g) Employment Practices Liability;  
67 (h) Media Liability;  
68 (i) Product Liability, Product Recall, and Completed  
69 Operations;  
70 (j) Highly Protected Commercial Property; and



71           (k) Any other commercial lines insurance coverage or  
72 risk that the commissioner shall, pursuant to regulation, exempt  
73 from rate, rate supplementary information, or policy form filing  
74 requirements in order to promote enhanced competition or to more  
75 effectively use the resources of the department that might  
76 otherwise be used to review commercial lines filings.

77           (6) If a commercial lines insurance rate, policy form or  
78 endorsement is determined not to comply with the requirements of  
79 Mississippi law, the commissioner may issue an order specifying in  
80 detail how the rate, policy form, or endorsement fails to meet  
81 statutory requirements and further specifying a prospective date  
82 after which the rate or form may not be used. The commissioner's  
83 findings shall not affect policies in force prior to the date  
84 specified in the order. As part of such an order, the  
85 commissioner may require the insurer subject to the order to  
86 submit a filing for approval by the commissioner of a new rate or  
87 policy form, if any, that will replace the discontinued rate or  
88 policy form.

89           (7) The commissioner may temporarily reinstate, for a period  
90 of no longer than one (1) year, the filing and approval  
91 requirements for rate, rate supplementary information, or policy  
92 form for a specific type of commercial lines insurance if, after a  
93 hearing, the commissioner makes a finding of fact that a  
94 reasonable degree of competition does not exist for that specific  
95 type of insurance coverage. Such a finding of fact by the



96 commissioner must specify the relevant tests used to determine  
97 whether a lack of a reasonable degree of competition exists and  
98 the results thereof. In the absence of such specific findings of  
99 fact by the commissioner, it shall be presumed that a competitive  
100 market exists.

101 (8) For purposes of this section, commercial lines insurance  
102 means property and casualty insurance for any risk that is not a  
103 personal or family risk, but shall not include workers'  
104 compensation, medical malpractice liability, creditor-placed  
105 insurance or any insurance issued by residual market mechanisms or  
106 assigned risk plans.

107 **SECTION 2.** Section 83-2-3, Mississippi Code of 1972, is  
108 amended as follows:

109 83-2-3. (1) Rates shall comply with the following  
110 standards:

111 (a) Rates shall not be excessive, inadequate or  
112 unfairly discriminatory.

113 (b) A rate is excessive if it is likely to produce a  
114 profit that is unreasonably high for the insurance provided or if  
115 the expense provision included therein is unreasonably high in  
116 relation to the services rendered.

117 (c) A rate is inadequate if it threatens the solvency  
118 of the insurance company or tends to create a monopoly.

119 (d) Unfair discrimination exists if, after allowing for  
120 practical limitations, price differentials fail to reflect



121 equitably the differences in expected losses and expenses. A rate  
122 is not unfairly discriminatory because different premiums result  
123 for policyholders with like loss exposures with different  
124 expenses, or like expenses but different loss exposures, so long  
125 as the rate reflects the differences with reasonable accuracy.

126 (2) In determining whether rates comply with the standards  
127 set forth in subsection (1), the following criteria shall apply:

128 (a) Due consideration shall be given to past and  
129 prospective loss and expense experience within and outside this  
130 state; to catastrophe hazards; to any residual market loss  
131 redistributions and other similar obligations; to a reasonable  
132 provision for profit and contingencies; to trends within and  
133 outside this state; to loadings for leveling premium rates over a  
134 reasonable period of time or for dividends or savings to be  
135 allowed or returned by insurers to their policyholders, members or  
136 subscribers; and to all other relevant factors, including the  
137 judgment of the filer.

138 (b) Risks may be classified in any reasonable way for  
139 the establishment of rates except that no risks may be grouped by  
140 classifications based, in whole or in part, on race, color, creed,  
141 or national origin of the risk. Rates may be modified for  
142 individual risks in accordance with rating plans or schedules  
143 which provide for recognition of probable variations in hazards,  
144 expenses or both.



145 (c) The systems of expense provisions included in rates  
146 for use by an insurer or group of insurers may differ from those  
147 of other insurers or group of insurers to reflect the operating  
148 methods of such insurer or group with respect to any kind of  
149 insurance, or with respect to any subdivision or combination  
150 thereof.

151 (d) Any homeowners' insurance policy filed with the  
152 Commissioner of Insurance that offers a percentage deductible for  
153 the peril of windstorm from a named storm shall offer a buy-back  
154 provision for that deductible which is actuarially sound; however,  
155 the Commissioner of Insurance may grant a waiver from the  
156 mandatory buy-back provision in accordance with the following  
157 procedure and criteria:

158 (i) An insurance company shall make a formal  
159 filing requesting a waiver from the buy-back provision requirement  
160 with the Commissioner of Insurance.

161 (ii) An insurance company shall submit written  
162 proof in its formal filing as to why it is in the best interest of  
163 Mississippi policyholders to receive a waiver from the buy-back  
164 provision requirement and shall provide any supporting  
165 documentation requested by the commissioner deemed appropriate to  
166 make his decision.

167 (iii) All expenses incurred by the Commissioner of  
168 Insurance or his designee in determining the validity of the  
169 waiver request shall be borne by the petitioning insurer. Such



170 expenses may include, but not be limited to, the cost of reviewing  
171 the filing by actuaries, and if the commissioner deems a public  
172 hearing appropriate, the cost of a facility, the cost of publicity  
173 and the cost of a court reporter for the hearing.

174 (e) The commissioner shall establish by regulation  
175 uniform policy language regarding the applicability of hurricane  
176 deductibles and the form of notice to be provided to an insured  
177 under a homeowner's insurance policy by an insurer utilizing a  
178 hurricane deductible program or programs. The term "hurricane,"  
179 for the purpose of a hurricane deductible program, means a storm  
180 system that has been declared to be a hurricane by the National  
181 Hurricane Center of the National Weather Service. The duration of  
182 the hurricane includes the time period, in Mississippi:

183 (i) Beginning at the time a hurricane watch or  
184 hurricane warning is issued for any part of Mississippi by the  
185 National Hurricane Center of the National Weather Service;

186 (ii) Continuing for the time period during which  
187 the hurricane conditions exist anywhere in Mississippi; and

188 (iii) Ending twenty-four (24) hours following the  
189 termination of the last hurricane watch or hurricane warning  
190 issued for any part of Mississippi by the National Hurricane  
191 Center of the National Weather Service.

192 (3) To ensure the most appropriate use of state resources  
193 with respect to the engagement of actuarial services for the  
194 review of rate filings under this chapter, the commissioner may





195 adopt rules and regulations to establish the criteria and  
196 procedures for determining when a rate filing should be submitted  
197 to an actuary for review.

198       **SECTION 3.** This act shall take effect and be in force from  
199 and after July 1, 2020.

**Further, amend by striking the title in its entirety and  
inserting in lieu thereof the following:**

1       AN ACT TO AMEND SECTION 83-2-7, MISSISSIPPI CODE OF 1972, TO  
2 ENACT THE COMMERCIAL LINES MODERNIZATION ACT; TO PROVIDE THAT  
3 RATES, SUPPLEMENTARY RATE INFORMATION, POLICY FORMS AND  
4 ENDORSEMENTS FOR CERTAIN COMMERCIAL LINES INSURANCE COVERAGES  
5 SHALL BE EXEMPT FROM FILING AND APPROVAL REQUIREMENTS; TO AMEND  
6 SECTION 83-2-3, MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE  
7 COMMISSIONER OF INSURANCE TO ADOPT RULES AND REGULATIONS TO  
8 ESTABLISH THE CRITERIA AND PROCEDURES FOR DETERMINING WHEN A RATE  
9 FILING SHOULD BE SUBMITTED TO AN ACTUARY FOR REVIEW; AND FOR  
10 RELATED PURPOSES.

