

By: Representative McLean

To: Judiciary A

HOUSE BILL NO. 1083

1 AN ACT TO CREATE A NEW SECTION TO REQUIRE INSURERS TO
2 EXCHANGE CERTAIN INFORMATION WITH THE MISSISSIPPI DEPARTMENT OF
3 HUMAN SERVICES FOR NONCUSTODIAL PARENTS DELINQUENT IN CHILD
4 SUPPORT; AND FOR RELATED PURPOSES.

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

6 **SECTION 1.** (1) Except as otherwise provided in subsection
7 (10) of this section, each insurer or insurance company, as
8 defined by Section 83-19-1 and 83-7-1, under the regulatory
9 authority of the Mississippi Insurance Department, shall exchange
10 information with the Mississippi Department of Human Services
11 (MDHS) in the manner prescribed by MDHS to verify whether the
12 claimant owes debt for the support of one (1) or more children not
13 later than five (5) days after the opening of a claim which seeks
14 an economic benefit for claimant for Five Hundred Dollars
15 (\$500.00) or more. The obligation of an insurer to exchange
16 information with MDHS is discharged upon complying with the
17 requirements of this subsection.

18 (2) To the extent feasible, the MDHS shall facilitate a
19 secure electronic process to exchange information with insurers



20 and file liens and levies. When the operation of such data match
21 system results in a match for a noncustodial parent who owes
22 past-due support, or when a claim is located through any means,
23 MDHS (a) shall have the authority to encumber and seize assets
24 payable to an obligor and (b) may request and shall receive
25 additional financial or other information including account
26 numbers, names and Social Security numbers on record for accounts,
27 and account balances, from any insurer or insurance company needed
28 to establish, modify, or enforce a support order. The insurer or
29 insurance company shall not disclose to a claim holder, policy
30 holder, or contract beneficiary that the name of such person has
31 been received from or furnished to MDHS. The insurer or insurance
32 company shall disclose to its account holders or its depositors
33 that under the data match system MDHS has the authority to
34 request certain identifying information on the account holder's or
35 the depositor's accounts.

36 (3) Notice of such encumbrance initiated by MDHS shall be
37 provided to the insurer, insurance company or any applicable
38 commission via electronic means, regular mail or as prescribed in
39 Section 71-3-129. Notice shall be delivered to the obligor via
40 regular mail at the current mailing address as recorded by MDHS at
41 the commencement of the action described herein.

42 (4) Except as otherwise provided in subsection (8) of this
43 section, if an insurer is notified by MDHS that a claimant owes
44 debt for the support of one (1) or more children, the insurer



45 shall, upon receipt of a notice issued by the enforcing authority
46 identifying the amount of debt owed:

47 (a) Not later than five (5) days after receiving notice
48 from the enforcing authority, notify the claimant and his or her
49 attorney, if known to the insurer, of the debt owed;

50 (b) Withhold from claim payments, awards, settlements
51 or payments intended to prevent litigation, the amount specified
52 in the notice; and

53 (c) Remit the amount withheld from payment to the
54 enforcing authority within thirty (30) days.

55 (5) When an insurer withholds and remits any money to the
56 enforcing authority pursuant to subsection (4) of this section,
57 the insurer shall notify the claimant and his or her attorney, if
58 known to the insurer, of that fact.

59 (6) Any amount encumbered and forwarded by the insurer or
60 insurance company under this section shall not exceed the
61 arrearage owed by the obligor.

62 (7) Priority over any withholding of payments pursuant to
63 subsection (4) of this section shall be given to (a) attorney's
64 fees or costs incurred, if any, and (b) judgment, statutory or
65 subrogation liens for medical expenses incurred as a result of the
66 injury causing the claim.

67 (8) Any information obtained pursuant to this section must
68 be used only for the purpose of carrying out the provisions of
69 this section. Notwithstanding the provisions of this subsection



70 (8), an insurer or an insurance claim data collection organization
71 approved by MDHS or other entity that performs the functions
72 described in subsection (10) of this section may not be held
73 liable in any civil or criminal action under federal or state law
74 for any act made in good faith pursuant to this section,
75 including, without limitation:

76 (a) Any disclosure of information to the MDHS or the
77 federal Office of Child Support Enforcement; or

78 (b) The withholding of any money from payment on a
79 claim or the remittance of such money to the enforcing authority.

80 (9) For claims filed prior to July 1, 2022, an insurer shall
81 not delay the disbursement of a payment on a claim to comply with
82 the requirements of this section. An insurer is not required to
83 comply with subsection (4) of this section if the notice issued by
84 the enforcing authority is received by the insurer after the
85 insurer has disbursed the payment on the claim. In the case of a
86 claim that will be paid through periodic payments, the insurer:

87 (a) Is not required to comply with the provisions of
88 subsection (4) of this section with regard to any payments
89 disbursed to the claimant before the notice was received by the
90 insurer; and

91 (b) Shall comply with the provisions of subsection (4)
92 of this section with regard to any payments on the claim
93 scheduled to be made after the receipt of the notice.



94 (10) The insurer may comply with the requirements of this
95 section by (a) reporting directly to MDHS or its designee, or (b)
96 authorizing the insurance claim data collection organization to
97 provide claimant information to the federal Office of Child
98 Support Enforcement of the United States Department of Health and
99 Human Services.

100 (11) Failure to comply with the provisions of this section
101 or the willful rendering of false information shall subject the
102 insurer or insurance company to a fine of not less than One
103 Thousand Dollars (\$1,000.00).

104 (12) As used in this section the following terms shall have
105 the following meanings, unless the context clearly indicates
106 otherwise:

107 (a) "Economic benefit" means a payment in which an
108 individual is paid directly by insurer as the payee or co-payee of
109 a first-party or third-party claim; this term excludes claims for
110 actual repair, replacement or loss of real or personal property;
111 claims for reimbursement to a claimant for payments made by
112 claimant to a vendor or repair facility for the actual repair,
113 replacement or loss of use of real or personal property; benefits
114 payable for actual expenses to funeral service provider or
115 facility; medical payments coverage under a motor vehicle
116 liability policy; benefits payable under a limited benefit
117 insurance policy for coverage of specified diseases or illnesses,
118 dental or vision benefits, or indemnity coverage; benefits paid in



119 accordance with long term care benefit plan; benefits paid on
120 behalf of an individual directly to a retirement plan or an
121 accelerated death benefit.

122 (b) "First party claim" means a claim made by the
123 insured or policyholder under an insurance policy or contract or
124 by a beneficiary.

125 (c) "Third party claim" means a claim for bodily
126 injury, property damage or other damages brought by a third party
127 against an insured that is covered by a liability insurance policy
128 or contract or by a self-insured.

129 (d) "Insurance claim data collection organization"
130 means an organization that maintains a centralized database of
131 information concerning insurance claims to assist insurers that
132 subscribe to the database in processing claims and detecting and
133 preventing fraud.

134 (e) "Insurer" means a person who holds a certificate of
135 authority to transact insurance in this state.

136 **SECTION 2.** This act shall take effect and be in force from
137 and after July 1, 2022.

