

By: Representative Zuber

To: Insurance

HOUSE BILL NO. 1195

1 AN ACT TO CREATE THE REGULATORY SANDBOX PROGRAM ADMINISTERED
 2 BY THE DEPARTMENT OF AGRICULTURE AND COMMERCE AS A PROGRAM TO
 3 ENABLE A PERSON TO OBTAIN LIMITED ACCESS TO THE MARKET IN THE
 4 STATE TO TEST AN INNOVATIVE PRODUCT OR SERVICE WITHOUT OBTAINING A
 5 LICENSE OR OTHER AUTHORIZATION THAT MIGHT OTHERWISE BE REQUIRED;
 6 TO PROVIDE DEFINITIONS; TO PROVIDE APPLICATION REQUIREMENTS; TO
 7 PROVIDE THE SCOPE OF THE REGULATORY SANDBOX; TO PROVIDE CONSUMER
 8 PROTECTION FOR THE REGULATORY SANDBOX; TO PROVIDE REQUIREMENTS FOR
 9 EXITING THE REGULATORY SANDBOX; TO PROVIDE EXTENSIONS OF THE
 10 TESTING PERIOD; TO PROVIDE RECORD KEEPING AND REPORTING
 11 REQUIREMENTS; TO CREATE THE INSURANCE REGULATORY SANDBOX PROGRAM
 12 ADMINISTERED BY THE MISSISSIPPI INSURANCE DEPARTMENT TO ENABLE A
 13 PERSON TO OBTAIN LIMITED ACCESS TO THE MARKET IN THE STATE TO TEST
 14 AN INNOVATIVE INSURANCE PRODUCT OR SERVICE WITHOUT OBTAINING A
 15 LICENSE OR OTHER AUTHORIZATION THAT MIGHT OTHERWISE BE REQUIRED;
 16 TO PROVIDE DEFINITIONS; TO PROVIDE APPLICATION REQUIREMENTS; TO
 17 PROVIDE THE SCOPE OF THE INSURANCE REGULATORY SANDBOX; TO PROVIDE
 18 CONSUMER PROTECTION FOR THE INSURANCE REGULATORY SANDBOX; TO
 19 PROVIDE REQUIREMENTS FOR EXITING THE INSURANCE REGULATORY SANDBOX;
 20 TO PROVIDE EXTENSIONS OF THE TESTING PERIOD; TO PROVIDE RECORD
 21 KEEPING AND REPORTING REQUIREMENTS; TO AMEND SECTION 69-1-13,
 22 MISSISSIPPI CODE OF 1972, TO CONFORM; AND FOR RELATED PURPOSES.

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

24 **SECTION 1.** Sections 1 through 8 of this act are known and
 25 may be cited as the "Regulatory Sandbox Program."

26 **SECTION 2.** As used in Sections 1 through 8 of this act:

27 (a) "Applicable agency" means a department or agency of
 28 the state that by law regulates certain types of business activity



29 in the state and persons engaged in such business activity,
30 including the issuance of licenses or other types of
31 authorization, which the department determines would otherwise
32 regulate a sandbox participant.

33 (b) "Applicant" means an individual or entity that is
34 applying to participate in the regulatory sandbox.

35 (c) "Blockchain technology" means the use of a digital
36 database containing records of financial transactions, which can
37 be simultaneously used and shared within a decentralized, publicly
38 accessible network and can record transactions between two (2)
39 parties in a verifiable and permanent way.

40 (d) "Consumer" means a person that purchases or
41 otherwise enters into a transaction or agreement to receive an
42 innovative product or service that is being tested by a sandbox
43 participant.

44 (e) "Department" means the Mississippi Department of
45 Agriculture & Commerce.

46 (f) (i) "Financial product or service" means:

47 1. A financial product or financial service
48 that requires state licensure or registration; or

49 2. A financial product or financial service
50 that includes a business model, delivery mechanism, or element
51 that may require a license or other authorization to act as a
52 financial institution, enterprise, or other entity that is
53 regulated by.



54 (ii) "Financial product or service" does not
55 include a product or service that is governed by:

56 1. Title 83, Insurance Code; or

57 2. Title 75, Chapter 71, Mississippi
58 Securities Act of 2010.

59 (g) "Innovation" means the use or incorporation of a
60 new or emerging technology or a new use of existing technology,
61 including blockchain technology, to address a problem, provide a
62 benefit, or otherwise offer a product, service, business model, or
63 delivery mechanism that is not known by the department to have a
64 comparable widespread offering in the state.

65 (h) "Innovative product or service" means a financial
66 product or service that includes an innovation.

67 (i) "Regulatory sandbox" means the Regulatory Sandbox
68 Program created by Section 3 of this act, which allows a person to
69 temporarily test an innovative product or service on a limited
70 basis without otherwise being licensed or authorized to act under
71 the laws of the state.

72 (j) "Sandbox participant" means a person whose
73 application to participate in the regulatory sandbox is approved
74 in accordance with the provisions of Sections 1 through 8 of this
75 act.

76 (k) "Test" means to provide an innovative product or
77 service in accordance with the provisions of Sections 1 through 8
78 of this act.



79 **SECTION 3.** (1) There is created in the department the
80 Regulatory Sandbox Program.

81 (2) In administering the regulatory sandbox, the department:

82 (a) Shall consult with each applicable agency;

83 (b) Shall establish a program to enable a person to
84 obtain limited access to the market in the state to test an
85 innovative product or service without obtaining a license or other
86 authorization that might otherwise be required; and

87 (c) May enter into agreements with or follow the best
88 practices of the Consumer Financial Protection Bureau or other
89 states that are administering similar programs.

90 (3) An applicant for the regulatory sandbox shall provide to
91 the department an application in a form prescribed by the
92 department that:

93 (a) Demonstrates the applicant is subject to the
94 jurisdiction of the state;

95 (b) Demonstrates the applicant has established a
96 physical location in the state, from which testing will be
97 developed and performed and where all required records, documents,
98 and data will be maintained;

99 (c) Contains relevant personal and contact information
100 for the applicant, including legal names, addresses, telephone
101 numbers, email addresses, website addresses, and other information
102 required by the department;



103 (d) Discloses criminal convictions of the applicant or
104 other participating personnel, if any;

105 (e) Demonstrates that the applicant has the necessary
106 personnel, financial and technical expertise, access to capital,
107 and developed plan to test, monitor, and assess the innovative
108 product or service;

109 (f) Contains a description of the innovative product or
110 service to be tested, including statements regarding all of the
111 following:

112 (i) How the innovative product or service is
113 subject to licensing or other authorization requirements outside
114 of the regulatory sandbox;

115 (ii) How the innovative product or service would
116 benefit consumers;

117 (iii) How the innovative product or service is
118 different from other products or services available in the state;

119 (iv) What risks may confront consumers that use or
120 purchase the innovative product or service;

121 (v) How participating in the regulatory sandbox
122 would enable a successful test of the innovative product or
123 service;

124 (vi) A description of the proposed testing plan,
125 including estimated time periods for beginning the test, ending
126 the test, and obtaining necessary licensure or authorizations
127 after the testing is complete;



128 (vii) A description of how the applicant will
129 perform ongoing duties after the test; and

130 (viii) How the applicant will end the test and
131 protect consumers if the test fails; and

132 (g) Provides any other required information as
133 determined by the department.

134 (4) The department may collect an application fee from an
135 applicant that is set by the department.

136 (5) An applicant shall file a separate application for each
137 innovative product or service that the applicant wants to test.

138 (6) After an application is filed, the department may seek
139 additional information from the applicant that the department
140 determines is necessary.

141 (7) Subject to subsection (8) of this section, not later
142 than ninety (90) days after the day on which a complete
143 application is received by the department, the department shall
144 inform the applicant as to whether the application is approved for
145 entry into the regulatory sandbox.

146 (8) The department and an applicant may mutually agree to
147 extend the 90-day time period described in subsection (7) of this
148 section for the department to determine whether an application is
149 approved for entry into the regulatory sandbox.

150 (9) (a) In reviewing an application under this section, the
151 department shall consult with, and get approval from, each



152 applicable agency before admitting an applicant into the
153 regulatory sandbox.

154 (b) The consultation with an applicable agency may
155 include seeking information about whether:

156 (i) The applicable agency has previously issued a
157 license or other authorization to the applicant;

158 (ii) The applicable agency has previously
159 investigated, sanctioned, or pursued legal action against the
160 applicant;

161 (iii) Whether the applicant could obtain a license
162 or other authorization from the applicable agency after exiting
163 the regulatory sandbox; and

164 (iv) Whether certain licensure or other
165 regulations should not be waived even if the applicant is accepted
166 into the regulatory sandbox.

167 (10) In reviewing an application under this section, the
168 department shall consider whether a competitor to the applicant is
169 or has been a sandbox participant and, if so, weigh that as a
170 factor in favor of allowing the applicant to also become a sandbox
171 participant.

172 (11) If the department and each applicable agency approve
173 admitting an applicant into the regulatory sandbox an applicant
174 may become a sandbox participant.



175 (12) (a) The department may deny any application submitted
176 under this section, for any reason, at the department's
177 discretion.

178 (b) If the department denies an application submitted
179 under this section, the department shall provide to the applicant
180 a written description of the reasons for the denial as a sandbox
181 participant.

182 **SECTION 4.** (1) If the department approves an application
183 under Section 3 of this act, the sandbox participant has
184 twenty-four (24) months after the day on which the application was
185 approved to test the innovative product or service described in
186 the sandbox participant's application.

187 (2) An innovative product or service that is tested within
188 the regulatory sandbox is subject to the following:

189 (a) Consumers shall be residents of the state;

190 (b) The department may, on a case by case basis,
191 specify the maximum number of consumers that may transact through
192 or enter into an agreement to use the innovative product or
193 service; and

194 (c) For a sandbox participant testing a consumer loan
195 the department may, on a case by case basis, specify the maximum
196 amount of an individual loan that may be issued to an individual
197 consumer and the maximum amount of aggregate loans that may be
198 issued to an individual consumer.



199 (3) This section does not restrict a sandbox participant who
200 holds a license or other authorization in another jurisdiction
201 from acting in accordance with that license or other
202 authorization.

203 (4) A sandbox participant is deemed to possess an
204 appropriate license under the laws of the state for the purposes
205 of any provision of federal law requiring state licensure or
206 authorization.

207 (5) Except as otherwise provided in Sections 1 through 8 of
208 this act, including in subsections (6) and (7) of this section, a
209 sandbox participant that is testing an innovative product or
210 service is not subject to state laws that regulate financial
211 products or services.

212 (6) (a) The department may only determine that certain
213 state laws that regulate a financial product or service apply to a
214 sandbox participant if the department, at the department's sole
215 discretion, determines that:

216 (i) An applicant's plan to protect consumers will
217 not adequately protect consumers from the harm the state law
218 addresses; and

219 (ii) The benefits to consumers of applying the law
220 outweigh the potential benefits to consumers from increased
221 competition, innovation, and consumer access that waiving the law,
222 in conjunction with the applicant's ability to compensate
223 consumers who may be harmed, would provide.



224 (b) If the department determines that certain state
225 laws that regulate a financial product or service apply to a
226 sandbox participant, the department shall notify the sandbox
227 participant of the specific regulatory provisions that apply to
228 the sandbox participant.

229 (7) Notwithstanding any other provision of Sections 1
230 through 8 of this act, a sandbox participant does not have
231 immunity related to any criminal offense committed during the
232 sandbox participant's participation in the regulatory sandbox.

233 (8) By written notice, the department may end a sandbox
234 participant's participation in the regulatory sandbox at any time
235 and for any reason, including if the department determines a
236 sandbox participant is not operating in good faith to bring an
237 innovative product or service to market.

238 **SECTION 5.** (1) Before providing an innovative product or
239 service to a consumer, a sandbox participant shall disclose the
240 following to the consumer:

241 (a) The name and contact information of the sandbox
242 participant;

243 (b) That the innovative product or service is
244 authorized pursuant to the regulatory sandbox and, if applicable,
245 that the sandbox participant does not have a license or other
246 authorization to provide a product or service under state laws
247 that regulate products or services outside the regulatory sandbox;



248 (c) That the innovative product or service is
249 undergoing testing and may not function as intended and may expose
250 the customer to financial risk;

251 (d) That the provider of the innovative product or
252 service is not immune from civil liability for any losses or
253 damages caused by the innovative product or service;

254 (e) That the state does not endorse or recommend the
255 innovative product or service;

256 (f) That the innovative product or service is a
257 temporary test that may be discontinued at the end of the testing
258 period;

259 (g) The expected end date of the testing period; and

260 (h) That a consumer may contact the department to file
261 a complaint regarding the innovative product or service being
262 tested and provide the department's telephone number and website
263 address where a complaint may be filed.

264 (2) The disclosures required by subsection (1) of this
265 section shall be provided to a consumer in a clear and conspicuous
266 form and, for an internet or application-based innovative product
267 or service, a consumer shall acknowledge receipt of the disclosure
268 before a transaction may be completed.

269 (3) The department may require that a sandbox participant
270 make additional disclosures to a consumer.



271 **SECTION 6.** (1) At least thirty (30) days before the end of
272 the 24-month regulatory sandbox testing period, a sandbox
273 participant shall:

274 (a) Notify the department that the sandbox participant
275 will exit the regulatory sandbox, discontinue the sandbox
276 participant's test, and will stop offering any innovative product
277 or service in the regulatory sandbox within sixty (60) days after
278 the day on which the 24-month testing period ends; or

279 (b) Seek an extension in accordance with Section 7 of
280 this act.

281 (2) Subject to subsection (3) of this section, if the
282 department does not receive notification as required by subsection
283 (1) of this section, the regulatory sandbox testing period ends at
284 the end of the 24-month testing period and the sandbox participant
285 shall immediately stop offering each innovative product or service
286 being tested.

287 (3) If a test includes offering an innovative product or
288 service that requires ongoing duties, such as servicing a loan,
289 the sandbox participant shall continue to fulfill those duties or
290 arrange for another person to fulfill those duties after the date
291 on which the sandbox participant exits the regulatory sandbox.

292 **SECTION 7.** (1) Not later than thirty (30) days before the
293 end of the 24-month regulatory sandbox testing period, a sandbox
294 participant may request an extension of the regulatory sandbox



295 testing period for the purpose of obtaining a license or other
296 authorization required by law.

297 (2) The department shall grant or deny a request for an
298 extension in accordance with subsection (1) of this section by the
299 end of the 24-month regulatory sandbox testing period.

300 (3) The department may grant an extension in accordance with
301 this section for not more than six (6) months after the end of the
302 regulatory sandbox testing period.

303 (4) A sandbox participant that obtains an extension in
304 accordance with this section shall provide the department with a
305 written report every three (3) months that provides an update on
306 efforts to obtain a license or other authorization required by
307 law, including any submitted applications for licensure or other
308 authorization, rejected applications, or issued licenses or other
309 authorization.

310 **SECTION 8.** (1) A sandbox participant shall retain records,
311 documents, and data produced in the ordinary course of business
312 regarding an innovative product or service tested in the
313 regulatory sandbox.

314 (2) If an innovative product or service fails before the end
315 of a testing period, the sandbox participant shall notify the
316 department and report on actions taken by the sandbox participant
317 to ensure consumers have not been harmed as a result of the
318 failure.



319 (3) The department may establish periodic reporting
320 requirements for a sandbox participant.

321 (4) The department may request records, documents, and data
322 from a sandbox participant and, upon the department's request, a
323 sandbox participant shall make such records, documents, and data
324 available for inspection by the department.

325 (5) If the department determines that a sandbox participant
326 has engaged in, is engaging in, or is about to engage in any
327 practice or transaction that is in violation of Sections 1 through
328 8 of this act or that constitutes a violation of a state or
329 federal criminal law, the department may remove a sandbox
330 participant from the regulatory sandbox.

331 (6) By December 1 of each year, the department shall provide
332 an annual written report to the House Workforce Development
333 Committee and Senate Labor Committee that provides information
334 regarding each sandbox participant and that provides
335 recommendations regarding the effectiveness of the Regulatory
336 Sandbox Program.

337 **SECTION 9.** Sections 9 through 16 of this act are known and
338 may be cited as the "Insurance Regulatory Sandbox Program."

339 **SECTION 10.** As used in Sections 9 through 16 of this act:

340 (1) "Applicable agency" means a department or agency of the
341 state, including the department, that by law regulates certain
342 types of insurance-related business activity in the state and
343 persons engaged in such insurance-related business activity,



344 including the issuance of licenses or other types of
345 authorization, which the department determines would otherwise
346 regulate an insurance sandbox participant.

347 (2) "Applicant" means an individual or entity that is
348 applying to participate in the insurance regulatory sandbox.

349 (3) "Blockchain technology" means the use of a digital
350 database containing records of financial transactions, which can
351 be simultaneously used and shared within a decentralized, publicly
352 accessible network and can record transactions between two parties
353 in a verifiable and permanent way.

354 (4) "Consumer" means a person that purchases or otherwise
355 enters into a transaction or agreement to receive an innovative
356 insurance product or service that is being tested by an insurance
357 sandbox participant.

358 (5) "Department" means the Mississippi Insurance Department.

359 (6) "Innovation" means the use or incorporation of a new
360 idea, a new or emerging technology, or a new use of existing
361 technology, including blockchain technology, to address a problem,
362 provide a benefit, or otherwise offer a product, service, business
363 model, or delivery mechanism.

364 (7) "Innovative insurance product or service" means an
365 insurance product or service that includes an innovation.

366 (8) "Insurance product or service" means an insurance
367 product or insurance service that requires state licensure,
368 registration, or other authorization as regulated by Title 83,



369 including an insurance product or insurance service that includes
370 a business model, delivery mechanism, or element that requires a
371 license, registration, or other authorization to do an insurance
372 business, act as an insurance producer or consultant, or engage in
373 insurance adjusting as regulated by Title 83.

374 (9) "Insurance regulatory sandbox" means the Insurance
375 Regulatory Sandbox Program created by Section 11 of this act,
376 which allows a person to temporarily test an innovative insurance
377 product or service on a limited basis without otherwise being
378 licensed or authorized to act under the laws of the state.

379 (10) "Insurance sandbox participant" means a person whose
380 application to participate in the insurance regulatory sandbox is
381 approved in accordance with the provisions of Sections 9 through
382 16 of this act.

383 (11) "Test" means to provide an innovative insurance product
384 or service in accordance with the provisions of Sections 9 through
385 16 of this act.

386 **SECTION 11.** (1) There is created in the department the
387 Insurance Regulatory Sandbox Program.

388 (2) In administering the insurance regulatory sandbox, the
389 department:

390 (a) Shall consult with each applicable agency;

391 (b) Shall establish a program to enable a person to
392 obtain limited access to the market in the state to test an



393 innovative insurance product or service without obtaining a
394 license or other authorization that might otherwise be required;

395 (c) May enter into agreements with or follow the best
396 practices of the Consumer Financial Protection Bureau or other
397 states that are administering similar programs; and

398 (d) May not approve participation in the insurance
399 regulatory sandbox program by an applicant or any other
400 participant who has been convicted, entered a plea of nolo
401 contendere, or entered a plea of guilty or nolo contendere held in
402 abeyance, for a crime:

403 (i) Involving theft, fraud, or dishonesty; or

404 (ii) That bears a substantial relationship to the
405 applicant's or participant's ability to safely or competently
406 participate in the insurance regulatory sandbox program.

407 (3) An applicant for the insurance regulatory sandbox shall
408 provide to the department an application in a form prescribed by
409 the department that:

410 (a) Includes a nonrefundable application fee of Four
411 Thousand Five Hundred Dollars (\$4,500.00), which fee may be waived
412 or reduced by the department if the applicant holds a license
413 issued by the department under the provisions of Title 83;

414 (b) Demonstrates the applicant is subject to the
415 jurisdiction of the state;

416 (c) Demonstrates the applicant has established a
417 physical or virtual location that is adequately accessible to the



418 department, from which testing will be developed and performed and
419 where all required records, documents, and data will be
420 maintained;

421 (d) Contains relevant personal and contact information
422 for the applicant, including legal names, addresses, telephone
423 numbers, email addresses, website addresses, and other information
424 required by the department;

425 (e) Discloses criminal convictions of the applicant or
426 other participating personnel, if any;

427 (f) Demonstrates that the applicant has the necessary
428 personnel, financial and technical expertise, access to capital,
429 and developed plan to test, monitor, and assess the innovative
430 insurance product or service;

431 (g) Contains a description of the innovative insurance
432 product or service to be tested, including statements regarding
433 all of the following:

434 (i) How the innovative insurance product or
435 service is subject to licensing or other authorization
436 requirements outside of the insurance regulatory sandbox,
437 including a specific list of all state laws, regulations, and
438 licensing or other requirements that the applicant is seeking to
439 have waived during the testing period;

440 (ii) How the innovative insurance product or
441 service would benefit consumers;



442 (iii) How the innovative insurance product or
443 service is different from other insurance products or services
444 available in the state;

445 (iv) What risks may confront consumers that use or
446 purchase the innovative insurance product or service;

447 (v) How participating in the insurance regulatory
448 sandbox would enable a successful test of the innovative insurance
449 product or service;

450 (vi) A description of the proposed testing plan,
451 including estimated time periods for beginning the test, ending
452 the test, and obtaining necessary licensure or authorizations
453 after the testing is complete;

454 (vii) A description of how the applicant will
455 perform ongoing duties after the test; and

456 (viii) How the applicant will end the test and
457 protect consumers if the test fails, including providing evidence
458 of sufficient liability coverage and financial reserves to protect
459 consumers and to protect against insolvency by the applicant; and

460 (h) Provides any other required information as
461 determined by the department.

462 (4) An applicant shall file a separate application for each
463 innovative insurance product or service that the applicant wants
464 to test.

465 (5) After an application is filed and before approving an
466 application, the department may seek any additional information



467 from the applicant and from the department's own research that the
468 department determines is necessary, including:

469 (a) Proof of sufficient assets, accounts, liability
470 coverage, surety bond coverage, or other preparation by the
471 applicant to ensure that consumers are protected and that the
472 applicant will be able to cover ongoing duties when the test ends
473 or if the test ends early; and

474 (b) Industry ratings and past performance of the
475 applicant.

476 (6) Subject to subsection (7) of this section, not later
477 than ninety (90) days after the day on which a complete
478 application is received by the department, the department shall
479 inform the applicant as to whether the application is approved for
480 entry into the insurance regulatory sandbox.

481 (7) The department and an applicant may mutually agree to
482 extend the 90-day time period described in subsection (6) of this
483 section for the department to determine whether an application is
484 approved for entry into the insurance regulatory sandbox.

485 (8) (a) In reviewing an application under this section, the
486 department shall consult with, and get approval from, each
487 applicable agency before admitting an applicant into the insurance
488 regulatory sandbox.

489 (b) The consultation with an applicable agency may
490 include seeking information about whether:



491 (i) The applicable agency has previously issued a
492 license or other authorization to the applicant;

493 (ii) The applicable agency has previously
494 investigated, sanctioned, or pursued legal action against the
495 applicant;

496 (iii) Whether the applicant could obtain a license
497 or other authorization from the applicable agency after exiting
498 the insurance regulatory sandbox; and

499 (iv) Whether certain licensure or other
500 regulations should not be waived even if the applicant is accepted
501 into the insurance regulatory sandbox.

502 (9) In reviewing an application under this section, the
503 department shall consider whether a competitor to the applicant is
504 or has been an insurance sandbox participant and, if so, weigh
505 that as a factor in favor of allowing the applicant to also become
506 an insurance sandbox participant.

507 (10) If the department and each applicable agency approve
508 admitting an applicant into the insurance regulatory sandbox an
509 applicant may become an insurance sandbox participant.

510 (11) The department may deny any application submitted under
511 this section, for any reason, at the department's discretion.

512 (12) If the department denies an application submitted under
513 this section, the department shall provide to the applicant a
514 written description of the reasons for the denial as an insurance
515 sandbox participant.



516 **SECTION 12.** (1) If the department approves an application
517 under Section 11 of this act, the insurance sandbox participant
518 has twelve (12) months after the day on which the application was
519 approved to test the innovative insurance product or service
520 described in the insurance sandbox participant's application.

521 (2) An insurance sandbox participant testing an innovative
522 insurance product or service within the insurance regulatory
523 sandbox is subject to the following:

524 (a) Consumers shall be residents of the state;

525 (b) The department may, on a case by case basis,
526 specify the maximum number of consumers that may enter into an
527 agreement with the insurance sandbox participant to use the
528 innovative insurance product or service;

529 (c) The department may, if applicable and on a case by
530 case basis, specify the maximum number of items and the maximum
531 coverage amount for each item that may be offered by an insurance
532 sandbox participant during the testing of the innovative insurance
533 product or service; and

534 (d) The department may, on a case by case basis,
535 specify liability coverage requirements and minimum financial
536 reserves requirements that the insurance sandbox participant shall
537 meet during the testing of the innovative insurance product or
538 service.

539 (3) This section does not restrict an insurance sandbox
540 participant who holds a license or other authorization in another



541 jurisdiction from acting in accordance with that license or other
542 authorization.

543 (4) An insurance sandbox participant is deemed to possess an
544 appropriate license under the laws of the state for the purposes
545 of any provision of federal law requiring state licensure or
546 authorization.

547 (5) An insurance sandbox participant that is testing an
548 innovative insurance product or service is not subject to state
549 laws, regulations, licensing requirements, or authorization
550 requirements that were identified by the insurance sandbox
551 participant in the insurance sandbox participant's application and
552 have been waived in writing by the department.

553 (6) Notwithstanding any other provision of Sections 9
554 through 16 of this act, an insurance sandbox participant does not
555 have immunity related to any criminal offense committed during the
556 insurance sandbox participant's participation in the insurance
557 regulatory sandbox.

558 (7) By written notice, the department may end an insurance
559 sandbox participant's participation in the insurance regulatory
560 sandbox at any time and for any reason, including if the
561 department determines an insurance sandbox participant is not
562 operating in good faith to bring an innovative insurance product
563 or service to market.

564 (8) The department and the department's employees are not
565 liable for any business losses or the recouping of application



566 expenses related to the insurance regulatory sandbox, including
567 for:

568 (a) Denying an applicant's application to participate
569 in the insurance regulatory sandbox for any reason; or

570 (b) Ending an insurance sandbox participant's
571 participation in the insurance regulatory sandbox at any time and
572 for any reason.

573 (9) No guaranty association in the state may be held liable
574 for business losses or liabilities incurred as a result of
575 activities undertaken by a participant in the insurance sandbox.

576 **SECTION 13.** (1) Before providing an innovative insurance
577 product or service to a consumer, an insurance sandbox participant
578 shall disclose the following to the consumer:

579 (a) The name and contact information of the insurance
580 sandbox participant;

581 (b) That the innovative insurance product or service is
582 authorized pursuant to the insurance regulatory sandbox and, if
583 applicable, that the insurance sandbox participant does not have a
584 license or other authorization to provide an insurance product or
585 service under state laws that regulate insurance products or
586 services outside the insurance regulatory sandbox;

587 (c) That the innovative insurance product or service is
588 undergoing testing and may not function as intended and may expose
589 the customer to financial risk;



590 (d) That the provider of the innovative insurance
591 product or service is not immune from civil liability for any
592 losses or damages caused by the innovative insurance product or
593 service;

594 (e) That the state does not endorse or recommend the
595 innovative insurance product or service;

596 (f) That the innovative insurance product or service is
597 a temporary test that may be discontinued at the end of the
598 testing period;

599 (g) The expected end date of the testing period; and

600 (h) That a consumer may contact the department to file
601 a complaint regarding the innovative insurance product or service
602 being tested and provide the department's telephone number and
603 website address where a complaint may be filed.

604 (2) The disclosures required by subsection (1) of this
605 section shall be provided to a consumer in a clear and conspicuous
606 form and, for an Internet or application-based innovative
607 insurance product or service, a consumer shall acknowledge receipt
608 of the disclosure before a transaction may be completed.

609 (3) The department may require that an insurance sandbox
610 participant make additional disclosures to a consumer.

611 **SECTION 14.** (1) At least thirty (30) days before the end of
612 the 12-month insurance regulatory sandbox testing period, an
613 insurance sandbox participant shall:



614 (a) Notify the department that the insurance sandbox
615 participant will exit the insurance regulatory sandbox,
616 discontinue the insurance sandbox participant's test, and will
617 stop offering any innovative insurance product or service in the
618 insurance regulatory sandbox within sixty (60) days after the day
619 on which the 12-month testing period ends; or

620 (b) Seek an extension in accordance with Section 15 of
621 this act.

622 (2) Subject to subsection (3) of this section, if the
623 department does not receive notification as required by subsection
624 (1) of this section, the insurance regulatory sandbox testing
625 period ends at the end of the 12-month testing period and the
626 insurance sandbox participant shall immediately stop offering each
627 innovative insurance product or service being tested.

628 (3) If a test includes offering an innovative insurance
629 product or service that requires ongoing duties, the insurance
630 sandbox participant shall continue to fulfill those duties or
631 arrange for another person to fulfill those duties after the date
632 on which the insurance sandbox participant exits the insurance
633 regulatory sandbox.

634 **SECTION 15.** (1) Not later than thirty (30) days before the
635 end of the 12-month regulatory insurance sandbox testing period,
636 an insurance sandbox participant may request an extension of the
637 insurance regulatory sandbox testing period for the purpose of
638 obtaining a license or other authorization required by law.



639 (2) The department shall grant or deny a request for an
640 extension in accordance with subsection (1) of this section by the
641 end of the 12-month insurance regulatory sandbox testing period.

642 (3) The department may grant an extension in accordance with
643 this section for not more than six (6) months after the end of the
644 insurance regulatory sandbox testing period.

645 (4) An insurance sandbox participant that obtains an
646 extension in accordance with this section shall provide the
647 department with a written report every three (3) months that
648 provides an update on efforts to obtain a license or other
649 authorization required by law, including any submitted
650 applications for licensure or other authorization, rejected
651 applications, or issued licenses or other authorization.

652 **SECTION 16.** (1) An insurance sandbox participant shall
653 retain records, documents, and data produced in the ordinary
654 course of business regarding an innovative insurance product or
655 service tested in the insurance regulatory sandbox.

656 (2) If an innovative insurance product or service fails
657 before the end of a testing period, the insurance sandbox
658 participant shall notify the department and report on actions
659 taken by the insurance sandbox participant to ensure consumers
660 have not been harmed as a result of the failure.

661 (3) The department shall establish quarterly reporting
662 requirements for an insurance sandbox participant, including
663 information about any customer complaints.



664 (4) The department may request records, documents, and data
665 from an insurance sandbox participant and, upon the department's
666 request, an insurance sandbox participant shall make such records,
667 documents, and data available for inspection by the department.

668 (5) If the department determines that an insurance sandbox
669 participant has engaged in, is engaging in, or is about to engage
670 in any practice or transaction that is in violation of Sections 9
671 through 16 of this act or that constitutes a violation of a state
672 or federal criminal law, the department may remove an insurance
673 sandbox participant from the insurance regulatory sandbox.

674 (6) By December 1 of each year, the department shall provide
675 an annual written report to the House and Senate Insurance
676 Committees that provides information regarding each insurance
677 sandbox participant and that provides recommendations regarding
678 the effectiveness of the Insurance Regulatory Sandbox Program.

679 **SECTION 17.** Section 69-1-13, Mississippi Code of 1972, is
680 amended as follows:

681 69-1-13. The following are the duties of the Commissioner of
682 Agriculture and Commerce:

683 (a) He shall encourage the proper development of
684 agriculture, horticulture and kindred industries.

685 (b) He shall encourage the organization of neighborhood
686 and county agricultural clubs and associations, and out of these
687 the organization of the state agricultural association.



688 (c) He shall collect and publish statistics and such
689 other information regarding such industries of this state and of
690 other states as may be of benefit in developing the agricultural
691 resources of the state. To this end he shall put himself in
692 connection and shall cooperate with the agricultural department of
693 other states and with the Commissioner of Agriculture of the
694 United States, and shall provide for the proper and careful
695 distribution of all documents and information coming into his
696 possession on account of the department that may be of interest
697 and benefit to the people of the state.

698 (d) He shall cause to be investigated the diseases of
699 grain, cotton, fruit and other crops grown in this state and also
700 remedies for such diseases, and also the habits and propagation of
701 the various insects that are injurious to the crops of the state
702 and the proper mode of their destruction.

703 (e) He shall investigate the subject of grasses and
704 report upon their value and the cultivation of the varieties best
705 adapted to the different sections of the state.

706 (f) He shall inquire into the subjects connected with
707 dairying that he may deem of interest to the people of the state,
708 and in this connection the raising of stock and poultry, the
709 obtaining of such as are of most value, and the breeding and
710 propagation of the same; and shall encourage raising of fish and
711 the culture of bees.



712 (g) He shall investigate the subjects of subsoiling,
713 drainage, etc., and the best modes of effecting each, and of
714 irrigation and what portions of the state can be best benefited
715 thereby.

716 (h) He shall investigate and report upon the culture of
717 wool and the utility and profit of sheep-raising, also the culture
718 of silk and its manufacture and preparation for market.

719 (i) He shall investigate and report on the question of
720 broadening the market for cotton and cotton goods in the United
721 States and foreign countries.

722 (j) He shall cause a proper collection of agricultural
723 statistics to be made annually, and to this end shall furnish
724 blank forms to the tax assessors of each county, and it is made
725 the special duty of the tax assessor to whom said blanks are
726 furnished to report to the bureau a list of all public or private
727 ginners in his county, with their post offices, upon the demand of
728 the commissioner. It shall be the duty of the commissioner to
729 furnish to such ginner a form or forms of report to be made to the
730 bureau at such time as the commissioner may direct. A failure to
731 make such reports on the part of the ginner or assessor as
732 required by said commissioner shall be deemed a misdemeanor, and,
733 upon conviction, punished as provided by law. It shall be the
734 duty of the members of the boards of supervisors and the county
735 tax assessor of each county in this state to make such reports as
736 may be required by this bureau touching the matter within the



737 scope of this chapter; and failure of any supervisor or tax
738 assessor to make such report when required shall be deemed a
739 misdemeanor and shall be punished as provided by law.

740 (k) He shall appoint county correspondents who shall
741 report to him from time to time, as may be desired.

742 (l) He shall collect specimens of wood suitable for
743 manufacture and other purposes, and specimens of agricultural,
744 mineral, phosphate and marl deposits of the state; cause correct
745 analysis of such as may be deemed expedient to be made and
746 recorded in a substantial book to be kept for this purpose.

747 (m) He shall also, as soon as practicable, prepare a
748 convenient handbook with necessary illustrated maps, which shall
749 contain all necessary information as to the mines, mineral,
750 forest, soil, and other products, climate, water, waterpower for
751 the establishing of factories, land, flowers, fisheries,
752 mountains, streams, and all other statistics as are best adapted
753 to the giving of proper information and the attraction of
754 advantages which the state affords to immigrants, and shall make
755 illustrated expositions thereof whenever practicable at
756 international and state expositions.

757 (n) He shall have the primary responsibility for
758 developing programs that will enhance the marketing of the state's
759 agricultural products to both national and international markets.

760 (o) Administer the Regulatory Sandbox Program created
761 in Sections 1 through 8 of this act.



762 **SECTION 18.** Sections 9 through 16 of this act shall be
763 codified in Title 83, Mississippi Code of 1972.

764 **SECTION 19.** This act shall take effect and be in force from
765 and after July 1, 2022.

