

By: Senator(s) Michel, Rhodes, McLendon

To: Insurance

SENATE BILL NO. 2740

1 AN ACT TO AMEND SECTIONS 19-7-7, 21-37-45 AND 37-7-303,  
2 MISSISSIPPI CODE OF 1972, TO AUTHORIZE COUNTIES, MUNICIPALITIES,  
3 SCHOOL DISTRICTS AND POLITICAL SUBDIVISIONS TO POOL THEIR RISKS  
4 AND NEGOTIATE FOR THE PURCHASE OF PROPERTY INSURANCE, OR THE  
5 ESTABLISHMENT OF A SELF-INSURANCE FUND OR SELF-INSURANCE RESERVES,  
6 OR ANY COMBINATION THEREOF; AND FOR RELATED PURPOSES.

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

8 **SECTION 1.** Section 19-7-7, Mississippi Code of 1972, is  
9 amended as follows:

10 19-7-7. (1) The board of supervisors may have the  
11 courthouse, jail and other buildings of the county, the furniture  
12 thereof, the books of the county, and the personal property of the  
13 county, insured against loss by fire, cyclone and tornado, and  
14 other hazards. The board of supervisors may carry steam boiler,  
15 plate glass and other miscellaneous casualty insurance against  
16 loss of county property, as in the discretion of the board of  
17 supervisors may seem proper. The cost thereof shall be paid out  
18 of the county treasury.

19 (2) The boards of supervisors of two (2) or more counties  
20 may pool their risks under this section and may provide for the



21 purchase of one or more policies of property insurance, or the  
22 establishment of a self-insurance fund or self-insurance reserves,  
23 or any combination thereof. The cost of participation shall be  
24 paid out of the general fund of the county. The administration  
25 and service of any such self-insurance program shall be contracted  
26 to a third party and approved by the Commissioner of Insurance.

27 (3) The governing board of any county, municipality,  
28 municipal separate school district, other school district or  
29 community/junior college district, and the governing board or head  
30 of any other political subdivision or entity may negotiate for,  
31 secure and pool their risks under this section and may provide for  
32 the purchase of any one or more policies of property insurance, or  
33 the establishment of a self-insurance fund or self-insurance  
34 reserves, or any combination thereof. The governing board of any  
35 political subdivision or other entity set forth in this section is  
36 authorized to expend funds from any available source for the  
37 purpose of obtaining and maintaining that property insurance. The  
38 administration and service of any such self-insurance program  
39 shall be contracted to a third party and approved by the  
40 Commissioner of Insurance.

41 **SECTION 2.** Section 21-37-45, Mississippi Code of 1972, is  
42 amended as follows:

43 21-37-45. (1) The governing authorities of municipalities  
44 shall have the power and authority to insure municipal property,  
45 including buildings, furniture, books and records, and all other



46 property, against loss by fire and tornado, and to carry such  
47 amount of employer's liability, steam boilers, plate glass and  
48 other miscellaneous casualty insurance as in the discretion of the  
49 governing authorities of the municipality may be deemed proper,  
50 and to pay for the premiums thereof out of the municipal treasury.

51 (2) The governing board of any county, municipality,  
52 municipal separate school district, other school district or  
53 community/junior college district, and the governing board or head  
54 of any other political subdivision or entity may negotiate for,  
55 secure and pool their risks under this section and may provide for  
56 the purchase of any one or more policies of property insurance, or  
57 the establishment of a self-insurance fund or self-insurance  
58 reserves, or any combination thereof. The governing board of any  
59 political subdivision or other entity set forth in this section is  
60 authorized to expend funds from any available source for the  
61 purpose of obtaining and maintaining that property insurance. The  
62 administration and service of any such self-insurance program  
63 shall be contracted to a third party and approved by the  
64 Commissioner of Insurance.

65 **SECTION 3.** Section 37-7-303, Mississippi Code of 1972, is  
66 amended as follows:

67 37-7-303. (1) The school board of any school district may  
68 insure motor vehicles for any hazard that the board may choose,  
69 and shall insure the school buildings, equipment and other school  
70 property of the district against any and all hazards that the



71 board may deem necessary to provide insurance against. In  
72 addition, the local school board of any school district shall  
73 purchase and maintain business property insurance and business  
74 personal property insurance on all school district-owned buildings  
75 and/or contents as required by federal law and regulations of the  
76 Federal Emergency Management Agency (FEMA) as is necessary for  
77 receiving public assistance or reimbursement for repair,  
78 reconstruction, replacement or other damage to those buildings  
79 and/or contents caused by the Hurricane Katrina Disaster of 2005  
80 or subsequent disasters. The school district is authorized to  
81 expend funds from any available source for the purpose of  
82 obtaining and maintaining that property insurance. The school  
83 district is authorized to enter into agreements with the  
84 Department of Finance and Administration, other local school  
85 districts, community/junior college districts, state institutions  
86 of higher learning, community hospitals and/or other state  
87 agencies to pool their liabilities to participate in a group  
88 business property and/or business personal property insurance  
89 program, subject to uniform rules and regulations as may be  
90 adopted by the Department of Finance and Administration. Such  
91 school board shall be authorized to contract for such insurance  
92 for a term of not exceeding five (5) years and to obligate the  
93 district for the payment of the premiums thereon. When necessary,  
94 the school board is authorized and empowered, in its discretion,  
95 to borrow money payable in annual installments for a period of not



96 exceeding five (5) years at a rate of interest not exceeding eight  
97 percent (8%) per annum to provide funds to pay such insurance  
98 premiums. The money so borrowed and the interest thereon shall be  
99 payable from any school funds of the district other than minimum  
100 education program funds. The school boards of school districts  
101 are further authorized and empowered, in all cases where same may  
102 be necessary, to bring and maintain suits and other actions in any  
103 court of competent jurisdiction for the purpose of collecting the  
104 proceeds of insurance policies issued upon the property of such  
105 school district.

106 (2) Two (2) or more school districts, together with other  
107 educational entities or agencies, may agree to pool their  
108 liabilities to participate in a group workers' compensation  
109 program. The governing authorities of any school board or other  
110 educational entity or agency may authorize the organization and  
111 operation of, or the participation in such a group self-insurance  
112 program with other school boards and educational entities or  
113 agencies, subject to the requirements of Section 71-3-5. The  
114 Workers' Compensation Commission shall approve such group  
115 self-insurance programs subject to uniform rules and regulations  
116 as may be adopted by the commission applicable to all groups.

117 (3) The governing board of any county, municipality,  
118 municipal separate school district, other school district or  
119 community/junior college district, and the governing board or head  
120 of any other political subdivision or entity may negotiate for,



121 secure and pool their risks under this section and may provide for  
122 the purchase of any one or more policies of property insurance, or  
123 the establishment of a self-insurance fund or self-insurance  
124 reserves, or any combination thereof. The governing board of any  
125 political subdivision or other entity set forth in this section is  
126 authorized to expend funds from any available source for the  
127 purpose of obtaining and maintaining that property insurance. The  
128 administration and service of any such self-insurance program  
129 shall be contracted to a third party and approved by the  
130 Commissioner of Insurance.

131       **SECTION 4.** This act shall take effect and be in force from  
132 and after July 1, 2024.

