

By: Senator(s) Michel

To: Insurance

## SENATE BILL NO. 2408

1       AN ACT TO CODIFY SECTION 43-19-50, MISSISSIPPI CODE OF 1972,  
2 TO AUTHORIZE AND DIRECT LICENSED INSURERS TO EXCHANGE INFORMATION  
3 WITH THE MISSISSIPPI DEPARTMENT OF HUMAN SERVICES TO VERIFY  
4 WHETHER A CLAIMANT OWES PASTS DUE CHILD SUPPORT; TO AUTHORIZE THE  
5 DEPARTMENT OF HUMAN SERVICES TO FACILITATE A SECURE ELECTRONIC  
6 PROCESS TO EXCHANGE SUCH INFORMATION WITH INSURERS; TO PRESCRIBE  
7 PROCEDURES TO BE FOLLOWED BY INSURERS TO REMIT THE AMOUNT WITHHELD  
8 TO THE PROPER ENFORCING AUTHORITY; TO PROVIDE FOR CRIMINAL  
9 PENALTIES FOR NONCOMPLIANCE WITH THE REQUIREMENTS OF THIS STATUTE;  
10 TO PROVIDE DEFINITIONS; AND FOR RELATED PURPOSES.

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

12       **SECTION 1.** The following shall be codified as Section  
13 43-19-50, Mississippi Code of 1972:

14       43-19-50. Insurers to exchange certain information with the  
15 **Mississippi Department of Human Services (MDHS) for obligors**  
16 **delinquent in child support; participation requirement and duties**  
17 **of insurers.** (1) Each insurer or insurance company, as defined  
18 by Sections 83-19-1 and 83-7-1 (Supplement 2021) under the  
19 regulatory authority of the Mississippi Department of Insurance,  
20 shall exchange information with the Mississippi Department of  
21 Human Services (MDHS) in the manner prescribed by MDHS, to verify  
22 whether a claimant owes debt for the support of one or more

23 children not later than ten (10) days after the opening of a claim  
24 or request for payment which seeks an economic benefit for  
25 claimant for Five Hundred Dollars (\$500.00) or more. This  
26 requirement shall be limited to claims for negligence, personal  
27 injury, wrongful death, workers' compensation, and life insurance.

28 (2) To the extent feasible, MDHS shall facilitate a secure  
29 electronic process to exchange information with insurers. When  
30 the operation of such data match system results in a match for an  
31 obligor who owes past-due support, or when a claim is located  
32 through other means, MDHS:

33 (a) Shall have the authority to encumber and seize  
34 assets payable to an obligor; and

35 (b) May request and shall receive additional financial  
36 or other information, including account numbers, names, and social  
37 security numbers on record for accounts, and account balances,  
38 from any insurer or insurance company needed to establish, modify,  
39 or enforce a support order.

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



47 (4) If an insurer is notified by MDHS that a claimant owes  
48 debt for the support of one or more children, the insurer shall,  
49 upon receipt of a notice issued by the enforcing authority  
50 identifying the amount of debt owed:

51 (a) Notify the claimant, and his or her attorney if  
52 known, of the debt owed, no later than five (5) days after  
53 receiving notice from the enforcing authority;

54 (b) Withhold from the economic benefit due to the  
55 claimant, as defined in subsection (12)(b) of this section, the  
56 amount specified in the notice; and

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

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

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

(8) Any information obtained pursuant to this section must

be used only for the purpose of carrying out the provisions of this section and shall become a record subject to the confidentiality and privacy requirements of Section 43-19-45 and any other applicable state or federal laws or regulations.

Disclosure of the information for any other purpose is prohibited.

Notwithstanding the provisions of this subsection, an insurer or an insurance claim data collection organization approved by MDHS or other entity that performs the functions described herein may not be held liable in any civil or criminal action under federal or state law for any act made in good faith pursuant to this section, including, without limitation:

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

(b) The withholding of any money or the remittance of such money to the enforcing authority.

(9) For claims filed prior to the enactment of this statute,

an insurer shall not delay the disbursement of a payment on a claim to comply with the requirements of this section. An insurer is not required to comply with subsection (4) of this section if the notice issued by the enforcing authority is received by the insurer after the insurer has disbursed the payment on the claim. In the case of a claim that will be paid through periodic payments, the insurer:



95 (a) Is not required to comply with the provisions of  
96 subsection (4) of this section with regard to any payments  
97 disbursed to the claimant before the notice was received by the  
98 insurer; and

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

102 (10) The insurer may comply with the requirements of this  
103 section by (a) reporting directly to MDHS or its designee, or (b)  
104 authorizing the insurance claim data collection organization to  
105 provide claimant information to the federal Office of Child  
106 Support Services of the United States Department of Health and  
107 Human Services.

108 (11) Failure to comply with the provisions of this section  
109 or the willful rendering of false information shall subject the  
110 insurer or insurance company to a fine of not less than One  
111 Thousand Dollars (\$1,000.00) per claim, upon conviction thereof in  
112 a court of competent jurisdiction.

113 (12) As used in this section:

114 (a) "Claimant" means a person who makes a claim or  
115 requests payment from an insurer or is otherwise entitled to an  
116 economic benefit from an insurer.

117 (b) "Economic benefit" is defined as a payment in which  
118 an individual is paid directly by an insurer as the payee or  
119 co-payee of a first-party or third-party claim, including, but not



120 limited to, payments intended to prevent litigation, claim  
121 payments, awards, benefits, settlements, or claims to insurance  
122 proceeds held by a third-party beneficiary; this term excludes  
123 claims for actual repair, replacement or loss of real or personal  
124 property; claims for reimbursement to a claimant for payments made  
125 by claimant to a vendor or repair facility for the actual repair,  
126 replacement or loss of use of real or personal property; benefits  
127 payable for actual expenses to a funeral service provider or  
128 facility; medical payments coverage under a motor vehicle  
129 liability policy; benefits payable under a limited benefit  
130 insurance policy for coverage of specified diseases or illnesses,  
131 dental or vision benefits, or indemnity coverage; benefits paid in  
132 accordance with a long-term care benefit plan; benefits paid on  
133 behalf of an individual directly to a retirement plan or an  
134 accelerated death benefit.

135 (c) "First-party claim" shall mean a claim made by the  
136 insured or policyholder under an insurance policy or contract or  
137 by a beneficiary.

138 (d) "Third-party claim" shall mean a claim to insurance  
139 proceeds or coverage brought by a third party to an insurance  
140 policy or contract.

141 (e) "Insurance claim data collection organization"  
142 means an organization that maintains a centralized database of  
143 information concerning insurance claims to assist insurers who

144 subscribe to the database in processing claims and detecting and  
145 preventing fraud.

146 (f) "Insurer" means a person who holds a certificate of  
147 authority to transact insurance in this state.

148 (g) "Obligor" means an individual who owes a duty to  
149 make payments under an order for support.

150 **SECTION 2.** This act shall take effect and be in force from  
151 and after July 1, 2025.

