

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



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

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

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

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

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

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

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:



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

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

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

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

(12) As used in this section:

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

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



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

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

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

(e) "Insurance claim data collection organization" means an organization that maintains a centralized database of 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.

