

**Adopted
AMENDMENT NO 1 PROPOSED TO**

Cmte Sub for House Bill No. 1611

BY: Representative Ford (54th)

1 **AMEND** by inserting the following language after line 147 and
2 renumbering the succeeding section:

3 **"SECTION 2.** Section 71-3-77, Mississippi Code of 1972, is
4 amended as follows:

5 **[From July 1, 2025, until July 1, 2026, this section shall**
6 **read as follows:]**

7 71-3-77. (1) Every contract for the insurance of the
8 compensation herein provided, or against liability therefor, shall
9 be deemed to be made subject to the provisions of this chapter,
10 and provisions thereof inconsistent with this chapter shall be
11 void. Such contract shall be allowed to offer deductibles on all
12 liability of the assured under and according to the provisions of
13 this chapter, notwithstanding any agreement of the parties to the



14 contrary. However, the payments of the claims, including the
15 deductible amounts, shall be made directly from the insurance
16 company to the employee, except for medical benefits which shall
17 be paid to the medical provider. A copy of such payments shall be
18 forwarded to the employer. The insurance company shall collect
19 the deductible from the employer as shall be provided in the
20 contract between the employer and the insurer. No such policy
21 shall be subject to nonrenewal, or cancelled by the insurer within
22 the policy period, until a notice in writing shall be given to the
23 commission and to the insured, fixing the date on which it is
24 proposed to cancel it or declaring that the company does not
25 intend to renew the policy upon expiration date. Notice to the
26 insured shall be served personally or by registered or certified
27 mail. Notice to the commission shall be provided in such manner
28 and on such form as the commission may prescribe or direct. No
29 such cancellation or nonrenewal shall be effective until thirty
30 (30) days after the service of such notice on the insured and the
31 provision of notice to the commission, unless the employer has
32 obtained other insurance coverage, in which case such policy shall
33 be deemed cancelled as of the effective date of such other
34 insurance, whether or not such notice has been given. The notice
35 requirements of this section shall not apply when a replacement
36 policy form providing the same or substantially similar coverage
37 is issued by the same insurer, or when transfer of an insured to a
38 licensed affiliate providing the same or substantially similar



39 coverage occurs. Whenever a replacement policy form providing the
40 same or substantially similar coverage is issued by the same
41 insurer, or when a transfer of an insured to a licensed affiliate
42 of the insurer providing the same or substantially similar
43 coverage occurs, documents signed by the insured are applicable to
44 the replacement policy and to coverage being transferred, and
45 remain valid and enforceable.

46 The insured may also cancel such a policy on the day that the
47 insured either (a) returns the policy to the agent, or (b) signs
48 and delivers to the agent a "lost policy release." If the insured
49 desires to cancel a policy before the policy has become effective,
50 he may cancel the policy by written notice of cancellation to the
51 agent or company without return of the policy or a release.

52 Whenever a replacement policy form providing the same or
53 substantially similar coverage is issued by the same insurer, or
54 by a licensed affiliate insurer, such insurer shall mail or
55 deliver to the policyholder, at least thirty (30) days in advance
56 of the effective date of renewal, written notice of any terms or
57 conditions that are less favorable to the policyholder.

58 A transferring insurer shall notify the Mississippi Insurance
59 Department and the Mississippi Workers' Compensation Commission at
60 least forty-five (45) days in advance of notifying a policyholder
61 that its personal or commercial lines insurance policies will be
62 transferred to another licensed insurer within the same insurance
63 group or same holding company. The notice shall include the name



64 of insurer transferring the personal or commercial lines policies
65 and the name and financial rating of the insurer receiving the
66 transferred personal or commercial lines policies.

67 A transferring insurer shall provide the policyholder written
68 notice of the policy transfer at least thirty (30) days prior to
69 expiration of the policy term and shall include the financial
70 rating of the insurer receiving the transferred policy. Such
71 notice must be provided to the policyholder with the notice of
72 renewal premium at least thirty (30) days before the effective
73 date of the transfer.

74 (2) In any case where the employer is not a self-insurer, in
75 order that the liability for compensation imposed by this chapter
76 may be most effectively discharged by the employer and in order
77 that the administration of this chapter in respect of such
78 liability may be facilitated, the commission shall by regulation
79 provide for the discharge, by the carrier or carriers for such
80 employer, of such obligations and duties of the employer in
81 respect of such liability imposed by this chapter upon the
82 employer as it considers proper in order to effectuate the
83 provisions of this chapter. For such purpose (a) notice to or
84 knowledge of an employer of the occurrence of the injury shall be
85 notice to or knowledge of the carrier or carriers; (b)
86 jurisdiction of the employer by the commission or any court under
87 this chapter shall be jurisdiction of the carrier or carriers; and
88 (c) any requirement by the commission or any court under any



89 compensation order, finding, or decision shall be binding upon the
90 carrier or carriers in the same manner and to the same extent as
91 upon the employer.

92 (3) As used in this section:

93 (a) "Affiliate transfer" is when an insurer transfers,
94 at renewal or policy expiration, its personal or commercial lines
95 insurance policies to an affiliated licensed insurer that is a
96 member of the same insurance group or same holding company as the
97 transferring insurer. The issuance of a replacement policy form
98 providing the same or substantially similar coverage issued by the
99 same insurer, or the transfer of personal or commercial insurance
100 policies to a licensed affiliate insurer that will issue the same
101 or substantially similar policy, are considered a renewal and will
102 not be treated as a cancellation or nonrenewal. The affiliate
103 transfer must be to a licensed affiliate insurer that has been
104 determined by the commissioner to have the same or better
105 financial strength as the transferring insurer. The policy
106 transfer must be selected on a nondiscriminatory basis.

107 (b) "Substantially similar" means a policy that
108 provides the same basic coverages but may add, alter or eliminate
109 incidental coverages and may provide coverages using different
110 textual language.

111 **[From and after July 1, 2026, this section shall read as**
112 **follows:]**



113 71-3-77. (1) Every contract for the insurance of the
114 compensation herein provided, or against liability therefor, shall
115 be deemed to be made subject to the provisions of this chapter,
116 and provisions thereof inconsistent with this chapter shall be
117 void. Such contract shall be allowed to offer deductibles on all
118 liability of the assured under and according to the provisions of
119 this chapter, notwithstanding any agreement of the parties to the
120 contrary. However, the payments of the claims, including the
121 deductible amounts, shall be made directly from the insurance
122 company to the employee, except for medical benefits which shall
123 be paid to the medical provider. A copy of such payments shall be
124 forwarded to the employer. The insurance company shall collect
125 the deductible from the employer as shall be provided in the
126 contract between the employer and the insurer. No such policy
127 shall be subject to nonrenewal, or cancelled by the insurer within
128 the policy period, until a notice in writing shall be given to the
129 commission and to the insured, fixing the date on which it is
130 proposed to cancel it or declaring that the company does not
131 intend to renew the policy upon expiration date. Notice to the
132 insured shall be served personally or by registered or certified
133 mail. Notice to the commission shall be provided in such manner
134 and on such form as the commission may prescribe or direct. No
135 such cancellation or nonrenewal shall be effective until forty-
136 five (45) days after the service of such notice on the insured and
137 the provision of notice to the commission, unless the employer has



138 obtained other insurance coverage, in which case such policy shall
139 be deemed cancelled as of the effective date of such other
140 insurance, whether or not such notice has been given. The notice
141 requirements of this section shall not apply when a replacement
142 policy form providing the same or substantially similar coverage
143 is issued by the same insurer, or when transfer of an insured to a
144 licensed affiliate providing the same or substantially similar
145 coverage occurs. Whenever a replacement policy form providing the
146 same or substantially similar coverage is issued by the same
147 insurer, or when a transfer of an insured to a licensed affiliate
148 of the insurer providing the same or substantially similar
149 coverage occurs, documents signed by the insured are applicable to
150 the replacement policy and to coverage being transferred, and
151 remain valid and enforceable.

152 The insured may also cancel such a policy on the day that the
153 insured either (a) returns the policy to the agent, or (b) signs
154 and delivers to the agent a "lost policy release." If the insured
155 desires to cancel a policy before the policy has become effective,
156 he may cancel the policy by written notice of cancellation to the
157 agent or company without return of the policy or a release.

158 Whenever a replacement policy form providing the same or
159 substantially similar coverage is issued by the same insurer, or
160 by a licensed affiliate insurer, such insurer shall mail or
161 deliver to the policyholder, at least forty-five (45) days in



162 advance of the effective date of renewal, written notice of any
163 terms or conditions that are less favorable to the policyholder.

164 A transferring insurer shall notify the Mississippi Insurance
165 Department and the Mississippi Workers' Compensation Commission at
166 least forty-five (45) days in advance of notifying a policyholder
167 that its personal or commercial lines insurance policies will be
168 transferred to another licensed insurer within the same insurance
169 group or same holding company. The notice shall include the name
170 of insurer transferring the personal or commercial lines policies
171 and the name and financial rating of the insurer receiving the
172 transferred personal or commercial lines policies.

173 A transferring insurer shall provide the policyholder written
174 notice of the policy transfer at least forty-five (45) days prior
175 to expiration of the policy term and shall include the financial
176 rating of the insurer receiving the transferred policy. Such
177 notice must be provided to the policyholder with the notice of
178 renewal premium at least forty-five (45) days before the effective
179 date of the transfer.

180 (2) In any case where the employer is not a self-insurer, in
181 order that the liability for compensation imposed by this chapter
182 may be most effectively discharged by the employer and in order
183 that the administration of this chapter in respect of such
184 liability may be facilitated, the commission shall by regulation
185 provide for the discharge, by the carrier or carriers for such
186 employer, of such obligations and duties of the employer in



187 respect of such liability imposed by this chapter upon the
188 employer as it considers proper in order to effectuate the
189 provisions of this chapter. For such purpose (a) notice to or
190 knowledge of an employer of the occurrence of the injury shall be
191 notice to or knowledge of the carrier or carriers; (b)
192 jurisdiction of the employer by the commission or any court under
193 this chapter shall be jurisdiction of the carrier or carriers; and
194 (c) any requirement by the commission or any court under any
195 compensation order, finding, or decision shall be binding upon the
196 carrier or carriers in the same manner and to the same extent as
197 upon the employer.

198 (3) If the insurer fails to meet the notice requirement of
199 this section, the named insured has the option of continuing the
200 policy or contract for the remainder of the notice period plus an
201 additional forty-five (45) days at the premium rate of the
202 existing policy or contract. Such option shall continue in forty-
203 five (45) day increments until the insurer provides the notice
204 required in this section.

205 (4) As used in this section:

206 (a) "Affiliate transfer" is when an insurer transfers,
207 at renewal or policy expiration, its personal or commercial lines
208 insurance policies to an affiliated licensed insurer that is a
209 member of the same insurance group or same holding company as the
210 transferring insurer. The issuance of a replacement policy form
211 providing the same or substantially similar coverage issued by the



212 same insurer, or the transfer of personal or commercial insurance
213 policies to a licensed affiliate insurer that will issue the same
214 or substantially similar policy, are considered a renewal and will
215 not be treated as a cancellation or nonrenewal. The affiliate
216 transfer must be to a licensed affiliate insurer that has been
217 determined by the commissioner to have the same or better
218 financial strength as the transferring insurer. The policy
219 transfer must be selected on a nondiscriminatory basis.

220 (b) "Substantially similar" means a policy that
221 provides the same basic coverages but may add, alter or eliminate
222 incidental coverages and may provide coverages using different
223 textual language."

224 **AMEND TITLE** to conform.

