

By: Kirby

To: Insurance

SENATE BILL NO. 2999

1 AN ACT TO AMEND SECTION 83-9-217, MISSISSIPPI CODE OF 1972,
2 UNDER THE COMPREHENSIVE HEALTH INSURANCE RISK POOL ASSOCIATION
3 ACT, TO PROVIDE THAT THERE SHALL NOT BE AN ASSESSMENT ON ANY
4 INSURER ON POLICIES INSURING PERSONS ELIGIBLE FOR THE CHILDREN'S
5 HEALTH INSURANCE PROGRAM; AND FOR RELATED PURPOSES.

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

7 SECTION 1. Section 83-9-217, Mississippi Code of 1972, is
8 amended as follows:[JMR1]

9 83-9-217. (1) For the purpose of providing the funds
10 necessary to carry out the powers and duties of the association,
11 the board of directors shall assess the member insurers at such
12 time and for such amounts as the board finds necessary.
13 Assessments shall be due not less than thirty (30) days after
14 prior written notice to the member insurers and shall accrue
15 interest at twelve percent (12%) per annum on and after the due
16 date.

17 (2) Each insurer shall be assessed an amount not to exceed
18 One Dollar (\$1.00) per covered person insured or reinsured by each
19 insurer per month. There shall not be such assessment on any
20 insurer on policies or contracts insuring federal or state
21 employees or persons eligible for the Children's Health Insurance
22 Program.

23 (3) The board shall make reasonable efforts designed to
24 ensure that each covered person is counted only once with respect
25 to any assessment. For that purpose, the board shall require each
26 insurer that obtains excess or stoploss insurance to include in
27 its count of covered persons all individuals whose coverage is

28 insured (including by way of excess or stoploss coverage) in whole
29 or part. The board shall allow a reinsurer to exclude from its
30 number of covered persons those who have been counted by the
31 primary insurer or by the primary reinsurer or primary excess or
32 stoploss insurer for the purpose of determining its assessment
33 under this subsection.

34 (4) Each insurer's assessment may be verified by the board
35 based on annual statements and other reports deemed to be
36 necessary by the board. The board may use any reasonable method
37 of estimating the number of covered persons of an insurer if the
38 specific number is unknown.

39 (5) If assessments and other receipts by the association,
40 board or administering insurer exceed the actual losses and
41 administrative expenses of the plan, the excess shall be held at
42 interest and used by the board to offset future losses or to
43 reduce plan premiums.

44 As used in this subsection, the term "future losses" includes
45 reserves for claims incurred but not reported.

46 (6) The commissioner may suspend or revoke, after notice and
47 hearing, the certificate of authority to transact insurance in
48 this state of any member insurer which fails to pay an assessment.

49 As an alternative, the commissioner may levy a forfeiture on any
50 member insurer which fails to pay an assessment when due. Such
51 forfeiture shall not exceed five percent (5%) of the unpaid
52 assessment per month, but no forfeiture shall be less than One
53 Hundred Dollars (\$100.00) per month.

54 SECTION 2. This act shall take effect and be in force from
55 and after July 1, 2000.