

By: Representatives Stevens, Chism, Formby,
Ketchings, Montgomery (74th)

To: Insurance

HOUSE BILL NO. 655

1 AN ACT TO AMEND SECTIONS 83-6-27, 83-19-75 AND 83-19-77,
2 MISSISSIPPI CODE OF 1972, TO ELIMINATE REFERENCES TO REPEALED
3 STATUTES IN CERTAIN INSURANCE REGULATIONS; AND FOR RELATED
4 PURPOSES.

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

6 SECTION 1. Section 83-6-27, Mississippi Code of 1972, is
7 amended as follows:

8 83-6-27. * * * (1) The commissioner is authorized to order
9 any insurer registered under Sections 83-6-3 through 83-6-19 of
10 this act to produce such records, books, or other information
11 papers in the possession of the insurer or its affiliates which
12 are necessary to ascertain the financial condition or legality of
13 conduct of such insurer. In the event such insurer fails to
14 comply with such order, the commissioner is authorized to examine
15 such affiliates to obtain such information.

16 (2) The commissioner shall exercise his authority under
17 subsection (1) of this section only if * * * the interests of the
18 policyholders of such insurer may be adversely affected.

19 (3) The commissioner may retain at the registered insurer's
20 expense such attorneys, actuaries, accountants and other experts
21 not otherwise a part of the commissioner's staff which are
22 reasonably necessary to assist in the conduct of the examination
23 under subsection (1) of this section. Any persons so retained are
24 under the direction and control of the commissioner and shall act
25 in a purely advisory capacity.

26 (4) Each registered insurer producing for examination
27 records, books and papers pursuant to subsection (1) of this
28 section is liable for the expense of such examination * * *.

29 SECTION 2. Section 83-19-75, Mississippi Code of 1972, is
30 amended as follows:

31 83-19-75. If the surplus of any domestic insurance company
32 or association shall be impaired, as provided in Sections 83-19-75
33 and 83-19-77, and such impairment shall not be reported to the
34 Commissioner of Insurance of this state within ten (10) days after
35 such impairment occurs or results, the executive officers,
36 secretary, treasurer, and directors of such company shall each be
37 guilty of a misdemeanor and, upon conviction thereof, shall be
38 punished by a fine of not more than Five Hundred Dollars (\$500.00)
39 or by imprisonment in the county jail for not more than six (6)
40 months, or by both such fine and imprisonment, in the discretion
41 of the court.

42 SECTION 3. Section 83-19-77, Mississippi Code of 1972, is
43 amended as follows:

44 83-19-77. Sections 83-19-75 and 83-19-77 shall not be
45 construed as applicable to fraternal, benevolent, or burial
46 associations, or any other organization not specifically named in
47 the foregoing schedule.

48 SECTION 4. This act shall take effect and be in force from
49 and after July 1, 2001.