

By: Senator(s) Kirby

To: Insurance

SENATE BILL NO. 2163

1 AN ACT TO AMEND SECTION 83-2-35, MISSISSIPPI CODE OF 1972, TO
 2 REVISE THE FEES PAID BY PROPERTY AND CASUALTY INSURERS TO THE
 3 COMMISSIONER OF INSURANCE; TO AMEND SECTION 83-5-73, MISSISSIPPI
 4 CODE OF 1972, TO REVISE THE GENERAL FEES RELATIVE TO INSURANCE
 5 COMPANIES; TO AMEND SECTION 83-5-75, MISSISSIPPI CODE OF 1972, TO
 6 REVISE THE FEES PAID BY FRATERNAL ORDERS; TO AMEND SECTION
 7 83-5-77, MISSISSIPPI CODE OF 1972, TO REVISE THE PUBLICATION FEES
 8 CHARGED BY THE COMMISSIONER OF INSURANCE; TO AMEND SECTION
 9 83-7-17, MISSISSIPPI CODE OF 1972, TO REVISE THE FEES PAID BY LIFE
 10 INSURANCE COMPANIES; TO AMEND SECTION 83-11-243, MISSISSIPPI CODE
 11 OF 1972, TO AUTHORIZE THE COMMISSIONER OF INSURANCE TO IMPOSE A
 12 FEE FOR THE FILING OF FINANCIAL STATEMENTS BY AUTOMOBILE CLUBS; TO
 13 AMEND SECTION 83-9-3, MISSISSIPPI CODE OF 1972, TO REVISE THE FEES
 14 PAID BY ACCIDENT AND HEALTH INSURANCE COMPANIES; TO AMEND SECTION
 15 83-18-27, MISSISSIPPI CODE OF 1972, TO SPECIFY THE FEE IMPOSED BY
 16 THE COMMISSIONER OF INSURANCE ON INSURANCE ADMINISTRATORS FOR
 17 FILING AN ANNUAL REPORT; TO AMEND SECTION 83-21-17, MISSISSIPPI
 18 CODE OF 1972, TO REVISE THE FEES PAID BY NONADMITTED INSURERS; TO
 19 AMEND SECTION 27-15-83, MISSISSIPPI CODE OF 1972, TO REVISE THE
 20 FEE PAID BY INSURANCE COMPANIES OR ASSOCIATIONS WHICH AMEND THEIR
 21 PRIVILEGE LICENSES; AND FOR RELATED PURPOSES.

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

23 SECTION 1. Section 83-2-35, Mississippi Code of 1972, is
 24 amended as follows:

25 83-2-35. (1) This section applies to all forms of property
 26 and casualty insurance on risks or operations in this state by any
 27 insurer authorized to do business in this state, except:

- 28 (a) Accident and health;
- 29 (b) Ocean marine insurance;
- 30 (c) Reinsurance;
- 31 (d) Aircraft liability and aircraft hull insurance;
- 32 (e) Title insurance;
- 33 (f) Credit accident and health insurance.

34 (2) All such insurers shall pay to the Commissioner of
 35 Insurance a fee of Fifty Dollars (\$50.00) per company for each
 36 combination of rate/rule change(s) and Twenty-five Dollars



37 (\$25.00) per form per company. The commissioner shall pay such
38 fees into the special fund in the State Treasury designated as the
39 "Insurance Department Fund."

40 SECTION 2. Section 83-5-73, Mississippi Code of 1972, is
41 amended as follows:

42 83-5-73. The commissioner shall collect and pay into the
43 special fund in the State Treasury designated as the "Insurance
44 Department Fund" the following fees: for certificate of authority
45 to each * * * agent or manager, Twenty Dollars (\$20.00); for
46 filing and processing an agent's certificate of authority
47 cancellation, Twenty Dollars (\$20.00); for filing and examining
48 statement preliminary to admission, One Thousand Dollars
49 (\$1,000.00); for filing and processing a Form A application, Two
50 Thousand Dollars (\$2,000.00); for filing and auditing annual
51 statement or annual report, Five Hundred Dollars (\$500.00); for
52 filing any other paper required by law, Fifty Dollars (\$50.00);
53 for continuing education courses or programs filed by the
54 providers for approval, Fifty Dollars (\$50.00); for each
55 certification company licensed status, Forty Dollars (\$40.00); for
56 each seal when required, Twenty Dollars (\$20.00); for service of
57 process on the commissioner as attorney, Twenty-five Dollars
58 (\$25.00).

59 SECTION 3. Section 83-5-75, Mississippi Code of 1972, is
60 amended as follows:

61 83-5-75. If a fraternal order doing an insurance business
62 has direct premiums written of less than One Million Dollars
63 (\$1,000,000.00) in any calendar year and less than one thousand
64 policyholders or members of directly written policies nationwide
65 at the end of such calendar year, except for insures having
66 assumed premiums pursuant to contracts and/or treaties of
67 reinsurance of One Million Dollars (\$1,000,000.00) or more, the
68 commissioner shall collect the following charges: for filing
69 charter, etc., of fraternal orders doing an insurance business,



70 preliminary to admission, Twenty-five Dollars (\$25.00); for filing
71 and auditing annual statement, Ten Dollars (\$10.00); all other
72 fees and charges due and payable by any company, association,
73 order or individual in his department. For all other fraternal
74 orders doing business, the commissioner shall collect charges as
75 provided in Section 83-5-73, as well as all other fees and charges
76 due and payable by any company, association, order or individual
77 in his department.

78 SECTION 4. Section 83-5-77, Mississippi Code of 1972, is
79 amended as follows:

80 83-5-77. For publication of annual statement (to be paid
81 publishers), Forty Dollars (\$40.00). The commissioner shall
82 receive for copy of any record or paper in his office, Twenty-five
83 Cents (25¢) per page, and Twenty Dollars (\$20.00) for certifying
84 same, or any fact or data from the records of the office.

85 SECTION 5. Section 83-7-17, Mississippi Code of 1972, is
86 amended as follows:

87 83-7-17. All life insurance companies other than fraternal
88 beneficiary associations, authorized to do the business of life
89 insurance in this state, are hereby required to print or stamp in
90 conspicuous type on the face or first page of each and every
91 policy sold to citizens of this state words indicating correctly
92 and fully the kind and character of the policy. The same words
93 shall also be printed or stamped on the back or title page of
94 every such policy so that they may be easily seen and read when
95 the policy is folded. Every such life insurance company shall
96 submit to the commissioner for his approval the words required in
97 this section to be printed on each policy, together with sample
98 copy of every kind or class of policies offered for sale in this
99 state; and every life insurance company shall print on each of its
100 policies sold to citizens of this state such words as the
101 Insurance Commissioner shall approve. The license of any
102 insurance company doing business in this state may be revoked by



103 the commissioner for violating any of the provisions of this
104 section. A policy of life insurance shall not be issued or
105 delivered in this state until the form has been approved and filed
106 by the Insurance Commissioner.

107 The commissioner shall collect and pay into the Insurance
108 Department Fund in the State Treasury a Fifty Dollar (\$50.00)
109 filing and processing fee for the following * * * services
110 provided under this section: * * *

111 Each individual policy contract, including revisions * * *i;

112 Each group master policy or contract, including
113 revisions * * *i;

114 Each rider, endorsement or amendment, etc. * * *i;

115 Each insurance application where written application is
116 required and is to be made a part of the policy or contract * * *i;

117 Each questionnaire * * *i;

118 Each rate filing;

119 Each resubmission where payment is not included with the
120 original submission * * *i; and

121 Each tentative approval * * *.

122 SECTION 6. Section 83-11-243, Mississippi Code of 1972, is
123 amended as follows:

124 83-11-243. Each authorized automobile club shall annually,
125 before March 1, file with the commissioner a true statement of its
126 financial condition, transactions and affairs as of December 31
127 preceding. The statement shall contain such information as may be
128 reasonably required by the commissioner, and shall be verified by
129 the oaths of at least two (2) of the automobile club's principal
130 officers.

131 The commissioner shall collect and pay into the special fund
132 in the State Treasury designated as the "Insurance Department
133 Fund" a fee of One Hundred Dollars (\$100.00) for the filing of the
134 statement of its financial condition, transactions and affairs.



135 The commissioner may suspend or revoke the certificate of
136 authority of any automobile club failing to file its annual
137 statement when due or during any extension of time therefor which
138 the commissioner, for good cause, may grant.

139 SECTION 7. Section 83-9-3, Mississippi Code of 1972, is
140 amended as follows:

141 83-9-3. (1) No policy of accident and sickness insurance
142 shall be delivered or issued for delivery to any person in this
143 state unless:

144 (a) The entire money and other considerations therefor
145 are expressed therein; and

146 (b) The time at which the insurance takes effect and
147 terminates is expressed therein; and

148 (c) It purports to insure only one (1) person, except
149 that a policy may insure, originally or by subsequent amendment,
150 upon the application of an adult member of a family who shall be
151 deemed the policyholder, any two (2) or more eligible members of
152 that family, including husband, wife, dependent children or any
153 children under a specified age which shall not exceed nineteen
154 (19) years, and any other person dependent upon the policyholder;
155 and

156 (d) The style, arrangement and overall appearance of
157 the policy give no undue prominence to any portion of the text,
158 and unless every printed portion of the text of the policy and of
159 any endorsements or attached papers is plainly printed in
160 lightfaced type of a style in general use, the size of which shall
161 be uniform and not less than ten-point with a lowercase unspaced
162 alphabet length not less than one hundred and twenty-point (the
163 "text" shall include all printed matter except the name and
164 address of the insurer, name or title of the policy, the brief
165 description if any, and captions and subcaptions); and

166 (e) The exceptions and reductions of indemnity are set
167 forth in the policy and, except those which are set forth in



168 Section 83-9-5, are printed, at the insurer's option, either with
169 the benefit provision to which they apply, or under an appropriate
170 caption such as "Exceptions," or "Exceptions and Reductions,"
171 provided that if an exception or reduction specifically applies
172 only to a particular benefit of the policy, a statement of such
173 exception or reduction shall be included with the benefit
174 provision to which it applies; and

175 (f) Each such form, including riders and endorsements,
176 shall be identified by a form number in the lower left-hand corner
177 of the first page thereof; and

178 (g) It contains no provision purporting to make any
179 portion of the charter, rules, constitution or bylaws of the
180 insurer a part of the policy unless such portion is set forth in
181 full in the policy, except in the case of the incorporation of, or
182 reference to, a statement of rates or classification of risks, or
183 short-rate table filed with the commissioner.

184 (2) No individual or group policy covering health and
185 accident insurance (including experience-rated insurance
186 contracts, indemnity contracts, self-insured plans and self-funded
187 plans), or any group combinations of these coverages, shall be
188 issued by any commercial insurer doing business in this state
189 which, by the terms of such policy, limits or excludes payment
190 because the individual or group insured is eligible for or is
191 being provided medical assistance under the Mississippi Medicaid
192 Law. Any such policy provision in violation of this section shall
193 be invalid.

194 (3) If any policy is issued by an insurer domiciled in this
195 state for delivery to a person residing in another state, and if
196 the official having responsibility for the administration of the
197 insurance laws of such other state shall have advised the
198 commissioner that any such policy is not subject to approval or
199 disapproval by such official, the commissioner may, by ruling,



200 require that such policy meet the standards set forth in
201 subsection (1) of this section and in Section 83-9-5.

202 (4) The commissioner shall collect and pay into the Special
203 Fund in the State Treasury designated as the "Insurance Department
204 Fund" a Fifty Dollar (\$50.00) filing and processing fee for the
205 following * * * services provided under this section: * * *

206 Each individual policy contract, including revisions * * *i;

207 Each group master policy or contract, including
208 revisions * * *i;

209 Each rider, endorsement or amendment, etc. * * *i;

210 Each insurance application where written application is
211 required and is to be made a part of the policy or contract * * *i;

212 Each questionnaire * * *i;

213 Each rate filing;

214 Each resubmission where payment is not included with the
215 original submission * * *i; and

216 Each tentative approval * * *.

217 SECTION 8. Section 83-18-27, Mississippi Code of 1972, is
218 amended as follows:

219 83-18-27. (1) Each administrator shall file an annual
220 report for the preceding calendar year with the commissioner on or
221 before March 1 of each year, or within such extension of time
222 therefor as the commissioner for good cause may grant. The report
223 shall be in the form and contain such matters as the commissioner
224 prescribes and shall be verified by at least two (2) officers of
225 the administrator.

226 (2) The annual report shall include the complete names and
227 addresses of all insurers with which the administrator had an
228 agreement during the preceding fiscal year.

229 (3) The commissioner shall collect and pay into the special
230 fund in the State Treasury designated as the "Insurance Department
231 Fund" a fee of One Hundred Dollars (\$100.00) for the filing of the
232 annual report.



233 SECTION 9. Section 83-21-17, Mississippi Code of 1972, is
234 amended as follows:

235 83-21-17. The Commissioner of Insurance shall annually
236 promulgate a list of nonadmitted insurers and each such insurer
237 shall meet the same requirements as to capital and surplus as is
238 required of a company licensed to do business in the State of
239 Mississippi and annually pay a filing fee of One Thousand Dollars
240 (\$1,000.00) * * * for certification review as a nonadmitted
241 insurer. An alien insurer shall be listed with the nonadmitted
242 Insurers Information Office of the National Association of
243 Insurance Commissioners. In the case of an alien insurer
244 authorized to transact insurance of the kind involved in at least
245 one (1) state of the United States, the insurer must have
246 unimpaired capital and/or surplus or an effective trust fund
247 amounting to at least One Million Five Hundred Thousand Dollars
248 (\$1,500,000.00) and, in the case of a group including incorporated
249 and individual unincorporated insurers, the trust fund must be in
250 the amount of not less than Fifty Million Dollars
251 (\$50,000,000.00). The incorporated members of the group shall not
252 be engaged in any business other than underwriting as a member of
253 the group and shall be subject to the same level of solvency
254 regulation and control by the group's domiciliary regulator as are
255 the unincorporated members. In the case of an alien insurer not
256 authorized to transact business in at least one (1) state of the
257 United States, the insurer must have an established trust fund of
258 at least One Million Five Hundred Thousand Dollars (\$1,500,000.00)
259 within the United States administered by a recognized financial
260 institution and held for the benefit of all its policyholders in
261 the United States. The Commissioner of Insurance is specifically
262 vested with authority to promulgate such rules and regulations as
263 deemed necessary to carry out the provisions hereof and to publish
264 a list of nonadmitted insurers found eligible for writing business
265 in the State of Mississippi on a nonadmitted basis. The



266 commissioner may, by giving seven (7) days' notice, at any time
267 remove a nonadmitted insurer from such eligible list when it
268 appears that such insurer no longer meets the requirements of the
269 statute or regulations of the commissioner. When a nonadmitted
270 insurer is placed upon or removed from the eligible list, all
271 agents holding licenses under Sections 83-21-17 through 83-21-31
272 shall be notified of such eligibility or removal. Any agent of
273 this state who places insurance with a nonadmitted insurer not on
274 the list of eligible insurers shall be deemed in violation of the
275 cited sections and shall be subject to revocation of license in
276 the manner provided by statute for revocation of license of fire
277 and casualty insurance agents.

278 SECTION 10. Section 27-15-83, Mississippi Code of 1972, is
279 amended as follows:

280 27-15-83. (1) Upon each foreign insurance company licensed
281 as a single line company defined under Section 83-19-1, the
282 privilege tax is as follows:

- 283 (a) Fire and Allied Lines and/or
284 Industrial Fire..... \$200.00
- 285 (b) Casualty/Liability..... \$200.00
- 286 (c) Fidelity and/or Surety..... \$200.00
- 287 (d) Workers' Compensation..... \$200.00
- 288 (e) Boiler and Machinery..... \$200.00
- 289 (f) Plate Glass..... \$200.00
- 290 (g) Aircraft..... \$200.00
- 291 (h) Inland Marine and/or Ocean Marine..... \$200.00
- 292 (i) Automobile Physical Damage/Automobile
293 Liability..... \$200.00
- 294 (j) Homeowners/Farmowners..... \$200.00
- 295 (k) Guaranty/Mortgage Guaranty..... \$200.00
- 296 (l) Trip Accident and Baggage..... \$200.00
- 297 (m) Legal..... \$200.00
- 298 (n) Life and/or Accident and Health;



299 Credit Life, Accident and Health;
300 Industrial Life, Accident and Health;
301 and Variable Contracts..... \$200.00
302 (o) Title..... \$200.00
303 (p) Fraternal..... \$ 50.00

304 (2) For any combination of classifications of a foreign
305 insurance company, the privilege tax for a multiple line company
306 shall be Three Hundred Fifty Dollars (\$350.00).

307 (3) Any stock, mutual, reciprocal or reinsurance company
308 shall pay the appropriate privilege tax for each line of insurance
309 the company is licensed to underwrite.

310 (4) For each domestic insurance which has its home office
311 located in Mississippi, the privilege tax shall be one-half (1/2)
312 of the fees listed in this section.

313 (5) Each insurance company or association which amends its
314 privilege license shall pay a fee of Fifty Dollars (\$50.00).

315 SECTION 11. This act shall take effect and be in force from
316 and after July 1, 2001.

