

By: Representatives Stevens, Chism,
Masterson

To: Insurance

HOUSE BILL NO. 669

1 AN ACT TO AMEND SECTION 83-9-217, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE FOR AN INCREASE IN THE RATE OF OPERATIONAL ASSESSMENTS
3 ON INSURERS WHO ARE MEMBERS OF THE COMPREHENSIVE HEALTH INSURANCE
4 RISK POOL ASSOCIATION; AND FOR RELATED PURPOSES.

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

6 **SECTION 1.** Section 83-9-217, Mississippi Code of 1972, is
7 amended as follows:

8 83-9-217. (1) For the purpose of providing the funds
9 necessary to carry out the powers and duties of the association,
10 the board of directors shall assess the member insurers at such
11 time and for such amounts as the board finds necessary.
12 Assessments shall be due not less than thirty (30) days after
13 prior written notice to the member insurers and shall accrue
14 interest at twelve percent (12%) per annum on and after the due
15 date.

16 (2) Each insurer shall be assessed an amount not to exceed
17 Three Dollars (\$3.00) per covered person insured or reinsured by
18 each insurer per month. There shall not be such assessment on any
19 insurer on policies or contracts insuring federal or state
20 employees.

21 (3) The board shall make reasonable efforts designed to
22 ensure that each covered person is counted only once with respect
23 to any assessment. For that purpose, the board shall require each
24 insurer that obtains excess or stoploss insurance to include in
25 its count of covered persons all individuals whose coverage is
26 insured (including by way of excess or stoploss coverage) in whole
27 or part. The board shall allow a reinsurer to exclude from its
28 number of covered persons those who have been counted by the



29 primary insurer or by the primary reinsurer or primary excess or
30 stoploss insurer for the purpose of determining its assessment
31 under this subsection.

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

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

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

44 (6) The commissioner may suspend or revoke, after notice and
45 hearing, the certificate of authority to transact insurance in
46 this state of any member insurer which fails to pay an assessment.
47 As an alternative, the commissioner may levy a forfeiture on any
48 member insurer which fails to pay an assessment when due. Such
49 forfeiture shall not exceed five percent (5%) of the unpaid
50 assessment per month, but no forfeiture shall be less than One
51 Hundred Dollars (\$100.00) per month.

52 **SECTION 2.** This act shall take effect and be in force from
53 and after July 1, 2002.

