

By: Representatives Stevens, Chism, Dedeaux, Eads, Formby, Ketchings, Masterson, Montgomery (74th), Robinson (63rd), Robinson (84th), Simpson

To: Insurance

HOUSE BILL NO. 695

1 AN ACT TO AMEND SECTION 83-30-51, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE THAT A LARGER FRATERNAL BENEFIT SOCIETY SHALL BE HELD
3 TO BE LEGALLY SOLVENT AS LONG AS THE FUNDS BELONGING TO THE
4 SOCIETY ARE EQUAL TO OR IN EXCESS OF ITS MATURED LIABILITIES; AND
5 FOR RELATED PURPOSES.

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

7 **SECTION 1.** Section 83-30-51, Mississippi Code of 1972, is
8 amended as follows:

9 83-30-51. (1) Every society transacting business in this
10 state shall annually, on or before March 1, unless for cause
11 shown such time has been extended by the commissioner, file with
12 the commissioner a true statement of its financial condition,
13 transactions and affairs for the preceding calendar year. The
14 statement shall be in general form and context as approved by the
15 National Association of Insurance Commissioners for fraternal
16 benefit societies and as supplemented by additional information
17 required by the commissioner.

18 (2) As part of the annual statement herein required, each
19 society shall, on or before March 1, file with the commissioner a
20 valuation of its certificates in force on December 31 last
21 preceding, provided the commissioner may, in his or her
22 discretion for cause shown, extend the time for filing such
23 valuation for not more than two (2) calendar months. Such
24 valuation shall be done in accordance with the standards
25 specified in Section 83-30-49. Such valuation and underlying
26 data shall be certified by a qualified actuary or, at the expense
27 of the society, verified by the actuary of the department of
28 insurance of the state of domicile of the society. This



29 valuation shall not be considered or regarded as a test of the
30 financial solvency of the society, but as an indication of the
31 ability of the society to pay the benefits promised under its
32 certificates without change in benefits or in rates of
33 contribution; and each society shall be held to be legally
34 solvent as long as the funds belonging to the society are equal
35 to or in excess of its matured liabilities.

36 (3) A society neglecting to file the annual statement in the
37 form and within the time provided by this section may be subject
38 to a fine of One Hundred Dollars (\$100.00) for each day during
39 which such neglect continues, and its authority to do business in
40 this state may be suspended by the commissioner while such default
41 continues.

42 **SECTION 2.** This act shall take effect and be in force from
43 and after July 1, 2003.

