MISSISSIPPI LEGISLATURE REGULAR SESSION 2004

By: Representative Stevens

To: Insurance

HOUSE BILL NO. 343

AN ACT TO AMEND SECTION 83-1-151, MISSISSIPPI CODE OF 1972, TO INCLUDE CERTAIN LARGER FRATERNAL BENEFIT SOCIETIES UNDER THE DEFINITION OF "INSURER"; AND FOR RELATED PURPOSES.

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

SECTION 1. Section 83-1-151, Mississippi Code of 1972, is amended as follows:

83-1-151. As used in Sections 83-1-151 through 83-1-169, the following items shall have the meanings ascribed herein unless the context indicates otherwise:

(a) "Insurer" means and includes every person engaged as indemnitor, surety or contractor in the business of entering into contracts of insurance or of annuities as limited to:

(i) Any insurer who is doing an insurer business, or has transacted insurance in this state, and against whom claims arising from that transaction may exist now or in the future.

(ii) Any fraternal benefit society <u>or larger fraternal benefit society</u> which is subject to the provisions of Section 83-29-1 et seq. <u>or Section 83-30-1 et seq.</u>

(iii) All corporate bodies organized for the purpose of carrying on the business of mutual insurance subject to the provisions of Section 83-31-1 et seq.

(iv) All health maintenance organizations established under Section 41-7-401.

(b) "Exceeded its powers" means the following conditions:

(i) The insurer has refused to permit examination of its books, papers, accounts, records or affairs by the

commissioner, his deputies, employees or duly commissioned examiners;

(ii) A domestic insurer has unlawfully removed from this state books, papers, accounts or records necessary for an examination of the insurer;

(iii) The insurer has failed to promptly comply with the applicable financial reporting statutes or rules and departmental requests relating thereto;

(iv) The insurer has neglected or refused to comply with an order of the commissioner to make good, within the time prescribed by law, any prohibited deficiency in its capital, capital stock or surplus;

(v) The insurer is continuing to transact insurance or write business after its license has been revoked or suspended by the commissioner;

(vi) The insurer, by contract or otherwise, has unlawfully or has in violation of an order of the commissioner or has without first having obtained written approval of the commissioner if approval is required by law:

(A) Totally reinsured its entire outstanding business, or

(B) Merged or consolidated substantially its entire property or business with another insurer;

(vii) The insurer engaged in any transaction in which it is not authorized to engage under the laws of this state;

(viii) The insurer refused to comply with a lawful order of the commissioner.

(c) "Consent" means agreement to administrative supervision by the insurer.

(d) "Commissioner" means the Commissioner of Insurance.

(e) "Department" means the Department of Insurance.

SECTION 2. This act shall take effect and be in force from and after July 1, 2004.