

By: Representative Turner

To: Insurance

HOUSE BILL NO. 1159

1 AN ACT TO AMEND SECTIONS 19-7-7, 21-37-45 AND 37-7-303,
 2 MISSISSIPPI CODE OF 1972, TO ALLOW COUNTIES, MUNICIPALITIES,
 3 SCHOOL DISTRICTS AND POLITICAL SUBDIVISIONS TO POOL THEIR RISKS
 4 AND NEGOTIATE FOR THE PURCHASE OF PROPERTY INSURANCE OR THE
 5 ESTABLISHMENT OF A SELF-INSURANCE FUND OR SELF-INSURANCE RESERVES
 6 OR ANY COMBINATION THEREOF; AND FOR RELATED PURPOSES.

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

8 **SECTION 1.** Section 19-7-7, Mississippi Code of 1972, is
 9 amended as follows:

10 19-7-7. The board of supervisors may have the courthouse,
 11 jail and other buildings of the county, the furniture thereof, the
 12 books of the county, and the personal property of the county,
 13 insured against loss by fire, cyclone and tornado, and other
 14 hazards. The board of supervisors may carry steam boiler, plate
 15 glass and other miscellaneous casualty insurance against loss of
 16 county property, as in the discretion of the board of supervisors
 17 may seem proper. The cost thereof shall be paid out of the county
 18 treasury.

19 The boards of supervisors of two (2) or more counties may
 20 pool their risks under this section and may provide for the



21 purchase of one or more policies of property insurance, or the
22 establishment of a self-insurance fund or self-insurance reserves,
23 or any combination thereof. The cost of participation shall be
24 paid out of the general fund of the county. The administration
25 and service of any such self-insurance program shall be contracted
26 to a third party and approved by the Commissioner of Insurance.

27 The governing board of any county, municipality, municipal
28 separate school district, other school district or
29 community/junior college district, and the governing board or head
30 of any other political subdivision or entity may negotiate for,
31 secure and pool their risks under this section and may provide for
32 the purchase of any one or more policies of property insurance, or
33 the establishment of a self-insurance fund or self-insurance
34 reserves, or any combination thereof. The governing board of any
35 political subdivision or other entity set forth in this section is
36 authorized to expend funds from any available source for the
37 purpose of obtaining and maintaining that property insurance. The
38 administration and service of any such self-insurance program
39 shall be contracted to a third party and approved by the
40 Commissioner of Insurance.

41 **SECTION 2.** Section 21-37-45, Mississippi Code of 1972, is
42 amended as follows:

43 21-37-45. The governing authorities of municipalities shall
44 have the power and authority to insure municipal property,
45 including buildings, furniture, books and records, and all other



46 property, against loss by fire and tornado, and to carry such
47 amount of employer's liability, steam boilers, plate glass and
48 other miscellaneous casualty insurance as in the discretion of the
49 governing authorities of the municipality may be deemed proper,
50 and to pay for the premiums thereof out of the municipal treasury.

51 The governing board of any county, municipality, municipal
52 separate school district, other school district or
53 community/junior college district, and the governing board or head
54 of any other political subdivision or entity may negotiate for,
55 secure and pool their risks under this section and may provide for
56 the purchase of any one or more policies of property insurance, or
57 the establishment of a self-insurance fund or self-insurance
58 reserves, or any combination thereof. The governing board of any
59 political subdivision or other entity set forth in this section is
60 authorized to expend funds from any available source for the
61 purpose of obtaining and maintaining that property insurance. The
62 administration and service of any such self-insurance program
63 shall be contracted to a third party and approved by the
64 Commissioner of Insurance.

65 **SECTION 3.** Section 37-7-303, Mississippi Code of 1972, is
66 amended as follows:

67 37-7-303. (1) The school board of any school district may
68 insure motor vehicles for any hazard that the board may choose,
69 and shall insure the school buildings, equipment and other school
70 property of the district against any and all hazards that the



71 board may deem necessary to provide insurance against. In
72 addition, the local school board of any school district shall
73 purchase and maintain business property insurance and business
74 personal property insurance on all school district-owned buildings
75 and/or contents as required by federal law and regulations of the
76 Federal Emergency Management Agency (FEMA) as is necessary for
77 receiving public assistance or reimbursement for repair,
78 reconstruction, replacement or other damage to those buildings
79 and/or contents caused by the Hurricane Katrina Disaster of 2005
80 or subsequent disasters. The school district is authorized to
81 expend funds from any available source for the purpose of
82 obtaining and maintaining that property insurance. The school
83 district is authorized to enter into agreements with the
84 Department of Finance and Administration, other local school
85 districts, community/junior college districts, state institutions
86 of higher learning, community hospitals and/or other state
87 agencies to pool their liabilities to participate in a group
88 business property and/or business personal property insurance
89 program, subject to uniform rules and regulations as may be
90 adopted by the Department of Finance and Administration. Such
91 school board shall be authorized to contract for such insurance
92 for a term of not exceeding five (5) years and to obligate the
93 district for the payment of the premiums thereon. When necessary,
94 the school board is authorized and empowered, in its discretion,
95 to borrow money payable in annual installments for a period of not



96 exceeding five (5) years at a rate of interest not exceeding eight
97 percent (8%) per annum to provide funds to pay such insurance
98 premiums. The money so borrowed and the interest thereon shall be
99 payable from any school funds of the district other than minimum
100 education program funds. The school boards of school districts
101 are further authorized and empowered, in all cases where same may
102 be necessary, to bring and maintain suits and other actions in any
103 court of competent jurisdiction for the purpose of collecting the
104 proceeds of insurance policies issued upon the property of such
105 school district.

106 (2) Two (2) or more school districts, together with other
107 educational entities or agencies, may agree to pool their
108 liabilities to participate in a group workers' compensation
109 program. The governing authorities of any school board or other
110 educational entity or agency may authorize the organization and
111 operation of, or the participation in such a group self-insurance
112 program with other school boards and educational entities or
113 agencies, subject to the requirements of Section 71-3-5. The
114 Workers' Compensation Commission shall approve such group
115 self-insurance programs subject to uniform rules and regulations
116 as may be adopted by the commission applicable to all groups.

117 (3) The governing board of any county, municipality,
118 municipal separate school district, other school district or
119 community/junior college district, and the governing board or head
120 of any other political subdivision or entity may negotiate for,



121 secure and pool their risks under this section and may provide for
122 the purchase of any one or more policies of property insurance, or
123 the establishment of a self-insurance fund or self-insurance
124 reserves, or any combination thereof. The governing board of any
125 political subdivision or other entity set forth in this section is
126 authorized to expend funds from any available source for the
127 purpose of obtaining and maintaining that property insurance. The
128 administration and service of any such self-insurance program
129 shall be contracted to a third party and approved by the
130 Commissioner of Insurance.

131 **SECTION 4.** This act shall take effect and be in force from
132 and after July 1, 2024.

