

By: Senator(s) Michel

To: Insurance

SENATE BILL NO. 2757

1 AN ACT TO CREATE NEW SECTION 43-19-50, MISSISSIPPI CODE OF
 2 1972, TO PROVIDE THAT INSURERS AND INSURANCE COMPANIES SHALL
 3 PROVIDE CERTAIN INFORMATION TO THE MISSISSIPPI DEPARTMENT OF HUMAN
 4 SERVICES TO SATISFY CHILD SUPPORT ARREARS OF NONCUSTODIAL PARENTS;
 5 TO SET CERTAIN RESTRICTIONS RELATED THERETO; TO REQUIRE THE
 6 DEPARTMENT TO FACILITATE A SECURE ELECTRONIC PROCESS TO EXCHANGE
 7 INFORMATION; TO REQUIRE INSURERS TO WITHHOLD CLAIM PAYMENTS OR
 8 SETTLEMENTS UPON RECEIPT OF A NOTICE THAT THE CLAIMANT HAS
 9 OUTSTANDING CHILD SUPPORT OBLIGATIONS; TO PROVIDE THAT PRIORITY
 10 OVER WITHHOLDING THESE PAYMENTS SHALL BE GIVEN TO ATTORNEY FEES OR
 11 COSTS INCURRED, IF ANY, AND ANY STATUTORY OR SUBROGATION LIENS FOR
 12 MEDICAL EXPENSES; TO PROVIDE THAT ANY INFORMATION OBTAINED
 13 PURSUANT TO THIS ACT MUST BE USED ONLY FOR THE PURPOSE OF CARRYING
 14 OUT THE PROVISIONS OF THIS SECTION; TO PROVIDE THAT FAILURE TO
 15 COMPLY WITH THE PROVISIONS OF THIS ACT SHALL SUBJECT THE INSURER
 16 OR INSURANCE COMPANY TO A FINE OF NOT LESS THAN \$1,000.00; AND FOR
 17 RELATED PURPOSES.

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

19 **SECTION 1.** The following shall be codified as Section
 20 43-19-50, Mississippi Code of 1972:

21 43-19-50. (1) As used in this section, the following terms
 22 shall have the meanings ascribed herein:

23 (a) "Economic benefit" is defined as a payment in which
 24 an individual is paid directly by an insurer as the payee or
 25 co-payee of a first-party or third-party claim; this term excludes



26 claims for actual repair, replacement of loss or personal
27 property; benefits payable for actual expenses to funeral service
28 provider or facility; medical payments coverage under a motor
29 vehicle liability policy; benefits payable under a limited benefit
30 insurance policy for coverage of specified diseases or illnesses,
31 dental or vision benefits, or indemnity coverage; benefits paid in
32 accordance with long-term care benefit plan; benefits paid on
33 behalf of an individual directly to a retirement plan or an
34 accelerated death benefit.

35 (b) "First-party claim" shall mean a claim made by the
36 insured or policyholder under an insurance policy or contract or
37 by a beneficiary.

38 (c) "Third-party claim" shall mean a claim for bodily
39 injury, property damage or other damages brought by a third party
40 against an insured that is covered by a liability insurance policy
41 or contract by a self-insured.

42 (d) "Insurance claim data collection organization"
43 means an organization that maintains a centralized database of
44 information concerning insurance claims to assist insurers who
45 subscribe to the database in processing claims and detecting and
46 preventing fraud.

47 (e) "Insurer" means a person who holds a certificate of
48 authority to transact insurance in this state.

49 (2) Except as otherwise provided in subsection (10) of this
50 section, each insurer or insurance company, as defined by Sections



51 83-19-1 and 83-7-1 under the regulatory authority of the
52 Mississippi Department of Insurance, shall exchange information
53 with the Mississippi Department of Human Services (MDHS) in the
54 manner prescribed by MDHS to verify whether the claimant owes debt
55 for the support of one or more children not later than five (5)
56 days after the opening of a claim which seeks an economic benefit
57 for the claimant that is Five Hundred Dollars (\$500.00) or more.
58 The obligation of an insurer to exchange information with MDHS is
59 discharged upon complying with the requirements of this
60 subsection.

61 (3) To the extent feasible, the MDHS shall facilitate a
62 secure electronic process to exchange information with insurers
63 and file liens and levies. When the operation of such data match
64 system results in a match for a noncustodial parent who owes
65 past-due support, or when a claim is located through any other
66 means, MDHS:

67 (a) Shall have the authority to encumber and seize
68 assets payable to an obligor; and

69 (b) May request and shall receive additional financial
70 or other information, including account numbers, names and Social
71 Security numbers on record for accounts and account balances, from
72 any insurer or insurance company needed to establish, modify or
73 enforce a support order.

74 (c) The insurer or insurance company shall not disclose
75 to a claim holder, policy holder, or contract beneficiary that the



76 name of such person has been received from or furnished to MDHS.
77 The insurer or insurance company shall disclose to its account
78 holders or its depositors that under the data match system, MDHS
79 has the authority to request certain identifying information on
80 the account holder's or the depositor's accounts.

81 (4) Notice of such encumbrance initiated by MDHS shall be
82 provided to the insurer, insurance company or any applicable
83 commission via electronic means, regular mail or as prescribed in
84 Section 71-3-129. Notice shall be delivered to the obligor via
85 regular mail at the current mailing address as recorded by MDHS at
86 the commencement of the action described herein.

87 (5) Except as otherwise provided in subsection (8) of this
88 section, if an insurer is notified by MDHS that a claimant owes
89 debt for the support of one or more children, the insurer, upon
90 receipt of a notice issued by the enforcing authority identifying
91 the amount of debt owed, shall:

92 (a) Notify the claimant and his or her attorney, if
93 known to the insurer, of the debt owed not later than five (5)
94 days after receiving notice from the enforcing authority;

95 (b) Withhold from claim payments, awards, settlements
96 or payments intended to prevent litigation, the amount specific in
97 the notice; and

98 (c) Remit the amount withheld from payment to the
99 enforcing authority within thirty (30) days.



100 (6) When an insurer withholds and remits any money to the
101 enforcing authority pursuant to subsection (4) of this section,
102 the insurer shall notify the claimant and his or her attorney, if
103 known to the insurer, of that fact.

104 (7) Any amount encumbered and forwarded by the insurer or
105 insurance company under this section shall not exceed the
106 arrearage owed by the obligor.

107 (8) Priority over any withholding of payments pursuant to
108 subsection (4) of this section shall be given to (a) attorney's
109 fees or costs incurred, if any, and (b) judgment, statutory or
110 subrogation liens for medical expenses incurred as a result of the
111 injury causing the claim.

112 (9) Any information obtained pursuant to this section must
113 be used only for the purpose of carrying out the provisions of
114 this section. Notwithstanding the provisions of this subsection,
115 an insurer or an insurance claim data collection organization
116 approved by MDHS or other entity that performs the functions
117 described in subsection (10) of this section may not be held
118 liable in any civil or criminal action under federal or state law
119 for any act made in good faith pursuant to this section,
120 including, without limitation:

121 (a) Any disclosure of information to the MDHS or the
122 federal Office of Child Support Enforcement; or

123 (b) The withholding of any money from payment on a
124 claim or the remittance of such money to the enforcing authority.



125 (10) For claims filed prior to the enactment of this
126 section, an insurer shall not delay the disbursement of a payment
127 on a claim to comply with the requirements of this section. An
128 insurer is not required to comply with subsection (4) of this
129 section if the notice issued by the enforcing authority is
130 received by the insurer after the insurer has disbursed the
131 payment on the claim. In the case of a claim that will be paid
132 through periodic payments, the insurer:

133 (a) Is not required to comply with the provisions of
134 subsection (4) of this section with regard to any payments
135 disbursed to the claimant before the notice was received by the
136 insurer; and

137 (b) Shall comply with the provisions of subsection (4)
138 of this section with regard to any payments on the claim scheduled
139 to be made after the receipt of the notice.

140 (11) The insurer may comply with the requirements of this
141 section by (a) reporting directly to MDHS or its designee, or (b)
142 authorizing the insurance claim data collection organization to
143 provide claimant information to the federal Office of Child
144 Support Enforcement of the United States Department of Health and
145 Human Services.

146 (12) Failure to comply with the provisions of this section
147 or the willful rendering of false information shall subject the
148 insurer or insurance company to a fine of not less than One
149 Thousand Dollars (\$1,000.00).



150 **SECTION 2.** This act shall take effect and be in force from
151 and after July 1, 2024.

