

**2013 Legislative Bill Summary
Mississippi Insurance Department**

Commissioner Mike Chaney

June 6, 2013

INTRODUCTION

This Summary is a compilation of bills, sorted by subject matter, relevant to the Mississippi Insurance Department and signed into law after the 2013 Session of the Mississippi Legislature.

A hyperlink is provided after each bill that links to the actual bill text on the Mississippi Legislature website, <http://www.legislature.ms.gov>.

Throughout the document, for brevity, reference is made to the Mississippi Insurance Commissioner as “Commissioner”.

The Mississippi Insurance Department remains at your service to answer any questions regarding the content of this report.

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I. Automobile Insurance

a. HB 545 Chism, Gary

MS Code Ann § 83-11-102

Title: Uninsured motorist coverage; Revises the minimum number of vehicles that must be covered for an insured in an automobile liability policy to purchase single-limit, non-stacking uninsured motorist insurance coverage covering all vehicles listed in the policy.

Summary: Reduces to four (4), from ten (10), the minimum number of vehicles for which an insurer may offer multi-vehicle, single-limit, non-stacking uninsured motorist insurance coverage. MID Bulletin 2013-3, “Single-Limit, Non-stacking, Uninsured Motorist Coverage”, dated May 10, 2013, provides further notice of the changes and updates MID Regulation 2001-01 which provides a form for insurers to use that notifies them of the coverage.

Effective Date: July 1, 2013

Read the Bill as approved by the Governor – [HB545](#)*

b. HB 1277 Chism, Gary

MS Code Ann §§ 65-15-11 thru 21

Title: Repeal Sections 63-15-11 through 63-15-21, which require deposit of security for damages resulting from a motor vehicle accident, provide for the suspension of licenses and registrations upon the failure to deposit the security.

*To read the bill, double click the link, select PDF “Approved by Governor” under Bill Text.

Summary: Repeals requirement for the Department of Public Safety to administer the collection and management of adequate security deposits to cover potential judgments for drivers in accidents that do not have proof of insurance.

Effective Date: Upon Passage (March 20, 2013)

Read the Bill as approved by the Governor – [HB1277](#)*

c. SB 2593 Clarke, Eugene

MS Code Ann § 63-15-4

Title: Auto liability insurance; insurance card may be furnished in electronic format.

Summary: Authorizes use of insurance cards in either paper or electronic format including cell phone electronic images as well as other electronic devices.

Effective Date: July 1, 2013

Read the Bill as approved by the Governor – [SB2593](#)*

II. Bail Bonds

a. HB 714 Rogers, Ray

MS Code Ann § 99-5-25

Title: Revise certain provisions regarding forfeiture of bond for nonappearance.

Summary: Adds language that any felony warrant for nonappearance shall be entered in NCIS; directs the court to serve the surety with a copy of a judgment that is set aside; automatically stays for ninety (90) days from entry any judgment and if defendant appears in that time, court shall set aside forfeiture.

Effective Date: July 1, 2013

Read the Bill as approved by the Governor – [HB714](#)*

b. HB 749 Rogers, Ray

MS Code Ann § 83-39-3

Title: Bail Licensing; revise testing

Summary: In addition to other application requirements, all applicants must successfully complete a Mississippi Insurance Department limited examination for the restricted lines of business.

Effective Date: July 1, 2013

Read the Bill as approved by the Governor – [HB749](#)*

III. Building Codes

a. HB 817 Baker, Mark

MS Code Ann §§ _____ (Code Section to be assigned by Publisher & Joint Code Committee)

Title: Elevators; Enact the Mississippi Conveyance Safety Act.

Summary: This bill gives the Mississippi Insurance Commissioner authority to implement standards for the design, construction, operation, inspection, testing, maintenance, alteration and repair of elevators, dumbwaiters, escalators, moving walks, platform lifts, stairway chairlifts or automated people movers (conveyances). The Commissioner shall issue regulations for equipment, fees and licenses and shall have authority to suspend, revoke or issue civil penalties, after a hearing, for violations. Compliance will be in accordance with the State Fire Prevention Code and Building Code. All new and existing conveyances shall be inspected annually by a licensed elevator inspector. This Act does not apply to any conveyance in a private residence.

Effective Date: July 1, 2013

Read the Bill as approved by the Governor – [HB817](#)*

b. SB 2698 Jackson, Gary

MS Code Ann §§ 73-60-1, 3, 5, 7, 23, 29, 45

Title: To remove all references to the Home Inspector Regulatory Board; abolish the Board and transfer its duties to Mississippi Real Estate Commission.

Summary: Removes all references to the Home Inspector Regulatory Board; abolishes the Board and transfers the Board's duties to Mississippi Real Estate Commission. The changes stand to be repealed on July 1, 2017.

Effective Date: July 1, 2013

Read the Bill as approved by the Governor – [SB2698](#)*

IV. Health Insurance

a. HB 301 Howell, Bobby

MS Code Ann §§ _____ (Code Section to be assigned by Publisher & Joint Code Committee)

Title: An act to direct Health Insurance Issuers and the Division of Medicaid to use a single, standardized prior authorization form for obtaining any prior authorization for prescription drug benefits; to provide that a health insurance issuer shall respond within two business days upon receipt of a completed prior authorization request from a prescribing provider; and for related purposes.

*To read the bill, double click the link, select PDF "Approved by Governor" under Bill Text.

Summary: For uniformity, this bill requires Health Insurance Issuers to use only a single, standardized “Prior Authorization” form for prescription drug benefits, not exceeding 2 pages. It must be available electronically and may be submitted electronically to the Health Benefit Plan. The Health Insurance Issuer must submit the form to be used to the Mississippi Insurance Department to be kept on file after January 1, 2014, along with subsequent changes. Health Insurance Issuer must respond in two business days on receipt from prescribing provider.
Effective Date: July 1, 2013

Read the Bill as approved by the Governor – [HB301](#)*

b. HB 374 Chism, Gary

MS Code Ann §§ 83-9-3, 5

Title: Health insurance; prohibit issuance of policy restricting insurer from assigning benefits to provider

Summary: In Accident & Health Insurance, prohibits commercial insurer from issuing policies that limit or restrict insured’s ability to assign the insured’s benefits to a licensed health care provider that provides health care benefits to the insured. Any such policy shall be deemed invalid. Insured may direct that all/portion of benefits be paid, as payment in full, to a licensed health care provider rendering hospital, nursing, medical or surgical services. The provider may not bill any amount above that payment other than deductibles or copays.

Effective Date: July 1, 2013

Read the Bill as approved by the Governor – [HB374](#)*

c. HB 777 Hamilton, Forrest

MS Code Ann §§ 73-21-83, 91, 153, 157, 159

Title: Pharmacy Benefit Manager licensure statutes; extend repealers and conform certain definitions.

Summary: Creates a single definition of “Pharmacy Benefit Manager”. Previously excluded insurance companies that provided integrated health benefit plans that didn’t separately contract for such services. Now those insurance companies will be included in this uniform definition after June 30, 2014. The bill excludes the pharmacy benefit manager of the Mississippi State and School Employees Health Insurance Plan and the Mississippi division of Medicaid and its contractors from this uniform definition.

Effective Date: July 1, 2013, Repealed July 1, 2016

Read the Bill as approved by the Governor – [HB777](#)*

d. **SB 2232 Carmichael, Videt**

MS Code Ann § 83-64-1

Title: Health discount plans; remove repealer on requirements.

Summary: This bill removed the repealer that would have taken effect on July 1, 2013.

Effective Date: July 1, 2013

Read the Bill as approved by the Governor – [SB2232](#)*

V. **Insurance Companies**

a. **HB 534 Chism, Gary**

MS Code Ann §§ 83-5-205, 83-5-209, 83-5-401, 83-5-405, 83-5-417, 83-5-427; §§ 83-6-1, 83-6-5, 83-6-17, 83-6-21, 83-6-24, 83-6-26, 83-6-27, 83-6-29,

Title: Revise Laws regarding company financial examinations and requirements.

Summary: § 83-5-205, Allows the Commissioner to conduct financial and market conduct analysis of insurance companies. (Effective Date – July 1, 2014)

§ 83-5-209, Strengthens and clarifies the confidentiality protections for documents, working papers, and other information gathered or used in the course of examinations or analysis by the Commissioner. (Effective Date – July 1, 2014) The remainder of the bill adds Health Organization Insurers under the Risk Based Capital laws; revises and modifies certain procedures under the Holding Company Act to include a definition of “Enterprise Risk”; revises forms, filing and notice requirements; includes new requirements for disclaimers of affiliation, confidentiality procedures, and management practices of domestic insurers. MID Bulletin 2013-6, May 30, 2013, provides guidance to insurance companies regarding the compliance dates of HB 534.

Read the Bill as approved by the Governor – [HB534](#)*

b. **HB 748 Chism, Gary**

MS Code Ann §§ 83-33-1, 3, 5, 7, 11, 13, 15, 17, 19, 21, 23, 25, 27, 29, 31, 33, 35, 37, § 83-21-3

Title: Mississippi Reciprocal Insurance Law; revise current and create new code sections regarding Reciprocal Insurance formation, conduct and examination.

Summary: Numerous changes to the Reciprocal Insurance Company Act including - expands entities that may participate; clarifies filing process, reduces applications for indemnity required from seventy-five (75) to ten (10); suit may only be brought against the Reciprocal and not individual subscriber; restates

*To read the bill, double click the link, select PDF “Approved by Governor” under Bill Text.

that Reciprocal must comply with financial requirements of stock company in similar line of insurance.

New sections add that subscriber is obligated as policyholder/underwriter as approved by the Commissioner; provides for a Reciprocal Board of Directors; allows for “nonassessable” policies; subscribers not personally liable for the payment of Reciprocal’s debts or obligations; clarifies licensing requirements of Reciprocal employees, agents and attorney; allows Reciprocals to combine with approval of Commissioner; authorizes the Commissioner, upon request, to waive requirements for foreign insurance companies to have done business in their states of domicile for at least two years before being admitted to do business in the State of Mississippi upon meeting certain requirements.

Effective Date: July 1, 2013

Read the Bill as approved by the Governor – [HB748](#)*

VI. State Fire Marshal

a. HB 437 Chism, Gary

MS Code Ann §§ 45-11-1; 99-3-7

Title: Amends Section 45-11-1, Mississippi code of 1972, to provide arrest and limited police powers for the State Chief Deputy Fire Marshal and Deputy State Fire Marshals; Amends Section 99-3-7, Mississippi code of 1972, to conform.

Summary: Authorizes State Chief Deputy Fire Marshal and DSFM’s to arrest without warrant person(s) committing Misdemeanor/Felony pursuant to MS Code Chapter 11, Title 45 and Chapter 49, Title 75; to execute warrants and investigate violations of law related to those chapters; also to aid/assist any peace officer when requested and with consent of State Fire Marshal. This is not a grant of general police powers. When effective, all DSFM’s shall be required to complete Law Enforcement Officer Training Program.

Effective Date: July 1, 2013

Read the Bill as approved by the Governor – [HB437](#)*

b. HB 921 Chism, Gary

MS Code Ann § 19-3-71

Title: Revise qualifications of County Fire Services Coordinator.

Summary: Conforms to § 83-1-39 so Fire Services Coordinator must possess fire related knowledge per MID Bulletin 2002-1 (revised June 3, 2013).

Effective Date: July 1, 2013

Read the Bill as approved by the Governor – [HB921](#)*

*To read the bill, double click the link, select PDF “Approved by Governor” under Bill Text.

c. SB 2675 Carmichael, Videt

MS Code Ann § 83-1-35

Title: Commissioner of Insurance; increase the amount of reward which may be offered in cases of arson.

Summary: Increases to \$5,000 (from \$1,000) the maximum reward that may be offered for information leading to apprehension, indictment and conviction of person(s) responsible for destruction by fire of real/personal property.

Effective Date: July 1, 2013

Read the Bill as approved by the Governor – [SB2675*](#)

d. SB 2751 Jolly, Russell

MS Code Ann §§ 11-46-1, 95-9-1; 45-2-1; 45-2-21

Title: An Act to include volunteer firefighters and volunteer fire departments within the scope of protection from claims under the Tort Claims Act; to amend Section 11-46-1, Mississippi Code of 1972, to revise Definitions; to amend Section 11-46-17, Mississippi Code of 1972, to make technical and grammatical corrections; to amend Section 95-9-1, Mississippi code of 1972, to make a grammatical correction; to amend Section 45-2-1, Mississippi Code of 1972, to clarify the eligibility of volunteer firefighters for benefits under the Death Benefits Trust Fund; to amend Section 45-2-21, Mississippi Code of 1972, to conform the wording for eligibility for benefits under the Disability Benefits Trust Fund; and for related purposes.

Summary: Includes volunteer fire departments within the scope of immunity under the Mississippi Tort Claims Act (MTCA). The bill modifies MTCA by making volunteer fire departments, and its employees that are chartered nonprofit corporations providing emergency services under contract with a county or municipality, a “political subdivision”. Adds volunteer firefighters as Covered Individuals under the Law Enforcement and Fire Fighters Death and Disability Benefits Trust Fund, MS Code Ann § 45-2-1. Volunteer firefighters would continue to have certain immunity under MS Code Ann § 95-9-1, Qualified Volunteers, Immunity and Exemptions.

Effective Date: Upon Passage (March 20, 2013), VFD’s have until July 1, 2013, to obtain approved insurance policies or self-insurance reserves under MTCA.

Read the Bill as approved by the Governor – [SB2751*](#)

*To read the bill, double click the link, select PDF “Approved by Governor” under Bill Text.