

**2014 Legislative Bill Summary
Mississippi Insurance Department**

Commissioner Mike Chaney

May 2, 2014

INTRODUCTION

This Summary is a compilation of bills, sorted by subject matter, relevant to the Mississippi Insurance Department and signed into law after the 2014 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.

Mississippi Insurance Department
 Legal Division
 P.O. Box 79
 Jackson, MS 39205
 (601) 359-3577
<http://www.mid.ms.gov/>

I. Automobile Insurance

a. SB 2032 Kirby

MS Code Ann §§ 19-3-41; 21-17-1

Title: Local governments; authorize to reimburse an insured's deductible for automobile insurance coverage claim if protected by immunity.

Summary: Counties and municipalities may agree to reimburse deductible for auto insurance claim if due to negligence of employee while in performance of duties and protected by the MS Tort Claims Act.

Effective Date: July 1, 2014

Read the Bill as approved by the Governor – [SB2032](#)*

b. SB 2329 Carmichael

MS Code Ann § 83-11-551

Title: Auto insurance; extend repealer on law requiring repair business and lienholder be listed on claim payment check.

Summary: Extends repealer on requirement that insurer paying auto insurance claim add as payee on check the business repairing the auto and lienholder until July 1, 2017.

Effective Date: July 1, 2014

Read the Bill as approved by the Governor – [SB2329](#)*

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

c. SB 2733 Kirby

MS Code Ann § 83-11-101

Title: Uninsured motorist coverage; rejection of coverage shall be binding upon all insured persons.

Summary: Requires insurers provide insured a form listing the benefits of purchasing uninsured motorist coverage. If insured rejects coverage, the signed form shall create a presumption of a knowing, voluntary rejection of coverage.

Effective Date: July 1, 2014

Read the Bill as approved by the Governor – [SB2733](#)*

II. Bail Bonds

a. SB 2677 Carmichael, Jackson (11TH)

MS Code Ann §§ 83-39-3, 15, 23, 99-5-1, 83-39-29, 30

Title: Bail agent licensure requirements and standards of performance.

Summary: Clarify and revise bail agent licensure requirements and standards of performance as it pertains to examination requirements, continuing education, use of trade names, and improper service of process. MID is required to notify law enforcement agencies and courts of any bail agent license suspension/revocation. A new section makes gifts to law enforcement, courts and inmates a felony, except for political contributions.

Effective Date: July 1, 2014

Read the Bill as approved by the Governor – [SB2677](#)*

III. Building Codes

a. SB 2378 Carmichael

MS Code Ann § _____ (Code Section to be assigned by Publisher & Joint Code Committee); MS Code Ann § 17-2-7, 9

Title: To adopt certain nationally recognized codes and standards as the state uniform construction code.

Summary: Requires Counties and Municipalities to adopt minimum construction codes from last three editions of the International Building Codes, International Residential Codes. Exceptions for installation of sprinkler systems, farm structures, industrial facilities, the Neshoba County fairgrounds, hunting/fishing camps, manufactured housing, or any floodplain management ordinances pertaining to the National Flood Insurance Program.

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

Counties and Municipalities must comply unless they adopt a resolution not to adopt a code within 120 days of the effective date.

Effective Date: August 1, 2014

Read the Bill as approved by the Governor – [SB2378](#)*

IV. Health Insurance

a. **HB 542 Massengill, Barker, Evans (43rd), Lamar, Steverson, White, Lane**

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

Title: State and School Employees Health Insurance Management Board; shall consider expansion of coverage for treatment of autism spectrum disorders.

Summary: The State and School Employees Health Insurance Management Board shall review and study whether to expand coverage currently provided for treatment of autism spectrum disorders. The Board shall submit a report to the Lt. Gov., House Speaker and Senate/House Insurance Chairmen regarding expansion of Autism treatment.

No MID action.

Effective Date: Upon Passage (March 19, 2014)

Read the Bill as approved by the Governor – [HB542](#)*

b. **HB 547 Chism**

MS Code Ann § 83-9-3

Title: Health insurance; require insurer to honor assignment of benefits for a year or until insured revokes.

Summary: Commercial insurers are required to honor assignments of benefits for one year from initial date of assignment or until the insured revokes the assignment, whichever occurs first.

Effective Date: July 1, 2014

Read the Bill as approved by the Governor – [HB547](#)*

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

c. HB 548 Chism

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

Title: Health insurance; allow Commissioner of Insurance to disapprove certain policy forms, amendatory riders or endorsements.

Summary: The Commissioner may disapprove a previously approved policy form, rider or endorsement if it violates state/federal laws, contains/incorporates inconsistent, ambiguous or misleading clauses, exceptions or conditions. If such form is currently in effect a hearing must be held before any disapproval. This applies to any health insurance policy or employee health benefit plan but does not apply to any disability income insurance policy or long-term care insurance.

Effective Date: Upon Passage (March 19, 2014)

Read the Bill as approved by the Governor – [HB548](#)*

d. HB 611 Chism, Hines

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

Title: Health Care Sharing Ministries Freedom to Share Act; create.

Summary: The Health Care Sharing Ministries Freedom to Share Act prescribes standards for health care sharing ministries. Health Care Sharing Ministries are not considered to be engaged in the business of insurance and are not subject to MID regulation. To be recognized as a Health Care Sharing Ministry it must be a faith-based, non-profit organization under the IRS code that is limited to participants of similar faith, and provides for members financial/medical needs.

Effective Date: July 1, 2014

Read the Bill as approved by the Governor – [HB611](#)*

e. HB 689 Chism

MS Code Ann § 25-15-17

Title: State and School Employees Health Insurance Plan; prohibit from restricting covered employee from assigning benefits to provider.

Summary: The Plan may not limit or restrict the ability to assign policy benefits to a licensed health care provider. If the Board is notified that Plan benefits are to be so paid, then the Plan shall pay the provider directly as payment in full for covered benefits.

Effective Date: July 1, 2014

Read the Bill as approved by the Governor – [HB689](#)*

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

**f. HB 1269 Howell, Monsour, Chism, Smith (39th),
Patterson, Brown (20th), Aldridge**

MS Code Ann § _____ (Code Section to be assigned by Publisher & Joint Code Committee), MS Code Ann §§ 41-9-39, 1.

Title: To establish a Long-Term Care Partnership program in the Division of Medicaid with the Insurance Commissioner to establish a process to obtain federal approval for precertification of long-term care insurance policies. To require Flu vaccinations to be offered to certain patients by hospitals .

Summary: In order to alleviate the financial burden on the state's Medicaid program, the state will encourage better access to and utilization of long-term services. The Insurance Commissioner will cooperate with Medicaid to establish minimum requirements in order to obtain the precertification of long-term care policies and submit applications to the US Dept. of Health and Human Services. Also, hospitals will be required to offer influenza immunizations to all inpatients 65 and older.

Effective Date: July 1, 2014

Read the Bill as approved by the Governor – [HB1269](#)*

**g. HB 1281 Carpenter, Alday, Bell, Boyd, Gipson, Kinkade,
Piggott, Turner, Arnold, Bounds, Chism**

MS Code Ann § _____ (Code Section to be assigned by Publisher & Joint Code Committee), MS Code Ann § 25-15-9

Title: Rights of individual's with a terminal condition; require payment of health insurance and Medicaid benefits.

Summary: No health coverage plan shall restrict coverage for prescribed treatment based on insured's diagnosis with a terminal condition. Refusal to pay for such treatment is a per se violation of the Unfair Trade Practice Act. No health care benefits under the state plan shall restrict coverage for medically prescribed treatment based on insured's diagnosis with a terminal condition.

Effective Date: July 1, 2014

Read the Bill as approved by the Governor – [HB1281](#)*

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

h. SB 2331 Carmichael, Butler (38th), Dawkins, Simmons (12th)

MS Code Ann §§ 83-9-39, 41, 40

Title: Health insurance policies; clarify when policies must include coverage for mental illness.

Summary: Eliminates reference to now repealed formula for benefit eligibility. Removes language that stated mental illness treatment is option. Adds outpatient services for same rate payment purposes as inpatient and partial hospitalization. Repeals MS Code Ann. §§ 83-9-40 formula for eligibility determination. This act applies only to alternative delivery systems and individual/group health insurance issued/renewed after July 1, 2014.

Effective Date: July 1, 2014

Read the Bill as approved by the Governor – [SB2331](#)*

i. SB 2381 Carmichael

MS Code Ann §§ 83-23-205, 209, 215, 217, 219, 221, 223, 225, 227, 233, 237

Title: Mississippi Life and Health Insurance Guaranty Association Act; to clarify coverage and increase coverage for long term care and annuity benefits, to conform to NAIC model law.

Summary: The Life and Health Insurance Guaranty Association (LAH) coverage for interest earned from equity-indexed products is to be credited to the policy and is not subject to forfeiture at the time of impairment or insolvency. LAH will not cover policies providing health care benefits under Medicare Part C & D. Long Term Care coverage is increased to \$300,000 and aggregate annuity coverage to \$250,000. Defines charitable gift annuities as a non-Member Insurer. Incorporates numerous changes to the powers of the association designed to streamline and expedite the process of review for guaranteeing assuming, and reinsuring policies and contracts. Increases the annual Class A nonpro rata assessment to \$300. Adds procedures for removing a director for cause and to deal with conflicts of interest. These changes shall not apply to a Member Insurer placed under order of liquidation before the effective date.

Effective Date: Upon passage (March 17, 2014)

Read the Bill as approved by the Governor – [SB2381](#)*

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

j. SB 2646 Burton

MS Code Ann §§ 83-9-353, 351

Title: An Act to require "store-and-forward" and "remote patient monitoring" telemedicine services.

Summary: Health insurance and employee benefit plans are to provide coverage and reimbursement for "Store-and-forward Telemedicine Services" and "Remote Patient Monitoring Services" which is computer based communication between patient and provider for patients who may not otherwise have access to specialty care. Adds Employee Benefit Plans for insurance reimbursement of telemedicine services.

Effective Date: July 1, 2014

Read the Bill as approved by the Governor – [SB2646](#)*

V. Insurance Companies

a. HB 544 Chism

MS Code Ann § 83-53-25

Title: Insurance; revise requirements of form for Experience Refund calculations.

Summary: Changes law to require premium taxes earned versus "incurred", and, compensation paid or earned versus "as defined herein".

Effective Date: July 1, 2014

Read the Bill as approved by the Governor – [HB544](#)*

b. SB 2706 Carmichael

MS Code Ann § 83-7-23, 25

Title: To revise the Standard Valuation and Nonforfeiture Law for Life Insurance Policies.

Summary: The Commissioner shall annually value the reserve liabilities of all outstanding life insurance contracts, annuity and pure endowment contracts, accident and health contracts in accordance with the valuation manual standards. This is effective with the operative date of the valuation manual. Valuations made by the insurance departments of other jurisdictions are acceptable. To meet the valuation manual standards companies must use principle-based valuation. The operative date of the valuation manual is January 1 of the first calendar year after the valuation manual is effective. For policies issued after the operative date, the valuation manual shall provide mortality tables for use in determining the minimum nonforfeiture standards.

Effective Date: July 1, 2014

Read the Bill as approved by the Governor – [SB2706](#)*

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

c. SB 2796 Carmichael

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

Title: Unclaimed Life Insurance Benefits Act; create.

Summary: The “Unclaimed Life Insurance Benefits Act” requires insurers to perform a comparison of new policies against the Death Master file semiannually. After a person is identified as deceased and the insurer conducts a reasonable search for up to one year, proceeds of policies may be remitted to the state.

Effective Date: July 1, 2015

Read the Bill as approved by the Governor – [SB2796](#)*

VI. Property and Casualty Insurance

a. HB 756 Delano, Patterson, Baria, Haney

MS Code Ann § 83-2-3

Title: Hurricane deductibles; require Commissioner of Insurance to establish regulations regarding notice and duration as it applies to homeowners insurance policies.

Summary: Commissioner shall establish by regulation uniform policy language regarding the applicability of hurricane deductibles in homeowner’s insurance policies. Hurricane is defined as a storm system so declared by the National Hurricane Center of the National Weather Service. The period shall begin at the time a hurricane watch or warning is issued for any part of Mississippi until 24 hours following termination of the last hurricane watch or warning. The Commissioner shall also establish a form of notice that companies shall provide to policyholders regarding a hurricane deductible.

Effective Date: July 1, 2014

Read the Bill as approved by the Governor – [HB756](#)*

b. SB 2330 Carmichael, Watson

MS Code Ann § 83-34-4; § 83-34-3

Title: MS Windstorm Underwriting Association; revise certain laws regarding the nonadmitted policy fee.

Summary: Surplus Lines policies that cover residential earthquake and flood risks (not written by the NFIP) are exempt from the fee charged for non-

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

admitted insurers. Fees collected from non-admitted insurers may be used for education, outreach and training. § 83-34-4 is repealed July 1, 2018.

Effective Date: July 1, 2014

Read the Bill as approved by the Governor – [SB2330](#)*

VII. State Fire Marshall

a. HB 721 Baker, Miles

MS Code Ann § 45-11-251

Title: To authorize members of the Mississippi Fire Personnel Minimum Standards and Certification Board who are not state employees per diem and travel expenses.

Summary: Members of the Mississippi Fire Personnel Minimum Standards and Certification Board who are not state employees shall be entitled to a per diem compensation as provided in Section 25-3-69, and to travel expenses as provided in Section 25-3-41. This shall apply to travel to board meetings as well as travel required in the performance of official duties.

Effective Date: July 1, 2014

Read the Bill as approved by the Governor - [HB721](#)*

b. HB 1433 DeLano, Miles, Chism, Evans (43rd), Arnold, Barton, Beckett, Bell, Bounds, Boyd, Brown (20th), Byrd, Carpenter, Crawford, Currie, DeBar, Denny, Formby, Gipson, Guice, Gunn, Haney, Howell, Huddleston (15th), Ladner, Lamar, Lott, Martinson, Mims, Monsour, Moore, Morgan, Pigott, Powell, Read, Rogers (14th), Rushing, Smith (39th), Snowden, Staples, Taylor, Turner, White, Willis, Zuber, Baria, Moak, Bain, Steverson, Oberhausen, Reynolds, Lane, Faulkner, Hines, Stringer

MS Code Ann §§ 45-2-1; 63-16-13

Title: Law Enforcement Officers Death/Disability Benefits Trust Fund; expand coverage to include emergency management personnel & increase benefit.

Summary: Increases death benefits payment to \$100,000 from \$65,000 for covered individuals (law enforcement officer, paid and volunteer firefighters, not independent contractors). Replaces “conviction” with “violation”.

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

Authorizes DPS to request funds be transferred from the Uninsured Motorist Identification Fund to the Law Enforcement Officers and Fire Fighters Death Benefits Trust Fund when needed.

Effective Date: July 1, 2014

Read the Bill as approved by the Governor – [HB1433](#)*

c. SB 2697 KIRBY

MS Code Ann §§ 73-69-1, 3, 5, 7, 9, 11, 13, 15, 19, 23, 25, 27, 31, 33, 35

Title: Amends the Mississippi Electronic Protection Licensing Act.

Summary: Updates and expands the licensure procedures, standards, fees and penalties for residential as well as commercial electronic protective systems.

Adds additional licensing requirements implemented by the State Fire Marshal.

Effective Date: July 1, 2014

Read the Bill as approved by the Governor – [SB2697](#)*