

STATE OF MISSISSIPPI STATE OF MISSISSIPPI
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DEPARTMENT OF INSURANCE
NOTICE OF RULE ADOPTION—FINAL RULE

Mississippi Department of Insurance
c/o Lee Harrell, Deputy Commissioner
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Governor's State of Emergency Proclamation of August 26, 2005;
Governor's State of Emergency Proclamation of September 2, 2005;
State of Mississippi Emergency Operations Plan and Executive Order No. 653
Senate Bill 2381, 2006 Regular Legislative Session

Specific Legal Authority authorizing the promulgation of Rule:

§§ 33-15-11(b)(9); 33-15-11(c)(4); 83-5-1, et seq.
Date Rule Proposed: April 3, 2007

Reference to Rules repealed, amended or suspended by the Temporary Rule:

Emergency Regulation 2006-4

Explanation of the Purpose of the Proposed Rule and the reason(s) for proposing the rule: :

This agency issued Emergency Regulation 2006-4 to expand the "Special Mediation Program for Personal Lines Residential Insurance Claims Resulting from Hurricane Katrina" as established in Regulation 2005-2, as amended, in order to allow parties in litigation to participate in the Hurricane Katrina mediation program, upon an order by a court of competent jurisdiction and to set the fees to be collected in said mediations. Emergency Regulation 2006-4 is necessary in order to promote and secure the safety and protection of the citizens of the State of Mississippi by alleviating crowded court dockets and meeting the critical need for litigants to have access to an alternative procedure for the effective, fair and timely handling of residential insurance claims. This agency is filing to make Regulation 2006-4 permanent. Furthermore, pursuant to Miss. Code Ann. § 25-43-3.113(2)(b)(iv), the effective date of this rule shall be a subsequent date earlier than the thirty (30) days allowed by law; the effective date shall be May 25, 2007.

The Agency Rule Making Record for this rule including any written comments received during the comment period and the record of any oral proceeding is available for public inspection by contacting the Agency at the above address.

An oral proceeding was held on this rule:

Date: May 2, 2007
Time: 9:30 a.m.
Place: Woolfolk State Office Building, Suite 1001, South Conference Room, 501 N. West Street, Jackson, MS

An oral proceeding was not held on this rule.

The Agency has considered the written comments and the presentations made in any oral proceedings, and

This rule as adopted is without variance from the proposed rule.

This rule as adopted differs from the proposed rule as there are minor editorial changes which affect the form rather than the substance of the rule.

The rule as adopted differs from the proposed rule. The differences however are:

Within the scope of the matters in the Notice of Proposed Rule Adoption, the logical outgrowth of the contents of the Notice of Proposed Rule Adoption and the comments submitted in response thereto, and The Notice of Proposed Rule Adoption provided fair warning that the outcome of the proposed rule adoption could be the rule in question.

The entire text of the Proposed Rule including the text of any rule being amended or changed is attached.

Effective Date of Rule: May 25, 2007

Lee Harrell
Deputy Commissioner of Insurance

**MISSISSIPPI DEPARTMENT OF INSURANCE
REGULATION NO. 2006-4**

**AVAILABILITY OF HURRICANE KATRINA SPECIAL MEDIATION
PROGRAM TO PARTIES IN LITIGATION**

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Section 1. Authority

This Emergency Regulation is promulgated by the Commissioner of Insurance ("Commissioner") pursuant to the authority granted to him by Miss. Code Ann. §§ 33-15-11(b)(9), 33-15-11(c)(4), and 83-5-1 et seq., and 83-1-47; the Governor's Proclamations dated August 26, 2005, and September 2, 2005; and the State of Mississippi Emergency Operations Plan and Executive Order No. 653.

Section 2. Reasons For Finding An Imminent Peril To The Public Health, Safety Or Welfare

The 2005 Hurricane season was extremely destructive for Mississippi. Extensive and devastating damage was caused by Hurricane Katrina, which hit the Mississippi Gulf Coast on August 29, 2005, as a Category 4 Hurricane. Hurricane Katrina continued northward, blanketing the State and causing widespread major damage to homes, loss of personal belongings and corresponding loss of employment.

In an effort to help resolve residential property insurance claims resulting from Katrina so that homeowners could move forward with the repair and rebuilding process, on December 20, 2005, the Commissioner adopted Emergency Regulation No. 2005-2, which established a temporary "Special Mediation Program For Personal Lines Residential Insurance Claims" ("Mediation Program" or "Program"). Subsequently, pursuant to the authority granted in Senate Bill 2381, which was passed by the Mississippi Legislature in the 2006 Regular Legislative Session, the Commissioner adopted Regulation No. 2005-2, as Amended, which established the Mediation Program on a permanent basis.

In Section 2, Regulation No. 2005-2, as Amended, provides that the Mediation Program is

"...available to all first party claimants **prior to commencing either litigation** or the appraisal process." (emphasis added) While many Katrina claims have been resolved, some remain unresolved and claimants are pursuing litigation. This pending litigation has resulted in crowded court dockets and a critical need for litigants to have access to an alternative procedure for the effective, fair and timely handling of residential insurance claims. Consequently, in order to promote and secure the safety and protection of the citizens of the State of Mississippi, this Regulation is being issued by the Commissioner to expand the Mediation Program for Katrina claims to allow parties in litigation to participate, upon the issuance of an order by a court of competent jurisdiction.

This Regulation was originally filed as an Emergency Regulation. This filing is to make this Regulation a final and permanent regulation.

Section 3. Availability Of Mediation Program To Parties In Litigation

Notwithstanding any provisions to the contrary, the Mediation Program established by Regulation No. 2005-2, as Amended, shall be available for any parties ordered to participate in the Program by a court of competent jurisdiction.

In the case of parties participating in the Program by court order, the provisions of Regulation No. 2005-2, as Amended, will be followed unless the respective court directs otherwise with regard to mediation for those parties, or unless otherwise specified herein.

This Regulation applies only to mediation involving parties to litigation arising from a disputed Hurricane Katrina claim. Otherwise, the provisions of Regulation No. 2005-2, as Amended, shall remain in full force and effect.

Section 4. Fees

With respect to court ordered mediation involving parties to litigation arising from a disputed Hurricane Katrina claim, the applicable fees shall be as follows:

Administrator - \$200.00 per case
Mediator - \$400.00 per case

Section 5. Severability

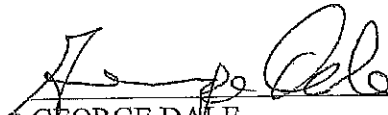
If a court holds any subsection or portion of a subsection of this Regulation or the applicability thereof to any person or circumstance invalid, the remainder of the Regulation shall not be affected thereby.

Section 6. Effective Date

This Regulation No. 2006-4, shall be effective on May 25, 2007. Upon final adoption,

Regulation 2006-4 shall supersede Emergency Regulation 2006-4.

Filed this the 3rd day of April, 2007.



GEORGE DALE
COMMISSIONER OF INSURANCE