

**2019 LEGISLATIVE BILL SUMMARY
MISSISSIPPI INSURANCE DEPARTMENT**

COMMISSIONER MIKE CHANEY

2019 Mississippi Legislative Session - Department of Insurance – Legislative Summary

General:

HB 323 - Insurance companies; require to establish an internal audit function.	Approved: 3/15/2019 Effective: 1/1/2020	Amends §§ 83-5-102, 83-5-119, and creates § 83-5-120 to require insurers to establish an internal audit function providing independent, objective and reasonable assurance to the audit committee and insurer management regarding the insurer’s governance, risk management and internal controls.
HB 324 - Insurance companies; require to file a corporate governance annual disclosure with the Commissioner of Insurance.	Approved: 3/15/2019 Effective: 1/1/2020	Requires insurance companies to file a Corporate Governance Annual Disclosure (CGAD) with the commissioner; provides for certain public records protection for said CGAD; and provides penalties against insurers for failing to timely file CGAD.
SB 2831 - Insurance Data Security Law; create	Approved: 3/15/2019 Effective: 7/1/2019	Creates the Insurance Data Security Law which will require insurance licensees in this state to develop, implement and maintain and information security program; to require notification and investigation of a cybersecurity event; and to provide for certain exemptions for insurance producers, adjusters, and bank-owned insurance agencies that are subject to Granm-Leech-Bliley. Information regarding the implementation of SB 2831 can be found at the following link: http://www.mid.ms.gov/companies/cybersecurityreport.aspx .
SB 2835 - Mississippi First Responders Health and Safety Act; create.	Approved: 4/4/2019 Effective: 7/1/2021	Creates the “Mississippi First Responders Health and Safety Act” which establishes a local benefits policy for occupational hazards as it relates to first responders as an alternative to workers compensation. The local benefits policy would provide: <ul style="list-style-type: none"> • Benefits paid to fire and police officers who have 10 or more years on the job. • \$35,000 lump sum benefit if diagnosed with metastasized cancer or terminal cancer. • \$6,250 lump sum benefit if diagnosed with non-metastasized cancer.

		<ul style="list-style-type: none"> • Combined benefits cannot exceed \$50,000 in a lifetime. • Disability benefits to begin 6 months after the date of disability: <ul style="list-style-type: none"> ○ 60% of monthly salary for career fire and police up to \$5,000.00. ○ \$1,500 per month for volunteer firefighters • The Attorney General's Office shall have certain administrative functions regarding this Act. • The bill also amends §71-3-9 to allow counties and municipalities to provide this coverage in lieu of certain workers compensation coverage.
SB 2864 - Mississippi Insurance Guaranty Association Law; revise the definition of "covered claim".	Approved: 3/22/2019 Effective: 7/1/2019	Amends §§83-23-109 and 83-23-115 to provide that a covered claim shall not include any claim that has been rejected or denied by any other state guaranty fund if said rejection or denial was based upon that state's statutory exclusions regarding the insured's net worth, and to provide that a covered claim shall not include a claim filed after the final date set by the court for the filing of claims against the liquidator or receiver of an insolvent insurer.

Health:

HB 628 - Health insurance; revise mandatory policy provisions to penalize late payments of claims.	Approved: 3/22/2019 Effective: 7/1/2019	Amends Section 83-9-5 to require accident and health insurance policies to include additional provisions that penalize late payment of claims by insurer to health care provider or insured. Specifically, for claims that remain unpaid due to an invalid or improper denial, a 3% monthly interest penalty shall be assessed until the claim is paid or adjudicated. This provision does not apply to claims or benefits owed under Medicare Advantage plans or Medicare Advantage Prescription Drug plans. If an insurer is found to have acted in bad faith, the person entitled to such benefits (health provider or insured) shall be entitled to recover damages in an amount up to three times the amount of the benefits that remain unpaid until the claim is settled or adjudicated.
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<p>HB 752 - Dental Insurance benefits; prohibit the denial or recoupment of a claim in certain circumstances</p>	<p>Approved: 3/19/2019 Effective: 7/1/2019</p>	<p>Amends 83-51-1 to provide for a definition of “dental service contractor” and “subscriber”, and creates a new section to require a dental service contract to establish and maintain appeal procedures for any claim made by a dentist or subscriber that is denied based upon lack of medical necessity and to make changes in the prior authorization process regarding denials and approvals of dental claims.</p>
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Property and Casualty:

<p>HB 444 - Windstorm Underwriting Association; authorize to levy recoupable and nonrecoupable assessments.</p>	<p>Approved: 4/3/2019 Effective: 7/1/2019</p>	<p>This Bill makes significant changes to the Mississippi Windstorm Underwriting Association chapter, Title 83, Chapter 34:</p> <ul style="list-style-type: none"> • Changes the method in which assessments are levied upon insurers and the recoupment process; • Regular Assessments are now called Non-recoupable Assessments. • The new Cap for Non-recoupable Assessments is the lesser of 6% of the Association’s Total Limits in Force, or \$250 million. • Prior years’ limits will determine Non-recoupable Assessments for following year. If there are multiple storms, the calendar year cap for multiple Non-recoupable Assessments is \$250 million. • Removes the threat of a Statewide policyholder surcharge until all reserves (excluding Minimum Reserve), reinsurance and non-recoupable assessments have been exhausted. • Windpool may issue policies with replacement cost value. • Extends the repealer on the nonadmitted policy fee to July 1, 2022 • \$3.5M of monies collected from the nonadmitted policy fee shall be diverted to RFTAAF in FY20. • Amends Section 17-23-1 to establish a 13th round of RFTAAF.
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HB 630 - Insurance producers; create a limited lines producer license for self-storage insurance.	Approved: 3/11/2019 Effective: 7/1/2019	Amends §§ 83-17-53 and 83-17-63 to include self-storage insurance as a limited line of insurance; and creates a new section to provide for a self-storage limited lines insurance producer license, and to provide for certain requirement subject thereto.
HB 785 - Motor vehicle dealers; revise blanket liability insurance requirements for.	Approved: 3/15/2019 Effective: 7/1/2019	Amends Section 63-17-75 to clarify that certain blanket liability insurance requirements for motor vehicle dealers to not apply when the motor vehicle dealer's inventory does not have a motor.
HB 925 - Vehicle service contracts; revise definitions for laws regulating.	Approved; 3/2/2019 Effective: 7/1/2019	Amends Section 83-65-103 to revise the definition of vehicle service contract to include incidental payment or indemnity under limited circumstance, including towing, rental and emergency road services, and to provide a definition of road hazard.

Appropriation:

HB 1639 – Appropriation; Mississippi Insurance Department	Approved: 4/16/2019 Effective: 7/1/2019	Provides an appropriation from the General Fund to the MID for FY19. Includes a \$2,500,000 appropriation to RFTAAP in FY20; of which \$150,000 shall be provided to the Inverness Fire Department for the purchase of a fire truck to service Mississippi Delta Community College, and to the Decatur Fire Department for the purchase of a fire truck to service East Central Community College.
HB 1640 - Appropriation; State Fire Academy	Approve: 4/16/2019 Effective: 7/1/2019	Provides an appropriation from the General Fund to the State Fire Academy for FY20.
SB 3065– Bonds; authorize for various purposes	Approved: 4/12/2019 Effective: Effective upon passage	Provides additional appropriations to various state agencies. Section 2 of the bill provides \$11M to the State Fire Academy for the construction of a dormitory and disaster staging area.