3/13/15 11:15 p.m.

Chapter No. 322
15/HR40/R1495PH
ECW 1 gld

HOUSE BILL NO. 739

Originated in House _____ Clerk

HOUSE BILL NO. 739

AN ACT TO CREATE THE PROPERTY INSURANCE CLARITY ACT; TO REQUIRE INSURERS AUTHORIZED TO TRANSACT HOMEOWNERS INSURANCE BUSINESS IN THE STATE TO PROVIDE POLICY AND PREMIUM INFORMATION TO THE DEPARTMENT OF INSURANCE; TO AUTHORIZE THE DEPARTMENT TO PROVIDE ON THE DEPARTMENT WEBSITE AGGREGATE INFORMATION FOR HOMEOWNERS INSURANCE POLICIES, PERTAINING TO THE NUMBER OF POLICIES IN FORCE AND THE DIRECT INCURRED LOSSES, DIRECT EARNED PREMIUMS AND POLICY LIMITS REPRESENTING THE TOTAL OF EVERY INSURER DOING BUSINESS IN THE STATE; TO AUTHORIZE THE DEPARTMENT TO POST ON THE DEPARTMENT WEBSITE A COMPREHENSIVE DESCRIPTION OF THE ACTUARIAL MODEL USED BY THE DEPARTMENT FOR HOMEOWNERS PROPERTIES RISK AND OTHER RELATED DATA; TO PROVIDE PENALTIES FOR INSURER NONCOMPLIANCE; AND FOR RELATED PURPOSES.

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

SECTION 1. (1) This act shall be known and may be cited as the Property Insurance Clarity Act.

(2) It is the intent and purpose of the Legislature that this act shall serve to allow the Mississippi Insurance Department to receive and aggregate insurers' homeowner claims loss data for the purposes of determining the accuracy and adequacy of catastrophic models and determine the adequacy of rates by data

calls as prescribed in this act. This act is not intended to and shall not create any separate cause of action.

SECTION 2. (1) (a) Each insurance company and the Mississippi Windstorm Underwriting Association (herein after "insurers") authorized to transact homeowners insurance business in the State of Mississippi shall once every three (3) years submit to the Mississippi Insurance Department, commencing on or before October 1, 2015, for homeowners insurance policies, computations of the total amount of direct incurred losses, direct earned premiums, policy limits, reinsurance, allocated loss adjustment expense and the number of policies in force by earned house years for the prior calendar year.

(b) The insurers shall report the computations to the department by zip code.

(c) Such information shall be provided for each of the following policy categories:

(i) All homeowners policies that include windstorm coverage;

(ii) All homeowners policies that exclude windstorm coverage; and

(iii) All policies that only include windstorm coverage.

(d) The information received by the department shall be aggregated across all insurers collectively and the aggregated totals shall be arranged by zip code.

(e) Homeowners insurance policies shall include condominium insurance, dwelling fire policies, renters/tenants insurance and mobile home/manufactured housing property insurance.

(f) Creditor--placed property insurance, condominium association insurance and commercial insurance are excluded from this act.

(2) Based upon the information submitted to or otherwise gathered by the department, the department may post on the department website the aggregated total of the computations provided under subsection (1) of this section by zip code for the prior calendar year. The department may also post on the department website a general description of the rate-making methodology that the department allows insurers to use in establishing their homeowners rates.

(3) Each insurer authorized to transact homeowners insurance business in the state shall submit to the department catastrophe wind/hail information pursuant to a data call by the department based on a specific catastrophic event.

SECTION 3. No later than October 1, 2015, each insurer authorized to transact homeowners insurance business in this state shall provide the information required pursuant to Section 2(1) of this act, for the calendar years 2005 through 2014. Voluntary submissions of the information required by Section 2(1) of this act for calendar years prior to 2005, may be submitted and shall be compiled by the department and may be posted by the department

on the department website in the same manner. Based upon the submitted information, the department shall compile aggregate totals, commencing with calendar year 2005, and may post those aggregate totals on the department website pursuant to Section 2(2) of this act.

SECTION 4. (1) Upon written request of an insurer, the commissioner may waive, modify, or extend for an additional time period, for good cause shown, the reporting requirements imposed by this act. The request shall demonstrate good cause for waiving, modifying, or extending the reporting requirements. Good cause may include, but is not limited to, the insurer's limited percentage of the total homeowners insurance market in this state, or the undue burden of compiling and reporting the computations, data, and other information required by this act due to the manner, format, or method in which the insurer has stored the computations, data, or other information required.

(2) Any insurer that fails to timely comply with the reporting requirements imposed by this act shall be given notice by the department of such failure and provided ninety (90) days within which to comply. Any insurer that fails to comply on or before the ninetieth day shall be fined Two Thousand Five Hundred Dollars ($2,500.00) per month by the department until the date of compliance. Any funds collected pursuant to this subsection shall be deposited into the Municipal Fire Protection Fund.

SECTION 5. (1) Any information submitted to the department by an insurer pursuant to this act shall be reported to the department pursuant to the market analysis provisions in Section 83-5-205(4). Further, pursuant to Section 83-5-209(7), all data reported to the commissioner or his designee as part of this market analysis shall also be considered as confidential and privileged materials and afforded all protections from disclosure allowed under Section 83-5-209(7).

(2) Once the information from all of the insurers is aggregated, such aggregated information is not a commercially valuable trade secret or otherwise confidential and the department shall provide such information in a digital format in accordance with this act upon the request of any person as provided in Section 25-61-1 et seq., but shall not release any company specific data.

SECTION 6. (1) The commissioner shall promulgate rules consistent with this act to notify insurers of their obligations under this act and to clarify the data requested and the manner of production of such data.

(2) The commissioner may add any and all reasonable data to the data calls created by this act, and all such data shall be controlled by this act.

(3) The commissioner may prepare a report on the aggregate data collected that may give his findings and conclusions, which

shall be a public record. Any such report shall not disclose the individual data of any insurer.

(4) The commissioner may assess costs to insurers for the cost incurred by the commissioner for outside experts and consultants in preparing the data calls and analysis of the aggregate data, and such costs shall be assessed to the insurers on a pro rata basis based on average premium volume for the last five (5) years for the insurance being surveyed.

(5) Nothing in this act shall limit the powers and duties of the department and commissioner as provided in other laws.

SECTION 7. Sections 1 through 6 of this act shall stand repealed from and after July 1, 2022.

SECTION 8. This act shall take effect and be in force from and after July 1, 2015.

PASSED BY THE HOUSE OF REPRESENTATIVES
February 11, 2015

Philip Gunn

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PASSED BY THE SENATE
March 4, 2015

Tate Reeves

PRESIDENT OF THE SENATE

APPROVED BY THE GOVERNOR

Phil Bryant

GOVERNOR

3/13/15
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