

By: Representatives DeLano, Busby, Bennett, Baria, Willis, Eure, Monsour, Crawford, Haney, Patterson, Anderson To: Insurance

HOUSE BILL NO. 739  
(As Passed the House)

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

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

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

17 (2) It is the intent and purpose of the Legislature that  
18 this act shall serve to allow the Mississippi Insurance Department  
19 to receive and aggregate insurers' homeowner claims loss data for  
20 the purposes of determining the accuracy and adequacy of  
21 catastrophic models and determine the adequacy of rates by data  
22 calls as prescribed in this act. This act is not intended to and  
23 shall not create any separate cause of action.

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

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

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

38                           (i) All homeowners policies that include windstorm  
39 coverage;

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

42                           (iii) All policies that only include windstorm  
43 coverage.

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

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

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

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

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

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

72 on the department website in the same manner. Based upon the  
73 submitted information, the department shall compile aggregate  
74 totals, commencing with calendar year 2005, and may post those  
75 aggregate totals on the department website pursuant to Section  
76 2(2) of this act.

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

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

96           SECTION 5. (1) Any information submitted to the department  
97 by an insurer pursuant to this act shall be reported to the  
98 department pursuant to the market analysis provisions in Section  
99 83-5-205(4). Further, pursuant to Section 83-5-209(7), all data  
100 reported to the commissioner or his designee as part of this  
101 market analysis shall also be considered as confidential and  
102 privileged materials and afforded all protections from disclosure  
103 allowed under Section 83-5-209(7).

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

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

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

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

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

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

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

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

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