



GEORGE DALE
Commissioner of Insurance
State Fire Marshal

LEE HARRELL
Deputy Commissioner

STATE OF MISSISSIPPI
Mississippi Insurance Department

501 N. West Street
1001 Woolfolk Building (39201)
Post Office Box 79
Jackson, Mississippi 39205-0079
(601) 359-3569
<http://www.doi.state.ms.us>

BULLETIN 2005-3
As Amended

**TO: ALL LICENSED PROPERTY AND CASUALTY COMPANIES
AND PRODUCERS**

**FROM: GEORGE DALE
COMMISSIONER OF INSURANCE**

RE: HOUSE BILL 722 - MANDATORY AUTOMOBILE LIABILITY LIMITS

DATE: JULY 5, 2005

The Mississippi Legislature, 2005 Regular Session, passed House Bill 722 which amended the Mississippi Motor Vehicle Safety Responsibility Law, specifically Miss. Code Ann. §§ 63-15-3, 63-15-11, 63-15-31 and 63-15-43, to increase the statutory minimum for motor vehicle liability insurance coverage. Due to questions and comments received by this office concerning Bulletin 2005-3, as originally issued on May 31, 2005, this amended Bulletin is being issued to provide clarification and to give guidance concerning the new law to property and casualty companies and their producers who write automobile insurance coverage. Bulletin 2005-3, as amended, hereby repeals and supersedes Bulletin 2005-3, as originally issued on May 31, 2005.

New Limit Amounts

The new limits have changed from \$10,000 to \$25,000 for bodily injury to or death of one person, from \$20,000 to \$50,000 for bodily injury or death of two or more persons, and from \$5,000 to \$25,000 for injury to or destruction of property of others.

Effective Date

Section 6 of House Bill 722 states the new limits shall apply to all policies written or renewed with an effective date of on or after January 1, 2006. It is the interpretation of the Department that an insurance company must offer the new limits at the time of the writing of new business or renewal of the existing policy on or after January 1, 2006.

If a new or replacement vehicle is added to a multi-vehicle policy on or after January 1, 2006, but

the policy itself does not renew until after that date, the new or replacement vehicle may be written at the existing policy limits until the effective date of renewal. If a vehicle is substituted on a single vehicle policy on or after January 1, 2006, the policy may remain at the existing limits until the effective date of renewal. If a vehicle is added permanently or temporarily to a commercial policy on or after January 1, 2006, the vehicle may be written at the existing limits until the effective date of renewal. At the time of policy renewal on or after January 1, 2006, all vehicles on the policy must be covered at no less than the new minimum limits.

All new policies written on or after January 1, 2006, must be written at no less than the new policy limits.

Please note that any insurance company at any time may chose to write limits higher than the limits prescribed under the Mississippi Motor Vehicle Safety Responsibility Law. Therefore, if a company wishes to begin writing the new limit amounts for new business or renewals prior to January 1, 2006, there is no statutory prohibition against such action. However, the Department should be informed of such a decision and approve any rate/rules and form filing that must be made before the new amounts are written.

Uninsured Motorist Coverage

Pursuant to Miss. Code Ann. § 83-11-101, limits for uninsured motorist coverage shall be no less than those set forth in the Mississippi Motor Vehicle Safety Responsibility Act, as amended. Therefore, the minimum limits for uninsured motorist will also increase on January 1, 2006, pursuant to the passage of House Bill 722. All policyholders who have rejected uninsured motorist coverage at the lower limits must be notified in writing no later than the first renewal mailing for renewals after January 1, 2006, that pursuant to the passage of House Bill 722 by the Mississippi Legislature, the minimum limits for uninsured motorist coverage will increase for all renewals on or after January 1, 2006; that their policy does not currently provide uninsured motorist coverage; and that if they want to add uninsured motorist coverage they should contact their agent. This notice may also be included in the Notice to Policyholders which is discussed below in this Bulletin. A policyholder may still reject said uninsured motorist coverage in the manner set forth in Miss. Code Ann. § 83-11-101(2) and (3).

Insurers may continue to offer multi-vehicle, non-stacking uninsured motorist insurance coverage to an insured in an automobile liability policy that covers ten (10) or more vehicles pursuant to Miss. Code Ann. § 83-11-102. Under a multi-vehicle, non-stacking uninsured motorist insurance coverage policy, insurers must offer uninsured motorist insurance that would cover bodily injury and property damage with limits no less than ten times those in the Mississippi Motor Vehicle Safety Responsibility Law in accordance with Miss. Code Ann. §83-11-101 and §83-11-102. Therefore, as of January 1, 2006, the minimum an insurer may offer for a non-stacking uninsured motorist insurance policy is \$250,000 for bodily injury or death to one person in any one accident; \$500,000 for bodily injury or death of two or more persons in any one accident; and \$250,000 for injury to or destruction of property of others.

Filing of Rates/Rules and Forms

The Department of Insurance recognizes that the new limits may affect a company's rates/rules and forms that are currently on file with the Department. Any revisions to a company's rates/rules and forms should be filed with the Department as soon as possible, but no later than November 1, 2005. If a carrier does not file its rates/rules and forms on or before November 1, 2005, the Department will not guarantee that said rates/rules and forms will be approved prior to January 1, 2006.

Notice to Producers

All companies shall inform and advise their producers of any change in the companies' rates/rules and forms made as a result of House Bill 722 and provide their producers a copy of this Bulletin, or a summary thereof.


Notice to Policyholders

All companies are required at a minimum to send notices to inform and advise their affected policyholders that the mandatory liability limits and uninsured motorist limits have increased pursuant to the passage of House Bill 722. The notice should also advise the policyholder that there may be an increase in their liability and uninsured motorist rates due to the increased limits. This notice may also include the notice prescribed in the "Uninsured Motorist Coverage" section discussed on Page 2 of this Bulletin. A sample Notice to Policyholders is to be included with the rates/rules and forms filing. The Department must approve the Notice to Policyholders before it is sent to the policyholders.

Should an insurance company send a separate notice to affected policyholders regarding their uninsured motorist coverage as prescribed in the "Uninsured Motorist Coverage" section discussed on Page 2 of this Bulletin, the Department must also approve that notice before it is sent to those policyholders.

Questions

If an insurance company has any further questions concerning the implementation of House Bill 722 that has not been addressed in this Bulletin, please contact the Legal Division of the Mississippi Department of Insurance, (601)359-3577, or send a written request to the Legal Division, Mississippi Department of Insurance, Post Office Box 79, Jackson, MS 39205.



GEORGE DALE
COMMISSIONER OF INSURANCE