

By: Senator(s) Horhn

To: Insurance

SENATE BILL NO. 3009

1 AN ACT TO AMEND SECTION 83-53-17, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE THAT THE PERSON ENTITLED TO A REFUND OF CREDIT LIFE
3 INSURANCE PREMIUMS SHALL NOT BE REQUIRED BY THE INSURER TO MAKE A
4 REQUEST IN ORDER TO PROMPTLY RECEIVE THE REFUND OR CREDIT; TO
5 PROVIDE THAT GIVING WRITTEN NOTICE TO THE DEBTOR THAT A REFUND OR
6 CREDIT IS DUE SHALL NOT CONSTITUTE COMPLIANCE WITH STATE LAW AND
7 SHALL NOT ABSOLVE THE INSURER OF THE RESPONSIBILITY TO PROMPTLY
8 MAKE THE APPROPRIATE REFUND OR CREDIT; TO PROVIDE THAT THE FORMULA
9 USED IN COMPUTING THE PREMIUM REFUND SHALL BE THE PRO RATA
10 FORMULA; TO REQUIRE THE CREDITOR TO NOTIFY THE INSURER IN WRITING
11 WHEN HE DISCHARGES THE DEBTOR FROM THE INDEBTEDNESS; AND FOR
12 RELATED PURPOSES.

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

14 SECTION 1. Section 83-53-17, Mississippi Code of 1972, is
15 amended as follows:

16 83-53-17. (1) Any insurer with the prior approval of the
17 commissioner may revise its schedules of premium rates from time
18 to time and shall file the revised schedules with the
19 commissioner. No insurer shall issue any credit life insurance
20 policy or credit disability insurance policy for which the premium
21 rate exceeds that determined by the schedules of the insurer as
22 previously approved by the commissioner.

23 (2) Each individual policy or group certificate shall
24 provide that if, through prepayment, renewal or refinancing, the
25 indebtedness is discharged prior to its scheduled maturity date,
26 cancellation of the credit insurance then in force shall be
27 mandatory and any refund of an amount paid by the debtor for
28 insurance shall be paid or credited promptly by the insurer to the
29 person entitled thereto; provided, however, that no refund of less
30 than Two Dollars (\$2.00) need be made. The formula to be used in
31 computing the premium refund shall be the * * * "pro rata"

32 formula * * *. Upon the payment of a death benefit under the
33 credit life insurance coverage, the entire premium shall be
34 considered earned and no refund shall be due. The insurer shall
35 pay or cause to be paid to the debtor any refund due pursuant to
36 this subsection (2) within thirty (30) days of the accrual of such
37 refund. The debtor or the person entitled to the refund or credit
38 shall not be required by the insurer to make a request in order to
39 promptly receive the refund or credit. Giving written notice to
40 the debtor that a refund or credit is due shall not constitute
41 compliance with this subsection (2) and shall not absolve the
42 insurer of the responsibility to promptly make the appropriate
43 refund or credit.

44 (3) Any creditor which discharges a debtor from his
45 indebtedness for any reason shall notify the insurer in writing
46 within ten (10) days from the date of discharge.

47 (4) The amount required of a debtor for any credit life or
48 credit disability insurance shall not exceed the premium rate
49 allowed to the insurer computed at the time the cost to the debtor
50 is determined. All premiums payable to the insurer less any
51 compensation to the agent or supervising general agent shall be
52 remitted by the agent or supervising general agent to the insurer
53 within sixty (60) days of collection.

54 (5) The commissioner may promulgate rules whereby an insurer
55 may certify that the policy forms and other documents required to
56 be approved by the commissioner prior to use are in compliance
57 with this chapter.

58 SECTION 2. This act shall take effect and be in force from
59 and after its passage.