By: Stevens, Montgomery (74th), Robinson   To: Insurance
(84th)

HOUSE BILL NO. 1197

1   AN ACT TO AMEND SECTION 83-53-23, MISSISSIPPI CODE OF 1972,
2   TO REMOVE AUTHORITY OF AN INSURER TO HAVE DIFFERENT PREMIUM RATES
3   FOR CERTAIN CREDIT LIFE INSURANCE COVERAGE; AND FOR RELATED
4   PURPOSES.

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

6   SECTION 1. Section 83-53-23, Mississippi Code of 1972, is

7   amended as follows:

8   83-53-23. (1) Credit life insurance rates filed with the

9   commissioner shall be considered reasonable:

10   (a) If the single premium rate for single life

11 decreasing term credit life insurance does not exceed Eighty Cents

12 (80¢) per annum per One Hundred Dollars ($100.00) of initial

13 insured indebtedness;

14   (b) If the single premium rate for single life level

15 term credit life insurance does not exceed a single premium rate

16 of One Dollar and Sixty Cents ($1.60) per annum per One Hundred

17 Dollars ($100.00) of insured indebtedness;

18   (c) If the monthly premium rate on single life credit

19 life insurance on outstanding balances does not exceed a monthly

20 premium of One Dollar and Thirty-three Cents ($1.33) per One

21 Thousand Dollars ($1,000.00) of outstanding indebtedness;

22   (d) If the single premium rate for joint life

23 decreasing term credit life insurance does not exceed One Dollar

24 and Thirty-nine Cents ($1.39) per annum per One Hundred Dollars

25 ($100.00) of initial insured indebtedness;

26   (e) If the single premium rate for joint life level

27 term credit life insurance does not exceed Two Dollars and Eighty

28   Cents ($2.80) per annum per One Hundred Dollars ($100.00) of

29   insured indebtedness;

30   (f) If a monthly premium rate on joint life credit life

31   insurance on outstanding balances does not exceed a monthly

32   premium of Two Dollars and Thirty-four Cents ($2.34) per One

33   Thousand Dollars ($1,000.00) of outstanding indebtedness;

34   (g) If the amount is a minimum premium not exceeding

35   Two Dollars ($2.00).

36   (2) The foregoing life insurance rates are considered

37   reasonable in relation to the benefits only if:

38   (a) The credit life insurance coverage must contain a

39   suicide exclusion provision wherein no benefit shall be paid in

40   case of suicide within the first twelve (12) months after the

41   effective date of the coverage.

42   (b) Coverage is provided or offered to all debtors

43   regardless of age, or to all debtors not older than the applicable

44   age limit, which shall not be less than the attained age of

45   sixty-five (65) years, if the limit applies to the age when the

46   insurance attaches, or not less than attained the age of sixty-six

47   (66) years if the limit applies to the age on the scheduled

48   maturity date of the debt. Such aforementioned requirements

49   provided by this subsection shall not prevent the usage of

50   equitable underwriting standards to determine the eligibility of

51   individual debtors as to a part or all of the coverage provided by

52   the credit life insurance contract. Age and term limits, wherein

53   the amount of insurance provided or offered varies by age, if

54   used, must be clearly shown on the individual policies or group

55   certificates.

56   (3) The following credit disability insurance premium rates

57   filed with the commissioner shall be considered reasonable in

58   relation to the benefits if the single premium rate for credit

59   disability insurance does not exceed the premium rates shown in

60   the following schedule per One Hundred Dollars ($100.00) of

61   initial insured indebtedness.

62   NO. OF MONTHS NONRETROACTIVE   BENEFITS   RETROACTIVE   BENEFITS

63   IN WHICH   14-DAY   30-DAY   14-DAY   30-DAY

64   INDEBTEDNESS   NONRETROACTIVE   NONRETRO-   RETROACTIVE   RETRO-

65	IS PAYABLE		ACTIVE		ACTIVE
66	1-12	2.50	2.10	3.00	2.85
67	13-24	3.30	2.90	3.80	3.65
68	25-36	4.10	3.70	4.60	4.45
69	37-48	4.90	4.50	5.40	5.25
70	49-60	5.70	5.30	6.20	6.05
71	61-72	6.10	5.70	6.60	6.45
72	73-84	6.50	6.10	7.00	6.85
73	85-96	6.90	6.50	7.40	7.25
74	97-108	7.30	6.90	7.80	7.65
75	109-120	7.70	7.30	8.20	8.05

76 Premiums payable other than on a single premium basis or for

77 benefits on a basis different than illustrated above shall be

78 actuarially consistent with the above rates.

79   (4) The foregoing disability rates are considered to produce

80 reasonable benefits in relation to premiums only if:

81   (a) Coverage may be provided or offered to all debtors,

82 who are gainfully employed on the effective date of insurance and

83 who are not older than the applicable age limit, which shall not

84 be less than the attained age of sixty-five (65) years, if the

85 limit applies to the age when the insurance attaches, or not less

86 than the attained age of sixty-six (66) years if the limit applies

87 to the age on the scheduled maturity date of the debt. Such

88 aforementioned requirements provided by this subsection shall not

89 prevent the usage of equitable underwriting standards to determine

90 the eligibility of individual debtors as to a part or all of the

91 coverage provided by the disability insurance contract. Age and

92 term limits, wherein the amount of insurance or term provided or

93 offered varies by age, if used, must be clearly shown on the

94 individual policies or group certificates;

95   (b) Coverage does not contain any exclusions except

96 disabilities resulting from intentional self-inflicted injury,

97 pregnancy, foreign residence, flights in nonscheduled aircraft and

98 preexisting illness, disease or physical condition for which the

99 debtor either: (i) knew the existence of such illness, disease or

100 condition on the effective date, or (ii) received medical advice,

101 consultation or treatment during the twelve-month period

102 immediately preceding the effective date of the debtor's coverage.

103 *** * ***

104 (5) No certificate fee, policy issue charge, or any other

105 charge other than the premium herein shall be made.

106 SECTION 2. This act shall take effect and be in force from

107 and after July 1, 2000.