An act to require each insurer admitted to transact life insurance in this state to pay interest on proceeds of life insurance policies; to provide that such interest shall be computed from the date of receipt of due proof of loss of insured's death until the date of payment; and for related purposes.

Be it enacted by the Legislature of the State of Mississippi:

Section 1. (1) Each insurer admitted to transact life insurance in this state shall pay interest on proceeds or payments under any individual policy of life insurance, payable to a beneficiary residing in this state or to a beneficiary under a policy issued in this state or to a beneficiary under a policy insuring a person resident in this state at the time of death.

(2) Interest payable pursuant to subsection (1) shall be computed from the date of receipt of due proof of loss of insured's death until the date of payment and shall be computed at the rate of four percent (4%) per annum, or the current rate of interest paid on death proceeds left on deposit with the insurer under an interest settlement option, or the current rate of interest paid on dividends left on deposit with the insurer, whichever is greater. If such policy determined to be payable is not paid within thirty (30) days from the date of receipt of due proof of loss of the insured's death, then interest shall be computed from the date of insured's death until date of payment.

(3) The provisions of this act shall be applicable to any such policy where proceeds have not been paid prior to the effective date of this act.

Section 2. This act shall take effect and be in force from and after July 1, 2002.