

By: Senator(s) Ross

To: Insurance

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 2430

1 AN ACT TO REQUIRE EACH INSURER ADMITTED TO TRANSACT LIFE
2 INSURANCE IN THIS STATE TO PAY INTEREST ON PROCEEDS OF LIFE
3 INSURANCE POLICIES; TO PROVIDE THAT SUCH INTEREST SHALL BE
4 COMPUTED FROM THE DATE OF RECEIPT OF DUE PROOF OF LOSS OF
5 INSURED'S DEATH UNTIL THE DATE OF PAYMENT; AND FOR RELATED
6 PURPOSES.

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

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

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

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

28 **SECTION 2.** This act shall take effect and be in force from
29 and after July 1, 2002.

