SENATE BILL NO. 2551

AN ACT TO PROVIDE THAT THE PROCEEDS OF A LIFE INSURANCE POLICY BECOME DUE AS OF THE DATE OF THE DEATH OF THE INSURED; TO REQUIRE INSURERS ADMITTED TO TRANSACT LIFE INSURANCE IN THIS STATE TO PAY INTEREST ON PROCEEDS OF CERTAIN LIFE INSURANCE POLICIES; TO PROVIDE THAT SUCH INTEREST SHALL BE COMPUTED FROM THE 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) Proceeds of a life insurance policy shall become due as of the date of the death of the insured. Each insurer admitted to transact life insurance in this state shall pay interest on proceeds or payments under any 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 residing in this state at the time of death.

(2) Interest payable pursuant to subsection (1) shall be computed from the insured’s death until the date of payment and shall be computed at the rate of interest guaranteed by the policy, or at the current rate of interest applicable to death proceeds left on deposit with the insurer under an interest settlement option, or at the current rate of interest payable on dividends on deposit with the insurer, whichever is greater.

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

SECTION 2. This act shall not apply:

(a) When the total death proceeds payable by an insurer on account of the death of an insured person is less than Twenty Thousand Dollars ($20,000.00); or
(b) When death proceeds result from insurance written under Section 83-53-1 et seq.

**SECTION 3.** This act shall take effect and be in force from and after its passage.