

By: Senator(s) Kirby

To: Insurance

SENATE BILL NO. 2551

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

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

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

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

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

26 **SECTION 2.** This act shall not apply:

27 (a) When the total death proceeds payable by an insurer  
28 on account of the death of an insured person is less than Twenty  
29 Thousand Dollars (\$20,000.00); or



30                   (b) When death proceeds result from insurance written  
31 under Section 83-53-1 et seq.

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

