

By: Senator(s) Ross

To: Insurance

SENATE BILL NO. 2428

1 AN ACT TO PROVIDE THAT THE PROCEEDS OF A LIFE INSURANCE  
2 POLICY BECOME DUE ON 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 on the date of the death of the insured. Each insurer  
10 admitted to transact life insurance in this state shall pay  
11 interest on proceeds or payments under any policy of life  
12 insurance payable to a beneficiary residing in this state or to a  
13 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 under subsection (1) of this section  
17 shall be computed from the insured's death until the date of  
18 payment and shall be computed at the rate of interest guaranteed  
19 by the policy or at the current rate of interest applicable to  
20 death proceeds left on deposit with the insurer under an interest  
21 settlement option or at the current rate of interest payable on  
22 dividends left on deposit with the insurer, whichever is greater.

23 (3) This section shall be applicable to any such policy  
24 where proceeds have not been paid in full, or where an accord and  
25 satisfaction between the insurer and the beneficiary has not been  
26 attained, before the effective date of this act.

27 (4) This section shall not apply:

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

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

33                   **SECTION 2.** This act shall take effect and be in force from  
34 and after its passage.