

By: Senator(s) Kirby, Jackson (11th)

To: Insurance

SENATE BILL NO. 2094

1 AN ACT TO AMEND SECTION 83-54-19, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE THAT THE REQUIRED PAYMENT BY THE INSURER IN THE EVENT
3 OF A LOSS UNDER A CREDITOR-PLACED INSURANCE POLICY SHALL BE
4 REDUCED BY ANY RECOVERY FROM A THIRD PARTY; AND FOR RELATED
5 PURPOSES.

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

7 **SECTION 1.** Section 83-54-19, Mississippi Code of 1972, is
8 amended as follows:

9 83-54-19. (1) In the event of a loss under the
10 creditor-placed insurance policy, the insurer shall pay, at a
11 minimum, the least of the following, the value of which shall be
12 determined as of the date of loss and shall be reduced by any
13 payments to the creditor or debtor recovered from a third party:

14 (a) The cost to repair the collateral, less any
15 applicable deductible;

16 (b) The actual cash value of the collateral, less any
17 applicable deductible;

18 (c) The net debt, less any applicable deductible; or

19 (d) If single interest insurance is provided, the
20 amount by which the creditor's interest is impaired.

21 (2) The net debt or actual cash value amounts in subsection
22 (1) may be reduced by the value of salvage if the insurer does not
23 take possession of the insured property. This does not preclude
24 the borrower's right to retain possession of the damaged
25 collateral, if desired.

26 (3) In the event of a loss, no subrogation shall run against
27 the debtor from the insurer.

28 (4) Whenever a claim is made on a creditor-placed insurance
29 policy, the insurer shall furnish to the creditor a written
30 statement of the loss explaining the settlement amount and the
31 method of settlement, and the creditor shall furnish this
32 information to the debtor.

33 (5) A creditor or insurer may not abandon salvage to a
34 towing or storage facility in lieu of payment of storage fees
35 without the consent of the facility and the claimant. The insurer
36 shall be responsible for the payment of towing and storage charges
37 for a covered loss occurrence from the time the claim is reported
38 to the insurer in accordance with the terms of the policy to the
39 time the claim is paid. After the claim is paid, the debtor shall
40 be responsible for the payment of any towing or storage charges.

41 **SECTION 2.** This act shall take effect and be in force from
42 and after July 1, 2005.