

By: Senator(s) Wilemon

To: Insurance

SENATE BILL NO. 2663

1 AN ACT TO AMEND SECTIONS 83-5-28, 83-11-5 AND 83-11-7,
2 MISSISSIPPI CODE OF 1972, TO REQUIRE NOTICE OF CANCELLATION,
3 REDUCTION IN COVERAGE OR NONRENEWAL OF COVERAGE TO BE MAILED OR
4 DELIVERED BY THE INSURER TO THE NAMED CREDITOR LOSS PAYEE; AND FOR
5 RELATED PURPOSES.

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

7 **SECTION 1.** Section 83-5-28, Mississippi Code of 1972, is
8 amended as follows:

9 83-5-28. (1) A cancellation, reduction in coverage or
10 nonrenewal of liability insurance coverage, fire insurance
11 coverage or single premium multiperil insurance coverage is not
12 effective as to any coverage issued or renewed after June 30,
13 1989, unless notice is mailed or delivered to the insured and,
14 where there is a named creditor loss payee, to such loss payee, by
15 the insurer not less than thirty (30) days prior to the effective
16 date of such cancellation, reduction or nonrenewal. This section
17 shall not apply to nonpayment of premium where there is a named
18 loss payee, in which case it shall apply to notices to the
19 creditor loss payee.

20 (2) The provisions of subsection (1) shall be incorporated
21 into each liability, fire and multiperil policy issued or renewed
22 after June 30, 1989; and if such provisions are not expressly
23 stated in the policy, such provisions shall be deemed to be
24 incorporated in the policy.

25 **SECTION 2.** Section 83-11-5, Mississippi Code of 1972, is
26 amended as follows:

27 83-11-5. No notice of cancellation of a policy to which
28 Section 83-11-3 applies shall be effective unless mailed or

29 delivered by the insurer to the named insured and to any named
30 creditor loss payee at least thirty (30) days prior to the
31 effective date of cancellation; provided, however, that where
32 cancellation is for nonpayment of premium at least ten (10) days'
33 notice of cancellation accompanied by the reason therefor shall be
34 given. Unless the reason accompanies or is included in the notice
35 of cancellation, the notice of cancellation shall state or be
36 accompanied by a statement that upon written request of the named
37 insured, mailed or delivered to the insurer not less than fifteen
38 (15) days prior to the effective date of cancellation, the insurer
39 will specify the reason for such cancellation.

40 This section shall not apply to nonrenewal unless there is a
41 named creditor loss payee.

42 **SECTION 3.** Section 83-11-7, Mississippi Code of 1972, is
43 amended as follows:

44 83-11-7. No insurer shall fail to renew a policy unless it
45 shall mail or deliver to the named insured, at the address shown
46 in the policy and to the named creditor loss payee, at least
47 thirty (30) days' advance notice of its intention not to renew.
48 This section shall not apply if there is no named creditor loss
49 payee and:

50 (a) If the insurer has manifested its willingness to
51 renew, subject to certain specified conditions which are not met
52 by the insured; nor

53 (b) If the insured has manifested its unwillingness to
54 renew; nor

55 (c) In case of nonpayment of premium; nor

56 (d) In case of failure to make timely payment of dues
57 to, or to maintain membership in good standing with, a designated
58 association, corporation or other organization where the original
59 issue of such policy or renewal was dependent upon such
60 membership; provided that, notwithstanding the failure of an
61 insurer to comply with this section, the policy shall terminate on

62 the effective date of any other insurance policy with respect to
63 any automobile designated in both policies.

64 Renewal of a policy shall not constitute a waiver or
65 estoppel with respect to grounds for cancellation which existed
66 before the effective date of such renewal, and if a policy shall
67 be cancelled as authorized by this article prior to such policy's
68 renewal, such cancellation shall terminate any right of renewal
69 conferred by this article.

70 **SECTION 4.** This act shall take effect and be in force from
71 and after July 1, 2005.