

By: Senator(s) Wilemon

To: Insurance

SENATE BILL NO. 2006  
(As Sent to Governor)

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 to  
14 any named creditor loss payee by the insurer not less than thirty  
15 (30) days prior to the effective date of such cancellation,  
16 reduction or nonrenewal. This section shall not apply to  
17 nonpayment of premium unless there is a named creditor loss payee,  
18 in which case at least ten (10) days' notice is required.

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

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

26 83-11-5. No notice of cancellation of a policy to which  
27 Section 83-11-3 applies shall be effective unless mailed or  
28 delivered by the insurer to the named insured and to any named

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

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

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

43 83-11-7. No insurer shall fail to renew a policy unless it  
44 shall mail or deliver to the named insured, at the address shown  
45 in the policy and to the named creditor loss payee, at least  
46 thirty (30) days' advance notice of its intention not to renew.

47 This section shall not apply if there is no named creditor loss  
48 payee and:

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

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

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

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

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

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

69 **SECTION 4.** This act shall take effect and be in force from  
70 and after July 1, 2006.