

By: Senator(s) Mettetal

To: Business and Financial
Institutions

SENATE BILL NO. 2557

1 AN ACT TO AMEND SECTION 81-21-21, MISSISSIPPI CODE OF 1972,
2 TO CLARIFY UNDER THE INSURANCE PREMIUM FINANCE LAW THAT THE REFUND
3 OF UNEARNED PREMIUMS SHALL BE PAID DIRECTLY TO THE PREMIUM FINANCE
4 COMPANY AS SOON AS REASONABLY POSSIBLE; TO AMEND SECTION 75-15-25,
5 MISSISSIPPI CODE OF 1972, TO REVISE THE DEADLINE BY WHICH A
6 LICENSEE UNDER THE SALE OF CHECKS LAW MUST REPORT HIS OUTSTANDING
7 CHECKS TO THE COMMISSIONER OF BANKING AND CONSUMER FINANCE; AND
8 FOR RELATED PURPOSES.

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

10 **SECTION 1.** Section 81-21-21, Mississippi Code of 1972, is
11 amended as follows:

12 81-21-21. (1) Whenever a financed insurance contract is
13 cancelled, the insurer shall return to the premium finance company
14 as soon as reasonably possible whatever gross unearned premiums
15 are due under the insurance contract * * *.

16 (2) In the event that a premium is subject to an audit to
17 determine the final premium amount, the gross unearned premium
18 shall be calculated upon the deposit premium and the insurer shall
19 return whatever gross unearned premiums are due based upon that
20 deposit to the finance company for the account of the insured.

21 (3) In the event that the crediting of return premiums to
22 the account of the insured results in a surplus over the amount
23 due from the insured, the premium finance company shall refund
24 such excess to the insured, provided that no such refund shall be
25 required if it amounts to less than Three Dollars (\$3.00).

26 **SECTION 2.** Section 75-15-25, Mississippi Code of 1972, is
27 amended as follows:

28 75-15-25. Whenever the bond or securities deposit required
29 under Section 75-15-11 of this chapter is less than Two Hundred
30 Fifty Thousand Dollars (\$250,000.00), the licensee may not at any

31 time have outstanding checks, issued in his business of selling
32 checks as a service or for a fee or other consideration, in excess
33 of the bond or securities deposit required of him under Section
34 75-15-11 of this chapter, and such licensee shall, pursuant to
35 rules and regulations promulgated by the commissioner under this
36 chapter, submit a written report * * * to the commissioner on the
37 last business day of each month regarding his checks outstanding,
38 whether issued by himself or through agents, * * * provided that
39 this limitation shall be the principal sum of the bond or the
40 market value of the securities deposit required of the licensee
41 under Section 75-15-11 of this chapter and the sum of this
42 limitation shall not be increased by any bond or securities
43 deposit increase required by the commissioner under Section
44 75-15-29 of this chapter or by deposit of any revocation order,
45 suspension bond, or securities deposit under Section 75-15-27 of
46 this chapter.

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