MISSISSIPPI LEGISLATURE

By: Representative Holland

To: Public Health and Human Services

HOUSE BILL NO. 1467

AN ACT TO AMEND SECTIONS 83-37-13 AND 83-37-15, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT BURIAL CONTRACTS MUST PROVIDE THAT ALL CONTRACTS MUST PROVIDE THAT IF A MEMBER DESIRES TO USE A FUNERAL HOME OTHER THAN THE FUNERAL HOME NAMED IN THE CONTRACT, THE BURIAL ASSOCIATION, IF REQUESTED BY THE MEMBER, SHALL PAY THE FACE VALUE OF THE CERTIFICATE TO WHICH THE MEMBER IS ENTITLED TO THE FUNERAL HOME PERFORMING THE FUNERAL; AND FOR RELATED PURPOSES.

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

SECTION 1. Section 83-37-13, Mississippi Code of 1972, is amended as follows:

83-37-13. Contracts written under the provisions of Section 83-37-11 must first be approved by the Commissioner of Insurance and must be substantially in the following form and language; any variation thereof shall in no manner be less favorable to the insured than the form and language prescribed herein.

All policies written under authority of Section 83-37-11 shall contain the standard provisions hereinafter enumerated:

"STANDARD PROVISIONS"

(1) The association will not be responsible for casket or any other funeral supplies or expenses contracted for by anyone unless authorized by the association, subject to minimum cash settlement hereinafter provided.

(2) When this policy has been maintained in force for not less than two (2) consecutive months, there will be a grace period of thirty (30) days for the payment of any subsequent premium; and during such period of grace, the funeral benefit provided herein shall continue in force, provided all other conditions and stipulations herein contained shall have been complied with by such member or members.
(3) This contract shall lapse, and the association shall not be liable for any benefits hereunder, when any premium payment on the same is more than thirty (30) days in arrears; and in such event all premiums paid hereon shall be forfeited to the association.

(4) If the contract is allowed to lapse, it may be reinstated by furnishing the association with satisfactory evidence that all members named hereon are in good health, and by the payment of the premiums required by the association, provided the policy is not over six (6) months in arrears. Acceptance of premium as of date of lapse shall reinstate the contract as of date premium is applied on lapse period.

(5) No agent has the power on behalf of the association to modify this contract or to extend the time for payment of premium, the entire contract being that contained herein, together with the application thereof.

(6) The association reserves the right to investigate within one (1) year from date of application all statements made in the application as to age or condition of health, and should any of the statements made therein be found to be false, the association's liability shall be limited to the return of all premiums paid hereon, and the policyholder shall forfeit all rights to the funeral benefits. All applicants must be in good health when this contract is delivered.

(7) This contract shall be incontestable after one (1) year, except for nonpayment of premiums.

(8) If death and/or burial occurs more than fifty (50) miles from any location of the funeral home named herein and should the beneficiary therefore deem it impractical for the association to service this contract, the association shall pay in cash to the member or funeral home performing the funeral the face value of the certificate to which the member is entitled *. * *. Provided, however, if premium rates of not less than ten percent (10%) in excess of the rates described herein are requested by the
association and approved by the commissioner, the standard
provisions contained in this paragraph may provide for a cash
settlement up to one hundred percent (100%) of the face value of
the contract. If death and/or burial occurs within fifty (50)
miles of any location of the funeral home named herein, and the
member desires to use a funeral home other than the funeral home
named in this contract, the association's liability shall be the
full face value of the certificate.

(9) There shall be no liability to any person or persons
insured hereunder if death should occur through self-destruction
or suicide, whether sane or insane, within one (1) year from date
of issuance of this contract, or within one (1) year from the date
of any reinstatement. In the event of death by suicide or
self-destruction, no return of premium shall be due under this
contract."

SECTION 2. Section 83-37-15, Mississippi Code of 1972, is
amended as follows:

83-37-15. A burial association may enter into burial
insurance contracts with citizens of this state in a face amount
of not less than Two Hundred Fifty Dollars ($250.00) nor more than
Five Hundred Dollars ($500.00) for the funeral of any one (1)
person to be paid by any such burial association, subject to
strict compliance with the following requirements as an absolute
condition precedent to any such policy or contract being written
or in force in this state:

(a) Such a burial association must be incorporated
under the provisions of this chapter, and at least Twenty-five
Thousand Dollars ($25,000.00) in capital stock paid up before the
commencement of business by any such corporation may be
authorized.

(b) Only contracts with uniform benefits may be
written, which must be first approved by the Commissioner of
Insurance, and such contracts may be written on a basis of payment
of premiums for life or, alternatively, to be paid up in not less than fifteen (15) years after date of issuance. Contract benefits shall be limited to applying the face amount of the contract toward the retailed value of funeral merchandise and service; however, such contracts may provide for cash settlement benefits.

(c) The Commissioner of Insurance shall require compliance with minimum premium rates governing the payment of premiums on burial insurance contracts issued under the alternative plans provided in subsection (b) of this section, and any such corporation willfully collecting rates less than those so prescribed shall have its license cancelled and revoked in accordance with the provisions of this chapter. For continuing to do business thereafter, such corporation shall be enjoined therefrom in a court of competent jurisdiction.

(d) The Commissioner of Insurance shall promulgate such rules and regulations as may be necessary or advisable in order to carry out the provisions of Sections 83-37-11 through 83-37-17 insofar as the same shall not conflict herewith, and shall make examinations as required of domestic life insurance companies.

(e) No corporation shall write or issue a paid-up certificate except as provided in the cited sections.

(f) Securities shall be deposited with the State Treasurer equal to one-half (1/2) of the capital stock of such companies and associations, and securities covering reserve liabilities shall likewise be deposited with the State Treasurer in the amounts and manner as is now required of domestic life insurance companies.

(g) All contracts must provide that if the member desires to use a funeral home other than the funeral home named in the contract, the association, if requested by the member, shall pay the face value of the certificate to which the member is entitled to the funeral home performing the funeral.
SECTION 3. This act shall take effect and be in force from and after July 1, 2007.