

By: Representative Holland

To: Public Health and Human Services

HOUSE BILL NO. 1467

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

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

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

11 83-37-13. Contracts written under the provisions of Section  
12 83-37-11 must first be approved by the Commissioner of Insurance  
13 and must be substantially in the following form and language; any  
14 variation thereof shall in no manner be less favorable to the  
15 insured than the form and language prescribed herein.

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

18 "STANDARD PROVISIONS

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

23 (2) When this policy has been maintained in force for not  
24 less than two (2) consecutive months, there will be a grace period  
25 of thirty (30) days for the payment of any subsequent premium; and  
26 during such period of grace, the funeral benefit provided herein  
27 shall continue in force, provided all other conditions and  
28 stipulations herein contained shall have been complied with by  
29 such member or members.

30 (3) This contract shall lapse, and the association shall not  
31 be liable for any benefits hereunder, when any premium payment on  
32 same is more than thirty (30) days in arrears; and in such event  
33 all premiums paid hereon shall be forfeited to the association.

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

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

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

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

55 (8) If death and/or burial occurs more than fifty (50) miles  
56 from any location of the funeral home named herein and should the  
57 beneficiary therefore deem it impractical for the association to  
58 service this contract, the association shall pay in cash to the  
59 member or funeral home performing the funeral the face value of  
60 the certificate to which the member is entitled \* \* \*. Provided,  
61 however, if premium rates of not less than ten percent (10%) in  
62 excess of the rates described herein are requested by the

63 association and approved by the commissioner, the standard  
64 provisions contained in this paragraph may provide for a cash  
65 settlement up to one hundred percent (100%) of the face value of  
66 the contract. If death and/or burial occurs within fifty (50)  
67 miles of any location of the funeral home named herein, and the  
68 member desires to use a funeral home other than the funeral home  
69 named in this contract, the association's liability shall be the  
70 full \* \* \* face value of the certificate.

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

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

80 83-37-15. A burial association may enter into burial  
81 insurance contracts with citizens of this state in a face amount  
82 of not less than Two Hundred Fifty Dollars (\$250.00) nor more than  
83 Five Hundred Dollars (\$500.00) for the funeral of any one (1)  
84 person to be paid by any such burial association, subject to  
85 strict compliance with the following requirements as an absolute  
86 condition precedent to any such policy or contract being written  
87 or in force in this state:

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

93 (b) Only contracts with uniform benefits may be  
94 written, which must be first approved by the Commissioner of  
95 Insurance, and such contracts may be written on a basis of payment

96 of premiums for life or, alternatively, to be paid up in not less  
97 than fifteen (15) years after date of issuance. Contract benefits  
98 shall be limited to applying the face amount of the contract  
99 toward the retailed value of funeral merchandise and service;  
100 however, such contracts may provide for cash settlement benefits.

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

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

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

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

123 (g) All contracts must provide that if the member  
124 desires to use a funeral home other than the funeral home named in  
125 the contract, the association, if requested by the member, shall  
126 pay the face value of the certificate to which the member is  
127 entitled to the funeral home performing the funeral.

128           **SECTION 3.** This act shall take effect and be in force from  
129 and after July 1, 2007.