

By: Senator(s) Kirby

To: Insurance

SENATE BILL NO. 2809
(As Sent to Governor)

1 AN ACT TO REQUIRE AN INSURER PAYING A CLAIM FOR CERTAIN
2 DAMAGES UNDER A POLICY OF AUTOMOBILE INSURANCE TO ADD AS A PAYEE
3 ON THE CHECK, IN ADDITION TO THE NAME OF THE INSURED, THE NAME OF
4 THE BUSINESS REPAIRING THE AUTOMOBILE OR THE NAME OF THE LIEN
5 HOLDER; AND FOR RELATED PURPOSES.

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

7 **SECTION 1.** When there are one or more lien holders shown in
8 the policy or confirmed in writing by the insured before the loss,
9 an insurer paying a claim under automobile physical damage
10 coverage or automobile collision coverage, as such terms are
11 defined in Section 83-11-1, shall add as a payee on the check, in
12 addition to the name of the insured, the name of the business or
13 other entity repairing the automobile or the name of the lien
14 holder or lien holders. When payment is made to a lien holder,
15 the lien holder shall pay any balance owed to the debtor within
16 sixty (60) days after receipt of the check. However, in the case
17 of a total loss, the insurer may issue separate checks to the lien
18 holder and to the insured for the amount of each party's financial
19 interest in the vehicle. This section shall not apply to the
20 repair or replacement of glass in the vehicle.

21 **SECTION 2.** Section 1 of this act shall be codified within
22 Chapter 11, Title 83 of the Mississippi Code of 1972.

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