

By: Representatives Ford (54th), Deweese

To: Insurance

HOUSE BILL NO. 544

1 AN ACT TO AMEND SECTION 83-13-5, MISSISSIPPI CODE OF 1972, TO
2 EXEMPT BUILDER'S RISK INSURANCE POLICIES FROM THE VALUED POLICY
3 LAW; AND FOR RELATED PURPOSES.

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

5 **SECTION 1.** Section 83-13-5, Mississippi Code of 1972, is
6 amended as follows:

7 83-13-5. No insurance company shall knowingly issue any fire
8 insurance policy upon property within this state for an amount
9 which, together with any existing insurance thereon, exceeds a
10 fair value of the property, nor for a longer term than five (5)
11 years. When buildings and structures are insured against loss by
12 fire and, situated within this state, are totally destroyed by
13 fire, the company shall not be permitted to deny that the
14 buildings or structures insured were worth at the time of the
15 issuance of the policy the full value upon which the insurance is
16 calculated, and the measure of damages shall be the amount for
17 which the buildings and structures were insured. No insurance
18 company or agent thereof shall be permitted to attach a



19 three-quarter (3/4) value clause to insurance of this kind, and
20 any fire insurance company or agent thereof who violates this
21 section shall be guilty of a misdemeanor and shall, upon
22 conviction, be fined not less than Two Hundred Dollars (\$200.00)
23 nor more than One Thousand Dollars (\$1,000.00) for each offense.
24 The provisions of this section shall not apply to any builder's
25 risk insurance policy.

26 **SECTION 2.** This act shall take effect and be in force from
27 and after its passage.

