

By: Senator(s) Michel

To: Insurance

SENATE BILL NO. 2617

1 AN ACT TO AMEND SECTION 83-13-5, MISSISSIPPI CODE OF 1972, TO
2 PROVIDE THAT CERTAIN PROVISIONS RELATED TO COVERAGE OF FIRE
3 INSURANCE POLICIES SHALL NOT APPLY TO ANY BUILDERS' RISK POLICY;
4 AND FOR RELATED PURPOSES.

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

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

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



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

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

