

By: Representative Formby

To: Insurance

HOUSE BILL NO. 1231

1 AN ACT TO PROVIDE THAT THE PROCEEDS OF A LIFE INSURANCE
2 POLICY BECOME DUE AS OF THE DATE OF THE DEATH OF THE INSURED; TO
3 REQUIRE INSURERS ADMITTED TO TRANSACT LIFE INSURANCE IN THIS STATE
4 TO PAY INTEREST ON PROCEEDS OF CERTAIN LIFE INSURANCE POLICIES; TO
5 PROVIDE THAT SUCH INTEREST SHALL BE COMPUTED FROM THE INSURED'S
6 DEATH UNTIL THE DATE OF PAYMENT; AND FOR RELATED PURPOSES.

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

8 **SECTION 1.** (1) Proceeds of a life insurance policy shall
9 become due as of the date of the death of the insured. Each
10 insurer admitted to transact life insurance in this state shall
11 pay interest on proceeds or payments under any policy of life
12 insurance payable to a beneficiary residing in this state or to a
13 beneficiary under a policy issued in this state or to a
14 beneficiary under a policy insuring a person resident in this
15 state at the time of death.

16 (2) Interest payable under subsection (1) of this section
17 shall be computed from the insured's death until the date of
18 payment and shall be computed at the rate of interest guaranteed
19 by the policy or at the current rate of interest applicable to
20 death proceeds left on deposit with the insurer under an interest
21 settlement option or at the current rate of interest payable on
22 dividends left on deposit with the insurer, whichever is greater.
23 For proof of death received by the insurer more than three hundred
24 sixty-five (365) days after death, interest is computed from the
25 date the insurer receives proof of death.

26 (3) This section shall be applicable to any such policy
27 where proceeds have not been paid before the effective date of
28 this act.

29 (4) This section shall not apply:

30 (a) When the total death proceeds payable by an insurer
31 on account of the death of an insured person is less than Twenty
32 Thousand Dollars (\$20,000.00); or

33 (b) When death proceeds result from insurance written
34 under Section 83-53-1 et seq.

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