

By: Senator(s) Kirby

To: Insurance

SENATE BILL NO. 2224
(As Passed the Senate)

1 AN ACT TO PROVIDE FULL DISCHARGE OF AN INSURER FROM ALL
2 CLAIMS UNDER A LIFE INSURANCE POLICY OR ANNUITY CONTRACT WHEN THE
3 PROCEEDS UNDER THE POLICY OR CONTRACT BECOME PAYABLE AND THE
4 INSURER MAKES PAYMENTS IN ACCORDANCE WITH THE TERMS OF THE POLICY
5 OR CONTRACT; AND FOR RELATED PURPOSES.

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

7 SECTION 1. (1) To ensure that contractual claims under a
8 policy or contract are not paid by the insurer more than once, an
9 insurer shall be fully discharged from all contractual claims
10 under a life insurance policy or annuity contract:

11 (a) When the proceeds or payments under a life
12 insurance policy or annuity contract become payable in accordance
13 with (i) the terms of the policy or contract, or (ii) the exercise
14 of any right or privilege under the contract; and

15 (b) If the insurer makes payments in accordance with
16 the terms of the life insurance policy or annuity contract or any
17 written assignment to the person designated in the policy or
18 contract or by assignment as being entitled to the proceeds or
19 payments.

20 (2) An insurer shall not be fully discharged from all
21 contractual claims under a life insurance policy or annuity
22 contract before payment is made and if the insurer has received,
23 at its home office, written notice that some other person claims
24 to be entitled to payment or some interest in the policy or
25 contract; nor shall an insurer be fully discharged from all
26 contractual claims under a life insurance policy or annuity
27 contract if the person who receives the proceeds or payment does

28 not accept the proceeds or payment and returns the same to the
29 insurer at its home office.

30 (3) An insurer shall not be fully discharged from all
31 contractual claims under a life insurance policy if the insurer
32 has not complied with Section 83-7-6.

33 **SECTION 2.** This act shall take effect and be in force from
34 and after July 1, 2005.