July 16, 2001

Bulletin No. 2001-2

TO ALL LICENSED PROPERTY AND CASUALTY INSURANCE COMPANIES OFFERING CREDITOR-PLACED INSURANCE IN THE STATE OF MISSISSIPPI

During the 2001 Regular Session the Mississippi Legislature enacted the Mississippi Creditor-Placed Insurance Act (SB 2741) which took effect as of July 1, 2001. The Act provides the legal framework within which Creditor-Placed (Forced Placed) Insurance may be written in this state.

The complete bill text as (Sent to Governor) can be viewed on the Mississippi Legislature website, <www.ls.ms.state.us>, Bill Status, Senate Bill 2741 or direct link:
   http://billstatus.ls.state.ms.us/2001/html/history/SB/SB2741.htm

All companies with Creditor-Placed Insurance programs, as defined by the Act, should immediately review their programs to determine their compliance with the new statutory requirements. Any revisions to or additional filings of rates, rules, or forms to bring a program into compliance with the Act should be submitted to the Department's Rating Division. A filing must be made of both the initial Notice and the "Final Notice" form to Debtors.

We advise companies who do not have their Creditor-Placed Insurance programs filed in Mississippi to refer to Section 8 of the Act which we quote:

(1) All policy forms and certificates of creditor-placed insurance to be delivered or issued for delivery in this state and the schedules of premium rates pertaining thereto shall be filed with the Commissioner of Insurance.

In addition to the above, Miss. Code Ann. §83-5-7 (Rev. 1999) provides that Mississippi would be the situs of the insurance contract for a certificate of insurance issued to any resident concerning any property or interest in this state. If a certificate of insurance is issued to a debtor who is a Mississippi resident and the collateralized property is located in this state, the Creditor-Placed Insurance program must be submitted for prior approval to the Commissioner of Insurance.

Bulletins 2000-7 and 2000-8 concerning Creditor-Placed Insurance programs remain in effect. If there are any questions concerning the subjects herein contact the Mississippi Insurance Department at 601-359-3575.

George Dale, Commissioner of Insurance