

Title 19

Part 7 State Fire Marshal

Part 7 Chapter 4: (MH -2008-1) Bonding and Insurance Requirements for Manufacturers, Modular Contractors, Developers, Retailers, and Transporters or Installers of Manufactured Homes.

Rule 4.01: Purpose

The purpose of this Regulation is to ensure that manufacturers, modular contractors, developers, retailers and transporters or installers of manufactured mobile or modular homes are adequately bonded and insured to provide consumers with a means to recoup losses where a manufacturer, modular contractor, developer, retailer and transporter or installer of manufactured mobile or modular homes has gone out of business or has failed to meet their legal or regulatory responsibility to the consumer.

Source: *Miss. Code Ann.* §75-49-5; §75-49-11 (Supp. 2013).

Rule 4.02: Authority

This Regulation is promulgated by the Commissioner of Insurance pursuant to the authority granted to him by House Bill 1388, 2008 Regular Legislative Session, *Miss. Code Ann.* § 75-49-11 (Supp. 2013), as well as the provisions of 19 Miss. Admin. Code, Part 1, Chapter 15 (Rules Regarding the Administrative Practice and Procedure before the Mississippi Insurance Department, As Amended).

Source: *Miss. Code Ann.* §75-49-11 (Supp. 2013).

Rule 4.03: Scope

This Regulation shall apply to all manufacturers, modular contractors, developers, retailers and transporters or installers of manufactured mobile or modular homes, as defined in *Miss. Code Ann.* § 75-49-3, operating in the State of Mississippi.

Source: *Miss. Code Ann.* §75-49-5 (Supp. 2013).

Rule 4.04: Definition

- A. General Liability Insurance- A form of insurance that indemnifies against liability on account of injury to the person or property of another.
- B. Surety Bond- A type of bond which protects against loss due to the inability or refusal of an obligor to perform his or her contract.

Source: *Miss. Code Ann.* §75-49-5 (Supp. 2013); § 83-19-1 (Supp. 2013).

Rule 4.05: Bonding and Insurance Requirements

After August 1, 2009, all new license applications and renewal applications for a license to act as a manufacturer, modular contractor, retailer, developer or installer/transporter of manufactured mobile or modular homes in the State of Mississippi must provide to the State Fire Marshal's Office verification that they have obtained a general commercial liability policy and a surety bond in the following specified amounts:

- A. Manufacturers or Modular Contractors – provide proof of a surety bond in the amount of \$25,000.00 per Licensed Facility or, for three (3) or more Licensed Facilities, a minimum bond in the amount of \$50,000.00; and proof of a general liability policy in the amount of \$1,000,000.00 in coverage;
- B. Developers – provide proof of a surety bond in the amount of \$25,000.00 per Facility or for three (3) or more Facilities, a minimum bond in the amount of \$50,000.00; and proof of a general liability policy in the amount of \$1,000,000.00 in coverage;
- C. Retailer (with 1 or more Facilities) – provide proof of a surety bond in the amount of \$25,000.00 per Facility or for three (3) or more Facilities, a minimum bond in the amount of \$50,000.00; and proof of a general liability policy in the amount of \$1,000,000.00 in coverage;
- D. Retailer (involved in the repossession and resale with no lot facilities) – provide proof of a surety bond in the amount of \$25,000.00 and proof of general liability in the amount of \$1,000,000.00 in coverage.
- E. Installer/Transporter - provide proof of a surety bond in the amount of \$25,000.00; ~~or~~ and proof of a general liability policy in the amount of \$500,000.00 in coverage. The general liability policy is also required to have a cargo policy addition in the amount of \$100,000.00 in coverage for the transport of manufactured homes.
 - 1. Certificates of general liability policies for all manufacturers, retailer/developers and installer/transporters shall have the Mississippi State Fire Marshal's Office as the designated certificate holder.
 - 2. A surety bond written pursuant to the requirements set forth in this section shall comply with the Surety Bond for Licensure form that will be provided to the applicant from the State Fire Marshal's Office.

Source: *Miss. Code Ann.* §75-49-5 (Supp. 2013).

Rule 4.06: Violations, Penalties and Appeals

Failure of an applicant or licensee to comply with a material provision of this regulation is considered a violation of *Miss. Code Ann.* § 75-49-11. The State Fire Marshal may deny a license application or suspend or revoke a license, or may impose an administrative fine, or both

as provided in *Miss. Code Ann.* § 75-49-19, after giving notice of hearing to the applicant or licensee by serving a written statement of charges on the licensee at least twenty (20) days prior to hearing, in the manner provided for in *Miss. Code Ann.* § 75-49-13, for any violation of this Regulation. Any person aggrieved by any decision of the commissioner with respect to any hearing held before him pursuant to this Regulation may appeal said decision in the manner set forth in *Miss. Code Ann.* § 75-49-13(9).

Source: *Miss. Code Ann.* §75-49-5 (Supp. 2013).

Rule 4.07: Severability

If any section or portion of a section of this Regulation or the application thereof is held by a court to be invalid, such invalidity shall not affect any other provision of that section or application of the Regulation which can be given effect without the invalid provision or application, and to this end the provisions of the Regulation are declared to be severable.

Source: *Miss. Code Ann.* §75-49-5 (Supp. 2013).

Rule 4.08: Effective Date

The Effective Date of this Regulation shall be January 1, 2015.

Source: *Miss. Code Ann.* §75-49-5 (Supp. 2013).