

**MISSISSIPPI DEPARTMENT OF INSURANCE
REGULATION 99-3**

**PRESCRIBING MISSISSIPPI LIFE AND HEALTH
INSURANCE GUARANTY ASSOCIATION
SUMMARY DOCUMENT AND REQUIRING DELIVERY OF
SUMMARY DOCUMENT TO POLICY OR CONTRACT OWNER
AT TIME OF DELIVERY OF POLICY OR CONTRACT**

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Section 1. Authority

This Regulation is promulgated by the Commissioner of Insurance pursuant to the authority granted to him by Miss. Code Ann. §§ 83-5-1 and 83-23-235 in order to implement the provisions of the Mississippi Life and Health Insurance Guaranty Association Act, as amended, and is promulgated in accordance with Mississippi Department of Insurance Regulation No. 88-101, said regulation being the Rules of Practice and Procedure before the Mississippi Insurance Department.

Section 2. Purpose

The purpose of this Regulation is to implement Miss. Code Ann. § 83-23-235 by prescribing the form and content of the summary document describing the general purposes and current limitations of the Mississippi Life and Health Insurance Guaranty Association Act.

Section 3. Application and form of summary document

On and after April 10, 2000, no insurer may issue or deliver a life, health or annuity policy or contract to a policy or contract owner in the State of Mississippi unless a summary document describing the general purposes and current limitations of the Mississippi Life and Health Insurance Guaranty Association Act is delivered to the policy or contract owner at the time of delivery of the policy or contract. The summary document shall also be available upon request by a policy owner. Insurers shall retain evidence of compliance with Miss. Code Ann. § 83-23-235(2) and this Regulation for so long as the policy or contract for which the notice is given remains in effect.

Such summary document shall be in the form attached hereto as Appendix A, which is hereby made a part of this Regulation. Insurers may print the summary document on a separate sheet of

paper but shall use the order, format and content of the summary document, as approved and prescribed by the Commissioner of Insurance. The summary document shall be printed or typed in easy-to-read type, size and style.

A form filing is not required for the summary document. The summary document shall not be made a part of the policy or contract with which it must be delivered.

Section 4. Severability

If any provision of any 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 this Regulation which can be given effect without the invalid provision or application, and to this end the provisions of this Regulation are declared to be severable.

Section 5. Effective Date

This Regulation shall become effective thirty (30) days after filing with the Office of the Secretary of State.

APPENDIX "A"

SUMMARY OF MISSISSIPPI LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION ACT AND NOTICE CONCERNING COVERAGE LIMITATIONS AND EXCLUSIONS

Residents of this state who purchase life insurance, health insurance or annuities should know that the insurance companies licensed in this state to write these types of insurance are members of the Mississippi Life and Health Insurance Guaranty Association (the "Guaranty Association"). The purpose of the Guaranty Association is to assure that policy and contract owners will be protected, within limits, in the unlikely event that a member insurer becomes financially unable to meet its obligations. If this should happen, the Guaranty Association will assess its other member insurance companies for the money to pay the claims of policy owners who live in this state and, in some cases, to keep coverage in force. The valuable extra protection provided by the member insurers through the Guaranty Association is not unlimited, however. And, as noted in the box below, this protection is not a substitute for consumers' care in selecting insurance companies that are well-managed and financially stable.

DISCLAIMER

The Mississippi Life and Health Insurance Guaranty Association (the "Guaranty Association") may not provide coverage for this policy. If coverage is provided, it will be subject to substantial limitations and exclusions, and require continued residency in this state. You should not rely on coverage by the Guaranty Association when selecting an insurer.

Coverage is NOT provided for your policy or contract or any portion of it that is not guaranteed by the insurer or for which you have assumed the risk, such as non-guaranteed amounts held in a separate account under a variable life or variable annuity contract.

Insurance companies or their agents are required by law to provide you with this notice. However, insurance companies and their agents are prohibited by law from using the existence of the Guaranty Association for the purpose of sales, solicitation or inducement to purchase any form of insurance. You may contact either the Guaranty Association or the Mississippi Insurance Department at the following addresses if you should have any questions regarding this notice.

Mississippi Life and Health Insurance Guaranty Association
300 North Mart Plaza, Suite 2
Jackson, Mississippi 39206

Mississippi Insurance Department
1804 Walter Sillers Building
Jackson, Mississippi 39205

The state law that provides for this safety-net coverage is called the Mississippi Life and Health Insurance Guaranty Association Act (the "Act"). Below is a brief summary of the Act's coverages, exclusions and limits. This summary does not cover all provisions of the Act; nor does it in any way change anyone's rights or obligations under the Act or the rights or obligations of the Guaranty Association.

COVERAGES

Generally, individuals will be protected by the Guaranty Association if they live in this state and hold a life or health insurance contract or policy, or an annuity contract or policy, or if they are insured under a group insurance contract, issued by a member insurer. The beneficiaries, payees or assignees of policy or contract owners are protected as well, even if they live in another state.

EXCLUSIONS FROM COVERAGE

However, persons holding such policies are NOT protected by the Guaranty Association if:

- They are eligible for protection under the laws of another state (this may occur when the insolvent insurer was incorporated in another state whose guaranty association protects insureds who live outside that state);
- The insurer was not authorized to do business in this state;
- Their policy or contract was issued by a hospital or medical service organization whether profit or nonprofit, a health maintenance organization (HMO), a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company or other person that operates on an assessment basis, an insurance exchange, or any similar entity.

The Guaranty Association also does NOT provide coverage for:

- Any policy or contract or portion thereof which is not guaranteed by the insurer or for which the owner has assumed the risk, such as non-guaranteed amounts held in a separate account under a variable life or variable annuity contract.
- Any policy or contract of reinsurance, unless assumption certificates were issued pursuant to the reinsurance policy or contract;
- Interest rate yields that exceed an average rate;
- Dividends and voting rights and experience rating credits or payment of any fees or allowances to any person in connection with the service to or administration of the policy or contract;
- Credits given in connection with the administration of a policy by a group contract holder;
- Employers' plans to the extent they are self-funded or uninsured (that is, not insured by an insurance company, even if an insurance company administers them);
- Unallocated annuity contracts issued to or in connection with benefit plans protected under federal Pension Benefit Guaranty Corporation ("PBGC") regardless of whether the PBGC has yet become liable to make any payments with respect to the benefit plan;
- Portions of any unallocated annuity contract not issued to or in connection with a specific employee, union or association of natural persons benefit plan or a government lottery;
- Portions of a policy or contract to the extent assessments required by law for the Guaranty Association with respect to the policy or contract are preempted by State or Federal law;
- Obligations that do not arise under the express written terms of the policy or contract, including claims based on marketing materials, side letters, riders or other documents that were issued by the insurer without meeting applicable policy form filing or approval requirements, or

claims for policy misrepresentations, or extra-contractual or penalty or consequential or incidental damages claims;

- Contractual agreements establishing the member insurer's obligations to provide book value accounting guarantees for defined contribution benefit plan participants (by reference to a portfolio of assets owned by a nonaffiliate benefit plan or its trustees).

LIMITS ON AMOUNT OF COVERAGE

The Act also limits the amount the Guaranty Association is obligated to cover. The Guaranty Association cannot pay more than what the insurance company would owe under a policy or contract. Also, with respect to any one life, regardless of the number of policies or contracts, the maximum obligation of the Guaranty Association is \$300,000 in benefits except with respect to benefits for basic hospital, medical and surgical insurance and major medical insurance in which case the aggregate liability of the Guaranty Association is \$500,000. Within these overall limits, the Guaranty Association will not pay more than \$300,000 in life insurance death benefits, \$100,000 in net cash surrender and net cash withdrawal values, \$300,000 for disability insurance benefits, \$500,000 for basic hospital medical and surgical insurance or major medical insurance benefits, \$100,000 in present value of annuity benefits, including net cash surrender and net cash withdrawal values - again, no matter how many policies and contracts there were with the same company, and no matter how many different types of coverages. There is a \$5,000,000 limit with respect to any contract owner for unallocated annuity benefits, irrespective of the number of contracts with respect to the contract owner or plan sponsor. These are limitations for which the Guaranty Association is obligated before taking into account either its subrogation and assignment rights or to the extent to which those benefits could be provided out of the assets of the impaired or insolvent insurer.