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Bulletin No. 2000-2

**BULLETIN TO ALL COMPANIES LICENSED TO SELL  
PROPERTY AND CASUALTY INSURANCE**

**Replacement Bulletin for Bulletin No. 2000-2.**

RE: GAP Insurance Filings

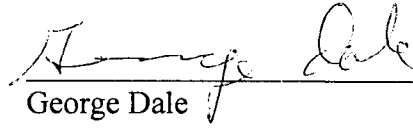
The prior Bulletin 2000-2, concerning GAP insurance issued on February 7, 2000, is hereby withdrawn and the following is substituted in its stead. For purposes of this bulletin GAP Insurance refers to Guaranteed Auto Protection Insurance or insurance to reimburse an insured for the difference between a borrower's insurance proceeds and the outstanding loan balance in the event of a total loss.

A GAP Insurance program sold by a licensed insurance company should be filed with the Mississippi Insurance Department as a Casualty product. The Mississippi Insurance Department will regulate the forms, rules and rates that insurers charge for this type of insurance. At this time, the Mississippi Insurance Department has not determined whether a gap waiver product that is sold to the consumer is insurance. We are taking this issue under advisement and may propose legislation requiring certain disclosures to protect the consumer in the next legislative session. Since the Mississippi Insurance Department is not currently taking the position that the gap waiver product sold by the lender, car dealership, third party administrator etc., to the consumer is insurance, the Mississippi Department of Banking and Consumer Finance will not regulate the amount that is charged to the borrower/consumer for the product under Miss. Code Ann. § 63-19-33 (Supp. 1999).

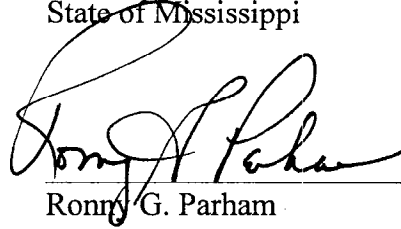
As far as agent licensing is concerned, the person who solicits GAP Insurance on behalf of the insurance company as defined in Miss. Code Ann. § 83-17-1 and sells the product must be licensed to sell casualty/liability lines of insurance or must be licensed as a supervising general agent. The person employed by the lender, car dealership, third party administrator etc., who sells the gap waiver product to the consumer does not need to obtain a license from the Mississippi

Insurance Department.

All insurance companies who are currently selling GAP Insurance as defined above and are not filing the rates, rules and forms for this insurance as Casualty/Liability Insurance must take the necessary steps to comply with this bulletin.



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