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MISSISSIPPI DEPARTMENT OF INSURANCE
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**PROPER ACCOUNTING TREATMENT FOR PREMIUMS WRITTEN FOR
COVERAGE ON MOBILE HOMES**

This Bulletin shall apply to all licensed insurance companies writing property and casualty insurance in the State of Mississippi.

Miss. Code Ann. § 83-5-55 (Supp. 2005), requires that insurance companies file statutory financial statements with the Mississippi Department of Insurance ("Department") which comply with the "NAIC Quarterly and Annual Statement Instructions" and the "NAIC Accounting Practices and Procedures Manual". With respect to property and casualty lines of business, the NAIC Quarterly and Annual Statement Instructions define the "Homeowners Multiple - Peril" line of business as "A package policy combining broad property coverage for the personal property and/or structure with broad personal liability coverage. Coverage applicable to the dwelling, appurtenant structures, unscheduled personal property and additional living expense are typical. Includes mobile homes at a fixed location." Thus, it is clear that premiums written for coverage on mobile homes at a fixed location must be classified and reported under the Homeowners Multiple - Peril line on statutory financial statements.

Despite the aforementioned requirement, it has come to the attention of the Department that some insurance companies may be reporting premiums written for mobile home coverage under the "Auto Physical Damage" line or some alternative line of business instead of correctly reporting under the Homeowners Multiple - Peril line on statutory financial statements. This misreporting is contrary to law and is in direct conflict with the accounting treatment for mobile home premiums prescribed by the NAIC Quarterly and Annual Statement Instructions.

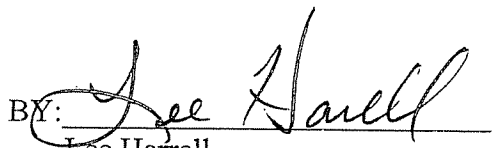
In view of the above, all licensed insurance companies writing property and casualty insurance in the State of Mississippi are hereby directed to properly report in statutory financial statements premiums written for mobile home coverage. Specifically, any such premiums must be reported under the Homeowners Multiple - Peril line as required by § 83-5-55 and the NAIC Quarterly and Annual Statement Instructions. Further, any insurance company which has failed to properly report premiums written for mobile home coverage shall file with the Department, by no later than June 15, 2006, amended annual financial statements for the years 2004 and 2005, which correctly report

said premiums. These amended statements shall be submitted to the attention of Debra Vernon, Chief Examiner. Copies of the amended statements for 2004 and 2005 shall also be filed with the Mississippi Windstorm Underwriting Association.

The failure of an insurance company to comply with the directives of this Bulletin shall result in further administrative action, which may include the imposition of fines and the commencement of license suspension and/or revocation proceedings.

If there are any questions concerning this Bulletin, you may contact the Department at (601) 359-3577.

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