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Chapter No. 450

10/SS26/R990SG

JW / LH/TB

SENATE BILL NO. 2740

Originated in Senate *Renald Guyres* Secretary

SENATE BILL NO. 2740

AN ACT TO AMEND SECTION 83-19-1, MISSISSIPPI CODE OF 1972, TO DELETE THE HOME WARRANTY CLASS FROM THE LIST OF CLASSIFICATIONS FOR WHICH INSURANCE COMPANIES MAY BE FORMED; TO CREATE A NEW SECTION TO PROVIDE THAT ANY PRIVILEGE LICENSE ISSUED UNDER THE INSURANCE CODE SHALL BE EFFECTIVE ON THE DATE THE LICENSE IS ISSUED; AND FOR RELATED PURPOSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

SECTION 1. Section 83-19-1, Mississippi Code of 1972, is amended as follows:

83-19-1. Insurance companies may be formed for the following classifications:

Class 1. Fire and Casualty.

(a) **Fire and Allied Lines.** Coverage protecting against loss to real or personal property from damage caused by the peril of fire, lightning, windstorm and hail, sprinkler and water damage, smoke, explosion, riot, riot attending strike, civil commotion, aircraft, vehicle and business interruption caused by one (1) of the above.

(b) **Industrial Fire.** Limited coverage protecting against loss to real or personal property from damage caused by the peril of fire, lightning, windstorm and hail, sprinkler and water damage, smoke, explosion, riot, riot attending strike, civil commotion, aircraft, vehicle, burglary, theft and business interruption caused by one (1) of the above.

(c) **Casualty/Liability.** Coverage protecting the insured against legal liability resulting from negligence, carelessness or a failure to act causing property damage or

personal injury to others. Coverage may include burglary and theft.

(d) **Fidelity.** A bond covering an employer's loss resulting from an employee's dishonest act.

(e) **Surety.** A three-party agreement where the insurer agrees to pay a second party (the obligee) or make complete an obligation in response to the default, acts or omissions of a third party (the principal).

(f) **Workers' Compensation.** Coverage for an employer's liability for injuries, disability or death to persons in their employment, without regard to fault, as prescribed by state workers' compensation laws.

(g) **Boiler and Machinery.** Coverage for the failure of boilers, machinery and electrical equipment.

(h) **Plate Glass.** Coverage for the cost of replacement and incidental cost of building glass due to breakage or application of chemicals to glass.

(i) **Aircraft.** Coverage for aircraft (hull) and contents; aircraft owner's and manufacturer's liability to passengers, airports and other third parties.

(j) **Inland Marine.** Coverage for inland transportation exposures, property in transit, held by a bailee, scheduled, bridges and tunnels.

(k) **Ocean Marine.** Coverage for ocean and inland water transportation exposures; goods or cargoes; ships or hulls.

(l) **Automobile Physical Damage/Automobile Liability.** Coverage protecting against loss to owner's vehicle, personal injury and damage to property of others.

(m) **Homeowners/Farmowners.** A package policy covering real and personal property, liability and theft.

(n) **Guaranty.** An indemnity contract under which loss is payable upon proof of occurrence of financial loss to an

insured claimant, obligee or indemnitee as a result of failure to perform a financial obligation.

(o) **Mortgage Guaranty.** Coverage indemnifying a lender from loss when a borrower fails to meet required mortgage payments.

(p) **Title.** Coverage protecting the insured against risk resulting from defective titles or invalidity or adverse claim to title.

(q) **Trip Accident and Baggage.** Coverage protecting the insured against risk resulting from accidental death; loss or damage to personal effects carried as baggage in connection with transportation provided by a common carrier.

(r) **Legal.** Coverage protecting the insured against the risk resulting from the cost of legal services.

(s) **Credit Property.** Insurance against loss of or damage to personal property purchased through a credit transaction or used as collateral for a credit transaction.

Class 2. Life.

(a) **Life.** Insurance contract for the payment of endowments or annuities, or make and enter into such other contracts conditioned upon the continuance or cessation of human life.

(b) **Accident and Health.** Individual or group policy or contract of insurance against loss resulting from sickness or bodily injury, including dental care expenses resulting from sickness or bodily injury, or death by accident, or accidental means, or both.

(c) **Credit Life, Credit Accident and Health.** Insurance on the life of a debtor in connection with a specific loan or other credit transactions; insurance on a debtor to provide indemnity for payments becoming due on a specific loan or other credit transaction while the debtor is disabled as defined in the policy.

(d) **Industrial Life, Industrial Accident and Health.**

Limited insurance coverage protecting the insured in case of death, bodily injury or disability.

(e) **Variable Contracts.** Contract which provides for variable life insurance or annuity benefits which may vary according to the investment experience of any separate account or accounts maintained by the insurer as to such contract.

(f) **Life (Burial).** A limited life contract for payment of the burial expenses of the insured.

Class 3. Fraternal.

(a) **Fraternal.** Coverage for the mutual benefit of fraternal members and their beneficiaries and not for profit or which limits its membership to a secret fraternity having a lodge system and representative form of government. Benefits may be paid in case of death, disability, funeral expenses, monuments or tombstones.

(b) **Larger Fraternal.** Coverage for the mutual benefit of larger fraternal members and their beneficiaries and not for profit or which limits its membership to a secret fraternity having a lodge system and representative form of government. Benefits may be paid in case of death, endowment, annuity, temporary or permanent disability; hospital, medical or nursing; funeral, monument or tombstone and such other benefits as authorized for life insurers. For purposes of this paragraph (b), "larger fraternal" means those fraternal societies that have more than Thirty Thousand Dollars (\$30,000.00) in total annual written premiums.

Class 4. Burial. Insurance coverage protecting the insured against the risk resulting from the cost of burial expenses.

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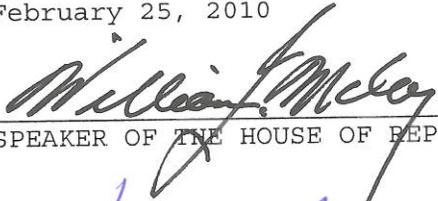
SECTION 2. Any privilege license issued under Title 83, Mississippi Code of 1972, shall be effective on the date the license is issued.

SECTION 3. This act shall take effect and be in force from and after July 1, 2010.

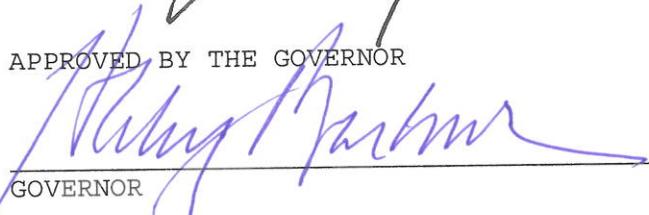
PASSED BY THE SENATE
February 3, 2010


PRESIDENT OF THE SENATE

PASSED BY THE HOUSE OF REPRESENTATIVES
February 25, 2010


SPEAKER OF THE HOUSE OF REPRESENTATIVES

APPROVED BY THE GOVERNOR


GOVERNOR

3/25/10 12:50pm