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Chapter No. 401

11/SS01/R612

JW / AS/SG

SENATE BILL NO. 2416

Originated in Senate _____ Secretary

SENATE BILL NO. 2416

AN ACT TO CREATE NEW SECTION 83-65-125, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT A PROVIDER OF VEHICLE SERVICE CONTRACTS SHALL NOT BE REQUIRED TO BE A NAMED INSURED UNDER A REIMBURSEMENT INSURANCE POLICY IF THE PROVIDER COMPLIES WITH CERTAIN REQUIREMENTS; AND FOR RELATED PURPOSES.

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

SECTION 1. The following section shall be codified as
Section 83-65-125, Mississippi Code of 1972:

83-65-125. (1) A provider shall not be required to be a named insured under a reimbursement insurance policy for purposes of issuing, selling or offering for sale a vehicle service contract in this state if the provider complies with the following requirements:

(a) Maintains, or has a parent maintain, a net worth or stockholders' equity of at least One Hundred Million Dollars (\$100,000,000.00);

(b) Upon request, files with the commissioner a true and correct copy of the vehicle service contract;

(c) Upon request, files with the commissioner a copy of the provider's or the provider's parent company's most recent Form 10-K or Form 20-F filed with the Securities and Exchange Commission within the preceding calendar year. If the provider or the provider's parent company does not file with the Securities and Exchange Commission, the provider, upon request, shall file with the commissioner a copy of the provider's or the provider's parent company's audited financial statements showing a net worth of the provider or its parent company of at least One Hundred Million Dollars (\$100,000,000.00). If the provider's parent

company's Form 10-K, Form 20-F or audited financial statements are filed to show that the provider meets the financial requirements of this section, the parent company shall agree to guarantee the obligations of the provider relating to service contracts sold by the provider in this state.

(2) If a provider complies with the requirements of subsection (1) the provider may issue, sell or offer for sale in this state vehicle service contracts and such contracts shall not be subject to the requirements of Sections 83-65-105, 83-65-107, 83-65-109 and subsections (2) (a) and (b) of Section 83-65-111.

SECTION 2. This act shall take effect and be in force from and after July 1, 2011.

PASSED BY THE SENATE
February 3, 2011



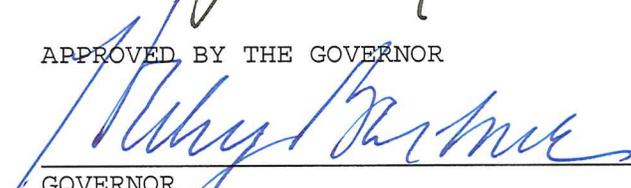
PRESIDENT OF THE SENATE

PASSED BY THE HOUSE OF REPRESENTATIVES
March 2, 2011



SPEAKER OF THE HOUSE OF REPRESENTATIVES

APPROVED BY THE GOVERNOR



GOVERNOR
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