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Chapter No. 317
10/SS26/R1176PS
JN / LA/TB

SENATE BILL NO. 2932

Originated in Senate *Henri Dujardin* Secretary

SENATE BILL NO. 2932

AN ACT TO AMEND SECTION 81-21-21, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT WHENEVER A FINANCED INSURANCE CONTRACT IS CANCELLED, THE INSURER SHALL FURNISH TO THE PREMIUM FINANCE COMPANY A REPORT WITH AN ITEMIZATION OF THE UNEARNED PREMIUMS UNDER THE POLICY THAT INCLUDES A DETAILED MATHEMATICAL SUMMARY OF THE COMPUTATION OF THE RETURN PREMIUM; TO AMEND SECTION 81-21-1, MISSISSIPPI CODE OF 1972, TO CORRECT AN ERROR IN A DEFINITION; AND FOR RELATED PURPOSES.

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

SECTION 1. Section 81-21-21, Mississippi Code of 1972, is amended as follows:

81-21-21. (1) Whenever a financed insurance contract is cancelled, the insurer shall return to the premium finance company as soon as reasonably possible whatever gross unearned premiums are due under the insurance contract, and also shall furnish to the premium finance company a report setting forth an itemization of the unearned premiums under the policy that includes a detailed mathematical summary of the computation of the return premium.

(2) If a premium is subject to an audit to determine the final premium amount, the gross unearned premium shall be calculated upon the deposit premium and the insurer shall return whatever gross unearned premiums are due based upon that deposit to the finance company for the account of the insured.

(3) If the crediting of return premiums to the account of the insured results in a surplus over the amount due from the insured, the premium finance company shall refund the excess to the insured, provided that no such refund shall be required if it amounts to less than Three Dollars (\$3.00).

SECTION 2. Section 81-21-1, Mississippi Code of 1972, is amended as follows:

81-21-1. The following words and phrases shall have the meanings ascribed herein unless the context clearly indicates otherwise:

(a) "Commissioner" means the Commissioner of Banking and Consumer Finance.

(b) "Person" means an individual, partnership, association, business corporation, nonprofit corporation, common-law trust, joint-stock company or any other entity, however organized.

(c) "Premium finance agreement" means an agreement by which an insured or prospective insured promises to pay to a premium finance company the amount advanced or to be advanced to an insurer or to an insurance agent or broker in payment of premiums of an insurance contract together with interest or discount and a service charge, as authorized and limited by Sections 81-21-13 through 81-21-23.

(d) "Premium finance company" means a person engaged in the business of entering into premium finance agreements or acquiring premium finance agreements from other premium finance companies.

(e) "Records" or "documents" means any item in hard copy or produced in a format of storage commonly described as electronic, imaged, magnetic, microphotographic or otherwise, and any reproduction so made shall have the same force and effect as the original thereof and be admitted in evidence equally with the original.

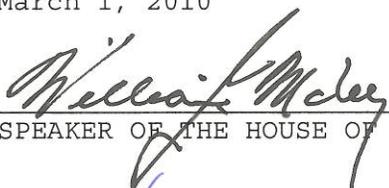
SECTION 3. This act shall take effect and be in force from and after October 1, 2010.

PASSED BY THE SENATE
February 9, 2010.



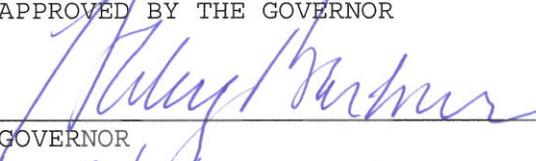
PRESIDENT OF THE SENATE

PASSED BY THE HOUSE OF REPRESENTATIVES
March 1, 2010



SPEAKER OF THE HOUSE OF REPRESENTATIVES

APPROVED BY THE GOVERNOR



GOVERNOR

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