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MISSISSIPPI DEPARTMENT OF INSURANCE
BULLETIN 2006-5, as amended

TO: ALL PROPERTY AND CASUALTY COMPANIES AND PRODUCERS

FROM: GEORGE DALE
COMMISSIONER OF INSURANCE

DATE: OCTOBER 19, 2006

**RE: SENATE BILL 2006, NOTIFICATION OF CANCELLATION/
NON-RENEWAL TO NAMED CREDITOR LOSS PAYEE**

The Mississippi Legislature during the 2006 Regular Legislative Session passed Senate Bill 2006, which amends Miss. Code Ann. §§ 83-5-28, 83-11-5, and 83-11-7 to require an insurance company to provide notice to a named creditor loss payee of a cancellation or nonrenewal of an insurance policy. Bulletin 2006-5 was issued on May 2, 2006, to give guidance concerning this new law to property and casualty companies and their producers who write property and casualty coverage. This Bulletin has been amended to provide guidance to property and casualty companies regarding Senate Bill 2006 and its effect on mortgagees/trustees as named creditor loss payees.

Named Creditor Loss Payee:

As used herein, the term "named creditor loss payee" shall include, but is not limited to, any lienholder, creditor, or lessor who has an interest in the insured property and whose existence is made known in writing to the insurance company who has written coverage for said insured property.

Any policy involving a mortgagee or trustee as a named creditor loss payee which is subject to the provisions set forth in the Mortgage Clause statute, Miss. Code Ann. § 83-13-9, shall not be subject to the provisions set forth in this Bulletin. However, any policy involving a mortgagee or trustee as a named creditor loss payee that is not subject to the provisions of Miss Code Ann. § 83-13-9 shall comply with all provisions set forth in Senate Bill 2006 and this Bulletin.

Cancellation/Non-renewal:

All insurance companies writing liability, fire insurance, single premium multiperil, or automobile liability insurance coverage must provide notice of the insurance company's intent to cancel and/or non-renew the coverage to any and all named creditor loss payees. The insurance company shall provide notice to a named creditor loss payee if the insured cancels or nonrenews the coverage.

Reduction in Coverage/Exclusions:

Should an insurance company reduce or exclude existing coverage, a notice should be provided to the named creditor loss payee.

Notification:

Said notification should be made in the same manner as that made to the insured and at the same time as notice is given to the insured. Said notification shall be given regardless of the reason for the action. Nothing in this Bulletin shall limit the ability of the named creditor loss payee to opt out of any form of notification by providing a written release to the insurance company.

Effective Date:

The provisions contained within this Bulletin and in Senate Bill 2006 shall be in effect on and after July 1, 2006.

Bulletin 2005-2:

The provision contained within this Bulletin and in Senate Bill 2006 shall, on July 1, 2006, supersede the provisions contained in Bulletin 2005-2 and on that date Bulletin 2005-2 shall be withdrawn.

If there are any questions concerning this Bulletin, contact the Mississippi Department of Insurance at (601) 359-3569.



LEE HARRELL
DEPUTY COMMISSIONER OF INSURANCE