

NOTICE OF RULE ADOPTION –FINAL RULE

STATE OF MISSISSIPPI
MISSISSIPPI DEPARTMENT OF INSURANCE
DIVISION OF THE FIRE MARSHAL

Mississippi Department of Insurance
c/o Kimberly Causey, SAAG
501 N. West Street, Suite 1001
P.O. Box 79
Jackson, MS 39205
{601} 359-3577
kim.causey@mid.state.ms.us

the provisions of Mississippi Department of Insurance Regulation No. 88-101, said regulation being the Rules of Practice and Procedure before the Mississippi Insurance Department.

Reference to Rules repealed, amended or suspended by the Proposed Rule:
n/a

Specific Legal Authority authorizing the promulgation of Rule:

House Bill 1388, 2008 Regular Legislative Session, Miss. Code Ann. § 75-49-11 (Rev. 2008), as well as

Date Rule Proposed: 11/15/2008

Explanation of the Purpose of the Rule and the reason(s) for adopting the rule:

The purpose of this Regulation, MH-2008-01, is to ensure that manufacturers, distributors, retailers and transporters or installers of manufactured mobile or relocatable homes are adequately bonded and insured to provide consumers with a means to recoup any losses due to a manufacturer, modular contractors, distributor, retailer and transporter or installer of manufactured mobile or relocatable homes has gone out of business or has failed to meet their legal or regulatory responsibility to the consumer.

The Agency Rule Making Record for this rule including any written comments received during the comment period and the record of any oral proceeding is available for public inspection by contacting the Agency at the above address.

An oral proceeding was held on this rule:

Date: December 11, 2008

Time: 10:00 a.m.

Place: North Conference Room, Room 1102, Tenth Floor, Woolfolk State Office Building

Furthermore, this Regulation was refiled on June 9, 2009 for additional public comments. Written public comments were accepted until 4:00 p.m. on June 19, 2009.

An oral proceeding was not held on this rule.

The Agency has considered the written comments and the presentations made in any oral proceedings, and

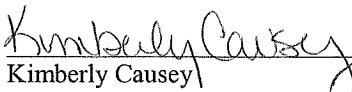
This rule as adopted is without variance from the proposed rule.

This rule as adopted differs from the proposed rule as there are minor editorial changes which affect the form rather than the substance of the rule.

The rule as adopted differs from the proposed rule. The differences however are:
Within the scope of the matters in the Notice of Proposed Rule Adoption, the logical outgrowth of the contents of the Notice of Proposed Rule Adoption and the comments submitted in response thereto, and
The Notice of Proposed Rule Adoption provided fair warning that the outcome of the proposed rule adoption could be the rule in question.

The entire text of the Rule including the text of any rule being amended or changed is attached.

Effective Date of Rule: August 1, 2009



Kimberly Causey
Special Assistant Attorney General

**MISSISSIPPI DEPARTMENT OF INSURANCE
DIVISION OF THE FIRE MARSHAL
REGULATION MH-2008-01**

**BONDING AND INSURANCE REQUIREMENTS FOR MANUFACTURERS,
MODULAR CONTRACTORS, DEVELOPERS, RETAILERS AND
TRANSPORTERS OR INSTALLERS OF MANUFACTURED HOMES**

TABLE OF CONTENTS

Section 1. Purpose
Section 2. Authority
Section 3. Scope
Section 4. Definitions
Section 5. Bonding and Insurance Requirements
Section 6. Violations, Penalties and Appeals
Section 7. Severability
Section 8. Effective Date

Section 1. Purpose

The purpose of this Regulation is to ensure that manufacturers, modular contractors, developers, retailers and transporters or installers of manufactured mobile or modular homes are adequately bonded and insured to provide consumers with a means to recoup losses where a manufacturer, modular contractor, developer, retailer and transporter or installer of manufactured mobile or modular homes has gone out of business or has failed to meet their legal or regulatory responsibility to the consumer.

Section 2. Authority

This Regulation is promulgated by the Commissioner of Insurance pursuant to the authority granted to him by House Bill 1388, 2008 Regular Legislative Session, Miss. Code Ann. § 75-49-11 (Rev. 2008), as well as the provisions of Mississippi Department of Insurance Regulation No. 88-101, said regulation being the Rules of Practice and Procedure before the Mississippi Insurance Department.

Section 3. Scope

This Regulation shall apply to all manufacturers, modular contractors, developers, retailers and transporters or installers of manufactured mobile or modular homes, as defined in Miss. Code Ann. § 75-49-3, operating in the State of Mississippi.

Section 4. Definitions

A. General Liability Insurance - A form of insurance that indemnifies against liability on account of injury to the person or property of another.

B. Surety Bond - A type of bond which protects against loss due to the inability or refusal of an obligor to perform his or her contract.

Section 5. Bonding and Insurance Requirements

On and after August 1, 2009, all new license applications and renewal license applications for a license to act as a manufacturer, modular contractor, distributor, retailer, or transporter or installer of manufactured mobile or modular homes in the State of Mississippi must provide to the State Fire Marshal's Office verification that they have obtained either a general business liability policy and/or a surety bond in the following specified amounts:

A. Manufacturers or Modular Contractors - provide proof of a surety bond in the amount of \$25,000 per Licensed Facility or, for three (3) or more Licensed Facilities, a minimum bond in the amount of \$50,000; and proof of a general liability policy in the amount of \$1,000,000 in coverage;

B. Developers - provide proof of a surety bond in the amount of \$10,000 per Facility or, for three (3) or more Facilities, a minimum bond in the amount of \$25,000; and proof of a general liability policy in the amount of \$1,000,000 in coverage;

C. Retailer - provide proof of a surety bond in the amount of \$10,000 per Facility or, for three (3) or more Facilities, a minimum bond in the amount of \$25,000; and proof of a general liability policy in the amount of \$1,000,000 in coverage;

D. Transporter or Installer - may either provide proof of a surety bond in the amount of \$10,000; or proof of a general liability policy in the amount of \$500,000 in coverage.

A surety bond written pursuant to the requirements set forth in this section shall comply with the form provided in Exhibit "A".

Section 6. Violations, Penalties and Appeals

Failure of an applicant or licensee to comply with a material provision of this regulation is considered a violation of Miss. Code Ann. § 75-49-11. The State Fire Marshal may deny a license application or suspend or revoke a license, or may impose an administrative fine, or both as provided in Miss. Code Ann. § 75-49-19, after giving notice of hearing to the applicant or licensee by serving a written statement of charges on the licensee at least twenty (20) days prior to hearing, in the manner provided for in Miss. Code Ann. § 75-49-13, for any violation of this Regulation. Any person aggrieved by any decision of the commissioner with respect to any hearing held before him pursuant to this Regulation may appeal said decision in the manner set forth in Miss. Code Ann. § 75-49-13(9).

Section 7. Severability

If any section or portion of a section of this Regulation or the application thereof is held by a court to be invalid, such invalidity shall not affect any other provision of that section or application of the Regulation which can be given effect without the invalid provision or application, and to this end the provisions of the Regulation are declared to be severable.

Section 8. Effective Date

The Effective Date of this Regulation shall be August 1, 2009.

Issued this the 22nd day of June, 2009.



MIKE CHANEY
COMMISSIONER OF INSURANCE

