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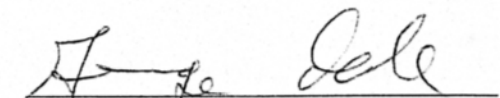
**TO ALL LICENSED PROPERTY AND CASUALTY
INSURANCE COMPANIES OFFERING CREDITOR-PLACED
AND CREDIT PROPERTY INSURANCE IN THE STATE OF MISSISSIPPI**

The Mississippi Creditor-Placed Insurance Act, codified at Miss. Code Ann. § 83-54-1 et seq., effective July 1, 2001, along with Bulletins 2000-7 and 2000-8, mandated certain requirements regarding creditor-placed i.e. "forced-placed" insurance programs in the state, including the requirement in Bulletin 2000-8 that all premium refunds be calculated on a daily pro-rata basis. In an effort to provide clarification with regard to similar Credit Property Insurance programs securing collateral in credit agreements, those specifically being "voluntary or point of sale" programs, the Mississippi Department of Insurance issues the following directives:

Consistent with Bulletin 2000-7 which addressed Creditor-Placed Insurance programs, the Department advises that any prior communications or notices that treated Credit Property Insurance Programs as "inland marine" products exempt from rate and form filing requirements are rescinded, effective immediately. **All** new Credit Property Insurance programs must be filed for prior approval in the same manner as other property and casualty lines of insurance as provided in Miss. Code Ann. § 83-2-7 (Rev. 1999). From this date forward, any licensed insurer currently writing Credit Property Insurance programs must file with the Department any changes to their rates, rules, or forms for prior approval.

Upon cancellation of a policy or certificate at the request of an insured under a Voluntary Credit Property Insurance program, the Department shall allow the return of unearned premium or otherwise credit unearned premium calculated on the Rule of 78's. Any licensed insurer who currently uses a method other than the Rule of 78's and wishes to convert to this method must file for approval a new policy form and amended rules with the Department.

Bulletins 2000-7 and 2000-8 concerning Creditor-Placed Insurance programs remain in effect. If there are any questions concerning the subjects herein, please contact the Property and Casualty Rating Division at 601-359-3575.



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