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MISSISSIPPI INSURANCE DEPARTMENT

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GUIDELINES FOR FIRE PROTECTION CONTRACTS

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I. PURPOSE

In accordance with MS Code §45-11-7 (9), the Commissioner of Insurance establishes guidelines for counties and municipalities entering into contracts with fire service providers for fire protection services. State Fire Protection Funds disbursed by counties directly or indirectly to municipalities or fire departments or by municipalities directly or indirectly to counties or fire departments must be in accordance with contracts approved by the Commissioner of Insurance. Such contracts must conform to these guidelines and be submitted to the Mississippi Insurance Department, Division of Fire Services Development, prior to the distribution of any state fire protection funds to the fire departments. State law requires county/municipal fire protection funds to be disbursed or made available for use within six weeks of receipt by the county/municipality once all contract obligations and reporting requirements are met and the Commissioner of Insurance has approved the contract, [MS Code §§45-11-7(9)(10) and 83-1-39].

Because of the different situations encountered by the counties and municipalities, it is not possible to furnish a simple contract which would be applicable throughout the state. Instead, below is a list of minimum conditions and requirements which must be incorporated in the contract.

II. CONTRACT REQUIREMENTS

The following items are required in any fire service contract to be approved by the Commissioner of Insurance:


- A. Legal names of all parties/entities entering into the contract; including any supporting documents of formation for the type of any organization involved.
- B. Terms of the contract not to exceed one year with option to renew. The contract term may be extended up to four years total based on the financial support provided by the counties and municipalities to be determined by the Commissioner.

- C. Description of the area where service is to be provided.
- D. Description of services to be furnished, including any caveat necessary regarding limits of the provider's ability to furnish services.
- E. Requirement that use of state fire protection funds be limited to the purposes allowed as listed in Mississippi Insurance Department Bulletin 2005-4, MS Code §§83-1-39, 83-1-37; and any conditions of the contract.
- F. Specify ownership and authorization of use of municipal and/or county owned equipment and/or facilities. [MS Const. Art. 4, §66]
- G. Proof that person signing contract has binding authority. [MS Code §25-1-43]
- H. Requirement that the provider furnish annually such financial information as the county/municipality may request, thereby enabling counties/municipalities to audit disbursed contract monies for the purpose of meeting state compliance requirements.
- I. Requirement that all Commissioner of Insurance reporting requirements have been met by all fire service providers before receiving any funding.
- J. If counties or municipalities pay per call to volunteers, the contract must identify such payments as valid.
- K. Provisions for liability insurance by both parties.
- L. Worker's Compensation and any additional insurance on the volunteers provided by the county, municipality, district or department.

III. CLOSING STATEMENTS

Renewal of a previously approved contract which does not require substantive changes can be accomplished without re-submission by sending a letter of renewal approved by all parties involved in the previous contract.

It is strongly suggested that contracts be fully read and understood by the parties involved as they establish legally binding relationships.



MIKE CHANEY
COMMISSIONER OF INSURANCE