



STATE OF MISSISSIPPI
Mississippi Insurance Department

Bulletin 96-²~~1~~

GEORGE DALE
Commissioner of Insurance
State Fire Marshal

RONALD E. HANNA
Deputy Commissioner

1804 Walter Sillers Building (39201)
Post Office Box 79
Jackson, Mississippi 39205-0079
(601) 359-3569

Group or Individual Mortgage Life, Mortgage Disability
or Mortgage AD&D Policies

It has been brought to the attention of the Mississippi Insurance Department that a number of companies are writing group or individual mortgage insurance policies or certificates with a protection period in excess of ten years using an agent's credit life license. This is in violation of certain statutes.

Section 83-53-3 Scope; definition, states, in part, "(1) All credit life insurance and all credit disability insurance sold in connection with loans or other credit transactions, including lease payments and residuals, shall be subject to the provisions of this chapter, except: (a) Such insurance sold in connection with a loan or other credit transaction of more than ten (10) years' duration,"

Section 83-53-23 states the premiums which are considered reasonable.

Section 83-17-227 through 83-17-233 states that employers or officers of lending institutions may be licensed to sell credit insurance, and that no lending institution or employee or officer of that lending institution may be licensed to sell any other type of insurance.

Since mortgage insurance is being written for term periods of greater than 10 years, and the premiums are in excess of those allowed by Section 83-53-23 and insurance companies are paying commissions to lending institutions or their officers or director's, those policies or certificates are in violation of Mississippi law. Therefore, the Mississippi Insurance Department is withdrawing approval of those policies or certificates which: (1) are being marketed as credit insurance, (2) commissions are being paid under an agent's credit license; and (3) premiums are in excess of those allowed by statute. Companies should cease writing any business of this type as of the date of receipt of this bulletin.

George Dale
Commissioner of Insurance