

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

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

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Section 1. Purpose

The purpose of this Regulation 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.

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, distributors, retailers and transporters or installers of manufactured mobile or relocatable 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

Beginning January 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 or manufactured mobile or relocatable homes in the State of Mississippi must provide to the State Fire Marshal's Office verification that they have obtained either a general liability policy or a surety bond in the following specified amounts:

A. Manufacturers or Modular Contractors - may either provide proof of a surety bond in the amount of \$25,000 per Licensed Facility or a minimum bond in the amount of \$100,000; or proof of a general liability policy in the amount of \$1,000,000 in coverage;

B. Distributors - may either provide proof of a surety bond in the amount of \$25,000 per Facility or a minimum bond in the amount of \$100,000; or proof of a general liability policy in the amount of \$750,000 in coverage;

C. Retailer - may either provide proof of a surety bond in the amount of \$25,000 for one to three facilities, or \$50,000 for three or more facilities; or proof of a general liability policy in the amount of \$500,000 in coverage;

D. Transporter or Installer - may either provide proof of a surety bond in the amount of \$20,000; or proof of a general liability policy in the amount of \$100,000 in coverage.

Section 6. Violations and Penalties

Failure of an insurance producer 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 license 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.

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 thirty (30) days after adoption.

A handwritten signature in cursive script, appearing to read "Lee Harrell", is written over a horizontal line.

LEE HARRELL
DEPUTY COMMISSIONER OF INSURANCE