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

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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 thirty (30) days after adoption.

MIKE CHANEY
COMMISSIONER OF INSURANCE

EXHIBIT "A"

SURETY BOND FOR LICENSURE WITH THE MISSISSIPPI FIRE MARSHAL'S OFFICE, DIVISION OF MANUFACTURED HOUSING

STATE OF _____
COUNTY OF _____

This form shall not be altered in any way.

Part 1: Bond, Surety and Principal.

Bond #:	Original Bond Date of Issuance:	If a Continuation Bond, Effective Date:
Name of the Surety Company:	NAIC # of Surety Company:	MID License Number of Surety Company:
Name and Address of Principal (Licensee)	Applicant License Number:	Amount of Bond: $ (as required by Regulation MH-2008-1)

Part 2: Type and Bond Amount.

The type and amount of the bond for one year commencing on the original date of issuance or continuation stated hereinabove at Part 1 is as follows:

(License Type), Bond Equal to (amount as required by Regulation) current U.S. Dollars ($ amount)

Part 3. KNOW ALL MEN BY THESE PRESENTS THAT, the Principal and Surety, who, after being duly sworn, deposed and said:

THAT they, their heirs, legal representatives, and successors, are jointly, severally, and firmly bound unto the Commissioner of Insurance , State of Mississippi, in his position as State Fire Marshal, or his successor in office, under the surety bond, conditioned upon the Principal well and faithfully discharging and performing the duties incumbent upon him under the provisions of all applicable laws, including but not limited to Title 75, Chapter 49 of the Mississippi Code and Mississippi Insurance Department Regulation MH-2008-1;

THAT the condition of this obligation is such that if the above named Principal shall well and faithfully discharge and perform the duties incumbent on him under the provisions of all applicable laws, including but not limited to Title 75, Chapter 49 of the Mississippi Code and Mississippi Insurance Department Regulation MH-2008-1, then in such case the above obligation is to become null and void, else to remain in full force, effect and virtue;

THAT the provisions of all applicable laws, including but not limited to Title 75, Chapter 49 of the Mississippi Code and Mississippi Insurance Department Regulation MH-2008-1, for principals and sureties are applicable;

THAT any consumer who sustains loss or damage by reason of any act or omission covered by this Bond may, in addition to any other remedy, bring an action in his/her own name on this Bond for the recovery of damages sustained by the consumer. Said action must be brought before said Obligee, or the Obligee's agent, who must validate the claim and determine the amount of loss or damage sustained by the consumer. Upon a determination of loss, the Obligee may make claim to include administrative cost against the Bond up to the penal sum. Regardless of the number of years this Bond remains in force or the number of claims brought against the Bond, said Surety shall not be obligated to pay any sums in excess of the stated aggregate penal sum of the Bond.

THAT this surety bond shall not be terminated unless the Surety provides at least sixty (60) days' prior written notice with the Commissioner of Insurance, State of Mississippi, P.O. Box 79, Jackson, MS 39205, and given to the Principal;

THAT this obligation may be continued for any subsequent year by a continuation certificate duly signed and sealed by the Principal and Surety, subject to the terms and conditions of the original bond, and filed with the Commissioner of Insurance, State of Mississippi;

THAT the Obligee may bring claim against this Bond up to twelve (12) months after the Bond has been terminated or has been cancelled for any liabilities accrued while the bond was in force.

IN WITNESS THEREOF, Principal and Surety have executed this bond on the dates stated hereinbelow.

Part 4. Signatures and Notary. Complete all information

BY:

_____ _____
Principal Date

_____
Print Name

_____
Physical Address of Principal

_____ _____
Surety's Authorized Representative Date

_____
Print Name/Title of Surety's Authorized Representative

_____
Physical Address of Surety

Subscribed and sworn to before me this the _____ day of _____, 20__

{Seal of Notary Public}

_____
Notary Public

If a power of attorney used, a copy of the power of attorney or the authorized agent of the surety company must accompany the bond.