

By: Senator(s) Hewes

To: Insurance

SENATE BILL NO. 2753

1 AN ACT TO AMEND SECTIONS 83-17-21 AND 83-17-23, MISSISSIPPI
2 CODE OF 1972, TO EXEMPT CERTAIN INSURERS FROM COUNTERSIGNATURE
3 REQUIREMENTS ON THE POLICIES THEY ISSUE; TO EXPAND THE LINES OF
4 INSURANCE EXEMPT FROM COUNTERSIGNATURE REQUIREMENTS TO OCEAN
5 MARINE AND CUSTOMS BONDS; AND FOR RELATED PURPOSES.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

7 SECTION 1. Section 83-17-21, Mississippi Code of 1972, is
8 amended as follows:

9 83-17-21. No fire, fire marine, accident, health, employers'
10 liability, steam boiler, plate glass, fidelity, surety, burglary,
11 or other insurance company except life insurance companies, not
12 incorporated under the laws of this state authorized to transact
13 business herein shall make, write, place, or cause to be made,
14 written, or placed any policy, duplicate policy, or contract of
15 insurance of any kind or character or any general or floating
16 policy upon persons or property in this state, except after the
17 said risk has been approved, in writing, by a local agent who is a
18 resident of this state, regularly commissioned or salaried and
19 licensed to transact insurance business herein, who shall
20 countersign all policies or contracts of insurance so issued and
21 receive a minimum of fifty percent (50%) of the local agent's
22 commission on business owned by a resident of Mississippi, and a
23 minimum of twenty percent (20%) of the local agent's commission on
24 business located in Mississippi but owned by a nonresident of
25 Mississippi. This shall be done in order that the state may
26 receive the taxes required by law to be paid on the premiums
27 collected for insurance on all persons and property situated in

28 this state. The provisions of this section shall not apply to
29 individual firms and corporations indemnifying themselves through
30 reciprocal contracts, and not employing local agents or to
31 individual firms and corporations or insurers which do not employ
32 agents or employ local agents who represent only one (1) insurer
33 or insurer group. No provision of this section is intended, or
34 shall be so intended, as to direct insurance covering the rolling
35 stock of railroad corporations, or property in transit while in
36 the possession and custody of railroad corporations or other
37 common carriers. No provision of this section is intended to
38 affect any surety bond or ocean marine insurance. The written
39 approval and countersignature of local resident agents may be in
40 facsimile * * *. The written approval and countersignature of
41 local resident agents may also be in facsimile when authorization
42 is given by the agent in writing to an insurer for which the agent
43 is certified to do business pursuant to Section 83-17-5 or by
44 means of a countersignature endorsement. The use of facsimile
45 countersignatures shall not modify any of the other requirements
46 of this section. Any authorization for a facsimile
47 countersignature may be canceled by the agent in writing and is
48 automatically canceled upon the death, termination or nonrenewal
49 of the agent. It shall be the responsibility of the insurer to
50 secure the payment of countersigning fees under this provision to
51 the local resident licensed agent. In the event the proper
52 countersignature fee is not paid, the insurer shall be subject to
53 a penalty of One Hundred Dollars (\$100.00) or three (3) times the
54 normal gross commission of the policy, whichever is greater. This
55 sum shall be paid to the Mississippi Insurance Department; and
56 this department, at its discretion, may then pay the commission
57 due under this section to the agent reporting the violation to the
58 department. The Commissioner of Insurance may by regulation
59 empower nonresident Mississippi licensed agents to affix the
60 countersignature required by this section if such nonresident
61 agent's jurisdiction would allow a Mississippi resident licensed
62 nonresident agent the same privilege in such other jurisdiction.

63 SECTION 2. Section 83-17-23, Mississippi Code of 1972, is
64 amended as follows:

65 83-17-23. Foreign fire insurance companies legally
66 authorized to do business in this state, through * * * licensed
67 agents * * *, shall * * * make contracts of fire insurance on
68 property herein * * * through such licensed agents as are
69 regularly salaried by them and licensed to write policies of fire
70 insurance in this state. No provision of this section is intended
71 to or shall apply to direct insurance covering the rolling stock
72 of railroad corporations, or property in transit while in the
73 possession or custody of railroad corporations or other common
74 carriers, nor to insurers which do not employ agents or employ
75 agents who represent only one (1) insurer or insurer group.

76 SECTION 3. This act shall take effect and be in force from
77 and after July 1, 1999.