

By: Representative Frierson

To: Insurance

HOUSE BILL NO. 309

1 AN ACT TO AMEND SECTION 83-17-7, MISSISSIPPI CODE OF 1972, TO
2 AUTHORIZE LICENSED INSURANCE AGENTS TO CHARGE THE INSURED CERTAIN
3 FEES FOR WRITING MANDATORY AUTOMOBILE LIABILITY INSURANCE
4 POLICIES; AND FOR RELATED PURPOSES.

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

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

8 83-17-7. It shall be unlawful for any insurance company or
9 any insurance agent to pay, directly or indirectly, any
10 commission, brokerage or other valuable consideration on account
11 of any policy or policies written on risks in this state to any
12 person, agent, firm or corporation not duly licensed as an
13 insurance agent in this state, except that property and other
14 risks of nonresident persons, and of foreign corporations not
15 qualified in this state, may be insured by brokers or other agents
16 duly licensed in other states.

17 It shall be lawful, however, for an insurance company or any
18 insurance agent to pay, directly or indirectly, to the surviving
19 spouse or heirs of a deceased licensed insurance agent in this
20 state any commissions or other valuable consideration to which the
21 deceased agent would be entitled, whether such surviving spouse or
22 heir is or is not a licensed agent.

23 It shall be lawful for an insurance agent, agency or
24 affiliate to pay a referral fee to any unlicensed employee of the
25 agent, agency or affiliate when the employee refers a prospective
26 insured to the licensed agent or agency. The referral fee shall
27 be a one-time nominal fee of a fixed dollar amount for each
28 referral customer. The payment of any referral fee shall not



29 depend on whether the referral results in a sale of any insurance
30 products. Furthermore, the referral fee shall not be based on a
31 percentage of any premiums or commissions collected by the
32 licensed agent. The referral fee shall not be paid, either
33 directly or indirectly, to the prospective insured.

34 It shall be lawful for a licensed insurance agent, in
35 addition to any commissions he collects, to charge an agent's fee
36 of Twenty-five Dollars (\$25.00) to the insured for each mandatory
37 automobile liability insurance policy he writes.

38 The Commissioner of Insurance may promulgate rules and
39 regulations necessary to carry out the provisions of this section.

40 The provisions of this section shall stand repealed from and
41 after July 1, 2002.

42 SECTION 2. This act shall take effect and be in force from
43 and after July 1, 2001.

