

By: Representative Frierson

To: Insurance

HOUSE BILL NO. 310

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 INSURANCE POLICIES; AND FOR RELATED PURPOSES.

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

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

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

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

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



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

33 It shall be lawful for a licensed insurance agent, in  
34 addition to any commissions he collects, to charge an agent's fee  
35 of Fifty Dollars (\$50.00) to the insured for each insurance policy  
36 he writes.

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

39 The provisions of this section shall stand repealed from and  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

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

