HOUSE BILL NO. 310

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

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

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

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

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

It shall be lawful for an insurance agent, agency or affiliate to pay a referral fee to any unlicensed employee of the agent, agency or affiliate when the employee refers a prospective insured to the licensed agent or agency. The referral fee shall be a one-time nominal fee of a fixed dollar amount for each referral customer. The payment of any referral fee shall not
depend on whether the referral results in a sale of any insurance products. Furthermore, the referral fee shall not be based on a percentage of any premiums or commissions collected by the licensed agent. The referral fee shall not be paid, either directly or indirectly, to the prospective insured.

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

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

The provisions of this section shall stand repealed from and after July 1, 2002.

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