

By: Senator(s) Kirby

To: Insurance

SENATE BILL NO. 2160

1 AN ACT TO AMEND SECTION 75-49-13, MISSISSIPPI CODE OF 1972,
 2 TO REVISE THE APPEAL PROCEDURES FOR PERSONS AGGRIEVED BY ANY
 3 DECISION OF THE COMMISSIONER OF INSURANCE REGARDING MANUFACTURED
 4 HOUSING LICENSES; TO AMEND SECTION 75-57-9, MISSISSIPPI CODE OF
 5 1972, TO REVISE CERTAIN STANDARDS CONCERNING THE REGULATION OF THE
 6 LIQUEFIED PETROLEUM AND COMPRESSED GAS INDUSTRY; TO AMEND SECTION
 7 83-5-11, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THE
 8 COMMISSIONER OF INSURANCE SHALL SERVE AS ATTORNEY FOR ALL
 9 INSURANCE COMPANIES FOR PURPOSES OF LEGAL PROCESS; TO AMEND
 10 SECTION 83-5-55, MISSISSIPPI CODE OF 1972, TO DELETE THE PROVISION
 11 REQUIRING LIFE INSURANCE COMPANIES TO FILE WITH THE COMMISSIONER
 12 OF INSURANCE A REPORT SHOWING THE AMOUNT OF MISSISSIPPI RESERVES;
 13 TO AMEND SECTION 83-6-25, MISSISSIPPI CODE OF 1972, TO REQUIRE
 14 INSURANCE COMPANIES TO RECEIVE WRITTEN APPROVAL FROM THE INSURANCE
 15 COMMISSIONER BEFORE DISTRIBUTING EXTRAORDINARY DIVIDENDS; TO
 16 ELIMINATE THE THIRTY-DAY WAITING PERIOD FOR THE COMMISSIONER'S
 17 RESPONSE BEFORE DISTRIBUTION; TO AMEND SECTIONS 83-6-27, 83-19-75
 18 AND 83-19-77, MISSISSIPPI CODE OF 1972, TO ELIMINATE REFERENCES TO
 19 REPEALED STATUTES IN CERTAIN INSURANCE REGULATIONS; TO AMEND
 20 SECTION 83-15-5, MISSISSIPPI CODE OF 1972, TO REQUIRE TITLE
 21 INSURANCE COMPANIES TO DEPOSIT WITH THE STATE TREASURER A CERTAIN
 22 PERCENTAGE OF THEIR CAPITAL STOCK; TO AMEND SECTION 83-17-7,
 23 MISSISSIPPI CODE OF 1972, TO EXTEND THE DATE OF THE REPEALER ON
 24 THE PROVISION OF LAW WHICH PROHIBITS COMMISSIONS TO UNAUTHORIZED
 25 AGENTS AND AUTHORIZES REFERRAL FEES TO CERTAIN UNLICENSED
 26 EMPLOYEES OF THE AGENT, AGENCY OR AFFILIATE; TO AMEND SECTION
 27 83-17-13, MISSISSIPPI CODE OF 1972, TO REMOVE THE REQUIREMENT THAT
 28 AN INSURANCE POLICY MUST BE SIGNED BY A RESIDENT AGENT; TO
 29 PROHIBIT LICENSED AGENTS FROM SIGNING ANY BLANK POLICY OF
 30 INSURANCE; TO AMEND SECTION 83-21-15, MISSISSIPPI CODE OF 1972, TO
 31 REMOVE THE PROHIBITION AGAINST NONRESIDENT INSURANCE AGENTS OWNING
 32 AN INTEREST IN A MISSISSIPPI AGENCY; TO AMEND SECTION 83-29-31,
 33 MISSISSIPPI CODE OF 1972, TO PROVIDE THAT LEGAL PROCESSES SERVED
 34 UPON THE COMMISSIONER OF INSURANCE AS ATTORNEY FOR FRATERNAL
 35 SOCIETIES SHALL BE FORWARDED TO FRATERNAL SOCIETIES BY CERTIFIED
 36 MAIL INSTEAD OF REGISTERED MAIL; TO AMEND SECTION 83-37-31,
 37 MISSISSIPPI CODE OF 1972, TO ALLOW THE COMMISSIONER OF INSURANCE
 38 TO PLACE A BURIAL ASSOCIATION IN RECEIVERSHIP IF THE ASSOCIATION
 39 FAILS TO COMPLY WITH CERTAIN LICENSING PROVISIONS; AND FOR RELATED
 40 PURPOSES.

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

42 SECTION 1. Section 75-49-13, Mississippi Code of 1972, is
 43 amended as follows:

44 75-49-13. (1) The commissioner shall not:

45 (a) Deny an application for a license without first
 46 giving the applicant a hearing, or an opportunity to be heard, on



47 the question of whether he is qualified under the provisions of
48 this chapter to receive the license applied for.

49 (b) Revoke or suspend a license without first giving
50 the licensee a hearing, or an opportunity to be heard, on the
51 question of whether there are sufficient grounds under the
52 provisions of this chapter upon which to base such revocation or
53 suspension.

54 (2) Any interested party shall have the right to have the
55 commissioner call a hearing for the purpose of taking action in
56 respect to any matter within the commissioner's jurisdiction by
57 filing with the commissioner a verified complaint setting forth
58 the grounds upon which the complaint is based.

59 (3) The commissioner may on his own motion call a hearing
60 for the purpose of taking action in respect to any matter within
61 his jurisdiction.

62 (4) When a hearing is to be held before the commissioner,
63 the commissioner shall give written notice thereof to all parties
64 whose rights may be affected thereby. The notice shall set forth
65 the reason for the hearing and the questions or issues to be
66 decided by the commissioner at such hearing and the time when and
67 the place where the hearing will be held. All such notices shall
68 be mailed to all parties, whose rights may be affected by such
69 hearing by registered or certified mail, and addressed to their
70 last known address.

71 (5) All parties whose rights may be affected at any hearing
72 before the commissioner shall have the right to appear personally
73 and by counsel, to cross-examine witnesses appearing against them,
74 and to produce evidence and witnesses in their own behalf. The
75 commissioner shall make and keep a record of each such hearing and
76 shall provide a transcript thereof to any interested party upon
77 his request and at his expense. Testimony taken at all such
78 hearings shall be taken either stenographically or by machine.



79 (6) If any party who is notified of a hearing in accordance
80 with the requirements of this chapter fails to appear at such
81 hearing, either in person or by counsel, then and in that event
82 the commissioner may make any decision and take any action he may
83 deem necessary or appropriate with respect to any issue or
84 question scheduled for hearing and decision by him at such hearing
85 which affects or may affect the rights of such defaulting party,
86 and such defaulting party shall have no right of appeal under the
87 provisions of this chapter.

88 (7) All decisions of the commissioner with respect to the
89 hearings provided for in this section shall be incorporated into
90 orders of the commissioner. All such orders shall be made
91 available during normal office hours for inspection by interested
92 persons.

93 (8) It shall be the duty of the sheriffs and constables of
94 the counties of this state and of any employee of the
95 commissioner, when so directed by the commissioner, to execute any
96 summons, citation or subpoena which the commissioner may cause to
97 be issued and to make his return thereof to the commissioner. The
98 sheriffs and constables so serving and returning same shall be
99 paid for so doing fees provided for such services in the circuit
100 court. Any person who appears before the commissioner or a duly
101 designated employee of his department in response to a summons,
102 citation or subpoena shall be paid the same witness fee and
103 mileage allowance as witnesses in the circuit court. In case of
104 failure or refusal on the part of any person to comply with any
105 summons, citation or subpoena issued and served as above
106 authorized or in the case of the refusal of any person to testify
107 or answer to any matter regarding which he may be lawfully
108 interrogated or the refusal of any person to produce his record
109 books and accounts relating to any matter regarding which he may
110 be lawfully interrogated, the chancery court of any county of the
111 State of Mississippi, or any chancellor of any such court in



112 vacation, may, on application of the commissioner, issue an
113 attachment for such person and compel him to comply with such
114 summons, citation or subpoena and to attend before the
115 commissioner or his designated employee and to produce the
116 documents specified in any subpoena duces tecum and give his
117 testimony upon such matters as he may be lawfully required. Any
118 such chancery court, or any chancellor of any such court in
119 vacation, shall have the power to punish for contempt as in case
120 of disobedience of like process issued from or by any such
121 chancery court, or by refusal to testify therein in response to
122 such process, and such person shall be taxed with the costs of
123 such proceedings.

124 (9) The following procedure shall govern in taking and
125 perfecting appeals:

126 (a) Any person who is a party to any hearing before the
127 commissioner and who is aggrieved by any decision of the
128 commissioner with respect to any hearing before him, unless
129 prevented by the provisions of subsection (6) of this section,
130 shall have the right of appeal * * * to the chancery court of the
131 First Judicial District of Hinds County, Mississippi. All such
132 appeals shall be taken and perfected within sixty (60) days from
133 the date of the decision of the commissioner which is the subject
134 of the appeal, and the chancery court to which such appeal is
135 taken may affirm such decision or reverse and remand the same to
136 the commissioner for further proceedings as justice may require or
137 dismiss such decision. All such appeals shall be taken and
138 perfected, heard and determined, either in termtime or in
139 vacation, on the record, including a transcript of pleadings and
140 evidence, both oral and documentary, heard and filed before the
141 commissioner. In perfecting any appeal provided by this chapter,
142 the provisions of law respecting notice to the reporter and
143 allowance of bills of exceptions, now or hereafter in force,
144 respecting appeals from the chancery court to the Supreme Court



145 shall be applicable, provided, however, that the reporter shall
146 transcribe his notes, taken stenographically or by machine, and
147 file the record with the commissioner within thirty (30) days
148 after approval of the appeal bond, unless, on application of the
149 reporter, or of the appellant, an additional fifteen (15) days
150 shall have been allowed by the commissioner to the reporter within
151 which to transcribe his notes and file the transcript of the
152 record with the commission.

153 (b) Upon the filing with the commissioner of a petition
154 of appeal to the proper chancery court, it shall be the duty of
155 the commissioner, as promptly as possible, and in any event within
156 sixty (60) days after approval of the appeal bond, to file with
157 the clerk of the chancery court to which the appeal is taken, a
158 copy of the petition for appeal and of the decision appealed from,
159 and the original and one (1) copy of the transcript of the record
160 of the proceedings and evidence before the commission. After the
161 filing of the petition, the appeal shall be perfected by the
162 filing of a bond in the penal sum of Five Hundred Dollars
163 (\$500.00) with two (2) sureties or with a surety company qualified
164 to do business in Mississippi as surety, conditioned to pay the
165 costs of such appeal, the bond to be approved by the commissioner
166 or by the clerk of the chancery court to which such appeal is
167 taken.

168 (10) No decision of the commissioner made as a result of a
169 hearing under the provisions of this section shall become final
170 with respect to any party affected and aggrieved by such decision
171 until such party shall have exhausted or shall have had an
172 opportunity to exhaust all of his remedies provided for by this
173 section; provided, however, any such decision may be made final if
174 the commissioner finds that failure to do so would be detrimental
175 to the public interest or public welfare, but the finality of any
176 such decision shall not prevent any party or parties affected and



177 aggrieved thereby to appeal the same in accordance with the
178 appellate procedure set forth in this section.

179 (11) The commissioner shall prescribe his rules of order or
180 procedure in hearings or other proceedings before it under this
181 chapter; provided, however, that such rules of order or procedure
182 shall not be in conflict or contrary to the provisions of this
183 section.

184 SECTION 2. Section 75-57-9, Mississippi Code of 1972, is
185 amended as follows:

186 75-57-9. The codes of the American Society of Mechanical
187 Engineers - Boiler and Pressure Vessel Code - Section II Material
188 Specifications; Section VIII Pressure Vessels; and Section IX
189 Welding and Brazing Qualifications; American Petroleum Institute
190 Standard 620 (American Petroleum Institute Recommended Rules for
191 the Design and Construction of Large Welded Low-pressure Storage
192 Tanks); Standards of the National Fuel Gas Code as published by
193 the National Fire Protection Association, NFPA-54; the Standards
194 for the Storage and Handling of Liquefied Petroleum Gas as
195 published by the National Fire Protection Association, NFPA-58;
196 and other National Fire Protection Association standards
197 applicable to liquefied petroleum gas and compressed gas; and the
198 safety requirements for the storage and handling of anhydrous
199 ammonia as published by the American National Standards Institute,
200 Inc.; as the codes and standards referred to herein as revised,
201 and standards referred to above are hereby adopted by reference as
202 specifications for the purpose of material standards,
203 construction, handling, transportation and installation of all
204 liquefied compressed gas systems and inspection and operation of
205 pressure vessels. Copies of all codes and standards referred to
206 in the foregoing are available for public use and inspection at
207 the office of the Commissioner of Insurance. The State Liquefied
208 Compressed Gas Board is fully authorized and empowered in the
209 exercise of its authority granted under this section to change,



210 delete from or amend from time to time the national code and
211 standards adopted by reference in this section. Any changes,
212 deletions or amendments made to the national codes and codes
213 adopted by reference in this section shall be made in strict
214 compliance with the Mississippi Administrative Procedures Law,
215 Chapter 43, Title 25, Mississippi Code of 1972, and with the
216 approval of the Commissioner of Insurance. The State Liquefied
217 Compressed Gas Board is fully authorized and empowered in the
218 exercise of the authority granted under this section to exempt or
219 grant deviations from the national code and standards adopted by
220 reference in this section with respect to reconditioned or
221 remanufactured railroad tank car pressure vessels designed for and
222 used as stationary storage tanks for agricultural fertilizers.

223 SECTION 3. Section 83-5-11, Mississippi Code of 1972, is
224 amended as follows:

225 83-5-11. When legal process is served upon the commissioner
226 as attorney for an insurance company, he shall forthwith notify
227 the company of such service by letter prepaid and directed to its
228 secretary or, in the case of a foreign country, to its resident
229 manager, if any, in the United States, and shall, within two (2)
230 days after such service, forward in the same manner a copy of the
231 process served on him to the secretary or manager or to such
232 person as may have been previously designated by the company by
233 written notice filed in the office of the commissioner. The
234 failure of the commissioner to notify the company shall not affect
235 the validity of such service but shall subject him to liability on
236 his bond for such damages as the company shall suffer thereby. As
237 a condition of a valid and effectual service and of the duty of
238 the commissioner in the premises, the plaintiff in such process
239 shall pay to the commissioner at the time of service thereof the
240 sum of Twenty-five Dollars (\$25.00), which the plaintiff shall
241 recover as taxable costs if he prevails in his suit. The



242 commissioner shall keep a record of all such proceedings, that
243 shall show the day and hour of service.

244 SECTION 4. Section 83-5-55, Mississippi Code of 1972, is
245 amended as follows:

246 83-5-55. Every insurance company shall file in the office of
247 the Commissioner of Insurance, on or before the first day of March
248 of each year, a statement showing the business standing and
249 financial condition of the company and sworn to by the president
250 or vice president and secretary or treasurer or chief managing
251 agent or officer of such company. The statement to be filed shall
252 be on and in accordance with the NAIC Annual Statement Blank and
253 Instructions thereto and the NAIC Accounting Practices and
254 Procedures Manual. * * *

255 * * *

256 SECTION 5. Section 83-6-25, Mississippi Code of 1972, is
257 amended as follows:

258 83-6-25. (1) No domestic insurer shall pay any
259 extraordinary dividend or make any other extraordinary
260 distributions to its shareholders without first making a written
261 request and receiving written approval for such payment from the
262 commissioner.

263 (2) For purposes of this section, an extraordinary dividend
264 or distribution includes any dividend or distribution of cash or
265 other property whose fair market value together with that of other
266 dividends or distributions made within the preceding twelve (12)
267 months exceeds the lesser of: (a) ten percent (10%) of such
268 insurer's surplus as regards policyholders as of the thirty-first
269 day of December next preceding; or (b) the net gain from
270 operations of such insurer, if such insurer is a life insurer, or
271 the net income, if such insurer is not a life insurer, not
272 including realized capital gains, for the twelve-month period
273 ending the thirty-first day of December next preceding, but shall
274 not include pro rata distributions of any class of the insurer's



275 own securities. In determining whether a dividend or distribution
276 is extraordinary, an insurer may carry forward net gain from
277 operations, if such insurer is a life insurer, or net income, if
278 such insurer is not a life insurer, from the previous two (2)
279 calendar years that has not already been paid out as dividends.
280 This carry-forward shall be computed by taking the net gain from
281 operations or the net income, as the case may be, from the second
282 and third preceding calendar years, not including realized capital
283 gains, less dividends paid in the second and immediate preceding
284 calendar years.

285 (3) Notwithstanding any other provision of law, an insurer
286 may declare an extraordinary dividend or distribution which is
287 conditional upon the commissioner's approval thereof, and such a
288 declaration shall confer no rights upon shareholders until * * *
289 the commissioner has approved the payment of such a dividend or
290 distribution * * *.

291 SECTION 6. Section 83-6-27, Mississippi Code of 1972, is
292 amended as follows:

293 83-6-27. (1) * * * The commissioner is authorized to order
294 any insurer registered under Sections 83-6-3 through 83-6-19 of
295 this act to produce such records, books, or other information
296 papers in the possession of the insurer or its affiliates which
297 are necessary to ascertain the financial condition or legality of
298 conduct of such insurer. In the event such insurer fails to
299 comply with such order, the commissioner is authorized to examine
300 such affiliates to obtain such information.

301 (2) The commissioner shall exercise his authority under
302 subsection (1) of this section only if * * * the interests of the
303 policyholders of such insurer may be adversely affected.

304 (3) The commissioner may retain at the registered insurer's
305 expense such attorneys, actuaries, accountants and other experts
306 not otherwise a part of the commissioner's staff which are
307 reasonably necessary to assist in the conduct of the examination



308 under subsection (1) of this section. Any persons so retained are
309 under the direction and control of the commissioner and shall act
310 in a purely advisory capacity.

311 (4) Each registered insurer producing for examination
312 records, books and papers pursuant to subsection (1) of this
313 section is liable for the expense of such examination * * *.

314 SECTION 7. Section 83-19-75, Mississippi Code of 1972, is
315 amended as follows:

316 83-19-75. If the surplus of any domestic insurance company
317 or association shall be impaired, as provided in Sections 83-19-75
318 and 83-19-77, and such impairment shall not be reported to the
319 Commissioner of Insurance of this state within ten (10) days after
320 such impairment occurs or results, the executive officers,
321 secretary, treasurer, and directors of such company shall each be
322 guilty of a misdemeanor and, upon conviction thereof, shall be
323 punished by a fine of not more than Five Hundred Dollars (\$500.00)
324 or by imprisonment in the county jail for not more than six (6)
325 months, or by both such fine and imprisonment, in the discretion
326 of the court.

327 SECTION 8. Section 83-19-77, Mississippi Code of 1972, is
328 amended as follows:

329 83-19-77. Sections 83-19-75 and 83-19-77 shall not be
330 construed as applicable to fraternal, benevolent, or burial
331 associations, or any other organization not specifically named in
332 the foregoing schedule.

333 SECTION 9. Section 83-15-5, Mississippi Code of 1972, is
334 amended as follows:

335 83-15-5. (1) A corporation created as herein provided shall
336 not issue any title insurance policy until it has capital of not
337 less than One Hundred Fifty Thousand Dollars (\$150,000.00) and
338 surplus of not less than Seventy-five Thousand Dollars
339 (\$75,000.00). The total amount of any policy issued by such
340 corporation without reinsurance shall not exceed fifty percent



341 (50%) of the capital and surplus of the company, as reflected by
342 its latest statement to the commissioner. In transactions where a
343 primary risk is carried by another title insurance company, a
344 domestic title insurance company may issue its reinsurance or
345 coinsurance for an amount not exceeding its capital and surplus.

346 (2) A corporation created as herein provided shall deposit
347 with the State Treasurer fifty percent (50%) of its capital stock,
348 either in cash or in such bonds or securities in which the company
349 is authorized by law to invest its funds. Upon such deposit and
350 evidence, by affidavit or otherwise, satisfactory to the Insurance
351 Commissioner that the capital and surplus is all paid in and that
352 the company is the actual and unqualified owner of the securities
353 representing the paid-up capital and surplus, he shall issue to
354 the company his certificate authorizing it to transact business in
355 this state.

356 SECTION 10. Section 83-17-7, Mississippi Code of 1972, is
357 amended as follows:

358 83-17-7. It shall be unlawful for any insurance company or
359 any insurance agent to pay, directly or indirectly, any
360 commission, brokerage or other valuable consideration on account
361 of any policy or policies written on risks in this state to any
362 person, agent, firm or corporation not duly licensed as an
363 insurance agent in this state, except that property and other
364 risks of nonresident persons, and of foreign corporations not
365 qualified in this state, may be insured by brokers or other agents
366 duly licensed in other states.

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



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

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

386 The provisions of this section shall stand repealed from and
387 after July 1, 2006.

388 SECTION 11. Section 83-17-13, Mississippi Code of 1972, is
389 amended as follows:

390 83-17-13. It shall be unlawful for any licensed agent, as
391 required under Section 83-17-21, to sign any blank policy of
392 insurance. Upon satisfactory proof that any agent has violated
393 the provisions of this section, the commissioner shall revoke such
394 agent's license for all companies for not less than three (3) nor
395 more than six (6) months for the first offense, and for one (1)
396 year for the second offense.

397 SECTION 12. Section 83-21-15, Mississippi Code of 1972, is
398 amended as follows:

399 83-21-15. (1) Whenever the existing or future laws of any
400 other state of the United States, the District of Columbia or any
401 province of the Dominion of Canada shall require the licensing of
402 a resident of this state as a nonresident agent or broker, then in
403 every such case where the resident agents of such state, District
404 of Columbia or any province of the Dominion of Canada desire to
405 broker business to resident agents of this state, they shall be



406 required to pay the same license fee and otherwise qualify under
407 the conditions imposed by the law of such state upon residents of
408 this state.

409 (2) This section shall be enforced by the Commissioner of
410 Insurance of the State of Mississippi, who shall collect and pay
411 into the Treasury of the state all license fees, fines or
412 penalties required by this statute as other funds and taxes
413 collected by him.

414 (3) The Commissioner of Insurance may, upon written
415 application in such form as the commissioner may prescribe, duly
416 sworn to, and on the payment of the proper license fee as required
417 in subsection (1) of this section, issue a nonresident agent's
418 license to an individual who meets all other qualifications of
419 Mississippi insurance laws, but who is not a resident of this
420 state, if, by the laws of the state of his residence, residents of
421 this state may be licensed in such manner as nonresident agents of
422 his state.

423 (4) * * * No such license shall be issued to any individual
424 who does not hold an agent's license issued by the state or
425 province of his residence.

426 (5) Before the issuance of any such nonresident agent's
427 license, the applicant therefor shall appoint the Commissioner of
428 Insurance as his attorney to receive service of legal process
429 which may be issued against the nonresident agent in this state,
430 upon causes of action arising within this state out of
431 transactions under his license. All such nonresident agents
432 shall, in the discretion of the Commissioner of Insurance, be
433 subject to the insurance laws and regulations of the State of
434 Mississippi applying to licensed agents of this state engaged in
435 the transaction of the same kind or class of insurance.

436 (6) The license shall expire on June 1 following the date of
437 issue. However, the commissioner may at any time after the
438 granting of the license, for cause shown and after a hearing,



439 determine that the holder of such license has not complied with
440 the requirements of this section or with the insurance laws of
441 this state, or that the holder of the license is not a suitable
442 person to act as a nonresident agent, and shall thereupon revoke
443 the license of such nonresident agent.

444 (7) A resident agent of this state may divide commissions
445 with a duly licensed nonresident agent in accordance with the
446 laws, rules and regulations of Mississippi relating to brokerage
447 business.

448 (8) Nothing contained herein shall be construed to permit an
449 applicant licensed solely as a broker in the state of his
450 residence to be granted a nonresident agent's license; and nothing
451 contained herein shall be construed to permit the holder of a
452 nonresident agent's license to act as an agent under the
453 provisions of Sections 83-21-17 through 83-21-31, to perform any
454 of the acts permitted thereunder.

455 (9) This section is hereby declared to be cumulative and
456 supplemental to all other valid statutes relating to insurance.

457 SECTION 13. Section 83-29-31, Mississippi Code of 1972, is
458 amended as follows:

459 83-29-31. Every society, whether domestic or foreign, now
460 transacting business in this state and every such society
461 hereafter applying for admission shall, before being licensed,
462 appoint in writing the Commissioner of Insurance and his
463 successors in office to be its true and lawful attorney on whom
464 all legal process in any action or proceeding against it shall be
465 served, and in such writing shall agree that any lawful process
466 against it which is served upon such attorney shall be of the same
467 legal force and validity as if served upon the society, and that
468 the authority shall continue in force so long as any liability
469 remains outstanding in this state.

470 Copies of such appointment, certified by the Commissioner of
471 Insurance, shall be deemed sufficient evidence thereof and shall



472 be admitted in evidence with the same force and effect as the
473 original thereof might be admitted. Service shall only be made
474 upon such attorney, shall be made in duplicate upon the
475 Commissioner of Insurance or, in his absence, upon the person in
476 charge of his office, and shall be deemed sufficient service upon
477 such society. No such service shall be valid or binding against
478 any such society when it is required thereunder to file its
479 answer, pleading, or defense in less than thirty (30) days from
480 the date of mailing the copy of the service to the society. When
481 legal process against any such society is served upon the
482 Commissioner of Insurance, he shall forthwith forward by certified
483 mail one of the duplicate copies prepaid and directed to the
484 secretary or corresponding officer. Legal process shall not be
485 served upon any such society except in the manner provided herein.

486 SECTION 14. Section 83-37-31, Mississippi Code of 1972, is
487 amended as follows:

488 83-37-31. Should the Insurance Commissioner find that any
489 person, firm, association, or corporation engaged in the business
490 herein described has refused to pay any just claim or demand based
491 on the contracts, or that he or they be unable to pay same after
492 the claim or demand has been legally determined to be just and
493 outstanding, or fail to comply with any of the licensing
494 provisions of this chapter, the commissioner shall notify the
495 Attorney General. The Attorney General shall apply to the
496 chancery court for a receivership to wind up the business of such
497 person, firm, association, or corporation, shall represent the
498 interest of all claimants under such contracts, and shall have a
499 right of action for the use and benefit of the claimants against
500 the bond or security herein required for the full amount of all
501 such claims, together with all necessary costs of such
502 receivership.

503 SECTION 15. This act shall take effect and be in force from
504 and after July 1, 2001.

