

By: Representatives Stevens, Chism,  
Masterson, Montgomery (74th)

To: Insurance

HOUSE BILL NO. 671

1 AN ACT TO AMEND SECTION 83-21-21, MISSISSIPPI CODE OF 1972,  
2 TO REMOVE THE BOND REQUIREMENTS FOR LICENSING OF SURPLUS LINES  
3 INSURANCE AGENTS; AND FOR RELATED PURPOSES.

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

5 **SECTION 1.** Section 83-21-21, Mississippi Code of 1972, is  
6 amended as follows:

7 83-21-21. \* \* \* (1) The Commissioner of Insurance may  
8 establish a stamping procedure for all eligible  
9 nonadmitted/surplus lines insurance policies sold on risks subject  
10 to the payment of premium taxes to the State of Mississippi.

11 (2) The Commissioner of Insurance may rely upon the advice  
12 and assistance of a duly constituted association of surplus lines  
13 agents in carrying out the purposes of this chapter, if the  
14 association files with the commissioner:

15 (a) A copy of the association's constitution and  
16 articles of agreement of association or the association's  
17 certificate of incorporation and bylaws and any rules and  
18 regulations governing the association's activities;

19 (b) A list of the association's members; and

20 (c) The name and address of a resident of this state  
21 upon whom notices or orders of the commissioner or process issued  
22 by the commissioner may be served.

23 (3) The Commissioner of Insurance may examine the  
24 association's records concerning the functions or duties performed  
25 on behalf of the commissioner by the association.

26 (4) The association shall provide a means for the  
27 examination of all surplus lines coverages written to determine



28 whether such coverages comply with the law and such rules or  
29 regulations as may be issued by the Commissioner of Insurance.

30 (5) The Commissioner of Insurance may refuse to accept, or  
31 may suspend or revoke the acceptance of, an association for any of  
32 the following reasons:

33 (a) It reasonably appears that the association will not  
34 be able to carry out the purposes of this chapter;

35 (b) The association does not maintain and enforce rules  
36 and regulations which will ensure that members of the association  
37 and persons associated with those members will comply with this  
38 chapter, other applicable state law or rules or regulations  
39 promulgated under either;

40 (c) The rules or regulations of the association do not  
41 ensure a fair representation of its members in the selection of  
42 directors and in the administration of its affairs;

43 (d) The rules or regulations of the association do not  
44 provide for an equitable allocation of reasonable dues, fees and  
45 other charges among members;

46 (e) The rules or regulations of the association impose  
47 an undue burden on competition; or

48 (f) The association fails to meet other applicable  
49 requirements prescribed in this chapter.

50 (6) A surplus lines agent shall cooperate with the  
51 association and the Commissioner of Insurance in fulfilling the  
52 surplus lines agent's statutory responsibility under this chapter.

53 (7) Upon request from the association, the Commissioner of  
54 Insurance may approve the levy of an examination fee of not more  
55 than one percent (1%) of premiums charged under this chapter for  
56 the operation of the association to the extent that such operation  
57 relieves the commissioner of duties otherwise required of the  
58 Commissioner of Insurance under this chapter.

59 (8) The association may revoke the membership of, and the  
60 Commissioner of Insurance may revoke the license in this state of,



61 any licensee who fails to pay the examination fee when due, if the  
62 examination fee has been approved by the Commissioner of  
63 Insurance.

64         **SECTION 2.** This act shall take effect and be in force from  
65 and after July 1, 2002.

