HOUSE BILL NO. 671

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

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

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

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

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

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

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

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

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

(4) The association shall provide a means for the examination of all surplus lines coverages written to determine...
whether such coverages comply with the law and such rules or
regulations as may be issued by the Commissioner of Insurance.

[5] The Commissioner of Insurance may refuse to accept, or
may suspend or revoke the acceptance of, an association for any of
the following reasons:

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

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

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

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

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

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

[6] A surplus lines agent shall cooperate with the
association and the Commissioner of Insurance in fulfilling the
surplus lines agent's statutory responsibility under this chapter.

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

[8] The association may revoke the membership of, and the
Commissioner of Insurance may revoke the license in this state of,
any licensee who fails to pay the examination fee when due, if the
examination fee has been approved by the Commissioner of
Insurance.

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