

By: Senator(s) Kirby

To: Insurance

SENATE BILL NO. 2112

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. * * *

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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



60 (8) The association may revoke the membership of, and the
61 Commissioner of Insurance may revoke the license in this state of,
62 any licensee who fails to pay the examination fee when due, if the
63 examination fee has been approved by the Commissioner of
64 Insurance.

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

