

By: Senator(s) Johnson (19th)

To: Insurance

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 2090

1 AN ACT TO AMEND SECTIONS 83-17-25 AND 83-17-37, MISSISSIPPI
2 CODE OF 1972, TO REQUIRE A BIENNIAL TERM FOR LICENSES ISSUED TO
3 INSURANCE PRODUCERS; TO AMEND SECTION 83-17-251, MISSISSIPPI CODE
4 OF 1972, IN CONFORMITY THERETO; TO AMEND SECTIONS 27-15-89,
5 27-15-87, 27-15-93 AND 27-15-95, MISSISSIPPI CODE OF 1972, TO
6 REVISE THE LICENSING FEES PAID BY INSURANCE PRODUCERS TO CONFORM
7 TO THE BIENNIAL TERM; AND FOR RELATED PURPOSES.

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

9 **SECTION 1.** Section 83-17-25, Mississippi Code of 1972, is
10 amended as follows:

11 83-17-25. No certificate of authority shall be issued to any
12 producer who has not previously obtained from the commissioner a
13 privilege license to act as an insurance producer; provided that
14 producers or organizers of fraternal orders shall not be required
15 to have such privilege license. The privilege license required of
16 an insurance producer shall continue for the next ensuing
17 twenty-four (24) months after the producer's date of birth.

18 The privilege licenses and filing fees required of life
19 insurance companies, health and accident insurance companies,
20 hospital insurance companies and fraternal insurance
21 companies * * * shall continue for the next ensuing twelve (12)
22 months after January 1 of each year.

23 The privilege licenses and filing fees required of fire,
24 casualty, liability, fidelity, surety, guaranty, inland marine,
25 plate glass and title insurance companies shall continue for the
26 next ensuing twelve (12) months after June 1 of each year.

27 **SECTION 2.** Section 83-17-37, Mississippi Code of 1972, is
28 amended as follows:



29 83-17-37. (1) Each license issued to a producer shall
30 expire two (2) years after the producer's date of birth, unless
31 prior thereto it is revoked or suspended by the commissioner.

32 (2) Each producer shall file an application for renewal of
33 license on the form and in the manner prescribed by the
34 commissioner for such purpose. Upon the filing of such
35 application for renewal of license and the payment of the required
36 fees, the current license shall continue to be in force until the
37 renewal license is issued by the commissioner or until the
38 commissioner has refused for cause to issue such renewal license,
39 as provided in Section 83-17-71, and has given notice of such
40 refusal in writing to the producer.

41 **SECTION 3.** Section 83-17-251, Mississippi Code of 1972, is
42 amended as follows:

43 83-17-251. (1) Every individual seeking to be licensed as a
44 life, health and accident insurance producer in the State of
45 Mississippi, as a condition of issuance of an original license,
46 must furnish the Commissioner of Insurance certification on a form
47 prescribed by the commissioner that he or she has completed an
48 approved prelicensing course of study for the line of insurance
49 requested.

50 (2) The prelicensing course of study hours shall consist of
51 no less than twenty-four (24) classroom hours for life and/or
52 health/accident insurance or property and casualty insurance.
53 Twelve (12) classroom hours are required on life only; and twelve
54 (12) classroom hours are required for health/accident only.

55 (3) Every individual seeking biennial renewal of life,
56 health and accident licenses, or biennial renewal of property and
57 casualty licenses, shall complete satisfactorily twenty-four (24)
58 hours of study in approved courses in his primary line of
59 insurance during each twenty-four-month period except the
60 initially licensed twenty-four-month period. The individual may



61 take an additional twelve (12) hours in his secondary line of
62 insurance.

63 (4) The continuing educational requirements of this section
64 shall not apply to:

65 (a) Any individual that is exempt from taking the
66 written examination as provided in Section 83-17-39(1)(b), (c) and
67 (e);

68 (b) Any individual that is licensed with a license
69 limited to industrial life, industrial health and accident, small
70 loan property, industrial fire and full-coverage auto;

71 (c) A person not a resident of this state who meets the
72 continuing educational requirement in the state in which such
73 person resides and Mississippi has a reciprocal agreement with
74 that state; or

75 (d) Inactive agents as defined in Section 83-17-1.

76 **SECTION 4.** Section 27-15-89, Mississippi Code of 1972, is
77 amended as follows:

78 27-15-89. (1) Upon each such unincorporated general agent
79 as defined in Section 83-17-1 (paid biennially)..... \$100.00.

80 (2) Upon each traveling salaried representative, not
81 otherwise taxed by this section, of underwriters, associations and
82 reciprocal insurance exchanges and who is compensated on a
83 commission basis (paid biennially)..... \$100.00.

84 (3) Upon each traveling salaried representative, not
85 otherwise taxed by this section, of underwriters, associations and
86 reciprocal exchanges and who is compensated solely on a salaried
87 basis (paid biennially)..... \$ 40.00.

88 (4) Upon each unincorporated "supervising general agent" for
89 life, health and accident insurers as defined in Section
90 83-17-1 (paid biennially)..... \$100.00.

91 The privilege licenses issued under this section to
92 "supervising general agents" shall not constitute authority to
93 solicit business within the State of Mississippi, and shall be



94 renewed annually at the time and in the manner prescribed by
95 Section 83-17-25 on application forms which shall be furnished by
96 the Commissioner of Insurance and shall show the name of the
97 insurance company or companies such "supervising general agent"
98 represents, and other additional information as may be required by
99 the Commissioner of Insurance.

100 **SECTION 5.** Section 27-15-87, Mississippi Code of 1972, is
101 amended as follows:

102 27-15-87. Upon each fire, casualty, liability, fidelity,
103 surety, guaranty and/or inland marine agent or solicitor when the
104 total commission of the agency is in excess of Three Thousand
105 Dollars (\$3,000.00) annually (paid biennially)..... \$100.00.

106 Upon each such agent or solicitor when the total commission
107 of the agency does not exceed Three Thousand Dollars (\$3,000.00)
108 annually (paid biennially)..... \$ 50.00.

109 Every agent or insurance solicitor for an agent, connected
110 with any insurance agent, firm or corporation who solicits the
111 sale of any of the above-named insurance, whether stock, mutual or
112 reciprocal insurance carriers, directly or indirectly, shall be
113 liable for the above tax.

114 Whenever a solicitor is employed by any such agent or agency
115 to solicit business for its account, to be placed in the companies
116 represented by said agent or agency, such agent or agency shall
117 make application as provided for in Section 83-17-75(6), and
118 Section 83-17-217, Mississippi Code of 1972, and pay the above tax
119 on such solicitor and such license issued to him shall authorize
120 such solicitor to solicit insurance for the agency.

121 At the time of the purchase of the license herein provided,
122 every person, firm, corporation or solicitor shall file an
123 affidavit with the Insurance Commissioner of the state stating the
124 amount of commissions earned by said agency (whether such agency
125 be conducted by a person, firm or corporation) during the past
126 year, and this affidavit shall be filed at least once each year,



127 and in the event that the commissioner has reason to believe that
128 such affidavit is incorrect, then in such event, said Insurance
129 Commissioner may refuse to accept said affidavit and demand
130 further proof as to the clarification of said person, firm or
131 corporation applying for said license. * * *

132 **SECTION 6.** Section 27-15-93, Mississippi Code of 1972, is
133 amended as follows:

134 27-15-93. (1) Upon each incorporated insurance agency
135 licensed to represent life, health or accident insurance
136 companies..... \$ 25.00.

137 The license issued to such incorporated agency shall specify
138 the type, types or kinds of insurance that such incorporated
139 agency is licensed and qualified to transact. Every person acting
140 as agent for any such agency shall qualify under the provisions of
141 Laws, 2001, Chapter 510; and no person shall be exempt from the
142 privilege tax placed on insurance agents by this section by reason
143 of the fact that he is a stockholder or officer in any such
144 incorporated agency, or by reason of the fact that he represents
145 such an agency, but every agent shall pay the privilege tax herein
146 imposed.

147 (2) Upon each incorporated supervising general agent, as
148 defined in Section 83-17-1 (paid biennially)..... \$200.00.

149 (3) Upon each life insurance agent engaged exclusively in
150 writing life insurance (paid biennially)..... \$ 40.00.

151 And any life insurance company that knowingly issues a policy
152 where the application has been submitted to it by an agent or
153 other person who has not paid all the taxes herein imposed upon
154 each agent or person shall be liable for and pay to the state the
155 sum of Fifty Dollars (\$50.00) for each policy written.

156 Provided, that any insurance agent who has paid the tax
157 required as a life insurance agent, shall be permitted to write
158 health, accident and industrial insurance without the payment of
159 additional tax.



160 **SECTION 7.** Section 27-15-95, Mississippi Code of 1972, is
161 amended as follows:

162 27-15-95. Upon each person, other than an incorporated
163 insurance agency taxed under Section 27-15-93, writing health and
164 accident, or industrial life insurance (paid biennially).....
165 \$ 40.00.

166 **SECTION 8.** This act shall take effect and be in force from
167 and after July 1, 2003.

