To: Insurance

MISSISSIPPI LEGISLATURE REGULAR SESSION 2003
By: Senator(s) Johnson (19th)

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 2090

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

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

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

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

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

SECTION 2. Section 83-17-37, Mississippi Code of 1972, is amended as follows:
83-17-37. (1) Each license issued to a producer shall expire two (2) years after the producer's date of birth, unless prior thereto it is revoked or suspended by the commissioner.

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

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

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

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

(3) Every individual seeking biennial renewal of life, health and accident licenses, or biennial renewal of property and casualty licenses, shall complete satisfactorily twenty-four (24) hours of study in approved courses in his primary line of insurance during each twenty-four-month period except the initially licensed twenty-four-month period. The individual may
take an additional twelve (12) hours in his secondary line of insurance.

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

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

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

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

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

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

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

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

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

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

The privilege licenses issued under this section to "supervising general agents" shall not constitute authority to solicit business within the State of Mississippi, and shall be
renewed annually at the time and in the manner prescribed by Section 83-17-25 on application forms which shall be furnished by the Commissioner of Insurance and shall show the name of the insurance company or companies such "supervising general agent" represents, and other additional information as may be required by the Commissioner of Insurance.

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

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

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

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

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

   At the time of the purchase of the license herein provided, every person, firm, corporation or solicitor shall file an affidavit with the Insurance Commissioner of the state stating the amount of commissions earned by said agency (whether such agency be conducted by a person, firm or corporation) during the past year, and this affidavit shall be filed at least once each year,
and in the event that the commissioner has reason to believe that such affidavit is incorrect, then in such event, said Insurance Commissioner may refuse to accept said affidavit and demand further proof as to the clarification of said person, firm or corporation applying for said license. • • •

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

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

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

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

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

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

Provided, that any insurance agent who has paid the tax required as a life insurance agent, shall be permitted to write health, accident and industrial insurance without the payment of additional tax.
SECTION 7. Section 27-15-95, Mississippi Code of 1972, is amended as follows:

27-15-95. Upon each person, other than an incorporated insurance agency taxed under Section 27-15-93, writing health and accident, or industrial life insurance [paid biennially] ........

.......................... $ 40.00.

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