

By: Representative Warren

To: Insurance

HOUSE BILL NO. 547

1 AN ACT TO AMEND SECTION 83-17-7, MISSISSIPPI CODE OF 1972, TO
2 EXTEND THE DATE OF THE REPEALER ON THE SECTION THAT PROHIBITS
3 INSURANCE COMPANIES AND AGENTS FROM PAYING COMMISSIONS TO ANY
4 PERSON WHO IS NOT LICENSED AS AN INSURANCE AGENT IN MISSISSIPPI;
5 AND FOR RELATED PURPOSES.

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

7 **SECTION 1.** Section 83-17-7, Mississippi Code of 1972, is
8 amended as follows:

9 83-17-7. It shall be unlawful for any insurance company or
10 any insurance agent to pay, directly or indirectly, any
11 commission, brokerage or other valuable consideration on account
12 of any policy or policies written on risks in this state to any
13 person, agent, firm or corporation not duly licensed as an
14 insurance agent in this state, except that property and other
15 risks of nonresident persons, and of foreign corporations not
16 qualified in this state, may be insured by brokers or other agents
17 duly licensed in other states.

18 It shall be lawful, however, for an insurance company or any
19 insurance agent to pay, directly or indirectly, to the surviving
20 spouse or heirs of a deceased licensed insurance agent in this
21 state any commissions or other valuable consideration to which the
22 deceased agent would be entitled, whether such surviving spouse or
23 heir is or is not a licensed agent.

24 It shall be lawful for an insurance agent, agency or
25 affiliate to pay a referral fee to any unlicensed employee of the
26 agent, agency or affiliate when the employee refers a prospective
27 insured to the licensed agent or agency. The referral fee shall
28 be a one-time nominal fee of a fixed dollar amount for each

29 referral customer. The payment of any referral fee shall not
30 depend on whether the referral results in a sale of any insurance
31 products. Furthermore, the referral fee shall not be based on a
32 percentage of any premiums or commissions collected by the
33 licensed agent. The referral fee shall not be paid, either
34 directly or indirectly, to the prospective insured.

35 The Commissioner of Insurance may promulgate rules and
36 regulations necessary to carry out the provisions of this section.

37 The provisions of this section shall stand repealed on July
38 1, 2008.

39 **SECTION 2.** This act shall take effect and be in force from
40 and after July 1, 2006.