

By: Senator(s) Kirby

To: Insurance

SENATE BILL NO. 2382

1 AN ACT TO AMEND SECTION 83-17-5, MISSISSIPPI CODE OF 1972, TO
2 DELETE THE WORD "CONTINUOUS" IN REGARD TO INSURANCE AGENT
3 CERTIFICATES; TO AMEND SECTION 83-17-75, MISSISSIPPI CODE OF 1972,
4 TO CLARIFY THAT AN INSURANCE PRODUCER WHO IS NOT ACTING AS AN
5 AGENT OF AN INSURER IS NOT REQUIRED TO BECOME APPOINTED; AND FOR
6 RELATED PURPOSES.

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

8 **SECTION 1.** Section 83-17-5, Mississippi Code of 1972, is
9 amended as follows:

10 83-17-5. Every agent of any insurance company, fraternal
11 order or association authorized to do business in this state shall
12 be required to obtain from the Commissioner of Insurance a * * *
13 certificate under the seal of his office showing that the company
14 for which he or she is licensed to do business in this state, and
15 that he or she is an agent of said company and duly authorized to
16 do business for it. Such certificate shall remain valid as long
17 as the insurance company, fraternal order or association pays to
18 the commissioner an annual certificate fee to continue the
19 authorization. The insurance company, fraternal order or
20 association must notify the agent within thirty (30) days if the
21 authority is nonrenewed or cancelled.

22 **SECTION 2.** Section 83-17-75, Mississippi Code of 1972, is
23 amended as follows:

24 83-17-75. (1) An insurance producer shall not act as an
25 agent of an insurer unless the insurance producer becomes an
26 appointed agent of that insurer. An insurance producer who is not
27 acting as an agent of an insurer is not required to become
28 appointed.

29 (2) To appoint a producer as its agent, the appointing
30 insurer shall file, in a format approved by the commissioner, a
31 notice of appointment within fifteen (15) days from the date the
32 agency contract is executed or the first insurance application is
33 submitted. An insurer may also elect to appoint a producer to all
34 or some insurers within the insurer's holding company system or
35 group by the filing of a single appointment request.

36 (3) Upon receipt of the notice of appointment, the
37 commissioner shall verify within a reasonable time not to exceed
38 thirty (30) days that the insurance producer is eligible for
39 appointment. If the insurance producer is determined to be
40 ineligible for appointment, the commissioner shall notify the
41 insurer within five (5) days of its determination.

42 (4) An insurer shall pay an appointment fee, in the amount
43 and method of payment set forth in Section 83-5-73 for each
44 insurance producer appointed by the insurer.

45 (5) An insurer shall remit, in a manner prescribed by the
46 commissioner, a renewal appointment fee in the amount set forth in
47 Section 83-5-73.

48 (6) Before the issuance of a license or certificate of
49 authority, the commissioner shall require the company requesting
50 appointment of the applicant as producer for the first time to
51 furnish a certificate to the commissioner, verified by an
52 executive officer or managing general or special agent of such
53 company, that the company has duly investigated the character and
54 record of such person and has satisfied itself that such person is
55 of good moral character and is qualified, fit and trustworthy to
56 act as its producer. The Commissioner of Insurance may at any
57 time require any company to obtain a credit report on a producer
58 if the commissioner deems such request advisable. Should such
59 credit report reflect information regarding an offense or
60 violation in relation to which the Department of Insurance has
61 taken action, such information shall not render the applicant

62 ineligible for a license if applicant has complied with the order
63 of the commissioner regarding such offense.

64 **SECTION 3.** This act shall take effect and be in force from
65 and after July 1, 2006.