

By: Representative Franks

To: Insurance

HOUSE BILL NO. 721

1 AN ACT TO AMEND SECTION 83-17-73, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE THAT ANY PERSON SELLING INSURANCE IN THIS STATE SHALL
3 DISCLOSE THE AMOUNT OF HIS COMMISSION TO THE PURCHASER AT OR
4 BEFORE THE TIME OF SALE; AND FOR RELATED PURPOSES.

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

6 **SECTION 1.** Section 83-17-73, Mississippi Code of 1972, is
7 amended as follows:

8 83-17-73. (1) An insurance company or insurance producer
9 shall not pay a commission, service fee, brokerage or other
10 valuable consideration to a person for selling, soliciting or
11 negotiating insurance in this state if that person is required to
12 be licensed under this article and is not so licensed. An
13 insurance company or insurance producer shall not pay a commission
14 or other valuable consideration to a person for selling,
15 soliciting or negotiating insurance in this state unless that
16 person disclosed to the purchaser at or before the time of sale
17 the amount of the commission or other valuable consideration he
18 will receive from the sale.

19 (2) A person shall not accept a commission, service fee,
20 brokerage or other valuable consideration for selling, soliciting
21 or negotiating insurance in this state if that person is required
22 to be licensed under this article and is not so licensed. A
23 person shall not accept a commission or other valuable
24 consideration for selling, soliciting or negotiating insurance in
25 this state unless such person discloses to the purchaser at or
26 before the time of sale the amount of the commission or other
27 valuable consideration he will receive from the sale.

28 (3) Renewal or other deferred commissions may be paid to a
29 person for selling, soliciting or negotiating insurance in this
30 state if the person was required to be licensed under this article
31 at the time of the sale, solicitation or negotiation and was so
32 licensed at that time.

33 (4) An insurer or insurance producer may pay or assign
34 commissions, service fees, brokerages or other valuable
35 consideration to an insurance agency or to persons who do not
36 sell, solicit or negotiate insurance in this state, unless the
37 payment would violate Section 83-17-7 or any other applicable
38 provision of Title 83, Mississippi Code of 1972.

39 **SECTION 2.** This act shall take effect and be in force from
40 and after July 1, 2007.