

By: Representative White

To: Insurance

HOUSE BILL NO. 805

1 AN ACT TO AMEND SECTION 83-34-4, MISSISSIPPI CODE OF 1972, TO
2 EXTEND THE DATE OF THE REPEALER ON THE STATUTE REQUIRING ALL
3 AGENTS PLACING INSURANCE THROUGH NONADMITTED INSURERS TO COLLECT
4 AND REMIT TO THE MISSISSIPPI WINDSTORM UNDERWRITING ASSOCIATION A
5 NONADMITTED POLICY FEE; AND FOR RELATED PURPOSES.

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

7 **SECTION 1.** Section 83-34-4, Mississippi Code of 1972, is
8 amended as follows:

9 83-34-4. (1) Nonadmitted insurers shall not be assessable
10 insurers of the association. All surplus lines insurance
11 producers placing insurance through nonadmitted insurers shall
12 collect from the insured and remit to the association a
13 nonadmitted policy fee on all premiums for all insurance written
14 by such surplus lines insurance producer for a policy from a
15 nonadmitted insurer for any and all risks in this state, except
16 that policies or portions thereof that cover residential
17 earthquake risks or residential flood risks that are not written
18 through the National Flood Insurance Program shall be exempt from
19 the nonadmitted policy fee. By procuring or selling insurance on



property in this state from a nonadmitted insurer, each surplus lines insurance producer placing insurance through a nonadmitted insurer agrees to be bound by the provisions of this chapter and to collect and remit the nonadmitted policy fee provided for herein.

(2) The nonadmitted policy fee shall be a percentage of the total policy premium but the nonadmitted policy fee shall not be considered premium and is not subject to premium taxes or commissions. However, failure to pay the nonadmitted policy fee shall be treated the same as failure to pay premium. "Total policy premium" includes taxes and commissions.

(3) The nonadmitted policy fee percentage shall be three percent (3%).

(4) Within twenty (20) days of the end of the quarter, surplus lines insurance producers placing insurance through nonadmitted insurers shall remit directly to the association all nonadmitted policy fees collected in the preceding quarter. In addition to the nonadmitted policy fee provided for herein, surplus lines insurance producers placing insurance through nonadmitted insurers shall collect and remit surcharges as provided by this chapter. Surplus lines insurance producers placing insurance through nonadmitted insurers may designate another surplus lines insurance producer that actually procured the insurance from the nonadmitted carrier to collect and remit the nonadmitted policy fees.



45 (5) Each insured in this state who directly procures or
46 renews insurance with a nonadmitted insurer on properties, risks
47 or exposures located or to be performed, in whole or in part, in
48 this state, other than insurance procured through a surplus lines
49 licensee, shall be subject to the nonadmitted policy fee which
50 shall be paid by the insured according to the procedures provided
51 for premium taxes in Section 83-21-17(5).

52 (6) Monies derived from the nonadmitted policy fee collected
53 under this section may be used by the association, in addition to
54 any uses provided for in Section 83-34-3(4), for education, public
55 outreach, training of building officials and other programs
56 targeted to reduce the number of policies within the association;
57 however, beginning on July 1, 2018, and ending on June 30, 2019,
58 before any fees are remitted to the association, One Million Five
59 Hundred Thousand Dollars (\$1,500,000.00) shall be diverted and
60 deposited into the Capital Expense Fund, and Four Million Five
61 Hundred Thousand Dollars (\$4,500,000.00) shall be diverted and
62 deposited into the Rural Fire Truck Fund or Supplementary Rural
63 Fire Truck Fund.

64 (7) This section shall stand repealed from and after July
65 1, * * * 2022.

66 **SECTION 2.** This act shall take effect and be in force from
67 and after July 1, 2019.

