

By: Representatives Zuber, Miles, Stamps,  
Arnold

To: Insurance

HOUSE BILL NO. 451

1 AN ACT TO AMEND SECTION 83-34-4, MISSISSIPPI CODE OF 1972, TO  
2 DELETE THE REPEALER ON THE NONADMITTED POLICY FEE; AND FOR RELATED  
3 PURPOSES.

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

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

7 83-34-4. (1) Nonadmitted insurers shall not be assessable  
8 insurers of the association. All surplus lines insurance  
9 producers placing insurance through nonadmitted insurers shall  
10 collect from the insured and remit to the association a  
11 nonadmitted policy fee on all premiums for all insurance written  
12 by such surplus lines insurance producer for a policy from a  
13 nonadmitted insurer for any and all risks in this state, except  
14 that policies or portions thereof that cover residential  
15 earthquake risks or residential flood risks that are not written  
16 through the National Flood Insurance Program shall be exempt from  
17 the nonadmitted policy fee. By procuring or selling insurance on  
18 property in this state from a nonadmitted insurer, each surplus



19 lines insurance producer placing insurance through a nonadmitted  
20 insurer agrees to be bound by the provisions of this chapter and  
21 to collect and remit the nonadmitted policy fee provided for  
22 herein.

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

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

31 (4) Within twenty (20) days of the end of the quarter,  
32 surplus lines insurance producers placing insurance through  
33 nonadmitted insurers shall remit directly to the association all  
34 nonadmitted policy fees collected in the preceding quarter. In  
35 addition to the nonadmitted policy fee provided for herein,  
36 surplus lines insurance producers placing insurance through  
37 nonadmitted insurers shall collect and remit excess deficit  
38 surcharges as provided by this chapter. Surplus lines insurance  
39 producers placing insurance through nonadmitted insurers may  
40 designate another surplus lines insurance producer that actually  
41 procured the insurance from the nonadmitted carrier to collect and  
42 remit the nonadmitted policy fees.



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

50 (6) Monies derived from the nonadmitted policy fee collected  
51 under this section may be used by the association, in addition to  
52 any uses provided for in Section 83-34-3(4), for education, public  
53 outreach, training of building officials and other programs  
54 targeted to reduce the number of policies within the association;  
55 however, beginning on July 1, 2018, and ending on June 30, 2019,  
56 before any fees are remitted to the association, One Million Five  
57 Hundred Thousand Dollars (\$1,500,000.00) shall be diverted and  
58 deposited into the Capital Expense Fund, and Four Million Five  
59 Hundred Thousand Dollars (\$4,500,000.00) shall be diverted and  
60 deposited into the Rural Fire Truck Fund or Supplementary Rural  
61 Fire Truck Fund. Further, beginning July 1, 2019, and ending on  
62 June 30, 2020, before any fees are remitted to the association,  
63 Three Million Five Hundred Thousand Dollars (\$3,500,000.00) shall  
64 be diverted and deposited into the Rural Fire Truck Fund or  
65 Supplementary Rural Fire Truck Fund.

66 \* \* \*



67           **SECTION 2.** This act shall take effect and be in force from  
68 and after July 1, 2022.

