

Senate Amendments to House Bill No. 451

TO THE CLERK OF THE HOUSE:

THIS IS TO INFORM YOU THAT THE SENATE HAS ADOPTED THE AMENDMENTS SET OUT BELOW:

AMENDMENT NO. 1

Amend by striking all after the enacting clause and inserting in lieu thereof the following:

9 **SECTION 1.** Section 83-34-4, Mississippi Code of 1972, is
10 amended as follows:
11 83-34-4. (1) Nonadmitted insurers shall not be assessable
12 insurers of the association. All surplus lines insurance
13 producers placing insurance through nonadmitted insurers shall
14 collect from the insured and remit to the association a
15 nonadmitted policy fee on all premiums for all insurance written
16 by such surplus lines insurance producer for a policy from a
17 nonadmitted insurer for any and all risks in this state, except
18 that policies or portions thereof that cover residential
19 earthquake risks or residential flood risks that are not written
20 through the National Flood Insurance Program shall be exempt from
21 the nonadmitted policy fee. By procuring or selling insurance on
22 property in this state from a nonadmitted insurer, each surplus
23 lines insurance producer placing insurance through a nonadmitted
24 insurer agrees to be bound by the provisions of this chapter and

25 to collect and remit the nonadmitted policy fee provided for
26 herein.

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

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

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

47 (5) Each insured in this state who directly procures or
48 renews insurance with a nonadmitted insurer on properties, risks
49 or exposures located or to be performed, in whole or in part, in
50 this state, other than insurance procured through a surplus lines

51 licensee, shall be subject to the nonadmitted policy fee which
52 shall be paid by the insured according to the procedures provided
53 for premium taxes in Section 83-21-17(5).

54 (6) Monies derived from the nonadmitted policy fee collected
55 under this section may be used by the association, in addition to
56 any uses provided for in Section 83-34-3(4), for education, public
57 outreach, training of building officials and other programs
58 targeted to reduce the number of policies within the association;
59 however, beginning on July 1, * * * 2022, and annually thereafter,
60 the monies shall be distributed in the following manner:

61 (a) Eight Million Dollars (\$8,000,000.00) shall be
62 remitted to the association and shall not be considered public
63 funds; and

64 (b) The remainder shall be remitted to the State
65 General Fund.

66 (7) The association is authorized to use excess funds to
67 purchase reinsurance in an amount that may exceed the total
68 premiums collected from policyholders.

69 (* * *8) This section shall stand repealed from and after
70 July 1, * * * 2026.

**Further, amend by striking the title in its entirety and
inserting in lieu thereof the following:**

1 AN ACT TO AMEND SECTION 83-34-4, MISSISSIPPI CODE OF 1972, TO
2 PROVIDE FOR AN ANNUAL DIVERSION OF THE NONADMITTED POLICY FEE TO
3 THE MISSISSIPPI WINDSTORM UNDERWRITING ASSOCIATION AND TO THE
4 STATE GENERAL FUND; TO AUTHORIZE THE ASSOCIATION TO USE EXCESS
5 FUNDS TO PURCHASE REINSURANCE IN AN AMOUNT THAT MAY EXCEED THE

6 TOTAL PREMIUMS COLLECTED FROM POLICYHOLDERS; AND FOR RELATED
7 PURPOSES.

SS36\HB451A.1J

Eugene S. Clarke
Secretary of the Senate