

*****Pending*****

AMENDMENT No. 1 PROPOSED TO

House Bill NO. 1229

By Senator(s) Committee

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

10 SECTION 1. Section 83-17-7, Mississippi Code of 1972, is
11 amended as follows:

12 83-17-7. It shall be unlawful for any insurance company or
13 any insurance agent to pay, directly or indirectly, any
14 commission, brokerage or other valuable consideration on account
15 of any policy or policies written on risks in this state to any
16 person, agent, firm or corporation not duly licensed as an
17 insurance agent in this state, except that property and other
18 risks of nonresident persons, and of foreign corporations not
19 qualified in this state, may be insured by brokers or other agents
20 duly licensed in other states.

21 It shall be lawful, however, for an insurance company or any
22 insurance agent to pay, directly or indirectly, to the surviving
23 spouse or heirs of a deceased licensed insurance agent in this
24 state any commissions or other valuable consideration to which the
25 deceased agent would be entitled, whether such surviving spouse or
26 heir is or is not a licensed agent.

27 It shall be lawful for an insurance agent, agency or
28 affiliate to pay a referral fee to any unlicensed employee of the
29 agent, agency or affiliate when the employee refers a prospective
30 insured to the licensed agent or agency. The referral fee shall

31 be a one-time nominal fee of a fixed dollar amount for each
32 referral customer; provided, however, that the fee shall not
33 exceed Twenty Dollars (\$20.00) per referral customer for
34 commercial policies, Five Dollars (\$5.00) per referral customer
35 for homeowners policies, and Five Dollars (\$5.00) per referral
36 customer for personal auto policies. The Commissioner of
37 Insurance shall establish by regulation the maximum amount of the
38 referral fee for insurance products other than commercial,
39 homeowners, and personal auto policies. The payment of any
40 referral fee shall not depend on whether the referral results in a
41 sale of any insurance products. Furthermore, the referral fee
42 shall not be based on a percentage of any premiums or commissions
43 collected by the licensed agent. The referral fee shall not be
44 paid, either directly or indirectly, to the prospective insured.

45 The Commissioner of Insurance may promulgate rules and
46 regulations necessary to carry out the provisions of this section.

47 For purposes of this section, the term "affiliate" means any
48 entity or person who directly or indirectly, through one or more
49 intermediaries, controls or is controlled by, or is under common
50 control with, a specified entity or person.

51 SECTION 2. This act shall take effect and be in force from
52 and after its passage.