

By: Representatives Stevens, Chism,
Masterson, Montgomery (74th)

To: Insurance

HOUSE BILL NO. 672

1 AN ACT TO AMEND SECTION 83-17-63, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE THAT THE PENALTIES CHARGED FOR LATE RENEWAL OF AN
3 INDIVIDUAL INSURANCE PRODUCER LICENSE SHALL BE IN COMPLIANCE WITH
4 SECTION 27-15-215, MISSISSIPPI CODE OF 1972; TO AMEND SECTION
5 83-17-75, MISSISSIPPI CODE OF 1972, TO REVISE CERTAIN REFERENCES
6 TO CODE SECTIONS IN THE INSURANCE PRODUCER LICENSING LAW; AND FOR
7 RELATED PURPOSES.

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

9 **SECTION 1.** Section 83-17-63, Mississippi Code of 1972, is
10 amended as follows:

11 83-17-63. (1) Unless denied licensure under Section
12 83-17-71, persons who have met the requirements of Sections
13 83-17-59 and 83-17-61, shall be issued an insurance producer
14 license. An insurance producer may receive qualification for a
15 license in one or more of the following lines of authority:

16 (a) Life: insurance coverage on human lives including
17 benefits of endowment and annuities and may include benefits in
18 the event of death or dismemberment by accident and benefits for
19 disability income.

20 (b) Accident and health or sickness: insurance
21 coverage for sickness, bodily injury or accidental death and may
22 include benefits for disability income.

23 (c) Property: insurance coverage for the direct or
24 consequential loss or damage to property of every kind.

25 (d) Casualty: insurance coverage against legal
26 liability, including that for death, injury or disability or
27 damage to real or personal property.



28 (e) Variable life and variable annuity products:
29 insurance coverage provided under variable life insurance
30 contracts and variable annuities.

31 (f) Personal lines: property and casualty insurance
32 coverage sold to individuals and families for primarily
33 noncommercial purposes.

34 (g) Credit: limited line credit insurance.

35 (h) Any other line of insurance permitted under state
36 laws or regulations.

37 (2) An insurance producer license shall remain in effect
38 unless revoked or suspended as long as the fee set forth in
39 Sections 27-15-87 and 27-15-93 is paid and education requirements
40 for resident individual producers are met by the due date.

41 (3) An individual insurance producer who allows his or her
42 license to lapse may, within twelve (12) months from the due date
43 of the renewal fee, reinstate the same license without the
44 necessity of passing a written examination. The penalty for such
45 late renewal shall be in compliance with Section 27-15-215.

46 (4) A licensed insurance producer who is unable to comply
47 with license renewal procedures due to military service or some
48 other extenuating circumstances, including, but not limited to, a
49 long-term medical disability may request a waiver of those
50 procedures. The producer may also request a waiver of any
51 examination requirement or any other fine or sanction imposed for
52 failure to comply with renewal procedures.

53 (5) The license shall contain the licensee's name, address,
54 personal identification number and the date of issuance, the lines
55 of authority, the expiration date and any other information the
56 commissioner deems necessary.

57 (6) Licensees shall inform the commissioner by any means
58 acceptable to the commissioner of a change of address within
59 thirty (30) days of the change. Failure to timely inform the



60 commissioner of a change in legal name or address shall result in
61 a penalty under Section 83-17-71.

62 (7) In order to assist in the performance of the
63 commissioner's duties, the commissioner may contract with
64 nongovernmental entities, including the National Association of
65 Insurance Commissioner (NAIC) or any affiliates or subsidiaries
66 that the NAIC oversees, to perform any ministerial functions,
67 including the collection of fees, related to producer licensing
68 that the commissioner and the nongovernmental entity may deem
69 appropriate.

70 **SECTION 2.** Section 83-17-75, Mississippi Code of 1972, is
71 amended as follows:

72 83-17-75. (1) An insurance producer shall not act as an
73 agent of an insurer unless the insurance producer becomes an
74 appointed agent of that insurer. An insurance producer who is not
75 acting as an agent of a noninsurer is not required to become
76 appointed.

77 (2) To appoint a producer as its agent, the appointing
78 insurer shall file, in a format approved by the commissioner, a
79 notice of appointment within fifteen (15) days from the date the
80 agency contract is executed or the first insurance application is
81 submitted. An insurer may also elect to appoint a producer to all
82 or some insurers within the insurer's holding company system or
83 group by the filing of a single appointment request.

84 (3) Upon receipt of the notice of appointment, the
85 commissioner shall verify within a reasonable time not to exceed
86 thirty (30) days that the insurance producer is eligible for
87 appointment. If the insurance producer is determined to be
88 ineligible for appointment, the commissioner shall notify the
89 insurer within five (5) days of its determination.

90 (4) An insurer shall pay an appointment fee, in the amount
91 and method of payment set forth in Section 83-5-73 for each
92 insurance producer appointed by the insurer.



93 (5) An insurer shall remit, in a manner prescribed by the
94 commissioner, a renewal appointment fee in the amount set forth in
95 Section 83-5-73.

96 (6) Before the issuance of a license or certificate of
97 authority, the commissioner shall require the company requesting
98 appointment of the applicant as producer for the first time to
99 furnish a certificate to the commissioner, verified by an
100 executive officer or managing general or special agent of such
101 company, that the company has duly investigated the character and
102 record of such person and has satisfied itself that such person is
103 of good moral character and is qualified, fit and trustworthy to
104 act as its producer. The Commissioner of Insurance may at any
105 time require any company to obtain a credit report on a producer
106 if the commissioner deems such request advisable. Should such
107 credit report reflect information regarding an offense or
108 violation in relation to which the Department of Insurance has
109 taken action, such information shall not render the applicant
110 ineligible for a license if applicant has complied with the order
111 of the commissioner regarding such offense.

112 **SECTION 3.** This act shall take effect and be in force from
113 and after July 1, 2002.

