

By: Senator(s) Kirby

To: Insurance; Finance

SENATE BILL NO. 2368

1 AN ACT TO AMEND SECTION 27-15-83, MISSISSIPPI CODE OF 1972,
2 TO REVISE THE PRIVILEGE TAX ON FOREIGN INSURANCE COMPANIES; TO
3 AMEND SECTION 27-15-85, MISSISSIPPI CODE OF 1972, TO REVISE THE
4 PRIVILEGE TAX ON INCORPORATED INSURANCE AGENCIES AND GENERAL
5 AGENCIES; TO AMEND SECTION 27-15-87, MISSISSIPPI CODE OF 1972, TO
6 REVISE THE PRIVILEGE TAX ON FIRE, CASUALTY, LIABILITY, FIDELITY,
7 SURETY, GUARANTY OR INLAND MARINE AGENTS OR SOLICITORS; TO AMEND
8 SECTION 27-15-93, MISSISSIPPI CODE OF 1972, TO REVISE THE
9 PRIVILEGE TAX ON INCORPORATED LIFE, HEALTH OR ACCIDENT INSURANCE
10 AGENCIES; TO AMEND SECTION 27-15-95, MISSISSIPPI CODE OF 1972, TO
11 REVISE THE PRIVILEGE TAX ON HEALTH, ACCIDENT AND INDUSTRIAL LIFE
12 INSURANCE AGENTS; TO AMEND SECTION 27-59-11, MISSISSIPPI CODE OF
13 1972, TO REVISE THE TAX LEVIED UPON LIQUEFIED COMPRESSED GAS
14 DISTRIBUTORS; TO AMEND SECTION 83-2-35, MISSISSIPPI CODE OF 1972,
15 TO REVISE THE FEE FOR EACH FORM OR RATE FILING FILED WITH THE
16 COMMISSIONER OF INSURANCE; TO AMEND SECTION 83-5-73, MISSISSIPPI
17 CODE OF 1972, TO REVISE THE GENERAL FEES PAID TO THE COMMISSIONER
18 OF INSURANCE; TO AMEND SECTION 83-5-75, MISSISSIPPI CODE OF 1972,
19 TO REVISE THE FEES PAID BY FRATERNAL ORDERS; TO AMEND SECTION
20 83-5-77, MISSISSIPPI CODE OF 1972, TO REVISE THE FEES FOR
21 PUBLICATION OF ANNUAL STATEMENTS; TO AMEND SECTION 83-7-17,
22 MISSISSIPPI CODE OF 1972, TO REVISE THE FEE FOR COMMISSIONER'S
23 APPROVAL OF THE FORM OF LIFE INSURANCE POLICIES; TO AMEND SECTION
24 83-9-3, MISSISSIPPI CODE OF 1972, TO REVISE THE FEE FOR
25 COMMISSIONER'S APPROVAL OF THE FORM OF HEALTH AND ACCIDENT
26 POLICIES; TO AMEND SECTION 83-11-237, MISSISSIPPI CODE OF 1972, TO
27 REVISE THE ANNUAL REGISTRATION FEE FOR AUTOMOBILE CLUB AGENTS; TO
28 AMEND SECTION 83-11-243, MISSISSIPPI CODE OF 1972, TO IMPOSE A FEE
29 FOR THE FILING OF FINANCIAL STATEMENTS BY AUTOMOBILE CLUBS; TO
30 AMEND SECTION 83-18-27, MISSISSIPPI CODE OF 1972, TO IMPOSE A FEE
31 FOR THE FILING OF ANNUAL REPORTS BY INSURANCE ADMINISTRATORS; TO
32 AMEND SECTION 83-21-17, MISSISSIPPI CODE OF 1972, TO REVISE THE
33 ANNUAL FEE ON NONADMITTED INSURERS FOR CERTIFICATION REVIEW; TO
34 AMEND SECTION 83-49-7, MISSISSIPPI CODE OF 1972, TO REVISE THE
35 ANNUAL LICENSE FEE REQUIRED FOR SPONSORS OTHER THAN INSURERS; TO
36 AMEND SECTION 83-49-47, MISSISSIPPI CODE OF 1972, TO REVISE THE
37 ANNUAL LICENSE FEE FOR AGENTS OR REPRESENTATIVES OF SPONSORS; AND
38 FOR RELATED PURPOSES.

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

40 **SECTION 1.** Section 27-15-83, Mississippi Code of 1972, is
41 amended as follows:

42 27-15-83. (1) Upon each foreign insurance company licensed
43 as a single line company defined under Section 83-19-1, the
44 privilege tax is as follows:

45 (a) Fire and Allied Lines and/or

46	Industrial Fire.....	\$ <u>400.00</u>
47	(b) Casualty/Liability.....	\$ <u>400.00</u>
48	(c) Fidelity and/or Surety.....	\$ <u>400.00</u>
49	(d) Workers' Compensation.....	\$ <u>400.00</u>
50	(e) Boiler and Machinery.....	\$ <u>400.00</u>
51	(f) Plate Glass.....	\$ <u>400.00</u>
52	(g) Aircraft.....	\$ <u>400.00</u>
53	(h) Inland Marine and/or Ocean Marine.....	\$ <u>400.00</u>
54	(i) Automobile Physical Damage/Automobile	
55	Liability.....	\$ <u>400.00</u>
56	(j) Homeowners/Farmowners.....	\$ <u>400.00</u>
57	(k) Guaranty/Mortgage Guaranty.....	\$ <u>400.00</u>
58	(l) Trip Accident and Baggage.....	\$ <u>400.00</u>
59	(m) Legal.....	\$ <u>400.00</u>
60	(n) Life and/or Accident and Health;	
61	Credit Life, Accident and Health;	
62	Industrial Life, Accident and Health;	
63	and Variable Contracts.....	\$ <u>400.00</u>
64	(o) Title.....	\$ <u>400.00</u>
65	(p) Fraternal.....	\$ <u>100.00</u>

66 (2) For any combination of classifications of a foreign
67 insurance company, the privilege tax for a multiple line company
68 shall be Six Hundred Fifty Dollars (\$650.00).

69 (3) Any stock, mutual, reciprocal or reinsurance company
70 shall pay the appropriate privilege tax for each line of insurance
71 the company is licensed to underwrite.

72 (4) For each domestic insurance which has its home office
73 located in Mississippi, the privilege tax shall be one-half (1/2)
74 of the fees listed in this section.

75 (5) Each insurance company or association which amends its
76 privilege license shall pay a fee of Fifty Dollars (\$50.00).

77 **SECTION 2.** Section 27-15-85, Mississippi Code of 1972, is
78 amended as follows:

79 27-15-85. (1) Upon each incorporated insurance agency
80 licensed to represent fire, casualty, liability, fidelity, surety,
81 guaranty and inland marine insurance companies * * *..... \$100.00.

82 * * *

83 The license issued to such incorporated agency shall specify
84 the type, types or kinds of insurance that such incorporated
85 agency is licensed and qualified to transact. Every person acting
86 as agent or solicitor for any such agency shall qualify under the
87 provisions of Laws, 2001, Chapter 520; and no person shall be
88 exempt from the privilege tax placed on insurance agents by this
89 section by reason of the fact that he is a stockholder or officer
90 in any such incorporated agency, or by reason of the fact that he
91 represents such an agency * * *.

92 (2) Upon each incorporated general agent, as defined in
93 Section 83-17-1..... \$100.00.

94 (3) Upon each incorporated "supervising general agent" for
95 life, health and accident insurers as defined in Section
96 83-17-1..... \$100.00.

97 The privilege licenses issued under this section to
98 "supervising general agents" shall not constitute authority to
99 solicit business within the State of Mississippi, and shall be
100 renewed annually at the time and in the manner prescribed by
101 Section 83-17-25 on application forms which shall be furnished by
102 the Commissioner of Insurance and shall show the name of the
103 insurance company or companies such "supervising general agent"
104 represents, and other additional information as may be required by
105 the Commissioner of Insurance.

106 **SECTION 3.** Section 27-15-87, Mississippi Code of 1972, is
107 amended as follows:

108 27-15-87. * * * Each fire, casualty, liability, fidelity,
109 surety, guaranty and/or inland marine agent or
110 solicitor * * *..... \$50.00.

111 * * *

112 Every agent or insurance solicitor for an agent, connected
113 with any insurance agent, firm or corporation who solicits the
114 sale of any of the above-named insurance, whether stock, mutual or
115 reciprocal insurance carriers, directly or indirectly, shall be
116 liable for the above tax.

117 Whenever a solicitor is employed by any such agent or agency
118 to solicit business for its account, to be placed in the companies
119 represented by said agent or agency, such agent or agency shall
120 make application as provided for in Section 83-17-75(6), and
121 Section 83-17-217, Mississippi Code of 1972, and pay the above tax
122 on such solicitor and such license issued to him shall authorize
123 such solicitor to solicit insurance for the agency.

124 * * *

125 **SECTION 4.** Section 27-15-93, Mississippi Code of 1972, is
126 amended as follows:

127 27-15-93. (1) Upon each incorporated insurance agency
128 licensed to represent life, health or accident insurance
129 companies..... \$100.00.

130 The license issued to such incorporated agency shall specify
131 the type, types or kinds of insurance that such incorporated
132 agency is licensed and qualified to transact. Every person acting
133 as agent for any such agency shall qualify under the provisions of
134 Laws, 2001, Chapter 510; and no person shall be exempt from the
135 privilege tax placed on insurance agents by this section by reason
136 of the fact that he is a stockholder or officer in any such
137 incorporated agency, or by reason of the fact that he represents
138 such an agency, but every agent shall pay the privilege tax herein
139 imposed.

140 (2) Upon each incorporated supervising general agent, as
141 defined in Section 83-17-1..... \$100.00.

142 (3) Upon each life insurance agent engaged exclusively in
143 writing life insurance..... \$ 50.00.

144 And any life insurance company that knowingly issues a policy
145 where the application has been submitted to it by an agent or
146 other person who has not paid all the taxes herein imposed upon
147 each agent or person shall be liable for and pay to the state the
148 sum of One Hundred Dollars (\$100.00) for each policy written.

149 Provided, that any insurance agent who has paid the tax
150 required as a life insurance agent, shall be permitted to write
151 health, accident and industrial insurance without the payment of
152 additional tax.

153 **SECTION 5.** Section 27-15-95, Mississippi Code of 1972, is
154 amended as follows:

155 27-15-95. Upon each person, other than an incorporated
156 insurance agency taxed under Section 27-15-93, writing health and
157 accident, or industrial life insurance..... \$ 50.00.

158 **SECTION 6.** Section 27-59-11, Mississippi Code of 1972, is
159 amended as follows:

160 27-59-11. (1) A tax at the rate of 0.0035¢ per gallon is
161 hereby levied upon any person engaged in business as a distributor
162 of compressed gas, excepting natural gas, for the privilege of
163 engaging in such business or acting as such distributor. The tax
164 shall be based on all compressed gas, excepting natural gas,
165 stored, used, distributed, manufactured, refined, distilled,
166 blended or compounded in this state or received in this state for
167 sale, storage, distribution or for any other purpose.

168 The tax levied herein shall become due and payable when:

169 (a) Compressed gas is withdrawn from storage at a
170 refinery, marine or pipeline terminal, or underground caverns or
171 cavities except when withdrawal is by pipeline or barge;

172 (b) Compressed gas imported by a common carrier is
173 unloaded by that carrier unless the compressed gas is unloaded
174 directly into an underground cavern or cavity for storage or
175 directly into the storage tanks of a refinery, marine or pipeline
176 terminal; or

177 (c) Compressed gas imported by any person, other than a
178 common carrier, enters the State of Mississippi, unless the
179 compressed gas is unloaded directly into an underground cavern or
180 cavity for storage or directly into the storage tanks of a
181 refinery, marine or pipeline terminal.

182 (2) A tax at the rate of Seventeen Cents (17¢) per gallon
183 until the date specified in Section 65-39-35, and Thirteen and
184 Four-tenths Cents (13.4¢) per gallon thereafter, is levied upon
185 any distributor of compressed gas for the privilege of engaging in
186 the business of selling or delivering compressed gas, excepting
187 compressed natural gas and liquefied natural gas, for use in a
188 motor vehicle or motor vehicles on the highways of this state. A
189 tax at the rate of Eighteen Cents (18¢) per one hundred (100)
190 cubic feet until the date specified in Section 65-39-35, and
191 Fourteen and Four-tenths Cents (14.4¢) per one hundred (100) cubic
192 feet thereafter, is levied upon any distributor of compressed gas
193 for the privilege of engaging in the business of selling or
194 delivering compressed natural gas and liquefied natural gas for
195 use in a motor vehicle or motor vehicles on the highways of this
196 state. A tax at the rate of Eighteen Cents (18¢) per one hundred
197 (100) cubic feet until the date specified in Section 65-39-35, and
198 Fourteen and Four-tenths Cents (14.4¢) per one hundred (100) cubic
199 feet thereafter, is levied upon any public utility for the
200 privilege of engaging in the business of selling or delivering
201 natural gas to a user for the purpose of being used as a fuel in a
202 motor vehicle or motor vehicles on the highways of this state, and
203 the taxes shall be collected from the user whenever practical.
204 The taxes levied in this subsection shall not apply when sales or
205 deliveries are made to persons who are holders of permitted
206 compressed gas user's decals.

207 (3) Upon every person operating on the highways of this
208 state a motor vehicle or motor vehicles using or capable of using
209 compressed gas as a motor fuel and having a gross license tag

210 weight classification of ten thousand (10,000) pounds or less,
211 there is hereby levied an annual privilege tax of One Hundred
212 Ninety-five Dollars (\$195.00) until the date specified in Section
213 65-39-35, and One Hundred Sixty-five Dollars (\$165.00) thereafter.

214 (4) Upon every person operating on the highways of this
215 state a motor vehicle or motor vehicles using or capable of using
216 compressed gas and having a gross license tag weight
217 classification greater than ten thousand (10,000) pounds, there is
218 hereby levied a privilege tax of Seventeen Cents (17¢) per gallon
219 until the date specified in Section 65-39-35, and Thirteen and
220 Four-tenths Cents (13.4¢) per gallon thereafter, on all compressed
221 gas, excepting compressed natural gas and liquefied natural gas,
222 used on the highways of this state. There is hereby levied a
223 privilege tax of Eighteen Cents (18¢) per one hundred (100) cubic
224 feet until the date specified in Section 65-39-35, and Fourteen
225 and Four-tenths Cents (14.4¢) per one hundred (100) cubic feet
226 thereafter, on all compressed natural gas and liquefied natural
227 gas used on the highways of this state. The taxes levied in this
228 paragraph shall not apply to owners or operators classified by the
229 commission as nonpermitted users.

230 (5) All owners and operators of motor vehicles that have a
231 gross license tag weight classification greater than ten thousand
232 (10,000) pounds, but not exceeding twenty thousand (20,000) pounds
233 shall prepay Two Hundred Twenty-five Dollars (\$225.00) of such tax
234 annually, and all owners and operators of motor vehicles that have
235 a gross license tag weight classification greater than twenty
236 thousand (20,000) pounds shall prepay Three Hundred Dollars
237 (\$300.00) of such tax annually. On motor vehicles that have a
238 gross license tag weight exceeding ten thousand (10,000) pounds,
239 that are exclusively used by a farmer for transporting farm
240 products produced on his own farm and also farm supplies,
241 materials and equipment used in the growing or production of his
242 agricultural products and have a "farm" or "F" motor vehicle

243 license tag, the prepaid portion of said privilege tax shall be
244 One Hundred Fifty Dollars (\$150.00).

245 (6) The commission, in its discretion, may authorize or
246 require the owner or operator of five (5) or more motor vehicles
247 that use or are capable of using compressed gas on the highway to
248 pay the excise tax on all compressed gas purchased for any purpose
249 and the excise tax shall be collected by the distributor of
250 compressed gas at the time of sale or delivery. The owners or
251 operators authorized or required to do so shall be classified as
252 nonpermitted users.

253 **SECTION 7.** Section 83-2-35, Mississippi Code of 1972, is
254 amended as follows:

255 83-2-35. (1) This section applies to all forms of property
256 and casualty insurance on risks or operations in this state by any
257 insurer authorized to do business in this state, except:

- 258 (a) Accident and health;
- 259 (b) Ocean marine insurance;
- 260 (c) Reinsurance;
- 261 (d) Aircraft liability and aircraft hull insurance;
- 262 (e) Title insurance;
- 263 (f) Credit accident and health insurance.

264 (2) All such insurers shall pay to the Commissioner of
265 Insurance a fee of Twenty-five Dollars (\$25.00) for each form or
266 rate filing filed with the commissioner. The commissioner shall
267 pay such fees into the special fund in the State Treasury
268 designated as the "Insurance Department Fund."

269 **SECTION 8.** Section 83-5-73, Mississippi Code of 1972, is
270 amended as follows:

271 83-5-73. The commissioner shall collect and pay into the
272 special fund in the State Treasury designated as the "Insurance
273 Department Fund" the following fees: for certificate of authority
274 to each * * * agent or manager, Twenty Dollars (\$20.00); for
275 filing and processing an agent's certificate of authority * * *,

276 Twenty Dollars (\$20.00); for filing and examining statement
277 preliminary to admission, One Thousand Dollars (\$1,000.00); for
278 filing and processing a Form A application, Two Thousand Dollars
279 (\$2,000.00); for filing and auditing annual statement, Five
280 Hundred Dollars (\$500.00); for filing any other paper required by
281 law, Fifty Dollars (\$50.00); for continuing education courses or
282 programs filed by the providers for approval, Fifty Dollars
283 (\$50.00); for each certification company licensed status, Forty
284 Dollars (\$40.00); for each seal when required, Twenty Dollars
285 (\$20.00); for service of process on the commissioner as attorney,
286 Twenty-five Dollars (\$25.00).

287 **SECTION 9.** Section 83-5-75, Mississippi Code of 1972, is
288 amended as follows:

289 83-5-75. For all larger fraternal orders, as defined in
290 Section 83-30-1, the commissioner shall collect charges as
291 provided in Section 83-5-73, as well as all other fees and charges
292 due and payable by any company, association, order or individual
293 in his department. If a fraternal order is not a larger fraternal
294 order under Section 83-30-1, the commissioner shall collect the
295 following charges: for filing charter, etc., of fraternal orders
296 doing an insurance business, preliminary to admission, Twenty-five
297 Dollars (\$25.00); for filing and auditing annual statement, Ten
298 Dollars (\$10.00); all other fees and charges due and payable by
299 any company, association, order or individual in his department.

300 **SECTION 10.** Section 83-5-77, Mississippi Code of 1972, is
301 amended as follows:

302 83-5-77. For publication of annual statement, there shall be
303 an Eighty Dollar (\$80.00) fee of which Forty Dollars (\$40.00)
304 shall be paid to the publishers and Forty Dollars (\$40.00) shall
305 be paid to the special fund in the State Treasury designated as
306 the "Insurance Department Fund." The commissioner shall receive
307 for copy of any record or paper in his office Fifty Cents (50¢)

308 per page and Twenty Dollars (\$20.00) for certifying same, or any
309 fact or data from the records of the office.

310 **SECTION 11.** Section 83-7-17, Mississippi Code of 1972, is
311 amended as follows:

312 83-7-17. All life insurance companies other than fraternal
313 beneficiary associations, authorized to do the business of life
314 insurance in this state, are hereby required to print or stamp in
315 conspicuous type on the face or first page of each and every
316 policy sold to citizens of this state words indicating correctly
317 and fully the kind and character of the policy. The same words
318 shall also be printed or stamped on the back or title page of
319 every such policy so that they may be easily seen and read when
320 the policy is folded. Every such life insurance company shall
321 submit to the commissioner for his approval the words required in
322 this section to be printed on each policy, together with sample
323 copy of every kind or class of policies offered for sale in this
324 state; and every life insurance company shall print on each of its
325 policies sold to citizens of this state such words as the
326 Insurance Commissioner shall approve. The license of any
327 insurance company doing business in this state may be revoked by
328 the commissioner for violating any of the provisions of this
329 section. A policy of life insurance shall not be issued or
330 delivered in this state until the form has been approved and filed
331 by the Insurance Commissioner.

332 The commissioner shall collect and pay into the Insurance
333 Department Fund in the State Treasury a Twenty-five Dollar
334 (\$25.00) filing and processing fee for the following services
335 provided under this section: each individual policy contract,
336 including revisions; each group master policy or contract,
337 including revisions; each group certificate, including revisions;
338 each rider, endorsement or amendment, etc.; each insurance
339 application where written application is required and is to be
340 made a part of the policy or contract; each questionnaire; for

341 each resubmission where payment is not included with the original
342 submission; and for all tentative approvals.

343 * * *

344 **SECTION 12.** Section 83-9-3, Mississippi Code of 1972, is
345 amended as follows:

346 83-9-3. (1) No policy of accident and sickness insurance
347 shall be delivered or issued for delivery to any person in this
348 state unless:

349 (a) The entire money and other considerations therefor
350 are expressed therein; and

351 (b) The time at which the insurance takes effect and
352 terminates is expressed therein; and

353 (c) It purports to insure only one (1) person, except
354 that a policy may insure, originally or by subsequent amendment,
355 upon the application of an adult member of a family who shall be
356 deemed the policyholder, any two (2) or more eligible members of
357 that family, including husband, wife, dependent children or any
358 children under a specified age which shall not exceed nineteen
359 (19) years, and any other person dependent upon the policyholder;
360 and

361 (d) The style, arrangement and overall appearance of
362 the policy give no undue prominence to any portion of the text,
363 and unless every printed portion of the text of the policy and of
364 any endorsements or attached papers is plainly printed in
365 lightfaced type of a style in general use, the size of which shall
366 be uniform and not less than ten-point with a lowercase unspaced
367 alphabet length not less than one hundred and twenty-point (the
368 "text" shall include all printed matter except the name and
369 address of the insurer, name or title of the policy, the brief
370 description if any, and captions and subcaptions); and

371 (e) The exceptions and reductions of indemnity are set
372 forth in the policy and, except those which are set forth in
373 Section 83-9-5, are printed, at the insurer's option, either with

374 the benefit provision to which they apply, or under an appropriate
375 caption such as "Exceptions" or "Exceptions and Reductions,"
376 provided that if an exception or reduction specifically applies
377 only to a particular benefit of the policy, a statement of such
378 exception or reduction shall be included with the benefit
379 provision to which it applies; and

380 (f) Each such form, including riders and endorsements,
381 shall be identified by a form number in the lower left-hand corner
382 of the first page thereof; and

383 (g) It contains no provision purporting to make any
384 portion of the charter, rules, constitution or bylaws of the
385 insurer a part of the policy unless such portion is set forth in
386 full in the policy, except in the case of the incorporation of, or
387 reference to, a statement of rates or classification of risks, or
388 short-rate table filed with the commissioner.

389 (2) No individual or group policy covering health and
390 accident insurance (including experience-rated insurance
391 contracts, indemnity contracts, self-insured plans and self-funded
392 plans), or any group combinations of these coverages, shall be
393 issued by any commercial insurer doing business in this state
394 which, by the terms of such policy, limits or excludes payment
395 because the individual or group insured is eligible for or is
396 being provided medical assistance under the Mississippi Medicaid
397 Law. Any such policy provision in violation of this section shall
398 be invalid.

399 (3) If any policy is issued by an insurer domiciled in this
400 state for delivery to a person residing in another state, and if
401 the official having responsibility for the administration of the
402 insurance laws of such other state shall have advised the
403 commissioner that any such policy is not subject to approval or
404 disapproval by such official, the commissioner may, by ruling,
405 require that such policy meet the standards set forth in
406 subsection (1) of this section and in Section 83-9-5.

407 (4) The commissioner shall collect and pay into the Special
408 Fund in the State Treasury designated as the "Insurance Department
409 Fund" a Twenty-five Dollar (\$25.00) filing and processing fee for
410 the following services provided under this section: each
411 individual policy contract, including revisions; each group master
412 policy or contract, including revisions; each group certificate,
413 including revisions; each rider, endorsement or amendment, etc.;
414 each insurance application where written application is required
415 and is to be made a part of the policy or contract; each
416 questionnaire; for each resubmission where payment is not included
417 with the original submission; for rate filings for Medicare
418 supplement and long-term care; and for all tentative approvals.

419 * * *

420 **SECTION 13.** Section 83-11-237, Mississippi Code of 1972, is
421 amended as follows:

422 83-11-237. (1) An automobile club operating in this state
423 pursuant to a certificate of authority issued hereunder shall,
424 within thirty (30) days of the date of appointment, file with the
425 commissioner a notice of appointment of a club agent by an
426 automobile club to sell memberships in the automobile club to the
427 public. This notification shall be upon such form as the
428 commissioner may prescribe, shall contain the name, address, age,
429 sex and social security number of such club agent, and also
430 contain proof satisfactory to the commissioner that such applicant
431 is of good reputation and that he has received training from the
432 club or is otherwise qualified in the field of automobile club
433 service contracts and the laws of this state pertaining thereto.
434 Upon termination of any club agent's appointment by an automobile
435 club, such automobile club shall, within thirty (30) days
436 thereafter, notify the commissioner of such termination.

437 (2) The registration fee for club agents shall be
438 Twenty-five Dollars (\$25.00) annually, and such registration shall

439 be renewable on April 1 of each year unless sooner revoked or
440 suspended.

441 **SECTION 14.** Section 83-11-243, Mississippi Code of 1972, is
442 amended as follows:

443 83-11-243. Each authorized automobile club shall annually,
444 before March 1, file with the commissioner a true statement of its
445 financial condition, transactions and affairs as of December 31
446 preceding. The statement shall contain such information as may be
447 reasonably required by the commissioner, and shall be verified by
448 the oaths of at least two (2) of the automobile club's principal
449 officers.

450 The commissioner shall collect and pay into the special fund
451 in the State Treasury designated as the "Insurance Department
452 Fund" a fee of One Hundred Dollars (\$100.00) for the filing of the
453 statement of its financial condition, transactions and affairs.

454 The commissioner may suspend or revoke the certificate of
455 authority of any automobile club failing to file its annual
456 statement when due or during any extension of time therefor which
457 the commissioner, for good cause, may grant.

458 **SECTION 15.** Section 83-18-27, Mississippi Code of 1972, is
459 amended as follows:

460 83-18-27. (1) Each administrator shall file an annual
461 report for the preceding calendar year with the commissioner on or
462 before March 1 of each year, or within such extension of time
463 therefor as the commissioner for good cause may grant. The report
464 shall be in the form and contain such matters as the commissioner
465 prescribes and shall be verified by at least two (2) officers of
466 the administrator.

467 (2) The annual report shall include the complete names and
468 addresses of all insurers with which the administrator had an
469 agreement during the preceding fiscal year.

470 (3) The commissioner shall collect and pay into the special
471 fund in the State Treasury designated as the "Insurance Department

472 Fund" a fee of One Hundred Dollars (\$100.00) for the filing of the
473 annual report.

474 **SECTION 16.** Section 83-21-17, Mississippi Code of 1972, is
475 amended as follows:

476 83-21-17. The Commissioner of Insurance shall annually
477 promulgate a list of nonadmitted insurers and each such insurer
478 shall meet the same requirements as to capital and surplus as is
479 required of a company licensed to do business in the State of
480 Mississippi and annually pay a filing fee of One Thousand Dollars
481 (\$1,000.00) * * * for certification review as a nonadmitted
482 insurer. An alien insurer shall be listed with the nonadmitted
483 Insurers Information Office of the National Association of
484 Insurance Commissioners. In the case of an alien insurer
485 authorized to transact insurance of the kind involved in at least
486 one (1) state of the United States, the insurer must have
487 unimpaired capital and/or surplus or an effective trust fund
488 amounting to at least One Million Five Hundred Thousand Dollars
489 (\$1,500,000.00) and, in the case of a group including incorporated
490 and individual unincorporated insurers, the trust fund must be in
491 the amount of not less than Fifty Million Dollars
492 (\$50,000,000.00). The incorporated members of the group shall not
493 be engaged in any business other than underwriting as a member of
494 the group and shall be subject to the same level of solvency
495 regulation and control by the group's domiciliary regulator as are
496 the unincorporated members. In the case of an alien insurer not
497 authorized to transact business in at least one (1) state of the
498 United States, the insurer must have an established trust fund of
499 at least One Million Five Hundred Thousand Dollars (\$1,500,000.00)
500 within the United States administered by a recognized financial
501 institution and held for the benefit of all its policyholders in
502 the United States. The Commissioner of Insurance is specifically
503 vested with authority to promulgate such rules and regulations as
504 deemed necessary to carry out the provisions hereof and to publish

505 a list of nonadmitted insurers found eligible for writing business
506 in the State of Mississippi on a nonadmitted basis. The
507 commissioner may, by giving seven (7) days' notice, at any time
508 remove a nonadmitted insurer from such eligible list when it
509 appears that such insurer no longer meets the requirements of the
510 statute or regulations of the commissioner. When a nonadmitted
511 insurer is placed upon or removed from the eligible list, all
512 agents holding licenses under Sections 83-21-17 through 83-21-31
513 shall be notified of such eligibility or removal. Any agent of
514 this state who places insurance with a nonadmitted insurer not on
515 the list of eligible insurers shall be deemed in violation of the
516 cited sections and shall be subject to revocation of license in
517 the manner provided by statute for revocation of license of fire
518 and casualty insurance agents.

519 **SECTION 17.** Section 83-49-7, Mississippi Code of 1972, is
520 amended as follows:

521 83-49-7. (1) No person other than an insurer as defined
522 herein shall act as a sponsor nor enter into any contract with an
523 individual person or persons whereby such person or persons become
524 subscribers to a prepaid legal services plan without first having
525 obtained a license from the commissioner to act as sponsor of
526 prepaid legal services in this state.

527 (2) The annual license fee shall not exceed Six Hundred
528 Fifty Dollars (\$650.00). The fee for said license shall be paid
529 to the commissioner for the use of the state on or before March 1
530 of each year.

531 (3) Before any licensee changes his address, he shall return
532 his license to the commissioner who shall endorse the license
533 indicating the change.

534 (4) The person to whom the license or the renewal thereof
535 may be issued shall file sworn answers, subject to the penalties
536 of perjury, to such interrogatories as the commissioner may
537 require. The commissioner shall have authority, at any time, to

538 require the applicant to disclose fully the identity of all
539 stockholders, partners, officers and employees, and he may, in his
540 discretion, refuse to issue or renew a license in the name of any
541 firm, partnership or corporation if he is not satisfied that any
542 officer, employee, stockholder or partner thereof who may
543 materially influence the applicant's conduct meets the standards
544 of this chapter.

545 **SECTION 18.** Section 83-49-47, Mississippi Code of 1972, is
546 amended as follows:

547 83-49-47. (1) No person shall act as a representative of a
548 sponsor or agent of a sponsor as defined in Section 83-17-1,
549 Mississippi Code of 1972, without first having obtained a license
550 from the commissioner to act as an agent or representative of a
551 sponsor of prepaid legal services in this state.

552 (2) The annual license fee shall be Twenty-five Dollars
553 (\$25.00). The fee for said license shall be paid to the
554 commissioner on or before March 1 of each year.

555 (3) Before any licensee changes his address, he shall return
556 his license to the commissioner, who shall endorse the license
557 indicating the change.

558 (4) Each person to whom the license or the renewal thereof
559 may be issued shall file sworn answers, subject to the penalties
560 of perjury, to such interrogatories as the commissioner may
561 require. The commissioner shall have authority, at any time, to
562 require the applicant to disclose fully the identity of all
563 stockholders, partners, officers and employees, and he may, in his
564 discretion, refuse to issue or renew a license in the name of any
565 firm, partnership or corporation if he is not satisfied that any
566 officer, employee, stockholder or partner thereof who may
567 materially influence the applicant's conduct meets the standards
568 of this chapter.

569 (5) Upon the filing of an application and the payment of the
570 license fee, the commissioner shall make an investigation of each

571 applicant and shall issue a license if he finds the applicant is
572 qualified in accordance with this chapter. If the commissioner
573 does not so find, he shall, within ninety (90) days after he has
574 received such application, so notify the applicant and, at the
575 request of the applicant, give the applicant a full hearing.

576 (6) The commissioner shall issue or renew a license applied
577 for when he is satisfied that the person to be licensed:

578 (a) Is competent and trustworthy and intends to act in
579 good faith as an agent or representative of a sponsor of prepaid
580 legal services plans in this state;

581 (b) Has a good business reputation and has had
582 experience, training or education so as to be qualified to act as
583 an agent or representative of a sponsor of prepaid legal services
584 plans.

585 **SECTION 19.** This act shall take effect and be in force from
586 and after July 1, 2005.