

By: Representative Formby

To: Insurance

HOUSE BILL NO. 983

1 AN ACT TO AMEND SECTION 83-17-5, MISSISSIPPI CODE OF 1972, TO  
2 DELETE THE WORD "CONTINUOUS" IN REGARD TO INSURANCE AGENT  
3 CERTIFICATES; TO AMEND SECTION 83-17-75, MISSISSIPPI CODE OF 1972,  
4 TO CLARIFY THAT AN INSURANCE PRODUCER WHO IS NOT ACTING AS AN  
5 AGENT OF AN INSURER IS NOT REQUIRED TO BECOME APPOINTED; AND FOR  
6 RELATED PURPOSES.

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

8 **SECTION 1.** Section 83-17-5, Mississippi Code of 1972, is  
9 amended as follows:

10 83-17-5. Every agent of any insurance company, fraternal  
11 order or association authorized to do business in this state shall  
12 be required to obtain from the Commissioner of Insurance a \* \* \*  
13 certificate under the seal of his office showing that the company  
14 for which he or she is licensed to do business in this state, and  
15 that he or she is an agent of said company and duly authorized to  
16 do business for it. Such certificate shall remain valid as long  
17 as the insurance company, fraternal order or association pays to  
18 the commissioner an annual certificate fee to continue the  
19 authorization. The insurance company, fraternal order or  
20 association must notify the agent within thirty (30) days if the  
21 authority is nonrenewed or cancelled.

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

24 83-17-75. (1) An insurance producer shall not act as an  
25 agent of an insurer unless the insurance producer becomes an  
26 appointed agent of that insurer. An insurance producer who is not  
27 acting as an agent of an insurer is not required to become  
28 appointed.

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

36           (3) Upon receipt of the notice of appointment, the  
37 commissioner shall verify within a reasonable time not to exceed  
38 thirty (30) days that the insurance producer is eligible for  
39 appointment. If the insurance producer is determined to be  
40 ineligible for appointment, the commissioner shall notify the  
41 insurer within five (5) days of its determination.

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

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

48           (6) Before the issuance of a license or certificate of  
49 authority, the commissioner shall require the company requesting  
50 appointment of the applicant as producer for the first time to  
51 furnish a certificate to the commissioner, verified by an  
52 executive officer or managing general or special agent of such  
53 company, that the company has duly investigated the character and  
54 record of such person and has satisfied itself that such person is  
55 of good moral character and is qualified, fit and trustworthy to  
56 act as its producer. The Commissioner of Insurance may at any  
57 time require any company to obtain a credit report on a producer  
58 if the commissioner deems such request advisable. Should such  
59 credit report reflect information regarding an offense or  
60 violation in relation to which the Department of Insurance has  
61 taken action, such information shall not render the applicant

62 ineligible for a license if applicant has complied with the order  
63 of the commissioner regarding such offense.

64         **SECTION 3.** This act shall take effect and be in force from  
65 and after July 1, 2006.