

Title 19: Insurance

Part 6: Insurance Agents, Solicitors, and Adjustors

Part 6 Chapter 1: (F&C 61-2) Order To All Fire And Casualty Insurance Agents

Rule 1.1: Fire and Casualty Agents; Revocation of License

Notice is hereby given that any fire and casualty agent licensed by the Mississippi Department of Insurance shall be subject to hearing for revocation of license upon proper showing that such agent has (1) collected monies from an insured in excess of the filed rate of the company in which the business is placed; or (2) has failed to remit promptly to an insured any dividend accruing under a policy; or (3) has failed to refund within a reasonable time any unearned premiums due the insured.

So Ordered This 15th Day Of June, 1961.

Source: Miss. Code Ann. §83-17-71 (Rev. 2011)

Part 6 Chapter 2: (F&C 71-1) Agent's Commissions; Countersignature, Incorporated Agencies

Rule 2.1: Commission to be Paid Only to Licensed Agents

WHEREAS, it has come to the attention of the Department that certain incorporated agencies have stockholders who are not licensed insurance agents or solicitors; and

WHEREAS, the insurance laws of this State, including but not limited to Section 5674, 5710 and 5711 of the Miss. Code of 1942, Recompiled, and the rules and regulations of the Insurance Department, particularly Regulation No. F & C 18 dated September 5, 1963, as clarified by Regulation No. F & C 19, prohibit the dividing of commissions with anyone other than a licensed agent or solicitor; and

WHEREAS, the payment of dividends to stockholders who are not licensed agents or solicitors violates the aforesaid law and regulations,

IT IS HEREBY ORDERED that no commission accruing to incorporated agencies through the sale of insurance shall be divided or paid, directly or indirectly, to anyone other than a licensed agent or solicitor. Nothing herein shall be construed to prevent payment of operating expenses, salaries and professional fees for services actually rendered in the usual and customary course of agency business commensurate with such services rendered. This order does not prohibit the division of commissions with duly licensed or resident agents as set out under Sections 5674, 5710 and 5711 of the Miss. Code of 1942, Recompiled. Any incorporated agency willfully violating this regulation will be subject to revocation, suspension, or non-renewal of license. No insurance agent or solicitor shall knowingly participate in the division of any commission prohibited herein, earned by him in whole or in part, but shall report to the Insurance Department

such attempt to evade this regulation. Any licensed agent or solicitor knowingly participating in divisions and not reporting same shall place his own license in jeopardy.

The form attached hereto is made a part hereof as if fully set out herein and is required to be executed by and filed with all new and renewal applications for an incorporated agency licensed from and after the effective date of this regulation.

This regulation does not prevent the dividing of corporate income derived from sources other than the commissions on the sale of insurance.

Signed and effective immediately, this 31st day of December, 1971.

Source: *Miss. Code Ann. §83-17-7 (Rev. 2011)*

Part 6 Chapter 3: (LA&H 73-2) Temporary Agents for Industrial Life, Health, and Accident Coverage

Rule 3.1: Temporary Licenses for Industrial Life, Health and Accident Agents

WHEREAS, it has been shown that need and justification do exist for modification of the captioned Orders in the instance of the so-called “debit system”, in order to insure an uninterrupted service to the policyholders by the collection of weekly and monthly premiums on industrial life, health and accident insurance, notice is hereby given that, effective July 1, 1973, said Orders are revised to the following extent:

Temporary licenses, not to exceed a period of sixty (60) days, will be granted to industrial life, health and accident agents who are responsible for the weekly or monthly collecting of premiums and servicing of accounts pertaining to such industrial life, health and accident business; subject to the following conditions:

- A. The insurance company requesting temporary license for such agent has an established basic training program for its agents which has been approved by the Mississippi Insurance Department.
- B. No additional insurance shall be sold by such agents during the period they are operating under such temporary license unless they are accompanied and supervised in such sales program by a permanently licensed agent for the insurance company, and such supervision shall be deemed to constitute a part of the company's training program.
- C. The percentage of such agents successfully passing the qualifying examination when given by the Insurance Department shall not fall below seventy-five percent (75%) in any given year.

So Ordered This The 1st Day Of June, 1973.

TO: Industrial Life, Health & Accident Insurance Companies

In Re: Temporary Agents for Industrial Life, Health and Accident Coverage

Dear Sirs:

In the period since issuance of my Order dated June 1, 1973, a number of inquiries have been directed to this office to determine if it is expected, or required, that in instances where new business is being solicited and sold during the period of the sixty (60) days temporary license, applications for such new business should be signed by both the temporary agent and his accompanying agent-supervisor.

In the interest of maintaining uniformity, it is my judgment that the applications for new business developed during this sixty day period should be signed by the temporary agent and also countersigned by his agent-supervisor. Such procedure will serve good purpose; firstly, it will enable the company to properly credit commissions to the appropriate agent account; secondly, it will preclude any questions being raised whether or not the company and its agents are complying with the provisions of the above-mentioned Order.

Source: Miss. Code Ann. §83-17-71 (Rev. 2011)

Part 6 Chapter 4: (LA&H 74-2) Unlawful Participation of Unlicensed Persons in the Life, Health and Accident Insurance Business.

Rule 4.1: Requirement of Licensure to Sell, Solicit or Negotiate Life, Health and Accident Insurance

WHEREAS, Section 83-17-1, Mississippi Code of 1972, provides that every person who solicits insurance on behalf of any insurance company or who takes or transmits, other than for himself an application for insurance, or a policy of insurance or who advertises or otherwise gives notice that he will receive or transmit the same, or who shall receive or deliver a policy of insurance of any such company or receive, collect or transmit any premium of insurance, or do or perform any other act or thing in the making or consummation of any contract of insurance, for or with any insurance company, other than for himself, whether any of such acts shall be done at the instance, or request, or by the employment of such insurance company, or of, or by any broker or any other person shall be held to be the agent of the company for which the act is done or the risk is taken as to all the duties and liabilities imposed by law, and a criminal penalty is provided for any violation of such prohibitions; and

WHEREAS, Section 83-17-101, Mississippi Code of 1972, defines an agent as one who acts in any manner, directly or indirectly, in the solicitation of, negotiation for, or procurement or making of a contract of life, health or accident insurance, or making of an annuity contract, including hospital services association agents or agents within the meaning of said act, and are required to obtain a license and certificate of authority in order to be lawfully able to do any of such acts and the doing of any such acts without such license constitutes a criminal offense against the State of Mississippi; and

WHEREAS, Section 83-17-105, Mississippi Code of 1972, prohibits any insurance company or agent from paying, directly or indirectly, any commission or any other valuable consideration to any person for services as an insurance agent unless such person holds a valid and current agent's license and certificate of authority, and prohibits any unlicensed person from accepting any such commission or any other valuable consideration and makes both the payment of such and the receipt of such a criminal offense against the State of Mississippi; and

WHEREAS, Section 83-17-7, Mississippi Code of 1972, makes it unlawful for any insurance company or agent to pay, directly or indirectly, any commission, brokerage, or other valuable consideration, on account of any policy or policies written on risks in this State, to any person, agent, firm, or corporation not duly licensed as an insurance agent in this State; and

WHEREAS, there is no provision in the statutes of this State for the licensing of any corporate agency/or partnership as an agent pertaining to life and health and accident insurance, although there is a provision for the licensing of a corporate agency in the fire and casualty lines; and

WHEREAS, it has come to the attention of the Commissioner of Insurance that certain insurance companies and licensed agents have participated in the solicitation of insurance through the means of certain trusts, administrators, or other like unauthorized and unlicensed media; and

WHEREAS, it has come to the attention of the Commissioner of Insurance that certain insurance companies and agents are alleged to have made unlawful payments to certain individuals and associations, being neither insurance companies nor agents, or certain valuable considerations have been given in return for the sponsorship of certain insurance programs by such individuals or associations; and

WHEREAS, it has come to the attention of the Commissioner of Insurance that certain corporate insurance agencies duly licensed as fire and casualty agencies are alleged to have solicited and participated otherwise in the sale of life, health and accident insurance in violation of the statutes of this State;

THEREFORE, all insurance companies and agents licensed and holding certificates of authority to do business in this State are hereby notified that any and all of such acts should be terminated immediately and that hereafter any violations of the foregoing statutes, directly or indirectly, under any guise or pretense whatsoever, will, after investigation and proof of guilt, result in the revocation of the certificate of authority and license of any insurance company or agent participating in any of such acts, either directly or indirectly, whatsoever the guise or pretense thereof.

All insurance companies authorized to write life, health and accident business in this State are directed to bring this regulation to the attention of all their agents and other personnel having any responsibility in the solicitation, sale or issuance of life, health and accident policies.

Source: Miss. Code Ann. §83-17-1, et seq. (Rev. 2011)

Part 6 Chapter 5: (85-101) Special Permanent License for Industrial Life, Health and Accident Insurance.

Rule 5.01: Authority

These rules and regulations are promulgated by the Commissioner of Insurance of the State of Mississippi to implement Sections 83-5-1, 83-17-107, 83-17-109, 83-17-129 and 83-19-31(A)(5), Mississippi Code of 1972, as amended, and are being adopted pursuant to the authority granted the Commissioner of Insurance by Section 8-17-129, Mississippi Code of 1972, as Amended, and in accordance with Sections 25-43-1, et seq., Mississippi Code of 1972, as Amended known as the Mississippi Administrative Procedures Law.

In consideration of the foregoing, I George Dale, Commissioner of Insurance of the State of Mississippi do hereby promulgate and adopt the following rules and regulation with an effective date of December 1, 1985 and compliance with the applicable statutes.

Source: Miss. Code Ann. §83-17-53 (Rev. 2011)

Rule 5.02: Purpose

The purposes of these rules and regulations are to establish pre-license requirements for applicants applying for a permanent privilege license to offer for sale and the selling of industrial life, accident and health insurance contracts within this State and to improve the competency of such applicants.

Source: Miss. Code Ann. §83-17-53 (Rev. 2011)

Rule 5.03: Applicability

These rules and regulations shall apply to all resident and non-resident individuals who apply for a permanent agent's privilege license to engage in the sale of industrial life, health and accident insurance.

Source: Miss. Code Ann. §83-17-53 (Rev. 2011)

Rule 5.04: Pre-License Requirements

A prospective licensee for a permanent industrial life, health and accident license must meet the following pre-license requirements before an application for an examination can be submitted to the Home Service Life Insurers Council.

A permanent Industrial Life, Health and Accident License Study Guide as approved by the Mississippi Insurance Department, including any amendments, revisions, additions or modifications made to such Guide after the effective date of this regulation will be provided to the prospective licensee by the Home Service Life Insurers Council. Prospective licensee must

complete under the direction of a licensed industrial life, accident and health company five (5) hours of instruction utilizing the herein-described study guide in preparation for the examination.

The licensed industrial company must declare on the application for examination that the applicant has completed the requirements as set forth above before an examination can be administered.

Source: Miss. Code Ann. §83-17-53 (Rev. 2011)

Rule 5.05: Definition of Special License

Any agent who sells industrial life, health and accident policies (as defined by Section 83-19-31, Mississippi Code of 1972, as Amended), where benefits are equal to or less than \$5,000 per policy for life insurance and disability benefits are equal to or less than \$60.00 per week may be eligible for this license.

Source: Miss. Code Ann. §83-17-53 (Rev. 2011)

Rule 5.06: Administration Procedures and Examination Schedule

Administration procedures and examination schedule for a License to write Permanent Industrial Life, Health and Accident Insurance administered by The Home Service Life Insurers Council:

- A. Upon request, the Home Service Life Insurers Council will provide study materials to applicants to satisfy pre-license requirements.
- B. Applicants for examination will be mailed to the Secretary of the Home Service Life Insurers Council.
- C. The Secretary will notify a member of HSLIC that an examination has been requested and will set examination dates and notify the applicant of the date and place of examination.
- D. Any member of the Home Service Life Insurers Council may administer the examination and report such results to the Mississippi Department of Insurance on the forms prescribed and provided, including amendments, revisions or modifications made thereto, for such purpose.
- E. Examinations will be administered every Monday at 1:00 P.M. except holidays.
- F. A member company cannot administer an examination to an applicant who is its prospective employee unless there are other applicants who are prospective employees of other companies present also for the examination.
- G. Only members of the Home Service Life Insurers Council will be allowed to administer the examination.

- H. The Secretary of the Home Service Life Insurers Council will be responsible for coordinating the examination procedures and schedule for examinations.
- I. Examinations will be chosen by the member company from those approved by the Mississippi Department of Insurance.
- J. The Home Service Life Insurers Council understands that the passage of this examination does not constitute the automatic issuance of the above license and that the applicant must satisfy any other requirements as set forth by the Mississippi Department of Insurance and that the Mississippi Department of Insurance has the sole discretion for the issuance of the above license.

Source: Miss. Code Ann. §83-17-53 (Rev. 2011)

Rule 5.07: Separability

If any provision of this regulation or the application thereof to any person or circumstance is for any reason held to be invalid, the remainder of these rules and regulations and the application of such provision to other persons or circumstances shall not be affected thereby.

Source: Miss. Code Ann. §83-17-53 (Rev. 2011)

Rule 5.08: Effective Date

These rules and regulations shall be effective from and after December 1, 1985.

Promulgated And Adopted this the 23rd day of October, 1985.

Source: Miss. Code Ann. §25-43-3, 113 (Rev. 2010)

Part 6 Chapter 6: (88-103) Compensation In Connection With Credit Insurance With Interpretative Guidelines.

Rule 6.01: Statutory Authority

This Regulation is promulgated by the Commissioner of Insurance pursuant to the authority granted by Section 83-53-29, Mississippi Code Annotated (1972), and in accordance with the Mississippi Administrative Procedures Law.

Source: Miss. Code Ann. §83-53-29 (Rev. 2011)

Rule 6.02: Purposes

The purpose of this Regulation is to promote the public welfare by regulating the amount of compensation paid in connection with credit insurance contracts.

Source: Miss. Code Ann. §83-53-25 (Rev. 2011)

Rule 6.03: Applicability

This Regulation shall apply to all insurance companies, agents, creditors, partnerships, corporations, associations, and other entities who are engaged in the business of credit life and credit disability insurance.

Source: Miss. Code Ann. §83-53-1, et seq. (Rev. 2011)

Rule 6.04: Regulation of Compensation in connection with Credit Insurance Contracts

A. As used in this Regulation, the following terms shall have the following definitions:

“Agent” shall mean a creditor as defined in Mississippi Code Annotated, Section 83-53-3 (2) (d) and any other person, partnership, corporation, association or other entity which receives compensation from an insurer in connection with the sale of credit insurance.

“Credit Insurance” shall mean credit life insurance and credit disability insurance as defined in Mississippi Code Annotated Section 83-53-3 (2) (b&c).

“Insurer” shall mean an insurer as defined in Mississippi Code Annotated Section 83-53- 3 (2) (g).

“Compensation” shall mean compensation as defined in Mississippi Code Annotated Section 83-53-25 (2).

B. Section 83-53-1 orders that no one shall give any compensation in connection with any policy, certificate or other contract of credit life insurance or credit disability insurance which exceeds forty-five percent (45%) of the premium rates approved for such policy, certificate or contract.

C. Any insurer writing credit life or credit disability insurance in this State shall on or before January 1, 1989, and on the same date of each year thereafter, file with the Commissioner a notarized affidavit in the form set forth in Exhibit A of this Regulation certified to by one of the insurer’s officers stating whether or not said insurer or its agents have paid compensation in excess of the statutory limit of forty-five (45%) as herein described and set forth.

Source: Miss. Code Ann. §83-17-3; 83-53-25 (Rev. 2011)

Rule 6.05: Effective Date

This Regulation shall become effective thirty (30) days after filing with the Office of the Secretary of State.

Rule 6.07: Exhibit B- Credit Insurance Agent Notarized Affidavit

CREDIT INSURANCE
AGENT NOTARIZED AFFIDAVIT

Exhibit B

(To be filed with the Department of Insurance, State of Mississippi, on or before January 1, 1989, and on the same date of each year thereafter.)

AFFIANT: _____, Authorized Credit Insurance Agent personally appeared before me, the undersigned authority, and hereby declares upon oath that for the year ending _____, this credit insurance agent has not received or agreed to receive any compensation in excess of the forty-five (45%) as defined in Section 83-53-25, Mississippi Code Annotated, (1972) and Regulation No. 88-103 of the Mississippi Department of Insurance.

Pursuant to Miss. Code Annotated, Section 83-53-31 (1972), any violation of this regulation may result in the imposition of a cease and desist order, a fine of \$1,000.00 for each violation, and/or the revocation, suspension or non-renewal of the violator's license to sell or issue insurance.

(Type name of person signing)
Credit Insurance Agent

Signature

ACKNOWLEDGMENT

STATE OF _____

County of _____

Subscribed and sworn before me this the _____ day of _____,
19_____.

Source: Miss. Code Ann. §83-59-23 (Rev. 2011)

Part 6 Chapter 7: (95-101) Regulation Regarding Professional Bail Agent’s Fines and Penalties.

Rule 7.01: Statutory Authority

This regulation is promulgated by the Commissioner of Insurance of the State of Mississippi to implement Miss. Code Ann. §§ 83-39-1 et seq. (Supp. 1994), and is being adopted pursuant to the authority granted the Commissioner of Insurance by Miss. Code Ann. §83-39-3 (3) (Supp. 1994), and in accordance with Miss. Code Ann. §25-43-1 (Rev. 1991), known as the Mississippi Administrative Procedures law and Regulation No. 88-101 known as Rules & Procedures before the Mississippi Insurance Department.

Source: Miss. Code Ann. §83-39-3 (Rev. 2011)

Rule 7.02: Purpose

The purpose of this regulation is to promulgate rules and regulations necessary for the enforcement of this chapter by establishing fines and penalties.

Source: Miss. Code Ann. §83-39-1, et seq. (Rev. 2011)

Rule 7.03: Applicability

This regulation shall apply to those terms defined in Miss. Code Ann. §83-39-1 (Supp. 1994).

- A. Any person, individual or corporation as defined in Miss. Code Ann. §83-39-1 (Supp. 1994), found in violation of Miss. Code Ann. §§83-39-3, 83-39-5, 83-39-13, 83-39-15, 83-39-25 (Supp. 1994) and or their subsections may be fined up to One Thousand Dollars (\$1,000.00) per violation and/or their license refused, suspended, revoked or the renewal thereof refused.
- B. Any person, individual or corporation as defined in Miss. Code Ann. §83-39-1 (Supp. 1994), found in violation of Miss. Code Ann. §83-39-7(Supp. 1994) by allowing Revocation Orders to be sent to the Mississippi Insurance Department may be fined as per the following schedule:
 - 1. First order up to \$500.00 fine.
 - 2. Second order within twelve (12) months of first order up to \$1,000.00 fine.
 - 3. Third order within twelve (12) months of the first order up to \$5000.00 fine and or up to six (6) month license suspension.
 - 4. Fourth order within twelve (12) months of first order, the permanent revocation of the professional bail agent’s license and/or up to \$10,000.00 fine.

- C. Any violation not covered under B herein may carry a fine of up to One Thousand Dollars (1,000.00) per violation and/or license suspension.
- D. Any applicant not able to prove “Good Moral Character” required under Miss. Code Ann. §83-39-9 (Supp. 1994), may have his/her license denied, suspended, revoked or refused at renewal under of Miss. Code Ann. §83-39-5 (a) (Supp. 1994).
- E. Any “repeated” violation other than forfeitures on Revocation Orders within a twelve (12) month period may have the following penalty:
 - 1. Second offense within a twelve (12) month period up to \$5,000.00 per violation.
 - 2. Third offense within a twelve (12) month period up to \$5,000.00 and/or license suspension.
 - 3. Fourth offense within a twelve (12) month period up to \$5,000.00 and/or permanent revocation of license.

Source: Miss. Code Ann. §83-39-1, et seq. (Rev. 2011)

Rule 7.04: Severability

If any provision of this regulation or the application thereof to any person or circumstances is for any reason held to be invalid, the remainder of these rules and regulations and the application of such provision to other persons or circumstances shall not be affected thereby.

Source: Miss. Code Ann. §83-39-1, et seq. (Rev. 2011)

Rule 7.05: Effective Date

These rules and regulations shall become effective 30 days from and after its adoption and filing with the Secretary of State’s office.

Source: Miss. Code Ann. §25-43-3.113 (Rev. 2010)