



STATE OF MISSISSIPPI

WALTER DELL DAVIS
COMMISSIONER

JACKSON

April 2, 1964

NOTICE TO ALL INSURANCE COMPANIES OPERATING IN MISSISSIPPI.

Due to certain situations which have come to the attention of the Department, the following comments are in order.

Please be advised that:

- (1) A non-resident fire and/or casualty agent may not directly or indirectly solicit any risk of any kind or nature inside the limits of the State of Mississippi. This law embraces disability, accident and health insurance, whether individual or group policies. Likewise, there can be no division of commission on insurance of this category with a non-resident agent. No commission can be divided with a non-resident agent on property located in the State of Mississippi owned by a resident of the State of Mississippi.
- (2) The Mississippi insurance laws do not permit solicitation of insurance via credit card; the placing of advertising brochures and/or applications for insurance in credit card mailing constitutes solicitation under our laws and is a violation on the part of the insurance company underwriting the business.
- (3) All future filings made to the Insurance Department and/or Insurance Commission must state the method of solicitation to be employed in marketing the filing if other than through a licensed local agent.

This notice is an effort to clarify the apparent erroneous interpretation given to our Ruling Governing Payment and Division of Agents Commissions, dated September 5, 1963. Item (3) above is prompted by the fact that many companies make routine filings of policy forms which are approved, and it is later found that the method of solicitation to be employed in their use is in violation of our laws, such as credit card, diners club, athletic and religious group connections.

Please acknowledge receipt of this notice.

WALTER DELL DAVIS
COMMISSIONER OF INSURANCE

RULING GOVERNING PAYMENT AND DIVISION OF
AGENTS COMMISSIONS ON ACCIDENT, HEALTH,
HOSPITAL AND/OR DISABILITY INSURANCE
POLICIES AND/OR CERTIFICATES OF INSURANCE.

By virtue of the authority vested in me as Commissioner of Insurance, I do hereby promulgate the following rules and regulations regarding division of resident agent commissions on policies covering hospital, accident, health, and/or disability only, with agents of other states.

- (1) This ruling shall supercede all prior rulings by the undersigned or his predecessors in office, and supercedes all previously issued amendments or supplements to any of said rulings.
- (2) This ruling applies to and regulates payment and division of commission on accident, health, hospital, and/or disability insurance policies when issued by insurance companies or carriers doing business in Mississippi through resident local agents compensated on a commission basis.
- (3) It shall be unlawful for an insurance company to pay or allow any part of the resident local agent's commission to anyone except a licensed resident local agent of this state, duly appointed by such company.
- (4) Resident local agents of this state shall not divide commissions or pay so-called brokerage to regularly licensed non-resident agents of a state that does not permit division of commissions with resident local agents of this state.
- (5) Except as provided in (4) supra, resident local agents of this state shall be permitted to pay an amount not to exceed fifty per cent of the regular local agent's commission to duly licensed non-resident agents of other states where said non-resident agent has bona fide assisted in obtaining or writing the insurance upon which said brokerage or commission is paid; provided, however, nothing contained herein shall permit a duly licensed non-resident agent directly or indirectly to solicit insurance within this state; and provided, further, said non-resident agent shall have complied with all of the other provisions of law applicable thereto.
- (6) No insurance company or agent shall pay or allow any commission or brokerage or other valuable consideration to any non-resident agent on premiums paid for insurance issued to or covering employees of the State of Mississippi or subdivision or department thereof, or their dependents.
- (7) Any insurance company, non-resident agent or broker doing business in the State of Mississippi shall be presumed to know the requirements of the Mississippi countersignature law and rules and regulations of this State governing division of commission. The act of any such person or company offering, requesting or proposing to have insurance policies or endorsements countersigned other than provided for by the laws of this State and the rules and regulations set forth herein shall be prima facie evidence of intent to

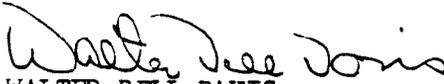
violate said laws and regulations of the state, and shall subject said person or company to investigation by the Department of Insurance and the penalties imposed by law.

(8) A resident local agent shall not accept, pay, or allow brokerage, commission, or any thing of value for lines or type of insurance for which he does not hold a license to solicit and a certificate of authority from a licensed company providing facility for the writing of such line of insurance.

(9) No policy of insurance, duplicate policy, or contract of insurance of any kind or character, or any general or floating policy, upon persons in this state, shall be issued without the actual countersignature of the Mississippi resident agent. This applies to group contracts where individual premiums are collected and/or individual policies, duplicate policies or contracts of insurance are issued to citizens of this state, whether such group contracts be issued under a master policy to a common employer or an association of persons.

(10) This ruling is to take effect and be in force from and after July 15, 1964.

So Ordered This 1st Day of July, 1964.


WALTER DELL DAVIS
COMMISSIONER OF INSURANCE

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