

# MISSISSIPPI

## Department of Insurance



GEORGE DALE  
Commissioner

CHARLES D. PACE  
Deputy Commissioner

1804 Walter Sillers Bldg.  
Post Office Box 79  
Jackson, Mississippi 39205-0079  
Telephone  
(601) 359-3569

### REGULATION NO. 86-102 Credit Life and Credit Disability

#### Section I. Statutory Authority

This Regulation is promulgated by the Commissioner of Insurance of the State of Mississippi to implement Sections 83-5-1, 83-17-129, 83-17-229, and 83-17-231 of the Mississippi Code of 1972, Annotated and Amended and Senate Bill 2482 as adopted by the 1986 Session of the Mississippi Legislature, and in accordance with Section 25-43-1 through 25-43-19, Mississippi Code of 1972, known as the Mississippi Administrative Procedures Law, do hereby promulgate the following Regulation with an effective date of thirty (30) days after promulgation and filing with the Office of the Secretary of State upon compliance with the applicable statutes, to read as follows:

#### Section II. Purposes

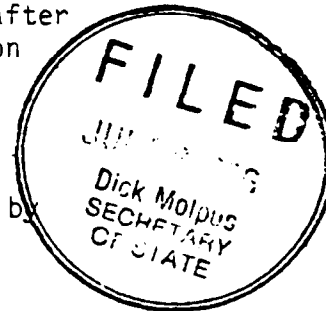
The purpose of this Regulation is to promote the public welfare by regulating credit life and disability insurance.

#### Section III. Applicability

This Regulation shall apply to bona fide supervising general agents and insurance companies who engage in the business of credit life and credit disability insurance programs.

#### Section IV. Bona Fide Supervising General Agents

- A. The intent of this Regulation is to prohibit the use of a supervising general agent's license as a means to provide additional excessive commissions to a writing agent or creditor.
- B. A bona fide supervising general agent shall be defined as an applicant applying for a license or a renewal thereof to permit said applicant to supervise the activities of soliciting agents, to service said business, and not for the purpose of obtaining an override commission on "controlled" business. For purposes of this Regulation, controlled business is defined as credit insurance premiums written by or for an agent or creditor in which the applicant, his relatives, business associates, employers, employees or any of them have an interest, either legal or beneficial.
- C. Violations of the restrictions on compensation by the applicant or by the insurance company, if found by the Commissioner, may lead to sanctions set forth by law to be assessed against the violating applicant or agent and/or the insurance company.



Bona fide agents applying for a credit life and credit disability supervising general agent's license shall make application for a privilege license to the Mississippi Insurance Department on a form prescribed by the Commissioner of Insurance. Said form will include the attachment of an affidavit appointment from each company appointing the supervising general agent which will expire December 31 of each year. The affidavit appointment must be renewed annually with the renewal of the supervising general agent's privilege license. The affidavit appointment will include the following information:

1. General information as to the insurance company appointing the supervising general agent; whether the agent is incorporated or unincorporated.
2. Specific functions, authority and responsibilities granted by the insurance company to the supervising general agent as designated in the agent's contract with the company.
3. Identification of the soliciting agent or sub-agent who will be under the supervision of the supervising general agent.
4. Any additional information the Commissioner may deem necessary to determine the validity of the privilege license.

Upon withdrawal of the affidavit appointment, said insurance company will notify the supervising general agent that this appointment is terminated. The supervising general agent's privilege license will be classified invalid by the Mississippi Insurance Department unless a new affidavit appointment is submitted by a licensed credit life and credit disability insurance company within 30 calendar days of the effective termination date. Said insurance company will notify the Department and supervising general agent of this termination.

#### Section V. Effective Date

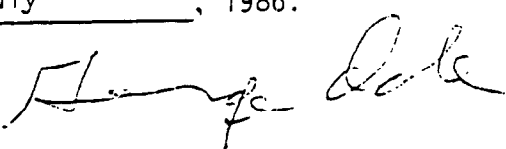
This Regulation shall become effective thirty (30) days after promulgation and filing with the Secretary of State.

#### Section VI. Enforcement

This Regulation shall be enforced in accordance with procedures established by Senate Bill 2482, Section 16 through Section 23.

PROMULGATED AND ADOPTED

THIS THE 22nd DAY OF July, 1986.

  
GEORGE DALE  
COMMISSIONER OF INSURANCE