

MISSISSIPPI
Department of Insurance



GEORGE DALE
Commissioner

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REGULATION NO. 88-103

COMPENSATION IN CONNECTION WITH
CREDIT INSURANCE CONTRACTS LIMITED

- SECTION 1. STATUTORY AUTHORITY
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Section 1. 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.

Section 2. 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.

Section 3. 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.

Section 4. 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).

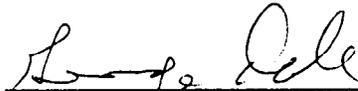
B. Section 83-53-1 orders that no one shall give any compensation in connection with any policy, certificate or other contract of credit life insurance or credit disability insurance which exceeds forty-five percent (45%) of the premium rates approved for such policy, certificate or contract.

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 percent (45%) as herein described and set forth.

D. Any agent, broker or other person 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 B of this Regulation stating whether or not said agent, broker or other person has paid or received compensation in excess of the statutory limit of forty-five percent (45%) as herein described and set forth.

Section 5. Effective Date

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



GEORGE DALE
COMMISSIONER OF INSURANCE

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 percent (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____.