



MISSISSIPPI INSURANCE DEPARTMENT

501 N. WEST STREET, SUITE 1001
WOOLFOLK BUILDING
JACKSON, MISSISSIPPI 39201
www.mid.ms.gov

MAILING ADDRESS
Post Office Box 79
Jackson, Mississippi 39205-0079
TELEPHONE: (601) 359-3569
FAX: (601) 359-2474

MIKE CHANEY
Commissioner of Insurance
State Fire Marshal

MARK HAIRE
Deputy Commissioner of Insurance

RICKY DAVIS
State Chief Deputy Fire Marshal

MISSISSIPPI DEPARTMENT OF INSURANCE BULLETIN 2017-3

HOUSE BILL 447 AMENDMENTS TO SURPLUS LINES LAWS AND ADOPTION OF THE INFORMATIONAL NOTICE FORM

May 12, 2017

I. Purpose.

During the 2017 Regular Legislative Session, the Mississippi Legislature passed House Bill 447, which amended Miss. Code Ann. §§ 83-21-19 and 83-21-23, by removing the diligent search requirement an insurance producer must perform before placing a risk in the surplus lines market. House Bill 447 also requires the surplus lines producer to furnish an informational notice to the insured in conjunction with any personal lines placement.

II. Removal of Diligent Search Requirement

On and after July 1, 2017, insurance producers will not be required to conduct a diligent search of the admitted market before placing a risk in the surplus lines market. This change will apply to any policy quoted or bound on or after July 1, 2017.

III. License Requirement

House Bill 447 amends certain surplus lines licensure requirements found in Miss Code Ann. § 83-21-19(2). On and after July 1, 2017, an insurance producer who holds a property, casualty and/or personal lines of authority and who holds a certificate of authority with a licensed fire and casualty insurance company in this State, may be licensed as a surplus lines insurance producer, provided the applicant meets the other requirements set forth in Section 83-21-19. It will no longer be necessary for an insurance producer to hold two certificates of authority with fire and casualty insurance companies licensed in Mississippi in order to qualify for a surplus lines insurance producer license.

IV. Informational Notice Form

For personal lines surplus lines policies that are quoted or bound on or after July 1, 2017, House Bill 447 requires that the surplus lines insurance producer furnish to the insured at the time of policy deliverance an informational notice as promulgated by the Commissioner of Insurance. The informational notice adopted by the Commissioner is attached hereto as Attachment "A".

V. Surplus Lines Insurance Contracts

A surplus lines insurance contract still must meet the stamping requirements set forth in Miss. Code Ann. § 83-21-19(9). Each contract must have stamped upon it in bold ten-point type the name of the insurance producer who procured the policy and the following information:

"NOTE: This insurance policy is issued pursuant to Mississippi law covering surplus lines insurance. The company issuing the policy is not licensed by the State of Mississippi, but is authorized to do business in Mississippi as a nonadmitted company. The policy is not protected by the Mississippi Insurance Guaranty Association in the event of the insurer's insolvency."

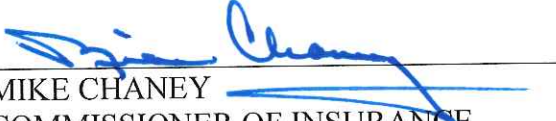
VI. Withdrawal of Bulletins

Upon the effective date of House Bill 447 and this Bulletin, Bulletins 2012-4 and 2015-5 shall be withdrawn.

VII. Effective Date.

The provisions of this Bulletin shall apply to surplus lines policies that are quoted or bound on and after July 1, 2017.

If there are any questions concerning this Bulletin, please contact the Mississippi Department of Insurance at (601) 359-3569.


MIKE CHANEY
COMMISSIONER OF INSURANCE

**MISSISSIPPI DEPARTMENT OF INSURANCE
INFORMATIONAL NOTICE FORM
SURPLUS LINES PERSONAL LINES PLACEMENTS**

For all personal lines placements in the surplus lines market, Miss. Code Ann. § 83-21-23(1) requires that a surplus lines insurance producer shall furnish to an insured at the time of policy deliverance an informational notice. Accordingly, any insured purchasing a surplus lines policy covering Mississippi risks should be aware of the following:

1. The insurance procured under this surplus lines policy may or may not be available from a licensed company that may provide greater protection with more regulatory oversight.

2. In the event of an insolvency of the surplus lines insurer writing this policy, the losses shall not be paid by the Mississippi Insurance Guaranty Association.

3. This coverage has been procured through a duly licensed surplus lines insurance producer.

Name of Surplus Lines Insurance Producer: _____

Address: _____

City: _____ State: _____ Zip: _____