

ADMINISTRATIVE PROCEDURES FILING NOTICE

Agency Department of Insurance Person to Contact Ashley Merryman
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Jackson, MS 39201 Jackson, MS 39205
Phone 601/359-3569 Transmittal Date June 7, 2002
Copy Attached: Yes No

Name or Number of Rule(s) _____ Regulation No. 2002-2

Terms or Substance of the Actions or Description of the Subject and Issues:
The purpose of this regulation is to allow vehicle rental companies and their employees to
obtain limited licenses to permit the selling, soliciting, or negotiating of specific
categories of insurance in connection with the rental of vehicles in accordance with
Miss. Code Ann. § 83-17-41.

Printed Name and Title of Person Authorized to File Rules: Ashley Merryman Special Assistant Attorney General
Name _____ Title _____
Signature Ashley Merryman

EMERGENCY RULES	PROPOSED ACTION ON RULES	FINAL ACTION ON RULES
<input type="checkbox"/> Original Filing	Action Proposed:	Action Taken:
<input type="checkbox"/> Renewal of Effectiveness	<input checked="" type="checkbox"/> New Rule(s)	<input checked="" type="checkbox"/> Adopted with No Changes in Text
To Be In Effect _____ Days	<input type="checkbox"/> Amendment to Existing Rule(s)	<input type="checkbox"/> Adopted with Changes
Effective Date:	<input type="checkbox"/> Repeal of Existing Rule(s)	<input type="checkbox"/> Adopted by Reference
<input type="checkbox"/> Immediately on	<input type="checkbox"/> Adoption by Reference	<input type="checkbox"/> Withdrawn
<input type="checkbox"/> Other (Specify): _____	Proposed Date of Adoption:	Date Action Taken _____
	<input checked="" type="checkbox"/> 30 Days after Filing	Effective Date
	<input type="checkbox"/> Other (Specify): _____	<input checked="" type="checkbox"/> 30 Days After Filing
		<input type="checkbox"/> Other (Specify): _____

OFFICIAL FILING STAMP

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Accepted for filing by _____
Accepted for filing by [Signature]
Accepted for filing by [Signature]

**STATE OF MISSISSIPPI
OFFICE OF THE COMMISSIONER OF INSURANCE**

IN THE MATTER OF:

**ISSUANCE OF LIMITED LICENSES TO
MOTOR VEHICLE RENTAL COMPANIES
PERMITTING THE SELLING, SOLICITING,
OR NEGOTIATING OF INSURANCE IN
CONNECTION WITH RENTAL OF VEHICLES**

CAUSE NO. 02-4378

ORDER

THIS CAUSE came on for hearing to consider the adoption of Mississippi Insurance Department Regulation No. 2002-2, entitled, "Issuance of Limited Licenses to Motor Vehicle Rental Companies permitting the Selling, Soliciting, or Negotiating of Insurance in Connection with Rental of Vehicles", and the Commissioner of Insurance having held a public hearing and heard the comments of all interested parties and the evidence produced by such parties involved and after receiving and considering written comments, finds as follows, to-wit:

I.

That on or about June 7, 2002, the Commissioner of Insurance for the State of Mississippi, or his duly appointed representative, pursuant to the provisions of Miss. Code Ann. § 25-43-7(1) (Supp. 2001), filed with the Secretary of State of the State of Mississippi that said Commissioner of Insurance, or his duly designated representative, would hold a public hearing on Thursday, July 11, 2002, at 1:30 p.m., in the Offices of the Commissioner of Insurance, 10th Floor, Woolfolk State Office Building, 501 North West Street, Jackson, Hinds County, Mississippi to afford all interested persons the opportunity to submit testimony and evidence and to give opinions, make comments, suggestions or objections concerning Regulation 2002-2.

II.

That the Commissioner of Insurance, or his duly appointed representative, pursuant to the provisions of Miss. Code Ann. § 25-43-7(1) (Supp. 2001), mailed postage prepaid, copies of an Administrative Procedures Filing Notice and Notice of Hearing to all persons who had made a timely request to the Mississippi Insurance Department for advance notice of said Department's rule making proceedings.

III.

That pursuant to said Notice of Hearing, a public hearing was held before the Commissioner of Insurance of the State of Mississippi, or his duly appointed representative, on July 12, 2002, at 1:30 p.m., in the Offices of the Commissioner of Insurance, 10th Floor, Woolfolk State Office Building, 501 North West Street, Jackson, Hinds County, Mississippi, in which all interested parties were given an opportunity to present their views, opinions, suggestions, comments or objections relative to the Regulation 2002-2.

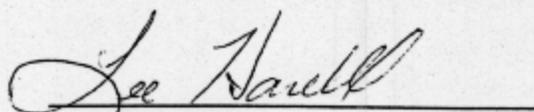
IV.

That the Commissioner of Insurance has received written statements from companies, organizations or individuals in addition to having received and heard the oral statements of those appearing at the aforesaid public hearing and has considered same and after considering such objections, comments, opinions, statements, and evidence, is of the opinion that it would be in the public interest to adopt the proposed Mississippi Insurance Department Regulation 2002-2 entitled, "Issuance of Limited Licenses to Motor Vehicle Rental Companies Permitting the Selling, Soliciting, or Negotiating of Insurance in Connection with Rental of Vehicles", a copy of which is attached hereto marked Exhibit "A", and made a part hereof as if fully copied herein in words, lines and figures, should be and is hereby **ADOPTED** with an effective date of thirty days after the date of

filing with the Secretary of State of the State of Mississippi.

IT IS, THEREFORE, ORDERED, that any interested person or party who feels that he or she will be adversely affected by this Order shall have ten (10) days from the date of this Order in which such adversely affected party may file with the Commissioner of Insurance a written statement outlining how such person will be adversely affected and their reasons for review of the Order.

SO ORDERED this the 16th day of July, 2002.

A handwritten signature in cursive script, reading "Lee Harrell", written over a horizontal line.

LEE HARRELL
DEPUTY COMMISSIONER
MISSISSIPPI DEPARTMENT OF INSURANCE

**MISSISSIPPI DEPARTMENT OF INSURANCE
REGULATION 2002-2**

**ISSUANCE OF LIMITED LICENSES TO
MOTOR VEHICLE RENTAL COMPANIES
PERMITTING THE SELLING, SOLICITING, OR NEGOTIATING
OF INSURANCE
IN CONNECTION WITH RENTAL OF VEHICLES**

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Section 1. Authority

This Regulation is promulgated by the Commissioner of Insurance pursuant to the authority granted to him by Miss. Code Ann. §§ 83-17-1, 83-17-41, and 83-17-87 (Supp. 2001), as well as the provisions of Mississippi Department of Insurance Regulation No. 88-101, said regulation being the Rules of Practice and Procedure before the Mississippi Insurance Department.

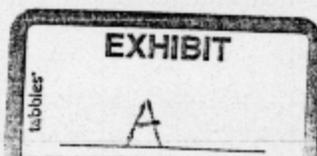
Section 2. Purpose

The purpose of this Regulation is to allow vehicle rental companies and their employees to obtain limited licenses to permit the selling, soliciting, or negotiating of specific categories of insurance in connection with the rental of vehicles in accordance with Miss. Code Ann. § 83-17-41.

Section 3. Definitions

For the purposes of this Regulation, the following terms shall have the following meanings:

- (a) "Commissioner" means the Commissioner of Insurance of the State of Mississippi.
- (b) "Limited licensee" means a person or business entity authorized to sell, solicit, or negotiate certain coverage relating to the rental of vehicles pursuant to this regulation.



(c) "Rental agreement" means any written agreement setting forth the terms and conditions governing the use of a vehicle provided by the rental company for rental or lease.

(d) "Rental company" means any person or business entity in the business of providing primarily motor passenger vehicles to the public under a rental agreement. For the purposes of this Regulation, rental companies are a type of "vehicles sales agency" as provided in Miss. Code Ann. § 83-17-1 (Supp. 2001).

(e) "Rental period" means the term of the rental agreement.

(f) "Renter" means any person obtaining the use of a vehicles from a rental company under the terms of a rental agreement.

(g) "Vehicle" or "rental vehicle" means a motor vehicle of the private passenger type, including cars, passenger vans, minivans, and sport utility vehicles, and of the cargo type, including cargo vans, pickup trucks, and trucks with gross vehicle weight of less than twenty-six thousand (26,000) pounds and which do not require the operator to possess a commercial driver's license.

Section 4. Authorization, Prerequisites, Violations

(1) The Commissioner may issue to a rental company that has complied with the requirements of this section a limited license authorizing the limited licensee to sell, solicit, or negotiate insurance in connection with the rental of vehicles. Each limited licensee rental company shall designate a licensed producer responsible for the business entity's compliance with the insurance laws, rules and regulations of this state.

(2) As a prerequisite for issuance of a rental company's limited license under this section, there shall be filed with the Commissioner a written application for a limited license including the designation of at least one licensed producer in accordance with Miss. Code Ann. § 83-17-61 (2)(b) (Supp. 2001) and this Regulation, signed by an officer of the applicant rental company, using the form and containing such information as the Commissioner may prescribe.

(3) In the event that any applicable provision of Title 83 of the Mississippi Code, or any Regulation or of Bulletin issued by the Mississippi Department of Insurance is violated by a limited licensee, the Commissioner may, after a notice and a hearing place on probation, suspend, revoke or refuse to issue or renew the limited license or impose other administrative penalties in accordance with Miss. Code Ann. § 83-17-71 (Supp. 2001).

Section 5. Categories of Insurance to be Offered; Requirements

(1) The rental company licensed pursuant to subsection (1) of Section 4 of this Regulation may sell, solicit, or negotiate insurance only in connection with an incidental to the rental of vehicles, whether at the rental office, over the internet or by pre-selection of coverage in a master, corporate, individual, or group rental agreement, in any of the following general categories:

(a) Personal accident insurance covering the risks of travel, including, but not limited to, accident and health insurance that provides coverage, as applicable, to renters and other rental vehicle occupants for accidental death or dismemberment and reimbursement for medical expenses resulting from an accident that occurs during the rental period;

(b) Liability insurance which may include uninsured motorist coverage whether offered separately or in combination with other liability insurance, that provides coverage, as applicable, to renters and other authorized drivers of rental vehicles for liability arising from the operation of the rental vehicle;

(c) Personal effects insurance that provides coverage, as applicable, to renters and other vehicle occupants for the loss of, or damage to, personal effects that occurs during the rental period; and

(d) Such other motor vehicle related insurance as may be approved by the Commissioner.

(2) No insurance may be issued by a limited licensee pursuant to this section unless the coverage is placed with a licensed insurer as defined in Miss. Code Ann. § 83-6-1. All rates, disclosures, and policy forms must be approved by the Mississippi Department of Insurance in accordance with Miss. Code Ann. § 83-2-5 prior to use.

(3) The categories of insurance set forth in this section and governed by this Regulation shall not include a Rental Company's agreement to waive its right of indemnity against a Renter for damages to the rental vehicle.

Section 6. Facsimile Signatures

Facsimile signatures may be used in accordance with Miss. Code Ann. § 83-17-21.

Section 7. Prohibition Against Advertisement as Agent or Broker

No limited licensee under this Regulation shall advertise, represent, or otherwise hold itself or any of its employees out as licensed insurers, insurance agents, or insurance brokers.

Section 8. Payment of Premium

Premium payments should be made payable either to the Insurance Company issuing the policy or the motor vehicle rental company which has obtained this limited license. If the payment is made payable to the licensed motor vehicle rental company, then it will be the rental company's responsibility to forward such premium funds to the insurance company.

Section 9. Severability

If any provision of any section of this Regulation or the application thereof is held by a court to be invalid, such invalidity shall not affect any other provision of that section or application of the

Regulation which can be given effect without the invalid provision or application, and to this end the provisions of this Regulation are declared to be severable.

Section 10. Effective Date

The Effective Date of this Regulation shall be thirty (30) days from and after its adoption and filing with the Secretary of State's Office of the State of Mississippi.