

Part 5 Chapter 1: (F&C 61-1) Notice To All Fire And Casualty Insurance Companies

Rule 1.1: Fire and Casualty Companies; Requirement to Notify Commissioner

WHEREAS, under date of July 15, 1960, the Commissioner of Insurance requested all fire and casualty insurance companies to notify their agents that failure by an agent to remit premiums due a company when such premiums had been collected from an insured would subject such agent to a hearing for revocation of license under the provisions of Section 5723-04, Mississippi Code of 1942, Recompiled.

WHEREAS, it is evident that the situation which prompted such notice has not improved but rather has become more acute, and as a result the insurance buying public is being subjected to cancellation of insurance by companies in an effort to reduce balances owed by delinquent agents.

IT IS THE POSITION OF THE DEPARTMENT that any fire or casualty insurance company operating in Mississippi which fails to report to the Department the name of any agent whose account is habitually in arrears in violation of his agency contract shall be considered as aiding and abetting a possible insolvency.

IT IS, THEREFORE, ORDERED that any fire or casualty insurance company failing to so report an agency delinquency as above outlined, and resorting to cancellation of outstanding policies written through said agency for the purpose of reducing the agency balance, shall be subject to a hearing to show cause why the license of said company should not be revoked.

SO ORDERED THIS 15th DAY OF JUNE, 1961.

Source: Miss. Code Ann. §§ 83-5-1 & 83-17-71 (Rev. 2011)