

Part 1 Chapter 5: (F&C 60-1) Cancellation of Insurance as a Result of Agent Non-Payment

Rule 5.01

WHEREAS, it has come to the attention of the Department that an excessive number of insureds are faced with cancellation or rejection of insurance because of unfavorable information reflecting prior cancellation by another company; and

WHEREAS, a substantial number of such prior cancellations are for nonpayment of premium to the company when in fact the premium has been paid in full to the company's agent, and such failure to remit premiums to the company by the agent is no fault of the insured,

IT IS, THEREFORE, the opinion of this Department that the agent failing to pay his company account, thereby jeopardizing the record of his insured who is not at fault, is not qualified to act as an agent under the provision of Section 5723.02 of the Mississippi Code of 1942, Annotated.

Any agent who fails to remit a premium collected from an insured to a company, thereby causing a cancellation of said policy for nonpayment of premium, shall be immediately subject to the provisions of Sections 5723-02 and 5723-04 of the Mississippi Code of 1942, Annotated, and a hearing will be called wherein the agent will be asked to show cause why his license should not be revoked in accordance with the provisions of said sections of the statute.

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