

**Part 6 Chapter 4: (LA&H 74-2) Unlawful Participation of Unlicensed Persons in the Life, Health and Accident Insurance Business.**

**Rule 4.1: Requirement of Licensure to Sell, Solicit or Negotiate Life, Health and Accident Insurance**

WHEREAS, Section 83-17-1, Mississippi Code of 1972, provides that every person who solicits insurance on behalf of any insurance company or who takes or transmits, other than for himself an application for insurance, or a policy of insurance or who advertises or otherwise gives notice that he will receive or transmit the same, or who shall receive or deliver a policy of insurance of any such company or receive, collect or transmit any premium of insurance, or do or perform any other act or thing in the making or consummation of any contract of insurance, for or with any insurance company, other than for himself, whether any of such acts shall be done at the instance, or request, or by the employment of such insurance company, or of, or by any broker or any other person shall be held to be the agent of the company for which the act is done or the risk is taken as to all the duties and liabilities imposed by law, and a criminal penalty is provided for any violation of such prohibitions; and

WHEREAS, Section 83-17-101, Mississippi Code of 1972, defines an agent as one who acts in any manner, directly or indirectly, in the solicitation of, negotiation for, or procurement or making of a contract of life, health or accident insurance, or making of an annuity contract, including hospital services association agents or agents within the meaning of said act, and are required to obtain a license and certificate of authority in order to be lawfully able to do any of such acts and the doing of any such acts without such license constitutes a criminal offense against the State of Mississippi; and

WHEREAS, Section 83-17-105, Mississippi Code of 1972, prohibits any insurance company or agent from paying, directly or indirectly, any commission or any other valuable consideration to any person for services as an insurance agent unless such person holds a valid and current agent's license and certificate of authority, and prohibits any unlicensed person from accepting any such commission or any other valuable consideration and makes both the payment of such and the receipt of such a criminal offense against the State of Mississippi; and

WHEREAS, Section 83-17-7, Mississippi Code of 1972, makes it unlawful for any insurance company or agent to pay, directly or indirectly, any commission, brokerage, or other valuable consideration, on account of any policy or policies written on risks in this State, to any person, agent, firm, or corporation not duly licensed as an insurance agent in this State; and

WHEREAS, there is no provision in the statutes of this State for the licensing of any corporate agency/or partnership as an agent pertaining to life and health and accident insurance, although there is a provision for the licensing of a corporate agency in the fire and casualty lines; and

WHEREAS, it has come to the attention of the Commissioner of Insurance that certain insurance companies and licensed agents have participated in the solicitation of insurance through the means of certain trusts, administrators, or other like unauthorized and unlicensed media; and

WHEREAS, it has come to the attention of the Commissioner of Insurance that certain insurance companies and agents are alleged to have made unlawful payments to certain individuals and associations, being neither insurance companies nor agents, or certain valuable considerations have been given in return for the sponsorship of certain insurance programs by such individuals or associations; and

WHEREAS, it has come to the attention of the Commissioner of Insurance that certain corporate insurance agencies duly licensed as fire and casualty agencies are alleged to have solicited and participated otherwise in the sale of life, health and accident insurance in violation of the statutes of this State;

THEREFORE, all insurance companies and agents licensed and holding certificates of authority to do business in this State are hereby notified that any and all of such acts should be terminated immediately and that hereafter any violations of the foregoing statutes, directly or indirectly, under any guise or pretense whatsoever, will, after investigation and proof of guilt, result in the revocation of the certificate of authority and license of any insurance company or agent participating in any of such acts, either directly or indirectly, whatsoever the guise or pretense thereof.

All insurance companies authorized to write life, health and accident business in this State are directed to bring this regulation to the attention of all their agents and other personnel having any responsibility in the solicitation, sale or issuance of life, health and accident policies.

Source: Miss. Code Ann. §83-17-1, et seq. (Rev. 2011)