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BULLETIN 2022-3 **MISSISSIPPI INSURANCE DEPARTMENT**

GUIDANCE REGARDING PERPETUAL INSURANCE COMPANY LICENSE AND FUTURE FEE PAYMENT PROCEDURES

May 17, 2022

Purpose

During the 2022 Regular Legislative Session, the Mississippi Legislature passed Senate Bill 2669, which amends Sections 27-15-205, 27-15-223, 83-5-71 and 83-17-25 of the Mississippi Code to make the duration of certain insurance company licenses/certificates of authority issued by the Mississippi Insurance Department (“MID”) perpetual in nature. These licenses/certificates of authority are to remain in effect until such license/certificate of authority is suspended, revoked, surrendered or forfeited. This Bulletin has been promulgated by the MID to provide Insurance Company Licensees with guidance for compliance with this amended Act.

Effective July 1, 2022, Section 83-5-71 shall be amended as follows:

- (1) Notwithstanding any other provision of law, this section establishes the exclusive authority with respect to the duration of a privilege license or certificate of authority for an insurer subject to this chapter and licensed or holding a certificate of authority, or both, to transact business in this state under this Title 83.
- (2) An insurer must make an initial application in a form prescribed by the commissioner and, upon being granted approval to transact business in this state, a license or certificate of authority, or both, shall be issued and remain in effect until suspended, revoked, surrendered or forfeited.
- (3) Before being issued an initial license or certificate of authority, an insurer must pay the required privilege tax fee required by Section 27-15-83, along with other required fees, and must continue to pay the aforementioned fees on an annual basis on or before March 1 of each year in order to keep the license or certificate of authority in good standing.
- (4) Amendments to a license or certificate of authority will require payment by the insurer of the applicable fees.
- (5) Insurers who were issued a license or certificate of authority, or both, before the effective date of this law will receive an amended license or certificate of authority, or both.

License Reissuance Process

In regard to Item # 5 above, the MID is currently in the process of issuing new and/or amended company licenses/certificates of authority for the following company types:

- Life
- Health Maintenance Organizations (HMO)
- Large Fraternal
- Property & Casualty
- Title

For the Property & Casualty and Title Insurance companies whose current license/certificate of authority ends on May 31, 2022, a new license/certificate of authority will be issued with a June 1, 2022 issue date and will become perpetual on 7/1/2022 and shall remain in effect until suspended, revoked, surrendered or forfeited.

For the Life, HMO and Large Fraternal, a new license/certificate of authority will be issued with a July 1, 2022 issue date and shall remain in effect until suspended, revoked, surrendered or forfeited.

New Fee Payment Process

Beginning in 2023 and once all licenses/certificates of authority have been issued or amended to conform with this new law, the MID will on or around January 15th of each year issue an invoice to each Company with a due date of March 1st reflecting the fees that are required in order to keep the Company's license/certificate of authority current.

Please note that since Surplus Lines, Accredited Reinsurers and Trusteed Reinsurers are not subject to being licensed, they will still be required to pay the required fees on or before March 1st of each year. An invoice will be provided to these companies on or around January 15th of each year as well.

Company Contact Information

Each Company subject to this new law will need to keep its Company License/Fees contact up to date as Invoices beginning in 2023 will be generated and emailed using the Company License/Fees Contact on record with the Department. The Company License/Fees Contact shall be reviewed and updated using the Mississippi Company Address Change Portal by going to the Companies webpage on the Department's website (www.mid.ms.gov) or by clicking on the following link: <http://www.mid.ms.gov/companies/filing-submission-portal.aspx>.

Please ensure the Company License/Fees Contact is up to date by no later than July 1, 2022.

Questions regarding this new process should be addressed to compliance@mid.ms.gov.

Sincerely,



MIKE CHANEY
COMMISSIONER OF INSURANCE