

**Part 1 Chapter 11: (79-001) Payment of Premium Checks to Insurance Company.**

**Rule 11.01**

WHEREAS, it has been shown that the need and justification exists for the modification of this Department's Order of October 30, 1957 which states that ALL PREMIUM CHECKS SHALL BE MADE PAYABLE EITHER TO THE COMPANY OR TO AN AUTHORIZED STATE AGENCY rather than to the individual agent making the sale; and,

WHEREAS, it is still the practice of some companies and agents in the state to have the insured make his premium check payable to the agent personally or to the unlicensed agency; and,

WHEREAS, some questionable tactics, such as:

- A. overcharges on the part of the agent or salesman who have the insured make the premium check payable personally to them or to an unlicensed agency which renders the insurer incapable of ascertaining the amount of premium actually charged and paid;
- B. collection of annual premiums by agents and remittance of partial premiums only; and,
- C. collection of premiums and failure to submit the application and/or full premium collected and due to the company;

THEREFORE, all licensed agents, insurers, agencies, insurance companies, and supervising general agents are hereby ORDERED to handle premium collections in the following manner:

- A. ALL PREMIUM CHECKS SHALL BE MADE PAYABLE TO THE INSURANCE COMPANY WRITING SUCH POLICY OF INSURANCE, AND
- B. AUTHORIZED RECEIPTS FROM THE COMPANY OR ITS AGENT WRITING SUCH POLICY OF INSURANCE MUST BE GIVEN AT THE TIME OF RECEIPT OF SUCH PREMIUM CHECK, SUCH RECEIPT MUST BE ON THE COMPANY'S PRINTED FORM COMMONLY USED BY, ON FILE WITH AND APPROVED BY THIS DEPARTMENT, AND MUST CLEARLY SHOW THE NAME AND ADDRESS OF THE COMPANY, THE DATE, NAME OF AGENT, TOTAL PREMIUM COLLECTED AT THE TIME OF THE GIVING OF SUCH RECEIPT AND TYPE OF POLICY TO BE ISSUED IN CONSIDERATION FOR SUCH PREMIUM. COMPANIES HAVING PRINTED RECEIPTS ALREADY ON HAND MAY USE A RUBBER STAMP UNTIL NEW FORMS ARE PRINTED.

ALL companies are further instructed to incorporate into their receipts in bold type the following:

“ALL PREMIUM CHECKS MUST BE MADE PAYABLE TO THE COMPANY: DO NOT MAKE CHECK  
PAYABLE TO THE AGENT OR LEAVE THE PAYEE BLANK”

FURTHER, all such companies are instructed to bulletin their individual agents, either through the Home Office or District Regional Office, and inform them of the contents of this Regulation.

Failure to comply with the provisions of this Regulation by any company, agent or agency may result in a formal hearing for suspension or revocation of license.

This regulation will take effect and be in force from and after August 1, 1980.

Promulgated and Adopted, this the 4<sup>th</sup> Day Of June, 1980.

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