

Title 19: Department of Insurance

Part 1: General

Part 1 Chapter 42: Non-Admitted Policy Fee Account Regulation

Rule 42.01: Authority

This regulation is promulgated pursuant to the authority granted by Senate Bill 2467 which was passed by the Mississippi Legislature in the 2018 Regular Session and 19 Miss. Admin. Code, Part 1, Chapter 15, said Regulation being the Rules of Practice and Procedure before the Mississippi Insurance Department.

Source: *Miss. Code Ann.* §83-21-1, et seq. (Rev. 2011); SB 2467, 2018 Mississippi Legislature Regular Session

Rule 42.02: Purpose and Scope

- A. Purpose. This regulation is promulgated to provide information to surplus lines insurance producers regarding the collection and remittance of the non-admitted policy fee pursuant to the enactment of Senate Bill 2467.
- B. Scope. This regulation applies to all single risk surplus lines policies that are written on risks and contents located in Mississippi; and on multi-state risks wherein Mississippi is the home state as defined by the federal Nonadmitted and Reinsurance Reform Act (“NRRA”) and *Miss. Code Ann.* § 83-21-18(2).

Source: *Miss. Code Ann.* §83-21-18 (Rev. 2011); SB 2467, 2018 Mississippi Legislature Regular Session

Rule 28.03: Senate Bill 2467

Senate Bill 2467 amends Section 83-34-4, to require for one (1) year beginning July 1, 2018, that Four Million Five Hundred Thousand Dollars (\$4,500,000.00) derived from the nonadmitted policy fee be deposited into the Rural Fire Truck or Supplementary Rural Fire Truck Fund, and One Million Five Hundred Thousand Dollars derived from the nonadmitted policy fee be deposited into the Capital Expense Fund, before any monies are forwarded to the Mississippi Windstorm Underwriting Association (“MWUA”).

Source: SB 2467, 2018 Mississippi Legislature Regular Session

Rule 28.04: Reporting and Collection of the Non-admitted Policy Fee on and after July 1, 2018

- A. A clearing house account has been established in Trustmark Bank, entitled the “Non-admitted Policy Fee Account”, for which the Mississippi Insurance Department (“MID”) shall be the administrator.

- B. The Mississippi Surplus Lines Association (“MSLA”) shall be provided with the account number for this account, and MSLA shall provide this information to surplus lines insurance producers, along with instructions on how to remit any and all non-admitted policy fees collected on or after July 1, 2018.
- C. When making payment for the Non-admitted policy fee on the MSLA website, the surplus lines insurance producer will enter SLIP and click the BILLING tab as usual.
- D. Prior to July 1, 2018, surplus lines insurance producers that have a fraud service on their bank account will need to provide their bank with a new ACH Company ID as the Company ID for the MWUA Fee will be different starting July 1, 2018. There will be a link to the New MWUA Company ID at the BILLING tab in SLIP.
- E. It will be the responsibility of the MID to transfer monies from the Non-admitted Policy Fee Account to the Capital Expense Fund Account and Rural Fire Truck Fund Account. When the amounts required by SB 2467 have been forwarded to those accounts, the MID shall transfer the remaining monies collected to the MWUA.
- F. As SB 2467 provides for the diversion of these monies to the Capital Expense Fund Account and Rural Fire Truck Fund Account for one (1) year, MID and MSLA shall provide notice to surplus lines insurance producers of any subsequent changes that may or may not be made during the 2019 Regular Legislative Session.

Source: SB 2467, 2018 Mississippi Legislature Regular Session

Rule 42.05: Severability Clause

If any provision of this regulation, or the application thereof to any person or circumstance, is held invalid, such determination shall not affect other provisions or applications of this regulation which can be given effect without the invalid provision or application, and to that end the provisions of this regulation are severable.

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

Rule 42.06: Effective Date

This Regulation shall be effective on and after July 1, 2018.

Source: *Miss. Code Ann.* §§ 25-43-3.112; 83-5-1 (Rev. 2011); SB 2467, 2018 Mississippi Legislature Regular Session