



MISSISSIPPI INSURANCE DEPARTMENT

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MISSISSIPPI DEPARTMENT OF INSURANCE BULLETIN 2012-4

SENATE BILL 2628 NONADMITTED INSURANCE FORM

May 18, 2012

I. Purpose.

During the 2012 Regular Legislative Session, the Mississippi Legislature passed Senate Bill 2628, which amends Miss. Code Ann. § 83-21-23 to require surplus lines insurance producers to execute a form prescribed by the Commissioner when making a nonadmitted market placement. This Bulletin is being circulated to provide surplus lines insurance producers with guidance in complying with Senate Bill 2628.

II. Senate Bill 2628.

Senate Bill 2628 states in pertinent part, as follows:

“When any policy of insurance or certificate of insurance is procured under the authority of such license, there shall be executed by the surplus lines insurance producer a form setting forth facts in complete detail as to what was done to place such kind of insurance and showing that such surplus lines insurance producer therein was unable, after diligent effort, to procure from a licensed company or companies the full amount of insurance required to protect the property, liability, or risk desired to be insured. This form shall be maintained on file with the surplus lines insurance producer and may be subject to review by the Commissioner of Insurance at any time if the commissioner deems such request advisable.”

III. Eligible Nonadmitted Insurance Form.

Surplus lines insurance producers are hereby directed to use the Eligible Nonadmitted Insurance Form as prescribed by the Commissioner of Insurance and attached hereto as Attachment “A”.

Surplus lines insurance producers are further directed to maintain a copy of the executed form for a period of five (5) years after the termination of the policy, unless the producer has been notified that the form is subject to an examination or investigation by the Mississippi Insurance Department or the Mississippi Surplus Lines Association, or unless the producer has been notified that the form is subject to pending litigation. The form shall be subject to review upon the request of the Commissioner of Insurance.

The form required herein may be produced, signed and stored electronically.

IV. Exempt Commercial Purchaser

A surplus lines insurance producer is not required to perform a due diligence search when the surplus lines insurance producer is seeking to procure or place nonadmitted insurance for an exempt commercial purchaser under the conditions provided in Miss. Code Ann. § 83-21-23(2), and such a transaction is not subject to the provisions of this Bulletin.

V. Effective Date.

The provisions contained within this Bulletin and in Senate Bill 2628 will become effective on and after July 1, 2012.

If there are any questions concerning this Bulletin, please contact the Mississippi Department of Insurance at (601) 359-3569.


MIKE CHANEY
COMMISSIONER OF INSURANCE

**MISSISSIPPI DEPARTMENT OF INSURANCE
ELIGIBLE NONADMITTED INSURANCE FORM**

Miss. Code Ann. § 83-21-19 provides that certain insurance coverages that cannot be procured from admitted insurers may be procured from eligible nonadmitted insurers. Any licensed Mississippi surplus lines insurance producer procuring coverage from an eligible nonadmitted insurer must complete this form acknowledging that the coverage has been placed with an eligible nonadmitted insurer. After completion, this form must be retained by the surplus lines insurance producer as part of the insured's file, and may be subject to review by the Commissioner of Insurance at any time if the Commissioner deems such request advisable.

A licensed Mississippi surplus lines insurance producer is required to engage in a diligent effort to place the coverage with an admitted insurer. The signature of the producer appearing below shall serve as an attestation to the results of the diligent effort on the part of the producer. The licensed Mississippi surplus lines insurance producer is also required to expressly advise the insured that, in the event of the insolvency of the nonadmitted insurer, **CLAIMS OR LOSSES WILL NOT BE PAID BY THE MISSISSIPPI INSURANCE GUARANTY ASSOCIATION.**

LICENSED MISSISSIPPI SURPLUS LINES INSURANCE PRODUCER CERTIFICATION

As required by Miss. Code Ann. § 83-21-23, the surplus lines insurance producer signing below certifies that he or she engaged in a diligent effort to place the risk with an admitted company or companies. Please state in detail the reason for placing the coverage with an eligible nonadmitted insurer or insurers:

Name of Eligible Nonadmitted Insurer(s) from which the coverage was procured:

_____ (Nonadmitted insurer's Name(s))

Mississippi Surplus Lines Insurance Producer's Name: _____

Surplus Lines Insurance Producer's Mississippi License Number: _____

Insured's Name: _____

Policy or Binder Number: _____

Signature: _____ Date _____ Phone () _____
(Surplus Lines Insurance Producer)

Attachment "A"