



# **PRODUCER PROCEDURES MANUAL**

SECTION I: INTRODUCTION TO MSLA.....	2
SECTION II: MEMBERSHIP.....	4
SECTION III: OVERVIEW OF PRODUCER REPORTING PROCEDURES.....	5
SECTION IV: ELECTRONIC FILING PROCESS.....	7
SECTION V: DOCUMENTATION REQUIREMENTS .....	9
SECTION VI: ASSESSMENTS.....	12
SECTION VII: BOARD OF DIRECTORS .....	14
SECTION VIII: BYLAWS OF MISSISSIPPI SURPLUS LINES ASSOCIATION ..	16
SECTION IX: MISSISSIPPI SURPLUS LINES STATUTES.....	24
SECTION X: APPENDIX.....	25

On July 1, 1997, the Miss. Code Ann. 83-21-21(3), was amended to provide that the Commissioner of Insurance may rely upon the advice and assistance of a duly constituted association of surplus lines producers in carrying out the purposes of the laws on foreign insurance companies contained in Title 83, Chapter 21 of the Miss. Code Ann. (1972).

The Mississippi Surplus Lines Association (MSLA) was established on September 18, 1997 as a private non-profit association to serve this role and has been recognized by the Commissioner of Insurance as the association upon which he will rely for advice and assistance pursuant to the above statutes.

## SECTION I: INTRODUCTION TO MSLA

The mission of the Mississippi Surplus Lines Association is to assist the Commissioner of the Mississippi Insurance Department in the oversight of the surplus lines market and to encourage compliance by surplus lines producers and insurers with the surplus lines laws of the state of Mississippi.

Our purpose is to foster a strong, compliant and lawful non-admitted insurance market in the state of Mississippi. In doing so, we endeavor to protect the Mississippi consumer by responding to the needs of our regulators and effectively serving our membership.

The Commissioner of Insurance has mandated that each licensed surplus lines producer is a member of MSLA. Surplus lines producers are required by statute to cooperate with MSLA in fulfilling the producers' statutory responsibilities.

Pursuant to statutory authority, MSLA provides a means for examination of surplus lines coverage to and has adopted procedures and practices to assist members in complying with relevant statutes and rules or regulations issued by the Commissioner of Insurance. MSLA may also conduct other operations that relieve the Commissioner of Insurance of duties otherwise required of him under the laws on foreign insurance companies.

This manual is designated to assist its members in reporting surplus lines policies, filing proper documentation, and paying appropriate assessments with the Mississippi Surplus Lines Association.

**MEMBERSHIP IN THE MISSISSIPPI SURPLUS LINES ASSOCIATION DOES NOT, IN ANY WAY, RELIEVE A LICENSEE OF YOUR LEGAL RESPONSIBILITY TO COMPLY WITH THE EXCESS AND SURPLUS LINES LAW AND REGULATIONS OF THE STATE MISSISSIPPI.**

*MSLA CONTACT INFORMATION*

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## SECTION II: MEMBERSHIP

All Mississippi resident and non-resident licensed surplus lines producers are mandated as members of the Mississippi Surplus Lines Association by the Commissioner of Insurance.

### ***MEMBERSHIP DIRECTORY***

A current list of all licensed Mississippi surplus lines producers can be viewed by downloading a list at the Mississippi Department of Insurance website at <http://www.mid.ms.gov/licensing/licensing.aspx>.

### ***MEMBERSHIP REQUIREMENTS***

#### **Registration:**

Each member must register with MSLA using the [Producer/Agency Registration Form](#). This form can be found on MSLA's website under Publications.

#### **Producer Licensing:**

MSLA does not handle producer licensing.

To apply/renew your Mississippi surplus lines license, go to:

<http://www.mid.ms.gov/licensing/licensing.aspx>

#### **Transferring Files:**

If you are an agency's designated surplus lines Reporting Producer, you are responsible for notifying MSLA, in writing, if upon your departure, your responsibilities for the surplus lines filings of that agency have been relinquished. MSLA will also need to be notified of an agency's acquisition.

MSLA must receive a written, formal request to transfer policy data that has been reported in SLIP under one producer's surplus lines license to another. The letter should include the details of the transference, such as which files to transfer, the name and surplus lines license number of the appointed producer, and the new producer of record's letter accepting your files.

## SECTION III: OVERVIEW OF PRODUCER REPORTING PROCEDURES

Once a producer has obtained a MS surplus lines license and begins writing business, the producer is responsible for ensuring that the policy data is properly reported to MSLA. There are a few basic steps that must be followed to report policy data and to submit the required documentation to MSLA:

### **Electronic Policy Filings:**

Within fifteen (15) days following the end of the month in which a policy is procured, the member producer shall electronically report every policy procured under his or her license to the MSLA by way of our web-based producer reporting system, Surplus Lines Information Portal (SLIP).

### ***OVERVIEW OF DOCUMENTATION REQUIREMENTS***

#### **Monthly Transaction Report Certification:**

All of the policy data that is reported into SLIP during a given month will collectively appear on a Monthly Transaction Report (MTR) on Nonadmitted Insurance Business. The producer will electronically certify the business reported in SLIP.

#### **Submitting Policy Documentation:**

Proper documentation must accompany each transaction that is submitted into SLIP.

### ***OVERVIEW OF PAYMENT PROCEDURES* Paying**

#### **Assessments:**

EPayment is the only option available for paying your Assessments. MSLA no longer accepts paper checks for payments towards Tax, Stamping Fee or MWUA Non-Admitted Fee. Payments will be made by utilizing SLIP's EPayment functionality.

#### **Surplus Lines Stamping Fees – Due January 30th & July 30th:**

The stamping fee is .25% and is based on the gross policy premium plus any policy fee charged. The stamping fee is in addition to the four percent (4%) premium tax amount. Stamping fees are due semiannually but can be paid in full at any time.

#### **Surplus Lines Premium Taxes – Due January 30th & July 30th:**

A tax of four percent (4%) based on the gross premiums plus any policy fee charged is due to the Mississippi Insurance Department within thirty (30) days from the first of January and July of each year. Taxes are due semiannually but can be paid in full at any time.

**MWUA Nonadmitted Policy Fees – Due Quarterly (April 20th, July 20th, October 20th and January 20th):**

MWUA Nonadmitted Policy Fees are presently 3% based on the gross premiums plus any policy fee charged for surplus lines policies written (exclusive of Residential Flood and Earthquake) in Mississippi. MWUA fees are due quarterly but can be paid in full at any time.

## SECTION IV: ELECTRONIC FILING PROCESS

### ***A. SLIP (SURPLUS LINES INFORMATION PORTAL)***

Within fifteen (15) days following the end of the month in which a policy is procured, the member producer shall electronically report every policy procured under his or her license to the Mississippi Surplus Lines Association by way of our web-based producer reporting system called the “Surplus Lines Information Portal” (SLIP).

SLIP provides a mechanism for Mississippi’s surplus lines producers to electronically submit policy information to MSLA as well as providing users the ability to view previously submitted data, edit policy information, upload documentation, and to electronically pay assessments.

There are two methods available to producers to for submitting information via SLIP:

#### **Manual data entries through SLIP interface:**

Producers reporting a relatively small number of policies are ideal candidates for manual entry into SLIP.

#### **XML Batch Submission:**

Alternatively, producers reporting numerous policies are ideal candidates for the batch format. This process will require IT expertise to create and submit an XML file with specific policy data. Details for XML Export Format & Schema for Producers are published under [Batch Reporting Procedures](#).

### ***B. GETTING STARTED***

SLIP is user-friendly, web-based application. There are many resources available on our website to assist with your filing and additional Help Files are also accessible in the SLIP system located in the top right corner of any SLIP screen under the heading HELP.

For general information on getting started and basic instructions for manual data entry through SLIP, it is recommended that the user review the Search/Submit heading in the SLIP Help Files.

For general information on getting started and basic instructions for multiple policy submission through batch format, it is recommended that the user view our web-based instructions that can be found at [www.msla.org](http://www.msla.org) under Batch Reporting Procedures.

Producer Services is also available to assist you and can be reached at (601)713-1111.

### ***C. OBTAINING A SLIP USERNAME AND PASSWORD***

MSLA is notified by the Mississippi Department of Insurance of newly licensed Surplus Lines Insurance Producers. This notification serves as the first step in the Registration process. MSLA (using this information from the Department of Insurance) will send an email welcoming you to surplus lines, as well as providing you with a link to complete our on-line application. If when completing the on-line application you do not find your agency in the drop down box provided please notify MSLA by using the Agent/Agency Registration Form. A link will be provided to a document for printing. Once completed you will email the document to our office.

Once the on-line application is complete you will receive an email from Communications@msla.org with your User Name and Password. If you do not receive the email from Communications@msla.org please contact the MS Surplus Lines Association at 601-713-1111.

### ***D. COVERAGE CODES***

Effective January 1, 2008, all policy data must be reported by coverage type. Coverage codes are the numerical values used to describe each coverage type. With the exception of Residential Earthquake and Residential Flood, all codes are subject to the MSLA stamping fee and the Mississippi surplus lines tax and the MWUA Nonadmitted Policy Fee.

In the regular session of 2014, SB 2330 amended Section 83-34-4 to exempt the nonadmitted policy fee for those policies or portions thereof that cover residential earthquake risks or residential flood risks that are not written through the National Flood Insurance Program. The act shall take effect and be in force from and after July 1, 2014.

The MSLA surplus lines coverage codes lists can be found in the SLIP Help Files located in the top right corner of any SLIP screen under HELP. You may also refer to the Coverage Code Listings [See Appendix].

### ***E. LLOYD'S POLICIES***

Starting January 1, 2022, agents are no longer required to provide the following additional data elements for the policies insured by Lloyd's of London - Coverholder\_Number, Coverholder\_Name, and Contract\_Number. Omitting these fields from the file will NOT result in file being rejected. The schema file allows for these fields only to maintain the backward compatibility.

### ***F. ZERO BUSINESS***

The SLIP system will not allow zero reports. If no business was submitted during the month, no documentation is required to be turned in. It is not necessary to notify MSLA that you have zero business.

## SECTION V: DOCUMENTATION REQUIREMENTS

### *THE MONTHLY TRANSACTION REPORT (MTR)*

- The MTR lists all transactions submitted by a producer for a given time period. Reports are final for a given month on the first day of the following month. For example, a report for October will be available to certify on November 1 or later.
- From the Reports menu option, select Monthly Transaction Report Certification from the Report Type dropdown box. Next select the desired month and click “Print.” This will open a popup window that displays all the information relevant for your Monthly Tax Report on Nonadmitted Insurance Business. Because supporting document is required we have provided a link for determining if documentation is missing. To view the list click where indicated. If there are no policy transactions with missing documentation please continue to the Certifying Tab.

Please note: If one or more transactions are missing required documentation you will be required to add these documents prior to the system allowing you to “Certifying” your MTR. We have added a link on the Certification page in which you are able to view transactions missing documentation.

- After you have confirmed the accuracy of the information, click the box next to the certification statement which will activate the “Certify” button to complete the online certification.
- Proper documentation (declaration sheet and/or endorsement) must accompany each transaction that is submitted in SLIP.
- To learn how to upload your documents, please see the Electronic Document Submission Tutorial.
- Report screen provides a report type “Transactions with Missing Documentation”. Here prior to Certifying your Monthly Transaction Report you are able to view (anytime after policy entry into SLIP) transactions which may be missing documentation. No transactions showing will mean no transactions are missing documentation. If transactions are displayed you will have an opportunity to upload the documents.
- The MTR will be certified online (as stated in above paragraph).

If you submitted transactions via an XML batch file and the documents were not included within the batch file, then they will need to be uploaded manually for each transaction via the policy screen after the batch file has been imported. Please note that you will need to upload each document one at a time if you choose the manual option.

### *MISSISSIPPI DEPARTMENT OF INSURANCE INFORMATIONAL NOTICE FORM*

For all personal lines placements in the surplus lines Market, **Miss. Code Ann. 83-21-23(1)** requires that a surplus lines insurance producer shall furnish to an insured at the time of policy deliverance an information notice. Accordingly, any insured purchasing a surplus lines policy

covering Mississippi risk is to complete this form which may be found on our website, <https://www.msla.org/>, under Producers then Forms. Do not send the completed document to MSLA this will be for your records and the insured.

### ***RETAIL INSURANCE PRODUCER***

For the purposes of this Bulletin, a retail insurance producer is defined as a duly licensed insurance producer who is NOT licensed as a surplus lines insurance producer and who has tried unsuccessfully to place a client's business in the admitted market. In such cases, the retail insurance producer would submit the client and risk to a surplus lines insurance producer in order to place the business in the nonadmitted market. The retail insurance producer would not deal directly with the nonadmitted insurer.

A retail insurance producer may execute a Retail Insurance Producer Nonadmitted Insurance Form as prescribed by the Commissioner of Insurance.

- A retail insurance producer is to be duly licensed as an insurance producer who has tried unsuccessfully to place a client's business in the admitted market.
- The retail insurance producer would submit the client and the risk to a surplus lines insurance producer in order to place the business in the nonadmitted market.
- The Retail form is to be completed by the retail insurance producer when submitting business to a surplus line insurance producer as supporting information as to the diligent search the retail producer conducted before determining the need for placement in the nonadmitted market.
- This form may be retained by the surplus lines insurance producer that places the risk in the nonadmitted market in satisfaction of the diligent search requirements mandated by Miss. Code Ann. §83-21-19(1)(c) and §83-21-23(1).
- If used by the surplus lines insurance producer to satisfy the diligent search requirements, this form must be attached by the surplus lines insurance producer to the certification form completed by the surplus lines insurance producer pursuant to MID Bulletin 2012-4.
- The form can be found on the MSLA website at [www.msla.org](http://www.msla.org) under Publications.
- The retail producer must start using the new Retail Insurance Producer Nonadmitted Insurance Form for new and renewed policies with an effective date of 11/2016 and forward.
- The retail producer is not required to hold a surplus lines insurance producer's license in order to receive commission on a surplus lines placement if the risk was procured by a surplus lines insurance producer.

### ***DECLARATIONS PAGE/COVER NOTES/BINDERS ON ALL NEW AND RENEWAL POLICIES***

- Within fifteen (15) days following the end of the month in which a policy is procured, the member shall submit copies of the Declarations Page or Cover Note of every policy

procured under his or her license to the Mississippi Surplus Lines Association. In the event that no Declarations Page or Cover Note is available to the member within fifteen (15) days following the end of the month in which the policy is procured, the member shall submit copies of a binder or confirmation of placement of coverage to MSLA in lieu of such Declarations Page or Cover Note. In the event that a binder is submitted to MSLA, the member shall submit copies of the Declarations Page or Cover Note to the Association promptly upon receipt.

### ***DOCUMENTATION (INCLUSIVE OF LAYERED POLICIES)***

- Supporting documentation must accompany the policy data that is submitted into SLIP for ALL transactions including endorsements. The Declaration Page(s) must include the following: the policy number, name of the insured, Notice to Policyholder, name of the surplus lines producing producer, effective and expiration dates, premium, and policy fees.
- In the event two or more insurers participated in writing a risk, the premium will need to be reported under the respective insurer and documentation, such as the Schedule of Insurers; will need to accompany the filing.

### ***NOTICE TO POLICYHOLDER***

Each surplus lines producer writing business in the state of Mississippi must meet the requirements of § 83-21-19 regarding notice to policyholders.

Every insurance contract procured and delivered pursuant to Sections 83-21-19 shall have stamped upon it in bold ten-point type, and bear the name of the producer who procured it, the following:

“NOTE: This insurance policy is issued pursuant to Mississippi law covering surplus lines insurance. The company issuing the policy is not licensed by the State of Mississippi, but is authorized to do business in Mississippi as a nonadmitted company. The policy is not protected by the Mississippi Insurance Guaranty Association in the event of the insurer’s insolvency.”

It is the responsibility of the licensee to obtain and affix the Notice to Policyholder legend on the document before submission to the Association.

## SECTION VI: ASSESSMENTS

### **A. OVERVIEW:**

Stamping Fee: .25% on gross premium and policy fees

Premium Tax: 4% on gross premium and policy fees

MWUA Fee: 3% on gross premium and policy fees

E Payment is the only option available for paying your Assessments:

- Please go to the BILLING menu option and select E Payments. For more information about EPayment option, please see the SLIP Help.
- If you have any questions, please feel free to contact MSLA at 601-713-1111.
- Statements for ALL assessments are now provided in SLIP. Once logged into SLIP, select the Billing tab and then Statements.

### **Surplus Lines Stamping Fees – Due January 30th & July 30th:**

The stamping fee is .25% and is based on the gross policy premium plus any policy fee charged. The stamping fee is in addition to the four percent (4%) premium tax amount. Stamping fees are due semiannually but can be paid in full at anytime.

### **Surplus Lines Premium Taxes – Due January 30th & July 30th:**

A tax of four percent (4%) based on gross premiums plus any policy fee charged is due to the Mississippi Insurance Department within thirty (30) days from the first of January and July of each year. Taxes are due semiannually but can be paid in full at anytime.

### **MWUA Nonadmitted Policy Fees – Due Quarterly (April 20th, July 20th, October 20th and January 20th):**

MWUA Nonadmitted Policy Fees are presently 3% of premium plus and policy fees on all surplus lines policies written in Mississippi (exclusive of Residential Flood and Earthquake). MWUA fees are due quarterly but can be paid in full at anytime.

### **Legislative History:**

On March 11, 2011 the Mississippi Legislature passed House Bill 785. In order to satisfy the uniformity requirements of the NRRRA, House Bill 785 extended the nonadmitted policy fee, or as it is commonly referred to, the Windpool Assessment Fee, [Miss. Code Ann. § 83-34-4 (Supp. 2010)] to all surplus lines insurance policies written in Mississippi.

During the 2012 Regular Legislative Session, the Mississippi Legislature passed Senate Bill 2626, which amended Miss. Code Ann. § 83-34-4 to lower the nonadmitted policy fee (windpool fee) from 5% to 3%. For nonadmitted policies with effective dates on and after July 1, 2012,

surplus lines insurance producers should impose the 3% nonadmitted policy fee (windpool fee). The effective date for endorsements shall be the effective date of the original policy.

Policy extensions extending the original term of the policy are considered renewals and not an endorsement of the original policy.

In the regular session of 2014, SB 2330 amended Section 83-34-4 to exempt the nonadmitted policy fee for those policies or portions thereof that cover residential earthquake risks or residential flood risks that are not written through the National Flood Insurance Program. The act shall take effect and be in force from and after July 1, 2014.

### ***B. RETURN OF ASSESSMENTS***

Accumulated fees for all assessments that are due and past due, must be paid-in-full. All credits will roll toward unpaid and future balances.

## SECTION VII: BOARD OF DIRECTORS

### **Christopher Mathison**

#### *Chairman*

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### **Mims McLennan**

#### *Vice Chairman*

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### **Linda S. Trifone**

#### *Treasurer*

CPA  
[lstrifone@outlook.com](mailto:lstrifone@outlook.com)

### **Matthew B. Koury**

#### *Secretary*

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### **David Phillips**

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### **John Chalk, Jr.**

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601-790-8558 fax  
[jchalk@alliant.com](mailto:jchalk@alliant.com)

**Roger Elfert**  
Fisher Brown Bottrell Insurance, Inc.  
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Jackson, MS 39215  
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601-960-7430 fax  
[relfert@fbbins.com](mailto:relfert@fbbins.com)

# SECTION VIII: BYLAWS OF MISSISSIPPI SURPLUS LINES ASSOCIATION

A NON PROFIT CORPORATION

## **ARTICLE I**

### NAME, PURPOSE, POWERS, OFFICES AND REGISTERED OFFICE

Section 1. Name. The name of the non-profit corporation is Mississippi Surplus Lines Association (“MSLA”).

Section 2. Purpose. Miss. Code Ann. § 83-21-21(3), as amended effective July 1, 1997, provides that the Commissioner of Insurance may rely upon the advice and assistance of a duly constituted association of surplus lines producers in carrying out the purposes of the laws on foreign insurance companies contained in Title 83, Chapter 21 of the Miss. Code Ann. (1972). MSLA was established to serve this role. On September 18, 1997, MSLA was created by filing Articles of Incorporation with the Mississippi Secretary of State.

Miss. Code Ann. § 83-21-21(5) expressly provides that the “association shall provide a means for the examination of all surplus lines coverages written to determine whether such coverages comply with the law and such rules or regulations issued by the Commissioner of Insurance.” The Commissioner may suspend or revoke the acceptance of the association “if it does not maintain and enforce rules and regulations which will ensure that members will comply with [Title 83, Chapter 21], other applicable state law or rules or regulations promulgated under either.” Miss. Code Ann. § 83-21-21(6) (b).

The surplus lines statutes further contemplate that the association shall conduct operations that relieve the Commissioner of Insurance of duties otherwise required of him under the laws on foreign insurance companies contained in Title 83, Chapter 21. See Miss. Code Ann. § 83-21-21(8) (1972). This could include any duties related to “a stamping procedure for all eligible nonadmitted/surplus lines insurance policies sold on risks subject to the payment of premium taxes,” which the Commissioner is authorized to establish under Miss. Code Ann. § 83-21-21(2) (1972).

Section 3. Powers. MSLA shall have and exercise all of the powers necessary and incident to achieving the purposes of the above-referenced statutory provisions including, but not limited to, the powers set forth in these By-laws.

Section 4. Office. The office of MSLA shall be at 1430 Lelia Drive, Post Office Box 5347, Jackson, Mississippi 39296-5347, or such other place as the Board of Directors from time to time may select.

Section 5. Registered Office and Registered Agent. The address of the registered office for MSLA is 125 South Congress Street, Suite 1700, Post Office Box 2132, Jackson, Mississippi 39225-2132. The name of the registered agent is C. Ted Sanderson, Jr.

## ***ARTICLE II***

### **SEAL AND FISCAL YEAR**

Section 1. Seal. The seal of MSLA shall have inscribed on it the name of the corporation, and the words, "Non-Profit Seal."

Section 2. Fiscal Year. The fiscal year of MSLA shall begin January 1 and end on December 31 of each year.

## ***ARTICLE III***

### **MEMBERSHIP**

Section 1. General. Pursuant to Miss. Code Ann. § 83-21-21 (1972), the Commissioner of Insurance issued Bulletin 97-6, dated November 7, 1997, mandating that each licensed surplus lines producer is a member of MSLA.

Section 2. Annual Meeting. An annual meeting of the membership shall be held during each calendar year beginning in 1998 on a date and at a time and place to be designated by the Board of Directors of MSLA for the transaction of any business as may come before the membership, including the biannual election of directors beginning in 1999 as provided in Article IV, Section 3.

Section 3. Special Meetings. Special meetings of the membership may be called by a majority of the Board of Directors. Only business within the purpose or purposes described in the meeting notice required by Section 4 of this Article may be conducted at such special meeting.

Section 4. Notice of Meeting. A written or printed notice stating the place, date and time of a membership meeting, and in case of a special meeting, the purpose or purposes of the meeting, shall be given to each member by the Executive Director or by any other person authorized by the Board of Directors to call the meeting. This notice shall be sent to each member, either personally or by first class or registered mail, at least ten (10) days, but not more than sixty (60) days, before the date designated for the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to each member at its last known address.

In the event there is to be brought before the membership at an annual meeting any matter which must be approved by the membership pursuant to Miss. Code Ann. §§ 79-11-269, 79-11-281, 79-11-301, 79-11-315, 79-11-323, 79-11-331, 79-11-333 or 79-11-335, as amended, the notice of the annual meeting must include a description of such matter.

Section 5. Waiver of Notice. A member, either before or after a membership meeting, may waive notice of the meeting; and the waiver shall be deemed the equivalent of giving notice. Such

waiver must be in writing, signed by the member and delivered to MSLA for inclusion in the minutes or filing with the corporate records. Attendance at a membership meeting of a member entitled to notice shall constitute a waiver of notice of the meeting unless the member attends for the express purpose of objecting to the transaction of business on the ground that the meeting was not lawfully called or convened.

Section 6. Actions by Ballot without Meeting. Any action that may be taken at any annual or special meeting may be taken without a meeting if MSLA delivers a written ballot to every member entitled to vote and the other requirements are met of Miss. Code Ann. § 79-11-211 (1972).

Section 7. Adjournments. Any meeting of the membership may be adjourned to a different date, time or place and notice need not be given of the new date, time or place other than by announcement at the meeting at which the adjournment is taken. At the continuation of the adjourned meeting at which a quorum is present or represented, any business may be transacted which could have been transacted at the meeting originally called.

Section 8. Actions by Consent Without Meeting. Any action that has to be approved by the members may be approved without a meeting or ballots if approved by members holding at least eighty percent (80%) of the voting power. The action must be evidenced by one or more consents describing the action taken, signed by those members representing at least eighty percent (80%) of the voting power.

Section 9. Voting. Each member shall be entitled to one (1) vote in all matters for which members of MSLA are entitled to vote by law.

## ***ARTICLE IV***

### **THE BOARD OF DIRECTORS**

Section 1. Powers. All corporate powers shall be exercised by or under the authority of, and the affairs of MSLA managed under the direction of, its Board of Directors (the "Board"). From among the Board's members, the Board shall elect a Chairman of the Board and a Vice Chairman of the Board who shall serve in such positions until the Board elects a new Chairman or Vice Chairman. The Chairman, and in his absence, the Vice Chairman, shall preside over Board meetings. Each director shall be qualified to vote on any issue that may properly come before the Board and to hold any office to which he may be elected or appointed.

Section 2. Number and Composition of Board. The number of directors shall be seven (7) and the names and addresses of the persons who are to serve as the initial directors are:

W. M. Bryson  
Post Office Box 16174  
Jackson, Mississippi 39236-6174

H. C. Garrard  
2829 Lakeland Drive, Suite 1400  
Jackson, Mississippi 39208-9722  
Preston H. Gough, Jr.  
Post Office Box 5108  
Jackson, Mississippi 39296-5108

Robert P. Keul  
Post Office Box 4110  
Scottsdale, Arizona 85261-4110

W. W. (Bill) Norcross  
Post Office Box 14247  
Jackson, Mississippi 39236-4247

Charlie M. Phillips  
Post Office Box 16174  
Jackson, Mississippi 39236-6174

Thomas G. Quaka  
Post Office Box 4448  
Jackson, Mississippi 39216-4448

When deemed in the best interest of MSLA, the membership may, at any annual meeting or special meeting called for such purpose, increase or decrease the number of directors.

Section 3. Election of Directors. Biannually beginning in 1999, directors shall be elected by the membership at the annual membership meeting. The Chairman of the Board shall appoint a nominating committee, subject to approval of the Board, at least ninety (90) days before the annual meeting to nominate individuals to fill the expiring terms of directors. The recommendations of the nominating committee shall be announced at least sixty (60) days before the annual meeting, and members shall be given ten (10) days after such announcement to make additional nominations of members who have signified their willingness to stand for election by petition supported by no less than ten (10) percent of the members. Ballots shall be mailed to members at least thirty (30) days prior to the annual meeting indicating the nominations by the nominating committee and any additional nominations by petition. The result of the election shall be counted the day prior to the annual meeting by persons appointed by the Board.

Section 4. Term of Office. The term of office for directors (including the initial directors identified above) shall be two (2) years. Directors may be reelected for successive terms.

Section 5. Resignation and Removal of Directors. A director may resign at any time by giving written notice to the Board, the Chairman of the Board, or the Secretary/Treasurer of MSLA. Such resignation shall take effect on the date of receipt or at any later time specified in said notice. The members may remove a director without cause at a meeting noticed for such purpose

and if the number of votes cast to remove the director would be sufficient to elect the director at a meeting to elect directors.

Section 6. Vacancies. Vacancies on the Board, including a vacancy resulting from an increase in the number of directors, shall be filled by member election at the next annual meeting of the membership or at a special meeting of the membership called for such purpose; provided, however, the remaining directors may fill the vacancy until the annual or special meeting by affirmative vote of a majority of all directors remaining in office. Any vacancy filled by member election shall serve for the remaining term of the director whose vacancy was filled.

Section 7. Compensation and Reimbursement. Directors shall serve without compensation, but may be reimbursed for reasonable and necessary expenses incurred by them as members of the Board.

## ***ARTICLE V***

### **MEETINGS AND ACTIONS OF THE BOARD**

Section 1. Meetings. The Board may hold regular or special meetings for the purpose, and at the date, time and place, determined by the Chairman or a majority of the Board. The regular meetings shall include an annual meeting after the annual membership meeting at which time the Board shall elect officers and consider other business. The Chairman may permit any or all directors to participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

Section 2. Notice. The Chairman may issue a schedule for regular meetings. Once this is done, no further notice is required for a regular meeting. Special meetings of the Board must be preceded by at least two (2) days' notice of date, time and place of meeting.

Section 3. Actions without Meeting. Board actions may be taken without a meeting if the action is taken by all directors. The action must be evidenced by one or more written consents describing the action taken, signed by each director.

Section 4. Quorum. A quorum of the Board consists of a majority of the directors in office immediately before a meeting begins. If a quorum is present when a vote is taken, the affirmative vote of a majority of directors present is the act of the Board unless applicable law provides otherwise and except for the following actions where the affirmative vote of a majority of directors, whether or not present at the meeting, is required:

1. Hiring or dismissing the Executive Director or any officer;
2. Approving contracts with an annual obligation of \$10,000.00 or more;
3. Borrowing money;
4. Proposing amendments to the By-laws; and
5. Authorizing a bank signatory.

Section 5. Committees. The Board may by resolution create one or more committees of the Board and appoint directors to serve on them, consistent with Miss. Code Ann. § 79-11-265 (1972).

Section 6. Parliamentary Procedure. Roberts Rules of Order shall prevail at all Board and committee meetings unless otherwise provided in these By-laws or by applicable law.

## ***ARTICLE VI***

### **OFFICERS, PRODUCERS AND EMPLOYEES**

Section 1. General. MSLA shall have the officers described in these By-laws or created by the Board through resolution. The Board may also employ other employees or producers as it may deem necessary.

Section 2. Executive Director. The Executive Director shall be responsible for the day-to-day operations of MSLA subject to policies established by the Board. The Executive Director shall report on the activities of MSLA at the membership annual meeting pursuant to Miss. Code Ann. § 79-11-197 (1972).

Section 3. Secretary/Treasurer. The Secretary/Treasurer shall have responsibility for preparing minutes of directors' and members' meetings and for authenticating MSLA records. The Secretary/Treasurer shall also be the chief financial officer and shall report on the financial condition of MSLA at the membership annual meeting pursuant to Miss. Code Ann. § 79-11-197 (1972). The Secretary/Treasurer shall be elected from the members of the Board.

Section 4. Resignation or Removal. An officer, employee or agent may resign by giving notice to the Chairman. The Board may remove any officer, employee or agent at any time with or without cause, subject to any contractual obligations or applicable law.

## ***ARTICLE VII***

### **DISSOLUTION**

MSLA may be dissolved by following the relevant provisions of Miss. Code Ann. § 79-11-333 through 79-11-345. In the event MSLA is dissolved and all of its liabilities have been satisfied, the Board shall transfer MSLA's remaining assets (if any) to any successor association established under the surplus lines statutes and approved for such transfer by the Commissioner of Insurance or, if no such organization exists to which the Commissioner will approve the transfer, to any state fund designated by the Commissioner of Insurance.

## ***ARTICLE VIII***

### **INDEMNIFICATION**

Section 1. General. Subject to the provisions of Miss. Code Ann. § 79-11-281, MSLA shall indemnify an individual made a party to a proceeding because he is or was MSLA's director, officer, employee or agent against liability incurred in the proceeding if:

(a) He conducted himself in good faith; and (b)

He in good faith believed:

(i) In the case of conduct in his official capacity with MSLA that his conduct was in its best interests; and

(ii) In all other cases, that his conduct was at least not opposed to its best interests; and

(c) In the case of any criminal proceeding, he had no reasonable cause to believe his conduct was unlawful.

The determination of whether the indemnification is permissible because the individual has met the above standard of conduct, and the evaluation as to reasonableness of expenses, shall be made as set out in Miss. Code Ann. § 79-11-281(7).

Section 2. Absolute Indemnification. Notwithstanding anything above, MSLA shall indemnify a director, officer, employee or agent who entirely prevails in the defense of any proceeding to which he was a party because he is or was a director, officer, employee, or agent of MSLA against reasonable expenses incurred by him in connection with the proceeding.

Section 3. Advance Expense Payments. MSLA may pay for or reimburse the reasonable expenses incurred by a director, officer, employee or agent who is a party to a proceeding in advance of final disposition of the proceeding if:

(a) The director, officer, employee or agent furnishes MSLA a written statement of his good faith belief that he has met the standard of conduct described in Section 1 above;

(b) The director, officer, employee or agent furnishes the corporation a written undertaking, executed personally or on his behalf, to repay the advance if it is ultimately determined that he did not meet the standard of conduct; and

(c) A determination is made that the facts then known to those making the determination would not preclude indemnification under Miss. Code Ann. § 79-11-101, et seq.

Determinations and authorizations of payment under this section shall be made in the manner specified in Miss. Code Ann. § 79-11-281(7).

Section 4. Insurance. Pursuant to Miss. Code Ann. § 79-11-281(a), the Board may authorize the purchase and maintenance of insurance on behalf of any individual who is or was a director, officer, employee or agent of MSLA against liability asserted against or incurred by him in that capacity or arising from his status as a director, officer, employee or agent, whether or not MSLA would have power to indemnify him against the same liability.

## ***ARTICLE IX***

### **RECORDKEEPING**

MSLA shall keep all records required by Miss. Code Ann. § 79-11-283 and any other relevant laws. This shall include, as permanent records, minutes of all meetings of its members and Board, a record of all actions taken by the members or directors without a meeting, and a record of all actions taken by committees of the Board as may be authorized pursuant to Miss. Code Ann. § 79-11-265. This shall also include a record of its members in a form that permits preparation of a list of the names and address of all members, in alphabetical order by class showing the number of votes each member is entitled to vote.

## ***ARTICLE X***

### **MISCELLANEOUS CORPORATE ACTS**

Section 1. Signing of Checks, Notes and Other Instruments. Checks, notes, negotiable instruments, contracts, deeds, and other such legal documents shall be signed by the Chairman or Secretary/Treasurer or any other individuals from time to time designated by the Board.

Section 2. Deposits. All funds of MSLA shall be, from time to time, deposited to the credit of MSLA in such banks, trust companies or other depositories as the Board may select and shall be drawn out only by a check signed by the Chairman or the Secretary/Treasurer, or by automated facsimile signature under their control, or by those other individuals authorized by the Board.

Section 3. Audit. All the accounts and books of MSLA together with all supporting data shall be audited by a firm of disinterested certified public accountants approved by the Board.

## ***ARTICLE XI***

### **AMENDMENTS**

Pursuant to Miss. Code Ann. § 79-11-315 (1972), an amendment to these By-laws to be adopted must be approved (a) by the Board if the amendment does not relate to the number of directors, the composition of the board, the term of office of directors, or the method or way in which directors are elected or selected; and (b) by the members of two-thirds (2/3) of the votes cast or a majority of the voting power, whichever is less.

## SECTION IX: MISSISSIPPI SURPLUS LINES STATUTES

Miss. Code Ann. 83-21-21(3), as amended effective July 1, 1997, provided that the Commissioner of Insurance may rely upon the advice and assistance of a duly constituted association of surplus lines producers in carrying out the purposes of the laws on foreign insurance companies contained in Title 83, Chapter 21 of the Miss. Code Ann. (1972). MSLA was established to serve this role and has been recognized by the Commissioner of Insurance as the association upon which he will rely for advice and assistance pursuant to the above statutes.

Pursuant to statutory authority, MSLA shall provide a means for examination of surplus lines coverage to determine whether such coverage complies with applicable law and rules or regulations. MSLA shall also adopt procedures and practices to assist members in complying with relevant statutes and rules or regulations issued by the Commissioner of Insurance. MSLA may also conduct other operations that relieve the Commissioner of Insurance of duties otherwise required of him under the laws on foreign insurance companies.

Mississippi Surplus Lines statutes can be found [here](#).

Under Title 83, Chapter 21 of the Mississippi Code of 1972

## SECTION X: APPENDIX

### *COVERAGE CODE LISTING*

Coverage codes are the numerical values used to describe each coverage type. All codes are subject to the MSLA stamping fee and the Mississippi surplus lines tax, and the MWUA Nonadmitted Policy Fees.

#### **Commercial Property**

- 1000 Commercial Property
- 1001 Builders Risk
- 1002 Business Income
- 1003 Apartments (Commercial)
- 1004 Boiler and Machinery
- 1005 Commercial Package – Real Property & Contents only
- 1006 Condominium Package (Commercial) – Real Property & Contents only
- 1007 Crop Hail
- 1008 Difference In Conditions
- 1009 Earthquake – Commercial
- 1010 Flood – Commercial
- 1011 Glass (Commercial)
- 1012 Mortgagee Impairment 1013 Windstorm and/or Hail
- 1014 Mold Coverage – Commercial
- 1015 Sinkhole Coverage – Commercial

#### **Crime**

- 1100 Bankers Blanket Bond
- 1101 Blanket Crime Policy
- 1102 Employee Dishonesty
- 1103 Identity Theft
- 1104 Deposit Forgery

#### **Miscellaneous**

- 1200 Accident & Health
- 1201 Credit Insurance
- 1202 Animal Mortality
- 1203 Mortgage Guaranty
- 1204 Worker's Compensation-Excess Only
- 1205 Product Recall
- 1206 Kidnap/Ransom
- 1207 Surety
- 1208 Weather Insurance
- 1209 Prize Indemnification

1210 Travel Accident

1211 Terrorism

**Homeowners and Other Residential Property**

2000 Homeowners-HO-1

2001 Homeowners-HO-2

2002 Homeowners-HO-3

2003 Tenant Homeowners-HO-4

2004 Homeowners-HO-5

2005 Condo Unit-Owners HO-6

2006 Homeowners-HO-8

2007 Dwelling Builders Risk

2008 Dwelling Flood

2009 Dwelling Property

2010 Farmowners Multi-Peril

2011 Mobile Homeowners

2012 Windstorm

2013 Mold Coverage – Residential

2014 Sinkhole Coverage – Residential

2015 Flood – Residential

2016 Earthquake – Residential

**Ocean Marine**

3000 Marine Operations Legal

3001 Marine Liabilities Package

3002 Ocean Marine-Hull &/or Protection & Indemnity

3003 Ocean Cargo Policy

3004 Ship Repairers Legal Liability

3005 Stevedores Legal Liability

3006 Personal & Pleasure Boats & Yachts 3007 Ocean Marine Builder's Risk

3008 Longshoremen and Harbor Workers Compensation Act

**Inland Marine**

4000 Inland Marine (Commercial)

4001 Inland Marine (Personal)

4002 Motor Truck Cargo

4003 Jewelers Block

4004 Furriers Block

4005 Contractors Equipment

4006 Electronic Data Processing

4007 Inland Marine – Real Property & Contents (Commercial)

4008 Inland Marine – Real Property & Contents (Personal)

**Liability**

- 5000 Commercial General Liability
- 5001 Commercial Umbrella Liability
- 5002 Directors & Officers Liability (Profit)
- 5003 Directors & Officers Liability (Non-Profit)
- 5004 Educator Legal Liability
- 5005 Employment Practices Liability
- 5006 Excess Commercial General Liability (Not Umbrella)
- 5007 Excess Personal Liability (Not Umbrella)
- 5008 Liquor Liability
- 5009 Owners & Contractors Protective
- 5010 Personal Umbrella
- 5011 Personal Liability
- 5012 Pollution & Environment Liability
- 5013 Product & Completed Operations Liability
- 5014 Public Officials Liability
- 5015 Police Professional Liability
- 5016 Media Liability
- 5017 Railroad Protective Liability
- 5018 Asbestos Removal & Abatement
- 5019 Guard Service Liability
- 5020 Special Events Liability

**Medical Malpractice**

- 6000 Hospital Professional Liability
- 6001 Miscellaneous Medical Professionals
- 6002 Nursing Home Professional Liability
- 6003 Physician/Surgeon

**Errors and Omissions**

- 7000 Architects & Engineers Liability
- 7001 Insurance Agents & Brokers E&O
- 7002 Lawyers Professional Liability
- 7003 Miscellaneous E&O Liability
- 7004 Real Estate Agents E&O
- 7005 Software Design Computer E & S
- 7006 Cyber Liability

**Automobile**

- 8000 Commercial Auto Liability
- 8001 Commercial Auto Excess Liability
- 8002 Commercial Auto Physical Damage
- 8003 Dealers Open Lot

8004 Garage Liability  
8005 Garage Keepers Legal  
8006 Private Passengers Auto-Physical Damage Only  
8007 Personal Excess Auto Liability

**Aircraft**

9000 Commercial Aircraft Hull &/or Liability  
9001 Airport Liability  
9002 Aviation Cargo  
9003 Aviation Product Liability  
9004 Hanger Keepers Legal Liability 9005 Personal & Pleasure Aircraft