



# MSLA Bulletin

**2012-01**  
May 21, 2012

Mississippi Surplus Lines Association  
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TO ALL MISSISSIPPI LICENSED RESIDENT AND  
NONRESIDENT SURPLUS LINES PRODUCERS,  
AND ALL FOREIGN AND ALIEN SURPLUS LINES CARRIERS

**RE: LEGISLATIVE CHANGES REDUCING NONADMITTED POLICY FEES**

During the 2012 Regular Legislative Session, the Mississippi Legislature passed Senate Bill 2626, which amends 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).

Currently, the nonadmitted policy fee (windpool fee) is set at five percent (5%) of the total policy premium (this includes premium and all policy fees – excluding the nonadmitted policy fee) for any and all risks written by surplus lines insurance producers in this state from a nonadmitted insurer.

Pursuant to the provisions of Senate Bill 2626, for all risks with an effective date of July 1, 2012 or after, the nonadmitted policy fee (windpool fee) will be three percent (3%) of the total policy premium. For the purposes of this Bulletin, the effective date for endorsements shall be the effective date of the original policy.

**MSLA EXPLANATION TO ASSIST YOUR FILINGS**

Remember: All new and renewed policies with an effective date through June 30, 2012 will continue to be assessed the nonadmitted policy fee (windpool fee) at the current rate of five percent (5%).

All new and renewed policies with an effective date July 1, 2012 or after will be assessed the nonadmitted policy fee (windpool fee) at the new rate of three percent (3%).

#### **HOW ENDORSEMENTS WILL BE ASSESSED**

Remember: The nonadmitted policy fee assessment rate on all endorsement types (additional premiums, return premiums, cancelations, audits, and reinstatements) will follow the effective date of the original policy.

For example, if a policy was renewed with an effective date of February 1, 2012, the total policy premium was assessed the nonadmitted policy fee of 5%. If this policy is endorsed August 1, 2012, it will be assessed 5%. The endorsement rate will follow the effective date of the original policy.

For example, if a policy is renewed with an effective date of July 1, 2012, the total policy premium will be assessed the nonadmitted policy fee of 3%. If this policy is endorsed August 1, 2012, it will be assessed 3%. The endorsement rate will follow the effective date of the original policy.

Continue to separate and send the MWUA Nonadmitted Policy Fee to the lockbox at the following address:

Mississippi Windstorm Underwriting Association  
P.O. Box 22510  
Jackson, MS 39225-2510

**THE NONADMITTED POLICY FEE (WINDPOOL FEE) PAID TO MWUA WILL  
CONTINUE TO BE IN ADDITION TO  
THE CURRENT FOUR PERCENT (4%) SURPLUS LINES PREMIUM TAX  
AND THE QUARTER OF ONE PERCENT (.25%) STAMPING FEE**

Should you have questions, contact Peggy Dronet, with MSLA, at 601-713-1111 or email at [pdronet@msla.org](mailto:pdronet@msla.org).