

BIG I | MISSISSIPPI

INDEPENDENT INSURANCE AGENTS OF MISSISSIPPI

VOLUME 45 • NUMBER 3

The background of the cover features a dark blue field with a fine grid of small dots. Several large, light blue outline arrows point upwards from the bottom towards the top. In the upper center, a cluster of light blue squares forms a pixelated, star-like shape. The title text is positioned at the bottom of the cover.

2025 MISSISSIPPI PROPERTY-CASUALTY **MARKETPLACE SUMMARY**



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ADDRESS ALL CORRESPONDENCE TO:

Independent Insurance Agents of Mississippi
PO Box 321474

p: 601.939.9909
alea@msagent.org



@bigimississippi



@IIAofMS



FROM THE COMMISSIONER

by Mike Chaney
INSURANCE
COMMISSIONER

I used to play a lot of tennis. One thing that sticks with me is how often players are called on to make close judgment calls on whether a ball is in or out. When you're playing casually with friends, it's not a huge issue. But over time, you begin to notice things, and people remember who consistently makes fair calls and who doesn't. Ethics quickly come into play, even on a friendly court.

Golf is similar. Many young insurance agents are drawn to golf so it's easy to draw a connection there. In golf, you're expected to keep your own score and play honestly, even when no one is watching. The difference between a par and a bogey may seem small, but the principle is huge. Just like in tennis, players learn quickly who they can trust.

This principle translates directly to the insurance profession. Trust is at the heart of everything an agent does. Clients rely on agents to guide them through complex, often confusing decisions. That trust is earned through consistent ethical behavior. Agents are expected to operate under the core values of **integrity, honesty, transparency, accountability, and confidentiality.**

I recently had a call from a woman who had contacted an agent for a quote on a property she wanted to buy. She later found out that agent turned around and tried to buy the property from under her. It calls into question the ethics of the agent and makes me question whether or not to call the agent in for a hearing. What would you do?

A key part of an agent's responsibility is putting the client's interests first—above commissions, sales goals, or personal gain. That means offering advice tailored to the client's unique needs and circumstances, not just pushing products. It also means clearly communicating policy details, avoiding misleading information, and never withholding important facts.

Ethical guidelines are supported by professional organizations like the **National Association of Insurance Commissioners (NAIC)**. These groups set standards that protect consumers and ensure that ethical conduct is not just encouraged, but expected.

Maintaining confidentiality is another crucial part of the job. Agents deal with sensitive financial and personal information daily. A breach of trust here can destroy relationships and reputations in an instant.

Ultimately, ethical behavior builds long-term relationships, enhances credibility, and protects both the agent and the client. On the flip side, unethical behavior can lead to fines, revoked licenses, and irreparable damage to one's professional standing. My office deals with this daily. It's not something we like doing but it's a vital part of our role in regulating the industry.

Whether on the tennis court, golf course, or in an insurance office, ethics matter. When agents act with integrity, everyone wins—and trust, once earned, becomes the foundation of lasting success.



We speak human, not fine print.

We believe insurance should sound like a conversation, not a contract. So, we skip the jargon and meet you where you are—with tools, insights, and people who know your customers' industries inside and out, from manufacturers and contractors to breweries and wineries.

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CHAIRMAN'S MESSAGE

by John Morgan Mims

As fall and winter approach, I've been reflecting on what a busy and successful year it has been since I took office as your chairman back in June.

First off, I want to give a big thank-you to our incredible staff for another great convention. It was well attended by agents and company reps, and I continue to be impressed by the hard work and creativity that goes into making this event such a success every year.

We've also had a great lineup of Young Agents events this fall. In August, we hosted the Young Agents Conference in New Orleans that consisted of a fun few days of education and networking. And on September 24, the Young Agents Alliance Skeet Shoot returned to Providence Hill, always one of our most popular events and once again a great success.

Outside of Young Agents events, our IIAM-PAC Golf Tournament at Old Waverly was also a major highlight this season. It was a tremendous success, bringing in 90 golfers and strong support for our advocacy efforts.

Next up is our Agency Management Conference at the Country Club of Jackson on February 11-12. This is always a great chance to earn some CE hours and catch up with other agents and company partners. I hope to see you there.

I'm truly honored and humbled to serve as your chairman. I am grateful for the support I have received thus far. This association means a lot to me, and I welcome any ideas or suggestions you might have to help us keep moving forward and getting stronger.

Warm regards,

John Morgan Mims
Chairman

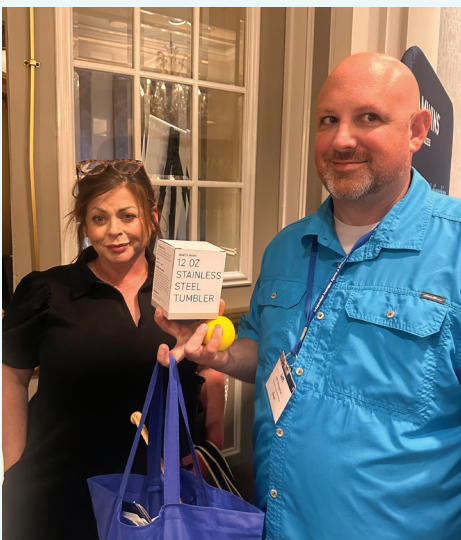
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YOUNG AGENTS CONFERENCE 2025



CONNECTING THE NEXT GENERATION OF INDUSTRY LEADERS

The Independent Insurance Agents of Mississippi (IIAM) and the Independent Insurance Agents and Brokers of Louisiana (IIABL) once again joined forces to host their highly anticipated Young Agents Conference, held August 21–23 at the Royal Sonesta in New Orleans. This year's event delivered an inspiring blend of education, engagement, and fun, bringing together rising professionals from across both states for three days of learning, leadership, and connection.

The conference kicked off Thursday afternoon with the Agents Alley Bowling Tournament, setting the tone for a lively and competitive weekend. Friendly rivalries and plenty of laughter filled the lanes as attendees reconnected and welcomed new faces in a relaxed, social setting.

Friday featured a full lineup of professional development sessions with speakers Robert “Cujo” Teschner, Angus Reid, and Bradley Flowers. Each brought a unique perspective, from leadership and teamwork to mindset and marketing, giving young agents practical tools and fresh inspiration to support their personal and professional growth.

Following a networking lunch, attendees moved into breakout sessions, allowing them to tailor their learning to the topics most relevant to their career paths. The day wrapped up with a festive Opening Reception, where agents and company representatives continued conversations over cocktails and hors d'oeuvres.

Saturday began with a lively brunch that fueled attendees for another round of memorable sessions. The afternoon's poolside networking provided a refreshing close to a full weekend of education and collaboration, capped off by a closing cocktail reception celebrating new friendships and future opportunities.

From start to finish, the 2025 Young Agents Conference highlighted the energy, innovation, and passion driving the next generation of independent agents. IIAM and IIABL extend their heartfelt thanks to all who attended, sponsored, and supported the event and look forward to continuing this tradition of empowering young professionals for years to come.





YOUNG AGENTS HIT THE MARK AT ANNUAL SKEET SHOOT

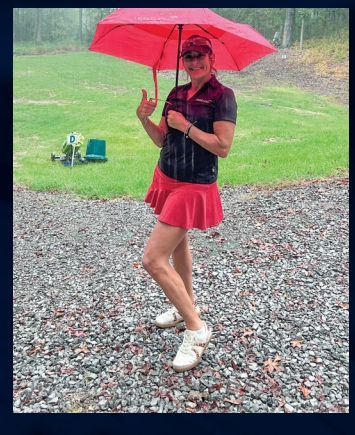
On a crisp fall morning, September 24, 2025, agents and company representatives gathered at the scenic Providence Hill Farms for the annual Young Agents Sponsored Skeet Shoot. Now in its fifth year, the event has become a favorite autumn tradition—bringing together industry professionals for friendly competition, networking, and a day outdoors on one of Mississippi's premier shooting courses.

Participants kicked off the morning with a hearty breakfast provided by Builders Mutual, fueling up before the teams took to the course. The air was filled with the sound of friendly rivalry and laughter as shooters aimed for top marks. Standing out among the day's competitors were Joe Ulmer, Breckon Young, and Braxton Brumfield, who earned the title of top shooters and took home prizes generously donated by Jencap.

Following the competition, everyone gathered for a well-deserved lunch sponsored by Imperial PFS, where stories from the range were shared and new connections made. The camaraderie and sportsmanship on display throughout the day perfectly captured the spirit of the Young Agents Alliance—building relationships, having fun, and giving back to the industry community.

A sincere thank-you goes to our sponsors, volunteers, and all who participated in making this year's event a success. The 2025 Skeet Shoot was not just about hitting targets—it was about hitting the mark on what makes our association strong: connection, collaboration, and community.





A SWINGING SUCCESS at Old Waverly

Agents Tee Off in Support of IIAM-PAC

On November 17, agents and associate members from across Mississippi gathered for the highly anticipated IIAM-PAC Golf Tournament.

From the moment golfers arrived, excitement and friendly competition filled the air. Morning check-in was accompanied by refreshments provided by Mathison Insurance Partners, setting the tone for a great day ahead. At noon, after enjoying boxed lunches courtesy of Liberty Mutual, Safeco, and StateAuto, 90 golfers teed off in a spirited four-man scramble, each vying for bragging rights and the coveted top spot.

When the final putt dropped, the team of Patrick Feathers, Seldon Van Cleve, Bradley Tyler, and David Krouse emerged victorious, earning well-deserved gift cards for their win. Following a full day on the course, players gathered just steps away at Murphy's, located inside Old Waverly's clubhouse, for the 19th Hole Reception. There, participants relaxed, shared

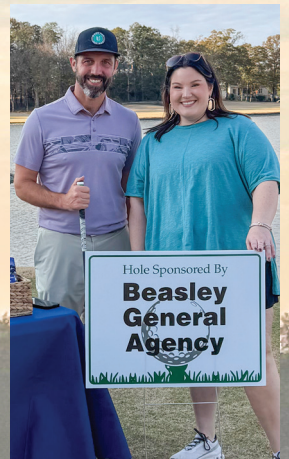
stories from the day, and enjoyed refreshments and fellowship, a fitting end to an event built around both camaraderie and cause.

IIAM extends heartfelt appreciation to FCCI Insurance Group, whose generous sponsorship helped make the tournament possible. Additional thanks go to Mathison Insurance Partners, Beasley General Agency, Berkley Southeast Insurance Group, and all our hole sponsors for their contributions and continued support.

The IIAM-PAC Golf Tournament not only brings the industry together for a day of networking and fun. It plays a vital role in advancing advocacy efforts that protect independent agents and the communities they serve.

With another successful event in the books, IIAM looks forward to returning to the course next year for another unforgettable day of golf, good company, and support for a great cause.





2025 MISSISSIPPI

MARKETPLACE SUMMARY

The 2025 Mississippi Annual P&C Marketplace Summary will soon be available to you as Big I Mississippi members which provides you Mississippi-specific data on the marketplace you navigate every day.

The Summary is dedicated to enhancing your effectiveness as an independent insurance agent. It enables you to understand your Mississippi marketplace better. Look out for information in your member communications on how to access the complete Summary and data on all the types of P&C insurance from Aircraft to Workers' Compensation ("Lines of Business"). An insurer list is provided in the Summary to allow you a fast look-up of any insurer you come across, and the remainder of Summary should give you perspective on any question from premiums to losses to premium taxes.

The Mississippi insurance marketplace, with \$8.2 billion in property and casualty (P&C) premiums, accounts for almost 1% of the total United States marketplace, valued at \$1.04 trillion in 2024. With a 36th-place ranking, Mississippi's premium volume places it in the lower third of state-level insurance markets.

The following are selected highlights from the 2025 Mississippi Annual P&C Marketplace Summary. The Summary includes data for the most recently available five years (2020 through 2024). The general insights below offer an overview, but perhaps the biggest benefit is the general observations highlight the extent of the data available to you in the full Summary.



Figure 1

• PREMIUMS:

Premiums in Mississippi grew at 8.8% from 2023 to 2024 very close to the United States average at 9.6%. The fastest-growing Lines of Business in Mississippi were Burglary & Theft (+41.8%), Farmowners Multi-Peril (+33.9%), and Surety (+28.2%).

• PENETRATION:

Mississippi insurers relying on independent insurance agents controlled 57% of direct premiums written in 2024. This is a bit below the U.S. average with insurers using direct distribution strategies having a larger portion of the Mississippi marketplace than the average state.

• LARGEST INSURERS:

State Farm Group is the largest insurer group in Mississippi, as is the case generally in the U.S. The largest independent agent-focused insurer in Mississippi is Progressive Gulf Insurance Company and the largest insurer using direct distribution is Alfa Insurance Corporation.

• LOSS RATIOS AND PROFIT:

In terms of P&C industry profitability, Mississippi looks very much like the United States overall. The five-year average loss ratio is 63% for Mississippi which is very close to the United States average of 64%. Mississippi results, however, has been more variable than the United States over the last five years with two years exceeding a 100% Combined Ratio, while the countrywide results never exceeded 100%.

• SURPLUS LINES:

Mississippi's Surplus Lines market closely parallels national trends, maintaining a consistent share of domestic insurer premiums. Over the past five years, that share has grown from approximately 7% to nearly 10%, reflecting similar expansion across the United States.

• PREMIUM TAXES:

New this year is information on premium taxes. Premium taxes in Mississippi contribute about \$82 per resident to be used in financing state governmental services.

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MISSISSIPPI P-C PREMIUMS

P&C Premiums: Mississippi vs. United States

Figure 2 (right), *Mississippi: Direct Written Premiums*, shows the direct written P&C premiums in Mississippi for all Lines of Business combined and the five years included in this year's *Summary* (2020 through 2024). This is compared to the United States which is shown in Figure 3, *United States: Direct Written Premiums*. From 2023 to 2024, Mississippi premiums grew slightly slower than the United States overall, and the 5-year constant growth rate in Mississippi also slightly lags that of the countrywide average. While nearing a +10% premium change, which many consider significant, it is notable that the growth rate is well below the fastest in Washington (15.2%) while well above the slowest in North Dakota (+0.2%).

MISSISSIPPI: DIRECT PREMIUM WRITTEN (DPW)

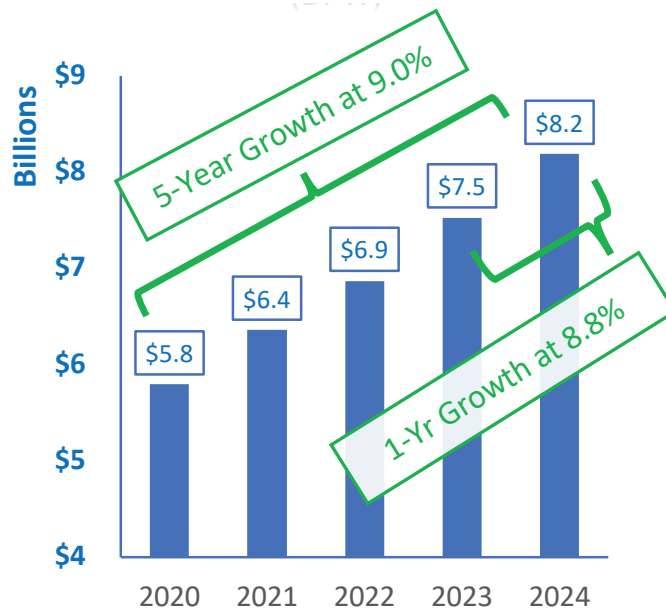


Figure 2

U.S.: DIRECT PREMIUM WRITTEN

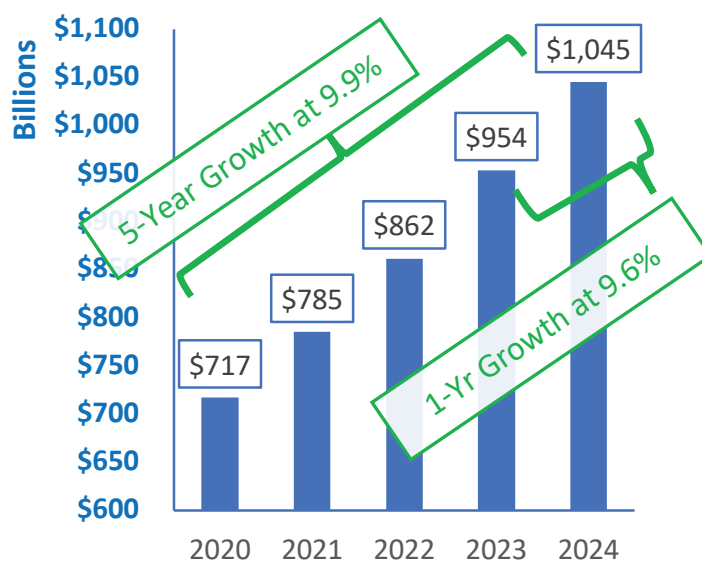


Figure 3

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P&C PREMIUMS: BY LINES OF BUSINESS

Figure 4, 2024 – *Mississippi Direct Premiums Written: By Lines of Business*, shows premiums for all 32 Lines of Business reported on by P&C insurers for the most recently available year. This includes lines from Aircraft to Workers' Compensation as well as some other lines like Warranties and guaranty coverages. The 26 Lines of Business that independent agents work with the most are highlighted by an asterisk (*). By far the largest Line of Business in Mississippi is Private Passenger Auto (\$2.8 billion), followed by Homeowners Multi-Peril (\$1.6 billion).

2024 - MISSISSIPPI: DIRECT PREMIUMS WRITTEN: BY LINES OF BUSINESS



2024 Mississippi Total Direct Premium Written For All Lines of Business is
\$8,189,765,000

Figure 4

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MISSISSIPPI P-C PREMIUMS CONTINUED

P&C PREMIUMS: LINES OF BUSINESS GROWTH

Figure 5 below, titled *Mississippi vs. United States: 1-Year Direct Written Premium Change (2023 to 2024)*, shows premium change rates of the Lines of Business independent agents work with the most. The Lines of Business are presented in alphabetical order, and United States data has been added for perspective. In Mississippi, of the Lines of Business that stand out to independent agents as growing the fastest, two property-based lines stand out in Farmowners Multi-Peril (25.1%) and Surety (28.2%). This is in contrast to the negative premium change in some more nuanced Lines of Business like Private Flood (-16.8%), Private Crop (-14.1%), Ocean Marine (-9.7%) and Excess Workers' Compensation (-34.0%).

MISSISSIPPI VS. UNITED STATES: 1-YEAR DIRECT WRITTEN PREMIUM CHANGES (2024 TO 2023)

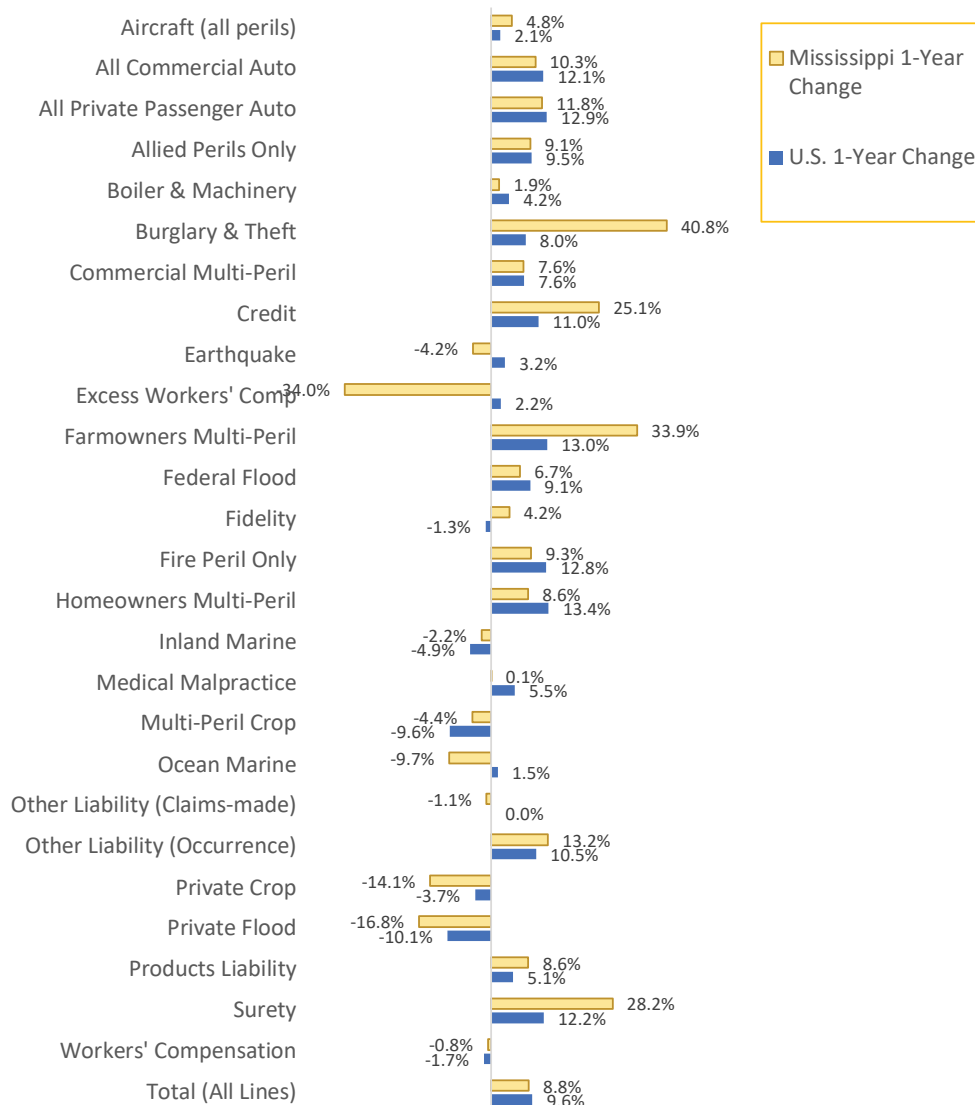


Figure 5

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P&C PREMIUMS: INDEPENDENT AGENTS PENETRATION RATES

Figure 6, 2024 – *Mississippi Independent Agent Distribution*, and Figure 7, 2024 – *United States: Independent Agent Distribution* shows the proportional importance of the top 10 Lines of Business for independent insurance agents. Independent agents in both Mississippi and the United States have Private Passenger Auto and Homeowners Multi-Peril as their top two Lines of Business. Notably these two Lines of Business are proportionately identical to the average independent agent in the United States (that is, Mississippi independent agent Private Passenger Auto and Homeowners Multi-Peril combined total 33% of premiums, the same as 33% countrywide).

2024 - MISSISSIPPI: INDEPENDENT AGENT DISTRIBUTION (\$4,675,801,000)

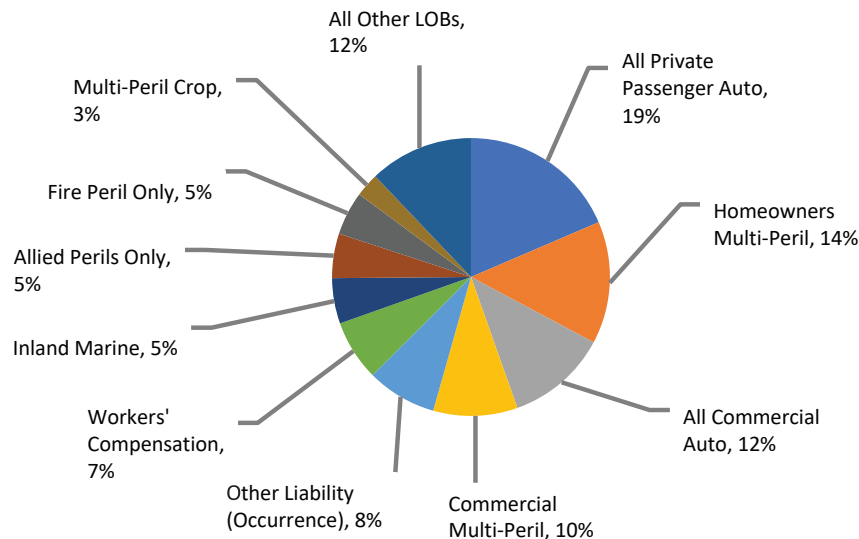


Figure 6

2024 - UNITED STATES: INDEPENDENT AGENT DISTRIBUTION (\$642,346,713,000)

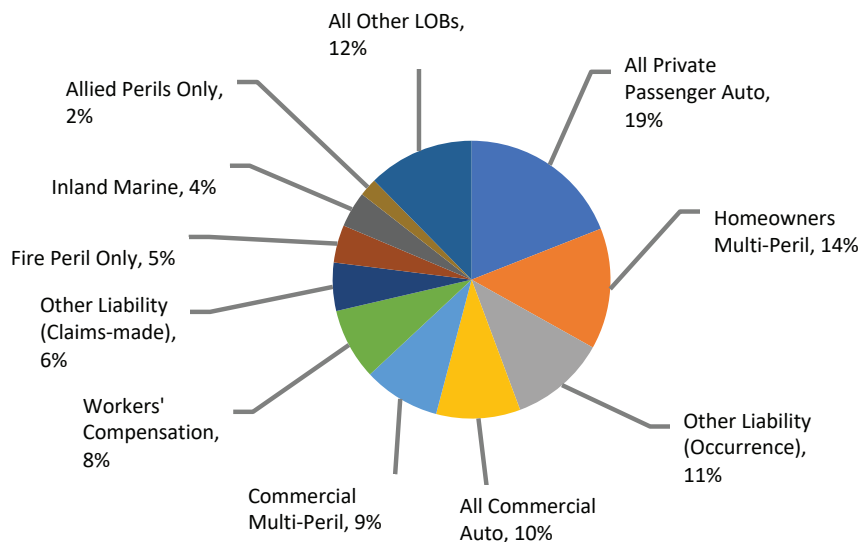


Figure 7

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MISSISSIPPI LOSS RATIOS

LOSS RATIOS: MISSISSIPPI VS. UNITED STATES

Figure 8, *Mississippi Total (All Lines) Loss and Combined Ratio*, shows 2024 marked a five-year low in overall insured losses, down from the recent high in 2023. This contributed to a multi-year average combined ratio of 93%, below the countrywide average as shown in Figure 9, *United States: Total (All Lines) Loss and Combined Ratios*. Overall, Mississippi's results have shown greater year-to-year variability over the past five years, yet its multi-year averages indicate incrementally better underwriting profitability compared to countrywide figures.

Readers should note that the full *Summary* also provides the below loss and combined ratio data for Mississippi for all 26 individual Lines of Business independent agents focus on.

MISSISSIPPI: TOTAL (ALL LINES) LOSS AND COMBINED RATIOS

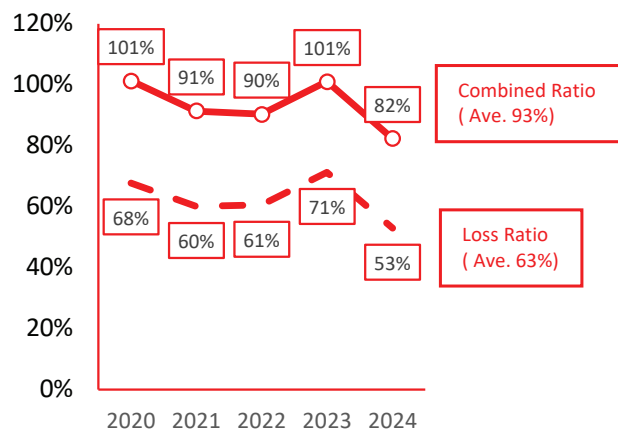


Figure 8

UNITED STATES: TOTAL (ALL LINES) LOSS AND COMBINED RATIOS

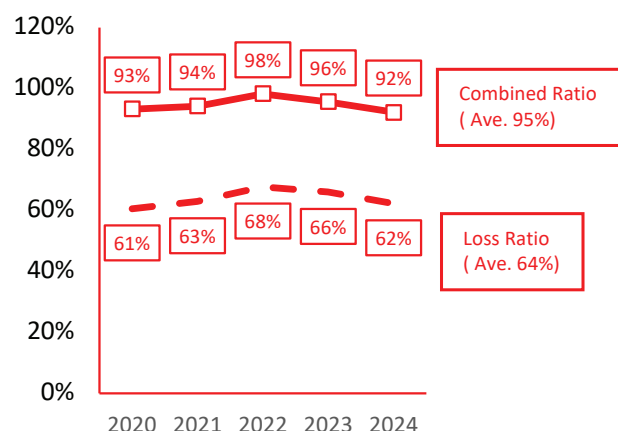


Figure 9

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LOSS RATIOS: LINES OF BUSINESS AND MISSISSIPPI VS. UNITED STATES

Figure 10, 2024 *Mississippi vs. United States: 1-Year Loss Ratios by Line of Business*, shows the loss ratios for individual Lines of Business for the most recent available year in the full *Summary*. Again, data for the United States has been added for perspective. This figure highlights the 26 lines of business that independent agents primarily focus on. Notably, a Line of Business often in the insurance trade press, Homeowners Multi-Peril, shows a loss ratio in Mississippi better than the national average in 2024. Other lines that are watched closely are the automobile Lines of Business. Here again Mississippi had lower relative losses than average on Private Passenger Auto and Commercial Auto. Again, readers should take note that the below data is expanded upon in the full *Summary* with each Line of Business having its own details page with a full five years of data.

2024 MISSISSIPPI VS. UNITED STATES: 1-YEAR LOSS RATIOS BY LINE OF BUSINESS

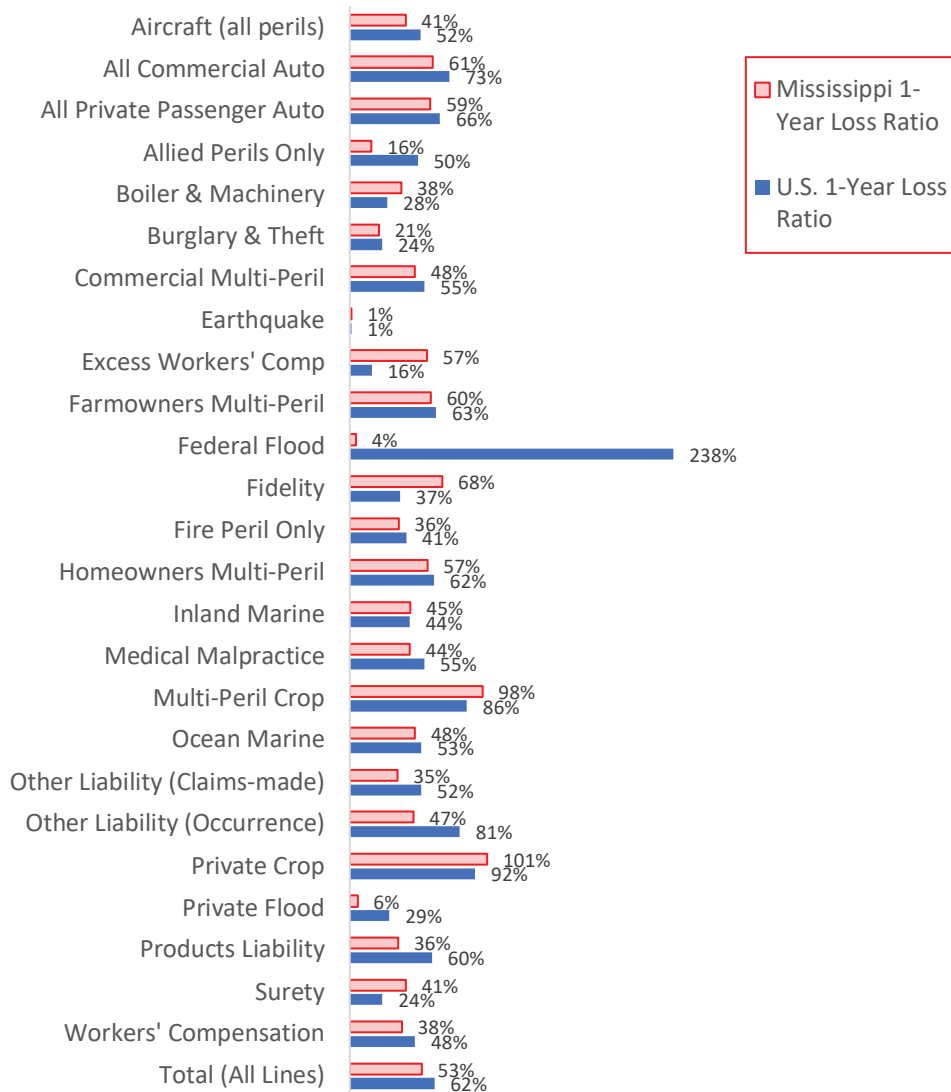


Figure 10

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MISSISSIPPI PENETRATION RATES

PENETRATION BY TOP LINES OF BUSINESS

Figure 11, *Mississippi Penetration: Top 10 Lines of Business and 5-Years Penetration Rates*, shows the penetration rate and trend of premiums and insurers using independent insurance agents for their distribution. Penetrations are generally very high in the various commercial Lines of Business and lower on personal lines. The 2025 *Mississippi P&C Marketplace Summary* contains more information on the determination of “Distribution Styles” and penetrations, including data on insurers using independent agents generally, insurers using exclusive or captive agents and insurers using direct distribution.

MISSISSIPPI: TOP 10 LINES OF BUSINESS AND 5-YEARS OF PENETRATION RATES

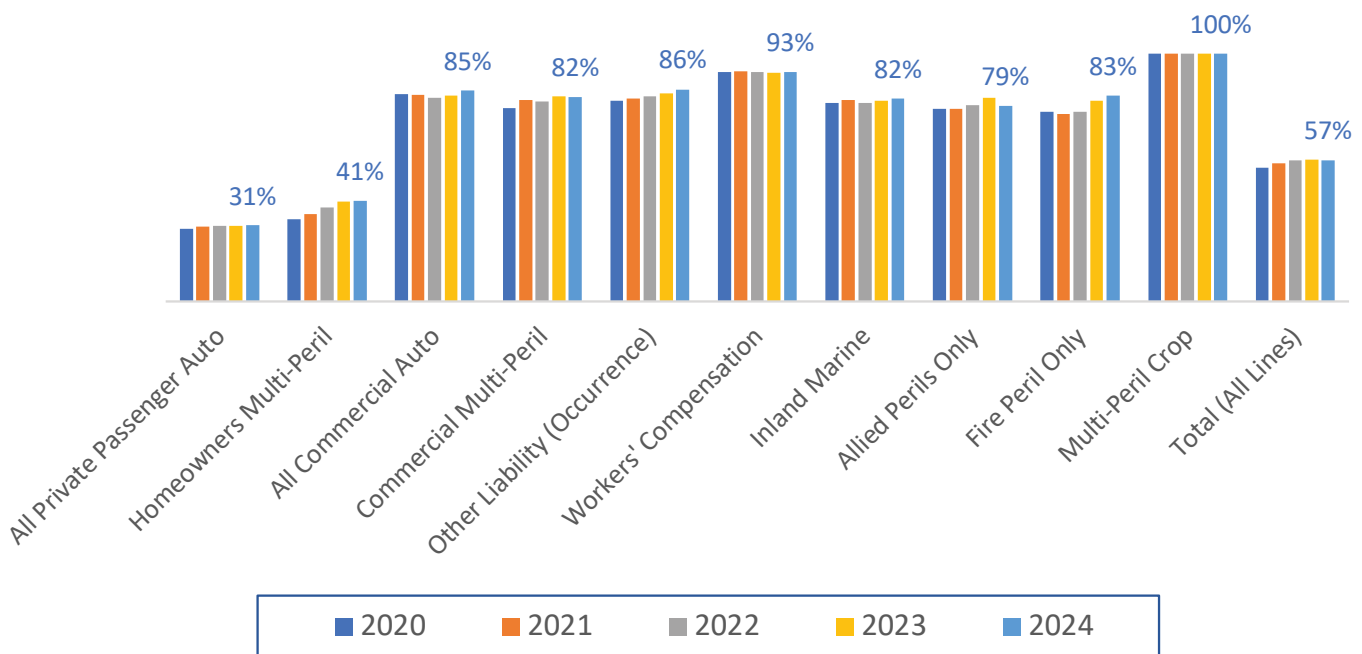


Figure 11

MISSISSIPPI SURPLUS LINES

2024 - MISSISSIPPI: SURPLUS LINES - LINES OF BUSINESS

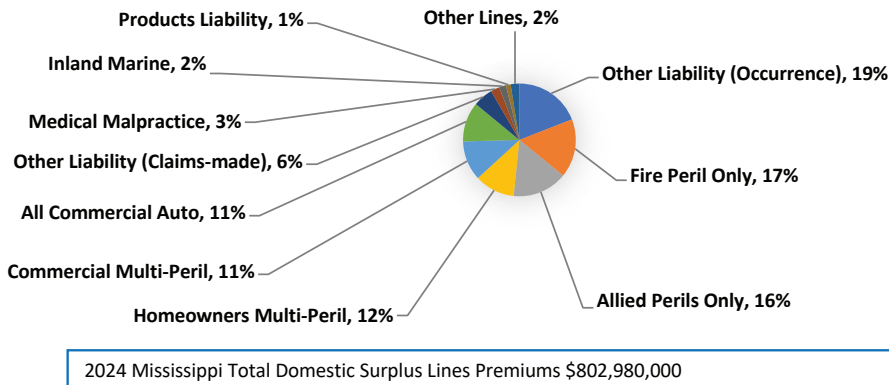


Figure 12

MISSISSIPPI: 5-YEARS OF SURPLUS LINES PREMIUMS (DOMESTIC PREMIUMS ONLY)

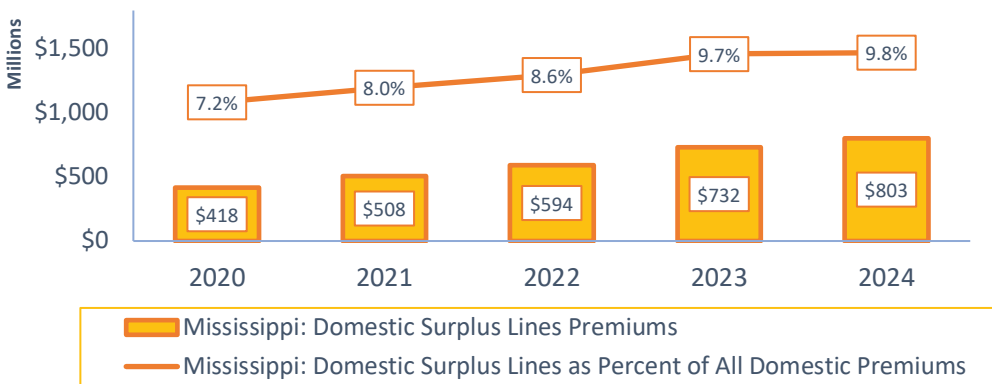


Figure 13

Surplus Lines P&C insurance provides coverage for high-risk or unique exposures that standard insurers will not cover. The standard, or “Admitted” Insurers, are subject to state-based regulation of forms, rates, financial strength, and market conduct. Insurers that are not subject to form, rate and other state-based regulation are called Surplus Lines insurers. Figure 12, *2024 Mississippi: Surplus Lines – Lines of Business*, shows the Lines of Business with the most premiums placed in Surplus Lines. Those are Other Liability (Occurrence), Fire Perils Only and Allied Perils Only are very important in Mississippi. Figure 13, *Mississippi: Surplus Lines Premium Utilization (Domestic Premiums Only)*, shows that Surplus Lines premiums have grown as a percentage of all P&C premiums. Notably, Surplus Lines utilization in Mississippi is at a very similar percentage and trend to the United States overall.

MISSISSIPPI PREMIUM TAXES

New in the *2025 Mississippi Annual P&C Marketplace Summary* is information on premium taxes. The addition arose from input received to add this information. The table below, *2024 Mississippi Premium Taxes* provides both the Mississippi Admitted average premium tax rate and the Surplus Lines predominant tax rate with comparison to the United States average and highest and lowest states. Also provided for comparison is per capita premium taxes, and premium taxes as a percentage of all state revenue

2024 MISSISSIPPI PREMIUM TAXES SUMMARY

Premium Taxes Summary	Mississippi (Rank of 51)	United States	Highest % and State	Lowest % and State
Admitted Premium Tax Rate Rank	2.8% (10)	2.1% (Average)	3.9% (West Virginia)	1.1% (Oregon)
Surplus Lines Tax Rate Rank	4.0% (15)	3.9% (Average)	6.0% (3 States)	1.0% (Iowa)
Per Capita Premium Taxes Rank	\$82.2 (20)	\$73.1 (Average)	\$154.7 (Louisiana)	\$32.0 (Oregon)
Premium Taxes as % of All State Revenue	3.1% (13)	2.0% (Average)	5.8% (Louisiana)	0.7% (District of Columbia)

Table 1

Source: © A.M. Best Company — Used by Permission, NAIC IID Surplus Lines Industry Summary and 2024 Excess and Surplus Lines Laws Manual, Troutman Pepper Locke, Lerner & Emmanuel

P&C Industry Data Analysis

This above article and the full 2025 Mississippi Annual P&C Marketplace Summary provides the reader with highlights and comparison data to the United States as taken from the full Summary. This is available to you as a benefit of your membership with the Big I Mississippi. The full Summary is a resource that agents can refer to year-round. Members should also know that the United States version of the Summary is available from your national association, the Independent Insurance Agents & Brokers of America. Any questions or comments are welcomed at the contact information below.

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LESSONS LEARNED

DO NOT GET INVOLVED IN DIRECT BILL ACCOUNT NOTICES

*By: David A. Barfield
Maron Marvel Bradley Anderson & Tardy LLC
1020 Highland Colony Parkway, Suite 400
Ridgeland, MS 39157
maronmarvel.com*

“Lesson’s Learned” is a recurring article by David A. Barfield based on real errors and omissions cases in Mississippi. David has represented insurance agents for over 30 years. The names of all parties and all case citations have been omitted to preserve anonymity of the parties.

Most claims against insurance agents are filed by insureds or insurers, but not all. The case against the agent discussed in this issue of Lessons Learned was filed by the insureds’ mortgage company.

BACKGROUND FACTS:

The insureds purchased their coastal home and transferred the sellers’ flood insurance policy to their account, with the assistance of the agent. This resulted in the insureds maintaining grandfathered status of their flood insurance premium. The insureds’ flood insurance premium was to be paid by the mortgage company. The insureds’ first mortgage company paid the flood insurance premiums without any difficulty. The mortgage was transferred to a second mortgage company. The first year the second mortgage company was involved with the insureds’ account the flood insurance premium was paid without problem. The next year, the flood insurance premium was mailed by the mortgage company to the address it had used the year before. Unfortunately, the premium was not received as the address had changed. The mortgage company claimed it did not receive any notices for payment of premium or notices of non-payment of premium. The deadline for the receipt of payment of

the premium under the then, relatively new NFIP guidelines, under Risk Rating 2.0, came and went, and the insured’s flood insurance policy was cancelled. The flood insurance was rewritten but the insureds lost their grandfathered premium status resulting in a premium over six times the amount of the previous premium. The insureds sued the mortgage company which, in turn, sued the flood insurance carrier and the agency.

ALLEGATIONS OF THE MORTGAGE COMPANY:

The primary allegations against the agent and flood insurer were that they did not send renewal notices or final notices to the mortgage company. The mortgage company claimed the information it did get was inaccurate and/or incomplete, and the agent and flood insurer failed to correctly list it as mortgagee and payor on Plaintiffs’ flood insurance policy. The mortgage company also alleged that the flood insurer and/or the agent failed to apply the funds it remitted to the insureds’ account. It complained that the agent and insurer failed to advise it of the changes in the NFIP flood policy lapse periods, between the 2021 and 2022 policy periods. The mortgage company sought indemnity from the agent and carrier for any sums for which it might be held liable to the insureds.

FACTS ACCORDING TO THE AGENT AND DEVELOPED IN DISCOVERY:

The agency had a contractual Agency Agreement with the flood insurer. Pursuant to that agreement, the carrier was responsible for sending all billing notices and other notices to the insured and the mortgage company, with a copy to the agency. The carrier admitted in its corporate deposition that it was responsible for sending those notices to the insured and the mortgage company, and it was not the responsibility of the agency. With the account being a direct bill account, the agency did not keep its copy of any of the notices it received. If such notices were needed for some reason, they could be located on the carrier's system. Accordingly, it was not the duty or responsibility of the agent to send any notices. However, the mortgage company did specifically request the agency to send a flood bill a few days before the premium was due and it did so.

Nobody at the mortgage company ever advised the agency that it had acquired the mortgage from the first mortgage company. The mortgage company did send such notices to the carrier. However, the agency did receive a notice from the first mortgage company advising that it had transferred the mortgage to the second mortgage company. Admittedly, the agent did nothing to change the mortgagee on the flood policy. However, the agency's failure to do so was of no consequence, because the insurer had changed the mortgagee to the second

mortgage company in its system eight months before the premium came due.

When asked by the mortgage company for the flood insurance premium bill, the agent logged into the carrier's system, printed it and sent it to the mortgage company. The mortgage company took notice of the premium amount and mailed a check to the same address it had sent the check to the prior year. However, the address to send payment had changed. The correct address was clearly set forth on the billing notice that the agency sent to the mortgage company.

At some point, the agent was advised by the insureds that they had received some type of notice indicating a problem with the payment of their premium. The agent started a chat with the mortgage company inquiring about the payment of the premium and was told the payment had been issued timely. The agent asked about the status of the check. The company advised it would have to research it. Five days later, the agent followed up and was told to check back in a few days. The agent followed up again five days later and was told the search had been completed but there was no clear indication if the check had been cashed or was still outstanding. The mortgage company offered to reissue a check, but the agent advised that they could not do that as the grace period, allowed by the Rating 2.0 guidelines, had expired, and they would have to rewrite the policy.





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WHAT HAPPENED?

The case was settled before trial. Despite having no apparent liability, the agency participated in a mandatory settlement conference during which all claims were settled. The

mortgage company's failure to send the payment to the correct address as provided by the agency and the failure to make sure the premium had been paid before the expiration of the grace period became apparent.

LESSONS LEARNED

- Even though the agent failed to change the mortgage company when it was notified of the change by the first mortgage company did not result in any harm, because it was changed by the carrier, you should make sure you make all such requested changes, promptly.
- Do not get involved in sending direct bill account premium notices or other notices the insurer is obligated to send. Because the insurer admitted it had the responsibility to send all notices and the agency did not get involved or even keep those notices, all responsibility for sending notices to the insured and/or mortgage company was with the insurer. If the agency had been in a habit of sending the notices to the insured or the mortgage company, that could have imposed a duty on the agency to do so in this case, which would have been a duty it did not otherwise have.
- Some agencies choose to get involved in direct bill accounts when it looks like the insured might miss a premium and the account may be lost. If you are going to engage in such matters, you must do so consistently and accurately as you are creating a duty to do so, which you do not otherwise have. Any failure, error, or omission on your part could lead to liability.
- If you are specifically requested by an insured or mortgage company on a direct bill account, for a premium billing notice or other type of notice, make sure you have the most current and accurate notice before providing same. Sending the wrong billing notice could result in a claim of misrepresentation and/or negligence in providing the wrong notice.
- Be aware of, and make sure your staff are aware of, the responsibilities of the insurer and the agency as set forth in any Agency Agreement or Agency Contract. Make sure your staff complies with all obligations set forth in such Agreements.

The background of the advertisement is a vibrant photograph of a river flowing through a lush, green forest. In the distance, a large industrial facility with multiple smokestacks emitting white smoke is visible against a blue sky with scattered clouds. A white, torn-edge paper overlay is placed over the middle of the image, depicting a sketch of a rocky riverbank with several metal barrels floating in the water. One barrel in the foreground has a radiation warning symbol on it.

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