

PROPOSED PROGRAM IMPROVEMENTS

1. Currently, only agents are paid commissions. DEP recommends that the Board authorize commission payments directly to agencies. This should result in a significant expansion to those registered to submit MSI applications and also motivate agencies to encourage their agents to offer coverage. Both agents and agencies are also in favor of this change because it will eliminate a tax notice problems that result from payments to agents that must then be split with agencies. This change will also provide both the agencies and agents with better control over their errors and omissions requirements.
2. Currently, check and, in rare cases, cash payments are made to the MSI Fund. DEP recommends the development and use of credit and debit card payment systems for the purchase renewal of coverage and the refund of premiums. The ability to make MSI payments with credit and debit cards will make the MSI eCommerce systems fully functional.

Over 6,000 of MSI customers have submitted their email addresses in anticipation of this service. The vast majority of premiums associated with applications submitted by insurance producers are also expected to be paid electronically. This service should result in increased subscriptions and increased levels of coverage, both of which will benefit those at risk. The cost of the service and its development would be offset by decreased processing time by MSI staff and increased premiums.