

COMPLIANCE QUICK REFERENCE



SELF APPOINTMENT

After becoming licensed, surplus lines agents must appoint themselves before transacting business.

Surplus lines self-appointments expire every two years at the end of the agent's birth month. It is the responsibility of the surplus lines agent to ensure the self-appointment is renewed. Transacting surplus lines business without being properly licensed and appointed is prohibited. To renew your self-appointment, visit the Department of Financial Services (DFS) web portal, dice.fldfs.com. For assistance, contact DFS at 850,413,3137.

Failure to maintain an active appointment could result in the suspension of the agent's surplus lines license.



P & C LICENSE

In order to maintain a surplus lines license, the agent must maintain a valid and active property and casualty general lines (2-20 or 9-20) license. The general lines license must have at least one appointment with an admitted property and casualty insurer.

The appointment of the general lines license cannot be an unaffiliated appointment as defined in F.S. 626.015(20).



Updated 09/2022

POLICY FEE

Per F.S.626.916 (4), the filing surplus lines agent may charge a reasonable per-policy fee for each policy certified for export, and the per policy fee must be itemized separately to the customer before purchase and enumerated in the policy. The policy fee is allowed to be charged one time per policy term, even if multiple agents are involved in coverage placement. An agent should not retain any fee over the stated policy fee amount.



DEFINITION OF "PREMIUM"

Per F.S. 626.932, the term "premium" means the consideration for insurance by whatever name called and includes any assessment, or any membership, policy, survey, inspection, service, or similar fee or charge in consideration for an insurance contract, which items are deemed to be a part of the premium. The per policy fee authorized by F.S. 626.916(4) is specifically included in the meaning of the term "premium" and excludes any state levied fees, surcharges, or assessments.

DILIGENT EFFORT AND DISCLOSURE

Most risks require a disclosure statement or a documented acknowledgment of disclosure in order to be eligible for export to the surplus lines market. Some risks also need a diligent effort form in addition to the disclosure. Refer to the Diligent Effort/Disclosure Matrix to determine which documents are required for each coverage type. Commercial wet marine and transportation, including motor truck cargo and commercial aviation risks, are exempt from this requirement.

INFORMATION REQUIRED ON THE POLICY FACE PAGE

Per F.S. 626.922 and 626.924, specific information must be included on a surplus lines policy or other evidence of insurance. FSLSO provides a Sample Face Page containing this required information.

The face page is required for new and renewal policies, but not endorsements or cancellations as long as the necessary financial information (premium, tax, fees, and applicable assessments) is disclosed.

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QUARTERLY AFFIDAVIT

Per F.S. 626.931, each surplus lines agent who has transacted business during a calendar quarter shall, on or before the 45th day following the quarter, file with FSLSO an affidavit stating that all surplus lines business transacted during the said quarter has been submitted to FSLSO. The affidavit can be filed electronically via SLIP under the Reports tab.



TRANSACTION FILINGS

All premium-bearing transactions must be filed electronically with FSLSO within 30 days of the effective coverage date, including new business, renewals, and endorsements. Transaction filings may be made via SLIP or XML Batch.

MULTISTATE POLICIES

The Nonadmitted and Reinsurance Reform Act (NRRA) of 2010 grants the insured's home state exclusive authority to regulate and tax surplus lines insurance that includes multi-jurisdictional boundaries. The bill included language to standardize the reporting, allocation, and payment of nonadmitted insurance premium tax on multistate risks.

The NRRA's definition of "home state" is the state in which an insured maintains its principal place of business. or in the case of an individual, the individual's principal residence. If 100% of the risk is located outside the insured's home state, the state with the largest percentage of premium becomes the "home state."



TRANSFER OF BUSINESS

On occasion, a book of business will need to be transferred from one agent to another. If the current agent is leaving and has active policies, a transfer of business must occur before the agent departs. A Transfer of Business Form will need to be completed and signed by both the relinquishing agent and the agent assuming the book of business. Once completed, email these forms to agent.services@fslso.com. Be sure to update your contact and agency information in SLIP.



ELIGIBLE SURPLUS LINES INSURERS

Florida surplus lines business must be placed with insurers that appear on one of the lists below:

- Florida Office of Insurance Regulation's Eligible Surplus Lines Insurer List
- Florida Office of Insurance Regulation's Aviation/Wet Marine Insurer List
- Florida Office of Insurance Regulation's Federally Authorized Insurer List
- NAIC Quarterly Listing of Alien Insurers (IID) List For more information visit fslso.com.

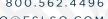
TRANSACTIONS IN QUESTION

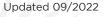
All transactions in question (TIQs) should be corrected immediately. A TIQ report can be generated in SLIP through the Reports tab.

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ADDRESS CHANGE

FSLSO should be informed within 30 days of a change of principal business or street address, mailing address, or email address so that all necessary reports and correspondence can be appropriately directed. All information can be updated through SLIP.



CATASTROPHE CONTACT INFORMATION

All agents that have placed surplus lines business in Florida within the last 12 months are asked to complete a Catastrophe Information Form to assist FSLSO and DFS in the event of a catastrophe. Catastrophe information is due annually on or before May 31.



CONTINUING EDUCATION (CE)

Florida resident surplus lines agents are required to complete statutorily prescribed hours of continuing education courses for their general lines license that have been approved by DFS. Failure to do so could result in the cancellation of the agent's appointment. Find a CE course at myFloridaCFO.com.



VALUABLE WEBSITE **TOOLS FSLSO.COM**

Tax / Fee / Assessment Table

Tax Estimator

Eligible Surplus Lines Insurers

Frequently Asked Questions

Agent Procedures Manual

Webinars & Tutorials

Podcasts

Updated 09/2022

Billing, Payment, & Refunds

Diligent Effort / Disclosure Matrix



QUESTIONS?

Contact Agent & Insurer Services and we will be happy to help.

800.562.4496, option 1 (toll free),

agent.services@fslso.com.

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