
OLR Bill Analysis

sHB 6379 (as amended by House "A")*

AN ACT CONCERNING SURPLUS LINES INSURANCE BROKERS.

SUMMARY:

By law, the insurance commissioner must maintain, publish, and make available to surplus lines brokers a list of insurance lines unavailable from licensed insurers. Under current law, licensed surplus lines brokers and their clients that obtain insurance that is not on the commissioner's list must file with the commissioner an affidavit showing they made diligent efforts to obtain the insurance from a licensed insurer. The affidavits are due within 45 days after a surplus lines broker procures insurance.

This bill requires a signed statement instead of an affidavit, eliminating a notary requirement. It requires the broker to submit the signed statement to the commissioner electronically on the fifteenth day of February, May, August, and November annually.

Currently, the affidavit must show that the amount of insurance obtained from an unauthorized insurer is only the excess over the amount obtained from authorized insurers. The bill requires the signed statement to include that information as well as the type of policy and, if the policy is for real property, the location of the real property.

By law, a broker who fails to file a signed statement or willfully files a false statement is subject to license revocation and a fine of up to \$4,000, imprisonment for up to six months, or both.

*House Amendment "A" eliminates a definition of "diligent effort" that would have required at least six authorized insurers to have declined to provide coverage in order for the surplus lines broker to place the business. It also moves the date that brokers must submit

signed statements to the insurance commissioner to the fifteenth day, instead of the first day, of specified months.

EFFECTIVE DATE: Upon passage

BACKGROUND

Related Bill

sSB 1093 (File 392), passed by the Senate, requires a surplus lines broker to submit an affidavit to the insurance commissioner electronically on the first day of February, May, August, and November in each year.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 11 Nay 7 (03/14/2013)