

OFFICE OF LEGISLATIVE RESEARCH  
PUBLIC ACT SUMMARY



**PA 23-65**—sHB 6621

*Insurance and Real Estate Committee*

**AN ACT CONCERNING THE RENEWAL OF SURPLUS LINES  
INSURANCE POLICIES**

**SUMMARY:** This act changes how surplus lines brokers and insureds must document how they procure surplus lines insurance policies. In practice, surplus insurance covers high risk needs that are unavailable in the traditional, licensed (i.e., authorized) market.

By law, the insurance commissioner must maintain, publish, and make available to surplus lines brokers a list of insurance lines that are generally unavailable from licensed insurers. Under prior law, whenever an insured procured or renewed an insurance line that did not appear on this list, both the insured and broker had to sign a statement (1) indicating that they made diligent efforts to obtain insurance from a licensed insurer and (2) showing specified information about the insurance policy. The act eliminates this signed statement requirement but maintains the requirements that the insured and the broker first make a diligent effort to obtain the insurance from a licensed insurer and document the specified information. Under the act, the commissioner defines a “diligent effort.”

EFFECTIVE DATE: October 1, 2023

**REQUIRED DOCUMENTATION**

Under prior law, the signed statements had to show:

1. that the insured and broker were unable to procure, from licensed insurers after diligent effort, the full amount of insurance the insured needed to protect his or her interest (in practice, the insured must receive three declinations from licensed insurers to show coverage is unavailable);
2. that the amount of insurance procured from unlicensed insurers was only the excess over the amount they were able to procure from licensed insurers; and
3. the type of policy and, if it is for real property, the property’s location.

The act continues to require brokers and insureds to maintain this information.

Prior law required brokers to electronically file these statements with the insurance commissioner quarterly. The act instead requires brokers to keep (1) all documentation on the broker’s and insured’s diligent efforts to procure the full amount of insurance from an authorized insurer and (2) information on each policy placed in the surplus lines market. The documentation and information must be kept as the commissioner prescribes and be made available for his examination upon request.