

# COMMONWEALTH OF PENNSYLVANIA INSURANCE DEPARTMENT

## QUALIFICATION AND APPLICATION REQUIREMENTS FOR SURPLUS LINES ELIGIBILITY - FOREIGN

The Commonwealth of Pennsylvania appreciates your interest in exploring business opportunities here. This packet will explain the procedures to be followed and the documentation to be filed to obtain listing on the Department's list of eligible surplus lines insurers.

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- I. General Application Procedures
- II. Specific Qualifications and Filing Requirements

Please refer to the following law and regulation for guidance:

Article XVI of the Insurance Company Law (40 P.S. Section 991.1601 *et seq.*)  
31 Pa. Code, Chapter 124

### I. GENERAL APPLICATION PROCEDURES

*Adherence to the following procedures should result in your application being processed in the most expeditious manner possible:*

- 1) It is requested that status inquiries for pending applications be handled by written correspondence.
- 2) Responses to any concerns or questions raised during the review of the applicant company's material should be filed within thirty (30) days of the date of the correspondence. Department inquiries that remain unanswered for over ninety (90) days may result in the application being considered inactive resulting in the file being purged.
- 3) The applicant company is required to maintain its application and all accompanying documents on a current basis. Any changes to documents previously submitted to the Department should be immediately forwarded to the Department to supplement the original application.

## II. SPECIFIC QUALIFICATIONS AND FILING REQUIREMENTS

*The following qualifications must be met by those companies seeking surplus lines eligibility (See Section 1605 of the Insurance Company Law (40 P.S. Section 991.1605)):*

- 1) Is authorized to write the type of insurance in its domiciliary jurisdiction; and
- 2) Has capital and surplus or its equivalent under the laws of its domiciliary jurisdiction which is greater than or equal to \$15,000,000.

The requirement of paragraph 2) may be satisfied by an insurer's possessing less than the minimum capital and surplus upon an affirmative finding of acceptability by the Commissioner. The finding shall be based upon such factors as quality of management, capital and surplus of any parent company, company underwriting profit and investment income trends, market availability and company record and reputation within the industry. In no event will the Commissioner make an affirmative finding of acceptability when the nonadmitted insurer's capital and surplus is less than \$4,500,000.

*If the company meets the above qualifications, the following items should be provided:*

- 1) A written statement by an officer of the insurer identifying the kinds of insurance coverages the insurer intends to write and the types of risks the insurer intends to insure in this Commonwealth.
- 2) A copy of the certificate of authority of the insurer or similar document setting forth its authority to issue policies and insure risks in the jurisdiction in which the insurer is incorporated, formed or organized.
- 8) The company's annual financial statements on the NAIC approved forms for the latest year. Quarterly statements should be submitted as they become available.

*If you have any questions concerning statutory requirements or filing procedures, please feel free to contact the Company Licensing Division at (717) 787-2735.*