

Surplus Lines FAQ

What is the name of the new surplus lines law?

Act 14 of 2010 (Act 14), formerly known as Senate Bill 237 of 2009

What is the effective date of Act 14?

September 20, 2010

What effect does Act 14 have on the surplus lines licensing process?

New individual surplus lines licenses will be issued for a minimum of two years. The license will expire on the last day of the licensee's birth month, similar to the insurance producer license. The application fee for a new two year license is \$200.

What effect does Act 14 have on the surplus lines renewal process?

Existing surplus lines licenses will expire on February 28, 2011 as normal. You will be mailed a renewal invoice approximately 45 days prior to that date. This invoice will include the new expiration date of your license, which will be the last day of your birth month. Upon renewal of your license, the license will be issued for a minimum of a two-year period set to expire at the end of your birth month. The biennial (two year) renewal fee will be \$200. This is similar to the producer license process.

Ex: Your existing SL License expires Feb. 28, 2011. Your birth month is June. When you renew your license and pay the new fee of \$200.00, the license will renew from March 1, 2011 with an expiration date of June 30, 2013.

What happens if I do not renew my surplus lines license before the expiration date?

You have one year from the license expiration date to renew your license. The lapsed license renewal fee is \$400. If you provide a completed lapsed license renewal form and fee to the Department within 60 days past the license expiration date, your license will be renewed with no lapse. If you provide a completed lapsed license renewal form and fee to the Department after 60 days but within one year past the license expiration date, your license will be renewed effective the day the Department receives your form and fee.

However, lapsed license renewals processed after the 60 day period will renew only to the prior birth month expiration, a period shorter than 24 months, the same as the producer license. After one year, you must apply as a new applicant.

What effect does Act 14 have on the certificate of eligibility license?

Certificate of eligibility licenses will be converted to a surplus lines license on September 23, 2010. The license will be set to expire on February 28, 2011 as normal. The renewal fee for the surplus lines license in 2011 is \$200. The process for renewal is the same as the example above. There will no longer be the option of renewing the certificate of eligibility license for \$10 under Act 14. Should you choose not to renew the surplus lines license, it will be considered voluntarily terminated.

What effect does Act 14 have on new agency licenses?

All initial business entity licenses will expire at the end of the month in which the license was issued. This is a two year license with an initial application fee of \$200.

What effect does Act 14 have on agency license renewals?

Existing surplus lines licenses will be set to expire on February 28, 2011. You will be mailed a renewal invoice approximately 45 days prior to that date. This invoice will include the new expiration date of the license, which will be the last day of the original issue date of the entity's license. Upon renewal of the license, the license will be issued for a minimum of a two-year period set to expire at the end of the original issue date of the entity's license. The biennial (two year) renewal fee will be \$200.

How can I obtain a copy of my license?

Licenses are available for printing from our web site at www.insurance.pa.gov under the Services for Producers & Other Licensees section. We no longer mail licenses.

How can I obtain a copy of Act 14?

Contact the PA Legislative Bureau at 717-787-7385 and request a copy of **Act 14 of 2010**.