

AGENT SERVICES

TO: All Surplus Lines Brokers

FROM: Teresa Knowles, Assistant Deputy Commissioner
Agent Services Division

DATE: July 8, 2011

RE: North Carolina Surplus Lines License Renewals Ready on NIPR

Agent Services Division has notified all Surplus Lines individual licensees that license renewal applications are now available through the National Insurance Producer Registry (NIPR) for completion and payment of the \$50.00 annual license renewal fee. Failure to complete the renewal application and pay the renewal fee through NIPR will result in the Surplus Lines license expiring effective 8/31/2011.

Implementation of the Federal Nonadmitted and Reinsurance Reform Act (NRRRA) may impact Surplus Lines licensure requirements in North Carolina. NRRRA is effective on July 21, 2011, and provides that only the insured's home state may require a surplus lines broker to be licensed to sell, solicit or negotiate nonadmitted insurance with respect to such insured. The Department has issued Bulletin 11-B-07 to outline these national regulatory changes that will affect licensure requirements and the placement of nonadmitted insurance in North Carolina.

Each Surplus Lines licensee is requested to fully review Bulletin 11-B-07 to determine their specific North Carolina licensure requirements prior to completing license renewal. Bulletin 11-B-07 is posted under Hot Topics on the Department's website in the following location: http://www.ncdoi.com/PC/pc_surplus_home.asp

In accordance with N.C.G.S. 58-21-40(d): "Each resident surplus lines licensee shall maintain active membership in a regulatory support organization (North Carolina Surplus Lines Association) as a condition of continued licensure." Furthermore, N.C.G.S. 58-21-65(d) provides "Any person who places surplus lines insurance without a valid surplus lines license in effect shall pay a penalty of one thousand dollars (\$1000) and be subject to such other penalties as provided by law."

If you have any questions regarding this information, please contact Agent Services Division at 919-807-6800.

