

JAMES M. THOMSON  
COMMISSIONER OF INSURANCE

THOMAS S. NARDO  
FIRST DEPUTY COMMISSIONER

# COMMONWEALTH OF VIRGINIA



BOX 1157  
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## STATE CORPORATION COMMISSION BUREAU OF INSURANCE

FEB - 4 1985

ADMINISTRATIVE LETTER  
1985-3

TO: All Persons Licensed as Surplus Lines Brokers  
in Virginia

RE: Application for License  
as Surplus Lines Broker

Pending final determination by the State Corporation Commission regarding the proposed Surplus Lines Insurance Regulation, you are being sent the necessary forms to apply for renewal of your license as a Surplus Lines Broker which expires on March 15, 1985. Under the provisions of Article 5, Chapter 7.1, Title 38.1 of the Code of Virginia, the new license, regardless of when issued and effective, will expire on March 15, 1986.

At such time as the Commission reaches final determination regarding the proposed Regulation, which could amend some of the information set forth in the enclosed Application, a copy of the Regulation adopted by the Commission will be forwarded to you.

To assure that a lapse in Surplus Lines Broker licensing does not occur, the application, fee remittance, bond, affidavit and acknowledgments, all properly completed, must be received by the Bureau of Insurance at the earliest possible moment, but in any event, prior to March 15, 1985.

Please direct any questions you might have to James L. Sheets at (804) 786-6099.

Sincerely,

James M. Thomson  
Commissioner of Insurance

JMT/ghjr/ah

Enclosures:

Form SLB-1 - Application For License  
Form SLB-2 - Bond  
Form SLB-2a - Acknowledgment Of Principal  
Form SLB-2b - Acknowledgment Of Principal

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION  
BUREAU OF INSURANCE  
Richmond, Virginia

APPLICATION FOR LICENSE  
AS SURPLUS LINES BROKER

TO: STATE CORPORATION COMMISSION, BUREAU OF INSURANCE, RICHMOND, VIRGINIA

The undersigned applicant who is currently licensed as a Property & Casualty Agent in the Commonwealth of Virginia hereby applies for a license as a Surplus Lines Broker under the provisions of Article 5, Chapter 7.1, Title 38.1 of the Code of Virginia, for the term expiring on the 15th day of March next succeeding the license issue date.

Remittance of (\$50.00) (\$25.00) is submitted herewith to cover the required license fee. (If license application is filed before September 15, the license fee is \$50.00; if filed after September 15, the license fee is \$25.00).

The applicant submits the following statements and answers in support of this application:

1. Name of Applicant \_\_\_\_\_ IRS # \_\_\_\_\_  
Tel No. \_\_\_\_\_
2. Business Address \_\_\_\_\_  
(Street Number) \_\_\_\_\_  
\_\_\_\_\_  
(Town or City) (State) (Zip Code)

- Individual  
 Partnership  
 Corporation

3. Residence Address (if applicant is an INDIVIDUAL)

\_\_\_\_\_  
(Street Number) (Town or City) (State) (Zip Code)

4. Active Members (if applicant is a PARTNERSHIP or a CORPORATION)

NOTE: Individuals to act for partnership or corporation in the transaction of insurance under authority of license applied for - limited to officers, directors, members, or employees of applicant, each of whom is individually licensed as a Property and Casualty Insurance Agent as defined in Section 38.1-327.1 of the Code of Virginia.

NAME	SS#	TITLE	RESIDENCE ADDRESS
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

5. The submission of this application signifies the applicant's understanding and agreement to abide by the following conditions pertaining to insurance transacted under the authority of the license applied for:
  - A. Applicant will not procure or aid in the procurement, directly or indirectly, of any contract of insurance on a Virginia risk from any insurer not licensed to transact insurance in Virginia unless the applicant has been unable after diligent effort to procure the kind and class of insurance requested in a form and at a premium acceptable to the insured from among insurers which are licensed to transact that kind and class of insurance in Virginia.
  - B. Not more than thirty days after the end of the calendar month in which any such insurance has been procured by the Surplus Lines Broker, an individual or combined affidavit executed by the Surplus Lines Broker will be filed with the Bureau of Insurance of the State Corporation Commission setting forth the following:
    - (1) Non-availability of the subject insurance from insurers licensed in Virginia in a form and at a premium acceptable to the insured.
    - (2) Details of the insurance including full name of the company from which procured; description and location of the risk; kind and class of insurance; amount of insurance; effective date; policy number; date procured; term of policy; and premiums, assessments, dues, and fees charged for the policy.
  - C. Licensee will comply with Section 38.1-327.52.B. by giving to the insured the notice in a form prescribed by the Commission.
  - D. Licensee will not issue or deliver any policy or other written evidence of insurance or represent the insurance will be or has been granted by an unlicensed insurer unless he has prior written authority from such insurer for the insurance, or has received information from such insurer in the regular course of business that such insurance has been granted, or actually issued by the insurer and delivered to the insured.
  - E. Each policy or other written evidence of insurance procured under this authority shall be delivered promptly to the insured.
  - F. Applicant will keep in his office a complete record of each contract of insurance procured under this authority, including:
    - (1) Full name and address of the insurer or insurers and the insured;
    - (2) Description and location of the risk;
    - (3) The perils insured against;
    - (4) Amount of coverage, and inception and expiration dates;
    - (5) The premium rate and the gross premium (including assessments, dues and fees) charged for the policy;
    - (6) The amount of additional and/or returned premium, if any;
    - (7) Such other information as the State Corporation Commission may require.
  - G. Applicant may accept surplus lines business from any PROPERTY AND CASUALTY AGENT duly licensed in Virginia and may compensate such agent therefor, and any such duly licensed PROPERTY AND CASUALTY AGENT may place surplus lines business with a licensed Surplus Lines Broker as constituted and accept compensation therefor.

- H. Annually on or before March 1, the Surplus Lines Broker will file with the Bureau of Insurance of the State Corporation Commission a statement verified by oath or affidavit containing, with regard to each contract of insurance transacted during the previous calendar year, information in a form prescribed by the Commission.
- I. Annually on or before MARCH 1, the Surplus Lines Broker must file Virginia Form SLB-7, Gross Premiums Tax Report, and pay to the State Corporation Commission the assessment provided for in Sections 38.1-44 and 38.1-45 of the Code of Virginia, and the taxes provided for in Sections 58.1-2500 and 58.1-2501 of the Code of Virginia, both assessment and taxes being based upon gross premiums on business transacted under this authority during the preceding calendar year. Any penalty imposed by the Commission pursuant to Title 38.1 or Title 58.1 must be paid prior to the issuance of any new or renewal Surplus Lines Broker's license.
- J. The authority under a Surplus Lines Broker's license applies to the kinds and classes of insurance enumerated in Section 38.1-327.46 of the Code of Virginia.
- K. The applicant understands that any violation of the foregoing conditions or other applicable insurance laws of Virginia is punishable by a fine as provided by Section 38.1-40 of the Code of Virginia; or by suspension or revocation of license, as provided by Section 38.1-327.43 of the Code of Virginia, or by both.

The applicant hereby declares that the foregoing answers are true and correct; and that the conditions set forth above are fully understood and will be fully complied with.

\_\_\_\_\_  
(Signature of Applicant, if an individual)  
(Print name of applicant, if a partnership  
or corporation)

By \_\_\_\_\_  
(Officer or Partner)

Title \_\_\_\_\_

(continued)

NOTARIAL ACKNOWLEDGMENT

STATE OF VIRGINIA  
COUNTY (CITY) OF \_\_\_\_\_

This day \_\_\_\_\_ appeared before me, a Notary Public in and for the State  
(Name of Deponent)

and County (City) aforesaid, and, being duly sworn, deposed and stated that the answers and  
declarations given in this application are true and correct; and he has this day acknowledged the same  
before me. Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_.

\_\_\_\_\_  
(Notary Public)

My commission expires \_\_\_\_\_ .

BOND FOR SURPLUS LINES INSURANCE BROKER  
(To comply with Section 38.1-327.50 of the Code of Virginia)

KNOW ALL MEN BY THESE PRESENTS, That \_\_\_\_\_ of \_\_\_\_\_ as Principal, and the \_\_\_\_\_ Company, a corporation organized and existing under the laws of the State of \_\_\_\_\_, and authorized to do business in the Commonwealth of Virginia, as Surety, are held and firmly bound unto the COMMONWEALTH OF VIRGINIA in the penal sum of TWENTY-FIVE THOUSAND DOLLARS (\$25,000) for the payment of which, well and truly to be made, we, and each of us, bind ourselves, our heirs, successors and assigns, jointly and severally, firmly by these presents.

SIGNED, SEALED, AND DATED THIS \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT:

WHEREAS, the said Principal has applied to the State Corporation Commission of the Commonwealth of Virginia for a license to act as a Surplus Lines Broker pursuant to Article 5, Chapter 7.1, Title 38.1 of the Code of Virginia and, in accordance with Section 38.1-327.50 thereof, is required to give a corporate surety bond unto the COMMONWEALTH OF VIRGINIA in the penal sum of TWENTY-FIVE THOUSAND DOLLARS (\$25,000);

NOW THEREFORE, the condition of this obligation is such that if the said Principal shall conduct business under said license in accordance with the provisions of the laws and regulations of the Commonwealth of Virginia pertaining to Surplus Lines Brokers, and, further, shall promptly remit the taxes and assessments provided by such laws and regulations, then this obligation shall be null and void; otherwise, to remain in full force and effect;

PROVIDED, this bond shall cover the acts of the Principal during the period beginning on the date such license becomes effective and ending on the fifteenth day of March next succeeding; and in no event shall the Surety's aggregate liability hereunder for all losses exceed the penal sum of TWENTY-FIVE THOUSAND DOLLARS (\$25,000);

PROVIDED FURTHER, the Surety may be released from liability for future breaches of the conditions of this bond only after thirty days have elapsed from the giving of written notice to the State Corporation Commission of the Commonwealth of Virginia of its desire to be so released;

IN WITNESS WHEREOF, the said Principal has caused these presents to be signed and the said Surety has caused these presents to be signed by its duly authorized officer or Attorney-in-Fact and its corporate seal affixed on the day and year first written above.

\_\_\_\_\_  
(Principal)

BY \_\_\_\_\_  
(If Principal is Partnership or Corporation)

(SEAL OF SURETY)

TITLE \_\_\_\_\_

\_\_\_\_\_  
(Surety)

COUNTERSIGNED BY:

BY \_\_\_\_\_  
(Officer or Attorney-in-Fact)

\_\_\_\_\_  
(Licensed Virginia Agent of Surety)

Date \_\_\_\_\_

ACKNOWLEDGMENT OF PRINCIPAL  
(INDIVIDUAL OR PARTNERSHIP)

STATE OF VIRGINIA  
CITY (COUNTY) OF \_\_\_\_\_, to wit:

I, \_\_\_\_\_, a Notary Public in and for the City (County)  
aforesaid, in the State of Virginia, do certify that \_\_\_\_\_

whose name or names is or are signed to Virginia Form SLB-2 bearing date on the \_\_\_\_\_ day of  
\_\_\_\_\_, 19\_\_\_, personally appeared before me and acknowledged the same.

My term of office expires on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_.

Given under my hand this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_.

\_\_\_\_\_  
Notary Public

AFFIDAVIT AND ACKNOWLEDGMENT OF SURETY

STATE OF VIRGINIA  
CITY (COUNTY) OF \_\_\_\_\_, to wit:

I, \_\_\_\_\_, a Notary Public in and for the City (County)  
aforesaid, in the State of Virginia, do certify that \_\_\_\_\_

personally appeared before me and made oath that he is \_\_\_\_\_  
of the \_\_\_\_\_; that he is duly authorized to execute the  
foregoing bond by virtue of a certain power of attorney of said company, dated \_\_\_\_\_,  
and recorded in the Clerk's office of the \_\_\_\_\_

of \_\_\_\_\_, in Deed Book No. \_\_\_\_\_, page \_\_\_\_\_; that said power  
of attorney has not been revoked; that the said company has complied with all the requirements of law  
regulating the admission of such companies to transact business in the State of Virginia; that the said  
company holds a license authorizing it to do business in the State of Virginia; that it has a surplus to  
policyholders of \$ \_\_\_\_\_; that the penalty of the foregoing bond is not in excess of ten per  
centum of said sum; that the said company is not by said bond incurring in the aggregate on behalf or on  
account of the principal named in said bond a liability for an amount larger than one-tenth of its surplus  
to policyholders; that the said company is solvent and fully able to meet promptly all of its obligations,  
and the said \_\_\_\_\_ thereupon, in the name and on behalf of the  
said company, acknowledging the foregoing writing as its act and deed.

My term of office expires on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_.

Given under my hand this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_.

\_\_\_\_\_  
Notary Public

ACKNOWLEDGMENT OF PRINCIPAL  
(CORPORATIONS ONLY)

STATE OF VIRGINIA  
CITY (COUNTY) OF \_\_\_\_\_, to wit:

I, \_\_\_\_\_, a Notary Public in and for the City (County) aforesaid, in the State of Virginia, do certify that \_\_\_\_\_ appeared before me personally on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_ and, being duly sworn by me, deposed and stated that he resides in \_\_\_\_\_; that he is the \_\_\_\_\_ of the \_\_\_\_\_, the corporation described in and which executed Virginia Form SLB-2; and that he signed his name thereto by like order.

I further certify that my term of office expires on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_.

Given under my hand this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_.

\_\_\_\_\_  
(Notary Public)

AFFIDAVIT AND ACKNOWLEDGMENT OF SURETY

STATE OF VIRGINIA  
CITY (COUNTY) OF \_\_\_\_\_, to wit:

I, \_\_\_\_\_, a Notary Public in and for the City (County) aforesaid, in the State of Virginia, do certify that \_\_\_\_\_ personally appeared before me and made oath that he is \_\_\_\_\_ of the \_\_\_\_\_; that he is duly authorized to execute the foregoing bond by virtue of a certain power of attorney of said company, dated \_\_\_\_\_, and recorded in the Clerk's office of the \_\_\_\_\_ of \_\_\_\_\_, in Deed Book No. \_\_\_\_\_, page \_\_\_\_\_; that said power of attorney has not been revoked; that the said company has complied with all the requirements of law regulating the admission of such companies to transact business in the State of Virginia; that the said company holds a license authorizing it to do business in the State of Virginia; that it has a surplus to policyholders of \$ \_\_\_\_\_; that the penalty of the foregoing bond is not in excess of ten per centum of said sum; that the said company is not by said bond incurring in the aggregate on behalf or on account of the principal named in said bond a liability for an amount larger than one-tenth of its surplus to policyholders; that the said company is solvent and fully able to meet promptly all of its obligations, and the said \_\_\_\_\_ thereupon, in the name and on behalf of the said company, acknowledging the foregoing writing as its act and deed.

My term of office expires on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_.

Given under my hand this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_.

\_\_\_\_\_  
Notary Public