

**LICENSING AND RENEWAL
PROCEDURES
FOR RESIDENT AND
NONRESIDENT SURPLUS LINES
BROKERS**

November 2011

LICENSING AND RENEWAL PROCEDURES FOR RESIDENT AND NONRESIDENT SURPLUS LINES BROKERS (SLB)

Requirements pertaining to All Individual and Business Entity Applicants –

Individual applicants must be at least 18 years of age.

Individual and business entity applicants can apply online at <http://scc.virginia.gov/boi/online.aspx>.

The initial/renewal licensing process requires a \$50 nonrefundable application-processing fee.

Renewals

The license will be in effect for up to one year depending upon when it is issued and must be renewed prior to June 30 of each calendar year. Regardless of when the license was issued in the calendar year it must be renewed prior to June 30 of that calendar year or the license will be administratively terminated for failure to renew. Renewal notification will be mailed to the Surplus Lines Broker in April. Renewals must be submitted to the Bureau on or before **June 1** and can be submitted online at www.scc.virginia.gov/boi/online.aspx. A criminal history record report is not required for renewals. **Residents Only:** A new bond is not required for renewal, the Bureau will accept a continuation rider or attestation indicating the bond is still in force. The continuation confirmation must come from the bond company and indicate that it has been extended from July 1 of the current year to June 30 of the following year. The continuation rider can be attached electronically if the renewal is submitted through Sircon's Compliance Express or it can be faxed to the Bureau at 804-371-9290.

Requirements pertaining to RESIDENT Individual and Business Entity Applicants

A Property and Casualty license is required to obtain a Surplus Lines Broker license.

A current Criminal History Record Report from the Virginia State Police (VSP) is required. You may download the form (SP-167) from the VSP website at www.vsp.state.va.us. If you fail to provide a current, no more than 90 days old, criminal history record report, the Bureau will refuse licensure. A Surplus Lines Broker is not required to provide a criminal history record report to renew the license.

SLB-2, BOND FOR SURPLUS LINES INSURANCE BROKER - The initial licensing process requires **individuals and business entities** to obtain a new bond, which must be mailed to the Bureau. The prior bond is not acceptable even if it shows a term of "continuous." A surety company licensed in Virginia must write the bond. The individual requesting the initial issuance of the license may complete the bond form. By completing the "Applicant's Certification and Attestation", you are certifying

that you have acquired a new Surety bond in the amount of twenty-five thousand dollars (\$25,000). A new bond is not required for renewal, the Bureau will accept a continuation rider or attestation indicating the bond is still in force. The continuation confirmation must come from the bond company and indicate that it has been extended from July 1 of the current year to June 30 of the following year. The continuation rider can be attached electronically if the renewal is submitted through Sircon's Compliance Express or it can be faxed to the Bureau at 804-371-9290.

The **business entity** must name a Designated Responsible Licensed Producer (DRLP) with an active Virginia Property & Casualty license. The DRLP also is responsible for the business entity's compliance with the insurance laws, rules and regulations of Virginia. The **business entity** must also provide at least one Authorized Individual (AI) with an active Virginia Property & Casualty license. The DRLP and Authorized Individual can be the same and their license status must be reported to the PDB prior to applying for a business entity license. Firm associations can be maintained online at www.scc.virginia.gov/boi/online.aspx.

A certificate of authority is not required to obtain an agency SLB license; **however, the business entity MUST obtain the required certificate of authority within 90 days of licensure or the license will be administratively terminated.** Contact the Clerk's Office at 804-371-9733 for details. www.scc.virginia.gov/clk

Requirements pertaining to NONRESIDENT Individual and Business Entity Applicants

Individual and business entity applicants must hold specific license authority to act as a Surplus Lines Broker (or equivalent title) in the home state. A Surplus Lines Broker license will not be issued to individuals who do not hold this authority in their home state. If your home state does not report Surplus Lines authority to the NAIC's Producer Data Base (PDB), fax to 804-371-9290 a current, no more than 90 days old, certification from the insurance department in the state in which you reside. Note: Non-residents are not required to hold a Property & Casualty license in Virginia in order to obtain a Surplus Lines Broker license.

The **business entity** must name a Designated Responsible Licensed Producer (DRLP) who is responsible for the business entity's compliance with the insurance laws, rules and regulations of Virginia. The **business entity** must also provide at least one Authorized Individual (AI) who is either a **nonresident individual** licensed for **ANY** line of authority in the business entity's Home State; **OR** a Virginia **resident** individual licensed for **ANY** Virginia line of authority. The DRLP and Authorized Individual can be the same and their license status must be reported to the PDB prior to applying for a business entity license. Firm associations can be maintained online at www.scc.virginia.gov/boi/online.aspx.

A certificate of authority is not required to obtain an agency SLB license; **however, the business entity MUST obtain the required certificate of authority within 90**

days of licensure or the license will be administratively terminated. Contact the Clerk's Office at 804-371-9733 for details. www.scc.virginia.gov/clk

MISCELLANEOUS

I. Address Changes

Every licensed producer is required by law to notify the Bureau within 30 calendar days of any change of residence. You should change your address online at <http://scc.virginia.gov/boi/online.aspx>. **DO NOT USE A COMPANY OR ANY BUSINESS ADDRESS (INCLUDING PO BOX) AS THE INDIVIDUAL PRODUCER'S RESIDENCE OR MAILING ADDRESS.**

Any licensed agent or consultant who has moved his/her residence from this Commonwealth shall have all licenses terminated by the Commission.

II. Name Changes

Every licensed producer is required by law to notify the Bureau in writing within 30 calendar days of any change of name. These changes can be made by downloading and properly completing the Bureau's Service Request Form (5001) at <http://scc.virginia.gov/boi/pro/formapp.aspx>.

A copy of the marriage certificate, divorce decree, or court order is required. Please include your Virginia License Number or National Producer Number (NPN) with your request. You must sign the request. The Bureau will send you a duplicate license when we have processed your name change.

III. Certifications

Based upon the national initiative for uniformity of state insurance regulation, most states do not require certification letters as a producer's license status may be verified on the NAIC's Producer Data Base (PDB), or on the Bureau's website at <http://scc.virginia.gov/boi/ConsumerInquiry/ProducerSearch.aspx>. Nevertheless, a certification letter may be obtained online at www.sircon.com/virginia and printed from this site.

IV. Clearance Letters

Clearance letters must be requested by the Surplus Lines Broker, and submitted to the Bureau of Insurance on the Service Request (5001) Form. The request must include their Virginia License Number or National Producer Number (NPN), their new residence address, and the state the consultant is moving to. The SLB must sign the request. All licenses and appointments will be terminated when the clearance is processed. The form may be downloaded from <http://scc.virginia.gov/boi/pro/formapp.aspx>.

V. Felony Conviction

An agent (resident or nonresident) is required by law to report to the Bureau of Insurance within 30 calendar days the facts and circumstances regarding a conviction of or pleading guilty or nolo contendere to any felony offense.

VI. Administrative Actions

An agent (resident or nonresident) is required by law to report to the Bureau of Insurance within 30 calendar days the final disposition, to include a copy of the order, consent to order, and/or other relevant legal documents, of any administrative action taken against him in another jurisdiction or by another governmental agency. Report administrative actions to the Bureau electronically via NIPR's Attachment Warehouse – Reporting of Actions at <https://pdb.nipr.com/docMgmt/main.html>.

The above information is not intended to be all-inclusive. If you have any questions or problems not addressed here, please contact the Bureau at bureauofinsurance@scc.virginia.gov or visit our website shown below.

**Bureau of Insurance
Agents Licensing Section
P. O. Box 1157
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