

## BULLETIN 95-2

### Implementation of Department Rule R590-171 Surplus Lines Procedures Rule

The new surplus lines procedures rule is effective September 1, 1995. As with any change in the way business is done, we recognize that a transition period may be necessary to facilitate training of personnel and to avoid unnecessary disruptions in the marketplace. The purpose of this Bulletin is to set parameters for a transition period for implementation of the rule. Strict compliance with the rule will not be enforced if the surplus lines' placement falls within the provisions of this Bulletin. This should not be seen as license to do business as usual. Every effort should be made to comply with Rule R590-171 beginning September 1, 1995. We realize, however, that negotiations for insurance often take some time and may have commenced before the implementation date of the Rule. This Bulletin allows some flexibility in the system.

**New Business** If a broker can provide evidence that negotiations for a policy had commenced before September 1, 1995, a new policy may be placed with a surplus lines company under the old rule after September 1 if the effective date is prior to October 1, 1995.

**Renewal Policies** Renewal policies that have been with a surplus lines insurer but would no longer qualify under Rule R590-171 may be placed with a surplus lines company under the old rule after September 1 if the renewal effective date is prior to December 1, 1995.

In all cases the new submission forms provided by the Surplus Line Association of Utah should be used in making surplus lines submissions. Simply attach a letter of explanation if you are making a placement pursuant to this Bulletin.

DATED this 21st day of August 1995.

Insurance Commissioner

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