

May 11, 2009

Re: **Licensing Non-Residents as Excess Line Brokers in New York**

ELANY frequently receives inquiries from non-resident excess/surplus line brokers regarding reciprocity and licensing issues. The majority of states have full reciprocity with New York; however, there are a few states where full reciprocity does not exist. Below is a summary of New York's position regarding reciprocity and the issuance of "full" or "limited" non-resident excess/surplus line broker licenses.

- New York will issue a **"full"** non-resident excess/surplus line broker's license provided that the broker's home state will license New York licensees solely based on the licensee holding a NY excess/surplus line broker license (full reciprocity).
- Non-resident excess/surplus line brokers with declared home states of **California** and **Washington** receive a **"full"** non-resident excess/surplus line broker's license but must also submit a bond as New York licensees are required to file a bond when applying for an excess/surplus line broker's license in these states.
- Non-resident excess/surplus line broker licensees with the declared home state of **Illinois** may receive a **"full" corporate** non-resident excess/surplus line broker's license even though Illinois does not issue corporate excess/surplus line broker's licenses to its own home state residents. This is because Illinois has advised the NY Insurance Department that a New York corporate excess line broker may operate in Illinois through a licensed employee of the corporation acting in the name of the corporation.
- New York will issue a **"limited"** non-resident excess/surplus line broker's license when the home state of a non-resident broker does not license NY excess line brokers in the same manner as it grants licenses to its own home state residents. A **"limited" excess/surplus line broker's license only allows the licensee to transact business with Purchasing Groups (PGs) which have filed a Notice of Intent with the NY Insurance Department pursuant to the federal Liability Risk Retention Act of 1986.**
- Non-resident excess/surplus line broker licensees with declared home states of **Florida** and **Montana** automatically receive a **"limited"** excess/surplus line broker's license. This means that non-resident licensees from these states can only write PG business in New York. If you hold such a license and are placing **non-PG** business you are violating New York law.
- Non-resident excess/surplus line broker licensees with the declared home state of **Missouri** will be issued a **"full"** excess/surplus line broker's license for individual licensees. However, corporate entity licensees will be issued only a **"limited"** license (PG business only).

Solving reciprocity issues or problems is beyond ELANY's control. Since New York is a reciprocal state, non-residents should understand that New York will most likely continue this approach until each non-reciprocal state becomes reciprocal.

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