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4131 N. Mulberry Dr.
Suite 200
Kansas City, MO 64116
816.741.3910
info@napslo.org

Hank Haldeman, President

Brady R. Kelley, Executive Director

Susan Henderson, Marketing & Communications Director

2015 Comprehensive Legislative Update

This was a busy state legislative session, with a number of important changes and successes for surplus lines-related legislation. Most states have concluded their work until next year, but a few remain in session. The U.S. Congress remains in session and NAPSLO is closely following legislation that will impact our industry.

This report will provide you with key updates since our February 2015 Legislative Update. Click here to download the entire update.

NRRA news and updates
The impact and success of the Nonadmitted and Reinsurance Reform Act (NRRA) continue as we see increased modernization and simplification of the regulation and taxation of the surplus lines transaction. We continue to work with regulators and legislators to promote and preserve the intent and clear mandates of the NRRA and the resulting uniformity and efficiencies in surplus lines regulation it intended to achieve.

We saw three major NRRA state uniformity victories this year. Kansas (effective 1/1/16), Louisiana (effective 10/1/15) and North Dakota (effective 6/1/15) all passed legislation to implement the 100% home state taxation approach. These states previously required premium to be allocated, and taxes to be collected, based on tax rates in each state where the risk resided, with Louisiana doing so as a member of NIMA. Once effective, these states will join the 38 other states where surplus lines taxes are calculated at the home state's tax rate on 100% of the premium and retained 100% by the home state. These three state actions bring us closer to achieving this national goal.

NRRA specific legislation
As we last reported, all states except Michigan and the District of Columbia have adopted specific NRRA implementation language; although, both of those jurisdictions continue to comply with the NRRA's home state tax approach. However, HB 4532 was filed on April 28 in Michigan to revise some statutes related to NRRA. This bill was not sponsored by the Department or vetted through the

trade associations; rather it came from outside interests in an attempt to continue a specific exemption related to captive insurance. NAPSLO and PCI are working together to address our concerns with the legislation as drafted. The legislation does not appear to be moving at this time, but as the legislature remains in session year round, we will continue to work on and monitor its progress.

Tax sharing, NIMA and SLIMPACT

NAPSLO's top state legislative priority is to achieve uniformity among all states on the regulation and taxation of surplus lines premium. NAPSLO continues to strongly advocate that home state taxation is the only viable and uniform national solution. Forty-seven states, representing over 86% of nationwide surplus lines premium, now retain 100% of the taxes they collect, with 42 of those states taxing 100% of any multistate risk in accordance with the home state's tax rates and rules.

We are pleased to report that legislation requested by NAPSLO and the Council of Insurance Agents and Brokers (The Council) was successful in Kansas and North Dakota. That legislation eliminated taxing multistate risks at multiple states' rates, as well as withdrawing the states from the non-operational SLIMPACT. There are still five non-NIMA states that continue to tax multistate risks at multiple states' rates, although they retain 100% of the tax. These states include Hawaii, Massachusetts, Nebraska, New Hampshire and Vermont.

NAPSLO is extremely pleased that Louisiana passed HB 259, which allows the commissioner to withdraw from Non-Admitted Insurance Multi-State Agreement (NIMA) and lowers the surplus lines premium tax from 5% to 4.85%, both effective October 1, 2015. On July 15, the Department of Insurance issued Bulletin 2015-06 to provide guidance to the industry on how to report and file taxes under the new law, both prior to and after the withdrawl from NIMA and the implementation of tax changes.

Five jurisdictions (Florida, Puerto Rico, South Dakota, Utah and Wyoming) continue to share taxes as part of NIMA. In 2014, Tennessee and Wisconsin began participating as associate members of NIMA for a one-year trial period. Wisconsin's membership expired on June 30th and the Commissioner elected to discontinue the state's membership. Tennessee's membership expires as of October 1 and continues to require brokers to provide multistate allocation information to NIMA's Surplus Lines Clearinghouse.

NAPSLO strongly believes that tax sharing adds unnecessary administrative burden and increased compliance costs to the industry and insureds, which far exceed the amount of taxes to be reallocated among the participating states. To review NAPSLO's analysis of tax sharing and our letters to state insurance commissioners, visit the "NAPSLO Analysis of Tax Sharing" section of our Legislative Advocacy and PAC webpage.

SLIMPACT, now with only six jurisdictions, never reached the pivotal tenth member to become operational as a compact. NAPSLO plans to continue repeal efforts in the remaining SLIMPACT states (Alabama, Indiana, Kentucky, New Mexico, Rhode Island and Vermont) in the 2016 legislative session. We strongly encourage all states taxing multistate risks at multiple states' rates, including NIMA members, to abandon such practices and fully implement the home state tax approach.

Insurer eligibility

Work still needs to be done regarding uniform nationwide implementation of the

NRRA insurer eligibility provisions. The NRRA provided clear criteria for determining an insurer's eligibility to provide surplus lines insurance in each state. While some states have eliminated many pre-NRRA eligibility requirements such as "white lists," a number of states continue to impose eligibility requirements beyond those outlined in the NRRA.

The only legislative activity regarding insurer eligibility during this legislative session was in Kansas. Unfortunately, the provisions of SB 145 failed to be adopted during an insurance conference committee report at the end of the session. This bill would have revised the definition of eligible insurer to conform to the definition and intention of the NRRA and would have removed the requirement of appearing on an eligibility list, but would have allowed the commissioner to maintain a voluntary list. The Department has indicated it is willing to discuss the industry's concern with the current eligibility listing requirements in the near-term.

Non-NRRA state updates

NAPSLO closely monitors all of the states' legislative activity during the legislative sessions. You can see what bills we are monitoring throughout the year by (1) signing up for NAPSLO's legislative updates through our Statenet tracking system and (2) watching your email or visiting our NAPSLO News web page for important breaking Legislative Updates.

2015 state legislative tracking report

The 2015 state legislative sessions were busy as always. Although many focused on budget issues, a number of insurance-related bills also emerged that we monitored or worked. NAPSLO carefully watches all legislation to be sure there are no unintended consequences or effects on the surplus lines industry. The following bills impacted surplus lines and are of interest:

• **Arizona:** HB 2342 was passed to clarify the role and voting procedures of the Surplus Line Association. It originally included language to clarify that for group insurance contracts, the home state is the state of incorporation or organization of the group, however, this provision was removed before passage.

• **California:** SB 585 will require insurers, including nonadmitted, to notify the Department of Child Support Services if a claim is owed to any person owing a duty of child, spouse of family support. The Department of Insurance is charged with creating a system and regulatory guidance for use by insurers. The legislation is currently awaiting hearing in the Assembly Insurance Committee.

• **Colorado:** The Division of Insurance issued Bulletin No. B-2.10 to clarify standards for taxation based upon changes that were made to the Colorado statute in 2012 to implement the NRRA.

• **Connecticut:** HB 6865 passed the legislature on June 2 and required nonadmitted insurance policies to include the definition of depreciation per C.S.A §38a-307 when a coinsurance clause is issued. NAPSLO and the NESLA opposed the legislation with significant concerns that it imposed form requirements on nonadmitted policies as well as limiting application to the nonadmitted market. The legislation narrowly passed both chambers and a number of industry members requested the Governor veto the measure, which we are pleased to report that he did on June 30. An additional bill, HB 6771, permits nonadmitted insurers to establish an office in Connecticut for the lawful transaction of surplus lines insurance. NAPSLO has asked the Department for additional information on this legislation, which takes effect October 1, 2015.

• **Delaware:** HB 40 was signed by the Governor on June 4 to remove the notarization requirement for diligent search broker affidavits. The documents are now considered written statements to be retained in the broker's files. In April, Delaware issued Surplus Lines Bulletin No. 17 to clarify changes that were made to their premium tax filing form after premium tax rates went from 2% to 3% in 2014.

• **Florida:** NAPSLO monitored a number of measures that would revise existing statutes in order to ensure surplus lines may insure Transportation Network Companies (TNC). The TNC measures all failed to gain support and the legislature will address them again next year. HB 252 provided that the absence of a countersignature on a policy does not affect the validity of a surplus lines policy and became effective July 1, 2015. SB 1094 revised the existing statute to specifically require agents placing coverage outside of the National Flood Insurance Program (NFIP), including surplus lines polices, to obtain acknowledgement from the applicant that if the applicant discontinues coverage under the NFIP that is provided at a subsidized rate, the full risk rate for flood insurance may apply to the property if the applicant later seeks to reinstate coverage under the program. The legislation also became effective July 1, 2015. We would also remind you that the underlying statute allows a surplus lines agent to export flood coverage to an eligible surplus lines insurer without making a diligent effort. This exemption is set to expire on July 1, 2017.

• **Illinois:** SB 1573 would repeal provisions of 2014's SB 3324, which deleted language for the industrial insured exemption; however, the bill is still pending and it is considered unlikely to pass. The Department of Insurance issued a bulletin regarding the definition of industrial insured on June 18, 2015.

• **Kansas:** As mentioned above, HB 2352 eliminated the state's requirement to tax home state risks at other states' rates. Effective January 1, 2016, Kansas home state risks will be taxed 100% at the Kansas tax rate of 6%. The legislation also repealed the state's participation in SLIMPACT. Unfortunately, the two other measures we requested were not included in the final legislation. We asked the Commissioner to eliminate the required insurer eligibility list, which is contradictory to the NRRA, as well as revise the filing requirement for broker affidavits to that of a signed statement retained in the broker's files so as to be more consistent with other states. The measure was left out of the final conference committee bill but the department has expressed willingness to work with NAPSLO on this issue in the future.

• **Louisiana:** In addition to withdrawing from NIMA, reducing the tax rate to 4.85% and taxing 100% of the risk, HB 259 revised the required zero premium reports for surplus lines brokers from quarterly to annual filing. Bulletin 2015-06 also provides guidance on this revised requirement. Additionally, HB 214 creates a domestic surplus lines insurer (DSLI). This law becomes effective on August 1, 2015. Louisiana is the 9th state to allow DSLIs, including Arkansas, Delaware, Illinois, Missouri, New Hampshire, New Jersey, North Dakota and Oklahoma.

• **Massachusetts:** SB 479 would establish hybrid personal injury protection policies as an option to fulfil required coverage in Massachusetts. The bill contemplates that nonadmitted insurers may also file such a form. The legislation is still pending.

• **Maryland:** In May, Maryland issued a data request in Bulletin 15-12 regarding claims related to Baltimore City civil unrest. The bulletin specifies three submission deadlines for periods of time after the unrest and gives electronic instructions for SB 868, which was signed by the Governor on May 12. This legislation addressed requirements for TNCs operating in the state. The legislation originally proposed specific rate and form approval for surplus lines insurers, which NAPSLO and other industry members strongly opposed. Work with the Department of Insurance and legislature successfully resulted in alternative language so that surplus lines insurers are not required to file TNC policies with the Department; rather, the Public Utilities Commission may request a copy of the policy for review prior to approving the TNC's license to operate in the state. HB 565 enacted legislation that authorizes the use of surplus lines insurance for disability insurance coverage under specified circumstances and provides that the procurement of specified disability insurance through surplus lines insurance is subject to specified requirements. The law will take effect October 1, 2015.

• **Michigan:** The Department of Insurance and Financial Services issued Bulletin 2015-12-INS which made an annual CPI adjustment to its fee for surplus lines licensees, detailing the specific instances and procedures when a fee in excess of $50.00 may be charged. The Department also issued Bulletin 2015-09-INS requiring mandatory use of NAIC OPTins for submitting all surplus lines tax reports and payments.

• **Minnesota:** HB 177, which takes effect on August 1, 2015, will regulate self-service storage facilities and require them to obtain insurance that may be obtained through a surplus lines company. In May, the Minnesota Joint Underwriting Association attempted to assess surplus lines companies as part of their guaranty assessment but issued a stay after discussions with surplus lines industry trade associations.

• **Mississippi:** SB 2254 would exempt from premium taxes the surplus lines policies procured by the Mississippi Department of Administration. The bill became effective July 1, 2015.

• **Montana:** HB 94 was enacted on February 24th to allow natural disaster multi-peril insurance to be sold as surplus lines insurance; HB 240 was enacted on April 10th to remove prohibition of surplus lines policy fees, but limits the fee to $50 for personal lines and $100 for commercial lines.

• **New Jersey:** The New Jersey Department responded to comments that NAPSLO and other interested parties submitted last August on changes to Regulation 11:19-3.1 through 3.5 that were adopted April 21. The Regulation became effective May 18and pertains to requirements of the new electronic filing system for surplus lines transactions. The Department declined to make many changes based on the comments they received and the final regulation remains similar to the original proposal. NAPSLO's comments focused on the Regulation's reporting requirements for surplus lines insurers. NAPSLO encouraged the Department to rely on the broker's filings for an accurate accounting of surplus lines premium tax in New Jersey. We commented that the Department should rely on broker filings, with brokers remitting 100% of the tax 100% to New Jersey as the home state of the insured and that given the fact that the regulated entity in the surplus lines transaction in New Jersey is the licensed broker, additional auditing and comparisons of broker and carrier information is onerous and unnecessary post-NRRA. Our comments supported those of the NJSLA. The Department commented they believed the provisions were necessary and do not cause any undue burden on the industry and declined to make any changes.

• **New York:** AB 9590 was signed by the Governor on January 29, 2015 and prevents third parties from demanding the issuance of a Certificate of Insurance (COI) that goes beyond simply demonstrating proof that insurance coverage has been placed. Follow-up legislation AB 4616, was signed by the Governor on March 13 and requires COIs on policies for Personal Injury Liability or Property Damage Liability to be issued on a form promulgated by the insurer or a form approved by the Department. The legislature adjourned with several bills pending that would have impacted surplus lines. These bills may be seen again during the 2016 session:

- SB 1759 would implement a Domestic Surplus Lines Insurer statute;
- SB 2347 would allow diligent effort affidavits to remain valid for two policy renewal cycles, allow a quote from the standard market that is 25% in excess of the nonadmitted market to be considered a declination and allow the Superintendent to consider market conditions when deciding which risks are eligible for export;
- SB 2348 would presume brokers have met their standard of due care if they use a voluntary list of eligible insurers established by ELANY. At this time, these bills do not have sponsorship in the House and industry is working to determine the level of support to provide.
- SB 4444 would provide regulation of "personal motor vehicle sharing." It requires group insurance coverage for the facilitating entity and if insurance is placed with an eligible excess line insurer, compliance with the excess line statutes and regulations shall be performed with respect to the group as a whole and not with respect to individual group members. The bill is still wading through the Senate committee process.

• **Nevada:** AB 486 removes statutory fees for surplus lines companies ($1,300 annually) and removes mandatory $15 Insurance Recovery Account fee for surplus lines brokers and replaces it with an assessment of $10 to be imposed by the Commissioner only after the Insurance Recovery Account falls below $40,000. The bill became effective July 1, 2015.

• **North Carolina:** HB 262 authorized the creation of the North Carolina Stamping Office, making it the 15th stamping office in the nation. The legislation is expected to take effect within 60 days of adjournment, which is projected to be around July 26, 2015. We will provide updates on filing as it develops.

• **North Dakota**: As noted above, HB 1146 eliminated the requirement for North Dakota home state risks to be taxed at other states rates. As of June 1, 2015, when North Dakota is the home state, all multistate surplus lines premiums are taxed 100% at the state rate of 1.75%. This bill also repealed the state's participation in SLIMPACT. SB 2187, which also took effect June 1, moves the premium tax payment and reporting dates to March 1 from April 1 and May 1. These dates support NAPSLO's suggested filing and reporting dates contemplated NAPSLO's Guiding Principles on Uniformity. NAPSLO did seek to have the required allocation of multistate risk report eliminated in light of the elimination of taxing at other states' rates, but the Department did not support eliminating the requirement at this time.

• **Oklahoma:** SB 487 became effective April 10 and removes diligent search effort requirements in the procurement of flood insurance through surplus lines insurers.

• **Oregon:** SB 935 became effective on June 18 and exempts wet marine and transportation insurance from the requirement to obtain certificate of authority. The Division adopted O.A.R. 836-010-0026 in March which prohibits the use of discretionary clause language in insurance contracts for all lines of insurance.

• **Pennsylvania:** SB 736, if passed, will regulate self-service storage facilities and will allow the required insurance to be obtained through a surplus lines insurer.

• **South Dakota:** HB 1088 became effective February 24th and amends prior law to allow surplus lines insurers to provide excess disability insurance.

• **Tennessee:** SB 82 becomes effective January 1, 2016 and requires broker affidavits to be filed within 30 days of issuing a policy. Prior to enactment of the law, affidavits were to be issued at the end of each month. Additionally, effective February 16, the Department began using OPTins for electronic payments for surplus lines premium tax.

• **Texas:** The legislature adjourned June 1 without much progress on insurance legislation. HB 409 would have required liquor licensees to carry liquor liability insurance. This type of insurance is not currently required. The bill would have allowed the coverage to be provided from an admitted or eligible surplus lines insurer but failed to pass out of the House. HB 686 related to insurance agents' ownership and use of information related to the expiration of property and casualty insurance policies. The proposed bill would have allowed an agent the exclusive ownership and use of an "expiration" directly related to an insurance application submitted by or an insurance policy written through that agent for the purpose of soliciting, selling or negotiating the renewal or sale of the coverage. The bill failed to pass out of committee. HB 2947 was sought to revise diligent search requirements. The bill was proposed as a compromise based on indications from the Department on their intent to revise regulations regarding the requirements. Ultimately the Department decided not to change the current procedure and the legislation was allowed to die.

• **Utah:** SB 212 was enacted on March 26 and repeals HB 129, which passed in March 2014, and required surplus lines insurers to initiate an audit within six months of expiration of the policy and prohibited surplus lines insurers from counting as earned premium an amount in excess of 50% of the initial premium. NAPSLO and other industry trade associations, with the strong support of the Department, worked with the legislature on the repeal of HB 129.

• **Virginia:** HB 1745 became effective July 1, 2015, and increases the maximum assessment of fire insurance companies, including surplus lines policies, for the Fire Programs Fund from .001 to .025%.

• **Washington:** HB 1308 clarified that the portion of a risk located outside of the U.S. is exempt from surplus lines premium tax. The law has been signed by the Governor and becomes effective July 24.

Export lists updates
At the beginning of the year there are many states that update their export lists or request comments on whether there should be changes to exportable coverages in the state. Earlier this year, California, New Jersey, New Mexico, and Pennsylvania published their export lists with no changes. For additional information on state

export lists, we recommend consulting the Locke Lord Excess and Surplus Lines compilation.

Ridesharing/transportation network companies (TNC)
We continue to monitor state actions regarding TNC legislation. Much of the coverage for TNCs is written in the surplus lines market and therefore NAPSLO is closely watching these bills and working with PCI to ensure surplus lines is not excluded from providing coverage.

We are pleased to report that, to date, no TNC legislation has been enacted that precludes surplus lines policies from providing the required TNC insurance. The following bills were implemented during the recent legislative session: Arkansas, Arizona, California, Colorado, District of Columbia, Georgia, Idaho, Illinois, Indiana, Kansas, Kentucky (regulation), Louisiana, Maryland, Minnesota, Montana, North Dakota, Nebraska, New Jersey, Nevada, Oklahoma, South Carolina, Tennessee, Texas, Utah, Virginia, Washington
and Wisconsin.

TNC legislation is pending in Massachusetts, Michigan, Ohio and Pennsylvania, while several states failed to pass TNC related legislation during their 2015 sessions including Alaska, Alabama, Connecticut, Florida (HB 757, SB 1298, SB 1326), Hawaii, Iowa, Maine, Mississippi, Missouri, New Mexico, New York (Competing Bill), Oregon, Rhode Island, Vermont and West Virginia.

The NAIC is also monitoring and discussing insurance issues related to ridesharing through the Sharing Economy Working Group. The Working Group adopted a white paper in March and has taken no further action at this time.

Federal updates
The 114th Congress convened this January and NAPSLO continues to closely monitor and advocate on behalf of our membership before the Committees with jurisdiction over insurance issues, the House Financial Services Committee, still chaired by Congressman Jeb Hensarling (R-TX), and the Senate Banking Committee, now chaired by Senator Richard Shelby (R-AL).

NAPSLO hosted our annual Legislative Fly-In on May 21 in Washington, D.C., to continue our outreach and education to members of Congress regarding the surplus lines industry and post-NRRA climate. This year’s Fly-In provided a number of opportunities to meet with key legislators and their senior staff. Thirty-two NAPSLO members and staff, representing the Legislative Committee, Executive Committee, PAC Committee and NAPSLO’s Next Generation, met with 23 Members of Congress and/or their staff, including senior staff for key committees with jurisdiction over insurance issues. All members of Congress that we met with serve on either the House Financial Services Committee or the Senate Banking Committee, and a number of the Members serve on the respective subcommittees on insurance.

NAPSLO was honored to have personal meetings with six Members of Congress, including:
• Sen. Mike Crapo (R-ID), Chairman, Senate Banking Subcommittee on Insurance
• Rep. Scott Garrett (R-NJ), Member, Financial Services Subcommittee on Insurance
• Rep. Dennis Ross (R-FL), Member, Financial Services Subcommittee on Insurance

- Sen. Ben Sasse (R-NE), Member, Senate Banking Subcommittee on Insurance
- Rep. Steve Stivers (R-OH), Member, Financial Services Subcommittee on Insurance
- Rep. Roger Williams (R-TX), Member, Financial Services Subcommittee on Insurance

NAPSLO also had the opportunity to meet with key staff from the following offices:

- Rep. Joyce Beatty (D-OH), Member, Financial Services Committee
- Rep. Emanuel Cleaver (D-MO), Ranking Member, Financial Services Subcommittee on Insurance
- Rep. Jeb Hensarling (R-TX), Chairman, Financial Services Committee
- Rep. Robert Hurt (R-VA), Financial Services Subcommittee on Insurance
- Rep. Blaine Luetkemeyer (R-MO), Chairman, Financial Services Subcommittee on Insurance
- Rep. Patrick Murphy (D-FL), Financial Services Committee
- Rep. Steve Pearce (R-NM), Financial Services Subcommittee on Insurance
- Rep. Keith Rothfus (R-PA), Financial Services Subcommittee on Insurance
- Rep. Maxine Waters (D-CA), Ranking Member, Financial Services Committee
- Rep. Lynn Westmoreland (R-GA), Vice Chairman, Financial Services Subcommittee
- Sen. Sherrod Brown, Ranking Member, Senate Banking Committee
- Sen. Joe Donnelly (D-IN), Member, Senate Banking Subcommittee on Insurance
- Sen. Dean Heller (R-NV), Member, Senate Banking Committee
- Sen. Robert Menendez (D-NJ), Member, Senate Banking Insurance Subcommittee
- Sen. Tim Scott (R-SC), Member, Senate Banking Subcommittee on Insurance
- Sen. Richard Shelby (R-AL), Chairman, Senate Banking Committee
- Sen. Patrick Toomey (R-PA), Member, Senate Banking Subcommittee on Insurance

NAPSLO used time with the members to help educate them about the surplus lines industry and to focus on three main issues impacting surplus lines: (1) revising the definition of private flood insurance to ensure surplus lines insurers are eligible to provide private market solutions to consumers in need of solutions to unique and complex flood risks; (2) emphasizing the many successes of and asking for Congress' continued support and protection of the Nonadmitted and Reinsurance Reform Act of 2010 (NRRA); and (3) thanking Congress for the passage of the National Association of Registered Agents and Brokers (NARAB II).

These members of Congress and staff are engaged and demonstrate a good understanding of the surplus lines industry. All members were very interested to hear about our perspective on current nationwide issues, especially proposals to revise the federal definition of private flood insurance.

Although the Fly-In meetings were successful, we must continue to educate members and their staff about the important and valuable work we do that helps their constituents. These face-to-face meetings help strengthen NAPSLO's reputation with many important members directly influencing insurance issues. We are grateful to those individual NAPSLO members that have supported the PAC this year, which helps us in our educational outreach and advocacy for issues important to our membership.

Revisions to the definition of private flood insurance

Last year, NAPSLO supported the Flood Insurance Modernization and Market Parity Act of 2014 which was introduced by Congressmen Dennis Ross (R-FL) and Patrick Murphy (D-FL) and Senators Dean Heller (R-NV) and Jon Tester (D-MT). We are very pleased that these same members of Congress recently filed similar legislation to revise the federal definition of private flood insurance. The Flood Insurance Modernization and Market Parity Act of 2015 (H.R. 2901/ S. 1679) will provide clarity to lenders that they may accept private flood insurance solutions from the surplus lines market, just as they had prior to the Biggert-Waters Act of 2012 (BW12). Surplus lines insurers have traditionally served as a supplemental market to the NFIP. After the passage of BW12, confusion arose in the lending industry regarding accepting private flood insurance, including surplus lines policies. NAPSLO has worked to relieve some of that confusion by offering NRRA-compliant language as part of the proposed legislation, which has strong support from both the insurance and banking industry and we hope it will lead to passage in Congress. NAPSLO will keep members updated on the legislation's progress as it develops.

National Association of Registered Agents and Brokers (NARAB II)

NAPSLO was extremely pleased when NARAB finally became law on January 12, 2015. The insurance industry lobbied many years for NARAB in an effort to provide the national framework for uniformity in agent and broker licensing.

Although the law contemplates the President appointing members of the Board within 90 days from the day he signed the law, no names have been sent to the Senate for confirmation at this time. Once established, the Board will consist of eight regulators and five industry members, with three of the industry members representing the P&C industry. NAPSLO will also remain focused on ensuring the voice and perspective of surplus lines licensees is represented during the implementation of NARAB and development of NARAB's national licensing standards.

For more information on the law and how it may impact agents and brokers, visit our " NARAB Implementation" webpage. This page will be updated with resources and information as it develops. If you have any questions regarding NARAB, please contact the NAPSLO legislative team.

Dodd Frank Wall Street Reform Act of 2010 (DFA)

The NRRA was passed as a provision of the DFA. Several members and leaders of the 114th U.S. Congress have indicated that revisions and repeals within the DFA are a high priority. During our conversations with members of the House Financial Services Committee and Senate Banking Committee, we emphasized the significance and importance of the NRRA and asked these members to exclude the NRRA from any DFA repeal efforts. We will continue to carry this message forward during all of our future outreach with congressional offices to ensure this critical portion of the legislation remains intact.

Support the NAPSLO PAC today!

The NAPSLO PAC was formed in 2005 and plays an important role in NAPSLO's legislative and regulatory efforts. The mission of the NAPSLO PAC is to support candidates for the U.S. House and Senate whose philosophies and attitudes are consistent with the goals of NAPSLO, the surplus lines industry and the wholesale brokerage system. Our work to advocate and educate members of Congress about the surplus lines market is a high priority and your support of the NAPSLO PAC can broaden our impact. Every dollar makes a difference and no amount is too small.

This year the NAPSLO PAC Committee will award special recognition to two NAPSLO members based on their employees' voluntary contributions to the NAPSLO PAC. The NAPSLO member with the most employees contributing to the NAPSLO PAC and the highest total contributions from one member-firm will receive their choice of a $2,500 credit towards a NAPSLO member's master bill at Annual Convention or a NAPSLO school. All contributions received between January 1 and August 1 will be considered. The top NAPSLO contributing firms in each category currently are:

Most employees contributing:
1. AmWINS
2. Burns and Wilcox
3. Benchmark
4. McClelland and Hine

Most dollars contributed:
1. AmWINS
2. McClelland and Hine
3. Burns and Wilcox
4. Benchmark

Your contribution can help make this the year your firm takes the lead. Click here to see who is supporting the NAPSLO PAC! Contributions are completely voluntary and will be used for political purposes. For more information on the NAPSLO PAC or to make a contribution please visit www.napslopac.org.

We hope you find this report helpful and informative. If we can further assist you, please let us know.

Keri Kish
Director of Government Relations

John Meetz
State Relations Manager

Contact NAPSLO: Email us at info@napslo.org or call 816.741.3910
