



National Association of  
Professional Surplus Lines  
Offices, Ltd.

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## WHOLESALE BROKER MEMBERSHIP DEFINITIONS & CRITERIA

### **Definition**

Defined as a sole proprietorship, partnership or corporation licensed in at least one jurisdiction within the United States or Canada as a broker, agent or managing general agent engaged in the excess and surplus lines insurance business predominately as a wholesaler.

Subsidiary or Affiliated Firms: For the purpose of qualifying for this class of membership, any firm or organization must transact over 50% of its insurance business with firms other than any parent or affiliated firm or organization.

### **Criteria**

1. Has operated as a wholesale insurance agent/broker under its current ownership and management for at least two (2) years.
2. Transacts at least \$3 million in annual premium volume.
3. Derives at least 85% of the firm's annual premium volume from retail agents and brokers.
4. Derives at least 51% of the firm's annual premium volume from non-affiliated retail brokers, agents or wholesalers.
5. At least 50% of the firm's annual premium volume must be placed with non-affiliated insurance companies/risk bearers.
6. Must be directly appointed by at least two (2) markets that are either qualified or would qualify as a NAPSLO company member or NAPSLO underwriting manager member.



## WHOLESALE BROKER MEMBERSHIP APPLICATION

Thank you for your interest in joining the NAPSLO membership. The information included in this application will be reviewed by NAPSLO's Membership Committee as required by the Association's bylaws and is confidential. Submission of this application does not constitute automatic acceptance of membership. *Please do not send dues payment with this application.*

1. Name of Applicant Firm

\_\_\_\_\_

2. Address

\_\_\_\_\_

City \_\_\_\_\_ State/Zip \_\_\_\_\_

3. Applicant Name & Title of Primary Firm Contact

Name \_\_\_\_\_ Title \_\_\_\_\_

Telephone \_\_\_\_\_ Fax \_\_\_\_\_

E-Mail \_\_\_\_\_ Web Site \_\_\_\_\_

4. NAPSLO's membership criteria requires that the Applicant Firm has operated as a wholesale insurance agent/broker under its current ownership and management for at least two years. Does the Applicant Firm meet this criteria?

Yes  No

Please provide the date the Applicant Firm established its wholesale operation.

Date \_\_\_\_\_

5. NAPSLO's membership criteria requires that the Applicant Firm transacts at least \$3 million in annual premium volume. Does the Applicant Firm meet this criteria?

Yes  No

Please list the Applicant Firm's total premium volume for the last three years.

| Year | Premium Volume |
|------|----------------|
|      |                |
|      |                |
|      |                |

6. NAPSLO's membership criteria requires that the Applicant Firm derives at least 85% of its annual premium volume from retail agents or brokers. Does the Applicant Firm meet this criteria?

Yes  No

Please complete the chart for Applicant Firm's premium for the last three years.

| Year   |  |  |  |
|--|--|--|--|
| Wholesale Premium Placed Under Binding Authority   |  |  |  |
| Wholesale Premium (From Retail Agent)  |  |  |  |
| Retail Premium (Direct from Insured)   |  |  |  |
| Other (Please provide an explanation of premium noted here via e-mail to <a href="mailto:Greta@napslo.org">Greta@napslo.org</a> with your application) |  |  |  |
| Total Premium (Should Match Total in Question 5 Above)   |  |  |  |

7. If Applicant Firm is operating under a binding authority, does it have a direct relationship with the insurance company?

Yes  No

8. NAPSLO's membership criteria requires the Applicant Firm derives at least 51% of its annual premium volume from non-affiliated retail brokers, agents or wholesalers. Does the Applicant Firm meet this criteria?

Yes  No

Please complete the chart for Applicant Firm's premium for the last three years.

| Year  |  |  |  |
|---|--|--|--|
| Premium Volume from Affiliated Retail Agents/Brokers      |  |  |  |
| Premium Volume from Affiliated Wholesale Agents/Brokers   |  |  |  |
| Premium Volume from Unaffiliated Retail Agents/Brokers    |  |  |  |
| Premium Volume from Unaffiliated Wholesale Agents/Brokers |  |  |  |
| Other   |  |  |  |
| Total Premium (Should Match Total in Question 5 Above)    |  |  |  |

9. If a corporation, please list each of the corporation's officers and directors including their titles. If a partnership, please list the partners.

| Name  | Title | Industry Experience (Years) |
|-------|-------|-----------------------------|
| _____ |       |                             |
| _____ |       |                             |
| _____ |       |                             |
| _____ |       |                             |

10. Does Applicant Firm, or any of its shareholders, partners or principals, own or have any other financial relationship or affiliation with any other retailer, wholesaler or insurance company entity?

Yes  No

If yes, please describe all such relationships or affiliations. Please also describe any outstanding loans which can be converted to equity.

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\_\_\_\_\_

\_\_\_\_\_

11. Is the Applicant Firm owned by an insurance company?

Yes  No

If yes, please describe the company and its ownership.

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12. NAPSLO's membership criteria requires that at least 50% of the Applicant Firm's annual premium volume must be placed with non-affiliated insurance companies/risk bearers. Does the Applicant Firm meet this criteria?

Yes  No

Please complete the chart for Applicant Firm's premium for the last three years.

| Year  |  |  |  |
|---|--|--|--|
| Premium Volume from Affiliated Insurance Companies/Risk Bearers   |  |  |  |
| Premium Volume from Unaffiliated Insurance Companies/Risk Bearers |  |  |  |
| Total Premium (Should Match Total in Question 5 Above)            |  |  |  |

13. NAPSLO's membership criteria requires that Applicant Firm must be directly appointed by at least two markets that are either qualified or would qualify as a NAPSLO Company member or NAPSLO Underwriting Manager member. Does the Applicant Firm meet this criteria?

Yes  No

Please list the Applicant Firm's leading company markets that are either current NAPSLO members or would qualify.

| <b>Company</b> | <b>Years Represented</b> | <b>Contact Name</b> |
|----------------|--------------------------|---------------------|
| <hr/>          |                          |                     |
| <hr/>          |                          |                     |
| <hr/>          |                          |                     |

14. List all associations of which the Applicant Firm is a member.

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15. Please provide the name of the surplus lines licensee.

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16. If licensee is an individual, please explain relationship to the Applicant Firm.

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17. Please provide the current surplus lines license number(s) and all states in which licenses are maintained.

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18. Has any license of the Applicant Firm or its licensees ever been revoked or suspended?

Yes  No

If yes, please explain.

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19. Has there ever been any fine or penalty imposed by any insurance regulatory authority against the Applicant Firm or any of its principals, executives or licensees?

Yes  No

If yes, please explain.

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20. Are you tribunalized and hold a Lloyd's binding contract?  Yes  No

21. Please list all branch offices of the Applicant Firm. Member firms, except Associate members, are required to annually list all branch offices and pay annual membership dues for those offices. A Wholesale Broker branch office is defined as a revenue producing office that is 50% or more owned by the parent firm.

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22. Please provide any other information which will help clarify your roll in the wholesale insurance industry.

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Please forward reference form (included in application packet) to your two selected NAPSLO **voting** member firms so they may be completed and mailed or e-mailed by **an executive officer or principal of those firms**. These completed reference forms must be submitted to the NAPSLO office. Reference forms must be submitted to NAPSLO voting members who know you in your current business capacity. A NAPSLO voting member is a wholesale broker, company or underwriting manager member of NAPSLO. NAPSLO associate members may not be used as references. Applications for membership cannot be processed until the above completed reference forms are received at the NAPSLO office.

In making this application for membership to NAPSLO, I do declare the facts given herein are true to the best of my knowledge. I further declare compliance with the membership requirements and I have read and agree to comply with NAPSLO's code of ethics.

### **NAPSLO CODE OF ETHICS**

Members of the Association agree:

1. To maintain high professional standards of efficiency, conduct, integrity, responsibility and services.
2. To exercise the utmost good faith in dealing with their principals, underwriters and assureds.
3. To refrain from maintaining or using the status of the profession, or affiliation with the Association, to attract business for personal financial gain in other lines of endeavor.
4. To refrain from maintaining or using their membership within the Association as a means of taking unfair advantage of competitors, or for any other purpose than those for which the Association is intended.
5. To regard the business of insurance as an unusual opportunity to provide essential services to the public, and to conduct themselves with dignity, courtesy and the highest degree of fairness in their relations with members of the industry and the public at large.
6. To be governed by a spirit of cooperation, helpfulness and frankness in their relationships with fellow members to the end that each shall be better equipped through such cooperative measures and exchange of ideas to better perform and function, and to foster the advancement and prestige of their profession.
7. To comply with applicable surplus lines laws and regulations, maintain necessary licenses and immediately notify the Association of any suspensions, revocation or termination of such licenses.

Signed \_\_\_\_\_

Title \_\_\_\_\_ Date \_\_\_\_\_

|  |
|--|
| DO NOT SEND MEMBERSHIP DUES PAYMENT WITH THIS APPLICATION. |
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Note: A change in ownership necessitates immediate advice of same to the NAPSLO office along with a new completed application.