

Directive 110A

COMPLIANCE WITH L.S.A. — R.S. 22:1263.1

October 11, 1993

This Directive is to bring to your attention Louisiana Revised Statute R.S. 22:1263.1 and require the use of the attached Form 1263.1 — Authorized Non-Admitted Affidavit. L.S.A. — R.S. 22:1263.1 requires a licensed Louisiana property and casualty agent or broker to complete the attached affidavit which must be attached to the application submitted to a duly licensed Louisiana surplus line broker. The surplus line broker must receive Form 1263.1 prior to procuring an authorized non-admitted insurance policy. Form 1263.1 shall be maintained on file in the licensed Louisiana surplus line broker's office along with the related policy, if any, and available for review during an examination.

L.S.A. — R.S. 22:1263.1 requires a licensed property and casualty agent or broker to attest, on a standardized form promulgated by the Commissioner of Insurance, to the following:

1. A diligent effort to place the insurance coverage with admitted insurers and the results thereof.
2. Affirm that the insured applicant for insurance was expressly advised prior to placement of insurance that the surplus line insurer with whom the insurance is being placed is an unauthorized, but approved, insurer, and that in the event of insolvency of the insurer, losses shall not be paid by the state insurance guaranty fund.
3. The coverage is being procured through a duly licensed Louisiana surplus line broker.

This Directive will be effective and the statute will be enforced by the Louisiana Department of Insurance as of January 1, 1994.

James H. Brown
COMMISSIONER OF INSURANCE

LOUISIANA REGULATIONS

FORM 1263.1

AUTHORIZED NON-ADMITTED AFFIDAVIT

Unauthorized but approved insurance companies, designated as surplus lines companies, are provided for under the Louisiana Revised Statutes R.S. 22 § 1249 et. seq. Any licensed Louisiana property and casualty agent or broker procuring coverage from a surplus line company must complete this affidavit, signed by the insured, acknowledging that the coverage will be placed with an unauthorized but approved insurance company through a duly licensed Louisiana Surplus Line Broker. Such affidavit must be completed and attached to the application for insurance and forwarded to a licensed Louisiana Surplus Line Broker who will retain the affidavit as part of the insured's file.

A licensed Louisiana property and casualty agent or broker procuring surplus line coverage is required to conduct a diligent effort to place the coverage with an admitted authorized company. The results of the diligent effort must be attested to by the signature of the agent and insured. The licensed Louisiana property and casualty agent or broker is also required to expressly advise the insured that a surplus line company is not regulated by the Louisiana Department of Insurance, and in the event of the insolvency of the surplus line company, CLAIMS OR LOSSES WILL NOT BE PAID BY THE LOUISIANA INSURANCE GUARANTY ASSOCIATION.

LICENSED LOUISIANA PROPERTY AND CASUALTY AGENT
OR BROKER CERTIFICATION

As required by R.S. 22 § 1263.1 a diligent effort to place the risk with an admitted company was conducted. The results of the diligent effort are as follows:

Approved Non-admitted company name from which the coverage will be procured;

- _____
- The company listed above provided more favorable policy terms and conditions than was available by an admitted company.
 - The financial strength of the company listed above was appropriate.
 - Other: _____

THE APPROVED NON-ADMITTED COVERAGE WILL BE PROCURED BY THE FOLLOWING DULY LICENSED LOUISIANA SURPLUS LINE BROKER:

NAME: _____ LICENSE NO. _____
POLICY OR BINDER NUMBER (if available) _____
P&C Agent or Broker Name _____ License No. _____
Address _____ City _____ ST _____ Zip _____
Signature _____ Date _____ Phone () _____

DIRECTIVE 110A

INSURED'S ATTESTATION

I acknowledge that my insurance coverage will be provided by an unauthorized, but approved insurance company. I also acknowledge and have been expressly advised by the agent or broker above that such a company is not regulated by the Louisiana Department of Insurance, and in the event of insolvency of the unauthorized but approved insurer, CLAIMS OR LOSSES WILL NOT BE COVERED BY THE LOUISIANA INSURANCE GUARANTY ASSOCIATION.

Name: _____ Signature _____ Date _____