DATE: July 12, 2012

TO: All Surplus Lines Agencies

FROM: Kenneth A. Rudert, Executive Director

SUBJECT: Diligent Search Review Process Change

The purpose of this bulletin is to provide advanced notice that effective August 1, 2012, PSLA will be returning 1609-PR Producer Affidavit forms for missing and/or invalid declining carriers. According to Section 124.5(i) of the Regulations that support the Pennsylvania Surplus Lines Law (Section 1609) “A diligent effort by the producing broker to procure the desired coverage from admitted insurers shall have been made if the producing broker declares on the prescribed form that at least three admitted insurers which are writing, in this Commonwealth, coverage comparable to the coverage being sought have declined to insure the particular risk.”

Enhancements in our process will allow PSLA to return non-compliant 1609-PR Producer Affidavit forms in an adequate time frame that provides for proper correction BY THE WRITING PRODUCER and re-upload into PSLA’s Electronic Filing System (EFS) BY THE SURPLUS LINES LICENSEE, thereby completing the filing.

As we reintroduce this process, there are several items that should be kept in mind as the writing producer, who represents the insured, qualifies the placement for entrance into the surplus lines market. Review of Section 124.5 of the Regulations and Section 1609 of the Pennsylvania Surplus Lines Law will assist in the process as well as review of the March 15, 2005 and July 6, 2009 PSLA bulletins.

KAR/ds