



PENNSYLVANIA<sup>TM</sup>  
SURPLUS LINES ASSOCIATION

# *Procedures Training Workshop*

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# Procedures and Electronic Filing Training Workshop

## *Agenda*

- **Pennsylvania Surplus Lines**
  - Pennsylvania Surplus Lines Overview
  - Surplus Lines License and PSLA Customer ID
  - EFS Agency Administration Overview
  
- **Filings and Endorsements**
  - Affidavit Filing Types and 1609 Producer Affidavit
  - Original Filing
  
- **Reports**
  - 1620 Monthly Report
  - RCT-123 Annual Report



# Pennsylvania Surplus Lines Insurance Overview

## *Introduction*

- What is Surplus Lines Insurance?
- What is the Pennsylvania Surplus Lines Association (PSLA)?
- What is the Non-Admitted and Reinsurance Reform Act of 2010 (NRRA)?
- Where can I find more information on Surplus Lines in Pennsylvania?



# Pennsylvania Surplus Lines Insurance Overview

## *What is Surplus Lines Insurance?*

- Surplus lines insurance is any insurance of risks permitted to be placed through a surplus lines licensee with a non-admitted insurer eligible to accept such insurance
  - Insurance companies licensed by the Pennsylvania Insurance Department (PID) write most of the insurance in Pennsylvania
  - The state regulates these licensed companies and policyholder claims will be covered by the Pennsylvania Property and Casualty Insurance Guaranty Association if a licensed insurance company becomes insolvent
  - Insurance that cannot be obtained from licensed insurers, is considered “surplus lines insurance” and it may be obtained from unlicensed insurers that are on PID’s Eligible Surplus Lines Insurer List.
  - An Eligible Surplus Lines Insurer is a nonadmitted insurer that has made application to the Pennsylvania Insurance Commissioner and has satisfied the requirements to be placed on the PID’s list of Eligible Surplus Lines Insurers.
  - Eligible Surplus Lines Insurers are also referred to as nondmitted, unauthorized or unlicensed carriers and the surplus lines market is often referred to as the non-standard market
  - Policyholders claims secured in the surplus lines market are not covered by the Pennsylvania Property and Casualty Insurance Guaranty Association if an Eligible Surplus Lines Insurer (nonadmitted insurer) becomes insolvent



## Pennsylvania Surplus Lines Insurance Overview

### *What is the Pennsylvania Surplus Lines Association?*

- Pennsylvania Surplus Lines Association (PSLA) is a non-profit organization that serves as an advisory organization under contract with the Pennsylvania Insurance Department (PID)
- PSLA's mission is to serve Pennsylvania's insurance consumers through fair and efficient review and verification of the surplus lines insurance industry and to:
  - Facilitate and encourage compliance with the laws of this Commonwealth and the rules and regulations of the Department relative to surplus lines insurance
  - Provide means for the examination, which shall remain confidential, of all surplus lines coverages written to determine whether such coverages comply with such laws and regulations
  - Communicate with organizations of admitted insurers with respect to the proper use of the surplus lines market
  - Receive and disseminate information relative to surplus lines insurance
- PSLA provides a depository of required filing documentation for PID and assists in their efforts to monitor activity, compliance, and transparency
- PSLA is also a voluntary membership organization for resident and non-resident surplus lines licensees and supporting membership for producers, insurance carriers and other interested parties



## Pennsylvania Surplus Lines Insurance Overview

### *What is the NonAdmitted and Reinsurance Reform Act?*

- Effective July 1, 2011 Pennsylvania adopted Act 28 and Act 29 that brings the Commonwealth into compliance with the Federal NonAdmitted and Reinsurance Reform Act (NRRA) of 2010
- The highlights with respect to multi-state placements are as follows:
  - Pennsylvania has discontinued the process of premium allocation in favor of the “one state or Home state rule” meaning only the Home state may tax a surplus lines premium and may regulate a surplus lines placement
  - Taxes are to be calculated on the full 100% premium of the total placement when Pennsylvania is deemed the Home state
  - A surplus lines license and a producer license will be required for the Home state as there is no change in the filing requirements.
  - The determination of the Home state will require you, the licensee to determine the Home state in consultation with the insured and/or the insured’s producer



# Pennsylvania Surplus Lines Insurance Overview

## *What is the Home State?*

- The “Home state” is
  - (1) Except as provided under paragraph (2), with respect to an insured:
    - (i) the state in which an insured maintains its principal place of business or, in the case of an individual, the individual's principal residence; or
    - (ii) if one hundred per centum (100%) of the insured risk is located out of the state referred to under subparagraph (i), the state to which the greatest percentage of the insured's taxable premium for that insurance contract is allocated
  - (2) If more than one insured from an affiliated group are named insureds on a single nonadmitted insurance contract, the term means the home state, as determined under paragraph (1), of the member of the affiliated group that has the largest percentage of premium attributed to it under the insurance contract



# Pennsylvania Surplus Lines Insurance Overview

## *Recap*

- Surplus lines insurance is insurance provided by an unlicensed, nonadmitted insurer where policyholder claims are not covered by the Pennsylvania Property and Casualty Insurance Guaranty Association if the carrier becomes insolvent
- Pennsylvania Surplus Lines Association (PSLA) is contracted by the Pennsylvania Insurance Department to provide information about the surplus lines market and to encourage compliance
- Additional information and on-line tutorials are on PSLA's website at [www.pasla.org](http://www.pasla.org)





# Procedures and Electronic Filing Training Workshop

## *Agenda*

- **Pennsylvania Surplus Lines**

- ✓ Pennsylvania Surplus Lines Overview



- **Surplus Lines License and PSLA Customer ID**

- EFS Agency Administration Overview

- **Filings and Endorsements**

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- Original Filing

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# Surplus Lines License and PSLA Customer ID

## *Introduction*

- Obtaining an Individual Surplus Lines License
- Obtaining a Business Entity Surplus Lines License
- Obtaining a Pennsylvania Surplus Lines Association (PSLA) Customer ID Number
- Obtaining your Electronic Filing System (EFS) Login and Password
- Where to find information on obtaining a Surplus Lines License and a PSLA Customer ID number



## Surplus Lines License and PSLA Customer ID

### *Obtaining an Individual Surplus Lines License*

- Section 1615 of the Surplus Lines Law outlines the process for both individuals and business entities to be licensed for surplus lines in the Commonwealth of Pennsylvania
- Individuals and business entities that have a current Pennsylvania producer license with the property and casualty (P&C) authority are eligible for a surplus lines license
- Resident Producer (Individual)
  - Resident producers must pass the surplus lines written examination approved by the Pennsylvania Insurance Department (there are no exceptions) before submitting an application for a surplus lines license.
  - A properly completed license application with the required license fee must be submitted to the State electronically either through Sircon Compliance Express (Sircon) or the National Insurance Producer Registry (NIPR). There is a small transaction fee also applied for either of these e-services.

#### Non-Resident Producer (Individual)

- Is currently licensed as a P&C and surplus lines producer and is in good standing in their home state
- Has a current non-resident producer license in Pennsylvania with P&C authority or is submitting a properly completed application for both a producer license and surplus lines license through the NIPR or Sircon and has paid the required fees



## Surplus Lines License and PSLA Customer ID

### *Obtaining a Business Entity Surplus Lines License*

- Section 1615 of the Surplus Lines Law requires both individuals and business entities transacting surplus lines business to be licensed for surplus lines in the Commonwealth of Pennsylvania
- Business entities that are licensed as Pennsylvania insurance producers with P&C authority shall be eligible to be surplus lines licensees, if the business entities do all of the following:
  - Designate one or more officers or partners licensed under Act 14 of September 20, 2010 amending the Act of May 17, 1921 to be responsible for compliance with all reporting and record keeping required by this article
  - Provide to the department a list of all surplus lines licensees associated with and placing surplus lines business through the business entity
  - The business entity shall provide to the department an updated list of licensees within five (5) business days of a change in association of any licensee and the list shall be available at all times for inspection by the Department
- PID can accept applications for a non-resident insurance producer license through Sircon or the National Insurance Producer Registry (NIPR) gateway



## Surplus Lines License and PSLA Customer ID

### *Obtaining a PSLA Customer ID Number*

- To obtain a PSLA Customer ID number each licensee must complete a Questionnaire
  - The Questionnaire is mailed to the residence of each new individual surplus lines licensee after the Pennsylvania Insurance Department has sent notification of the new licensee to PSLA
- Once the Questionnaire is returned and reviewed by PSLA, the licensee will receive a Welcome Letter from PSLA via email identifying the assigned four digit Customer ID number
- PSLA assigns a Customer ID number to each agency, corporation or partnership (or geographic branch of an Agency)
- PSLA also assigns Customer ID numbers to individual sole proprietorships for individuals or individuals “trading as” a specified agency name
- Each new licensee is required to complete the EFS Enrollment Application before submitting filings in EFS
  - Enrollment applications are on PSLA’s website under the New Licensee tab
- To obtain your EFS Login and Password you must submit a completed Electronic Filing Enrollment Application to PSLA as this document becomes the licensee’s electronic signature



## Surplus Lines License and PSLA Customer ID *Recap*

- Section 1615 of the Surplus Lines Law requires both individuals and business entities be licensed for surplus lines in the Commonwealth of Pennsylvania in order to transact surplus lines business
- Individual resident producers must be a Pennsylvania property and casualty producer in good standing, must pass the surplus lines licensee exam, and must submit the appropriate application through Sircon
- Individual non-resident producers must be Pennsylvania property and casualty producers in good standing, must currently hold a surplus lines license in their home state and must submit the appropriate application through Sircon or NIPR
- Business entities licensed as Pennsylvania insurance producers must maintain a list of individual surplus lines licensees and apply through Sircon or NIPR
- To obtain a PSLA Customer ID number and EFS Login and Password each new licensee must complete a Questionnaire and EFS Enrollment Application



# Procedures and Electronic Filing Training Workshop

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- **EFS Agency Administration Overview**

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# EFS Agency Administration Overview

## *Introduction*

- Who identifies and creates the Electronic Filing System (EFS) Agency Administrator?
- What are the responsibilities of an Agency Administrator?
- How can the Agency Administrator assure user security?
- How can the agency assure Agency Administrator security?





## EFS Agency Administration Overview

### *Who Identifies and Creates the EFS Agency Administrator?*

- The Agency Administrator is identified on the “Responsibility for E-filing Authority” enrollment application and signed by the individual surplus lines licensee
  - “Any electronic filing identified by my customer Identification number, agency and individual surplus lines license number, and entered by any user shall have the same force and effect as a hard copy SLL Affidavit, signed by an individual duly licensed for said agency and mailed to PSLA”
  - The Agency Administrator may be the individual surplus lines licensee of an agency or any person appointed by the licensee to oversee the electronic filing of surplus lines in the agency
  - Licensees with agencies having more than one branch office may appoint one Agency Administrator in a central location to manage agency users in each branch or they may appoint an Agency Administrator in each branch location
  - Each individual surplus lines licensee must send PSLA a signed copy of an EFS enrollment application each time there is a new Agency Administrator
- Once PSLA receives the completed enrollment application then PSLA emails a Login ID and temporary password to the new Agency Administrator
- Only PSLA can create an Agency Administrator



## EFS Agency Administration Overview

### *What are the Responsibilities of an Agency Administrator?*

- Create and manage Agency User Login ID's
  - Enable or disable Login IDs
  - Reset passwords
  
- Assign Customer ID's and manage permissions for Agency Users
  - New Filings, Endorsements, and Filing Return
  - XML Import
  - 1620 Monthly Report
  - RCT-123 Annual Tax Report
  - Customer ID contact information
  - View Statement of Account
  
- Update Customer ID contact information
  - Surplus Lines Filing Return (FR) contact
  - 1620 Monthly Report (MR) contact
  - GPT/RCT-123 annual tax report (TR) contact
  - Monthly Statement of Account (BL) contact
  - General mailing (ML) contact for bulletins, updates, notice of change



# EFS Agency Administration Overview

## Agency User Profile Page

<b>PSLA</b>	<b>User Profile</b>	<a href="#">Sign Out</a>
<a href="#">Home</a>	signed in as <b>John Smith [John.Smith@AgencyName.com]</b> on WEB01	<a href="#">? Help</a>
<b>Editing New User Profile</b>		
<a href="#">Role</a>	Agency User	
<a href="#">Account Status</a>	New	
<a href="#">Password Expires</a>		
<a href="#">Login ID</a>	Jane.Doe@AgencyName.com	
<a href="#">Email</a>	Jane.Doe@AgencyName.com	
<a href="#">Telephone</a>	610-594-1340	
<a href="#">First Name</a>	Jane	
<a href="#">Middle Initial</a>		
<a href="#">Last Name</a>	Doe	
<a href="#">Security Question</a>		
<a href="#">Security Answer</a>		
<b>Customer Assignments</b>		
<a href="#">Available Customers</a>		<a href="#">Assigned Customers</a>
0753 - PENNSYLVANIA SURPLUS LINES	<input type="button" value="Assign ==&gt;"/> <input type="button" value="&lt;== Remove"/> <input type="button" value="All ==&gt;"/> <input type="button" value="&lt;=== All"/>	
<b>Permissions</b>		
<a href="#">Affidavit</a>	None	
<a href="#">Filing Return</a>	None	
<a href="#">XML Import</a>	Off	
<a href="#">1620 Report</a>	None	
<a href="#">GPT Report</a>	None	
<a href="#">Customer Edit</a>	None	
<a href="#">View Statement of Account</a>	Off	
<input type="button" value="Save"/>	<input type="button" value="Exit"/>	



## EFS Agency Administration Overview

### *How does an Agency Administrator Ensure Data Security?*

- The combination of role, customer assignment, and permission provide data security
  - “Role” defines who has access to the Electronic Filing System
  - “Customer assignment” identifies the Customer IDs assigned to the user
  - “Permissions” define the information available within the assigned Customer IDs
  
- Permission categories include:
  - New Affidavit Filings and Endorsements
  - Correcting errors on Returned Filings
  - XML Import
  - 1620 Reports
  - GPT/RCT-123 Reports
  - View Statement of Accounts
  
- Permission types include:
  - None
  - Read-only
  - Read/write



## EFS Agency Administration Overview

### *How can the agency assure Agency Administrator security?*

- Only PSLA can create an Agency Administrator
- Agency Administrators should not share their login and password with other users
- When an Agency Administrator leaves that position the licensee should
  - Notify PSLA to disable the Administrator's login and password
  - Complete an EFS Enrollment application for the new Administrator and send to PSLA
- PSLA will create a login and temporary password for the new Agency Administrator



# EFS Agency Administration Overview

## *Recap*

- The individual surplus lines licensee appoints the Agency Administrator on the completed EFS Enrollment application sent to PSLA
- Only PSLA can create an Agency Administrator
- Responsibilities of the Agency Administrator
  - Create and Manage Agency User Login ID's
  - Assign Customer ID's and permissions to Agency Users
  - Manually enable or disable Agency User accounts
  - Update agency demographics and contact information
- When an Administrator leaves the agency the licensee should notify PSLA to have the login disabled and establish a new Agency Administrator by completing a new EFS Enrollment application
- Agency Administrators should never share a login and password with any Agency User



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# Affidavit Filing Types and 1609-PR Producer Affidavit

## *Introduction*

- Filing requirements:
  - For policies with an effective date after June 30, 2011 and Pennsylvania is deemed the “home state”, all surplus lines placements must be filed with PSLA
  - For policies with an effective date before July 1, 2011 and there is at least one location of risk within the Commonwealth of Pennsylvania the placement must be filed with PSLA
  - For policies with an effective date after June 30, 2011 and another state is deemed the “home state”, please contact the "home state" for filing procedures
- Filings must be entered into the PSLA Electronic Filing System (EFS) within 45 days of the effective date of the placement
- There are five types of filings:
  - 1609-SLL/1609-PR (includes the 1609-PR Producer Affidavit)
    - Must be used if the criteria for other filing types is not met
  - 1604-E (Export Reporting Form)
  - 1609-B
  - 1610-A
  - 1610-B





## Affidavit Filing Types and 1609-PR Producer Affidavit

### *Filing Type 1609-SLL/1609-PR*

- Under Section 1609 of the Surplus Lines Law the 1609-SLL/1609-PR filing type must be used for all surplus lines filings except in cases when certain criteria is met qualifying the risk for another filing type
- In accordance with Section 1608 of the Surplus Lines Law, when presenting the quote the licensee must notify the insured or the insured's producer in writing that the insurance or a portion involves placement with a nonadmitted insurer and that:
  - The insurer with which the licensee places the insurance is not licensed by the Pennsylvania Insurance Department and is subject to limited regulation
  - In the event of the insolvency of an eligible surplus lines insurer, losses will not be paid by the Pennsylvania Property and Casualty Insurance Guaranty Association
  - In accordance with Section 124.2 of the Pennsylvania Surplus Lines Regulation said notice shall be prominently printed on the first page of the quotation or proposal using the same size type as the rest of the text
- Once coverage has been bound, every evidence of insurance (policies, binders, cover notes, confirmations, etc.) negotiated, placed or procured under the provisions of the Pennsylvania surplus lines law issued by the surplus lines licensee shall bear the name of the licensee and the following legend in 10-point type:

"The insurer which has issued this insurance is not licensed by the Pennsylvania Insurance Department and is subject to limited regulation. This insurance is NOT covered by the Pennsylvania Property and Casualty Insurance Guaranty Association."



## Affidavit Filing Types and 1609-PR Producer Affidavit

### *1609-PR Producer Affidavit*

- Section 1609(a) of the Surplus Lines Law states within (30) days after the surplus lines licensee has placed insurance with an eligible surplus lines insurer, the “writing producer” must execute and forward to the surplus lines licensee a written statement, in a form prescribed by the department, declaring that:
  - (i) A diligent effort to procure the desired coverage from admitted insurers was made.
  - (ii) The insured was expressly advised in writing prior to placement of the insurance that:
    - (A) the insurer with whom the insurance is to be placed is not admitted to transact business in this Commonwealth and is subject to limited regulation by the Department; and
    - (B) in the event of the insolvency of the insurer, losses will not be paid by the Property and Casualty Insurance Guaranty Association. This written declaration shall be open to public inspection as prescribed in Section 1609 of the Surplus Lines Law
- **PSLA recommends that the “writing” producer keep a copy of the 1609-PR Producer Affidavit in their records**



## **Affidavit Filing Types and 1609-PR Producer Affidavit**

### ***Filing Type 1604-E (Export Reporting Form)***

- The diligent search requirement of Section 1604(2)(i) of the Surplus Lines Law and the reporting requirements do not apply to the placement of an insurance coverage which appears on the Export List.
- Under Section 1604(2)(ii) of the Pennsylvania Surplus Lines Law, the Insurance Commissioner may declare specific kinds of insurance coverage or classes of operations to be generally unavailable in the authorized market at present, and thus exportable
- Reporting form 1604-E is intended for use when reporting a placement of a type of coverage or a description of the insured's operation found on the Export List
- These types of placements are currently “affidavit free”
- The Export List is updated annually



# Affidavit Filing Types and 1609-PR Producer Affidavit

## *Sample Export List*

### NOTICE

#### INSURANCE DEPARTMENT

#### **Insurance Coverages or Risks Eligible for Export by Insurance Commissioner**

[40 Pa.B. 2203]  
[Saturday, April 24, 2010]

Under Section 1604(2)(ii) of The Insurance Company Law of 1921 (40 P.S. §991.1604(2)(ii)), the Insurance Commissioner hereby declares the following insurance coverages to be generally unavailable in the authorized market at the present, and thus exportable, and hereby adopts the following export list. Accordingly, for those insurance coverages which are included on the export list, a diligent search among insurers admitted to do business in Pennsylvania is not required before placement of the coverages in the surplus lines market.

#### EXPORT LIST

##### Amusements

- Amusement Parks and their Devices
- Animal Rides
- Recreational and Sporting Events
- Special Short Term Events
- Theatrical Presentations

##### Aviation

- Fixed Base Operations
- Bridge and Tunnel Contractors (liability only)
- Chemical Spray and/or Drift
- Crane and Rigging Contractors (liability and physical damage only)
- Crop Dusters (aircraft liability and aircraft hull coverage only)
- Day Care Centers Liability, including Sexual Abuse Coverage
- Demolition Contractors Liability
- Firework Sales/Manufacturing
- Flood Insurance not provided under Federal Flood Insurance
- Fuel and Explosive Haulers (excess auto liability and auto physical damage only)
- Guides and Outfitters (liability only)
- Hazardous Waste Haulers (excess auto liability and auto physical damage only)
- Hazardous Waste Storage and Disposal (liability only)
- Hunting Clubs



## Affidavit Filing Types and 1609-PR Producer Affidavit

### *Filing Type 1609-B*

- Section 1609(b) of the Surplus Lines Law the diligent search shall not apply to any insurance which has been placed **continuously** with an eligible surplus lines insurer for a period of at least **three consecutive years** immediately preceding the current placement
- This filing type recognizes that this is, in fact, a surplus lines placement, precludes the diligent search requirement and no longer requires a producer declaration/affidavit 1609-PR
- The insured need not be with the same eligible surplus lines carrier or the same surplus lines licensee over the said minimum three year period
- The licensee submitting a 1609-B affidavit must be able to verify that the placement was placed as a 1609-SLL/1609-PR for three consecutive years prior to this placement even if they are not the surplus lines licensee of record
  - If there is doubt then the licensee should submit the filing as a 1609-SLL/1609-PR



## Affidavit Filing Types and 1609-PR Producer Affidavit

### Filing Type 1610-A – Policies Effective **Before** July 1, 2011

- As prescribe in Section 1610A the surplus lines licensee must declare under penalties provided for perjury that the described risk satisfies at least **three of the six** requirements listed below
  - The insured employs a full-time risk manager or contracts for services from a qualified risk management service
  - The insured has gross sales in excess of one hundred million (\$100,000,000) dollars
  - The insured regularly employs in excess of two hundred and fifty (250) full-time employees
  - The insured has assets in excess of one hundred million (\$100,000,000) dollars
  - The insured has insurance premiums for property and casualty insurance, excluding employee benefits, in excess of two hundred and fifty thousand (\$250,000) dollars
  - The insured is seeking insurance for risks resident, located or to be performed in one or more states other than Pennsylvania and the portion of the total risk ascribable to states other than Pennsylvania exceeds fifty percent (50%)
- Use of filing type 1610-A precludes the diligent search requirement by Section 1609 of the Surplus Lines Law and therefore, the 1609-PR Producer Affidavit is not required
- Filing type 1610-A is used for large corporate accounts



## Affidavit Filing Types and 1609-PR Producer Affidavit

### Filing Type 1610-A – Policies Effective *After* June 30, 2011

- The diligent search requirements shall not apply to placements of insurance with nonadmitted insurers for an exempt commercial purchaser if:
  - (1) the surplus lines licensee procuring or placing the surplus lines insurance has disclosed to the exempt commercial purchaser that the insurance may be available from the admitted market that may provide greater protection with more regulatory oversight; and
  - (2) the exempt commercial purchaser has subsequently requested in writing the surplus lines licensee to procure or place the insurance from a nonadmitted insurer.
- "Exempt Commercial Purchaser" is defined as any person purchasing commercial insurance that, at the time of placement, meets the following requirements:
  - The person employs or retains a qualified risk manager to negotiate insurance coverage
  - The person has paid aggregate nationwide commercial property and casualty insurance premiums in excess of one hundred thousand (\$100,000) dollars in the immediately preceding twelve (12) months
  - The person meets at least one of the following criteria:
    - A) The person possesses a net worth in excess of twenty million (\$20,000,000) dollars
    - B) The person generates annual revenues in excess of fifty million (\$50,000,000) dollars
    - C) The person employs more than five hundred (500) full-time or full-time equivalent employees per individual insured or is a member of an affiliated group employing more than one thousand (1,000) employees in the aggregate
    - D) The person is a not-for-profit organization or public entity generating annual budgeted expenditures of at least thirty million (\$30,000,000) dollars
    - E) The person is a municipality with a population in excess of fifty thousand (50,000) persons



## Affidavit Filing Types and 1609-PR Producer Affidavit

### Filing Type 1610-A – Policies Effective **After** June 30, 2011

- A “Qualified risk manager” is defined as a person who meets all of the following requirements with respect to a policyholder of commercial insurance
  - (1) The person is an employee of, or third-party consultant retained by, the commercial policyholder
  - (2) The person provides skilled services in loss prevention, loss reduction or risk and insurance coverage analysis and purchase of insurance.
  - (3) The person:
    - (i) (A) has a bachelor's degree or higher from an accredited college or university in risk management, business administration, finance, economics or any other field determined by the commissioner to demonstrate minimum competence in risk management; and  
(B) (I) has three (3) years of experience in risk financing, claims administration, loss prevention, risk and insurance analysis or purchasing commercial lines of insurance; or  
(II) has:
      - (a) a designation as a Chartered Property and Casualty Underwriter issued by the American Institute for Chartered Property and Casualty Underwriter/Insurance Institute of America;
      - (b) a designation as an Associate in Risk Management issued by the American Institute for Chartered Property and Casualty Underwriter/Insurance Institute of America;
      - (c) a designation as Certified Risk Manager issued by the National Alliance for Insurance Education & Research;
      - (d) a designation as a RIMS Fellow issued by the Global Risk Management Institute; or
      - (e) any other designation, certification or license determined by the commissioner to demonstrate minimum competency in risk management;
    - (ii) (A) has at least seven (7) years of experience in risk financing, claims administration, loss prevention, risk and insurance coverage analysis or purchasing commercial lines of insurance; and  
(B) has any one of the designations specified under clauses (a), (b), (c), (d) and (e);
    - (iii) has at least ten (10) years of experience in risk financing, claims administration, loss prevention, risk and insurance coverage analysis or purchasing commercial lines of insurance; or
    - (iv) has a graduate degree from an accredited college or university in risk management, business administration, finance, economics or any other field determined by the commissioner to demonstrate minimum competence in risk management.





## Affidavit Filing Types and 1609-PR Producer Affidavit

### *Filing Type 1610-B*

- Under Section 1610(b) of the Surplus Lines Law the diligent search requirement is not applicable to placements of insurance with eligible surplus lines insurers for risks of members of a purchasing group established under the Risk Retention Act amendments of 1986 (Public Law 99-563, 100 Stat. 3170)
- Submission of the 1610-B filing type **is required** for placements for **each Pennsylvania member** of a purchasing group created under the Risk Retention Act amendments of 1986 regardless of the purchasing group's state of domicile
- Within forty-five (45) days after insurance has been placed with an eligible surplus lines insurer for members of a purchasing group a surplus lines licensee, will file with the Department his written declaration reporting the transaction on a form prescribed by the Department
- The purchasing group must be registered with the Insurance Department in order to submit this filing type
- Limits for risk purchasing groups are limited to casualty as they fall under the Liability Risk Retention Act of 1986



## Affidavit Filing Types and 1609-PR Producer Affidavit *Recap*

- Surplus lines licensees must submit a filing to PSLA covering risks **only** if Pennsylvania is the home state
- Filing types are governed by specific characteristics
  - 1609-SLL/1609-PR – Filing type used by surplus lines licensees in EFS unless the policy is governed by certain characteristics
    - **1609-PR Producer affidavit always accompanies the 1609-SLL under Section 1609(a) of the Surplus Lines Law**
  - 1604-E – Not an affidavit, a reporting form used when type of coverage or class of operation is on the Export List
  - 1609-B – The risk has been in the surplus lines market continuously for three consecutive years, diligent search is not required
  - 1610-A – Used for large corporate accounts, diligent search not required
  - 1610-B – Used for risks administered by a purchasing group, diligent search not required
- Filings are due within 45 days of the effective date of the policy



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- ✓ Pennsylvania Surplus Lines Overview
- ✓ Surplus Lines License and PSLA Customer ID
- ✓ EFS Agency Administration Overview

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- ✓ Affidavit Filing Types and 1609 Producer Affidavit

 ➤ **Original Filing**

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## Original Filing *Introduction*

- When should a filing be submitted to PSLA?
- How do you log into EFS?
- How do you select the filing type?
- How do you use the help system?
- How do you select the Type of Coverage (Kinds) and Description of Insureds Operation (Class)?
- How do you upload the 1609-PR image into EFS?
- Did you confirm that information on the 1609-PR image matches the data entered in EFS?
- How do you validate and submit the Filing?



## Original Filing

### *When Should a Filing be Submitted to PSLA?*

- Section 1609 and Section 1610 of the Surplus Lines Law state that a filing must be submitted within 45 days of the policy effective date
- Licensees must enroll in PSLA's EFS in order to submit filings in Pennsylvania as the signed Enrollment Application acts as the licensee's electronic signature
- By signing the Enrollment Application the licensee is stating the following:
  - I understand that any electronic filing identified by my customer identification number, agency and individual surplus lines license number, and entered by any user shall have the same force and effect as a hard copy SLL Affidavit, signed by an individual duly licensed for surplus lines affiliated with said agency and mailed to PSLA. I further understand that PSLA shall neither monitor nor be responsible for any unauthorized use of assigned user ids or passwords.



## Original Filing

### *How Do You Log into EFS?*

A screenshot of the PSLA Login page. At the top left is the PSLA logo. To its right is a dark blue header bar with the text 'PSLA Login' in white. Below the header is a light gray rectangular area containing the login form. The form has two input fields: 'Login' and 'Password'. Below these fields is a 'Login' button. Underneath the button is a blue hyperlink that says 'Click Here To Reset Your Password'. At the bottom of the form area is a white box with a black border containing the text 'CAUTION! This is the login for the test environment.'

- Using an internet browser, go to <https://www.pasla.org/efs>
- Enter your Login ID and Password



# Original Filing

## After Logging In The EFS Home Page Is Displayed

**PSLA** PSLA Electronic Filing System [Sign Out](#)

[Home](#) signed in as **Jane Doe** [Jane.Doe@agencyname.com] on WEB01 [? Help](#)

**You have [1] Filing Returned, [1] 1620 Report Returned, [2] RCT-123 Reports Returned**

<b>My Filings</b> <ul style="list-style-type: none"><li>• <a href="#">Submit An Original Filing</a></li><li>• <a href="#">Revise A Filing</a></li><li>• <a href="#">Submit An Endorsement</a></li><li>• <a href="#">Complete A Draft Filing</a></li><li>• <a href="#">Search or View A Filing</a></li><li>• <a href="#">[ Fix A Returned Filing ]</a></li><li>• <a href="#">Search for Transactions</a></li></ul>	<b>My 1620s</b> <ul style="list-style-type: none"><li>• <a href="#">Submit A 1620 Report</a></li><li>• <a href="#">Search or View A 1620 Report</a></li><li>• <a href="#">Revise A 1620 Report</a></li><li>• <a href="#">[ Fix A Returned 1620 Report ]</a></li></ul>
<b>My RCT-123s</b> <ul style="list-style-type: none"><li>• <a href="#">New RCT-123 Report</a></li><li>• <a href="#">Search or View RCT-123 Report</a></li><li>• <a href="#">Revise RCT-123 Report</a></li><li>• <a href="#">[ Fix A Returned RCT-123 Report ]</a></li></ul>	<b>Administration</b> <ul style="list-style-type: none"><li>• <a href="#">Edit My Profile</a></li><li>• <a href="#">Edit an Existing User...</a></li><li>• <a href="#">Create New User...</a></li><li>• <a href="#">Create New Admin...</a></li><li>• <a href="#">Edit Customer Information</a></li><li>• <a href="#">PSLA Connect</a></li><li>• <a href="#">View Statement of Account</a></li></ul>

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- Click on [Submit an Original Filing](#)



# Original Filing

## Submit Original Filing

<b>PSLA</b>	<b>Submit Original Filing</b>	<a href="#">Sign Out</a>
<a href="#">Home</a>	signed in as <b>Vic Lim [agencyuser]</b> on WEB01	<a href="#">? Help</a>
<b>Enter New Filing Information</b>		
	<a href="#">Correctly Received Date</a>	<input type="text" value="03/26/2012"/>
Pennsylvania Surplus Lines Association 180 Sheree Blvd., Suite 3100 Exton, PA 19341	<a href="#">Customer ID</a>	<input type="text" value="0753"/>
	<a href="#">Policy Number</a>	<input type="text"/>
	<a href="#">Binder Number</a>	<input type="text"/>
	<a href="#">Customer Reference Number</a>	<input type="text"/>

- Refer to the section titled “Submit Original Filing” in the Procedures and Electronic Filing User Manual for step-by-step instructions  
(<http://www.pasla.org/Documents/ProcedureManual.pdf>)





## Original Filing

### How Do You Select The Filing Type?

<a href="#">Type of Filing</a> (please select one):			
1609-SLL/1609-PR		must be used where other filing types do not apply	
REPORT OF TRANSACTION WITH UNLICENSED INSURER(S) IN ACCORDANCE WITH SECTIONS 1604, 1606, 1608 AND 1609 OF ARTICLE XVI. SURPLUS LINES. OF THE INSURANCE COMPANY LAW, ACT OF MAY 17, 1921, P.L. 682, NO. 284, AS AMENDED			
DECLARATION BY SURPLUS LINES LICENSEE			
<a href="#">Insured Name</a> <input type="text"/>			
<a href="#">Location of Risk</a>	<a href="#">Zip</a>	<a href="#">City</a>	<a href="#">State</a>
<input type="text"/>	<input type="text"/>	<input type="text"/>	PA
<a href="#">Type of Coverage</a>	<a href="#">Description of Insured's Operation</a>		
<input type="text"/>	<input type="text"/>		
= Select the type of coverage =	= Select the description of insurance =		
Effective Dates (term) of Coverage			
<a href="#">Effective Date</a> (mm/dd/yyyy)	<a href="#">Expiration Date</a> (mm/dd/yyyy)		
<input type="text"/>	<input type="text"/>		

- Select the filing type from the drop-down list
- Click on the [Type of Filing](#) hyperlink for a description of each
- Review the slides titled “Affidavit Filing Types and 1609-PR Producer Affidavit” for more information



# Original Filing

## How Do You Use The Help System?

The screenshot displays a web-based form for filing an affidavit. The form includes sections for 'Type of Filing', 'Insured Name', 'Location of Risk', 'Type of Coverage', 'Effective Dates', and 'Expiration Date'. A small help window titled 'Online Help' is open, showing context-sensitive text for the 'Type of Filing' section. The help text explains that the Affidavit Filing Form is used to submit an original SLL Affidavit/Declaration filing and that filings submitted through the Electronic Filing System do not require an attached image of the Affidavit.

<b>Type of Filing</b> (please select one): 1609-SLL/1609-PR <input type="button" value="must be used where other filing types do not apply"/>	
REPORT OF TRANSACTION WITH UNLICENSED INSURER(S) IN ACCORDANCE WITH SECTIONS 1604, SURPLUS LINES, OF THE INSURANCE COMPANY LAW, ACT OF MAY 17, 1921, P.L. 682, NO. 284, AS	
DECLARATION BY SURPLUS LINES LICENSEE	
Insured Name <input type="text"/>	
Location of Risk <input type="text"/>	Zip <input type="text"/>
Type of Coverage = Select the type of coverage = <input type="button"/>	Description of Insured's Operation = Select the description of insurance = <input type="button"/>
Effective Dates (term) of Coverage	
Effective Date (mm/dd/yyyy) <input type="text"/>	Expiration Date (mm/dd/yyyy) <input type="text"/>

- Click on a blue hyperlink (i.e. [Type of Filing](#)) and a small help window will appear containing context sensitive help text
  - Click on the Eligible Insurer hyperlink to display the Eligible Surplus Lines Insurer List and find the Key Number
  - Click on the hyperlink [complete help text](#) to display the table of contents for help



## Original Filing

### *How Do You Select The Type of Coverage and Description of Insured's Operation?*

DECLARATION BY SURPLUS LINES LICENSEE			
<u>Insured Name</u> <input type="text"/>			
<u>Location of Risk</u> <input type="text"/>	<u>Zip</u> <input type="text"/>	<u>City</u> <input type="text"/>	<u>State</u> PA
<u>Type of Coverage</u> <input type="text"/> = Select the type of coverage = <input type="button" value="v"/>	<u>Description of Insured's Operation</u> <input type="text"/> = Select the description of insurance = <input type="button" value="v"/>		
<u>Effective Dates (term) of Coverage</u>			
<u>Effective Date</u> (mm/dd/yyyy) <input type="text"/> <input type="button" value="calendar"/>	<u>Expiration Date</u> (mm/dd/yyyy) <input type="text"/> <input type="button" value="calendar"/>		

- Click on the drop-down list arrow to display the options
- Type of Coverage
  - PROP: this type should have a Property Limit but not a Casualty Limit
  - CAS: this type should have a Casualty Limit but not a Property Limit
  - PROP/CAS: this type should have both Property and Casualty Limits
  - EXP: this type is on the Export List and may be used with a 1604-E filing
- Description of Insured's Operation
  - Export: this item is on the Export List and may be used with a 1604-E filing



## Original Filing

### *How Do You Upload the 1609-PR Image into EFS?*

1609-PR Image	
Select the 1609-PR scan from your system	<input type="text"/> <input type="button" value="Browse..."/>

- Click on the Browse button
- Select the image file from your computer
- Warning - an actual file must be selected and not a short cut to a file



# Original Filing

## Did You Confirm the 1609-PR Image Matches Data Entered in EFS?

COMMONWEALTH OF PENNSYLVANIA INSURANCE DEPARTMENT  
1609-PR (REV. 09/08)  
(Must be included with SLL Affidavit type 1609-SLL/1609-PR)

Pennsylvania Surplus Lines Association 180 Sheree Blvd., Suite 3100 Exton, PA 19341	Customer ID # 0753 Policy # SFI23 Binder #
---	--

Report of transactions with unlicensed insurer(s) in accordance with Section 1609 of Article XVI, Surplus Lines of the Insurance Company Law, Act of May 17, 1921, P.L. 682, No. 284, as amended

**DECLARATION BY PRODUCER**

Insured Name	John Doe		
Location of Risk**	2 Evans Lane	City: Downingtown	State PA Zip 19335
Type of Coverage:	Homeowners	Description of Insured's Operation: Personal Lines - Homeowners	
Amount of Insurance	Property* \$ 75,000.00	Casualty** \$ 50,000.00	
Effective Dates (Term) of Coverage	FROM 4/1/2011	TO 4/1/2012	
Total Insured Value	* General or Policy Aggregate ** If more than one location of risk, then give address with most exposure		

I declare under the penalties provided for perjury, that I have made a diligent effort to procure the insurance coverage described above from licensed insurers which are authorized to transact the kind of insurance involved and which provide, in the usual course of business, coverage comparable to the coverage being sought and have been unable to procure said insurance. Among the licensed insurers declining to insure the risk or declining the amount of insurance on this risk, are the following:

NAIC #	NAMES OF LICENSED COMPANIES	INSURER'S REPRESENTATIVE
1. 29242	Hartford Casualty Insurance Company	Joseph Jones
2. 19046	Travelers Casualty Insurance Company	Lauren Patterson
3. 24198	Peerless Insurance Company	Travis Rutt

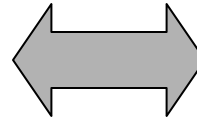
I further declare under the penalties provided for perjury, that at the time of presenting a quotation to the insured, the insured was given notice in writing, either directly or through the producer, that:

The insurer with whom the insurance is to be placed is not admitted to transact business in this Commonwealth and is subject to limited regulation by the Department; and in the event of the insolvency of the insurer, losses will not be paid by the Pennsylvania Property and Casualty Insurance Guaranty Association.

ALL applicable provisions of ARTICLE XVI of the Insurance Company Law (40 P.S. §991.1601 et seq.) and Title 31 PA Code, Chapter 124 have been or will be complied with.

Name of Producer Agency:	Pennsylvania Surplus Lines Association (Type or Print Name of Producer Agency)	License # of Producer Agency:	81491 (Agency's License No.)
Name of Producer:	Kenneth A. Rudert (Type or Print Name of Individual Producer)	License # of Producer:	350102 (Individual's License No.)

Signature of Producer: Kenneth A. Rudert Date: 4/12/11  
(Signature of Producer)



**PSLA** Submit Original Filing [Sign Out](#)

Home signed in as Jane Doe [Jane.Doe@agencyname.com] on SQL5 Training System [? Help](#)

Enter New Filing Information

Correctly Received Date 03/26/2012

Pennsylvania Surplus Lines Association  
180 Sheree Blvd., Suite 3100  
Exton, PA 19341

Customer ID 0753  
Policy Number  
Binder Number  
Customer Reference Number

Type of Filing (please select one):  
Select a Filing Type

REPORT OF TRANSACTION WITH UNLICENSED INSURER(S) IN ACCORDANCE WITH SECTIONS 1604, 1606, 1608 AND 1609 OF ARTICLE XVI, SURPLUS LINES, OF THE INSURANCE COMPANY LAW, ACT OF MAY 17, 1921, P.L. 682, NO. 284, AS AMENDED

**DECLARATION BY SURPLUS LINES LICENSEE**

Insured Name

Location of Risk Zip City State PA

Type of Coverage Description of Insured's Operation

= Select the type of coverage = = Select the description of insurance =

Effective Dates (term) of Coverage

Effective Date (mm/dd/yyyy) Expiration Date (mm/dd/yyyy)

With respect to the risk described above, I hereby declare under the penalties provided for perjury that I am not aware of how the coverage can be procured from licensed insurers. I have, therefore, affected the insurance described below with the following eligible surplus line insurer(s). [This is only applicable to the 1609-SLL/1609-PR type of filing.]

**MULTI-STATE RISK**

Does the policy cover risks in the Commonwealth of Pennsylvania plus one or more other state or territory?  Yes  No

ELIGIBLE INSURERS Add Another Insurer Remove Last Insurer

	Eligible Insurer Number	Eligible Insurer	Property Limit	Casualty Limit	PA Premium	Policy Premium
1			\$	\$	\$	\$
Total from Eligible Insurers			\$ 0	\$ 0	\$ 0.00	\$ 0.00

- Compare information on the 1609-PR image against the data entered into EFS to ensure they match
- PSLA will return a filing if there are discrepancies



## Original Filing

### *Did You Validate and Submit the Filing?*

- At the bottom of the page, click **Validate the Policy** button to check for errors

Warning! The stamping fee is non-refundable. Inconsistent use of "spaces", "hyphens", and other symbols in the policy number may create a duplicate filing with a non-refundable fee.

Enter the Policy or Binder Number again

- At the top of the page, confirm the message is **"Filing Data is Valid, Please Submit"**
  - The message will also indicate if there are critical or warning errors
  - Critical errors are highlighted in red and warning errors are highlighted in yellow

PSLA Submit a Renewal for an existing Filing [Sign Out](#)

[Home](#) signed in as Vic Lim [agencyuser] on WEB01 [? Help](#)

Review Filing Information

Filing Data is Valid, Please Submit.

- At the bottom of the page, click **Submit Filing** button to save the filing into EFS

Warning! The stamping fee is non-refundable. Inconsistent use of "spaces", "hyphens", and other symbols in the policy number may create a duplicate filing with a non-refundable fee.

Enter the Policy or Binder Number again

- **Do not click on Exit since all information entered on the page will be lost!**



## Original Filing *Recap*

- A surplus lines licensee must submit a filing through EFS within 45 days of the effective date of the policy
- The EFS Login is the equivalent of the licensee's electronic signature since the licensee has signed the enrollment application giving permission for the login to be attached to his/her name, agency, license and the agency's PSLA Cust ID number
- When submitting a filing use Filing Type 1609-SLL/1609-PR unless specific characteristics for the placement indicate use of another type
- Click on the blue hyperlink above the Eligible Insurer Field to find the Key Number located on the Eligible Surplus Lines Insurer List
- Match the Type of Coverage (Kinds) and Description of Insured's Operation (Class) to the Property or Casualty limits
- Confirm information on the 1609-PR image matches the data entered in EFS
- Click **Submit** to save the filing into EFS



# Procedures and Electronic Filing Training Workshop

## *Agenda*

- **Pennsylvania Surplus Lines**

- ✓ Pennsylvania Surplus Lines Overview
- ✓ Surplus Lines License and PSLA Customer ID
- ✓ EFS Agency Administration Overview

- **Filings and Endorsements**

- ✓ Affidavit Filing Types and 1609 Producer Affidavit
- ✓ Original Filing

- **Reports**

- **1620 Monthly Report**
- RCT-123 Annual Report





## 1620 Monthly Report *Introduction*

- What are the filing requirements?
- What information is required?
- How do I submit it?
- What is the review process?
- How does PSLA notify licensees of discrepancies?



## 1620 Monthly Report

### *What are the filing requirements?*

- Section 1620 of the Pennsylvania Surplus Lines Law states that within 30 days following the end of each month each surplus lines licensee must file a verified report on forms prescribed by the Department of all surplus lines insurance transacted during the proceeding month
- The report must contain the following:
  - All new and renewal transactions
  - All additional and return premium transactions
  - Transactions should be included in the month in which surplus lines premium tax is being reported
  - A signature by either the licensee or an administrator authorized by the licensee
- Individual Surplus Lines Licensees who are part of the same agency with the same unique Customer ID number should submit one 1620 report each month listing their combined transactions
- Agencies with other branch offices must have a separate PSLA Customer ID number for each branch and must file separate 1620 Monthly Reports with the transactions recorded for said branch office
- If there was no business transacted for a given month, PSLA still recommends a report be submitted with \$0 entered for Property Limit, Casualty Limit, and Tax





## 1620 Monthly Report

### *What information is required?*

- The 1620 Monthly Report must describe all premium related activity (including audit endorsements) and contain the following information.
  - Insured Name
  - Location of Risk
  - Policy Number
  - Revenue Recognition Date
  - Effective Date (policy effective date for new/renewal/rewrite activity and effective date of change for additional/return premium activity)
  - Expiration Date
  - Kind of Insurance (also known as Type of Coverage)
  - Amount of Insurance (property and/or casualty limits)
  - Non-taxable Premium
  - Taxable Premium
  - Premium Tax



# 1620 Monthly Report

## How do I submit it?

- Click on [New 1620 Report](#) under the heading My 1620s on the Home Page of EFS

**PSLA** PSLA Electronic Filing System

[Home](#) signed in as Jane Doe [Jane.Doe@agencyname.com] [? Help](#)

**You have 1 Filing Return waiting!**

<b>My Filings</b> <ul style="list-style-type: none"><li><a href="#">Submit Original Filing</a></li><li><a href="#">Revise Filing</a></li><li><a href="#">Submit Endorsement</a></li><li><a href="#">Complete Draft Filing</a></li><li><a href="#">Search or View Filing</a></li><li><a href="#">[ Fix Filing Return Error ]</a></li></ul>	<b>My 1620s</b> <ul style="list-style-type: none"><li><a href="#">New 1620 Report</a></li><li><a href="#">Search or View 1620 Report</a></li><li><a href="#">Revise 1620 Report</a></li></ul>
<b>My RCT-123s</b> <ul style="list-style-type: none"><li><a href="#">New RCT-123 Report</a></li><li><a href="#">Search or View RCT-123 Report</a></li><li><a href="#">Revise RCT-123 Report</a></li></ul>	<b>Administration</b> <ul style="list-style-type: none"><li><a href="#">Edit My Profile</a></li><li><a href="#">Edit an Existing User...</a></li><li><a href="#">Create New User...</a></li><li><a href="#">Create New Admin...</a></li><li><a href="#">Edit Customer Information</a></li><li><a href="#">PSLA Connect</a></li><li><a href="#">Sign out...</a></li></ul>

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## 1620 Monthly Report

### *How do I submit it (continued)?*

- Enter or select the information below
  - Report Type is a read-only field displaying “Original” or “Revised”
  - Entry Date is a read-only field displaying the date the report is entered
  - Select your Customer ID number
  - Select the reporting month and year
  - Enter Non-Taxable Premium, Taxable Premium, and Total Tax
  - Click the **Browse** button and select the 1620 Monthly Report image file
  - Click the **Validate Report** button and confirm all information is correct before submitting it
  - Click the **Submit Report** button to save the report in EFS

Enter New 1620 Report Information	
<u>Report Type</u> New	<u>Customer ID</u> 0753
<u>Entry Date</u> 10/08/2007	<u>Month</u> Select Report Month
	<u>Year</u> 2007
<u>Non-Taxable Premium \$</u>	<input type="text"/>
<u>Taxable Premium \$</u>	<input type="text"/>
<u>Total Tax \$</u>	<input type="text"/>
<u>Image Uploaded</u>	<input type="text"/> <input type="button" value="Browse..."/>
<input type="button" value="Validate Report"/> <input type="button" value="Exit"/>	



## 1620 Monthly Report

### *What is the review process?*

- The following steps are part of the 1620 Monthly Report review process
  - Agency User submits a 1620 Monthly Report that includes an uploaded report image. After the report is submitted, the status is “**Report Review Pending**”
  - PSLA reviews the uploaded report image to confirm it is legible and matches the information submitted
  - If the image is legible and matches the submitted information, PSLA approves the report and the report status changes to “**Submitted/Approved**”
  - If the image is either not legible or does not match the submitted information, PSLA returns the report, an email describing the return reasons is sent to the 1620 contact and the Business contact, and the report status changes to “**Report Returned**”
  - The header on the home page informs Agency Users if there are returned reports. An Agency User should revise the Report and upload a corrected image. After the revision is submitted, the report status is changed back to “**Report Review Pending**”



# 1620 Monthly Report

## *How does PSLA notify licensees of discrepancies?*

- PSLA sends the licensee and the monthly report contact an email describing the discrepancy
- The header on the EFS home page informs agency users if there are returned reports

The screenshot shows the PSLA Electronic Filing System interface. At the top, there is a dark blue header with the PSLA logo on the left, the text "PSLA Electronic Filing System" in the center, and a "Sign Out" link on the right. Below the header is a light blue navigation bar with a "Home" link, the text "signed in as Jane Doe [Jane.Doe@AgencyName.com] on WEB01", and a "Help" link. A prominent red banner across the top of the main content area reads: "You have [5] Filings Returned, [1] 1620 Report Returned, [1] RCT-123 Report Returned". The main content is organized into a 2x2 grid of panels:

- My Filings:** Contains links for "Submit An Original Filing", "Revise A Filing", "Submit An Endorsement", "Complete A Draft Filing", "Search or View A Filing", "[ Fix A Returned Filing ]", and "Search for Transactions".
- My 1620s:** Contains links for "Submit A 1620 Report", "Search or View A 1620 Report", "Revise A 1620 Report", and "[ Fix A Returned 1620 Report ]".
- My RCT-123s:** Contains links for "New RCT-123 Report", "Search or View RCT-123 Report", "Revise RCT-123 Report", and "[ Fix A Returned RCT-123 Report ]".
- Administration:** Contains links for "Edit My Profile", "Edit an Existing User...", "Create New User...", "Create New Admin...", "Edit Customer Information", "PSLA Connect", and "View Statement of Account".

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## 1620 Monthly Report *Recap*

- Section 1620 of the Surplus Lines Law requires surplus lines licensees to file a monthly report for all business transacted within 30 days after the previous month end
- All transactions made during the month must be placed on a verified report prescribed by the PA Insurance Department and uploaded into EFS
- PSLA reviews the report against the transactions entered in EFS during the month for any discrepancies
- PSLA will notify the licensee of discrepancies via an email notification
- PSLA recommends each agency/sole proprietor enter a 1620 monthly report for months where there is no activity



# Procedures and Electronic Filing Training Workshop

## *Agenda*

- **Pennsylvania Surplus Lines**

- ✓ Pennsylvania Surplus Lines Overview
- ✓ Surplus Lines License and PSLA Customer ID
- ✓ EFS Agency Administration Overview

- **Filings and Endorsements**

- ✓ Affidavit Filing Types and 1609 Producer Affidavit
- ✓ Original Filing

- **Reports**

- ✓ 1620 Monthly Report

 ➤ **RCT-123 Annual Report**



## RCT-123 Annual Report

### *Filing Requirements – Submitting Annual Tax Report*

- The Commonwealth of PA levies a 3% tax on gross premiums charges (less return premium) for insurance placed with either an eligible surplus lines insurer or other non-admitted insurer
- The original Gross Premium Tax Report (RCT-123) must be filed with the PA Department of Revenue along with your tax payment on or before January 31st of each year (regardless of whether any surplus lines business was produced in the preceding year)
- A full copy (all pages) of the RCT-123 with the twelve monthly 1620 reports as supporting documentation must be entered into EFS
- The latest version of the RCT-123 is available for download from the PA Department of revenue website [www.revenue.state.pa.us](http://www.revenue.state.pa.us)