



Department of Commerce
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
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OFFICE OF THE INSURANCE COMMISSIONER

SURPLUS LINE AGENT OR BROKER AND UNAUTHORIZED INSURER FILING REQUIREMENTS

I. Surplus Line Agent or Broker

A) Every person seeking to be licensed as either a surplus line agent or broker shall file the following:

- 1. Form I-D, Application for Insurance License
- 2. Form I-B, Agreement and Power of Attorney
- 3. Proof of payment of license fee of \$100.00
- 4. Surety Bond in the amount of \$2,000 conditioned that the broker or agent will fully comply with all applicable requirements of 4 CMC Division 7.

B) A surplus line agent or broker must apply for license renewal within 30 days prior to its expiration if one of the following conditions exists:

- 1. Agent or broker desires to renew the license; or
- 2. Surplus line policies written have not expired; or
- 3. There is/are pending litigation(s) against the insurer, broker or agent arising from business within the CNMI; or
- 4. Submission of affidavit affirming condition (2) or (3) exists and that no new surplus lines policy was written or no existing policy was renewed after expiration of agent or broker's license without written consent from the Insurance Commissioner.

C) Before surplus lines coverage may be procured and a policy is issued OR renewed, a surplus lines agent or broker shall:

- 1. Be licensed subject to A) or B) above; and
- 2. File Form I-A2, Affidavit of Statement of Compliance; and
- 3. Properly fill in and sign an endorsement on each policy to read as follows:
"Issued in an unauthorized company, under agent's (or broker's) license no _____."

D) Every agent or broker shall keep a separate account of business done under a surplus lines license and, on or before July 1 of each year, shall file with the Commissioner an annual statement as of December 31 the year preceding. The annual statement must include the following information:

- 1. Name and address of insured
- 2. Name and address of insurer issuing policy or contract
- 3. Indication whether insurer is foreign (US) or alien
- 4. Amount of coverage per class of insurance per insured
- 5. Premiums charged, returned, canceled, or not taken per policy
- 6. Effective date and term of each policy
- 7. Premiums taxes payable to the Insurance Commissioner
- 8. Losses incurred, paid and unpaid
- 9. Litigations against insurer/agent/or broker arising from business within the CNMI

E) Any agent or broker who fails or refuses to make and file any required statement shall be liable for a fine of \$25.00 for each day of delinquency in addition to revocation of his license.

II. Unauthorized Insurer

An unauthorized insurer may transact surplus lines insurance subject to the Insurance Commissioner's approval of its filing of the following, both initially and annually thereafter on July 1, for as long as it has any outstanding liability in the CNMI:

- 1. Form I-B, Agreement and Power of Attorney
- 2. Agency or broker's agreement
- 3. Audited financial statements for preceding year
- 4. Premium taxes paid to the Insurance Commissioner (The premium tax rate is five percent of adjusted gross premiums.)