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Governor

Insurance Department
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Memorandum

To: Surplus Lines Brokers, Insurance Producers and Insurers Eligible to Write Nonadmitted Insurance in Wyoming

From: Donna Stewart, Policy and Planning Analyst III

Date: October 23, 2020

The purpose of this memorandum is to provide updates regarding recent changes to the required policy disclosure notices and the diligent effort search requirements.

- **Surplus Lines Insurance Policy Notice Requirements**

Every new or renewed insurance contract, certificate, cover note or other confirmation of insurance that is procured and delivered as a surplus lines coverage shall have stamped or printed upon it, in at least ten (10) point bold type font, the name and address of the surplus lines broker who procured the coverage, and the following disclosure:

This insurance contract is issued pursuant to the Wyoming Nonadmitted Insurance Laws by an insurer neither licensed by nor under the jurisdiction of the Wyoming Insurance Department. In the event of insolvency of the surplus lines insurer, losses will not be paid by the Wyoming Insurance Guaranty Association or the Wyoming Life and Health Insurance Guaranty Association.

- **Notice of Surplus Lines Insurance Placement - Required Form**

The insurance producer shall provide the required written "Notice of Surplus Lines Insurance Placement" to the insurance applicant prior to the placement of insurance coverage with a surplus lines insurer. The insurance applicant must sign and date the notice form acknowledging receipt. The insurance producer shall keep the original signed form in the insured's file and shall provide a copy of the signed form to the insurance applicant and the surplus lines broker. The Notice of Surplus Lines Insurance Placement has replaced the Surplus Lines Notice to Insured.

- **Diligent Effort Search Requirements**

The insurance producer must conduct a diligent effort search to procure the full amount of insurance required from insurers admitted in Wyoming which are authorized to transact and actually writing that kind and type of insurance in this state. The amount of insurance exported shall only be the excess over the amount procurable from admitted insurers. The diligent effort search must be conducted for each new surplus lines policy, when a policy renews, or when there is any material change to an existing policy.

- **Statement of Diligent Effort, Revised Oct. 6, 2020 - Required Form**

The insurance producer must thoroughly complete the Statement of Diligent Effort documenting the diligent effort search and include all required information from three (3) insurers that are admitted in Wyoming. A copy of the Statement of Diligent Effort must be provided to the surplus lines broker accepting and placing the surplus lines business.

Prior to procuring coverage from a surplus lines insurer, the surplus lines broker shall verify that a properly conducted diligent effort search was performed and documented as required by W.S. 26-11-104(a).

The required forms and the Surplus Lines Frequently Asked Questions with further information on these topics are available at the Department website: <https://sites.google.com/a/wyo.gov/doi/companies/surplus-lines> If you have any questions, please contact the department at (307) 777-7308 or the Clearinghouse staff at (877) 267-9855.