



SURPLUS LINES INSURERS

Statement Regarding Certificates of Eligibility for Nonadmitted Insurers

The Nevada Division of Insurance no longer issues Certificates of Eligibility for foreign or alien insurers that write surplus lines or nonadmitted insurance. Instead, eligibility to write such insurance in Nevada is determined solely by compliance with recent federal and Nevada law.

On July 21, 2011, the federal Nonadmitted and Reinsurance Reform Act (NRRA) – part of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 – became federal law. The NRRA limits the eligibility criteria that states may require for nonadmitted insurers.

To comply with the NRRA, the Nevada Legislature enacted Senate Bill (SB) 289, effective June 13, 2011. Section 25 of SB 289 revises the eligibility criteria for nonadmitted insurers. The eligibility criteria only apply to insurance for risks whose Home State, as defined in SB 289, is Nevada. A US-domiciled insurer is eligible to write nonadmitted insurance in Nevada for risks whose Home State is Nevada if:

- (1) It is eligible in its state of domicile to write the kinds of insurance which it intends to write in Nevada; and
- (2) It maintains minimum capital and surplus (or equivalent) requirements in the amount of \$15,000,000 or the minimum requirements of [NRS 680A.120](#), whichever requirements are greater. These requirements may be reduced for an insurer as a result of an affirmative finding of acceptability by the Commissioner – based upon such factors as quality of management, capital and surplus of any parent company, company underwriting profit and investment income trends, market availability, and company record and reputation within the industry.

For risks whose Home State is not Nevada, the law of the Home State, and not Nevada law, determines an insurer's eligibility to write nonadmitted insurance on that risk. An alien insurer is eligible to write nonadmitted insurance in Nevada for risks whose Home State is Nevada if the alien insurer is listed on the Quarterly Listing of Alien Insurers maintained by the International Insurers Department of the National Association of Insurance Commissioners. If an alien insurer is not listed on the Quarterly Listing of Alien Insurers, then the insurer may still be eligible to write nonadmitted insurance for risks whose Home State is Nevada if the insurer meets the eligibility criteria in Subsection 4 of Section 25 of SB 289. For such alien insurers, these eligibility criteria are substantially similar to the criteria in existence prior to the enactment of SB 289.

ADDITIONAL INFORMATION

For Compliance with the Nonadmitted and Reinsurance Reform Act of 2010

See Bulletin 11-002 - <http://doi.nv.gov/sinfo/bulletin/11-002.pdf>

ALSO SEE

<http://www.nsla.org/Default.aspx>