



STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE
Surplus Lines Division
500 James Robertson Parkway, 4th Floor
Nashville, TN 37243
(615) 741-1756

**PROCEDURES FOR FILING SURPLUS LINES PAPER AFFIDAVITS
FOR FILINGS WITH AN EFFECTIVE DATE ON OR AFTER JUNE 11, 2011**

**THE AFFIDAVIT HAS BEEN REVISED. PLEASE READ THE INSTRUCTIONS
BELOW IN ITS ENTIRETY TO ENSURE THE AFFIDAVIT IS COMPLETED PROPERLY**

Within thirty (30) days of the end of each calendar month, the surplus lines agent shall make and promptly file an affidavit, **Form SL 2 Affidavit for Placing Surplus Lines Insurance (IN-0128) – Revised 6-2011**, for **every new or renewed** surplus lines insurance contract placed. In addition, **we require an affidavit be completed and promptly filed for every additional, returned, or cancelled** surplus lines insurance contract. The link for the affidavit is located at <http://tennessee.gov/commerce/insurance/surpluslinescompanyRes.shtml>. We request the declarations (“dec”) page be stapled to the SL 2 to assist us in resolving problems encountered while auditing the SL 2. The agency that fills out and files the Form SL 2 Affidavit for Placing Surplus Lines Insurance is the agency that fills out and files the Form SL 3 Surplus Lines Statement of Premiums and Tax Payments and submits the taxes to Tennessee (see Procedures for Paying Surplus Lines Taxes for detailed instructions).

The tax period listed should be for the twelve month annual period the tax is due (From: 01/01/XXXX – To: 12/31/XXXX). All fees and commissions as well as premiums charged the insured are to be included in the gross premium. **The amount of tax shall be computed on five percent (5%) of the gross premiums.** Additional information such as the agency’s Federal Employer Identification Number (FEIN #); surplus lines agent’s license number; complete name and NAIC # of licensed insurers declining risk; and complete name and NAIC # of the eligible surplus lines insurer is required.

Pursuant to Tenn. Code Ann. § 56-14-106(b), diligent effort is required for every new or renewal surplus lines contract. **We require the full name of the declining licensed insurer and NAIC # – do not use only the first word or partial name of the insurer’s name** since we are not allowed to guess which declining insurer(s) was approached for the diligent effort. To look up the name of the insurer and NAIC # - Go to <https://sbs-tn.naic.org/Lion-Web/jsp/sbsreports/CompanySearchLookup.jsp> - fill in Company Name (can put partial name as long as you put at least three letters); click the Submit button; a pop-up browser window with one or more companies' information will show – the NAIC # is the company’s NAIC #; close your browser windows when done. **Note: CNA is not an authorized insurer; therefore, it never should be listed as an insurer declining risk.**

To look up an agent’s license number - Go to <https://sbs-tn.naic.org/Lion-Web/jsp/sbsreports/AgentLookup.jsp> - Licensee Type is Individual; fill in First Name and Last Name (can put partial first or last name as long as you put at least three letters); License Type is Surplus Lines Agent; click the Submit button; a pop-up browser window with one or more agents' information will show – the License Number is the agent’s license number (no longer will have multiple license numbers); close your browser windows when done. Note: an agent that only has an Insurance Producer’s license cannot write surplus lines business. Contact Agent Licensing at (615) 741-2693 – Press 9 to bypass recording or at (615) 741-2694 if there are any issues or questions regarding a surplus lines license.

The full name of the eligible foreign surplus lines insurer and NAIC # are required – do not use only the first word or partial name of the insurer’s name since we are not allowed to guess the eligible foreign surplus lines insurer’s name. To look up name of the eligible foreign surplus lines insurer and NAIC # - Go to <https://sbs-tn.naic.org/Lion-Web/jsp/sbsreports/CompanySearchLookup.jsp> - fill in Company Name (can put partial first or last name as long as you put at least three letters); click the Submit button; a pop-up browser window with one or more companies' information will show – the NAIC # is the company’s NAIC #; close your browser windows when done. As an alternative, you can email Linda.Gay@tn.gov to request your name be added so that you can receive the company list that is updated monthly.

The full name of the alien surplus lines insurer and Alien ID # (seven digit number – do not include AA-) are required – do not use only the first word or partial name of the insurer’s name since we are not allowed to guess the eligible alien surplus lines insurer’s name. To look up name of the eligible alien surplus lines insurer and Alien ID # – Go to http://www.naic.org/committees_e_surplus_lines_fawg.htm (see link to “Quarterly Listing of Alien Insurers”). If the policy is through Underwriters at Lloyds of London, we require the syndicate number(s) for all original and renewed policies. If the policy is through Inex Insurance Exchange, you must provide the syndicate name. Note that in accordance with Tenn. Code Ann. § 56-14-105(d), the following kinds of insurance are not eligible for surplus lines insurance: primary personal automobile liability, surety, and workers’ compensation, except as provided in Tenn. Code Ann. § 56-14-105(a).

When you file a credit, you must complete and file an affidavit indicating the amount of credit. Declining insurers' names and NAIC # do not have to be listed when filing a credit or other endorsements.

Note: we no longer require a duplicate copy of the affidavit.

We require original signatures of both the affiant and the notary public. Do not use stamps for the signatures. In addition, the notary public must either stamp or emboss the notary seal on the affidavit. **If it is determined that the affidavit doesn't have original signatures or is received without the stamped or embossed notary seal, the affidavit will be returned.**

If you have any questions or need assistance in filling out the forms, please contact the Surplus Lines Division at (615) 741-1756 or at Surplus.Lines@tn.gov. If you want to request information regarding electronic filing (Excel spreadsheet), send an email to Surplus.Lines@tn.gov requesting the Excel spreadsheet and procedures.

Revised 5-2012



**STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE/SURPLUS LINES
500 James Robertson Parkway, 4th Floor
Nashville, TN 37243
(615) 741-1756**

Office Use Only
Reviewed By (Initial/Date)

**AFFIDAVIT FOR PLACING SURPLUS LINES INSURANCE
FOR FILINGS WITH AN EFFECTIVE DATE ON OR AFTER JUNE 11, 2011**

I, _____, on behalf of the _____ (Agency Name) and _____ (FEIN #), located at _____ (Address) _____ (City, State, Zip Code), hereby make oath that diligent effort to procure insurance upon the following described risk was made, and the agent below exhausted the capacity of all licensed insurers or has been unable to obtain the desired insurance coverage from insurers licensed to transact business in Tennessee.

Agency Contact Name:	
Agency Contact Email:	Agency Contact Phone # / Ext:
Writing Agent's Name:	Writing Agent's License #:
Writing Agent's Business Address:	
City, State, Zip Code:	Surplus Lines Policy Number:
Original/Renewal/Additional/Returned/Canceled – circle one	Effective Date (Original/Renewal/Endorsement/Canceled):
Name of Risk:	Full Description of Risk:
Coverage Location Address:	
City, State, Zip Code:	
Type of Coverage: Note: The following kinds of insurance shall not be eligible for surplus lines insurance: primary personal automobile liability; surety; and Workers' Compensation, except as provided in Tenn. Code Ann. § 56-14-105(d)	
Amount of Coverage:	Term:
FULL NAME OF LICENSED INSURERS DECLINING RISK	
	NAIC #
	□ □ □ □ □ □ □ □
	□ □ □ □ □ □ □ □
	□ □ □ □ □ □ □ □
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Having failed to acquire insurance on the above described risk from an insurer licensed to transact business in Tennessee, insurance was procured on said risk with:

FULL NAME OF ELIGIBLE SURPLUS LINES INSURER COVERING RISK (include syndicate numbers if placed with Lloyd's of London)	NAIC # (numeric only)
	□ □ □ □ □ □ □ □

and said insurer will receive premium as listed below:

	Premiums	Tax	Office Use Only
Premium + Fees + Commission (5.0%)	\$ _____	\$ _____	121/973
Tax Period: January 1, 20	December 31, 20		

Further oath is made that the Total Gross Premium Tax due will be remitted on or before March 1 to the State of Tennessee on the aforementioned premium, in accordance with Chapter 14 of Title 56, Tennessee Code Annotated. The surplus lines agent shall collect from the insured the amount of the tax at the time of delivery of the cover note, certificate of insurance, policy, or other initial confirmation of insurance, in addition to the full amount of the gross premium charged by the insurer for the insurance.

WITNESS MY SIGNATURE ON THE _____ day of _____ MONTH YEAR

AFFIANT

Signature

SUBSCRIBED AND SWORN TO BEFORE ME THIS _____ day of _____ MONTH YEAR

NOTARY PUBLIC

My commission expires on the _____ day of _____ MONTH YEAR

NOTICE: A licensed surplus lines agent may procure insurance with unlicensed insurers that are shown on the current eligible surplus lines insurers list as published by The Commissioner of The Department of Commerce and Insurance, State of Tennessee. No new or renewal surplus lines insurance shall be placed with any surplus lines insurer which requires as a condition or precedent to writing such new or renewal insurance that the prospective insured or the insured place other insurance not eligible as surplus lines insurance with such surplus lines insurer. **IT MUST BE SHOWN THAT A "DILIGENT EFFORT" HAS BEEN MADE TO PLACE SAID INSURANCE WITH TENNESSEE LICENSED INSURERS.** The procuring of any such contracts of insurance in unlicensed companies makes the surplus lines agent liable for the premium tax thereon, and the surplus lines agent shall pay taxes on such premiums as if such companies were duly licensed to transact business in this state. In accordance with the provisions of Chapter 14 of Title 56, Tennessee Code Annotated, this affidavit must be filed with the Commissioner on any new, renewed, additional, returned, or cancelled contracts of insurance that reflect any change of premium.