



Nevada Surplus Lines Association

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CHANGES TO SURPLUS LINES RESULTING FROM THE 2017 LEGISLATIVE SESSION SENATE BILL 209 Effective July 1, 2017

NRS 685A.155 makes various changes to existing insurance relating to compensation and fees and was amended to read:

“A broker who places any insurance coverage with an authorized insurer pursuant to subsection 3 of NRS 685A.060 may charge a fee for procuring surplus lines coverage. Except as otherwise provided by agreement between the insurer and broker, the fee must not exceed 20 percent of the premium charged, after deduction of any other commissions, fees and charges payable to the broker”.

The language of the recently passed legislation clearly limits the fees charged by a broker for placement of coverage eligible for export with an **authorized insurer** to 20%, it is unclear what limit, if any, would apply to placements with non-admitted insurers. The Nevada Insurance Commissioner has taken this issue under review and we will report the conclusions of the agency as soon as we are notified.

NRS 685A.075 allows the Commissioner to accept the report of an independent audit in lieu of an examination if the Commissioner deems an independent audit to be in the best interest of the residents of this State. Prior to the change, the law required the Commissioner of Insurance to make an examination of the affairs, transactions, accounts, records and assets of a nonprofit organization of surplus lines brokers as deemed necessary, but no less frequently than once every 3 years.

NRS 685A.175, NRS 685A.180, NRS 685A.185 makes conforming changes that references entering into multi-state agreement and repeals NRS 685A.185 in its entirety.