



## PENNSYLVANIA SURPLUS LINES ASSOCIATION

211 Welsh Pool Road, Suite 200  
Exton, PA 19341

Phone: 610-594-1340  
PA Only: 888-209-3230  
Fax: 610-594-7623  
[www.pasla.org](http://www.pasla.org)

# BULLETIN

DATE: July 23, 2008

TO: All Surplus Lines Agencies (corporations, partnerships or proprietorships)

FROM: Kenneth A. Rudert – Executive Director - KAR

SUBJECT: **Review of Filing Requirements**

All resident and nonresident surplus lines licensees placing coverage in the surplus lines marketplace on behalf of insurance buyers in Pennsylvania or their respective producers, when applicable, are reminded that there are actually three separate requirements necessary.

1) For EACH PLACEMENT that is made:

- AN INDIVIDUAL SURPLUS LINES FILING is required within 45 days of inception.
- During the term of coverage, all additional and return premium endorsement activity must be reported.
- The filing consists of usually two separate affidavits, a surplus lines licensee affidavit (1609SLL) <http://www.pasla.org/Forms/SLLAffidavit.pdf> and a separate producer affidavit (1609PR) [http://www.pasla.org/Forms/1609\\_PR.pdf](http://www.pasla.org/Forms/1609_PR.pdf).
- Depending on the circumstances of the risk in question, some exceptions to the individual filing process result in some placements where the producer affidavit (1609PR) is not required.

2) At the conclusion of each month:

- A MONTHLY REPORT (1620) [http://www.pasla.org/Forms/1620\\_Report.pdf](http://www.pasla.org/Forms/1620_Report.pdf) must be filed within 30 days from the end of said month stating all surplus lines premium that passed through the agency's accounting.
- This monthly report of premium activity must include all new, renewal, rewrite filing transactions and must also include all additional and return premium activity.
- This form is NOT to be viewed as a substitute for the individual filing requirement outlined in 1) above.
- This is an additional requirement.

3) At the end of each calendar year, concluding as of December 31:

- AN ANNUAL TAX RETURN (RCT123) [http://www.revenue.state.pa.us/revenue/lib/revenue/2007\\_rct-123.pdf](http://www.revenue.state.pa.us/revenue/lib/revenue/2007_rct-123.pdf) must be filed with the Pennsylvania Department of Revenue along with your remittance of surplus lines premium tax collected on all surplus lines premium activity during said calendar year.
- As with the monthly report, this annual tax filing CANNOT be used as a substitute for the individual filings and/or the monthly reports outlined in 1) and 2) above.
- This is the third step required.

REMEMBER:

- The Original Copy and your payment for taxes due for the calendar year are to be sent to and payable to the Pennsylvania Department of Revenue.
- A COMPLETE COPY of this tax return (RCT 123 AND ALL ATTACHMENTS) must also be filed with PSLA .

NOTE: This entire procedure is fully described in detail in the Procedure Manual <http://www.pasla.org/HTML/ProceduresManual.htm> appearing on our web site. In addition, all other necessary references needed for this filing procedure are also presented on our web site.

PLUS:

- PSLA presents regular monthly workshops (about two hours) pertaining to the entire filing process including discussion of the Surplus Lines Law <http://www.pasla.org/HTML/SLLaw2.htm> and its supporting Regulations <http://www.pasla.org/HTML/Regulations.htm>.
- Also, PSLA presents regular monthly workshops (about one hour) that outlines and discusses the Electronic Filing System (EFS) that has been largely acclaimed as one of the most user friendly processes in service today <http://www.pasla.org/HTML/Workshops.htm> . Dates, times and easy to follow instructions appear on our web site <http://pasla.webex.com/> .

It has come to our attention that repeated filing return and data entry issues by those licensees filing electronically have been on the increase. This has caused a substantial upswing in the number of telephone calls and E-mails requesting instructions on how to enter the required data. Many of these telephone inquiries involve items that may be answered by reviewing the procedures manual available on our web site. These issues plus any other questions you have are also discussed regularly in our workshops noted above.

Since a number of these issues affect compliance requirements and internal efficiencies (cost) of a given agency and its individual surplus lines licensee, PSLA will begin notifying both the designated filing return person AND the individual surplus lines licensee of record. Our goal is that this notification will encourage those responsible to seek and utilize the appropriate training which is and always has been available. More importantly, this notification process will keep the surplus lines licensee, who is ultimately responsible, up to date regarding the status of the filing process in their agency.