

DATE: December 15, 2010

TO: All Surplus Lines Agencies

FROM: Kenneth A. Rudert, Executive Director

SUBJECT: Pennsylvania Insurance Department Notice – 1609-X Filing Type - Alert

Per our Bulletin of February 22, 2010, the [Pennsylvania Insurance Department Directive 1609-X Filing Type](#), PSLA developed the process that became known as the 1609-X filing type. That initial Bulletin was followed by a series of periodic reminders throughout the year. This process allowed surplus lines licensees to make filings that, for one reason or another, did not exist in PSLA's database. In addition, the newly created 1609-X filing type enabled surplus lines licensees who never made filings in the first place to do so as required by law, without penalty. The discovery of these issues was a result of the reconciliation and examination process that has been in effect since June 2009.

In order to encourage surplus lines licensees to comply with these procedures, the Pennsylvania Insurance Department instituted a moratorium period during which surplus lines licensees have been permitted to waive the late stamping fee by selecting an "Omissions" box. During this moratorium period of March 1, 2010 through December 31, 2010 only the applicable stamping fee was due.

The creation of these procedures and the moratorium period with respect to the late stamping fee was not instituted to accommodate those producers and/or surplus lines licensees who habitually break the Surplus Lines Law, but rather, maintain the integrity of the database. As indicated in the February 22, 2010 Bulletin, the moratorium period ends December 31, 2010. The availability of the "Omissions" box and the option to waive the late stamping fee will be eliminated for these procedures. In addition, the 1609-X filing type will only be available for use in certain circumstances approved by the Department. The use of the 1609-X filing type is a means to maintain database integrity where a violation has taken place.

KAR/ds