

November 8, 1982

SUBJECT: INSURANCE

CIRCULAR LETTER NO. 26 (1982)

DATED: NOVEMBER 8, 1982

TO: ALL LICENSED EXCESS LINE BROKERS

SUBJECT: FRONTING BY EXCESS LINE BROKERS

It has come to the attention of this Department that certain licensed excess line brokers have filed affidavits with this Department indicating the placement of insurance with unauthorized insurers although said brokers did not actually place the insurance. The aforementioned filings were made as an accommodation to brokers not licensed as excess line brokers in this State.

You are advised that the filing of affidavits or the payment of taxes by a licensed excess line broker as an accommodation to anyone not licensed as an excess line broker in this State constitutes a violation of Sections 112 and 122 of the Insurance Law and Regulation 41 of this Department.

Please acknowledge receipt of this letter to:

Vincent G. Werling, CFE, CLU
Associate Insurance Examiner
Insurance Exchange & Excess Line Bureau
New York State Insurance Department
Two World Trade Center
New York, NY 10047-0002

Very truly yours,

[SIGNATURE]

ALBERT B. LEWIS

Superintendent of Insurance