

Diligent requirements for placing a Surplus Lines policy in NC

G.S. 58-21-15 governs diligent search requirements for the placement of surplus lines insurance in North Carolina. The statute is broad in scope and does not require a specified number of declinations from admitted insurers before insurance is placed with an authorized surplus lines insurer.

NCDOL has maintained the position that the producing agent is responsible for conducting a diligent search for the placement of insurance with admitted insurers in NC. In the event that insurance cannot be placed with an admitted insurer in NC, it is the responsibility of the surplus lines licensee to confirm that the diligent search was conducted by the producing agent.

North Carolina insurance laws, including the Surplus Lines Act, are silent as to the type of documentation that the surplus lines licensee may use as confirmation of the diligent search by the producing agent. This decision regarding acceptable documentation confirming the diligent search can be determined by the surplus lines licensee.