

MEMORANDUM

To: All Resident and Nonresident North Carolina Surplus Lines Licensees

From: North Carolina Department of Insurance

Date: November 1, 2016

Subject: Changes to NC Surplus Lines Effective January 1, 2017

As a result of the passage of House Bill 262, effective January 1, 2017, the North Carolina Surplus Lines Stamping Office (NC Stamping Office) will commence processing surplus lines premium tax transactions for all surplus lines licensees (resident and nonresident) with the exception of Risk Purchasing Groups and Independent Procurement. Both resident and non-resident individual surplus lines licensees are required to be active members of the North Carolina Surplus Lines Association (NCSLA) pursuant to NC General Statute 58-21-40(d). NCSLA membership information can be obtained at www.ncsla.com.

Effective January 1, 2017 the North Carolina Form F will be replaced by an online "Compliance Acknowledgement" which verifies that the surplus lines licensee has complied with all requirements of the Surplus Lines Act (Article 21 of Chapter 58 of the NC General Statutes). Licensees will no longer be required to obtain a signed Form F from the insured and the producing broker.

All inquiries concerning the NC Stamping Office, including the stamping fee, should be directed to the NCSLA via email at contact@ncsla.com or its previously referenced website.

Please be aware that all premium changes (endorsements for cancellation, additional premiums, etc.) on business with policy effective dates prior to January 1, 2017 will continue to be processed by NCDOI as under current procedures. Any transactions on 2016 business that result in an additional premium and a surplus lines premium tax due will continue to be billed under current procedures.

Thank you for your patience as NCDOI and the NCSLA continue to work toward implementing the changes to the way surplus lines tax transactions will be processed in North Carolina starting January 1, 2017.

Kindest Regards,



Fred Fuller
Regulatory Project Manager
Property & Casualty Division
(919) 807-6080
fred.fuller@ncdoi.gov