

**FROM:** Managing Director, North America Unit  
**LOCATION:** 86 / 311  
**EXTENSION:** 5998  
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**REFERENCE:** NAU/EM279B01/Y2144  
**SUBJECT:** US SURPLUS LINES BUSINESS  
**ACTION POINTS:** **Note and action as required**  
**DEADLINE:** **Immediate**

This bulletin is to remind underwriters and brokers of the need to ensure that US surplus lines business is exported through a properly licensed surplus lines broker.

In US jurisdictions where Lloyd's is not licensed, underwriters participating on syndicates which have established the necessary US trust funds and which have been listed on the relevant 'white list' are eligible to underwrite surplus lines business emanating from such jurisdictions.

Market Bulletins and US Trading Procedures Fact Sheets have previously been sent to underwriters and brokers regarding the acceptance of surplus lines business. These routinely draw attention to legislative or regulatory requirements typical to all US states and territories that for surplus lines business to be written lawfully it must be exported through a properly licensed surplus lines broker. **A reminder is stressed to underwriters and brokers that they must ensure that the surplus lines broker holds the necessary licenses not only in that broker's state of domicile, but in the state(s) from which the risk is being exported.**

It should be noted that, in instances where a risk is exported by a broker which does not hold the necessary licenses, the laws of many US jurisdictions allow fines to be levied not only against the placing brokers but also against the underwriters who accepted the business.

This bulletin has been sent to all managing agents, active underwriters and Lloyd's brokers. Any queries should be addressed to the North America Information Services Centre on x6677.

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