

**Question from a Big I CT member:** Your breaking news alert of June 29, 2023 announced that, starting October 1, we would no longer have to submit the Connecticut surplus lines affidavit form SL-8 for renewals.

1. Is this for all lines of business and all risks (except that are on the exported list)?
2. Do we as agents still need to obtain three declinations from standard markets when placing the renewal with an E&S market?

Any caveats we should know about?

**Answer:**

1. Yes, it applies to all coverages not on the [exportable list](#).
2. Yes, you still need to perform due diligence to locate an admitted market. The difference is that you need to keep the documentation and be prepared to give it to the Insurance Department on request; you no longer need to submit quarterly filings of the forms to the department. The new law did not eliminate the requirement to complete the forms. We had pushed for full elimination, but the department was opposed. Their opposition would have prevented the bill from passing. We had to make the compromise to get it passed.

I have heard from some member agencies that some wholesalers and other surplus lines brokers are requiring the producing agents to send the forms to them. My guess is those entities want to have the records on hand in case they receive requests from the department.

I've attached a copy of the revised law for your reference. In place of the provisions that formerly required quarterly filings, the law says in reference to the diligent search:

“Such licensee shall keep, in a form approved by the commissioner, and make available for examination by the commissioner upon request, all

(i) documentation concerning such licensee's and insured's diligent effort to procure, from any authorized insurer or insurers, the full amount of insurance required to protect the interest of such insured, and

(ii) information concerning each policy placed in the surplus lines market.”

The department has not published updated guidance on its [website](#) yet, and the [edition of SL-8](#) on the site is 10 years old. Right now, we're advising agents to continue completing that form and save it in their records. We're monitoring their website for updates.

**Connecticut**  
**TITLE 38a – INSURANCE**  
**Chapter 701d — SURPLUS LINES BROKERS**

38a-741 List of eligible coverages; affidavit required

(a) The commissioner shall maintain on a current basis a list of those lines of insurance or their components for which coverages are believed by the commissioner to be generally unavailable from licensed insurers. The commissioner shall republish the list and make it available to all licensees every six months. Any person may request in writing that the commissioner add or remove a line of insurance or its component from the current list at the next publication of the list. The commissioner's determinations of lines of insurance or their components to be added to or removed from the list shall not be subject to chapter 54 provided prior to making determinations, the commissioner shall provide opportunity for comments from interested persons.

(b)(1) When any policy of insurance is procured or renewed under the authority of such license providing a line of insurance or its component that does not, on the effective date of coverage, appear on the current published list, both the licensee and the insured shall first make a diligent effort, as defined by the commissioner, to procure, from any authorized insurer or insurers, the full amount of insurance required to protect the interest of such insured, and further showing

(A) that the amount of insurance procured from an unauthorized insurer or insurers is only the excess over the amount so procurable from authorized insurers,

(B) the type of policy, and

(C) if such policy is for real property, the location of such property.

Such licensee shall keep, in a form approved by the commissioner, and make available for examination by the commissioner upon request, all

(i) documentation concerning such licensee's and insured's diligent effort to procure, from any authorized insurer or insurers, the full amount of insurance required to protect the interest of such insured, and

(ii) information concerning each policy placed in the surplus lines market.

(2) The provisions of subdivision (1) of this subsection shall not apply to

(A) any such policy providing or including flood insurance, including flood insurance procured from the National Flood Insurance Program, or

(B) any policy of insurance procured under the authority of such license for an insured that is an exempt commercial purchaser, as defined in Section 527 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, P.L. 111-203, as amended from time to time, provided

(i) the surplus lines broker has disclosed to such exempt commercial purchaser that such insurance may or may not be available from an authorized insurer, that may provide greater protection with more regulatory oversight, and

(ii) such exempt commercial purchaser has subsequently requested such broker, in writing, to procure such policy from an unauthorized insurer.

**History** 1953, s 2802d; 1957, P.A. 132, s 1; 1969, P.A. 665, s 20; P.A. 90-87, s 3; 2011, HB 6652, s 36, eff. 6-21-2011; 2013, HB 6379, s 1, eff. 6-21-2013; 2014, HB 5502, s 7, eff. 6-11-2014; 2023, HB 6621, s 1, eff. 10-1-2023.