Understanding surplus-lines policientes New Hampshire

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What is a surplus-lines policy?

It means a policy written by an insurance company that is not authorized (not licensed) in the state of New Hampshire. While a policy from an unauthorized company may be written legally through a surplus-lines broker, this transaction places on the policyholder more responsibility for policy negotiation and protection against the insurance company's insolvency.

What is a surpluslines broker?

A surplus-lines broker means a broker specifically licensed to place insurance with an unauthorized insurance company. Surplus-lines insurance purched in New Hampshire must include component broker in the transaction retail broker must procure in the through a wholesale broken and as a surplus-lines broker) that procures the surplus-lines broker.

Not as a consurplus-line any it to more likely to be an affective is that authorized constraints affective is that the New Han, and asuration Department is not monitoring in dephythe company's financial records on the physical basis, although certain qualifying standards must be maintained to remain on the list of

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unauthorized insurance companies that may transact surplus-lines insurance i Hampshire.

For your protection, signification is achieved through other main the jurisdiction when the ampsel domiciled examine to pany's fill records, as well as the pendition of the generic second sec

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is product the New Hampshire inds on the it followncy of international structure authorized in New Schlere. This is a significant distinction of politicholders insured by chines company, and the lack of acy protection must be considered when pairing the purchase decision.

Nevertheless, placement with a financially ound surplus-lines insurance company may be more prudent than placement with an authorized insurance company that is financially impaired.

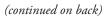
Why would my broker offer me an surplus-lines policy?

There are several reasons why it may be necessary to look for coverage in the surpluslines market. First, the risk of loss may be too great for acceptance by regular markets. Second, the risk may be understood by regular markets on second price the appropriate by there may be no way to exclusive program for tele

I have the placement of risks in the surple to a market is considered a last resort, when authorized insurance companies have not been able to satisfy your insurance needs. Before placement can be made with a surplus-lines company, three declinations from authorized companies will be required. Note that a higher premium proposed by an authorized company is not considered a declination.

What should I know about forms and rates used by a surplus-lines company?

Most surplus-lines companies are exempt from the laws requiring rates and forms to be filed with the Insurance Department. This means that forms may vary significantly from standard forms used by authorized insurance companies. The flexibility offered by this freedom from filing can work to the benefit of the policyholder by permitting coverage to be tailored to individual needs. However, reductions in standard coverage may be necessary in order to turn an uninsurable risk into one that is insurable. The important thing to remember is that coverage analysis is essential in this market and that insurance companies are more inclined to negotiate policy terms.





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What about adherence to cancellation and nonrenewal laws?

Unlike authorized companies, surpluslines insurance companies are not subject to the New Hampshire cancellation and nonrenewal laws. Consequently, the terms for canceling and nonrenewing the policy must be found in the policy itself. For example, before coverage is bound by the insurance company, you should determine what the minimum-earned premium will be if the policy is canceled a short time later.

Why am I being billed for a New Hampshire state tax on my policy?

The 3 percent surplus-lines tax that yo on your bill is collected by the surplus broker and paid to New Hampshire. It se as a substitute for the premiu would have been collected were it authorized in Name ps.

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Whàn might I for?

When a surplus-line basis of a contractor operform an instruction of the premises, fee likely we used on to the policy-Other as incurred by the plus-lines broker that are how and derwriting may be billed for reinforment, but they must be disclosed in the come of the offer.

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