



**Department of Insurance**  
**State of Arizona**  
*Property & Casualty Division*  
Telephone: (602) 364-3453  
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**JANET NAPOLITANO**  
Governor

2910 North 44th Street, Suite 210  
Phoenix, Arizona 85018-7269

**CHRISTINA URIAS**  
Director of Insurance

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[www.id.state.az.us](http://www.id.state.az.us)

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TO: All Surplus Line Brokers

RE: Instructions for Sponsorship of an Unauthorized Insurer

A.R.S. § 20-413 provides that for an unauthorized insurer to be qualified and placed on the Arizona List of Qualified Unauthorized Insurers, current documents must be delivered to the Director.

A.A.C. R20-6-204 requires:

A. For FOREIGN INSURERS:

1. A current CERTIFICATE OF PUBLIC SUPERVISORY OFFICIAL (certifying Deposit, Capital and Surplus) on the appropriate form (SL FORM 111 ed. 2/28/06).
2. Completion of CERTIFICATE OF SURPLUS LINES BROKER (SECTION I) and, Broker Affidavit (SECTION II) (SL FORM 110 ed. 3/06).
3. The most recent report of examination of the insurer certified by the insurance supervisory official of its state of domicile.
4. A certified copy of a National Association of Insurance Commissioners (N.A.I.C.) convention blank annual statement as of December 31 last preceding (must also be filed by June 1 of each year for re-qualification).
5. Certificate of Compliance. (Certified copy or Original)

B. For ALIEN INSURERS:

The Surplus Line Broker shall submit to the Director a completed CERTIFICATE OF SURPLUS LINES BROKER (SECTION I) and, Broker Affidavit (SECTION II) (SL FORM 110 ed. 3/06).

C. For INSURANCE EXCHANGES:

1. Completion of CERTIFICATE OF SURPLUS LINES BROKER (SECTION I) and, Broker Affidavit (SECTION II) (SL FORM 110 ed. 3/06) for the Insurance Exchange.
2. Completion of CERTIFICATE OF SURPLUS LINES BROKER (SECTION I) and, Broker Affidavit (SECTION II) (SL FORM 110 ed. 3/06) for each member syndicate of the Insurance Exchange.
3. The most recent report of examination of the Insurance Exchange certified by the insurance supervisory official of its state of domicile.
4. A certified annual statement for each member syndicate (which must also be filed on or before June 1 for re-qualification) as required by A.R.S. § 20-413 (E).
5. A certified copy of National Association of Insurance Commissioners (N.A.I.C.) convention blank annual statement as of December 31 last preceding (must be filed by June 1 each year for re-qualification) for the Insurance Exchange.

6. A current CERTIFICATE OF PUBLIC SUPERVISORY OFFICIAL (Certifying Deposit, Capital and Surplus for the Insurance Exchange on the appropriate form (SL FORM 111 ed. 2/28/06).
7. A current CERTIFICATE OF PUBLIC SUPERVISORY OFFICIAL (Certifying Deposit, Capital and Surplus for each member syndicate on the appropriate form (SL FORM 111 ed. 2/28/06).

All documents must be submitted to the Director by the sponsoring Arizona licensed resident Surplus Lines Broker. The company may not submit qualifying forms and documents directly.

In order to continue those qualified unauthorized insurers and insurance exchanges on the current list, all documents required should be current and filed with this Department not later than June 1. We request that filings commence as soon as is practical after March 1, annually. For **re-qualification**, of any type of unauthorized surplus lines insurer, an AFFIDAVIT OF SURPLUS LINES BROKER & INSURER (form R20-6-204 ed. 5/22/06) is required. In addition, foreign unauthorized insurers must submit the previous year-end annual statement and the latest report of examination, if not already filed.

For your convenience, forms are available on the Department's website.

Please note, the Director is not required to determine the financial condition of any unauthorized insurer.

Surplus Line Brokers may not place insurance with unauthorized insurers that are not on the Arizona List of Qualified Unauthorized Insurers.

\*\*\*A.R.S. § 20-413(F) CERTIFICATE OF SURPLUS LINES BROKER \*\*\*

TO BE RETURNED BY THE SURPLUS LINES BROKER TO THE: RATES & REGULATIONS DIVISION
STATE OF ARIZONA -- DEPARTMENT OF INSURANCE
2910 NORTH 44TH STREET - SUITE 210, PHOENIX, AZ 85018-7269
TELEPHONE: (602) 364-3453; FACSIMILE: (602) 364-3989

SECTION I ("Insurer" as used herein means any of the following: a foreign insurer, an alien insurer, a Lloyds association, an insurance exchange or any member syndicate of an insurance exchange):

A. COMPLETE THE FOLLOWING INFORMATION:

(Name of Insurer)

(Address of Insurer)

B. READ THE STATEMENTS BELOW AND CHECK ALL THAT APPLY:

- 1. This certificate is being completed by an individual surplus lines broker for a foreign unauthorized insurer to transact surplus lines insurance in Arizona.
2. This certificate is being completed by a corporate surplus lines broker for a foreign unauthorized insurer to transact surplus lines insurance in Arizona.
3. This certificate is being completed by an individual surplus lines broker for an alien insurer to transact surplus lines insurance in Arizona; the insurer is listed in the National Association of Insurance Commissioners' most recent Review of Alien insurers.
4. This certificate is being completed by a corporate surplus lines broker for an alien insurer to transact surplus lines insurance in Arizona; the insurer is listed in the National Association of Insurance Commissioners' most recent Review of Alien insurers
5. This certificate is being completed by an individual surplus lines broker for a foreign unauthorized insurance exchange to transact surplus lines insurance in Arizona.
6. This certificate is being completed by a corporate surplus lines broker for a foreign unauthorized insurance exchange to transact surplus lines insurance in Arizona.
7. This certificate is being completed by an individual surplus lines broker for a member syndicate of a foreign unauthorized insurance exchange to transact surplus lines insurance in Arizona.
8. This certificate is being completed by a corporate surplus lines broker for a member syndicate of a foreign unauthorized insurance exchange to transact surplus lines insurance in Arizona.
9. Attached is the certificate (ADOI Form 111) required by A.R.S. § 20-413(F) that states the name of the public official or other person having supervision over the insurer in its state of domicile or in a state other than its state of domicile that certifies the amount of capital and surplus the insurer possesses and the amount of the trust deposit the insurer maintains, as determined from the records and knowledge of the public official or other person. The ADOI Form 111 is accompanied by a certificate of compliance or other acceptable proof of the extent of this insurer's authority to transact insurance in its state of domicile.
10. In the case of an insurance exchange, an ADOI Form 111 has been completed and is attached for each syndicate within the exchange.
11. Attached is the certified annual statement for the preceding year ending December 31 that is due on or before June 1. In the case of an insurance exchange, a certified annual statement is being submitted for each member syndicate.
12. Attached is the certified copy of the insurer's most recent Report of Examination if not previously filed with the Department.

SECTION II (Affidavit):

STATE OF : \_\_\_\_\_) SS.

COUNTY OF: \_\_\_\_\_)

I, \_\_\_\_\_ (COMPLETE NAME OF SURPLUS LINES BROKER) having been duly sworn upon oath, depose and state that I am a surplus line broker licensed by the Director of Insurance in the State of Arizona and that \_\_\_\_\_ (COMPLETE NAME OF INSURER) is an insurer domiciled in the state of \_\_\_\_\_ of the United States or in the country of \_\_\_\_\_; that the insurer possesses a minimum of capital and surplus of at least \$ \_\_\_\_\_ and maintains a deposit of at least \$ \_\_\_\_\_ in public custody in trust for the purpose of protecting all of the insurer's policyholders in the United States; and, the insurer possessed for the year ending December 31, \_\_\_\_\_ capital and surplus of \$ \_\_\_\_\_, as determined from the records and knowledge of the public officials or other persons who have supervision over the insurer.

SIGNATURE OF BROKER OR AUTHORIZED CORPORATE OFFICER (TYPED NAME AND ADDRESS OF SURPLUS LINES BROKER OR AUTHORIZED CORPORATE OFFICER)

SUBSCRIBED AND SWORN TO BEFORE ME THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20 \_\_\_\_\_.

(SIGNATURE OF NOTARY PUBLIC)

(MY COMMISSION EXPIRES)

**\*\*\*A.R.S. § 20-413(F) CERTIFICATE OF SURPLUS LINES BROKER \*\*\***  
**MINIMUM AMOUNT OF CAPITAL AND SURPLUS AND TRUST DEPOSIT REQUIRED BY A.R.S. § 20-413**

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TYPE OF INSURER	MINIMUM CAPITAL AND SURPLUS	MINIMUM TRUST DEPOSIT
1. FOREIGN INSURER	\$5,000,000	\$2,500,000
2. ALIEN INSURER	\$15,000,000	\$2,500,000
3. LLOYDS ASSOCIATION	N/A	\$100,000,000
4. INSURANCE EXCHANGE	\$50,000,000	\$2,500,000
5. EACH MEMBER SYNDICATE	\$5,000,000	N/A

The certifying surplus lines broker may withdraw this certificate by providing written notice of intent to withdraw to the Director and the affected insurer. The withdrawal is not effective until 45 days after delivery of the notice.

**\*\*\*A.R.S. § 20-413(F) CERTIFICATE OF PUBLIC SUPERVISORY OFFICIAL\*\*\***  
**TO BE RETURNED BY THE SURPLUS LINES BROKER TO THE: RATES & REGULATIONS DIVISION**

STATE OF ARIZONA -- DEPARTMENT OF INSURANCE  
2910 NORTH 44TH STREET - SUITE 210  
PHOENIX, AZ 85018-7269  
TELEPHONE: (602) 364-3453; FACSIMILE: (602) 364-3989

**SECTION I (Certificate Of Deposit, Capital And Surplus):**

For the purposes of this document, "insurer" means any of the following: a foreign insurer, an alien insurer, a Lloyds association, and insurance exchange or any member syndicate of an insurance exchange.

CERTIFICATE OF DEPOSIT, CAPITAL AND SURPLUS:

I, \_\_\_\_\_ (COMPLETE NAME AND TITLE OF PUBLIC OFFICIAL) do hereby certify that I am the public official or other person having supervision over insurers in the State of \_\_\_\_\_ and that (check that which applies and complete A, B, or C below):

\_\_\_ A. \_\_\_\_\_ (COMPLETE NAME OF INSURER) is an insurer organized under the laws of this State and is located at \_\_\_\_\_. The aforementioned insurer possesses capital and surplus of at least \$5,000,000 and maintains a deposit with a current market value of at least \$2,500,000 in public custody in this State in trust for the purpose of protecting all the insurer's policyholders in the United States. The aforementioned insurer possessed for the year ending, December 31, \_\_\_\_\_, capital and surplus of \$\_\_\_\_\_. (To be entered from line 35, page 3, column 1 (Current Year) of the insurer's N.A.I.C. Annual Statement.)

\_\_\_ B. \_\_\_\_\_ (COMPLETE NAME OF INSURER) is an insurance exchange organized under the laws of this State and is located at \_\_\_\_\_. The member syndicates of the exchange possess aggregate capital and surplus of at least \$50,000,000, (to be taken from Line 25, Column 1, of the exchange's N.A.I.C. Annual Statement) and the exchange maintains a deposit with a current market value of at least \$2,500,000 in public custody in this State in trust for the purpose of protecting all the exchange's policyholders in the United States. The aforementioned exchange possessed for the year ending, December 31, \_\_\_\_\_, capital and surplus of \$\_\_\_\_\_. (To be entered from line 32, page 3, column 1 (Current Year) of the insurer's N.A.I.C. Annual Statement.)

\_\_\_ C. \_\_\_\_\_ (COMPLETE NAME OF INSURER) is a syndicate which is a member of the \_\_\_\_\_ insurance exchange. The aforementioned member of exchange is organized under the laws of this State and is located at \_\_\_\_\_ and possesses capital and surplus of at least \$5,000,000.

In witness thereof, I subscribe my name and affix the seal of my Office hereto this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

SEAL

\_\_\_\_\_  
(SIGNATURE OF PUBLIC SUPERVISORY OFFICIAL)  
Telephone Number: \_\_\_\_\_

**The above document must be accompanied by a certificate of compliance or other acceptable proof of the extent of this insurer's authority to transact insurance in the state of domicile. In the case of a syndicate, the above form must be completed for each syndicate within the insurance exchange that intends to transact insurance in Arizona.**

**SECTION II (Certificate Of Deposit):**

This section is to be completed by a public insurance official or other person having supervision over insurers of a state in which the insurer maintains a deposit and which state is **not** the insurer's state of domicile.

CERTIFICATE OF DEPOSIT:

I, \_\_\_\_\_ (COMPLETE NAME AND TITLE OF PUBLIC OFFICIAL) do hereby certify that I am the public official having supervision over insurers in the State of \_\_\_\_\_ and that \_\_\_\_\_ (COMPLETE NAME OF INSURER) is an insurer domiciled in the State of \_\_\_\_\_. The aforementioned insurer maintains a deposit with a current market value of at least \$\_\_\_\_\_ in public custody in this State in trust for the purpose of protecting all the insurer's policyholders in the United States.

In witness thereof, I subscribe my name and affix the seal of my office hereto this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

SEAL

\_\_\_\_\_  
(SIGNATURE OF PUBLIC OFFICIAL OR OTHER SUPERVISORY OFFICIAL)  
Telephone Number: \_\_\_\_\_

\*\*\*R20-6-204(G)(2) AFFIDAVIT OF SURPLUS LINES BROKER & INSURER \*\*\*

TO BE FILED BEFORE JUNE 1 OF EACH YEAR TO REMAIN ON THE DIRECTOR'S LIST

TO BE RETURNED BY THE SURPLUS LINES BROKER TO THE: RATES & REGULATIONS DIVISION

STATE OF ARIZONA -- DEPARTMENT OF INSURANCE
2910 NORTH 44TH STREET - SUITE 210, PHOENIX, AZ 85018-7269
TELEPHONE: (602) 364-3453; FACSIMILE: (602) 364-3989

SECTION I ("Insurer" as used herein means any of the following: a foreign insurer, an alien insurer, a Lloyds association, an insurance exchange or any member syndicate of an insurance exchange):

A. COMPLETE THE FOLLOWING INFORMATION:

(Name of Insurer)

(Address of Insurer)

B. THE FOLLOWING STATEMENTS ARE TO BE COMPLETED BY A DULY AUTHORIZED OFFICER OF THE INSURER. IF THE ENTITY IS AN ALIEN INSURER OR LLOYDS, AN AUTHORIZED ATTORNEY-IN-FACT MAY EXECUTE THE AFFIDAVIT AND ONLY ITEMS 1, 2, 4 & 5 OF PARAGRAPH B APPLY TO ALIEN INSURERS:

1. Have any of the following changes occurred? (If "Yes" provide detail in the accompanying blank)

- YES NO
[ ] [ ]
[ ] [ ]
[ ] [ ]

Insurer's name
Insurer's address
Insurer's state of domicile

2. Lawful Process (Statutory Agent) against or affecting the Insurer may be served upon the following when so served upon the Director of Insurance:

3. Have there been any of the following material changes in the insurer's operations since the insurer's initial qualification for listing or the last annual filing? (Material changes include a change in any 1 or a combination of the following; EXPLAIN "YES" ANSWERS)

- YES NO
[ ] [ ]
[ ] [ ]
[ ] [ ]
[ ] [ ]
[ ] [ ]
[ ] [ ]

A director, officer or controlling person
The insurer's holding company or affiliates
The insurer's charter documents, including its articles of incorporation, articles of agreement, or by-laws governing its conduct of business
The insurer's marketing or administration plans, operations, or agreements with 3rd parties
Any other matter material to the insurer meeting its obligations to its policyholders
Any other matter that relates to any of the grounds for removal from the list as set forth in A.R.S. § 20-413

4. YES [ ] NO [ ] Is the insurer in good standing in all jurisdictions where it conducts insurance business?

5. Is the insurer currently subject to or, has the insurer been subject to any of the following disciplinary actions or orders by any regulatory official since the date of its initial listing or the last annual filing? (Regulatory action or order includes any 1 or a combination of the following)

- YES NO
[ ] [ ]
[ ] [ ]
[ ] [ ]
[ ] [ ]

If "YES", the insurer shall describe each matter in the affidavit and shall attach a copy of any applicable official document.
Denial, suspension, or revocation of a license, permit, or certificate of authority
A corrective action or operation plan, consent order, memorandum of understanding, or cease and desist order
Action against the insurer's bond or securities held in trust by a regulatory official
Supervision, conservatorship, receivership, or any other form of possession or control by a regulatory official in any jurisdiction

6. YES [ ] NO [ ] The report of examination previously filed with the Director or, filed with a previous annual filing, remains the most current filed report (If a more recent report of examination exists, the surplus lines broker shall file a certified copy of the report with the affidavit)

SECTION II (AFFIDAVIT):

STATE OF : ) ss.
COUNTY OF: )

I, (COMPLETE NAME OF SURPLUS LINES BROKER) having been duly sworn upon oath, depose and state that I am a surplus line broker licensed by the Director of Insurance in the State of Arizona file this affidavit in accordance with the administrative code requirements of R20-6-204 of the State of Arizona.

SIGNATURE OF BROKER OR AUTHORIZED CORPORATE OFFICER (TYPED NAME AND ADDRESS OF SURPLUS LINES BROKER OR AUTHORIZED CORPORATE OFFICER)

SUBSCRIBED AND SWORN TO BEFORE ME THIS DAY OF , 20 .

(SIGNATURE OF NOTARY PUBLIC) (MY COMMISSION EXPIRES)

STATE OF : ) ss.
COUNTY OF: )

I, (COMPLETE NAME OF DULY AUTHORIZED OFFICER OR ATTORNEY-IN-FACT OF THE INSURER) having been duly sworn upon oath, depose and state that I am an officer/authorized attorney-in-fact of (COMPLETE NAME OF INSURER) and that the statements made in this affidavit are true and correct and satisfy the requirements of the Arizona Administrative Code.

SIGNATURE OF DULY AUTHORIZED OFFICER/ATTORNEY-IN-FACT OF THE INSURER (TYPED NAME AND ADDRESS OF UNAUTHORIZED INSURER)

SUBSCRIBED AND SWORN TO BEFORE ME THIS DAY OF , 20 .

(SIGNATURE OF NOTARY PUBLIC) (MY COMMISSION EXPIRES)