

Bulletin No. 2020-43

October 6, 2020

RE: LICENSE RENEWAL REMINDER FOR EXCESS LINE BROKERS

BUSINESS ENTITIES:

Most current excess line broker business entity licenses (corporation, LLC, or partnership) expire on **October 31, 2020**. **NOTE:** Insurance Law Sections 2103 and 2104 were amended in 2018 to change the expiration dates of licenses issued to business entities under these sections. Business entity licenses will expire on June 30 in odd-numbered years. Accordingly, Property and Casualty Broker (BR), Excess Line Broker (EX) and Life and Accident/Health and Variable Life/Variable Annuity Broker (LB) entities renewing on November 1, 2020 will be issued licenses with an expiration date of **June 30, 2023**. This will result in an increased licensing fee in 2020 equal to the full fee plus one-half fee. When calculating your license fee from the [Fee Schedule](#), add an additional half fee to accommodate for the extended renewal period.

The New York State Department of Financial Services (DFS) no longer mails any renewal license applications.

The DFS has advised that license renewal applications for broker business entities for the 2020-2023 licensing period are now available online by clicking on the following link:
<http://www.dfs.ny.gov/insurance/licrenewal.htm>

Please remember to renew your excess line broker business entity license prior to its expiration date of October 31, 2020 to avoid delays in the processing of your affidavits and excess line documentation after November 1, 2020. You may want to remind those producing brokers you do business with to do the same.

INDIVIDUAL EXCESS LINE BROKER LICENSEES:

Individual excess line broker licenses expire on the licensee's birthday in even numbered years for individuals born in even numbered years and in odd numbered years for those born in odd numbered years.

The Department of Financial Services had released Supplement No. 3 to Insurance Circular Letter No. 9 (2020) offering license expiration relief to individual insurance producers, including individual excess line brokers, through September 6, 2020. All licenses that would have expired between March 25, 2020 and September 6th, 2020 but for Circular Letter No. 9 and its Supplements automatically expired on **September 7, 2020** unless the producer submitted a license renewal application, including completion of all necessary continuing education credits,

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A note of caution to individual excess line broker licensees:

If you operate your business as a corporation, partnership or LLC, the entity must be the licensee.

Don't use your Individual Excess Line Broker License to place business when an entity is selling, soliciting or negotiating insurance contracts, gets paid commissions and holds premium trust funds in its name. The entity must be licensed to be in compliance with New York law.

If the incorporated entity that employs you fails to obtain a business entity license and instead operates under your individual excess line broker's license, you have violated the law because it is illegal to pay commission to an unlicensed person or entity. The licensee must hold the premiums received in a premium trust account in its name and under its control.

The New York State Department of Financial Services has fined an individually licensed excess line broker \$1,000 for acting as an insurance producer in the name of the corporation which was not licensed under any section of the NY Insurance Law.

Should you have any questions regarding the content of this bulletin, please direct them to Howard Greene at hgreene@elany.org or (646) 292-5591.

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