

Bulletin No. 2021-05

February 8, 2021

RE: COMPLIANCE MATTERS

The following requirements are sometimes overlooked by excess line and retail brokers. Please take appropriate steps to comply if you are not currently doing so.

- I. It is unlawful to deliver an excess line policy declaration page or cover note in New York unless it is first stamped by ELANY.
- II. Binding Authorities between excess line brokers and eligible insurers are permitted but must meet the requirements set forth in Regulation 41 and be filed with ELANY. See the ELANY website [Lexicon/FAQ](#) for more information about [Binding Authorities](#).
- III. Group or Master policies, where unaffiliated insureds are provided property coverage under one policy, are prohibited in New York in the excess line market. A number of producers have been fined for participating in such placements.

Separate policies for each New York excess line insured is the legal way to bind such coverage.

- IV. ELANY strongly encourages producing brokers to utilize ELANY's electronic Part C affidavit software to create Part C affidavits. Handwritten Part C forms are often sloppy, illegible or contain errors which require additional work on the part of wholesale brokers. Use of the electronic form will eliminate many of the follow-up contacts by ELANY.

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.