



**September 25, 1998**

**BULLETIN #831**

**RE: Production Agency Records**

Attached is a letter from Dennis Ward, Chief of the Department's Enforcement Division explaining the provisions of Regulation 2190, Production Agency Records. This regulation requires new record keeping and document distribution requirements in surplus line transactions but represents a vast improvement in SLA filing procedures for surplus line brokers. As of September 28, 1998, surplus line brokers will no longer be required to supply the SLA with originals of the SL-1 (Confidential Report of Placement) or the SL-2 (Diligent Search Report); photo copies of those forms will be accepted. However, surplus line brokers are required to maintain the original of the SL-1 for five (5) years after the expiration or cancellation of the policy. The agent, broker or surplus line broker, who signs the SL-2 must maintain the original and send copies to other agents, brokers or surplus line brokers involved in the transaction. The agent, broker, surplus line broker or special lines surplus line broker who receives the original D-1 (Disclosure Statement) from the insured must maintain the original for 5-years after expiration of the policy and send copies to all other agents, brokers or surplus line brokers involved in the transaction.

On another front, the term "copy" as defined in the regulation has been expanded to permit the SLA to facilitate electronic filing of SL-1 and SL-2's when the association becomes technically able to do so.

The SLA is working with the Department on some minor practical concerns we have with the regulation. I will keep you informed of how the Department decides to proceed.

Theodore M. Pierce  
Executive Director

[Attachment \(\\*.PDF format\)](#)