



The Surplus Line
Association of California

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Re: REMINDER: Broker Business Entities Required to Have At Least One Individually Licensed Surplus Line Broker Named to the Entity License

The Surplus Line Association of California (SLA) provides this reminder that California law requires surplus line broker business entities to have at least one individually licensed surplus line broker named to the business entity license—via a Business Entity Endorsement filed with the California Department of Insurance through [Sircon](#).

Specifically, California Insurance Code section 1656 requires a business entity to have an endorsee for each license class in order to maintain the business entity license, and California Insurance Code section 1765(d) requires that all persons who may exercise the power and perform the duties under a surplus line business entity license must be endorsed on the license. If no individual is named to the license, then the business entity has no one permitted to exercise the power and perform duties under its license.

The SLA encourages business entities transacting surplus line insurance to make sure they have endorsed at least one (and ideally more than one) individual surplus line licensee to their license. If only one individual surplus line broker is endorsed to the license, the business entity's ability to transact surplus line insurance is impeded if that individual is no longer available to exercise the license authority.

Please refer to SLA [Bulletin #1134](#) and [Bulletin # 1140](#) for additional information regarding surplus line broker business entity licensing requirements. If you have questions, please direct them to the SLA's Legal Compliance Department at Compliance@slacal.com.