



STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE
Surplus Lines Division
500 James Robertson Parkway, 4th Floor
Nashville, TN 37243
(615) 741-1756

PROCEDURES FOR FILING SURPLUS LINES ELECTRONIC AFFIDAVITS

Within thirty (30) days of the end of each calendar month, the surplus lines agent shall make and promptly file an affidavit, **Form SL 2 Affidavit for Placing Surplus Lines Insurance (IN-0128) – Revised 6-2011**, for every new or renewed surplus lines insurance contract placed. In addition, **we require an affidavit be completed and promptly filed for every additional, returned, or cancelled surplus lines insurance contract.**

The electronic affidavit will take the place of the paper affidavit; therefore, a separate paper affidavit does not have to be filed for each affidavit keyed into the spreadsheet. The tax period listed should be for the twelve month annual period the tax is due (From: 01/01/XXXX – 12/31/XXXX). The agency that files the Form SL 2 is the agency that is responsible for filing the **Form SL 3 Surplus Lines Statement of Premiums and Tax Payments** (see Procedures for Paying Surplus Lines Taxes for detailed instructions).

All fees and commissions as well as premiums charged the insured are to be included in the gross premium. **The amount of tax shall be computed on five percent (5%) of the gross premiums.** Additional information such as the agency's Federal Employer Identification Number (FEIN #); surplus lines agent's license number; complete name and NAIC # of licensed insurers declining risk; and complete name and NAIC # of the eligible surplus lines insurer is required.

Pursuant to Tenn. Code Ann. § 56-14-106(b), diligent effort is required for any **original or renewal** surplus lines contract; therefore, **the full name of the declining licensed insurer and NAIC # are required – do not use only the first word or partial names of the insurer's name** since we are not allowed to guess which declining insurer(s) was approached for the diligent effort. To look up name of the insurer and NAIC # - Go to <https://sbs-tn.naic.org/Lion-Web/jsp/sbsreports/CompanySearchLookup.jsp> - fill in Company Name (can put partial first or last name as long as you put at least three letters); click the Submit button; a pop-up browser window with one or more companies' information will show – the NAIC # is the company's NAIC #; close your browser windows when done. **NOTE: CNA is not an authorized declining insurer; therefore, it never should be listed as an insurer declining risk.**

To look up an agent's license number - Go to <https://sbs-tn.naic.org/Lion-Web/jsp/sbsreports/AgentLookup.jsp> - Licensee Type is Individual; fill in First Name and Last Name (can put partial name as long as you put at least three letters); License Type is Surplus Lines Agent; click the Submit button; a pop-up browser window with one or more agents' information will show – the License Number is the agent's license number (no longer will have multiple license numbers); close your browser windows when done. Note: an agent that only has an Insurance Producer's license cannot write surplus lines business. Contact Agent Licensing at (615) 741-2693 – Press 9 to bypass recording or at (615) 741-2694 if there are any issues or questions regarding a surplus lines license.

At <http://tennessee.gov/commerce/insurance/surpluslinescompanyRes.shtml> you will find the link for the eligible surplus lines insurers, which is updated monthly. If the policy is through Underwriters at Lloyds of London, we require the syndicate number(s) for all original and renewed policies. If the policy is through Inex Insurance Exchange, you must provide the syndicate name. For our database purpose, eligible alien surplus lines insurers are assigned a six-digit NAIC #. **The NAIC # for Lloyds of London is 180019** (in our database, the field is numeric and will not accept any letters or dashes; any other data entered will result in an error for us).

When you file a credit, you must complete and file an affidavit indicating the amount of credit by keying the data in the spreadsheet. Declining insurers' names and NAIC # do not have to be listed when filing a credit or other endorsements. Note when the original filing was submitted in the Comments column if filed by a paper affidavit.

Our spreadsheet is the only version that will be accepted; ALL other versions will be returned. Do not alter the format of the spreadsheet (change headings or formulas; add or delete rows or columns). The spreadsheet is formatted so that we can easily copy the data into our Access database. If the format has been altered, the spreadsheet will be emailed back to you with a message saying we cannot accept it. The first tab is the affidavit (Affidavit-Page 1). We require original signatures of both the affiant and the notary public (stamped names or embedded images of a signature will not be accepted). In addition, the notary public must either stamp or emboss the notary seal on the affidavit. **If it is determined that the affidavit doesn't have original signatures or is received without the stamped or embossed notary seal, the affidavit will be returned.**

To report your affidavits, select and fill out only one of the next five tabs (Affidavit-Page 2-Up to 20; Affidavit-Page 2-Up to 40; Affidavit-Page 2-Up to 79; Affidavit-Page 2-Up to 139; Affidavit-Page 2-Up to 190). The maximum amount of affidavits accepted per filing is 190. If you have more than 190 affidavits, you will need to complete another spreadsheet. If your agency files large numbers of affidavits monthly, a spreadsheet can be created to accommodate the large filings. Send an email to Surplus.Lines@tn.gov indicating that you're requesting a spreadsheet that's specifically tailored to your agency's large filings needs. Please indicate the average number of affidavits filed monthly.

Key the data into the appropriate fields. On the right side in the last column, a formula will calculate the total gross premium tax due for each policy keyed in. At the bottom, formulas total all of the premiums and fees and the amount of gross premium tax due. The total in the last column on the right is the Total Gross Premium Tax Due, which is the amount that will be remitted when the gross premium taxes are paid.

Note that column V refers to multi-state filings. If the policy is a multi-state filing, put "Yes" in column V.

Once the spreadsheet is completed, **email the spreadsheet in Excel format and the affidavit in pdf format (tab named Affidavit-Pg1) in the same email to the Surplus Lines Division at Surplus.Lines@tn.gov.** Put the agency's name at the beginning of the subject line. Again, the affidavit must have original signatures of both the affiant and the notary public and the stamped or embossed notary seal. Keep the original affidavit in your files as proof of filing - do not mail it to us.

When the filing is received, the spreadsheet will be quickly scanned to determine whether there are major problems with the filing. If there are major problems, you will receive an email indicating what problem(s) need to be corrected.

Some of the major problems include but not limited to:

- Text in the effective date in Column E – need only the effective date
- Putting the word "Endorsement" in Column F – indicate the type of endorsement is being filed
- Listing the first word or partial names of the declining insurer's name – need the full name (examples: Hartford, Travelers, St. Paul, CNA-not an authorized declining insurer)
- Eligible alien surplus lines insurer's NAIC # - six digit numeric only (no letters or dashes)
- Not including Lloyds of London's syndicate # for new or renewals - list the syndicate number(s) either beside Lloyds of London's name in Column S or in the Comments column in Column T
- Data keyed in two separate tabs – select only one tab (if more than one tab is used, we don't know whether the data wasn't deleted from a previous filing)
- Not submitting the affidavit in pdf format along with the spreadsheet in Excel format in the same email

Once the problems have been corrected, you will be instructed to resubmit the corrected spreadsheet in Excel format and the affidavit in pdf format. A quick scan will be done again to make sure the major problem(s) have been corrected. When your filing is accepted, a reply will be sent to acknowledge receipt of the spreadsheet. Note: acceptance of the filing after the quick scan does not indicate that a detailed audit of the filing has been completed. At a later date, the filing will go through a detailed audit. If any problems are discovered at that time, you will receive an email indicating what problems need to be corrected. Once the problems have been corrected, you will be instructed to resubmit the corrected spreadsheet in Excel format and the affidavit in pdf format in the same email.

If you have any questions or need assistance in filling out the spreadsheet, please contact the Surplus Lines Division at (615) 741-1756 or at Surplus.Lines@tn.gov.

Revised 6-2011