

CORRECTION

RE: LICENSE RENEWAL REMINDER FOR EXCESS LINE BROKERS

BUSINESS ENTITIES:

All current excess line broker business entity licenses (corporation, LLC, or partnership) expire on **October 31, 2018**. The New York State Department of Financial Services (DFS) will not be mailing any renewal license applications for 2018 license renewals.

The DFS has advised that license renewal applications for broker business entities for the 2018-2020 licensing period ~~are now available~~ **WILL BE AVAILABLE MID JULY** 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, 2018** to avoid delays in the processing of your affidavits and excess line documentation after November 1, 2018. 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.

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.

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