

Bulletin No. 2014-18

August 13, 2014

**Re: STAMPING FEES AND EXCESS LINE TAXES APPEARING
ON BINDERS AND DECLARATIONS (DEC.) PAGES**

In response to questions from broker members and eligible insurers, ELANY has reviewed the question of setting forth stamping fees and excess line taxes on binders or policy declaration pages. This issue was recently addressed in Bulletin 2014-07.

For the reasons set forth in Bulletin 2014-07, ELANY will continue to discourage the practice of setting forth excess line taxes and stamping fees on binders and declaration pages. **However**, subject to the following, **ELANY will not reject nor suspend transactions where** binders and declaration pages expressly set forth stamping fees and/or excess line taxes.

- There must always be a separate agreement signed by the insured (Total Cost Form) consenting to pay taxes and stamping fees pursuant to Section 2119 of the Insurance Law. (Without the signed agreement, an excess line broker or producing broker might be required to refund these charges to the insured.)
- The binder or declarations page must be accurate and unambiguous. Incorrect calculations for example, a total line that states it “totals all fees, taxes and premium” when it does not, will be suspended by ELANY. Also, using an outdated stamping fee (which ELANY changes from time to time on a risk attaching basis) will be rejected.
- A number of other states mandate that stamping fees and taxes appear on declaration pages and binders. ELANY has adjusted the manner in which it will process these transactions in the interests of permitting a more uniform approach to reduce state specific burdens on excess and surplus line brokers.

All current ELANY bulletins and other current ELANY publications can be found on our website at <http://www.elany.org>

