

August 15, 2022

RE: AVOID DFS LATE FILING FINES AND PENALTIES

All excess line brokers should take note that the New York State Department of Financial Services (DFS) has been fining excess line brokers that demonstrate a pattern of late policy document filings with ELANY. In addition to the per-filing late fee imposed by ELANY, the DFS has been levying fines on brokers for tens of thousands of dollars, including at least one six figures fine. These actions often result in consent orders that the offending broker must sign to avoid even heftier penalties and may need to be reported to other states' regulators pursuant to their laws. A late filing fine will also be published on the DFS website.

ELANY urges all excess line brokers to take care to ensure that filings are submitted in a timely manner and that they are accurate, legible, and complete. Inquiries from ELANY should be replied to promptly to avoid unnecessary processing delays. Any current issues with timely filings should be addressed quickly to avoid an extended pattern of late filings. In addition, excess line brokers should be mindful that a significant number of deficient filings that result in filing suspensions may trigger the DFS to examine a broker's record on late filings.

We advise wholesale excess line brokers to encourage producing retail brokers to submit [Part C](#) affidavits [electronically](#) to ensure accuracy, completeness, legibility and speed. In the event affidavits are submitted via hard copy, they should be typed to ensure legibility and checked for completeness and accuracy.

ELANY urges management at all excess line brokers to prioritize timely and accurate filings and thereby avoid unnecessary fees and substantial punitive regulatory actions.

Should you have any questions regarding the content of this bulletin, please direct them to Howard Greene at hgreene@elany.org or (646) 292-5591.