

31A-15-111 Surplus lines advisory organizations.

- (1) Advisory organizations of surplus lines producers may be formed to:
 - (a) facilitate and encourage compliance by its members with the laws of this state and the rules of the commissioner relative to surplus lines insurance;
 - (b) if authorized by the commissioner, perform and report to the commissioner on the confidential examinations and assess and receive the stamping fees described in Subsection 31A-15-103(11);
 - (c) make recommendations to the commissioner concerning classes of insurance for which a rule under Subsection 31A-15-103(6)(a) is appropriate;
 - (d) investigate "abuses of placements," as described in Subsection 31A-15-103(6)(b), and provide recommendations to the commissioner concerning rules under Subsection 31A-15-103(6)(b);
 - (e) bring to the commissioner's attention the existence of grounds for issuing an order under Subsection 31A-15-103(6)(c) concerning a particular unauthorized insurer;
 - (f) provide recommendations to the commissioner concerning unauthorized insurers which should be listed on a "doubtful or objectionable" list under Subsection 31A-15-103(6)(d);
 - (g) provide comments to the commissioner concerning whether an unauthorized insurer has a good reputation and financial integrity under Subsection 31A-15-103(6)(d)(ii);
 - (h) provide recommendations to the commissioner concerning rules under Subsection 31A-15-103(10) necessary to protect the interests of insureds and the public; and
 - (i) receive and disseminate to its members information relative to surplus lines coverages.
- (2) Every advisory organization formed under this section shall file with the commissioner:
 - (a) a copy of its constitution, articles of agreement or association or articles of incorporation, and any amendments to these documents;
 - (b) a copy of its bylaws and any other writing governing the organization's activities and any amendments to these documents;
 - (c) a list of the names and addresses of residents of this state upon whom notices or orders of the commissioner or processes issued at his direction may be served, with changes in this list to be filed within 10 days of a change; and
 - (d) an agreement, on a form provided by the commissioner and executed by the advisory organization, that the commissioner may examine the advisory organization in accordance with the provisions of Sections 31A-2-203, 31A-2-204, and 31A-2-205.
- (3) The commissioner may by rule or order require each person licensed as a surplus lines producer under Chapter 23a, Insurance Marketing - Licensing Producers, Consultants, and Reinsurance Intermediaries, to be a member of one or more specified advisory organizations operating under this section. The commissioner may make compliance with the rule or order a condition to continued licensure as a surplus lines producer.
- (4) The comments and recommendations given the commissioner under Subsection (1) are merely advisory. The formation of an advisory organization under this section does not alter the commissioner's authority under this chapter.

Amended by Chapter 298, 2003 General Session