



Surplus Lines Broker Frequently Asked Questions

Updated 12/1/2023

1. What type of license(s) are required to conduct surplus lines business in Oklahoma?

In Oklahoma, a Surplus Lines license is not all-encompassing. For example, if you are acting as a managing general agent, you would need both surplus lines and managing general agent lines licenses. If you are unsure about the license type(s) needed, please contact the licensing department at licensing@oid.ok.gov or by phone at 1-800-522-0071 for additional information.

2. Who is a Surplus Lines licensee or broker?

- a. Pursuant to 36 O.S. § 1101.1, a Surplus Lines licensee or broker is an individual, firm, or corporation that is licensed in Oklahoma to sell, solicit, or negotiate insurance, including the agent of record on non-admitted insurance policy, on properties, risks or exposures located or to be performed in Oklahoma allowing non-admitted insurers to do business.
- b. To become an Oklahoma Surplus Lines licensee or broker and/or questions regarding your existing license, please contact licensing@oid.ok.gov or 1-800-522-0071.

3. Who is authorized to represent a Surplus Lines Insurer in Oklahoma?

Pursuant to 36 O.S. § 1101, a Surplus Lines licensee or broker is authorized to represent a Surplus Lines insurer in Oklahoma.

4. Who is responsible for the collection and remittance of Surplus Lines insurance premium tax?

- a. Pursuant to 36 O.S. § 1115, it is the duty of the Surplus Lines licensee or broker to collect and remit an amount equal to six percent (6%) of the total gross premiums, less any return premiums, to the Oklahoma Insurance Commissioner, whether the properties, risks, or exposures are located or to be performed inside or outside of Oklahoma.
- b. Pursuant to OAC 365:25-3-13(d), all taxes shall be duly remitted electronically to the State of Oklahoma, through the Insurance Commissioner, on or before the end of each month following each calendar quarter by letter of transmittal accompanying such tax remittance.

5. Does Oklahoma allow courtesy filings?

No, Oklahoma does not allow courtesy filings.

6. What is the reporting and payment schedule?

Transaction Effective Date	Reporting Deadline	Invoice Issue Date	Invoice Due Date
Q1 2024 (Jan-Mar)	April 30	April 1	April 30
Q2 2024 (Apr-Jun)	July 31	July 1	July 31
Q3 2024 (Jul-Sept)	October 31	October 1	October 31
Q4 2024 (Oct-Dec)	January 31	January 1	January 31

7. Are annual returns and statements still required?

Yes, annual returns and statement are required by all broker's and business entities licensed at any time during the year regardless of any business reported. The 2023 annual return and statement will be available in OPTins after January 1, 2024 and required to be filed in OPTins.

8. How do I file and remit Surplus Lines premium tax?

The Oklahoma Insurance Department no longer accepts paper (or email) filings and remittance of Surplus Lines premium tax. See Order, Case No. 16-0353-PRJ. All filings and remittance must be submitted electronically through the following methods:

- i. OPTins: Policies, or endorsement on policies, effective prior to January 1, 2024, shall continue to be reported to the Oklahoma Insurance Department using OPTins; and
- ii. SLIP: All policies, and endorsements on policies, effective on or after January 1, 2024, shall be reported to the Oklahoma Insurance Department using the SLIP platform (<https://slip.slasclearinghouse.com/>).
- iii. Transactions reported through SLIP will be charged the 6% surplus lines premium tax and the 0.175% SLAS transaction fee and will be paid via ACH debit in SLIP.
- iv. For assistance, please contact SLAS directly by emailing info@slasclearinghouse.com or calling 877-267-9855 and selecting option 1.

9. Will there be any late fee or penalties for failure to remit tax?

- a. According to 36 O.S. § 1116, any Surplus Lines licensee or broker who fails to remit the Surplus Lines tax shall be liable for a civil penalty not to exceed Twenty-five dollars (\$25.00) for each day of delinquency, per policy.
- b. DO NOT remit late fees or penalties with your premium tax remittance unless specifically directed by the Oklahoma Insurance Department Legal Division. If you have questions regarding possible penalties, please email oksurpluslines@oid.ok.gov for assistance.

10. How will credits be applied from OPTins to SLIP?

If a refund is issued because the balance return exceeds taxes owed, SLIP will cause SLAS to zero out the invoice balance and a refund will be issued for the difference. However, if the credits submitted through OPTins would only reduce the amount of taxes owed in SLIP, and not eliminate it, then a full payment will need to be made to SLIP. SLIP would then issue a full refund on credits submitted to OPTins. Credits cannot be carried forward with OPTins filings.

11. Is there an export list available in Oklahoma?

- a. Oklahoma does not have an export list; therefore, it is the responsibility of the Surplus Lines licensee or broker to perform diligent effort before placing any Surplus Lines business.
- b. The Oklahoma Insurance Department does not provide verifications for any Surplus Lines carriers other than by the Oklahoma Whitelist or by the NAIC Quarterly List of Alien Carriers. Verification of eligibility of any other carrier is the responsibility of the Surplus Lines licensee or broker.

12. Does Oklahoma have a diligent effort requirement?

- a. Oklahoma does require diligent effort. Oklahoma adheres to the Surplus Lines industry standard of a minimum of three diligent effort searches. The Surplus Lines licensee or broker licensed in Oklahoma is not required to submit proof of the diligent search efforts but should keep their diligent search documentation on file in their office or places of business.
- b. Due diligence search is not required when a Surplus Lines licensee or broker is seeking to procure or place in the following situations:
 - i. Surplus Lines insurance is for an exempt commercial purchaser, pursuant to 36 O.S. § 1106.1, provided that the licensee or broker has disclosed to the exempt commercial purchaser that such insurance may or may not be available from the admitted market; and the exempt commercial purchaser has subsequently requested in writing for the Surplus Line broker to procure such insurance from a nonadmitted insurer; and
 - ii. Surplus Lines insurance is for flood insurance, pursuant to 36 O.S. §1106.2.

13. Where can I find a list of all authorized Surplus Lines insurers in Oklahoma?

- a. Oklahoma does not maintain a comprehensive list of eligible Surplus Lines insurers in Oklahoma. The Oklahoma Whitelist of Registered Surplus Lines Carriers includes only companies that have completed the application process and received approval from the Oklahoma Insurance Department for inclusion in the Oklahoma Whitelist. The NAIC Quarterly List of Alien Insurers has the alien insurers authorized and approved by the NAIC.

- b. If the Surplus Lines licensee or broker finds a Surplus Lines carrier not listed on any one of the two lists mentioned above, then it is the responsibility of the Surplus Lines licensee or broker to verify that the Surplus Lines carrier is actively licensed in its state of domicile which, if active, would deem them eligible to place coverage in Oklahoma.

14. How often is the Oklahoma Whitelist updated?

The Oklahoma Whitelist is updated monthly. Please check the OID website for an updated Whitelist before placing insurance with a carrier.

15. Do I need to file the individual syndicate names when submitting a transaction placed with Lloyd's of London?

Yes, Oklahoma requires that each individual syndicate be listed and the amount of premium for each syndicate be identified.

16. Does Oklahoma allow Domestic Surplus Lines Insurance Companies (DSLII) to write in Oklahoma?

Yes, Oklahoma does allow DSLII companies to write business in its state of domicile.

17. How do I register and obtain SLIP login information?

- a. All Surplus Lines licensees, brokers, third party filing agencies, and direct placement filers who currently have a SLIP Clearinghouse login do not need to register for a new SLIP account and can use the existing account to begin reporting Oklahoma policies and transactions effective on or after January 1, 2024.
- b. All Surplus Lines licensees, brokers, third party filing agencies, and direct placement filers who are not currently registered in the SLIP Clearinghouse platform will be able to register for an account and begin filing on January 1, 2024.
- c. For assistance with SLIP, please contact SLAS directly by emailing info@slasclearinghouse.com or calling 877-267-9855 and selecting option 1.

18. Who do I contact if I have an issue in the SLIPs system?

Please contact SLAS directly by emailing info@slasclearinghouse.com or calling 877-267-9855 and selecting option 1.

19. Can I upload multiple transactions together? Will there be a batch upload allowing multiple transactions to be submitted in a single XML file?

- a. SLIP allows Surplus Lines licensees, brokers, third party filing agencies, and direct placement filers the ability to XML batch upload, which allows multiple transactions to be submitted in a single XML file.

- b. The XML schema and batch filing documentation will be available, upon request, on or after October 1, 2023. Please email batchfiling@slasclearinghouse.com to request the batch filing documentation.
- c. The SLIP platform and XML batch upload for Oklahoma policies and endorsements on policies will be effective January 1, 2024.

20. What coverage types, if any, are exempt from premium tax?

Pursuant to 36 O.S. § 1115, Surplus Lines policies sold to the following shall be exempt from Surplus Lines premium tax:

- i. Federally recognized Indian tribes (36 O.S. § 1115(H));
- ii. Flood insurance policies (36 O.S. § 1115(J));
- iii. Any cities or towns in Oklahoma (36 O.S. § 1115(K)); and
- iv. Any school district (36 O.S. § 1115(K)).

21. How do I report Surplus Lines policies that are exempt from premium tax?

All Surplus Lines policies that are exempt from premium tax must be reported either via OPTins or electronically via SLIP, and where necessary, indicate the policy as tax exempt.

22. What language is required to be on the policy declaration page?

Pursuant to 36 O.S. § 1109(b), Insurance contracts procured as Surplus Lines coverage shall contain bold-face type notification stamped by the Surplus Lines licensee, broker, or insurer on the declaration page of the policy that the contracts are not subject to the protection of any guaranty association in the event of liquidation or receivership of the Surplus Lines insurer.

23. How is a multi-year policy taxed?

- a. Pursuant to OAC 365:25-3-13(d)(2)(a), a policy issued for a term in excess of one year, with a fixed premium being payable annually, shall be taxed on the first year's premium at the rate effective as of the date of the policy issuance. The tax on premiums payable for subsequent years shall be computed at the rate in effect at the date such subsequent premiums become due and payable, which date shall be deemed for taxation purposes to be the policy anniversary date.
- b. If a policy was first reported in OPTins for the first annual period of 2024, please report the policy as a renewal in SLIP.
- c. After 2024, annual payments shall be made as additional premium.

24. How do I submit an extension on a policy?

If your policy is being extended for a period of less than 365 days, then submit the endorsement to the current policy providing for the extension. However, if the policy is to be extended for a period that exceeds 365 days, then submit the policy as a renewal.

25. If I have a question about Surplus Lines licensee bonds who do I contact?

The Licensing Division is responsible for Surplus Lines licensee bonds. Please contact the Licensing Division directly at licensing@oid.ok.gov or 1-800-522-0071.