



# Surplus Lines Broker Frequently Asked Questions

Updated 11/22/2024

- 1. What type of license(s) are required to conduct surplus lines business in Oklahoma?**
  - a. 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](mailto: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](mailto:licensing@oid.ok.gov) or 1-800-522-0071.
  
- 3. Who is authorized to represent a Surplus Lines Insurer in Oklahoma?**
  - a. Pursuant to 36 O.S. §1101, only 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 to the Oklahoma Insurance Commissioner.
  - b. All such 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 in accordance with the OAC 365: 25-3-13(c)(1).
  
- 5. Does Oklahoma allow courtesy filings?**
  - a. 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)	March 31	April 1	April 30
Q2 2024 (Apr-Jun)	June 30	July 1	July 31
Q3 2024 (Jul-Sept)	September 30	October 1	October 31
Q4 2024 (Oct-Dec)	December 31	January 1	January 31

## 7. Are annual returns and statements still required?

- Yes. All active license holders are required to file annual reports.
- Business entities will continue to report in OPTins.
- Individual brokers may need to file an annual statement into OPTins and SLIP if business was reported into both systems in 2024. Only report OPTins policies to OPTins and SLIP policies into SLIP.
- If you are unsure where to file, please email the OID at [OKSurplusLines@oid.ok.gov](mailto:OKSurplusLines@oid.ok.gov).

## 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 (pursuant to Order No. 16-353-PRJ). All filings and remittance must be submitted electronically as stated below
  - OPTins: Policies, or endorsement on policies, effective prior to January 1, 2024, should continue to be reported to the Oklahoma Insurance Department using OPTins.
  - 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/>).
    - Renewal policies and multiyear policies shall be moved to SLIP on the anniversary inception date.
    - 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.
    - For assistance, please contact [info@slasclearinghouse.com](mailto:info@slasclearinghouse.com) or 877-267-9855 option 1.

## 9. What fees are taxable?

- All fees are taxable.

## 10. What is Gross Premium?



- a. According to 36 O.S. § 1115, premium tax on surplus lines is 6% of the total gross premium which is Premium and Fees. According to OAC §365:25-3-12(b)(3) “Gross Fee” means the total of all fees derived by offering any advice, counsel, opinion, or service with respect to the benefits, advantages or disadvantages promised under any policy of insurance that could be issued or delivered in Oklahoma.

**11. Will there be a transaction fee if the premium is tax exempt?**

- a. Flood coverage is only exempt from surplus lines tax and will be charged a transaction fee in SLIP.
- b. Approved exempt insureds are exempt from both surplus lines tax and the SLIP transaction fee.

**12. 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. If you have questions regarding possible penalties, please email [oksurpluslines@oid.ok.gov](mailto:oksurpluslines@oid.ok.gov) for assistance.

**13. How will credits be applied from OPTins to SLIP?**

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

**14. 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 verification of any surplus lines carrier 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.

**15. Does Oklahoma have a diligent effort requirement?**



- a. Oklahoma does require diligent effort. Although Oklahoma statute does not specifically state three, Oklahoma does adhere 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. However, due diligence search is NOT required when a surplus lines licensee or broker is seeking to procure or place:
  - i. Surplus Lines insurance for an exempt commercial purchaser, pursuant to 36 O.S. § 1106.1
  - ii. Flood insurance with a Surplus Lines insurer, pursuant to 36 O.S. §1106.2

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

- a. Oklahoma does not have a comprehensive list that consists of every eligible Surplus Lines Insurer. The Oklahoma Whitelist of Registered Surplus Lines Carriers only includes companies who have completed their application process and received approval from the Oklahoma Insurance Department for inclusion in the Oklahoma Whitelist. The NAIC Quarterly List of Alien Insurers has all 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, it is the responsibility of the surplus lines licensee or broker to verify that the surplus lines carrier is actively licensed in their state of domicile which, if so, would deem them eligible to place coverage in Oklahoma.

**17. How often is the Oklahoma Whitelist updated?**

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

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

- a. Yes, Oklahoma requires that each individual syndicate be listed.

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

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

**20. How do I register and obtain SLIP login information?**

- a. All surplus lines licensees or brokers (including third party filing agencies) and direct placement filers who currently have a SLIP Clearinghouse login do no 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 licensee's or broker's (including 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 [info@slasclearinghouse.com](mailto:info@slasclearinghouse.com) or 877-267-9855 option 1.

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

- a. You will contact SLAS at [info@slasclearinghouse.com](mailto:info@slasclearinghouse.com) or 877-267-9855, option 1

## 22. 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 all surplus lines licensee's or brokers (including third party filing agencies) and direct placement filers the XML batch upload process allowing multiple transactions to be submitted in a single XML file.
- b. The XML schema and batch upload documentation will be available, upon request, on or after October 1, 2023. Please email [batchfiling@slasclearinghouse.com](mailto:batchfiling@slasclearinghouse.com) to request the batch filing documentation.
- c. The SLIP platform and XML batch upload for Oklahoma policies and endorsements on policies effective January 1, 2024, and after will be available following the January 1, 2024 system go-live.

## 23. What policies, if any, are exempt from premium tax?

- a. Surplus lines policies sold to the following shall be exempt from surplus lines premium tax pursuant to 36 O.S. § 1115.
  - i. Federally recognized Indian tribes (36 O.S. § 1115:H)
    1. **Risk must be wholly owned by the tribe and located within Indian Country.**
  - ii. Flood insurance policies (36 O.S. §1115: J)
  - iii. City or town in Oklahoma (36 O.S. §1115: K)
  - iv. Any school district (36 O.S. §1115: K)

## 24. How do I report surplus lines policies that are exempt from premium tax?

- a. All surplus lines policies that are exempt from premium tax must be reported electronically and where necessary indicate the policy as tax exempt.
- b. In SLIP, coverage exemption for flood is Tax Status 6.
- c. In SLIP, insured exemptions are Tax Status 7.



**25. Can auto-coverage be written in the non-admitted market?**

- a. Pursuant to 36 O.S. §1101.1: C A domestic surplus lines insurer may not issue a policy designed to satisfy the motor vehicle financial responsibility requirement of this state.
- b. Personal and commercial auto coverage is readily available in the admitted market; therefore, there is no reason any auto policy should be written to satisfy the motor vehicle financial responsibility in the non-admitted market.

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

- a. 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 or broker or surplus lines 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.

**27. How do I file a multi-year policy?**

- a. According to OAC 365:25-3-13(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.
- b. If a policy was first reported in OPTins, on the first annual period for 2024, the policy should be reported as a renewal in SLIP.
- c. Moving forward annual payments will only be made as additional premium.

**28. How do I submit an extension on a policy?**

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

**29. If I have a question about Surplus Lines Bonds who do I contact?**

- a. The Licensing Division is responsible for Surplus Lines Bonds. Please contact the Licensing Division at [licensing@oid.ok.gov](mailto:licensing@oid.ok.gov) or 1-800-522-0071.