



## Ohio Department of Insurance

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(614)-644-2658 [www.ohioinsurance.gov](http://www.ohioinsurance.gov)

**Ted Strickland, Governor**  
**Mary Jo Hudson, Director**

### BULLETIN 2008-1

**Notification regarding change to initial licensure requirements for non-resident Surplus Line Brokers and nonresident Business Entity applicants.**

**Effective Date:**  
January 31, 2008

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The purpose of this Bulletin is to advise Ohio insurers and Ohio nonresident insurance agents of changes the Department has made in certain nonresident licensing requirements. These changes have been made to assure that Ohio's licensing laws are uniform with NAIC models and regulatory uniformity requirements.

**THE BALANCE OF THIS BULLETIN APPLIES TO YOU ONLY IF YOU ARE:**

- (1.) A NONRESIDENT SURPLUS LINES BROKER APPLICANT; OR,**
- (2.) A NONRESIDENT BUSINESS ENTITY LICENCE APPLICANT.**

#### **Surplus Lines Broker Applicants**

Currently, RC § 3905.35 requires all applicants for surplus lines broker licenses to post a bond in the amount of \$25,000.00 with the Ohio Superintendent. The Superintendent has determined, pursuant to RC § 3905.081, that this statutory requirement as applied to nonresident applicants is preempted by the reciprocity provisions set forth in § 321 of the Financial Services Modernization Act of 1999, 113 Stat. 1338, 15, U.S.C.A. 6751. Effective immediately, the Superintendent waives the requirement of a separate Ohio bond for nonresident surplus lines brokers who hold a surplus lines broker license in their home state. The Superintendent shall no longer require an Ohio bond as a condition for issuance of a nonresident surplus lines broker license.

#### **Business Entity License Applicants**

Currently, Ohio Administrative Code section 3901-5-09(H)(1)(c) requires nonresident business entity license applicants to register with the Ohio Secretary of State as a condition for issuance of a license. The Superintendent has determined, pursuant to RC § 3905.081, that this administrative rule requirement as applied to nonresident insurance license applicants is preempted by the reciprocity provisions set forth in § 321 of the Financial Services Modernization Act of 1999, 113 Stat. 1338, 15, U.S.C.A. 6751. Effective immediately, the Department waives the requirement that nonresident business entity insurance license applicants register with the Ohio Secretary of State as a condition to issuance of a nonresident insurance license. This process change does not necessarily eliminate the requirement that a nonresident business entity register with the Ohio Secretary of State. The Department recommends that new nonresident business entity licensees contact the Ohio Secretary of State regarding any registration requirements prior to commencing business in this state.

Questions regarding this Bulletin should be addressed to the License Division at 614-644-2665.

Handwritten signature of Mary Jo Hudson in black ink.

Mary Jo Hudson  
Director of Insurance