



General Bulletin #14 Insurer Financial Requirements

To: All Illinois Surplus Line Producers & Interested Parties
From: Donald D. Mauger

Effective September 9, 1994, the Surplus Line Law (Section 445 of the Insurance Code) has been changed. The financial requirement of Five Million dollars (\$5,000,000) of policyholder surplus has been increased to Fifteen Million dollars (\$15,000,000) of policyholder surplus.

As a result of this change in the law, after September 9, 1994, if the company you intend to use does not have fifteen million dollars in policyholder surplus or does not have standards of solvency and management that are adequate for the protection of policyholders, then the insurance producer or surplus line producer is required to provide prior written warning to the insured of any such fact or condition and maintain evidence of delivery of that written warning to the insured. The form for such a written warning is set forth in Illinois Insurance Regulation 2801, Illustration A.

The Association maintains a library of financial information for the benefit of its members to assist them in complying with the law.

Should you require any additional information regarding the above you may contact the Association.

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