

Surplus lines paperwork made easier in Delaware

| Sep 07, 2015

<http://www.ibamag.com/news/northeast-news/surplus-lines-paperwork-made-easier-in-delaware-24828.aspx>

By Josh Chetwynd

A big piece of administrative red tape for Delaware brokers has finally been cut by the state's legislature. A new law that went into effect Sept. 2 strikes a rule requiring agents to get surplus lines diligent effort forms (SL-1923) notarized.

For N. Lee Dotson, a Wilmington, Delaware-based agent at Bellevue Insurance Services, the change will be a massive time saver.

"The requirement to have the diligent effort form signed and notarized was a waste of time," Dotson said. "The biggest issue is for agents who write a lot of surplus business at the beach. Some agents have to do 50 of these a week and the forms just sat at the insurance department."

Dotson said this requirement took him an estimated 20 to 25 minutes per transaction. For brokers working heavily in this area, the amount of time dedicated to notary work added up quickly.

The new law brings Delaware more in line with other jurisdictions. In fact, very few states had this notary requirement, according to Brady Kelley, the executive director NAPSLO.

"NAPSLO is very pleased to have the Delaware Department of Insurance and their legislature agree ... to remove the requirement that diligent search affidavits be notarized," Kelley said. "This change modernizes and streamlines the regulatory process regarding affidavit requirements."

Ending this onerous task was a particular victory for a major insurance industry trade association. The Delaware Association of Insurance Agents & Brokers had earmarked ending this requirement as its legislative priority for the year and worked to get a bill on the matter passed.