



Virgin Islands

Office of the Lieutenant Governor  
Division of Banking and Insurance

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**Virgin Islands**


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### BULLETIN 2011-01

**TO:** ALL SURPLUS LINES INSURERS AND SURPLUS LINES BROKERS  
AUTHORIZED TO TRANSACT SURPLUS LINES BUSINESS IN THE  
TERRITORY

**RE:** SURPLUS LINES WRITTEN REPORTS

#### Section 653. Surplus line coverage

(a) If certain insurance coverage's cannot be procured from authorized insurers, such coverage's, hereinafter designated as "surplus lines," may be procured from unauthorized insurers subject to the following conditions:

(1) The insurance must be procured through a licensed surplus line broker; and

(2) The insurance must not be procurable, after diligent effort has been made to do so from among a majority of the insurers authorized to transact that kind of insurance in this territory and placing the insurance with an unauthorized insurer must not be for the purpose of securing a lower premium rate that would be expected by any authorized insure.

(b) Within 30 days after the procuring of any surplus line insurance, the surplus line broker must execute and shall file with the Commissioner:

(1) a written report, which shall be kept confidential and which shall include the following:

- (A) the name and address of the insured;
- (B) the identity of the insurer or insurers;
- (C) a description of the subject and location of the risk;
- (D) the amount of premium charged for the insurance; and
- (E) such other pertinent information as the Commissioner may reasonably require; and


(2) An affidavit setting forth the facts referred to in subsection (a), paragraph (2), of this section.

**Section 662. Premium tax; surplus lines**

(a) On or before the first day of February, May, August, and November of each year, each surplus line broker shall remit to the Commissioner of Insurance, a tax of five percent (5%) on the quarterly premiums of surplus line Insurance transacted by him on risks located in the territory:

The Division of Banking and Insurance ("Division") has been observing a number of Surplus lines insurers and/or brokers are submitting their written report and/or premium taxes in contradiction with the requirements of Section 653 and 662 of Title 22, VI Code. Please note, the Division will not accept any filing that is not submitted consistent with the law. Further, only insurers meeting the requirements under this Section 653(a) may conduct surplus line business. Any Surplus line insurers or broker acting in a manner contrary to the law will be deemed in violation.

Dated this 1<sup>st</sup> day of April, 2011, at St. Thomas, U.S. Virgin Islands.

  
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John D. McDonald  
Director