



INDEPENDENT INSURANCE AGENTS & BROKERS OF
SOUTH CAROLINA

Surplus Lines (Broker) Licensing

H 4660 (R 141) became law in South Carolina on March 2, 2016. The S. C. code has been amended to change the requirements for who must have an insurance broker's license.

The change in the law now allows a licensed property/casualty producer to access surplus lines markets through another licensed broker – without the producer also having to have a surplus lines broker license. Before the change, any licensed producer that was accessing surplus lines insurance was required to also have a separate broker's license.

Example: If a licensed producer sells surplus lines insurance from a surplus lines broker or MGA (Johnson & Johnson, Preferred Specialty, Jackson Sumner, etc.), the producer no longer needs a broker's license.

However, you still need a S.C. insurance broker license if you:

1. Directly represent or contract with surplus lines or non-admitted insurance companies

If you work directly with a surplus lines company – to provide surplus lines insurance to consumers or other insurance producers, you will need an insurance broker's license.

2. Pay surplus lines taxes to the SC Department of Insurance

If you pay surplus lines taxes to the Department of Insurance, you will need an insurance broker's license.

3. Add a fee to a surplus lines policy in accordance with S.C. Code Ann. § 38-45-160.

If you are adding a fee to a surplus lines policy in accordance with S.C. Code Ann. § 38-45-160, you will need an insurance broker's license

4. Access a licensed (admitted) insurance company through another licensed producer of that company (and you do not have an appointment with that company)

If you access licensed (admitted) insurance companies through another licensed producer of that company (and you are not directly appointed with that company also), you will need an insurance broker's license.

For questions or more information, contact Becky McCormack (bmccormack@iabsc.com – 803-760-1238)

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