

Bulletin No. 2020-41

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RE: EXCESS LINE BROKER LICENSE BONDING NOT REQUIRED

It has come to ELANY's attention that some insurers are informing excess line brokers, either directly or via advertisements, that a broker cannot obtain or maintain a New York excess line license unless they procure a \$50,000 bond. [Insurance Law §2105](#) is sometimes cited as the source of the requirement.

To clarify any misunderstanding, §2105 contains no such mandate and excess line brokers are not required to hold any kind of bond to be licensed in New York with the exception of California resident licensed brokers. California requires nonresident brokers to be bonded in order to hold a California surplus lines nonresident license and as a retaliatory measure pursuant to [Insurance Law §1112](#), New York requires California resident brokers to be bonded in order to obtain and maintain a New York nonresident excess line license. The bond must be for the same value that California requires of New York resident excess line brokers seeking a California nonresident surplus lines broker license, which is currently \$50,000.

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