Elimination of the 60-day Transaction Reporting Time Frame

Brokers no longer have a 60-day window to file transactions with the Surplus Line Association of Arizona (SLA). House Bill 2112 (Laws 2011, Ch. 136) eliminated the 60-day transaction reporting time frame effective July 21, 2011. ARS §20-408(A) now requires all transactions to be reported to the SLA by the applicable tax report due date specified in ARS §20-415(B).

The SLA encourages all brokers to review the Surplus Lines Transaction Report and Payment Instructions (E-SL.Instruction), accessible on the SLA’s Forms and Instructions web page. The second page of this document provides details concerning due dates for reporting transactions, and for reporting and paying premium taxes. In particular, the document provides the standard that existed for transactions effective on or before July 20, 2011 (in paragraph 1), which included the 60-day transaction reporting time frame, and the standards that now exist for Arizona-only (paragraph 2) and multistate (paragraph 3) transactions effective on or after July 21, 2011, which no longer include the 60-day time frame.

Brokers may not place surplus line business with unauthorized insurers that have not been qualified with the Arizona Director of Insurance and been placed on the List unless the surplus line insurer is an Alien listed on the NAIC Quarterly Listing of Alien Insurers.