**Section 2701.30 Unauthorized Insurers**

a) Procurement of Insurance by a Surplus Line Producer

1) A surplus line producer may procure insurance from an unauthorized insurer domiciled in the United States:

A) that, *based upon information available to the surplus line producer, has a policyholders' surplus of not less than $15,000,000 determined in accordance with accounting rules set forth in the Illinois Insurance Code* that are applicable to authorized insurers; and

B) that *has standards of solvency and management that are adequate for the protection of policyholders*; and

C) that *is permitted in its domiciliary jurisdiction to write the type of insurance involved.* (Section 445(1.5)(b) of the Code)

2) A surplus line producer may procure insurance from an unauthorized insurer domiciled outside of the United States only if the insurer meets the standards for unauthorized insurers domiciled in the United States as set forth in subsection (a)(1), or if the insurer is listed on the Quarterly Listing of Alien Insurers maintained by the International Insurers Department of the National Association of Insurance Commissioners.

b) Information available to the surplus line producer at the time of procurement includes financial information published by the unauthorized insurer, the financial information and quarterly listing of alien insurers published by the International Insurers Department of the National Association of Insurance Commissioners and information published by Best's Insurance Reports or other independent market reporting agencies.

c) In determining whether the standards of solvency and management of an unauthorized insurer at the time of procurement meet requirements necessary for the protection of policyholders, the surplus line producer shall consider the financial condition of the insurer, the ready acceptance of the insurer in responsible commercial markets, the general reputation of the insurer, and the insurer's past and current performance of its obligations.

d) When an unauthorized insurer does not meet the standards set forth in subsection (a)(1) or a surplus line producer is unable to verify those facts, the surplus line producer may procure insurance from that insurer only if prior written warning of the fact or condition is given to the insured by the insurance producer or surplus line producer. Evidence of the warning and its delivery shall be maintained by the insurance producer and surplus line producer, together with the evidence of coverage. The written warning shall be in a form substantially similar to the sample warning set forth in Illustration A.

e) If the Director at any time determines that the further assumption of risks might be hazardous to the policyholders of an unauthorized insurer, the Director shall order the Surplus Line Association of Illinois not to countersign insurance contracts evidencing insurance in that insurer. The Director's determination will be made by examining the criteria contained in the Illinois Insurance Code for authorized insurers. The Director shall also direct all surplus line producers to cease procuring insurance from that insurer.

(Source: Amended at 40 Ill. Reg. 216, effective December 21, 2015)