
**NEW JERSEY DEPARTMENT OF BANKING AND INSURANCE
OFFICE OF SOLVENCY REGULATION
SURPLUS LINES UNIT**

To: All Surplus Lines Producers

From: Department of Banking & Insurance

Date: January 26, 2012

RE: **Limitation of Surplus Lines Fees**

On November 7, 2011 the Department adopted amendments to the regulation governing policy fees. The purpose of the notice is to highlight the fee limitations that effect surplus lines producers. N.J.A.C. 11:17B-3.2(b) states:

(b) For purposes of N.J.S.A. 17:22A-38b, a surplus lines producer may charge a fee to an originating broker in connection with the negotiation or procurement of any contract of surplus insurance in amounts as follows, plus the actual cost incurred for any services performed by a person that is not associated with the surplus lines producer, such as inspection services:

- 1. For personal lines, except as otherwise set forth in (a) above, a fee not to exceed \$50.00; and**
- 2. For commercial lines, a fee equal to the greater of two percent of the premium for the applicable policy period or \$100.00, but in no event in excess of \$250.00.**

If you have questions, please contact William Leach at (609) 292-5350 x50088.