

Surplus Lines Best Practices Compliance Checklist

Compliance is a process, not an event.
Use this handy checklist to keep your surplus lines compliance processes on-point.

Workflow Stage	Checklist Item	Frequency
Licensing & Appointment	Verify surplus lines broker license is active in all relevant states.	Annually / As Needed
Policy Placement	Confirm insurer is listed as eligible on state white lists.	Per Transaction
Diligent Search	Document declinations from at least 3 admitted carriers.	Per Transaction
Policy Filing	File policy with state DOI or stamping office within required timeframe.	Per Transaction
Tax Calculation	Calculate state-specific premium tax (2 - 6%) + any stamping fees.	Per Transaction
Premium Tax Remittance	Submit tax filings and payments according to each state's schedule.	Monthly / Quarterly
Documentation & Recordkeeping	Retain affidavits, declinations, policies, and tax records for 5 - 7 years.	Ongoing
Internal Audits	Conduct biannual compliance audits using standardized review checklists.	Semi-Annually
Technology Integration	Ensure compliance platform tracks license, filing, and tax deadlines.	Ongoing
Training & Education	Train staff on current surplus lines rules, procedures, and state changes.	Quarterly / As Needed
External Counsel Engagement	Consult counsel for multistate risks, audits, or market expansion reviews.	As Needed