AN ACT concerning surplus lines insurance; relating to the surplus lines insurance multi-state compliance compact.

Be it enacted by the Legislature of the State of Kansas:

Section 1. This act may be cited as the Surplus Lines Insurance Multi-State Compliance Compact.

PREAMBLE

WHEREAS, with regard to Non-Admitted Insurance policies with risk exposures located in multiple states, the 111th United States Congress, has stipulated in Title V, Subtitle B the Non-Admitted and Reinsurance Reform Act of 2010, of the Dodd-Frank Wall Street Reform and Consumer Protection Act, hereafter, the NRRA, that:

(A) The placement of Non-Admitted Insurance shall be subject to the statutory and regulatory requirements solely of the insured’s Home State, and

(B) Any law, regulation, provision, or action of any State that applies or purports to apply to Non-Admitted Insurance sold to, solicited by, or negotiated with an insured whose Home State is another State shall be preempted with respect to such application; except that any State law, rule, or regulation that restricts the placement of workers’ compensation insurance or excess insurance for self-funded workers’ compensation plans with a Non-Admitted Insurer shall not be preempted.

WHEREAS, in compliance with NRRA, no State other than the Home State of an insured may require any Premium Tax payment for Non-Admitted Insurance; and no State other than an insured’s Home State may require a Surplus Lines Broker to be licensed in order to sell, solicit, or negotiate Non-Admitted Insurance with respect to such insured;

WHEREAS, the NRRA intends that the States may enter into a compact or otherwise establish procedures to allocate among the States the premium taxes paid to an insured’s Home State; and that each State adopt nationwide uniform requirements, forms, and procedures, such as an interstate compact, that provide for the reporting, payment, collection, and allocation of premium taxes for Non-Admitted Insurance;

WHEREAS, after the expiration of the two-year period beginning on the date of the enactment of the NRRA, a State may not collect any fees relating to licensing of an individual or entity as a
Surplus Lines Licensee in the State unless the State has in effect at such
time laws or regulations that provide for participation by the State in the
national insurance producer database of the NAIC, or any other
equivalent uniform national database, for the licensure of Surplus Lines
Licensees and the renewal of such licenses;

WHEREAS, a need exists for a system of regulation that will
provide for Surplus Lines Insurance to be placed with reputable and
financially sound Non-Admitted Insurers, and that will permit orderly
access to Surplus Lines Insurance in this state and encourage insurers to
make new and innovative types of insurance available to consumers in
this state;

WHEREAS, protecting the revenue of this state and other
Compacting States may be accomplished by facilitating the payment and
collection of Premium Tax on Non-Admitted Insurance and providing for
allocation of Premium Tax for Non-Admitted Insurance of Multi-State
Risks among the States in accordance with Uniform Allocation Formulas;

WHEREAS, the efficiency of the surplus lines market may be
improved by eliminating duplicative and inconsistent tax and regulatory
requirements among the States, and by promoting and protecting the
interests of Surplus Lines Licensees who assist such insureds and Non-
Admitted Insurers, thereby ensuring the continued availability of Non-
Admitted Insurance to consumers;

WHEREAS, regulatory compliance with respect to Non-
Admitted Insurance placements may be streamlined by providing for
exclusive single-state regulatory compliance for Non-Admitted Insurance
of Multi-State Risks, thereby providing certainty regarding such
compliance to all persons who have an interest in such transactions,
including but not limited to insureds, regulators, Surplus Lines Licensees,
other insurance producers, and Surplus Lines Insurers;

WHEREAS, coordination of regulatory resources and expertise
between State insurance departments and other State agencies, as well as
State surplus lines stamping offices, with respect to Non-Admitted
Insurance will be improved;

NOW, THEREFORE, in consideration of the foregoing, the
State of Kansas and the various other States do hereby solemnly covenant
and agree, each with the other as follows:

ARTICLE I

Purpose

The purposes of this Compact are:

1. To implement the express provisions of the NRRA.
2. To protect the Premium Tax revenues of the Compacting
States through facilitating the payment and collection of Premium Tax on
Non-Admitted Insurance; and to protect the interests of the Compacting
States by supporting the continued availability of such insurance to consumers; and to provide for allocation of Premium Tax for Non-Admitted Insurance of Multi-State Risks among the States in accordance with uniform Allocation Formulas to be developed, adopted, and implemented by the Commission.

3. To streamline and improve the efficiency of the surplus lines market by eliminating duplicative and inconsistent tax and regulatory requirements among the States; and promote and protect the interest of Surplus Lines Licensees who assist such insureds and Surplus Lines Insurers, thereby ensuring the continued availability of Surplus Lines Insurance to consumers.

4. To streamline regulatory compliance with respect to Non-Admitted Insurance placements by providing for exclusive single-state regulatory compliance for Non-Admitted Insurance of Multi-State Risks, in accordance with Rules to be adopted by the Commission, thereby providing certainty regarding such compliance to all persons who have an interest in such transactions, including but not limited to insureds, regulators, Surplus Lines Licensees, other insurance producers, and Surplus Lines Insurers.

5. To establish a Clearinghouse for receipt and dissemination of Premium Tax and Clearinghouse Transaction Data related to Non-Admitted Insurance of Multi-State Risks, in accordance with Rules to be adopted by the Commission.

6. To improve coordination of regulatory resources and expertise between State insurance departments and other State agencies, as well as State surplus lines stamping offices, with respect to Non-Admitted Insurance.

7. To adopt uniform Rules to provide for Premium Tax payment, reporting, allocation, data collection and dissemination for Non-Admitted Insurance of Multi-State Risks and Single-State Risks, in accordance with Rules to be adopted by the Commission, thereby promoting the overall efficiency of the Non-Admitted Insurance market.

8. To adopt uniform mandatory Rules with respect to regulatory compliance requirements for:

(i) foreign Insurer Eligibility Requirements;
(ii) surplus lines Policyholder Notices;


10. To coordinate reporting of Clearinghouse Transaction Data on Non-Admitted Insurance of Multi-State Risks among Compacting States and Contracting States.

11. To perform these and such other related functions as may be consistent with the purposes of the Surplus Lines Insurance Multi-State
Compliance Compact.

**ARTICLE II**

**Definitions**

For purposes of this Compact the following definitions shall apply:

1. "Admitted Insurer" means an insurer that is licensed, or authorized, to transact the business of insurance under the law of the Home State; for purposes of this Compact “Admitted Insurer” shall not include a domestic surplus lines insurer as may be defined by applicable State law.

2. “Affiliate” means with respect to an insured, any entity that controls, is controlled by, or is under common control with the insured.

3. “Allocation Formula” means the uniform methods promulgated by the Commission by which insured risk exposures will be apportioned to each State for the purpose of calculating Premium Taxes due.

4. “Bylaws” means those bylaws established by the Commission for its governance, or for directing or controlling the Commission’s actions or conduct.

5. “Clearinghouse” means the Commission’s operations involving the acceptance, processing, and dissemination, among the Compacting States, Contracting States, Surplus Lines Licensees, insureds and other persons, of Premium Tax and Clearinghouse Transaction Data for Non-Admitted Insurance of Multi-State Risks, in accordance with this Compact and Rules to be adopted by the Commission.

6. “Clearinghouse Transaction Data” means the information regarding Non-Admitted Insurance of Multi-State Risks required to be reported, accepted, collected, processed, and disseminated by Surplus Lines Licensees for Surplus Lines Insurance and insureds for Independently Procured Insurance under this Compact and Rules to be adopted by the Commission. Clearinghouse Transaction Data includes information related to Single-State Risks if a state elects to have the Clearinghouse collect taxes on Single-State Risks for such state.

7. “Compacting State” means any State which has enacted this Compact legislation and which has not withdrawn pursuant to Article XIV, Section 1, or been terminated pursuant to Article XIV, Section 2.

8. “Commission” means the “Surplus Lines Insurance Multi-State Compliance Compact Commission” established by this Compact.

9. “Commissioner” means the chief insurance regulatory official of a State including, but not limited to commissioner, superintendent, director or administrator or their designees.

10. “Contracting State” means any State which has not enacted this Compact legislation but has entered into a written contract with the
Commission to utilize the services of and fully participate in the
Clearinghouse.

11. “Control” An entity has “control” over another entity if:
(A) The entity directly or indirectly or acting through one or
more other persons own, controls, or has the power to vote 25% or more
of any class of voting securities of the other entity; or
(B) the entity controls in any manner the election of a majority
of the directors or trustees of the other entity.

12. "Home State"
(A) IN GENERAL. Except as provided in subparagraph (B), the
term “Home State” means, with respect to an insured:
(i) the State in which an insured maintains its principal place of
business or, in the case of an individual, the individual’s principal
residence; or
(ii) if 100% of the insured risk is located out of the State referred
to in subparagraph (A)(i), the State to which the greatest percentage of
the insured’s taxable premium for that insurance contract is allocated.

(B) AFFILIATED GROUPS. If more than one insured from an
affiliated group are named insureds on a single Non-Admitted Insurance
contract, the term “Home State” means the Home State, as determined
pursuant to subparagraph (A), of the member of the affiliated group that
has the largest percentage of premium attributed to it under such
insurance contract.

13. “Independently Procured Insurance” means insurance
procured by an insured directly from a Surplus Lines Insurer or other
Non-Admitted Insurer as permitted by the laws of the Home State.

14. “Insurer Eligibility Requirements” means the criteria, forms
and procedures established to qualify as a Surplus Lines Insurer under the
law of the Home State provided that such criteria, forms and procedures
are consistent with the express provisions of the NRRA on and after July
21, 2011.

15. Member” means the person or persons chosen by a
Compacting State as its representative or representatives to the
Commission provided that each Compacting State shall be limited to one
vote.

16. “Multi-State Risk” means a risk with insured exposures in
more than one State.

17. “Non-Compacting State” means any State which has not
adopted this Compact.

18. “Non-Admitted Insurance” means Surplus Lines Insurance
and Independently Procured Insurance.

19. "Non-Admitted Insurer" means an insurer that is not
authorized or admitted to transact the business of insurance under the law
of the Home State.

20. “NRRA” means the Non-Admitted and Reinsurance Reform Act which is Title V, Subtitle B of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

21. “Policyholder Notice” means the disclosure notice or stamp that is required to be furnished to the applicant or policyholder in connection with a Surplus Lines Insurance placement.

22. “Premium Tax” means with respect to Non-Admitted Insurance, any tax, fee, assessment, or other charge imposed by a government entity directly or indirectly based on any payment made as consideration for such insurance, including premium deposits, assessments, registration fees, and any other compensation given in consideration for a contract of insurance.

23. “Principal Place of Business” means with respect to determining the Home State of the insured, the state where the insured maintains its headquarters and where the insured’s high-level officers direct, control and coordinate the business activities of the insured.

24. “Purchasing Group” means any group formed pursuant to the Liability Risk Retention Act which has as one of its purposes the purchase of liability insurance on a group basis, purchases such insurance only for its group members and only to cover their similar or related liability exposure and is composed of members whose businesses or activities are similar or related with respect to the liability to which members are exposed by virtue of any related, similar or common business, trade, product, services, premises or operations and is domiciled in any State.

25. “Rule” means a statement of general or particular applicability and future effect promulgated by the Commission designed to implement, interpret, or prescribe law or policy or describing the organization, procedure or practice requirements of the Commission which shall have the force and effect of law in the Compacting States.


27. “State” means any state, district or territory of the United States of America.

28. “State Transaction Documentation” means the information required under the laws of the Home State to be filed by Surplus Lines Licensees in order to report Surplus Lines Insurance and verify compliance with surplus lines laws, and by insureds in order to report Independently Procured Insurance.

29. “Surplus Lines Insurance” means insurance procured by a Surplus Lines Licensee from a Surplus Lines Insurer or other Non-Admitted Insurer as permitted under the law of the Home State; for
purposes of this Compact “Surplus Lines Insurance” shall also mean
excess lines insurance as may be defined by applicable State law.

30. "Surplus Lines Insurer" means a Non-Admitted Insurer
eligible under the law of the Home State to accept business from a
Surplus Lines Licensee; for purposes of this Compact “Surplus Lines
Insurer” shall also mean an insurer which is permitted to write Surplus
Lines Insurance under the laws of the state where such insurer is
domiciled.

31. “Surplus Lines Licensee” means an individual, firm or
corporation licensed under the law of the Home State to place Surplus
Lines Insurance.

ARTICLE III
Establishment of the Commission and Venue

1. The Compacting States hereby create and establish a joint
public agency known as the Surplus Lines Insurance Multi-State
Compliance Compact Commission.”

2. Pursuant to Article IV, the Commission will have the power to
adopt mandatory Rules which establish exclusive Home State authority
regarding Non-Admitted Insurance of Multi State Risks, Allocation
Formulas, Clearinghouse Transaction Data, a Clearinghouse for receipt
and distribution of allocated Premium Tax and Clearinghouse Transaction
Data, and uniform rulemaking procedures and Rules for the purpose of
financing, administering, operating and enforcing compliance with the
provisions of this Compact, its Bylaws and Rules.

3. Pursuant to Article IV, the Commission will have the power to
adopt mandatory Rules establishing foreign Insurer Eligibility
Requirements and a concise and objective Policyholder Notice regarding
the nature of a surplus lines placement.

4. The Commission is a body corporate and politic, and an
instrumentality of the Compacting States.

5. The Commission is solely responsible for its liabilities except
as otherwise specifically provided in this Compact.

6. Venue is proper and judicial proceedings by or against the
Commission shall be brought solely and exclusively in a court of
competent jurisdiction where the principal office of the Commission is
located. The Commission may waive venue and jurisdictional defenses to
the extent it adopts or consents to participate in alternative dispute
resolution proceedings.

ARTICLE IV
Authority to Establish Mandatory Rules
The Commission shall adopt mandatory Rules which establish:

1. Allocation Formulas for each type of Non-Admitted Insurance
coverage, which Allocation Formulas must be used by each Compacting
State and Contracting State in acquiring Premium Tax and Clearinghouse Transaction Data from Surplus Lines Licensees and insureds for reporting to the Clearinghouse created by the Compact Commission. Such Allocation Formulas will be established with input from Surplus lines Licensees and be based upon readily available data with simplicity and uniformity for the Surplus Line Licensee as a material consideration.

2. Uniform Clearinghouse Transaction Data reporting requirements for all information reported to the Clearinghouse.

3. Methods by which Compacting States and Contracting States require Surplus Lines Licensees and insureds to pay Premium Tax and to report Clearinghouse Transaction Data to the Clearinghouse, including but not limited to processing Clearinghouse Transaction Data through State stamping and service offices, State insurance departments, or other State designated agencies or entities.

4. That Non-Admitted Insurance of Multi-State Risks shall be subject to all of the regulatory compliance requirements of the Home State exclusively. Home State regulatory compliance requirements applicable to Surplus Lines Insurance shall include but not be limited to, (i) person(s) required to be licensed to sell, solicit, or negotiate Surplus Lines Insurance; (ii) Insurer Eligibility Requirements or other approved Non-Admitted Insurer requirements; (iii) Diligent Search; (iv) State Transaction Documentation and Clearinghouse Transaction Data regarding the payment of Premium Tax as set forth in this Compact and Rules to be adopted by the Commission. Home State regulatory compliance requirements applicable to Independently Procured Insurance placements shall include but not be limited to providing State Transaction Documentation and Clearinghouse Transaction Data regarding the payment of Premium Tax as set forth in this Compact and Rules to be adopted by the Commission.

5. That each Compacting State and Contracting State may charge its own rate of taxation on the premium allocated to such State based on the applicable Allocation Formula provided that the state establishes one single rate of taxation applicable to all Non-Admitted Insurance transactions and no other tax, fee assessment or other charge by any governmental or quasi governmental agency be permitted. Notwithstanding the foregoing, stamping office fees may be charged as a separate, additional cost unless such fees are incorporated into a state’s single rate of taxation.

6. That any change in the rate of taxation by any Compacting State or Contracting State be restricted to changes made prospectively on not less than 90 days advance notice to the Compact Commission.

7. That each Compacting State and Contracting State shall require Premium Tax payments either annually, semi-annually, or
quarterly utilizing one or more of the following dates only: March 1, June
1, September 1, and December 1.

8. That each Compacting State and Contracting State prohibit
any other State agency or political subdivision from requiring Surplus
Lines Licensees to provide Clearinghouse Transaction Data and State
Transaction Documentation other than to the insurance department or tax
officials of the Home State or one single designated agent thereof.

9. The obligation of the Home State by itself, through a
designated agent, surplus lines stamping or service office, to collect
Clearinghouse Transaction Data from Surplus Line Licensees and from
insureds for Independently Procured Insurance, where applicable, for
reporting to the Clearinghouse.

10. A method for the Clearinghouse to periodically report to
Compacting States, Contracting States, Surplus Lines Licensees and
insureds who independently procure insurance, all Premium Taxes owed
to each of the Compacting States and Contracting States, the dates upon
which payment of such Premium Taxes are due and a method to pay them
through the Clearinghouse.

11. That each Surplus Line Licensee is required to be licensed
only in the Home State of each insured for whom Surplus Lines
Insurance has been procured.

12. That a policy considered to be Surplus Lines Insurance in the
insured’s Home State shall be considered Surplus Lines Insurance in all
Compacting States and Contracting States, and taxed as a Surplus Lines
transaction in all states to which a portion of the risk is allocated. Each
Compacting State and Contracting State shall require each Surplus Lines
Licensee to pay to every other Compacting State and Contracting State
Premium Taxes on each Multi-State Risk through the Clearinghouse at
such tax rate charged on surplus lines transactions in such other
Compacting States and Contracting States on the portion of the risk in
each such Compacting State and Contracting State as determined by the
applicable uniform Allocation Formula adopted by the Commission. A
policy considered to be Independently Procured Insurance in the insured’s
Home State shall be considered Independently Procured Insurance in all
Compacting States and Contracting States. Each Compacting State and
Contracting State shall require the insured to pay every other Compacting
State and Contracting State the Independently Procured Insurance
Premium Tax on each Multi-State Risk through the Clearinghouse
pursuant to the uniform Allocation Formula adopted by the Commission.

13. Uniform foreign Insurer Eligibility Requirements as
authorized by the NRRA.


15. Uniform treatment of Purchasing Group Surplus Lines
ARTICLE V

Powers of the Commission

The Commission shall have the following powers:

1. To promulgate Rules and operating procedures, pursuant to Article VIII of this Compact, which shall have the force and effect of law and shall be binding in the Compacting States to the extent and in the manner provided in this Compact;

2. To bring and prosecute legal proceedings or actions in the name of the Commission, provided that the standing of any State insurance department to sue or be sued under applicable law shall not be affected;

3. To issue subpoenas requiring the attendance and testimony of witnesses and the production of evidence, provided however, the Commission is not empowered to demand or subpoena records or data from Non-Admitted Insurers;

4. To establish and maintain offices including the creation of a Clearinghouse for the receipt of Premium Tax and Clearinghouse Transaction Data regarding Non-Admitted Insurance of Multi-State Risks, Single-State Risks for states which elect to require Surplus Lines Licensees to pay Premium Tax on Single State Risks through the Clearinghouse and tax reporting forms;

5. To purchase and maintain insurance and bonds;

6. To borrow, accept or contract for services of personnel, including, but not limited to, employees of a Compacting State or stamping office, pursuant to an open, transparent, objective competitive process and procedure adopted by the Commission;

7. To hire employees, professionals or specialists, and elect or appoint officers, and to fix their compensation, define their duties and give them appropriate authority to carry out the purposes of the Compact, and determine their qualifications, pursuant to an open, transparent, objective competitive process and procedure adopted by the Commission; and to establish the Commission’s personnel policies and programs relating to conflicts of interest, rates of compensation and qualifications of personnel, and other related personnel matters;

8. To accept any and all appropriate donations and grants of money, equipment, supplies, materials and services, and to receive, utilize and dispose of the same; provided that at all times the Commission shall avoid any appearance of impropriety and/or conflict of interest;

9. To lease, purchase, accept appropriate gifts or donations of, or otherwise to own, hold, improve or use, any property, real, personal or mixed; provided that at all times the Commission shall avoid any appearance of impropriety and/or conflict of interest;
10. To sell convey, mortgage, pledge, lease, exchange, abandon or otherwise dispose of any property real, personal or mixed;
11. To provide for tax audit Rules and procedures for the Compacting States with respect to the allocation of Premium Taxes including:
   a. Minimum audit standards, including sampling methods,
   b. Review of internal controls,
   c. Cooperation and sharing of audit responsibilities between Compacting States,
   d. Handling of refunds or credits due to overpayments or improper allocation of Premium Taxes,
   e. Taxpayer records to be reviewed including a minimum retention period,
   f. Authority of Compacting States to review, challenge, or re-audit taxpayer records.
12. To enforce compliance by Compacting States and Contracting States with Rules, and Bylaws pursuant to the authority set forth in Article XIV;
13. To provide for dispute resolution among Compacting States and Contracting States;
14. To advise Compacting States and Contracting States on tax-related issues relating to insurers, insureds, Surplus Lines Licensees, agents or brokers domiciled or doing business in Non-Compacting States, consistent with the purposes of this Compact;
15. To make available advice and training to those personnel in State stamping offices, State insurance departments or other State departments for record keeping, tax compliance, and tax allocations; and to be a resource for State insurance departments and other State departments;
16. To establish a budget and make expenditures;
17. To borrow money;
18. To appoint and oversee committees, including advisory committees comprised of Members, State insurance regulators, State legislators or their representatives, insurance industry and consumer representatives, and such other interested persons as may be designated in this Compact and the Bylaws;
19. To establish an Executive Committee of not less than seven (7) nor more than fifteen (15) representatives, which shall include officers elected by the Commission and such other representatives as provided for herein and determined by the Bylaws. Representatives of the Executive Committee shall serve a one year term. Representatives of the Executive Committee shall be entitled to one vote each. The Executive Committee shall have the power to act on behalf of the Commission, with the
exception of rulemaking, during periods when the Commission is not in
session. The Executive Committee shall oversee the day to day activities
of the administration of the Compact, including the activities of the
Operations Committee created under this Article and compliance and
enforcement of the provisions of the Compact, its Bylaws, and Rules, and
such other duties as provided herein and as deemed necessary.

20. To establish an Operations Committee of not less than seven
(7) and not more than fifteen (15) representatives to provide analysis,
advice, determinations and recommendations regarding technology,
software, and systems integration to be acquired by the Commission and
to provide analysis, advice, determinations and recommendations
regarding the establishment of mandatory Rules to be adopted to be by
the Commission.

21. To enter into contracts with Contracting States so that
Contracting States can utilize the services of and fully participate in the
Clearinghouse subject to the terms and conditions set forth in such
contracts;

22. To adopt and use a corporate seal; and

23. To perform such other functions as may be necessary or
appropriate to achieve the purposes of this Compact consistent with the
State regulation of the business of insurance.

ARTICLE VI
Organization of the Commission

1. Membership, Voting and Bylaws

a. Each Compacting State shall have and be limited to one
Member. Each State shall determine the qualifications and the method by
which it selects a Member and set forth the selection process in the
enabling provision of the legislation which enacts this Compact. In the
absence of such a provision the Member shall be appointed by the
governor of such Compacting State. Any Member may be removed or
suspended from office as provided by the law of the State from which he
or she shall be appointed. Any vacancy occurring in the Commission
shall be filled in accordance with the laws of the Compacting State
wherein the vacancy exists.

b. Each Member shall be entitled to one (1) vote and shall
otherwise have an opportunity to participate in the governance of the
Commission in accordance with the Bylaws.

c. The Commission shall, by a majority vote of the Members,
prescribe Bylaws to govern its conduct as may be necessary or
appropriate to carry out the purposes and exercise the powers of the
Compact including, but not limited to:

i. Establishing the fiscal year of the Commission;

ii. Providing reasonable procedures for holding meetings of the
Commission the Executive Committee and the Operations Committee;

   iii. Providing reasonable standards and procedures: (i) for the
   establishment and meetings of other committees, and (ii) governing any
   general or specific delegation of any authority or function of the
   Commission;

   iv. Providing reasonable procedures for calling and conducting
   meetings of the Commission that consist of a majority of Commission
   Members, ensuring reasonable advance notice of each such meeting and
   providing for the right of citizens to attend each such meeting with
   enumerated exceptions designed to protect the public’s interest, the
   privacy of individuals, and insurers’ and Surplus Lines Licensees’
   proprietary information, including trade secrets. The Commission may
   meet in camera only after a majority of the entire membership votes to
   close a meeting in toto or in part. As soon as practicable, the Commission
   must make public: (i) a copy of the vote to close the meeting revealing
   the vote of each Member with no proxy votes allowed, and (ii) votes
   taken during such meeting;

   v. Establishing the titles, duties and authority and reasonable
   procedures for the election of the officers of the Commission;

   vi. Providing reasonable standards and procedures for the
   establishment of the personnel policies and programs of the Commission.
   Notwithstanding any civil service or other similar laws of any
   Compacting State, the Bylaws shall exclusively govern the personnel
   policies and programs of the Commission;

   vii. Promulgating a code of ethics to address permissible and
   prohibited activities of Commission Members and employees;

   viii. Providing a mechanism for winding up the operations of the
   Commission and the equitable disposition of any surplus funds that may
   exist after the termination of the Compact after the payment and/or
   reserving of all of its debts and obligations;

   ix. The Commission shall publish its Bylaws in a convenient
   form and file a copy thereof and a copy of any amendment thereto, with
   the appropriate agency or officer in each of the Compacting States.

2. Executive Committee, Personnel and Chairperson

   a. An Executive Committee of the Commission (“Executive
   Committee”) shall be established. All actions, of the Executive
   Committee, including compliance and enforcement are subject to the
   review and ratification of the Commission as provided in the Bylaws. The
   Executive Committee shall have no more than fifteen (15)
   representatives, or one for each State if there are less than fifteen (15)
   Compacting States, who shall serve for a term and be established in
   accordance with the Bylaws.

   b. The Executive Committee shall have such authority and duties
as may be set forth in the Bylaws, including but not limited to:

   i. Managing the affairs of the Commission in a manner
      consistent with the Bylaws and purposes of the Commission;

   ii. Establishing and overseeing an organizational structure
      within, and appropriate procedures for the Commission to provide for the
      creation of Rules and operating procedures.

   iii. Overseeing the offices of the Commission; and

   iv. Planning, implementing, and coordinating communications
      and activities with other State, federal and local government
      organizations in order to advance the goals of the Commission.

   c. The Executive Committee shall annually elect a Chairperson
      from the Executive Committee, having such authority and duties, as may
      be specified in the Bylaws.

   d. The Executive Committee may, subject to the approval of the
      Commission, appoint or retain an executive director for such period, upon
      such terms and conditions and for such compensation as the Commission
      may deem appropriate. The executive director shall serve as secretary to
      the Commission, but shall not be a Member of the Commission. The
      executive director shall hire and supervise such other persons as may be
      authorized by the Commission.

   e. All representatives of the Executive Committee shall be
      individuals who have extensive experience and or employment in the
      Surplus Lines Insurance business including but not limited to executives
      and attorneys employed by Surplus Line Insurers, Surplus Lines
      Licensees, Law Firms, state Insurance Departments and or State
      Stamping Offices.

3. Operations Committee

   a. An Operations Committee shall be established. All actions of
      the Operations Committee are subject to the review and oversight of the
      Commission and the Executive Committee and must be approved by the
      Commission. The Executive Committee will accept the determinations
      and recommendations of the Operations Committee unless good cause is
      shown why such determinations and recommendations should not be
      approved. Any disputes as to whether good cause exists to reject any
      determination or recommendation of the Operations Committee shall be
      resolved by the majority vote of the Commission.

      The Operations Committee shall have no more than fifteen (15)
      representatives or one for each State if there are less than fifteen (15)
      Compacting States, who shall serve for a term and shall be established as
      set forth in the Bylaws.

   The Operations Committee shall have responsibility for:

   i. Evaluating technology requirements for the Clearinghouse,
      assessing existing systems used by state regulatory agencies and state
stamp offices to maximize the efficiency and successful integration of
the Clearinghouse technology systems with state and state stamping
office technology platforms and to minimize costs to the states, state
stamp offices and the Clearinghouse.

ii. Making recommendations to the Executive Committee based
on its analysis and determination of the Clearinghouse technology
requirements and compatibility with existing state and state stamping
office systems.

iii. Evaluating the most suitable proposals for adoption as
mandatory Rules, assessing such proposals for ease of integration by
states, and likelihood of successful implementation and to report to the
Executive Committee its determinations and recommendations.

iv. Such other duties and responsibilities as are delegated to it by
the Bylaws, the Executive Committee or the Commission.

b. All representatives of the Operations Committee shall be
individuals who have extensive experience and/or employment in the
Surplus Lines Insurance business including but not limited to executives
and attorneys employed by Surplus Line Insurers, Surplus Line
Licensees, Law Firms, State Insurance Departments and or State
stamping offices. Operations Committee representatives from
Compacting States which utilize the services of a state stamping office
must appoint the Chief Operating Officer or a senior manager of the state
stamping office to the Operations Committee.

4. Legislative and Advisory Committees

a. A legislative committee comprised of State legislators or their
designees shall be established to monitor the operations of and make
recommendations to, the Commission, including the Executive
Committee; provided that the manner of selection and term of any
legislative committee member shall be as set forth in the Bylaws. Prior to
the adoption by the Commission of any Uniform Standard, revision to the
Bylaws, annual budget or other significant matter as may be provided in
the Bylaws, the Executive Committee shall consult with and report to the
legislative committee.

b. The Commission may establish additional advisory
committees as its Bylaws may provide for the carrying out of its
functions.

5. Corporate Records of the Commission

The Commission shall maintain its corporate books and records
in accordance with the Bylaws.

6. Qualified Immunity, Defense and Indemnification

a. The Members, officers, executive director, employees and
representatives of the Commission, the Executive Committee and any
other Committee of the Commission shall be immune from suit and
liability, either personally or in their official capacity, for any claim for damage to or loss of property or personal injury or other civil liability caused by or arising out of any actual or alleged act, error or omission that occurred, or that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of Commission employment, duties or responsibilities; provided that nothing in this paragraph shall be construed to protect any such person from suit and/or liability for any damage, loss, injury or liability caused by the intentional or willful or wanton misconduct of that person.

b. The Commission shall defend any Member, officer, executive director, employee or representative of the Commission, the Executive Committee or any other Committee of the Commission in any civil action seeking to impose liability arising out of any actual or alleged act, error or omission that occurred within the scope of Commission employment, duties or responsibilities, or that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of Commission employment, duties or responsibilities; provided that nothing herein shall be construed to prohibit that person from retaining his or her own counsel; and provided further, that the actual or alleged act error or omission did not result from that person’s intentional or willful or wanton misconduct.

c. The Commission shall indemnify and hold harmless any Member, officer, executive director, employee or representative of the Commission, Executive Committee or any other Committee of the Commission for the amount of any settlement or judgment obtained against that person arising out of any actual or alleged act, error or omission that occurred within the scope of Commission employment, duties or responsibilities, or that such person had a reasonable basis for believing occurred within the scope of Commission employment, duties or responsibilities, provided that the actual or alleged act, error or omission did not result from the intentional or willful or wanton misconduct of that person.

ARTICLE VII
Meetings and Acts of the Commission

1. The Commission shall meet and take such actions as are consistent with the provisions of this Compact and the Bylaws.

2. Each Member of the Commission shall have the right and power to cast a vote to which that Compacting State is entitled and to participate in the business and affairs of the Commission. A Member shall vote in person or by such other means as provided in the Bylaws. The Bylaws may provide for Members’ participation in meetings by telephone or other means of communication.

3. The Commission shall meet at least once during each calendar...
year. Additional meetings shall be held as set forth in the Bylaws.

4. Public notice shall be given of all meetings and all meetings shall be open to the public, except as set forth in the Rules or otherwise provided in the Compact.

5. The Commission shall promulgate Rules concerning its meetings consistent with the principles contained in the “Government in the Sunshine Act,” 5 U.S.C., § 552(b), as may be amended.

6. The Commission and its committees may close a meeting, or portion thereof, where it determines by majority vote that an open meeting would be likely to:
   a. Relate solely to the Commission’s internal personnel practices and procedures;
   b. Disclose matters specifically exempted from disclosure by federal and State statute;
   c. Disclose trade secrets or commercial or financial information which is privileged or confidential;
   d. Involve accusing a person of a crime, or formally censuring a person;
   e. Disclose information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy;
   f. Disclose investigative records compiled for law enforcement purposes;
   g. Specifically relate to the Commission’s issuance of a subpoena, or its participation in a civil action or other legal proceeding.

7. For a meeting, or portion of a meeting, closed pursuant to this provision, the Commission’s legal counsel or designee shall certify that the meeting may be closed and shall reference each relevant exemptive provision. The Commission shall keep minutes which shall fully and clearly describe all matters discussed in a meeting and shall provide a full and accurate summary of actions taken, and the reasons therefore, including a description of the views expressed and the record of a roll call vote. All documents considered in connection with an action shall be identified in such minutes. All minutes and documents of a closed meeting shall remain under seal, subject to release by a majority vote of the Commission.

ARTICLE VIII

Rules and Operating Procedures: Rulemaking

Functions of the Commission

Rulemaking functions of the Commission:

1. Rulemaking Authority.—The Commission shall promulgate reasonable Rules in order to effectively and efficiently achieve the purposes of this Compact. Notwithstanding the foregoing, in the event the Commission exercises its rulemaking authority in a manner that is
beyond the scope of the purposes of this Act, or the powers granted
hereunder, then such an action by the Commission shall be invalid and
have no force or effect.

2. Rulemaking Procedure.—Rules shall be made pursuant to a
rulemaking process that substantially conforms to the “Model State
Administrative Procedure Act,” of 1981 Act, Uniform Laws Annotated,
Vol. 15, p.1 (2000) as amended, as may be appropriate to the operations
of the Commission.

3. Effective Date - All Rules and amendments, thereto, shall
become effective as of the date specified in each Rule, operating
procedure or amendment.

4. Not later than thirty (30) days after a Rule is promulgated, any
person may file a petition for judicial review of the Rule; provided that
the filing of such a petition shall not stay or otherwise prevent the Rule
from becoming effective unless the court finds that the Petitioner has a
substantial likelihood of success. The court shall give deference to the
actions of the Commission consistent with applicable law and shall not
find the Rule to be unlawful if the Rule represents a reasonable exercise
of the Commission’s authority.

ARTICLE IX
Commission Records and Enforcement

1. The Commission shall promulgate Rules establishing
conditions and procedures for public inspection and copying of its
information and official records, except such information and records
involving the privacy of individuals, insurers, insureds or Surplus Lines
Licensee trade secrets. State Transaction Documentation and
Clearinghouse Transaction Data collected by the Clearinghouse shall be
used for only those purposes expressed in or reasonably implied under
the provisions of this Compact and the Commission shall afford this data
the broadest protections as permitted by any applicable law for
proprietary information, trade secrets or personal data. The Commission
may promulgate additional Rules under which it may make available to
federal and State agencies, including law enforcement agencies, records
and information otherwise exempt from disclosure, and may enter into
agreements with such agencies to receive or exchange information or
records subject to nondisclosure and confidentiality provisions.

2. Except as to privileged records, data and information, the laws
of any Compacting State pertaining to confidentiality or nondisclosure
shall not relieve any Compacting State Member of the duty to disclose
any relevant records, data or information to the Commission; provided
that disclosure to the Commission shall not be deemed to waive or
otherwise affect any confidentiality requirement, and further provided
that, except as otherwise expressly provided in this Act, the Commission
shall not be subject to the Compacting State’s laws pertaining to
confidentiality and nondisclosure with respect to records, data and
information in its possession. Confidential information of the
Commission shall remain confidential after such information is provided
to any Member, and the Commission shall maintain the confidentiality of
any information provided by a member that is confidential under that
Member’s State Law.

3. The Commission shall monitor Compacting States for
compliance with duly adopted Bylaws and Rules. The Commission shall
notify any non-complying Compacting State in writing of its
noncompliance with Commission Bylaws or Rules. If a non-complying
Compacting State fails to remedy its noncompliance within the time
specified in the notice of noncompliance, the Compacting State shall be
deemed to be in default as set forth in Article XIV.

ARTICLE X
Dispute Resolution

1. Before a Member may bring an action in a court of competent
jurisdiction for violation of any provision, standard or requirement of the
Compact, the Commission shall attempt, upon the request of a Member,
to resolve any disputes or other issues that are subject to this Compact
and which may arise between two or more Compacting States,
Contracting States or Non-Compacting States, and the Commission shall
promulgate a Rule providing alternative dispute resolution procedures for
such disputes.

2. The Commission shall also provide alternative dispute
resolution procedures to resolve any disputes between insureds or Surplus
Lines Licensees concerning a tax calculation or allocation or related
issues which are the subject of this Compact.

3. Any alternative dispute resolution procedures shall be utilized
in circumstances where a dispute arises as to which State constitutes the
Home State.

ARTICLE XI
Review of Commission Decisions

Regarding Commission decisions:

1. Except as necessary for promulgating Rules to fulfill the
purposes of this Compact, the Commission shall not have authority to
otherwise regulate insurance in the Compacting States.

2. Not later than thirty (30) days after the Commission has given
notice of any Rule, or Allocation Formula any third party filer or
Compacting State may appeal the determination to a review panel
appointed by the Commission. The Commission shall promulgate Rules
to establish procedures for appointing such review panels and provide for
notice and hearing. An allegation that the Commission, in making
compliance or tax determinations acted arbitrarily, capriciously, or in a
manner that is an abuse of discretion or otherwise not in accordance with
the law, is subject to judicial review in accordance with Article III,
Section 6.

3. The Commission shall have authority to monitor, review and
reconsider Commission decisions upon a finding that the determinations
or allocations do not meet the relevant Rule. Where appropriate, the
Commission may withdraw or modify its determination or allocation after
proper notice and hearing, subject to the appeal process in Section 2
above.

ARTICLE XII
Finance

1. The Commission shall pay or provide for the payment of the
reasonable expenses of its establishment and organization. To fund the
cost of its initial operations the Commission may accept contributions,
grants, and other forms of funding from the State stamping offices,
Compacting States and other sources.

2. The Commission shall collect a fee payable by the insured
directly or through a Surplus Lines Licensee on each transaction
processed through the Compact Clearinghouse, to cover the cost of the
operations and activities of the Commission and its staff in a total amount
sufficient to cover the Commission’s annual budget.

3. The Commission’s budget for a fiscal year shall not be
approved until it has been subject to notice and comment as set forth in
Article VIII of this Compact.

4. The Commission shall be regarded as performing essential
governmental functions in exercising such powers and functions and in
carrying out the provisions of this Compact and of any law relating
thereto, and shall not be required to pay any taxes or assessments of any
character, levied by any State or political subdivision thereof, upon any of
the property used by it for such purposes, or any income or revenue
therefrom, including any profit from a sale or exchange.

5. The Commission shall keep complete and accurate accounts
of all its internal receipts, including grants and donations, and
disbursements for all funds under its control. The internal financial
accounts of the Commission shall be subject to the accounting procedures
established under its Bylaws. The financial accounts and reports
including the system of internal controls and procedures of the
Commission shall be audited annually by an independent certified public
accountant. Upon the determination of the Commission, but not less
frequently than every three (3) years, the review of the independent
auditor shall include a management and performance audit of the
Commission. The Commission shall make an annual report to the
Governor and legislature of the Compacting States, which shall include a report of the independent audit. The Commission’s internal accounts shall not be confidential and such materials may be shared with the Commissioner, the controller, or the stamping office of any Compacting State upon request provided, however, that any work papers related to any internal or independent audit and any information regarding the privacy of individuals, and licensees’ and insurers’ proprietary information, including trade secrets, shall remain confidential.

6. No Compacting State shall have any claim to or ownership of any property held by or vested in the Commission or to any Commission funds held pursuant to the provisions of this Compact.

7. The Commission shall not make any political contributions to candidates for elected office, elected officials, political parties nor political action committees. The Commission shall not engage in lobbying except with respect to changes to this Compact.

ARTICLE XIII
Compacting States, Effective Date and Amendment

1. Any State is eligible to become a Compacting State.

2. The Compact shall become effective and binding upon legislative enactment of the Compact into law by two (2) Compacting States, provided the Commission shall become effective for purposes of adopting Rules, and creating the Clearinghouse when there are a total of ten (10) Compacting States and Contracting States or, alternatively, when there are Compacting States and Contracting States representing greater than forty percent (40%) of the Surplus Lines Insurance premium volume based on records of the percentage of Surplus Lines Insurance premium set forth in Appendix A hereto. Thereafter, it shall become effective and binding as to any other Compacting State upon enactment of the Compact into law by that State. Notwithstanding the foregoing, the Clearinghouse operations and the duty to report Clearinghouse Transaction Data shall begin on the first January 1st or July 1st following the first anniversary of the Commission effective date. For States which join the Compact subsequent to the effective date, a start date for reporting Clearinghouse Transaction Data shall be set by the Commission provided Surplus Lines Licensees and all other interested parties receive not less than 90 days advance notice.

3. Amendments to the Compact may be proposed by the Commission for enactment by the Compacting States. No amendment shall become effective and binding upon the Commission and the Compacting States unless and until all Compacting States enact the amendment into law.

ARTICLE XIV
Withdrawal, Default and Termination
1. Withdrawal
   a. Once effective, the Compact shall continue in force and remain binding upon each and every Compacting State, provided that a Compacting State may withdraw from the Compact ("Withdrawing State") by enacting a statute specifically repealing the statute which enacted the Compact into law.
   b. The effective date of withdrawal is the effective date of the repealing statute. However, the withdrawal shall not apply to any tax or compliance determinations approved on the date the repealing statute becomes effective, except by mutual agreement of the Commission and the Withdrawing State unless the approval is rescinded by the Commission.
   c. The Member of the Withdrawing State shall immediately notify the Executive Committee of the Commission in writing upon the introduction of legislation repealing this Compact in the Withdrawing State.
   d. The Commission shall notify the other Compacting States of the introduction of such legislation within ten (10) days after its receipt of notice thereof.
   e. The Withdrawing State is responsible for all obligations, duties and liabilities incurred through the effective date of withdrawal, including any obligations, the performance of which extend beyond the effective date of withdrawal. To the extent those obligations may have been released or relinquished by mutual agreement of the Commission and the Withdrawing State, the Commission’s determinations prior to the effective date of withdrawal shall continue to be effective and be given full force and effect in the Withdrawing State, unless formally rescinded by the Commission.
   f. Reinstatement following withdrawal of any Compacting State shall occur upon the effective date of the Withdrawing State reenacting the Compact.

2. Default
   a. If the Commission determines that any Compacting State has at anytime defaulted ("Defaulting State") in the performance of any of its obligations or responsibilities under this Compact, the Bylaws or duly promulgated Rules then after notice and hearing as set forth in the Bylaws, all rights, privileges and benefits conferred by this Compact on the Defaulting State shall be suspended from the effective date of default as fixed by the Commission. The grounds for default include, but are not limited to, failure of a Compacting State to perform its obligations or responsibilities, and any other grounds designated in Commission Rules. The Commission shall immediately notify the Defaulting State in writing of the Defaulting State’s suspension pending a cure of the default. The
Commission shall stipulate the conditions and the time period within which the Defaulting State must cure its default. If the Defaulting State fails to cure the default within the time period specified by the Commission, the Defaulting State shall be terminated from the Compact and all rights, privileges and benefits conferred by this Compact shall be terminated from the effective date of termination.

b. Decisions of the Commission that are issued on the effective date of termination shall remain in force in the Defaulting State in the same manner as if the Defaulting State had withdrawn voluntarily pursuant to Section 1 of this Article.

c. Reinstatement following termination of any Compacting State requires a reenactment of the Compact.

3. Dissolution of Compact

a. The Compact dissolves effective upon the date of the withdrawal or default of the Compacting State which reduces membership in the Compact to one Compacting State.

b. Upon the dissolution of this Compact, the Compact becomes null and void and shall have no further force or effect, and the business and affairs of the Commission shall be wound up and any surplus funds shall be distributed in accordance with the Rules and Bylaws.

ARTICLE XV

Severability and Construction

1. The provisions of this Compact shall be severable and if any phrase, clause, sentence or provision is deemed unenforceable, the remaining provisions of the Compact shall be enforceable.

2. The provisions of this Compact shall be liberally construed to effectuate its purposes.

3. Throughout this Compact the use of the singular shall include the plural and vice-versa.

4. The headings and captions of articles, sections and subsections used in this Compact are for convenience only and shall be ignored in construing the substantive provisions of this Compact.

ARTICLE XVI

Binding Effect of Compact and Other Laws

1. Other Laws

a. Nothing herein prevents the enforcement of any other law of a Compacting State except as provided in Paragraph b. of this section.

b. Decisions of the Commission, and any Rules, and any other requirements of the Commission shall constitute the exclusive Rule, or determination applicable to the Compacting States. Any law or regulation regarding Non-Admitted Insurance of Multi-State Risks that is contrary
to Rules of the Commission, is preempted with respect to the following:

(i) Clearinghouse Transaction Data reporting requirements;
(ii) Allocation Formula;
(iii) Clearinghouse Transaction Data collection requirements;
(iv) Premium Tax payment time frames and Rules concerning
dissemination of data among the Compacting States for Non-Admitted
Insurance of Multi-State Risks and Single-State Risks;
(v) Exclusive compliance with surplus lines law of the Home
State of the insured; and
(vi) Rules for reporting to a Clearinghouse for receipt and
distribution of Clearinghouse Transaction Data related to Non-Admitted
Insurance of Multi-State Risks.
(vii) Uniform foreign Insurers Eligibility Requirements.
(viii) Uniform Policyholder Notice.
(ix) Uniform treatment of Purchasing Groups procuring Non-
Admitted Insurance.

c. Except as stated in paragraph b, any Rule, Uniform Standard
or other requirement of the Commission shall constitute the exclusive
provision that a Commissioner may apply to compliance or tax
determinations. Notwithstanding the foregoing, no action taken by the
commission shall abrogate or restrict: (i) the access of any person to State
courts; (ii) the availability of alternative dispute resolution under Article
X of this Compact (iii) remedies available under State law related to
breach of contract, tort, or other laws not specifically directed to
compliance or tax determinations; (iv) State law relating to the
construction of insurance contracts; or (v) the authority of the attorney
general of the State, including but not limited to maintaining any actions
or proceedings, as authorized by law.

2. Binding Effect of this Compact

a. All lawful actions of the Commission, including all Rules
promulgated by the Commission, are binding upon the Compacting
States, except as provided herein.

b. All agreements between the Commission and the Compacting
States are binding in accordance with their terms.

c. Upon the request of a party to a conflict over the meaning or
interpretation of Commission actions, and upon a majority vote of the
Compacting States, the Commission may issue advisory opinions
regarding the meaning or interpretation in dispute. This provision may be
implemented by Rule at the discretion of the Commission.

d. In the event any provision of this Compact exceeds the
constitutional limits imposed on the legislature of any Compacting State,
the obligations, duties, powers or jurisdiction sought to be conferred by
that provision upon the Commission shall be ineffective as to that State
and those obligations duties, powers or jurisdiction shall remain in the
Compacting State and shall be exercised by the agency thereof to which
those obligations, duties, powers or jurisdiction are delegated by law in
effect at the time this Compact becomes effective.

Surplus Line Insurance Premiums by State

Appendix A

Premiums based on Share of Total
taxes paid

<table>
<thead>
<tr>
<th>State</th>
<th>Premiums</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama</td>
<td>445,746,000</td>
<td>1.47%</td>
</tr>
<tr>
<td>Alaska</td>
<td>89,453,519</td>
<td>0.29%</td>
</tr>
<tr>
<td>Arizona</td>
<td>663,703,267</td>
<td>2.18%</td>
</tr>
<tr>
<td>Arkansas</td>
<td>201,859,750</td>
<td>0.66%</td>
</tr>
<tr>
<td>California</td>
<td>5,622,450,467</td>
<td>18.49%</td>
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<tr>
<td>Colorado</td>
<td>543,781,333</td>
<td>1.79%</td>
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<tr>
<td>Connecticut</td>
<td>329,358,800</td>
<td>1.08%</td>
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<tr>
<td>Delaware</td>
<td>92,835,950</td>
<td>0.31%</td>
</tr>
<tr>
<td>Florida</td>
<td>2,660,908,760</td>
<td>8.75%</td>
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<tr>
<td>Georgia</td>
<td>895,643,150</td>
<td>2.95%</td>
</tr>
<tr>
<td>Hawaii</td>
<td>232,951,489</td>
<td>0.77%</td>
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<tr>
<td>Idaho</td>
<td>74,202,255</td>
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<td>Illinois</td>
<td>1,016,504,629</td>
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<tr>
<td>Indiana</td>
<td>412,265,320</td>
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<tr>
<td>Iowa</td>
<td>135,130,933</td>
<td>0.44%</td>
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<tr>
<td>Kansas</td>
<td>160,279,300</td>
<td>0.53%</td>
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<tr>
<td>Kentucky</td>
<td>167,996,133</td>
<td>0.55%</td>
</tr>
<tr>
<td></td>
<td>State</td>
<td>Population</td>
</tr>
<tr>
<td>---</td>
<td>--------------</td>
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<tr>
<td>1</td>
<td>Louisiana</td>
<td>853,173,280</td>
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<tr>
<td>2</td>
<td>Maine</td>
<td>60,111,200</td>
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<td>3</td>
<td>Maryland</td>
<td>434,887,600</td>
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<tr>
<td>4</td>
<td>Massachusetts</td>
<td>708,640,225</td>
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<td>5</td>
<td>Michigan</td>
<td>703,357,040</td>
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<tr>
<td>6</td>
<td>Minnesota</td>
<td>393,128,400</td>
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<td>7</td>
<td>Mississippi</td>
<td>263,313,175</td>
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<tr>
<td>8</td>
<td>Missouri</td>
<td>404,489,860</td>
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<tr>
<td>9</td>
<td>Montana</td>
<td>64,692,873</td>
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<td>10</td>
<td>Nebraska</td>
<td>92,141,167</td>
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<td>11</td>
<td>Nevada</td>
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<td>13</td>
<td>New Jersey</td>
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<td>14</td>
<td>New Mexico</td>
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<td>15</td>
<td>New York</td>
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<td>16</td>
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<td>17</td>
<td>North Dakota</td>
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<td>18</td>
<td>Ohio</td>
<td>342,000,000</td>
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<td>19</td>
<td>Oklahoma</td>
<td>319,526,400</td>
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<td>20</td>
<td>Oregon</td>
<td>312,702,150</td>
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<tr>
<td>21</td>
<td>Pennsylvania</td>
<td>780,666,667</td>
</tr>
<tr>
<td>22</td>
<td>Rhode Island</td>
<td>71,794,067</td>
</tr>
</tbody>
</table>
1  South Carolina  412,489,825  0.24%
2  South Dakota  38,702,120  1.36%
3  Tennessee  451,775,240  0.13%
4  Texas  3,059,170,454  1.49%
5  Utah  142,593,412  0.47%
6  Vermont  41,919,433  0.14%
7  Virginia  611,530,667  2.01%
8  Washington  739,932,050  2.43%
9  West Virginia  130,476,250  0.43%
10  Wisconsin  248,758,333  0.82%
11  Wyoming  40,526,967  0.13%
12  Total  30,400,197,251  100.00%
13
14  This Data is 2005 Calendar Year Data excerpted from a study
15  dated February 27, 2007 by
16  Mackin & Company.
17
18  Sec. 2. The commissioner of insurance shall represent this state on
19  the surplus lines insurance multi-state compliance compact.
20
21  Sec. 3. The member representing this state on the surplus lines
22  insurance multi-state compliance compact may be represented thereon by
23  an alternate designated by the commissioner of insurance. Any such
24  alternate shall be an assistant commissioner or a division director of the
25  insurance department.
26
27  Sec. 4. This act shall take effect and be in force from and after its
28  publication in the statute book.