

INSTRUCTIONS FORM SL-1904 – STATEMENT OF DILIGENT EFFORT

Delaware requires a **minimum** of three declinations from representatives of admitted insurers as evidence that a “diligent effort” to procure the coverage from admitted insurers was made prior to exporting the coverage to surplus lines. The declinations must come from insurers that are authorized to transact and actually writing that kind and class of insurance in this State but are not corporate affiliates of the SL insurer.

This form must be completed and signed by the individual licensee who represents the insured (producing agent or surplus lines broker).

If the producing agent is not licensed for surplus lines, this form must be completed and signed by the agent and *forwarded to the SL Broker*. If the SL Broker also acts as the producing agent, the SL Broker must complete and sign the form.

This form must be kept with the surplus lines broker’s other records for the policy to which it relates and must be open to examination by the Commissioner at all times for 5 years after issuance of the coverage to which it relates. (§1915)

DO NOT mail this form to the Insurance Department.

**FOLLOW THESE INSTRUCTIONS FOR EACH FIELD AS INDICATED.
REFERENCE NUMBERS CORRESPOND TO NUMBERS ON THE SAMPLE FORM SL-1904**

Reference Number	Description	Instructions
1	Submitted By (select one)	Indicate whether the diligent effort to place the coverage with an admitted insurer was made by the producing agent or the SLB.
2	Version of Form	Each Form is identified in the upper right hand corner and numbered according to the section of Title 18 to which it applies. Always be sure you are using the most current version of a Form.
3	Policy Number	Enter the policy number or binder number.
4	Insurer Name	Enter the full name of the non-admitted insurance company providing coverage. Remember: Delaware law requires that surplus lines insurance be procured only from companies considered by the Department to be eligible insurers.
5	NAIC #	All insurance companies, including alien (offshore) insurers, are assigned a company code number by the NAIC. The NAIC # is included on the Bulletin # 5 Eligible Insurers List. The Department requires the NAIC # to identify the insurer.
6	Insured’s Name and Address	Enter the name and address of the policyholder.
7	Policy term	Enter the dates coverage begins and ends in MM/DD/YYYY format. DO NOT use terms such as “continuous” or “until canceled”.

Reference Number	Description	Instructions
8	Amount (limits) of Insurance Property	Enter the Total Insured Value of the DE portion of property coverage provided in the policy in monetary (\$) format. If no property coverage is included, leave blank.
9	Amount (limits) of Insurance Casualty	Enter the General or Policy Aggregate amount of the DE portion of casualty coverage provided in the policy in monetary (\$) format. If no casualty coverage is included, leave blank.
10	Location of Risk	Enter the physical location of the risk (not necessarily the insured's address.) If there is more than one DE location, enter "Multiple locations".
11	Description of Coverage	Briefly describe the type of risk being covered and the coverage being provided. Ex. "Excess Flood"
12	Declinations	Enter the full name and NAIC # of three (3) admitted insurers that declined to provide coverage on this risk. Enter the Name and telephone number of the contact person from each declining insurer and briefly describe the reason for the declination. IMPORTANT: The Department <u>requires</u> the NAIC # to identify the insurer. The Department <u>will not accept</u> the name of a group of carriers (i.e. Chubb, AIG, Nationwide, Travelers, etc.). Enter the name and NAIC # of the specific admitted insurer that declined to insure the risk.
13	Agency Name	Type or print the name of the Agency as it appears on the DE business entity license.
14	Agency Lic. #	Enter the DE business entity license number.
15	Producer or SLB Name	Type or print the name of the individual licensee who made the diligent effort to procure the insurance from admitted insurers. REMEMBER: Delaware law requires that all parties taking part in a SL transaction must be licensed by the Insurance Department.
16	Individual Lic. #	Enter the DE insurance producer or SLB license number of the individual who made the diligent effort to procure the insurance from admitted insurers.
17	Signature and Date	The form must be signed by the individual producer or SLB listed on the form. Enter the signature date in MM/DD/YYYY format.

THIS FORM MUST BE SIGNED BY THE LICENSED PRODUCING AGENT AND FORWARDED TO THE LICENSED SURPLUS LINES BROKER OR SIGNED AND RETAINED BY THE SL BROKER

RETAIN AS PART OF SURPLUS LINES BROKER RECORDS

THIS FORM MUST BE OPEN TO EXAMINATION BY THE COMMISSIONER AT ALL TIMES FOR 5 YEARS AFTER ISSUANCE OF THE COVERAGE TO WHICH IT RELATES. (18 DEL. C., §1915)



DELAWARE INSURANCE DEPARTMENT
SURPLUS LINES
STATEMENT OF DILIGENT EFFORT

Submitted by: (select one)

PRODUCER

SL BROKER

Form SL-1904

v.06-2

DO NOT SUBMIT THIS FORM TO THE INSURANCE DEPARTMENT

POLICY NUMBER (3) _____ **SURPLUS LINES INSURER NAME** (4) _____ **NAIC #** (5) _____

INSURED'S NAME AND MAILING ADDRESS: **POLICY TERM INFORMATION**

Name: _____ Effective Date (7) _____ Expiration Date _____
 Address: _____ MM/DD/YYYY Format MM/DD/YYYY Format

AMOUNT OF INSURANCE Property \$ (8) _____ Casualty \$ (9) _____

LOCATION OF RISK (10) _____ **DESCRIPTION OF COVERAGE:** (11) _____

12 I declare under the penalties provided by law that I have made a diligent effort to procure the insurance coverage described above from licensed insurers which are authorized to transact the class of insurance involved and which accept, in the usual course of business, insurance on risks of the same class as the risk described above. Having been unable to secure such coverage, I have resorted to coverage with companies not licensed to operate in the State of Delaware and which are not under the jurisdiction of the Insurance Department of the State of Delaware.

Furthermore, this insurance was not exported for the purpose of securing lower rates than would be accepted by an authorized insurer or because of the terms of the contract.

Among the licensed insurers declining to insure this risk or declining to increase the amount of insurance on this risk, are the following:

- Name & NAIC # of Insurer: _____
 Name & Telephone # of Contact: _____
 Reason for Declining: _____ (13)
- Name & NAIC # of Insurer: _____
 Name & Telephone # of Contact: _____
 Reason for Declining: _____
- Name & NAIC # of Insurer: _____
 Name & Telephone # of Contact: _____
 Reason for Declining: _____

I further attest that I have explained to the insured that the insurance described herein is being placed with an insurance company not authorized to do business in Delaware. The insured understands that the insurance company is not a member of the Delaware Insurance Guaranty Association and that Chapter 42 of the Delaware Insurance Code is not applicable to claimants or insureds of said company. As required in 18 Del. C., §1909, I have delivered to the insured evidence of the insurance upon which has been stamped:

"This insurance contract is issued pursuant to the Delaware Insurance Laws by an insurer neither licensed by nor under the jurisdiction of the Delaware Insurance Department."

I declare that I have the insurance coverage here described was procured pursuant to Chapter 19 of Title 18, the Delaware Insurance Code, and that the information contained in this submission is true.

Name of Producer/ SL Agency (14) _____ **DE Lic # of Agency** (15) _____
 (Type or print name of Agency)

Name of Producer/ SL Broker (16) _____ **DE Lic # Individual** (17) _____
 (Type or print name of Individual)

Producer/ SL Broker Signature (18) _____ **Date:** _____
 Sign Here