

SURPLUS LINES (E) TASK FORCE

Surplus Lines (C) Task Force March 5, 2026, Minutes

Model #870 (Attachment One)

The Risk Management Society Presentation (Attachment Two)

Wholesale & Specialty Insurance Association (WSIA) Comment Letter (Attachment Three)

Draft Pending Adoption

Draft: 3/11/26

Surplus Lines (C) Task Force
Virtual Meeting
March 5, 2026

The Surplus Lines (C) Task Force met March 5, 2026. The following Task Force members participated: Larry D. Deiter, Chair, Johanna Nickelson, and Frank Marnell (SD); Glen Mulready, Vice Chair, and Eli Snowbarger (OK); Heather Carpenter represented by David Phifer (AK); Mark Fowler represented by Dusty Smith (AL); Charles Bassett represented by Lori Dreaver Munn (AZ); Ricardo Lara represented by Audrie Lee (CA); Michael Conway represented by Jason Lapham (CO); Karima M. Woods represented by Angela King (DC); Trinidad Navarro represented by Susan Jennette (DE); Michael Yaworsky represented by Jane Nelson (FL); Doug Ommen represented by Kim Cross (IA); Dean L. Cameron represented by Shannon Hohl (ID); Holly W. Lambert represented by Patrick O'Connor (IN); Timothy J. Temple represented by Shantell Taylor (LA); Grace Arnold represented by Kathleen Orth (MN); Mike Causey represented by Robert Croom (NC); Susan Ochs represented by William Leach (NJ); Michael Humphreys represented by Michael McKenney (PA); Michael Wise represented by Ryan Basnett (SC); Amanda Crawford represented by Jamie Walker (TX); and Patty Kuderer represented by Nicole Rayl (WA).

1. Adopted its 2025 Fall National Meeting Minutes

Orth made a motion, seconded by Munn, to adopt the Task Force's Dec. 3, 2025, minutes (*see NAIC Proceedings – Fall 2025, Surplus Lines (C) Task Force*). The motion passed unanimously.

2. Adopted the Report of the Surplus Lines (C) Working Group

Snowbarger stated that the Working Group met Dec. 15, 2025, in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities, or individuals) of the NAIC Policy Statement on Open Meetings. During this meeting, the Working Group approved 10 applications and one reapplication for admittance to the Jan. 1 *Quarterly Listing of Alien Insurers*.

Phifer made a motion, seconded by Jennette, to adopt the report of the Surplus Lines (C) Working Group. The motion passed unanimously.

3. Discussed the Correction of Model #870

Dan Schelp (NAIC) commented that during the Task Force's session at the 2025 Fall National Meeting, the NAIC legal division commented on a scrivener's error in the final draft of the *Nonadmitted Insurance Model Act* (#870). He indicated that under Section 3H(1), Definitions, the first requirement for exempt commercial purchasers, which states, "The person employs or retains a qualified risk manager to negotiate insurance coverage," was inadvertently excluded. Schelp commented that this provision was included in each of the previously exposed drafts. He indicated that the necessity of including this provision (Attachment One) is evidenced by a drafting note in Model #870 that states the definition should follow the Nonadmitted and Reinsurance Reform Act of 2010 (NRRRA).

4. Discussed the Recognition of RIMS-CRMP Meeting the Qualified Risk Manager Competency Standard

Director Deiter indicated that Jeff Klein (McIntyre & Lemon) and Arshawn Teymoorian (McIntyre & Lemon) submitted a presentation (Attachment Two) on the qualified risk manager competency standard for exempt commercial purchasers, along with a path forward to recognize the RIMS-Certified Risk Management Professional

(RIMS-CRMP) as a qualifying credential. Klein commented that the presentation will cover the importance of RIMS and the recognition of the CRMP credential for qualified risk managers. Denise Osorio (RIMS) provided details on the RIMS-CRMP certification, including its background and significance, scope and competencies tested, and certification requirements.

Teymoorian commented that McIntyre & Lemon propose recognizing RIMS-CRMP as a qualifying credential for meeting the NRRRA qualified risk management competency standard. Teymoorian proposed that this could be done via an update to the 2011 Nonadmitted Insurance Reform Sample Bulletin to promote awareness of the CRMP designation. Director Deiter commented that states currently have the ability to recognize the CRMP designation and that the Task Force will give this request some additional consideration.

5. Discussed Comments on Model #870 from the WSIA

Director Deiter stated that the Wholesale & Specialty Insurance Association (WSIA) submitted a comment letter (Attachment Three) regarding Model #870. John Meetz (WSIA) commented that Section 5N(5) of Model #870 requires a surplus lines licensee to obtain a signed disclosure from the insured at the time of application and affix that signed copy to the policy upon delivery. Meetz stated that this provision was in place prior to the 2023 revisions to Model #870 and that the WSIA did not address it at that time. Meetz stated that the requirement is outdated and does not align with modern policy delivery and disclosure practices. He commented that the WSIA wanted to make sure that the Task Force is aware of this issue and that they are not advocating that Model #870 be reopened for a broad host of revisions. He commented that the WSIA would be open to a narrow charge to address this issue and the aforementioned RIMS issue. Director Deiter thanked the WSIA for its comments and asked that a list of states that adopted Model #870 with this provision be provided to Daleo.

Having no further business, the Surplus Lines (C) Task Force adjourned.

SharePoint/NAIC Support Staff Hub/Member Meetings/C CMTE/SLTF/2026 Spring NM/SLTF Minutes Mar. 5 2026.docx

Model 870 – Nonadmitted Insurance Model Act

Section 3. Definitions

H. “Exempt commercial purchaser” means any person purchasing commercial insurance that, at the time of placement, meets the following requirements:

- (1) The person employs or retains a qualified risk manager to negotiate insurance coverage;
- (2) Has paid aggregate nationwide commercial property and casualty insurance premiums in excess of \$100,000 in the immediately preceding 12 months; and
- (3) (a) Meets at least one of the following criteria:
 - (i) Possesses a net worth in excess of \$20,000,000;
 - (ii) Generates annual revenues in excess of \$50,000,000;
 - (iii) Employs more than 500 full-time or full-time equivalent employees per individual insured or is a member of an affiliated group employing more than 1,000 employees in the aggregate;
 - (iv) Is a not-for-profit organization or public entity generating annual budgeted expenditures of at least \$30,000,000; or
 - (v) Is a municipality with a population in excess of 50,000 persons.
- (b) Effective on July 21, 2010, every five years on January 1, the amounts in Subsections (i), (ii), and (iv) of Section 3H(2)(a) shall be adjusted to reflect the percentage change for such five-year period in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.



Surplus Lines Task Force Interim Meeting

March 5, 2026

Chair: Director Larry Deiter, SD
Vice-Chair: Glen Mulready, OK

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RIMS-Certified Risk Management Professional (RIMS-CRMP)

Denise Osorio, Chief Professional Development Officer

RIMS, the risk management society®

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Nonadmitted and Reinsurance Reform Act of 2010 (NRRRA)

- Exempt Commercial Purchasers (ECPs)
- Qualified Risk Managers (QRMs)
- Qualifying Designations
 - Chartered Property and Casualty Underwriter (CPCU)
 - Associate in Risk Management (ARM)
 - Certified Risk Manager (CRM)
 - *RIMS Fellow (RF) (superseded by the RIMS-CRMP)

*Currently 215 RF holders v. almost 1,900 RIMS-CRMP certification holders

RIMS-CRMP Certification That Commands Respect



- ✓ **Globally Accredited** — Accredited by the ANSI National Accreditation Board (ANAB) under ISO standards for unmatched credibility and global trust.
- ✓ **One of a Kind** — The only risk management certification with ANAB accreditation.
- ✓ **Defines the Discipline** — Sets the global standard for competence, performance, and ethics.
- ✓ **Signals Excellence** — Demonstrates your commitment to the highest professional standards.
- ✓ **Global Network** — 1,900+ certified professionals across 77 countries.
- ✓ **Proven Impact** — Validates real-world expertise and measurable results.

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RIMS-CRMP Professional Benefits

“When I meet with my insurance carriers, with my other service providers, they know simply ... by my certification [that] I know risk management. I don't have to spend any time telling them about my qualifications because this certification does that for me.”



—Gloria Brasius, RIMS-CRMP

RIMS-CRMP RECOGNITION

- ✓ Credential certificate
- ✓ “RIMS-CRMP” in signature
- ✓ Digital badge
- ✓ Recognition on website
- ✓ Discounts on RIMS professional development offerings

RIMS-CRMP WILL...

- ✓ Demonstrate your knowledge
- ✓ Differentiate you from others
- ✓ Elevate your status
- ✓ Increase your earning potential



RIMS-CRMP Scope and Competencies Tested

A RIMS-CRMP professional demonstrates proficiency across five core domains:

1. **Analyzing the Organizational Model** – Understand organizational structure, culture, and governance to identify risk vulnerabilities.
2. **Designing Organizational Risk Strategies** – Create risk frameworks, policies, and mitigation plans that align with organizational goals.
3. **Implementing Risk Processes** – Operationalize risk strategies through structured processes and integrated risk management practices.
4. **Developing Organizational Risk Competency** – Build internal expertise, foster a risk-aware culture, and establish performance metrics.
5. **Supporting Decision Making** – Provide data-driven insights and risk guidance to facilitate informed strategic and operational decisions.

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RIMS-CRMP Certification Requirements



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How to Earn the RIMS-CRMP Certification

- ✓ **Meet experience and education eligibility requirements**
 - Bachelor's degree *in risk management* + 1 year RM work experience
 - Bachelor's degree *in non risk management area* + 3 years RM work experience
 - Non degree applicants + 6 years RM work experience
- ✓ **Apply online at www.RIMS.org/Certification**
- ✓ **RIMS-CRMP Exam Fee** – \$375 for RIMS members, \$525 for nonmembers
- ✓ **Take the exam** – Pearson VUE testing center or remotely
- ✓ **Time to recertify** – 50 points/hours within a two-year period
- ✓ **Agree to uphold and abide by the RIMS-CRMP code of ethics**

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Authority for Additional Qualifying Designations

Under the NRRA, Congress empowered states to approve:

“*any* other designation, certification, or license determined by a State insurance commissioner or other State insurance regulatory official or entity to demonstrate *minimum competency* in risk management.”

15 U.S.C. § 8206(13)(C)(i)(II)(bb)(EE)

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Our Ask

Work with staff to amend the existing 2011 Nonadmitted Insurance Reform Sample Bulletin, develop a new model bulletin, or other comparable guidance that accomplishes the following:

- Reminds DOIs of the definition of a qualified risk manager under the NRRRA, per the Nonadmitted Insurance Reform Sample Bulletin issued on October 11, 2011.
- Reminds DOIs of their authority under the NRRRA, which expressly allows states to recognize “any other designation, certification, or license” demonstrating minimum competency in risk management
- Informs DOIs that the RIMS-CRMP is the direct successor to the RIMS Fellow (RF) designation referenced in the NRRRA
- Affirms to DOIs that recognizing the RIMS-CRMP via bulletin or similar guidance is consistent with congressional intent

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Helpful RIMS-CRMP Resources & Materials

RIMS-CRMP Overview

<https://www.rims.org/certification/rims-crmp/about>

Certification Handbook

https://www.rims.org/docs/default-source/default-document-library/certification/rims-crmp_handbook_2025_final.pdf?sfvrsn=1422865e_3

Examination Information

<https://www.rims.org/certification/rims-crmp/exam-content>

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Questions?

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March 3, 2026

Director Larry Deiter, Chair
Surplus Lines Task Force
National Association of Insurance Commissioners

Re: Nonadmitted Insurance Model Act Revisions

Director Dieter and members of the Surplus Lines Task Force:

The Wholesale & Specialty Insurance Association (WSIA) would like to thank the Task Force for identifying recent issues with the most recent iteration of the Nonadmitted Insurance Model Act (Model 870). In addition to addressing the issues identified on the call on December 3rd, WSIA would like to bring an additional issue to the attention of the Task Force so that remedies can be considered.

WSIA supports the recent correction made to Model 870 remedying the error identified by NAIC staff regarding the omission of a requirement to qualify as an Exempt Commercial Purchaser. To our knowledge, omission of the requirement that an Exempt Commercial Purchaser must employ a qualified risk manager, has not adversely affected adoption of Nonadmitted and Reinsurance Reform Act, nor Model 870 adoption within any states.

WSIA is also supportive of the proposal presented by RIMS at the March 5, 2026 Task Force meeting to recognize the RIMS-Certified Risk Management Professional (RIMS-CRMP) as a qualifying credential for Qualified Risk Managers under the Nonadmitted and Reinsurance Reform Act of 2010 (NRRRA). WSIA is supportive of whatever approach the Task Force decides to address this problem.

WSIA would also like to bring to the Task Force's attention an additional provision of Model 870 that poses significant practical compliance challenges for the surplus lines market. Section 5N(5) of Model 870 requires a surplus lines licensee to obtain a signed disclosure from the insured at the time of application and to affix that signed copy to the policy upon delivery. This provision was in place prior to the 2023 revisions to Model 870 and WSIA and our industry partners failed to address it's issues during the drafting process. This outdated requirement has been adopted in very few states, does not align with modern policy delivery and disclosure practices and has the potential to adversely affect surplus lines brokers and insureds. The section reads:

- (5) The surplus lines licensee shall give the following consumer notice to every person, applying for insurance with a nonadmitted insurer. The notice shall be printed in 16-point type on a separate document affixed to the application. The applicant shall sign and date a copy of the notice to acknowledge receiving it. The surplus lines licensee shall maintain the signed notice in its file for a period of five (5) years from expiration of the policy. The surplus lines licensee shall tender a copy of the signed notice to the insured at the time of delivery of each policy the licensee transacts with a nonadmitted insurer. The copy shall be a separate document affixed to the policy.

***“Notice:** A nonadmitted or surplus lines insurer is issuing the insurance policy that you have applied to purchase. These insurers do not participate in insurance guaranty funds. The guaranty funds will not pay your claims or protect your assets if the insurer becomes insolvent and is unable to make payments as promised. For additional information about the above matters and about the*

insurer, you should ask questions of your insurance agent, broker or surplus lines broker. You may also contact your insurance department consumer help line.”

Drafting Note: This notice is intended to inform personal lines customers and smaller commercial risks of the nature of the coverage they are purchasing. A state may wish to add language to this statute providing that this notice need not be given to commercial risks meeting defined criteria for size and insurance expertise.

While WSIA fully supports the principle that insureds should be informed that their policy is placed with a nonadmitted insurer and is not subject to state guaranty fund protection, the Model’s mechanism for delivering that notice creates unnecessary burdens and inefficiencies that ultimately disserve consumers.

The current requirement creates several specific problems:

- The surplus lines broker, who typically has no direct contact with the insured, is required to obtain the insured’s signature, even though it is the retail producer who interacts with the insured, takes the application, discusses coverage options, and delivers the policy.
- The requirement that the signed form be “affixed” to the policy is impractical because the insurer issues the policy, not the surplus lines broker. This requirement defeats automated policy issuance workflows and necessitates manual intervention, increasing the risk that the disclosure will not be delivered at all.
- Requiring the notice at the time of application is premature, as it is often unknown at that stage whether a risk will ultimately be placed in the nonadmitted market. Insureds may apply to multiple admitted and nonadmitted carriers simultaneously using standardized ACORD forms and requiring a signed surplus lines disclosure at application could result in redundant or confusing paperwork that does not accurately reflect the eventual placement.
- Requiring the insured to sign a disclosure prior to binding may create confusion about whether the signature itself constitutes a binding of coverage.

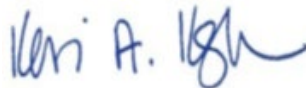
WSIA appreciates the opportunity to bring this issue to the attention of the Task Force. While WSIA does not think it is prudent to re-open Model 870 to another prolonged, comprehensive revision process, we do appreciate the opportunity to bring this issue to the attention of the Task Force to consider options for remedy. WSIA would support a narrow revision to the model that provides appropriate policyholder disclosure with a modern process. A guidance bulletin from the Task Force providing a practical interpretation of the existing requirement would also be a meaningful interim step.

We would again like to thank the Surplus Lines Task Force for their attention to these improvements of Model 870 and we stand ready to work with the Task Force to find solutions to these issues.

Sincerely,



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