

# The Surplus Lines Insurance Cycle

**The Insured**  
Needs high risk or unusual coverage in TX.

**P&C Agent**  
Holds P&C license to transact business in their state.

**SL Agent**  
Holds SL license in TX.

**The SL Insurer**  
Can be domiciled in TX or licensed in another state. Often referred to as "Domestic", "Foreign", or "Alien" Insurers.

**SLTX**  
Ensures compliance with TX statutes, determines eligible insurers, educates agents & collects data for stakeholders.



## How it Works:

**1 The Insured**

- Needs coverage
- Speaks with an insurance agent to purchase coverage.
- Will pay premium to SL agent & receive copy of policy.

**2 The Agent**

- Makes a diligent effort to place coverage in admitted market.
- If unable to find coverage, finds SL Agent to place in SL market.

**3 SL Agent**

- Contacts SL Insurers to find coverage for the insured.

**The SL Insurer**

- Underwrites the risk of the insured, providing insurance coverage that was unavailable from admitted market.

**5 SL Agent**

- Files copy of policy with SLTX.
- Pay stamping fee to SLTX.
- Pay SL taxes to TX Comptroller.

**SLTX**

- Receives copy of policy.
- Ensures agency is in compliance with Texas statutes.
- Educates agents
- Reports to TDI & TX Comptroller.

**6**

Once the policy has been filed, endorsements, extensions, and cancellations must be submitted. Policies may be renewed annually by the insurer as long as the insured finds continuous coverage necessary.