

COUNTERSIGNATURE PROCEDURES

Is a Countersignature Required?

If the issuing producer does not reside in the state where the policy is issued, then it must be determined whether that state requires a countersignature by a resident agent. A growing number of states no longer have such requirements.

Is the Producer Properly Licensed and Appointed?

If there is a countersignature requirement in the state where the policy is issued, then the license and appointment of the producer requesting the countersignature must be verified. If the producer is properly licensed and appointed, then the procedures for countersignature in the state where the policy is issued, as outlined in this Manual, must be followed. Each state requiring a countersignature has a designated countersigning agent.

Is the State the Policy is Issued in a "Retaliatory" State?

Some states require a countersignature only if the state in which the issuing nonresident producer resides has such requirements. If the policy is issued in such a "retaliatory" state, then:

- determine if the nonresident producer's home state has countersignature requirements, and if so,
- follow the countersignature procedure of the nonresident producer's home state.

The designated countersigning agent in the state the policy is issued must then countersign the policy. If both states are "retaliatory," countersignature is not required. For example:

1. The policy is issued in Missouri, which has retaliatory countersignature requirements. The licensed nonresident producer resides in California, where there is no countersignature requirement. Therefore, the policy does not have to be countersigned.
2. The policy is issued in Missouri, which has retaliatory countersignature requirements. The licensed nonresident producer resides in Alabama, which has countersignature requirements. Therefore, the policy must be countersigned by a Missouri resident agent in accordance with Alabama countersignature procedures.
3. The policy is issued in Missouri, which has retaliatory countersignature requirements. The licensed non-resident producer resides in a state that also has retaliatory countersignature requirements. Therefore, no countersignature is required.

Is the Buyer a Risk Purchasing Group or a Member of Such a Group?

Federal law exempts purchasing groups and their members from state countersignature requirements when acquiring liability coverage or certain services. The Liability Risk Retention Act of 1986 (15 U.S.C. Sections 3901-3906) applies to liability insurance, insurance related services and management services provided to a purchasing group or any person who is a member of such a group.

Use of Countersignature Endorsements

Countersignature endorsements are not permitted in certain states. Please refer to the summary for each state to determine if the original policy must also be sent to the countersignature agent. Use [Endorsement Form 2261](#) (one for each policy that requires countersignature). Please fill out the top part of the endorsement, up to the name of the state in which the policy is issued. Also attach a [Request for Countersignature Form 2809](#) (one form for all the policies sent in a package).

How to handle Countersignature Fee Bills

Please forward all countersignatures bills to Mimi Galloza, 1 Connell Drive, Suite 2100, Berkeley Heights, NJ 07922. Telephone number (908) 679-3100, fax number (908) 679-4359.

ADDITIONAL INFORMATION

Where to Find More Information

The *FC&S Licensing, CounterSigning & Surplus Lines LAWS*, is a useful reference book that should be acquired by anyone regularly dealing with countersignature laws. It may be obtained directly from the publisher at the following address:

National Underwriter Company
505 Gest Street
Cincinnati, OH 45203-1716 1-800-543-0874