

CALIFORNIA COMMERCIAL INSURED/EXEMPT COMMERCIAL PURCHASER

SAMPLE CHECKLIST

Commercial Insured/Exempt Commercial Purchaser Qualifications Checklist

Under the NRRRA, the surplus line broker does not need to perform a diligent search if the insured qualifies as an Exempt Commercial Purchaser. To determine whether the insured meets the NRRRA definition of an Exempt Commercial Purchaser, please review the following checklist. If the insured meets all three requirements, a diligent search does not need to be performed.

Requirement 1: Employs or retains a qualified risk manager (refer to definition below)

Requirement 2: Paid an aggregate nationwide property & casualty premium of at least \$100,000 in the immediately preceding 12 months.

Requirement 3: Meets **one** of the following:

_____ Possesses a net worth in excess of \$20 million, **or**

_____ Generates annual revenues over \$50 million, **or**

_____ Employs more than 500 full time employees per individual insured, or is a member of an affiliated group employing more than 1,000 employees in the aggregate, **or**

_____ Is a non-profit or public entity generating annual budget over \$30 million, **or**

_____ Is a municipality with a population in excess of 50,000 persons.

NRRRA Qualified Risk Manager Definition

Under the NRRRA, a Qualified Risk Manager must meet all three of the following requirements:

Requirement 1: Must be an employee of, or a third party consultant retained by, a commercial policyholder, **and**

Requirement 2: Provides skilled services in loss prevention, loss reduction, or risk and insurance coverage analysis, and purchase of insurance, **and**



Requirement 3:

_____ A bachelor's degree or higher from an accredited college or university in risk management, business administration, finance, economics, or any other field determined by a State insurance commissioner or other State regulatory official or entity to demonstrate minimum competence in risk management; **and**

_____ three years of experience in risk financing, claims administration, loss prevention, risk and insurance analysis, or purchasing commercial lines of insurance, **or**

_____ Holds one of the designations below:

_____ CPCU or ARM or CRM or RF or any other designation, certification, of license determined by a State Insurance commissioner or other State regulatory official or entity to demonstrate minimum competence in risk management, **or**

_____ Has seven years of experience in risk financing, claims administration, loss prevention, risk and insurance coverage analysis, or purchasing commercial lines of insurance; and any one of the following designations: CPCU or ARM or CRM or RF or any other designation, certification, or license determined by a State insurance commissioner or other State insurance regulatory official or entity to demonstrate minimum competence in risk management, **or**

_____ Has at least ten years of experience in risk financing, claims administration, loss prevention, risk and insurance coverage analysis, or purchasing commercial lines of insurance, **or**

_____ Has a graduate degree from an accredited college or university in risk management, business administration, finance, economics, or any other field determined by a State insurance commissioner or other State regulatory official or entity to demonstrate minimum competence in risk management.