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# Diverging State Rules Fuel Compliance Challenges in Surplus Lines Insurance

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Zach Lerner, chair of Troutman Pepper Locke’s Insurance Transactional + Regulatory Practice Group, was quoted in the September 11, 2025 *Insurance Insider US* article, [“Diverging State Rules Fuel Compliance Challenges in Surplus Lines Insurance.”](#)

“A thorough, per-risk diligent search that can be impractical in high-volume, low-premium program settings,” said Zach Lerner, chair of the insurance transactional and regulatory group at Troutman Pepper Locke.

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Diverging regulatory evolutions underscore the importance of staying informed and adaptable, Lerner advises.

“If you’re not paying attention, you’ll fall behind,” he said. “The most compliant brokers and carriers routinely survey the market or use updates like ours to inform judgment calls on compliance.”

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“Our typical start-up client will lean heavily on us, and then, over time, hire a compliance officer to keep track of developments and licensing,” Lerner said.

Lerner also pushes back against the common opinion that regulation enforcement is not robust. “The law of large numbers adds up,” he advises. “One missed data call or requirement can lead to fines or penalties.”

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