

What's Inside

Report of the Chairman

pgs. 1-3

Legal/Legislative Update

pgs. 3-4

Compact to Solve Confusion in Multi-State Surplus Line Transactions

pgs. 5-6

Report of the Director of the Stamping Office

pgs. 6-7

Pat McAuley Earns CPCU

pg. 8

Member Profile

pg. 8

Top 100 California Surplus Line Brokers

pgs. 9-10

Top 100 Nonadmitted Carriers

pgs. 11-12

50 Largest Coverage Codes

pg. 13

Comparison of Premium & Items Processed, for 2007 vs 2006

pg. 14

Premium Totals by Company Type

pg. 15

Top Export Coverages by Item Count and Processed Premium for 3rd Quarter 2007

pg. 15

Policies & Premium by County

pgs. 16-17

How to find California Surplus Line Broker Licensing Requirements

pgs. 18-19

Education Calendar & SLA Officers and Staff

pg. 20

REPORT OF THE CHAIRMAN

The January through September, 2007 SLA data indicates a slowing in the growth of premium volume. The \$4.5 billion in total surplus line premium processed by the SLA in the first 9-months of 2007 is a mere 1.5 percent above the



Ceil Norton
Chairman, 2007

2006 9-month total. In 2008, the SLA is predicting a decrease in California surplus line premium due to a soft market. This eventual decrease in total premium is evidenced by the slight decline in the 9-month processed policy count. The SLA has processed 377,139 surplus line insurance policies in 2007 which is a 1.16 percent decrease compared to the 2006 9-month total.

The 14th annual A.M. Best Company Special Report on the Surplus Lines Market released by the NAPSLO Education Foundation in October indicates that surplus lines grew 173 percent among domestic professional carriers over the past five years, far faster than the total U.S. property/casualty market. According to the report, U.S. surplus lines share of the commercial lines market was 14.4 percent in 2006. The surplus lines industry posted strong underwriting results in 2006, with a combined ratio of 79.6 for domestic professional writers, aided by light catastrophe losses and disciplined underwriting. No financial impairments were reported in 2006 among surplus lines companies, which have outperformed the total property/casualty industry in this regard in recent years. Property/casualty insurance rates are in wide retreat, but surplus lines insurers maintained adequate pricing through 2006. Catastrophe-exposed coastal property remained a notable exception to the market's softening – a benefit to surplus lines writers.

The SLA received an overall 98% approval rating from the quantitative member satisfaction survey conducted by Kelton Research in June 2007. Virtually all members (96%) feel that the SLA has been a valuable resource whenever they have a need, question, or concern.

Member Satisfaction Survey Results

From May 5 through June 8, 2007, Kelton Research conducted 300 telephone

interviews with SLA members. This quantitative member satisfaction survey indicated an overall 98% approval rating among the member respondents. Virtually all members (96%) feel that the SLA has been a valuable resource whenever they have a need, question, or concern. Among the recommendations for improvement suggested by Kelton Research based on the survey include quicker turnaround in response to member questions, push members toward email inquiries rather than leaving voicemails because there is a strong perception that emails are responded to quicker, provide additional training for staff responsible for answering telephone inquiries, consider implementing an automatic response system for emails. Some members reported frustration with not knowing who they should contact when they need help. In response, a directory of SLA department contacts for common questions and issues has been published in the SLA website and can be found at www.slacal.org.

IT Audit Study Results

From February 7 to 23, 2007, Kelton Research conducted 303 telephone interviews among SLA members as part of an information technology audit study. The report issued in March indicates the most popular agency management systems among SLA member firms are Applied Systems and AMS. Following these top choices, the next most popular option is to have an in-house solution that the firm has developed on its own. Only 13 percent of those interviewed had or know of plans to change their system in the next few years. The most popular choices for new systems were AMS, Applied Systems, and Nexsure. Across all agency management

systems examined, virtually all (95%) systems store policy data, while two-thirds (64%) store an image of the declaration page and the complete policy. Half of all agency management systems (54%) store an image of the SL-1 (Confidential Report of Surplus Line Placement) and the SL-2 (Diligent Search Report).

The improvement that users would most like to see in the SLA is electronic or online filing. Eighty-three percent of respondents are currently sending their SLA filings by mail. Instead, users would either log onto the SLA website (42% prefer this method making it the #1 choice) and complete the forms there – uploading the necessary documents. Some members prefer to use a fully-automated system where their agency management system is modified to work seamlessly and automatically with the SLA (24% chose this method making it the #2 choice). Most members (62%) don't believe their company would be willing to incur costs to make their agency management system integrate seamlessly with the SLA database. Therefore, logging into the SLA website and inputting the information there appears to be the most viable approach.

The SLA is currently in development of a new software application to automate SLA operations and provide electronic filing to the brokers. In the spring of 2008, SLA members will have the following three options: 1) to log into the SLA web application where they will be able to either complete the SLA forms online and upload the image forms (SL1, SL2, declaration page as well as policy if wanted), or 2) upload the data as well as the image forms, and 3) have their agency management system communicate directly with the SLA web application to upload the data

The information technology audit study conducted for the SLA by Kelton Research indicates the most popular agency management systems among SLA member firms are Applied Systems, AMS, and custom systems they design for themselves in-house. Virtually all systems (95%) store policy data, while two-thirds (64%) store the declaration page and the complete policy. Half of all systems (54%) store the SL-1 and SL-2 forms.

and image forms. This method is the cleanest solution but has the potential to require some up front investment on the part of the broker. After delivery of the new SLA application and broker electronic interface in the spring of 2008, we will

continue to accept paper filings, but they will be less preferred because we have been instructed by the California Department of Insurance to adopt a paperless environment.

LEGAL/LEGISLATIVE UPDATE

NEW LICENSING RULES

Perhaps the most important legal development in California insurance licensing this year occurred on July 20, 2007 when Governor Schwarzenegger signed AB 1639 (Duvall, Chapter 122, Statutes of 2007).

Pursuant to that legislation, all California resident and non-resident surplus line “transactors” must be individually surplus line-licensed effective January 1, 2008. Although the new surplus line licensing rules appear fairly straightforward on their face, their implications are considerably more complex than a first reading might suggest.

As a result, the CDI issued a recent notice on the new rules that address numerous details with which SLA Members should thoroughly familiarize themselves as soon as possible. Additionally, the CDI placed a “Frequently Asked Questions” (FAQ) webpage on its website to further assist you to understand the new rules. The purpose of this article is to provide an overview only and not intended to cover the many procedural, transitional, license application, and other particulars that appear in the CDI’s notice and FAQs webpage. Both the notice and FAQs page can be found on the CDI website at www.insurance.ca.gov. Once at the website, click on the “Agents & Brokers” link, then the “What’s New” link where one can find recent notices and related information including the surplus line licensing changes.

BACKGROUND

Sponsored by the CDI, AB 1639 amends CIC §§ 1765 and 1765.3 to substantially change California’s surplus line broker and special lines’ surplus line broker license requirements and fees.

The CDI’s rationale was that California is virtually alone in allowing endorsees who are not individually surplus line-licensed to transact surplus lines. Currently, other states do not extend surplus line license reciprocity to California fire/casualty endorsees seeking non-resident surplus line licenses outside California; AB 1639 is intended to harmonize California’s surplus line licensing rules with other states’ rules.

Among other criteria, virtually all states require California applicants for a non-resident surplus line license to: (a) hold an individual, California resident surplus line license and (b) hold an underlying California resident fire/casualty license, which includes successfully passing a fire/casualty license examination.

CORE CHANGE

As of January 1, 2008, fire/casualty licensees currently endorsed to surplus line organizational licenses may not transact surplus lines business unless the fire/casualty licensee is also individually surplus line-licensed.

All California resident and non-resident surplus line “transactors” must become individually licensed as surplus line brokers as of January 1, 2008 if they want to continue to transact business on behalf of organizational surplus line broker licensees.

PERSONS AFFECTED

The new licensing rules have implications for the following persons and entities:

- Fire/casualty licensees endorsed to and transacting under a surplus line organizational license.
- Individual surplus lines and special lines licensees who do not hold an underlying California fire/casualty license and/or who have not taken and passed the fire/casualty license examination.
- Organizational surplus line and special lines licensees, particularly those who do not hold an underlying California fire/casualty organizational license.
- Non-resident individual and organizational surplus line and special lines licensees.

CERTAIN HIGHLIGHTS

Some of the more significant highlights of AB 1639 can be summarized as follows—all effective January 1, 2008:

- Fire/casualty licensees presently endorsed on surplus line organizational licenses may not transact surplus lines after December 31, 2007, unless individually surplus line-licensed.
- Surplus line licensees that “transact” only as an endorsee on a surplus lines organizational license no longer require an individual bond. In those circumstances, only the organizational licensee is required to post and maintain a bond. Therefore, an individual surplus line licensee who is endorsed on an organizational license and who is currently bonded need not maintain his or her bond after January 1, 2008.

- Individual surplus line licensees, transacting under their individual licenses, and not as an endorsee to an organizational license, must post and maintain an individual bond.
- Fire/casualty licensees who act only as retailers to access the nonadmitted market through licensed surplus line brokers are not affected by the new legislation.
- Administrative and clerical support staffs who do not transact surplus lines business also are not affected.

TIMING CRITICAL

January 1, 2008, is just around the corner. To avoid interruption of the authority to transact surplus lines or special lines business, all licensees wishing to transact after December 31, 2007 should study the CDI notice and FAQs carefully to ensure compliance with the new licensing requirements by the end of this year.

The CDI is accepting surplus line broker applications prominently labeled “Request January 1, 2008 Effective Date” so that new surplus line broker applicants may take advantage of the new, lower license fee of \$700 (previously \$1,200).

Given the number of licensees affected by the new licensing rules, the CDI can expect to receive an avalanche of new surplus line applications between now and the end of December 2007. Applications for a surplus line license, and in some cases an application for a fire/casualty license, should be filed as soon as possible.

The California Department of Insurance is accepting surplus line broker applications labeled “Request January 1, 2008 Effective Date” so that new surplus line broker applicants may take advantage of the new, lower license fee of \$700 (previously \$1,200).

COMPACT TO SOLVE CONFUSION IN MULTI-STATE SURPLUS LINE TRANSACTIONS



Ted Pierce
Executive Director

A group of 60 interested parties made up of representatives of AAMGA, NAPSLO, stamping offices, surplus line insurers, regulators, tax officials, and legislators have been drafting a multi-state compact to facilitate uniformity among the states for the allocation of surplus line premium taxes on multi-state risks. The compact would allow surplus line brokers to make one state premium tax and regulatory filing on each of their multi-state insurance transactions. The group of 60 began work on the compact in 2006 at the suggestion of the National Association of Insurance Commissioner's (NAIC) Surplus Lines Task Force.

The compact, titled Surplus Lines Insurance Multi-State Compliance Compact, would provide that the insured's home state would be the primary method for brokers to determine where premium tax payments and regulatory filings should originate. Brokers would only need to be licensed in the insured's home state when placing multi-state risks. Through the use of a uniform tax allocation formula agreed to by two-thirds of the compacting states, each state would require the reporting of data on the multi-state surplus line transactions to a clearinghouse established by the compact commission.

Surplus line brokers would report each transaction to the home state of the insured. A web based spreadsheet and calculator would be available by which the broker could report each state's allocation (payroll by state for instance) and obtain a tax billing sheet by which it could bill

the insured. The data would be transferred either through the state taxing authority, through the stamping office or directly to a compact commission clearinghouse.

On independently procured transactions, compacting states would require the insured to complete the tax allocation schedule, report and pay taxes state by state. Allocation data would be reported by the state to the compact commission clearinghouse.

The Nonadmitted and Reinsurance Reform Act of 2007 pending in Congress (HR 1065 & S 929) differs from the compact because it would require multi-state taxes to be paid to the home state tax collection agency. This provision does not require the home state to then allocate portions of the taxes to the other states. By contrast, through the compact, all compacting states would receive their fair allocation of taxes. The compact requires states to agree to standards for tax payment due dates, and could facilitate agreements on uniformity in exempt commercial purchase rules, consumer protection disclosures, stamping office filing procedures, and surplus line insurer eligibility. These uniform standards would only be applicable to transactions that are multi-state in nature.

Vast improvement in marketplace efficiency through uniformity among the states would be the biggest contribution of the compact. The compact's rules would address fair apportionment of taxes to each state but only to the extent states adopt the compact. Compacting states could opt out of some of the provisions of the compact if they conflict with their state law. The compact would allow each state to charge its own tax rate

The Surplus Lines Insurance Multi-State Compliance Compact would provide that the insured's home state would be the primary method for brokers to determine where premium tax payments and regulatory filings should originate. The compact would allow surplus line brokers to make one state premium tax and regulatory filing on their multi-state insurance transactions.

to the portion of risk in that state but only the insured's home state would directly regulate the transaction. The other compacting states would retain indirect control of the portion of the risk in their state through reports on allocation from the compact commission and again, receipt of their portion of the premium tax.

A draft compact document will soon be presented to the NAIC and various other multi-state organizations of state officials for review and

endorsement, but the compact must be enacted by the state legislatures to become the law of the land. The compact commission becomes effective upon the earlier of the compact's adoption by ten states or states representing 40% of the U.S. surplus line market. The clearinghouse and tax allocation implementation occurs on the first January 1 or July 1 following the first anniversary of the date the compact commission becomes effective.

The SLA Annual Meeting and Luncheon will be held January 30, 2008 in San Francisco and January 31, 2008 in Beverly Hills. The SLA members will hear a report from the chairman and the nominating committee followed by the election of officers. Reports will also be heard from the Secretary/Treasurer, Executive Director, Director of the Stamping Office, and General Counsel.

REPORT OF THE DIRECTOR OF THE STAMPING OFFICE



Joy Laughery
Director,
Stamping Office

The Surplus Line Association has felt the slowing of the market with a mere 1.5% increase (year to date average) in filed premium. This is keeping with the reported market trending by MarketScout which stated a composite rate for all property and casualty coverages edged to a 15% decline nationwide. The Data Processing department has processed \$ 4,546,054,639 in premiums from January through September.

On September 17, 2007 The Surplus Line Association issued a bulletin informing its members of changes the CDI had made to licensing requirements effective January 1, 2008. We understand this bulletin can be confusing and if you have any question please feel free to call our office.

Also as a reminder, our Annual Meeting will be held January 30, 2008 in San Francisco and on January 31, 2008 in Beverly Hills. The Annual Meeting will include the election of officers, Report of the Secretary/Treasurer, as well as a legal update. After the meeting is adjourned the

SLA will host a luncheon. Please look for the bulletin in December with more information and be sure to RSVP. Our Annual Meeting is a great opportunity to catch up with old acquaintances and make new contacts in the insurance industry. I hope to see you there!

We would like to welcome our newest brokers:

New Brokers Added Since July 2007

- Adler, Marc R.
Align General Insurance Agency, Inc.
- Allied North America Insurance Brokerage of Illinois, LLC
- Amos, Milton Edward III
Arledge, Michael Evin
Avsurance Corporation
- Axis Insurance LLC
- Baig, Salmaan
- Bauer, Kristopher David
- Black/White & Associates Insurance Brokers of Louisville, Inc.
- Bolan, John Paul
- Boneck, Brian D
- Brownyard, Blair
- Cardenas, Michael Raymond
- Chaix, Roger Eugene Jr.

Conway E & S, Inc.
 Crabb, Mary Elizabeth
 Craig, Timothy Allen
 Daniels, Donald C.
 Dillon Risk Management and Insurance Services, Inc.
 Dultz, Thomas Sheldon
 Ecker, Sean Hack
 Farrell, Scott
 Foltz, Gary Lee
 Foster, Randy Ray
 Frenkel & Co., Inc.
 Global Benefits Group, US Inc.
 Global Partners Insurance Brokers, Inc.
 Goodman, Justin P.
 Grego, Tony Marieiro
 Guth, Daniel Joseph
 Huynh, Nancy Thuy
 Integra Financial Group, Inc.
 Irving Weber Associates, Inc.
 JC Shannon Insurance Services, Inc.
 Johnston, George Ernest
 Lincoln Transportation Insurance Brokers, Inc.
 LIPCA, Inc
 Lorber, Anthony Joseph
 Lovecchio, Nicholas Mark
 Mascher, Edward Joseph
 Matternas, John Jay
 McClive, Sandra Ann
 McCloskey, Keltie Thomas
 McCloy, William Ross
 Mitchell, Jeanne Queen
 Murphy, Thomas Michael
 Nielsen, Peter King
 Novak, David Elliot
 Nutt, Freddie Alfred
 O'Neill, Michael Shawn
 Penhurst Insurance Services, Inc.
 Pepin, Armand George
 Pipeline Wholesale Insurance Services, Inc.
 Plus Companies, Inc., The
 Preston, Donald Duwayne
 Pro Ag Management, Inc.
 Quadrant Insurance Services, LLC
 Quest Specialty Insurance Brokers, LLC
 Reynolds, Jeffery Scott
 Rinehart, Bruce Kevin
 Rotter, Marc Alex
 Schaffel, Debra Lynn
 Scurti, Susan Powers
 Seattle Specialty Insurance Services, Inc.
 Short, Jeffery Michael
 Snearer, Karl Frederick
 Spink, Donald William
 Starr Technical Risks Agency, Inc.
 Streeter, Gerry Wade
 Sullivan, Kevin Andrew
 Sullivan, Martin Frances
 Tave & Associates, L.L.C.
 Travco Services, Inc.
 Tsigris, Joyce Louise
 Vanover, Gerry Todd
 Weddle, Anthony Allan
 Wells Fargo Insurance Services of Nevada, Inc.
 Willis of Maryland, Inc.
 Willis of Pennsylvania, Inc.
 Y.A. Tittle & Associates Insurance Services

Resulting from the enactment of Assembly Bill 1639 (Duvall, Chapter 122, Statutes of 2007) effective January 1, 2008, the total number of California surplus line broker licenses is expected to double as the current endorsed transactors on corporate licenses are required to become individually licensed.

Total Brokers Added Since July 2007: 81

CA Corporate:	581	Non-Resident Corporate:	277
CA Individual:	501	Non-Resident Individual:	261
Total CA	1,082	Total Non-Resident	538

Total Membership Count: 1,620

(as of October 8, 2007)

PAT MCAULEY EARNS CPCU



Pat McAuley,
CPCU, ASLI
Data Processing Manager
Surplus Line
Association of
California

Pat McAuley, CPCU, ASLI, has been awarded the professional insurance designation Chartered Property Casualty Underwriter (CPCU) by the American Institute for CPCU. This announcement was made by Peter L. Miller, CPCU, President and Chief Executive Officer. The American Institute for CPCU is an independent, nonprofit educational

organization that confers the CPCU designation on persons who complete eight rigorous courses and national examinations and meet its ethics and experience requirements. All CPCUs are required to maintain and to improve their professional knowledge,

skills, and competence through their commitment to the American Institute's Code of Professional Ethics.

Currently, Pat McAuley manages the Surplus Line Association of California's Data Processing Department with a staff of thirty-three employees; she has been employed with the Association for twelve years. The experience and knowledge gained from the CPCU materials and examinations will enable the staff to better serve the needs of our clients and members. Pat has a Master's Degree in Humanities from San Francisco State University; she earned her ASLI in 2005 and her CPCU in 2007. She is grateful for the support provided by the SLA and plans to continue pursuing different courses of study with the American Institute for Chartered Property Casualty Underwriters and the Insurance Institute of America.

MEMBER PROFILE



William E. Buckley
President & CEO
G.J. Sullivan Co.
Excess and Surplus
Lines Brokers

Prior to being named President and CEO of G.J. Sullivan Co. E&S Brokers, Bill Buckley served as the firm's Executive Vice President. Bill has previously served as a branch manager for facultative property and casualty programs, and alternative risk at Swiss Re in Dallas, TX and Phoenix, AZ. Prior to Swiss Re, Bill served as a casualty facultative underwriter at General Reinsurance in Columbus, OH. Prior to General Reinsurance, Bill was a national accounts underwriter at Travelers Insurance Company in Middleboro, MA. Bill was also an underwriter for Travelers in Providence, RI

and Quincy, MA. Prior to earning a B.A. degree from Stonehill College in Easton, MA, Bill served as a Corpsman in the U.S. Navy.

G.J. Sullivan Co. Excess and Surplus Lines Brokers is a wholesale insurance brokerage agency representing a wide variety of competitive and financially stable insurance companies. Established in 1981, G.J. Sullivan is dedicated to providing retail agent and broker customers with the best possible service, professionalism and expertise, based on strong, lasting relationships. The October 1, 2007, issue of "Business Insurance" named the Sullivan Group wholesale operations as the 8th largest MGA/underwriting managers in the United States ranked by 2006 wholesale premium volume.

Top 100 California Surplus Line Brokers

Based on Premium Processed through September 30, 2007

RANK	BROKER	PREMIUM PROCESSED	% OF TOTAL
1	WESTERN RISK SPECIALISTS, INC.	\$389,682,593	8.57%
2	SWETT & CRAWFORD	372,497,289	8.19%
3	MARSH USA INC.	212,716,876	4.68%
4	AON RISK SERVICES, INC. OF SOUTHERN CALIFORNIA INSURANCE SERVICES	206,581,245	4.54%
5	AMWINS INSURANCE BROKERAGE OF CALIFORNIA, LLC	143,556,151	3.16%
6	AMERICAN E & S INSURANCE BROKERS OF CALIFORNIA, INC.	137,962,972	3.03%
7	RISK PLACEMENT SERVICES INSURANCE BROKERS	122,846,434	2.70%
8	WORLDWIDE FACILITIES, INC.	118,067,196	2.60%
9	CRC-STERLING WEST INSURANCE SERVICES, LLC	96,509,198	2.12%
10	BLISS AND GLENNON INC	94,778,242	2.08%
11	HART, ANTHONY JOSEPH	86,776,986	1.91%
12	BISYS COMMERCIAL INSURANCE SERVICES, INC.	86,499,100	1.90%
13	INTERNATIONAL E & S INSURANCE BROKERS, INC.	80,698,206	1.78%
14	BROWN & RIDING INSURANCE SERVICES, INC.	72,003,195	1.58%
15	LOCKTON COMPANIES, LLC	67,312,609	1.48%
16	CRC INSURANCE SERVICES, INC.	66,204,777	1.46%
17	COLEMONT INSURANCE BROKERS OF CALIFORNIA, LLC	66,198,000	1.46%
18	CROUSE & ASSOCIATES INSURANCE SERVICES OF NORTHERN CALIFORNIA, INC.	61,596,382	1.35%
19	BURNS & WILCOX INSURANCE SERVICES, INC.	60,145,145	1.32%
20	AON RISK SERVICES, INC. OF NORTHERN CALIFORNIA INSURANCE SERVICES	59,923,278	1.32%
21	PARTNERS SPECIALTY GROUP, LLC	59,619,210	1.31%
22	ALLIANT INSURANCE SERVICES, INC.	47,867,400	1.05%
23	WILLIS INSURANCE SERVICES OF CALIFORNIA, INC.	42,031,756	0.92%
24	FIRST STATE MANAGEMENT GROUP, INC.	38,757,939	0.85%
25	HULL & COMPANY (CALIFORNIA) INC.	38,517,907	0.85%
26	SOCIUS INSURANCE SERVICES, INC. (FKA: ECM INSURANCE SVCS, INC.)	37,228,726	0.82%
27	BASS UNDERWRITERS, INC.	33,426,399	0.74%
28	WESTERN RE/MANAGERS INSURANCE SERVICES, INC.	31,571,612	0.69%
29	BORISOFF INSURANCE SERVICES, INC. (DBA: MONARCH E & S INSURANCE SERVICES)	31,379,825	0.69%
30	CRUMP INSURANCE SERVICES, INC.	30,645,944	0.67%
31	PETERSON, GARY TODD	29,150,247	0.64%
32	ARTHUR J. GALLAGHER & CO. INSURANCE BROKERS OF CALIFORNIA, INC. (GLENDALE)	28,886,113	0.64%
33	WILLIS OF NEW YORK INC	26,524,550	0.58%
34	AON/ALBERT G. RUBEN INSURANCE SERVICES, INC.	25,753,585	0.57%
35	M.J. HALL & COMPANY, INC.	24,420,107	0.54%
36	W. BROWN & ASSOCIATES PROPERTY & CASUALTY INSURANCE SERVICES	24,298,914	0.53%
37	NEITCLEM WHOLESale INSURANCE BROKERAGE, INC	23,603,666	0.52%
38	YATES & ASSOCIATES INSURANCE SERVICES, INC.	23,536,313	0.52%
39	WOODRUFF-SAWYER & COMPANY	22,969,080	0.51%
40	SBIB, INC.	22,542,541	0.50%
41	CHARTWELL INDEPENDENT INSURANCE BROKERS, LLC	22,514,101	0.50%
42	COMMODORE INSURANCE SERVICES, INC.	21,871,578	0.48%
43	ALBERICO, DONALD ANTHONY	20,759,277	0.46%
44	USI OF SOUTHERN CALIFORNIA INSURANCE SERVICES, INC.	20,388,445	0.45%
45	CARPENTER & MOORE INSURANCE SERVICES INC.	20,323,792	0.45%
46	ALL RISKS, LTD.	19,885,634	0.44%
47	MIDWESTERN GENERAL BROKERAGE, INC.	19,246,925	0.42%
48	R.E. CHAIX & ASSOCIATES INSURANCE BROKERS, INC.	19,001,266	0.42%
49	ZURICH E&S INSURANCE BROKERAGE, INC.	18,018,680	0.40%
50	COASTAL BROKERS INSURANCE SERVICES INC.	17,874,996	0.39%

The top five surplus line brokers in the first 9-months of 2007 based on premium volume were Western Risk Specialists, followed by Swett & Crawford, Marsh USA, AON Risk Services, and Amwins Insurance Brokers..

Top 100 California Surplus Line Brokers

Continued from Page 9

Based on Premium Processed through September 30, 2007

RANK	BROKER	PREMIUM PROCESSED	% OF TOTAL
51	AIS AFFINITY INSURANCE AGENCY, INC.	17,850,097	0.39%
52	HARRY W. GORST COMPANY, INC.	16,986,986	0.37%
53	TRINITY E & S INSURANCE SERVICES, INC.	16,880,174	0.37%
54	NORMAN SPENCER MCKERNAN AGY(NSM)-TB&C WHOLESAL INS. SERV'S OF PASADENA	15,466,428	0.34%
55	INTEGRATED RISK SOLUTIONS INSURANCE SERVICES, LLC.	15,284,337	0.34%
56	LAE INSURANCE SERVICES, INC.	15,193,731	0.33%
57	LOCKTON COMPANIES, INC.	14,784,969	0.33%
58	NAS INSURANCE SERVICES, INC.	14,359,658	0.32%
59	PETERSEN INTERNATIONAL UNDERWRITERS	13,207,977	0.29%
60	HEFFERNAN INSURANCE BROKERS	12,998,362	0.29%
61	JOHN L. WORTHAM & SON, L.P.	12,927,952	0.28%
62	WESTERN SECURITY SURPLUS INSURANCE BROKERS, INC.	11,846,342	0.26%
63	HRH E&S SERVICES, LLC	11,739,606	0.26%
64	AMWINS BROKERAGE OF NEW YORK, INC.	11,686,119	0.26%
65	LOCKTON INSURANCE BROKERS, INC.	11,495,760	0.25%
66	HILB ROGAL & HOBBS PROFESSIONAL PRACTICE INS BROKERS, INC.	11,472,473	0.25%
67	CAMBRIDGE GENERAL AGENCY	11,150,081	0.25%
68	GALEOTTI, GARY WAYNE	10,554,773	0.23%
69	BROWN & BROWN OF CALIFORNIA, INC.	10,289,918	0.23%
70	ROBERTSON TAYLOR (CALIFORNIA), INC.	10,175,421	0.22%
71	HDR INSURANCE MANAGERS, LLC	10,170,898	0.22%
72	ALL RISKS, LLC	10,014,572	0.22%
73	A.I. RISK SPECIALISTS INSURANCE, INC.	9,535,044	0.21%
74	ANDERSON & MURISON INC.	9,482,762	0.21%
75	VULCAN EXCESS & SURPLUS INSURANCE SERVICES, INC.	9,449,345	0.21%
76	JOYCE, JAMES THEODORE "TED"	9,409,371	0.21%
77	NAVIGATORS CALIFORNIA INSURANCE SERVICES, INC.	9,401,006	0.21%
78	BARNEY & BARNEY, LLC.	9,383,808	0.21%
79	PROPERTY RISK SERVICES, LLC	9,378,261	0.21%
80	ALEXANDER, MORFORD & WOO, INC.	9,182,347	0.20%
81	G.J. SULLIVAN CO. EXCESS & SURPLUS LINES BROKERS	8,746,918	0.19%
82	W. B. AHERN ENTERPRISES, INC.	8,726,269	0.19%
83	ABD INSURANCE AND FINANCIAL SERVICES	8,638,228	0.19%
84	COOPER & MCCLOSKEY, INC. INSURANCE BROKERS	8,406,929	0.18%
85	JAMES KLEIN INSURANCE SERVICE INC.	8,360,699	0.18%
86	HALL, JAMES ALLAN	8,057,073	0.18%
87	U.S. RISK OF CALIFORNIA, INC.	7,817,178	0.17%
88	NORMAN SPENCER MCKERNAN AGY(NSM)TB&C WHOLESAL INS. SERV'S OF ORANGE CO.	7,502,215	0.17%
89	ARC WEST COAST EXCESS & SURPLUS BROKERAGE, LLC	7,453,529	0.16%
90	TIO, TOMAS EDUARDO	7,313,820	0.16%
91	CAMPBELL & ASSOCIATES INSURANCE BROKERAGE, LLC	7,238,667	0.16%
92	INTEGRO USA INC.	7,200,685	0.16%
93	MCGRIFF, SEIBELS & WILLIAMS, INC.	6,907,173	0.15%
94	LAMBERSON KOSTER & COMPANY	6,904,237	0.15%
95	WHOLESALE CONNECTION INSURANCE SERVICES, LLC	6,527,541	0.14%
96	THOMPSON, GREGORY STEELE	6,401,676	0.14%
97	HULL & COMPANY, INC.	6,216,638	0.14%
98	NETWORK E & S INSURANCE BROKERS, LLC	6,209,963	0.14%
99	FRANK CRYSTAL & CO INC	6,161,010	0.14%
100	TRANS CAL ASSOCIATES	6,134,246	0.13%
	SUBTOTAL	\$3,953,855,667	86.97%
	ALL OTHER BROKERS	592,198,974	13.03%
	TOTAL	\$4,546,054,640	100.00%

As of October, 2007, there were 1,620 surplus line broker licensees in California. Of these, 1,082 were resident brokers and 538 were non-resident brokers.

Top 100 Nonadmitted Carriers

Continued on Page 12

Based on Premium Processed through September 30, 2007

RANK	COMPANY	PREMIUM PROCESSED	% OF TOTAL
1	LEXINGTON INSURANCE COMPANY	\$634,380,646	13.95%
2	AMERICAN INTERNATIONAL SPECIALTY LINES INSURANCE COMPANY	357,012,232	7.85%
3	SCOTTSDALE INSURANCE COMPANY	131,443,481	2.89%
4	LANDMARK AMERICAN INSURANCE COMPANY	125,505,791	2.76%
5	ADMIRAL INSURANCE COMPANY	123,358,753	2.71%
6	STEADFAST INSURANCE COMPANY	118,849,629	2.61%
7	ARCH SPECIALTY INSURANCE COMPANY	115,642,848	2.54%
8	NAVIGATORS SPECIALTY INSURANCE COMPANY	113,771,966	2.50%
9	EMPIRE INDEMNITY INSURANCE COMPANY	104,009,778	2.29%
10	WESTCHESTER SURPLUS LINES INSURANCE COMPANY	99,685,357	2.19%
11	MT. HAWLEY INSURANCE COMPANY	88,360,180	1.94%
12	NATIONAL FIRE & MARINE INSURANCE COMPANY	86,356,114	1.90%
13	EVANSTON INSURANCE COMPANY	81,940,305	1.80%
14	AXIS SURPLUS INSURANCE COMPANY	80,412,993	1.77%
15	GEMINI INSURANCE COMPANY	77,170,600	1.70%
16	INTERSTATE FIRE & CASUALTY COMPANY	73,502,993	1.62%
17	LLOYD'S OF LONDON SYNDICATE #0033	72,068,781	1.59%
18	ILLINOIS UNION INSURANCE COMPANY	68,538,958	1.51%
19	LLOYD'S OF LONDON SYNDICATE #2987	64,915,085	1.43%
20	LIBERTY SURPLUS INSURANCE CORPORATION	63,349,515	1.39%
21	COLONY INSURANCE COMPANY	57,265,278	1.26%
22	ESSEX INSURANCE COMPANY	56,917,508	1.25%
23	COLUMBIA CASUALTY COMPANY	55,783,440	1.23%
24	LLOYD'S OF LONDON SYNDICATE #2623	54,699,204	1.20%
25	NORTH AMERICAN CAPACITY INSURANCE COMPANY	51,247,383	1.13%
26	EVEREST INDEMNITY INSURANCE COMPANY	47,680,873	1.05%
27	CHUBB CUSTOM INSURANCE COMPANY	45,746,913	1.01%
28	ENDURANCE AMERICAN SPECIALTY INSURANCE COMPANY	45,416,295	1.00%
29	INDIAN HARBOR INSURANCE COMPANY	41,990,875	0.92%
30	CENTURY SURETY COMPANY	40,321,294	0.89%
31	LLOYD'S OF LONDON SYNDICATE #0510	39,827,699	0.88%
32	LLOYD'S OF LONDON SYNDICATE #2020	39,220,482	0.86%
33	JAMES RIVER INSURANCE COMPANY	38,412,256	0.84%
34	AMERICAN SAFETY INDEMNITY COMPANY	38,218,724	0.84%
35	PACIFIC INSURANCE COMPANY LTD.	37,879,842	0.83%
36	HOUSTON CASUALTY COMPANY	37,062,284	0.82%
37	BURLINGTON INSURANCE COMPANY	35,750,510	0.79%
38	LLOYD'S OF LONDON SYNDICATE #2003	35,315,664	0.78%
39	LLOYD'S OF LONDON SYNDICATE #2488	31,117,367	0.68%
40	HUDSON SPECIALTY INSURANCE COMPANY	27,454,731	0.60%
41	NAUTILUS INSURANCE COMPANY	26,185,832	0.58%
42	LLOYD'S OF LONDON SYNDICATE #1200	25,219,294	0.55%
43	FIRST MERCURY INSURANCE COMPANY	24,391,539	0.54%
44	GENERAL STAR INDEMNITY COMPANY	24,114,390	0.53%
45	ASSOCIATED ELECTRIC & GAS INSURANCE SERVICES LIMITED	22,763,373	0.50%
46	UNITED NATIONAL INSURANCE COMPANY	22,328,925	0.49%
47	FIRST SPECIALTY INSURANCE CORPORATION	22,305,557	0.49%
48	CLARENDON AMERICA INSURANCE COMPANY	22,066,937	0.49%
49	LLOYD'S OF LONDON SYNDICATE #0623	21,610,263	0.48%
50	STARR EXCESS LIABILITY INSURANCE COMPANY, LTD.	21,556,397	0.47%

Lexington Insurance Company generated the most premium at 13.95% followed by American International Specialty Lines Insurance Company, Scottsdale Insurance Company, Landmark American Insurance Company, and Admiral Insurance Company.

Top 100 Nonadmitted Carriers

Continued from Page 11

Based on Premium Processed through September 30, 2007

RANK	COMPANY	PREMIUM PROCESSED	% OF TOTAL
51	LLOYD'S OF LONDON SYNDICATE #2001	21,554,428	0.47%
52	COMMONWEALTH INSURANCE COMPANY	21,459,705	0.47%
53	HOMELAND INSURANCE COMPANY OF NEW YORK	20,028,249	0.44%
54	SR INTERNATIONAL BUSINESS INSURANCE COMPANY LIMITED	19,742,030	0.43%
55	PRAETORIAN SPECIALTY INSURANCE COMPANY	19,425,518	0.43%
56	WESTERN HERITAGE INSURANCE COMPANY	17,935,189	0.39%
57	GREAT AMERICAN E&S INSURANCE COMPANY	17,117,064	0.38%
58	ASPEN INSURANCE UK LIMITED	15,986,682	0.35%
59	LLOYD'S OF LONDON SYNDICATE #1225	15,942,447	0.35%
60	LLOYD'S OF LONDON SYNDICATE #4472	15,213,751	0.33%
61	PENN-STAR INSURANCE COMPANY	15,106,647	0.33%
62	NUTMEG INSURANCE COMPANY	14,952,490	0.33%
63	LLOYD'S OF LONDON SYNDICATE #1084	14,903,918	0.33%
64	COLONY NATIONAL INSURANCE COMPANY	14,738,866	0.32%
65	LLOYD'S OF LONDON SYNDICATE #1414	14,720,963	0.32%
66	NEWMARKET UNDERWRITERS INSURANCE COMPANY	14,278,131	0.31%
67	GREAT LAKES REINSURANCE (UK) PLC	13,188,490	0.29%
68	ROCKHILL INSURANCE COMPANY	13,110,574	0.29%
69	ST. PAUL SURPLUS LINES INSURANCE COMPANY	12,962,261	0.29%
70	LLOYD'S OF LONDON SYNDICATE #0435	12,528,103	0.28%
71	LLOYD'S OF LONDON SYNDICATE #0570	12,420,844	0.27%
72	ASPEN SPECIALTY INSURANCE COMPANY	12,096,722	0.27%
73	LLOYD'S OF LONDON SYNDICATE #0958	11,941,902	0.26%
74	DARWIN SELECT INSURANCE COMPANY	11,596,509	0.26%
75	LLOYD'S OF LONDON SYNDICATE #2000	11,479,872	0.25%
76	LLOYD'S OF LONDON SYNDICATE #2791	11,426,025	0.25%
77	LLOYD'S OF LONDON SYNDICATE #5000	11,303,246	0.25%
78	GLENCOE INSURANCE LIMITED	11,267,280	0.25%
79	USF INSURANCE COMPANY	11,074,950	0.24%
80	LLOYD'S OF LONDON SYNDICATE #2010	10,991,443	0.24%
81	LLOYD'S OF LONDON SYNDICATE #4444	10,798,636	0.24%
82	LLOYD'S OF LONDON SYNDICATE #0807	10,579,033	0.23%
83	MOUNT VERNON FIRE INSURANCE COMPANY	10,400,550	0.23%
84	LLOYD'S OF LONDON SYNDICATE #4242	9,971,748	0.22%
85	LLOYD'S OF LONDON SYNDICATE #1183	9,090,674	0.20%
86	AMERICAN EMPIRE SURPLUS LINES INSURANCE COMPANY	9,058,280	0.20%
87	PRINCETON EXCESS AND SURPLUS LINES INSURANCE COMPANY	8,694,185	0.19%
88	TUDOR INSURANCE COMPANY	8,667,691	0.19%
89	AXIS SPECIALTY INSURANCE COMPANY	8,530,755	0.19%
90	GOTHAM INSURANCE COMPANY	8,172,396	0.18%
91	QBE INSURANCE (EUROPE) LIMITED	7,859,395	0.17%
92	NORTHFIELD INSURANCE COMPANY	7,662,226	0.17%
93	FIREMAN'S FUND INSURANCE COMPANY OF OHIO	7,062,459	0.16%
94	NOETIC SPECIALTY INSURANCE COMPANY	6,882,651	0.15%
95	TRAVELERS EXCESS & SURPLUS LINES COMPANY	6,798,520	0.15%
96	LLOYD'S OF LONDON SYNDICATE #0727	6,159,079	0.14%
97	CATLIN SPECIALTY INSURANCE COMPANY	6,050,956	0.13%
98	LLOYD'S OF LONDON SYNDICATE #2112	5,702,512	0.13%
99	LLOYD'S OF LONDON SYNDICATE #0557	5,696,788	0.13%
100	LLOYD'S OF LONDON SYNDICATE #1206	5,551,153	0.12%
	SUBTOTAL	\$4,370,031,118	96.13%
	All Other Companies	176,023,522	3.87%
	TOTAL	\$4,546,054,640	100.00%

U.S. domiciled insurers wrote 81.30% of the California surplus line premium followed by Lloyd's at 14.58%, and all other alien insurers at 3.21%. The Lloyd's market had a 10.34% increase in their share of California premium.

Top 50 Coverage Codes

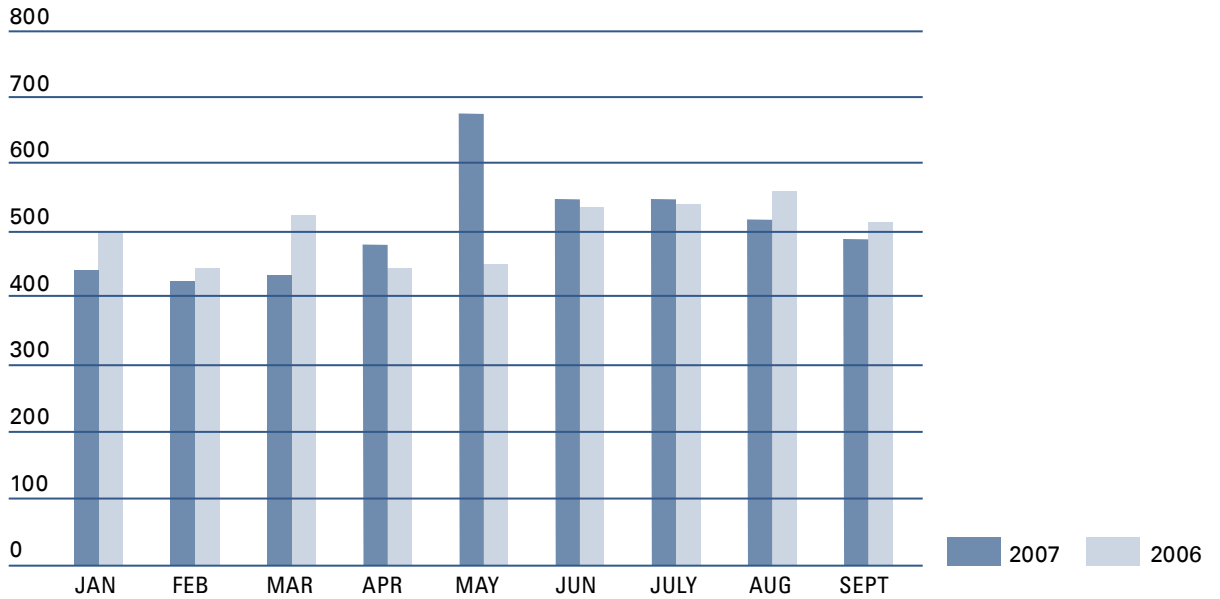
Based on Premium Processed through September 30, 2007

RANK	EXPORT	COMPANY	PREMIUM PROCESSED	% OF TOTAL
1		GENERAL LIABILITY	\$1,320,281,600	29.04%
2	YES	COMMERCIAL DIC/STAND ALONE EARTHQUAKE	597,510,712	13.14%
3		ERRORS AND OMISSIONS	441,165,014	9.70%
4		ALL RISK COMMERCIAL PROPERTY	330,352,605	7.27%
5	YES	ENVIRONMENTAL IMPAIRMENT REMEDIATION & POLLUTION LIABILITY	288,839,024	6.35%
6		SPECIAL MULTI-PERIL PACKAGE	219,401,691	4.83%
7		EXCESS LIABILITY	202,393,413	4.45%
8	YES	INDIV INSURED W/LARGE SCHED TIV > \$500M	146,643,923	3.23%
9	YES	EXCESS LIABILITY/UNDERLYING NONADMITTED	143,890,026	3.17%
10		MISCELLANEOUS	111,527,108	2.45%
11	YES	EMPLOYMENT PRACTICES LIABILITY	94,688,134	2.08%
12		PROFESSIONAL LIABILITY	94,647,082	2.08%
13	YES	CONTRACTORS ENGAGED IN NEW TRACT HOMES AND/OR CONDOMINIUMS	85,942,573	1.89%
14		DIRECTORS AND OFFICERS	72,639,872	1.60%
15		INLAND MARINE	41,174,734	0.91%
16	YES	PRODUCTS/COMPLETED OPERATIONS (STAND ALONE)	40,858,837	0.90%
17		HOMEOWNERS MULTI-PERIL	25,470,978	0.56%
18		AUTO PHYSICAL DAMAGE-COMMERCIAL	22,685,270	0.50%
19	YES	EVENT CANCELLATION	21,439,968	0.47%
20		HOSPITALS	20,832,469	0.46%
21	YES	HIGH LIMITS DISABILITY	18,549,560	0.41%
22		GARAGE LIABILITY	17,457,266	0.38%
23		HOMEOWNERS	15,055,606	0.33%
24		COMMERCIAL PROPERTY-BASIC	14,880,171	0.33%
25	YES	SECURITY GUARD SERVICES	12,603,544	0.28%
26		AUTO LIABILITY-COMMERCIAL	10,998,065	0.24%
27		SINGLE FAMILY DWELLING/DUPLEX	10,707,065	0.24%
28		AUTO COMBINED LIAB & PHYS DAMAGE-COMM.	10,282,589	0.23%
29		AVIATION	10,142,168	0.22%
30		GROUP HEALTH	8,057,073	0.18%
31		TERRORISM	7,507,677	0.17%
32	YES	PERSONAL ARTICLES FLOATERS WRITTEN ON A STAND ALONE BASIS	4,785,901	0.11%
33		SPECIAL MULTI-PERIL WITH TERRORISM	4,280,314	0.09%
34		FIDELITY	4,274,969	0.09%
35		BONDS	4,240,791	0.09%
36	YES	PRODUCTS RECALL	4,138,616	0.09%
37	YES	OILFIELD CONTRACTORS	3,769,339	0.08%
38	YES	VACANT BUILDINGS	3,639,880	0.08%
39		ACCIDENT	3,078,778	0.07%
40	YES	SHORT TERM SPECIAL EVENTS (EXC HOLE IN ONE)	2,546,244	0.06%
41	YES	EXCESS FLOOD	2,482,033	0.05%
42	YES	DEMOLITION CONTRACTORS	2,481,779	0.05%
43	YES	LIMITS THAT ATTACH IN EXCESS OF \$150M	2,089,585	0.05%
44		EXCESS WORKERS COMPENSATION	1,991,211	0.04%
45	YES	AVIATION EXCESS LIABILITY	1,977,802	0.04%
46	YES	CLINICAL & SIMILAR TESTS OF PHARMACEUTICAL	1,943,457	0.04%
47		CRIME	1,593,924	0.04%
48	YES	SAWMILLS	1,431,373	0.03%
49		RESIDENTIAL EARTHQUAKE	1,402,203	0.03%
50		DISABILITY INCOME	1,398,512	0.03%
		SUBTOTAL	\$4,512,172,526	99.25%
		All Other Coverages	33,882,114	0.75%
		TOTAL	\$4,546,054,640	100.00%

General Liability remains the largest single category of California surplus line premium at 29.04%. Commercial DIC/Stand Alone Earthquake, Errors & Omissions, and Commercial Property remain a distant second, third, and fourth.

Comparison of Premium Processed for 3rd Quarter of 2007 and 2006

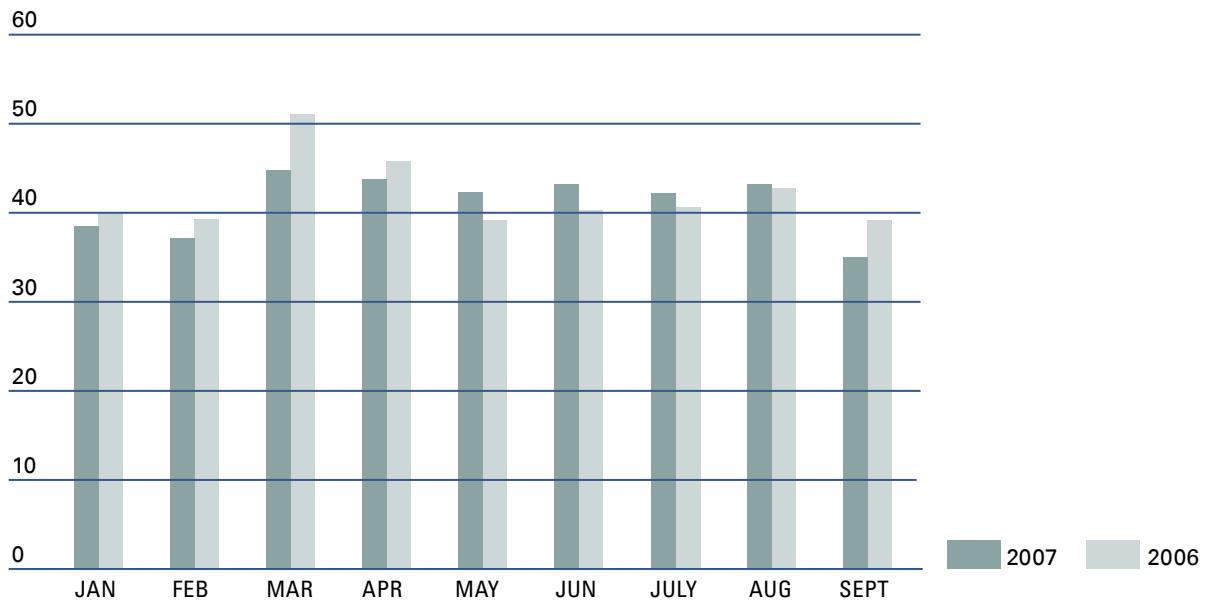
All values represented in Millions



The \$4.5 million in total surplus line premium processed by the SLA from January through September 2007 is a mere 1.5% above the previous year's 9-month total. The SLA has processed 377,139 surplus line policies in 9-months which is a 1.16% decrease compared to the previous year's 9-month total.

Comparison of Items Processed for 3rd Quarter of 2007 and 2006

All values represented in Thousands

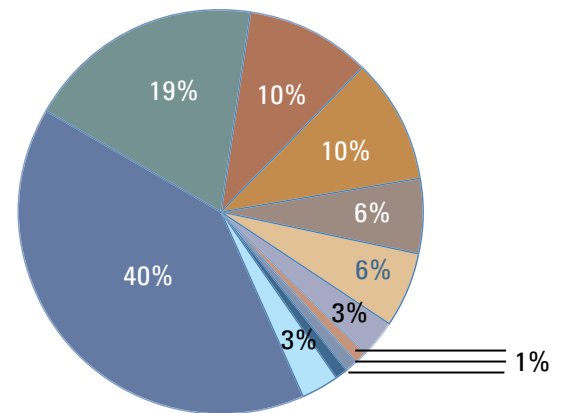


Premium Totals by Company Type

COMPANY TYPE	9/30/2007	9/30/2006	% GROWTH	% of TOTAL
				9/30/2007
LESLI LISTED COMPANIES				
FOREIGN INSURERS	\$3,695,816,118	\$3,655,832,416	1.09%	81.30%
LLOYD'S SYNDICATES	662,998,427	600,868,704	10.34%	14.58%
ALIEN INSURERS	145,772,988	155,547,023	-6.28%	3.21%
SUB TOTAL	\$4,504,587,533	\$4,412,248,144	2.09%	99.09%
ALL OTHER	41,467,106	69,896,131	-40.67%	0.91%
TOTAL	\$4,546,054,639	\$4,482,144,275	1.43%	100.00%

Top Export Coverages Processed by Premium Volume for 3rd Quarter 2007

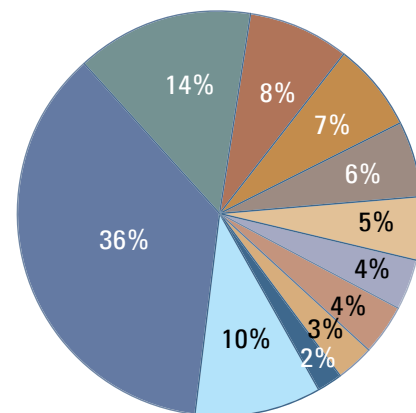
Export Coverage Type	Percentage	Premium
Commercial Dic/Stand Alone Earthquake	40%	597,510,712
Environmental Impairment Remediation/Pollution Liability	19%	288,839,024
Indiv Insured W/Large Sched TIV > \$500M	10%	146,643,923
Excess Liability/Underlying Nonadmitted	10%	143,890,026
Employment Practices Liability	6%	94,688,134
Contractors Engaged in NewTract Homes and/or Condos	6%	85,942,573
Products/Completed Operations(Stand Alone)	3%	40,858,837
Event Cancellation	1%	21,439,968
High Limits Disability	1%	18,549,560
Security Guard Services	1%	12,603,544
Other	3%	47,123,451
Total		1,498,089,752



The Export List consists of types of insurance coverages that the commissioner has found there are no reasonable or adequate markets among admitted insurers.

Top Export Coverages Processed by Item Count for 3rd Quarter 2007

Export Coverage Type	Percentage	Item Count
Commercial Dic/Stand Alone Earthquake	36%	15,579
Employment Practices Liability	14%	6,276
Excess Liability/Underlying Nonadmitted	8%	3,445
Environmental Impairment Remediation/Pollution Liability	7%	3,235
High Limits Disability	6%	2,728
Vacant Buildings	5%	2,134
Short Term Special Events (exc Hole in One)	4%	1,922
Indiv Insured W/Large Sched TIV > \$500M	4%	1,529
Security Guard Services	3%	1,378
International Major Medical	2%	745
Other	10%	4,482
Total		43,453



The Export List consists of types of coverage and risk that are exempt from a diligent search of the admitted market prior to export to the non-admitted market.

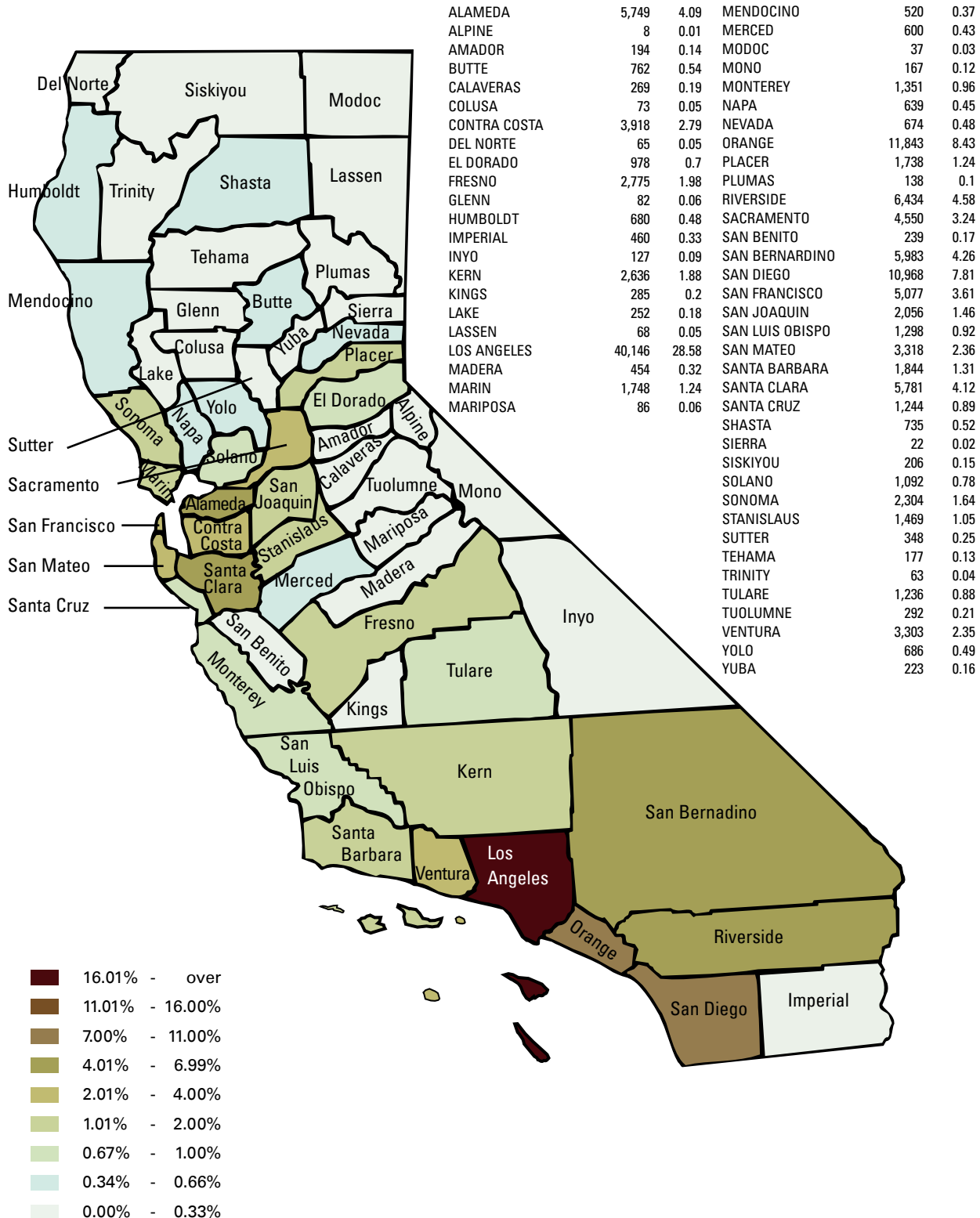
Premiums by County

Based on Premium Processed through September 30, 2007



Surplus Lines Policies by County

Based on Policies Processed through September 30, 2007



How to find California Surplus Line Broker Licensing Requirements



Recent legislation was passed to change California's surplus line broker licensing laws for the purpose of streamlining the licensing process. These changes are intended to help California surplus line brokers qualify for non-resident surplus line broker licenses in other states.

Go to the CDI website: <http://www.insurance.ca.gov>. Move your mouse over the 'Agents & Brokers' button. A menu of options will then drop down.



In the menu below 'Agents & Brokers', move your mouse over 'Renewing a License', a menu will appear to the right of the main menu. Move your mouse over 'Requirements', and click on it.

Home | Check License Status | Request for Assistance

CALIFORNIA DEPARTMENT OF INSURANCE

CONSUMERS AGENTS & BROKERS INSURERS FRAUD NEWS

Agents & Brokers Overview / Renewing a License / **Producer Types and Requirements**

AGENTS & BROKERS: PRODUCER LICENSING REQUIREMENTS

The Producer Licensing Bureau has prepared licensing information on those licenses issued by this office to provide the necessary qualifications, requirements, fee numbers to file for the following license types:

License Classes Listed in Alphabetical Order

- Administrator
- Bail Agent
- Bail Permittee
- Bail Solicitor
- Cargo Shippers' Agent
- Communications Equipment Insurance Agent
- Credit Insurance Agent
- Fire and Casualty Broker-Agent
- Insurance Adjuster
- Interim Public Insurance Adjuster
- Life Agent
- Life and Disability Insurance Analyst
- Motor Club
- Part-Time Fraternal Agent
- Personal Lines Broker-Agent
- Public Insurance Adjuster
- Reinsurance Intermediary-Broker/ Intermediary-Manager
- Rental Car Agent Licensing
- Self-Service Storage Agent
- **Surplus Line Broker**
- Special Lines' Surplus Line Broker
- Stock Agent
- Travel Agent
- Vehicle Service Contract Provider
- Viatical Settlement Licenses *

As of January 1, 2008, all individuals currently transacting on behalf of Surplus Line Broker Organizations will be required to be individually licensed as a Surplus Line Broker. This change applies to both California residents and non-residents.

On the 'Producer Types and Requirements' page, in the list of license classes, move your mouse over 'Surplus Line Broker', and click on it.

Home | Check License Status | Request for Assistance | Contact Us

CALIFORNIA DEPARTMENT OF INSURANCE

CONSUMERS AGENTS & BROKERS INSURERS FRAUD NEWS ABOUT US

Agents & Brokers Overview / Renewing a License / Requirements / **Surplus Line Broker**

AGENTS & BROKERS: SURPLUS LINE BROKER (SL)

LICENSING INFORMATION

Effective January 1, 2008 significant changes to the surplus line broker licensing requirements and fees will take effect. Please review the New Surplus Line Broker License Requirement Notice.

APPLICABLE FORMS

Application for Insurance License (Form 441-9)
Application for Business Entity license (Form 441-11)
Bond of Surplus Line Broker (Form 447-31)
Surplus Line and/or Special Lines' Surplus Line Endorsement Authorization (Form LIC-50)

TABLE OF CONTENTS

- Authorizing Act with definitions
- Qualifications
- Filing Requirements
 - Individual -- Residents
 - Organization -- Residents
 - Individual -- Non-Residents
 - Organization -- Non-Residents
- License Term
- Renewal of License
- Additional Information

You will now be on the 'Surplus Line Broker' page, and will find here licensing information, and the applicable forms.

Scheduled Educational Events for Surplus Line Association of California

November 2007

All our seminars are approved for California Fire & Casualty Broker-Agents (FX)
and Personal Lines Broker-Agents (PL)

How to Avoid Losing Your License or LESLI Listing While Conducting California Surplus Line Business

Presented by

Richard A. Brown

Senior Counsel
Dewey & LeBoeuf LLP

Gerald J. Sullivan

Chairman
Gerald J. Sullivan & Associates, Inc.

Hank Haldeman

Executive Vice President & Director
The Sullivan Group

Norm Amick

Executive Vice President
M.J. Hall & Company, Inc.

Keith Kuzmich

Chief, Licensing Services Division
California Department of Insurance

David Anderson

Chairman
Anderson & Murison, Inc.

Program

This three-hour seminar provides a review of the origin and substance of the California Department of Insurance's Bulletin 96-4, particularly with respect to surplus line broker transactions and affiliations with nonadmitted insurers. This class is recommended for insurance agents, brokers, and other interested persons to gain knowledge on how surplus lines business should be conducted in California.

Registration & Continental Breakfast at 8:00 a.m.

Seminar 8:30 a.m. - 11:30 a.m. - 3 CE Credits – Course #88979

Dates

Tuesday, November 13, 2007

Hilton Universal City
555 Universal Hollywood Drive
Universal City, CA 91608

Wednesday, November 14, 2007

PG&E Conference Center - Auditorium
245 Market Street
San Francisco, CA 94105

**This seminar will be available to view live via webcast:
Wednesday, November 14, 2007 from 8:30 a.m. to 11:30
a.m. PST**

**You must have Windows Media Player version 9 minimum to view
the webcast. To view the webcast go to:
<http://webcast.whateverdigital.com>**

****PLEASE CHECK OUR WEBSITE FOR UPDATES**
www.slacal.org – under "Education"**

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