

SLA Quarterly

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November 2001



Stacey A. Beougher
Executive Chair, 2001

Report of the Chair

cause a short-term blow to earnings, but they also believe that rising rates—resulting from shrinking, lower limits, and tighter terms of coverage, are expected to help recoup losses for the year ahead.

We are all affected by the tragic acts of September 11 and the events that have followed. As members of the insurance industry, many of us knew people who perished in the World Trade Center bombing. All American institutions have been effected by this tragedy including the surplus lines industry.

Industry analysts tell us surplus line insurers are receiving a surge of submissions and that exposure on the claims side are lower for surplus lines carriers than they are for the standard market. However, it is too early to tell what effect this tragedy will have on our workplaces and if this activity will result in greater volume in the surplus lines market. The first priority for all of us should be to return to normalcy and familiar routines in the workplace.

Industry-wide loss estimates are broad, ranging from \$30 billion to \$70 billion. Losses will be spread among insurers and reinsurers in the US, UK and around the world. Insurers and reinsurers widely agree that the September 11 attacks will

On another front, the

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Surplus Line Association is busy learning to operate its new database which captures all the information filed by Surplus Line Brokers included on the SL-1 and SL-2 forms in addition to the declaration page. The increased amount of data being stored in the database will greatly reduce the neces-

sity of hard copy retrieval of documents.

Some of the new statistics that will be produced from this database are: premium, coverage and company totals by effective date, listing of filed premium volume, transaction count by effective date, SIC code information, and reports on

specific types of tags.

All of these enhancements will allow the SLA's stamping office to do its job better. One of the statutory responsibilities of the SLA is to maintain the data processing capability necessary to perform the duties assigned by the California Department of Insurance.



Legislative Update

Senate Bill 1136 (Polanco) was signed into law by Governor Gray Davis in early October and becomes law on January 1, 2002. This bill repealed the pending expiration date on California Insurance Code Sections 703.1 and 1773

(advertising and solicitations by non-admitted insurers and surplus line brokers).

These two laws will now become a permanent part of the California insurance code.



Report of the Director of the Stamping Office, *Deanna Zanoni*

The total premiums filed for nine months 2001 were \$1,399,047,838 up 12.94% over last year. However the item count was 155,053, down 18.22% for the same period last year.

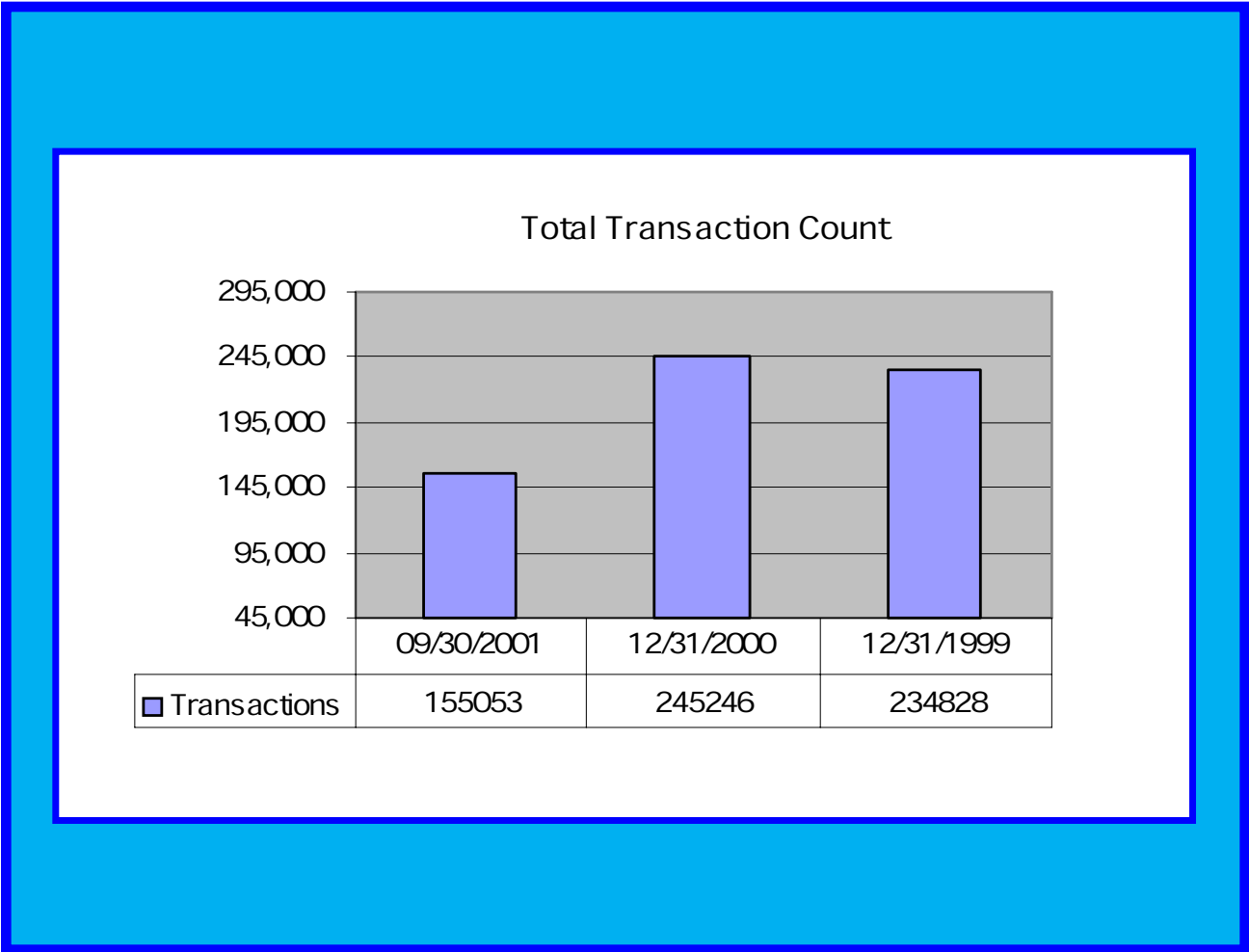
We have a large backlog due to the rewrite of our computer system. We still have employees in training and are still getting the bugs out of the system. The feed-

back on the system is very positive.

We welcome the following new members to the Association: Sterling West Ins. Services, Inc.; Todd R. Soll Ins. Services, Inc.; A+ Ins. Services, Inc.; Charles Ferguson Adams; Maroevich, O'Shea & Coghlan Ins., Inc.; Orion Surplus Lines Brokers, Inc.; Megasure Internet Ins. Services Inc.; Starlight Crest

Ins. Services, Inc.; Evergreen Ins. Services, Inc.; Cooney, Rikard & Curtin Ins. Services of CA, LLC; and M. E. James Surplus Lines Ins. Brokerage Inc.

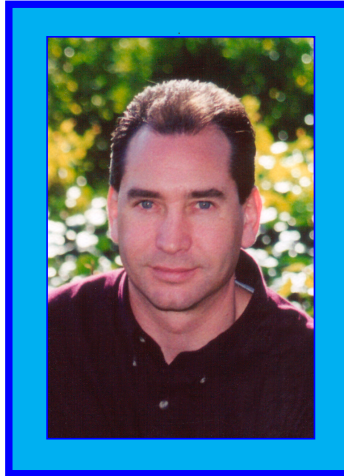
Mark your calendars, our Annual Meetings are coming up in January. The dates are January 15, 2002 in San Francisco and January 17, 2002 in Beverly Hills. Hope to see you there.



SLA MEMBER PROFILE

PERSONAL INFORMATION

- Greg Taft Crouse born 1/28/62 in Harvey, Illinois.
- In 1963 the family moved to Danville, CA
- Married in 1990
- Lives in The Napa Valley, California with his wife, Karen and 8 year old Rottweiler, Magnum



Greg Crouse

EDUCATION

- Graduated from Cal Poly-San Luis Obispo
- Major - Political Science
- CPCU 1,3,4 and 5

CAREER

- Began insurance career with Farmers Insurance as a Claims Adjuster (1986-1987) and in 1987 became a Commercial Underwriter, property and casualty lines, including large accounts and program business.
- Moved to American Reinsurance as a Casualty Facultative Underwriter (1990-1995) where he managed reinsurance clients in the western states for individual risks, programs and

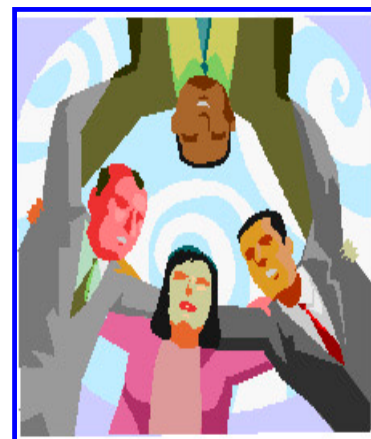
- large account business.
- Joined his Father at Crouse and Associates Insurance Brokers in 1995 (to present) when two of the three partners decided to take retirement.
- Currently Executive Vice President - in charge of all Production / Sales for the company.

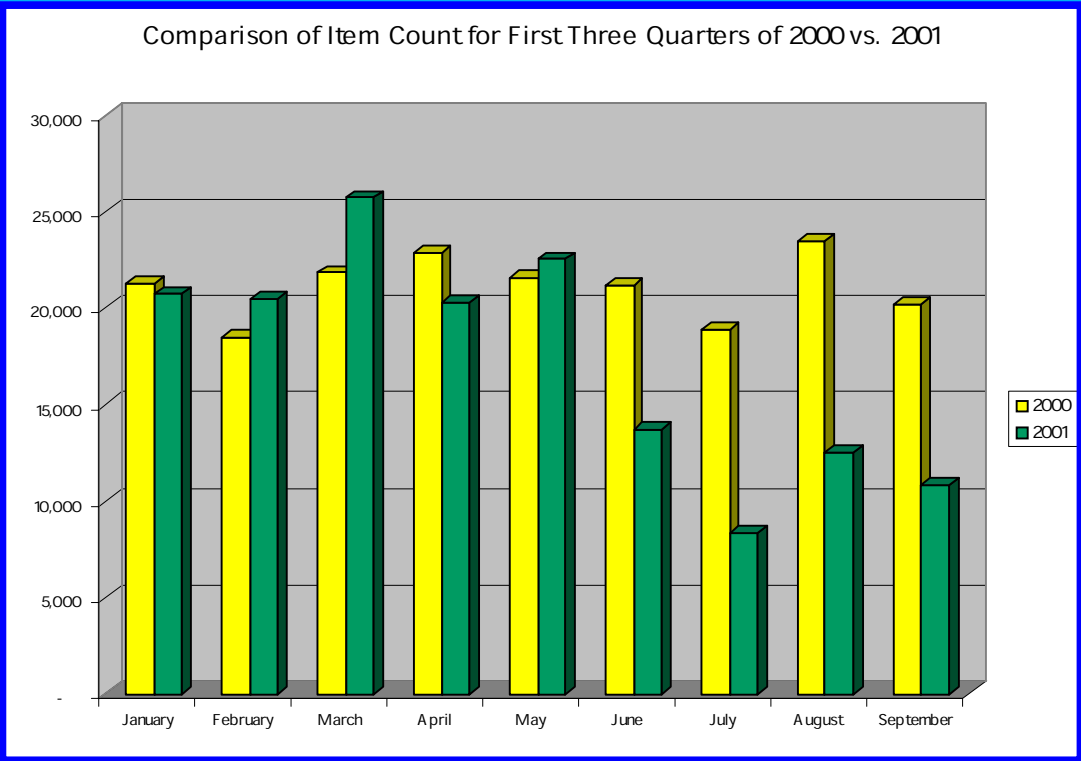
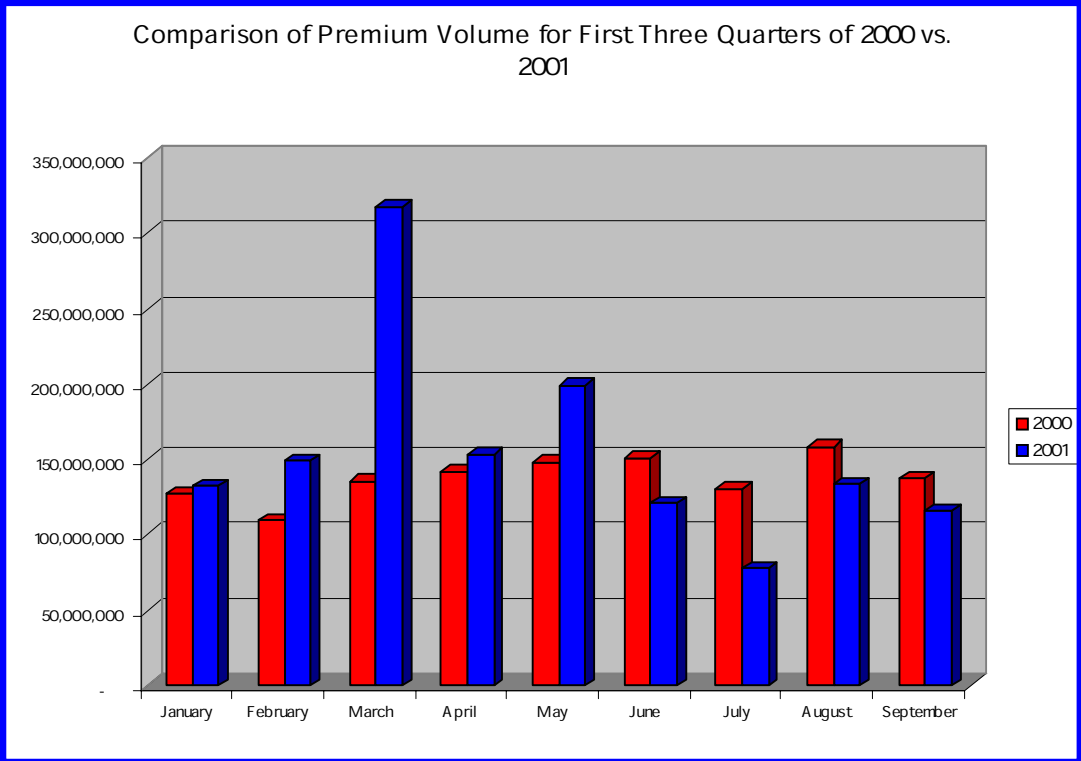
INTERESTS

- Construction - currently building on a log cabin in Truckee, CA
- Aviation - studying for pilots license.
- Cycling
- Skiing
- Wine Collecting / Tasting

CROUSE AND ASSOCIATES - BRIEF HISTORY

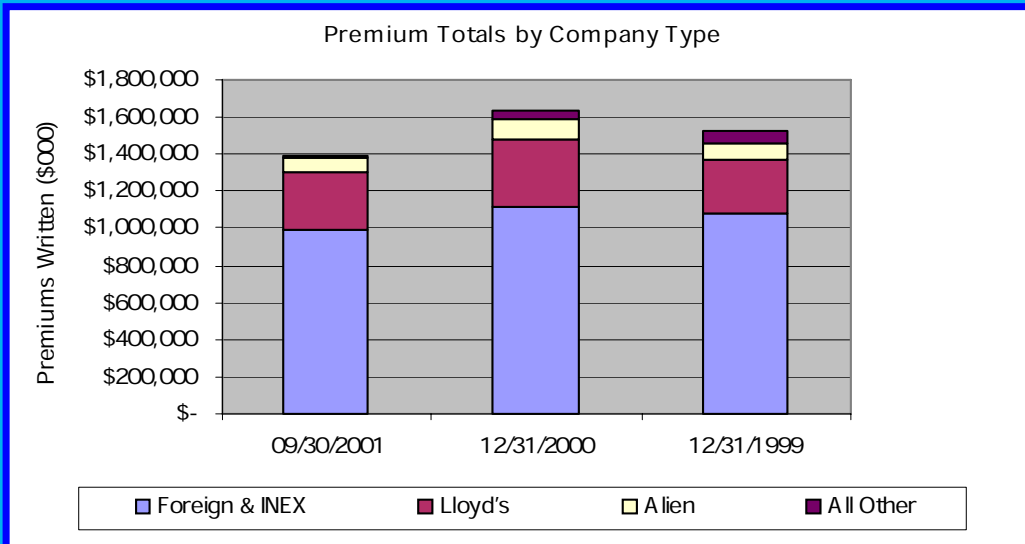
Crouse and Associates is a large independent Wholesale Broker founded by Bill Crouse in 1972. They have 3 offices in California with current premium volume around \$70,000,000. Crouse and Associates specializes in placing Transportation, General Liability, Property, Professional Liability, Directors and Officers, Employment Practices and Excess/Umbrella coverage on a primarily brokerage basis. They represent over 140 carriers and 500 retail brokers. In 2000 Crouse and Associates became an employee owned company (ESOP).





TOP 25 SURPLUS LINE WRITERS IN CALIFORNIA BY PREMIUM PROCESSED FROM JANUARY 1 THROUGH SEPTEMBER 30, 2001

Rank	Company	Premium Processed
1	American Int'l. Specialty Lines Ins. Co.	\$ 221,940,414
2	Lexington Ins. Co.	94,604,578
3	Scottsdale Ins. Co.	56,041,942
4	Steadfast Ins. Co.	47,143,201
5	Evanston Insurance Co.	41,168,118
6	Admiral Insurance Company	39,951,606
7	Royal Surplus Lines Ins. Co.	29,857,598
8	Essex Ins. Co.	29,203,373
9	Pacific Ins. Co. Ltd.	28,388,674
10	General Star Indemnity Co.	25,706,800
11	Lloyd's Syndicate #435	25,482,509
12	Clarendon America Insurance Co.	23,149,255
13	Zurich Specialties London Limited	21,717,836
14	Illinois Union Insurance Company	21,296,139
15	United National Ins. Co.	20,964,364
16	Lloyd's Syndicate #2488	19,541,748
17	Lloyd's Syndicate #376	18,475,086
18	Caliber One Indemnity Company	17,948,737
19	Lloyd's Syndicate #79	17,692,495
20	First Specialty Insurance Corporation	17,540,865
21	Gulf Underwriters Ins. Co.	16,522,121
22	North American Capacity Insurance Co.	15,327,548
23	American Equity Insurance Company	14,314,889
24	Commonwealth Insurance Company	13,959,350
25	Chubb Custom Insurance Company	13,514,584



SLA of California Participates in Annual IIFC Bridge Week Charitable Event



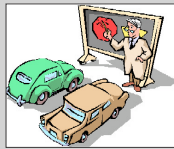
The Surplus Line Association of California participated in the annual Insurance Industry Charitable Fund (IIFC) Bridge Week Charity event this year by volunteering at the San Francisco Food Bank. The volunteers spent their time cleaning and inspecting canned food and putting together Thanksgiving meals to be distributed to families throughout the San Francisco Area. We would like to thank everyone who volunteered to contribute to this great cause.

**Surplus Line Association
of California**
A guide to education events in 2001

OCTOBER 2001

**CHANGING INSURERS: FROM APP TO
BINDER,
AVOIDING E&O SITUATIONS**
3 CE Credits - #91178

Tuesday, October 30, 2001
Registration 8:00 a.m.
Seminar 8:30 a.m. – 11:30 a.m.
The Ritz-Carlton
Laguna Niguel
One Ritz-Carlton Drive
Dana Point, CA 95629



NOVEMBER 2001

**Surplus Lines Is Not Assigned Risk
CPCU All Industry Day Seminar**
2 CE Credits - #97158

Tuesday, November 6, 2001
Seminar: 9:00 a.m. – 11:00 a.m.
Marriott Hotel
55 Fourth Street
San Francisco, CA 94103



**Additional Insured & Certificate of
Insurance Issues
in the Decade of 2000**

3 CE Credits - #100038
Registration 8:30 a.m.
Seminar: 9:00 a.m. – 12:00 a.m.

Tuesday, November 13, 2001
Fairmont Hotel
950 Mason Street
San Francisco, CA 94111



Wednesday, November 14, 2001
Hilton Universal City & Towers
555 Universal Terrace Park
Universal City, CA 91608

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The SLA Quarterly is published by the Surplus Line Association of California,
388 Market Street, S.F., CA 94111
For the members of
The Surplus Line Association

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