



**March 29, 1996**

**BULLETIN #761**

**STANDARD INDUSTRIAL CLASSIFICATION CODES**

Effective immediately, the Data Processing Unit of the SLA will be assigning Standard Industrial Classification ("SIC") Codes for all new and renewal policies with effective dates of January 1, 1996 and after. The SIC Codes were developed for use in identifying establishments by the type of risk.

Although the surplus line broker is not yet responsible for providing this information on the SL-1 and SL-2 Forms, it is more than likely to become procedure in the near future. The SLA will notify all members when this change occurs and advise them of what materials are needed and what educational services will be provided at that time. Until then, the SLA requests the cooperation of its Membership as regards the following:

1. When completing the SL Forms, please be sure to identify the description of the risk in detail, as this information is useful in determining the appropriate SIC code.
2. If an employee of the SLA phones your firm requesting further details on a submitted risk, please assist them to the best of your ability.

In late 1995, the SLA compiled a report, under the direction of its Executive Committee, which classified new and renewal policy transactions using SIC Codes. This report, the "Impact Report," has become a valuable tool in the education of our State's legislative and regulatory bodies. Not only did this report provide information pertinent to the amount of revenue generated by surplus lines business in California, it also addressed the need for this market to remain healthy based on consumer impact. The SLA feels this information should become a permanent part of its collecting of records because the Impact Report personifies the exposure, and shows evidence that many consumers in California rely on the availability of nonadmitted insurance.

Please be sure and inform those individuals in your firm involved with filing SLA documents of this new procedure. It would be appreciated if you could provide a contact person with knowledge of the SIC codes, or at least someone who can provide additional information about the type of establishment placing the risk. The SLA would then call this contact person with any SIC related questions. If you have any questions or concerns, please call either myself, Ilona Bovee, Judith Flowers, or Nadine Watso at 415-434-4900. Thank you for your anticipated cooperation.

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ESC/ljl