



The Surplus Line Association of California

388 Market Street, 11th Floor • San Francisco, CA 94111

October 11, 2002

Theodore M. Pierce
Executive Director

Deanna M. Zanoni
Director, Stamping Office

Telephone
(415) 434-4900
In Ca (800) 334-0491
Fax
(415) 434-3716
www.slacal.org

BULLETIN #979

RE: California Department of Insurance Schedule of Fees and Charges

The California Department of Insurance (“CDI”) is increasing filing fees for producers and companies operating in the State of California by 5% effective November 01, 2002. Attached is a copy of the CDI Bulletin #2002-3 along with the new Schedule of Fees and Charges section pertaining to non-admitted carriers.

Please make note of the following filing fees for non-admitted insurers interested in writing or currently approved to write surplus lines business in California:

Type of Filing	Filing Fee
Initial application	\$ 4,725.00
Renewal application	2,363.00
Financial update	263.00
Non-financial update	37.00

If you have any questions or concerns, please contact Linda Cheng or myself at (800) 334-0491 (in California only) or (415) 434-4900, or Dennis Ward at (415) 538-4367.

Sincerely,

Theodore M. Pierce
Executive Director

DEPARTMENT OF INSURANCE

ADMINISTRATION & LICENSING SERVICES BRANCH

300 CAPITOL MALL, SUITE 1600

SACRAMENTO, CA 95814

(916) 492-3575

(916) 445-6544 (FAX)

www.insurance.ca.gov



Bulletin No. 2002-3

DATE: July 19, 2002

TO: All Admitted Insurers and Other Interested Parties

SUBJECT: California Department of Insurance Schedule of Fees and Charges

This Bulletin is to inform affected parties that the California Department of Insurance (CDI) will increase by five percent the fee schedule for all producers and companies operating in the State of California. The fee increase will become effective November 1, 2002. Under California law (Insurance Code Section 12978), the Department is authorized to increase the fees contained in the Insurance Code to provide sufficient revenue to fund the appropriation authorized by the annual Budget Act. The Department has not increased fees subject to Section 12978 since July 1999.

To demonstrate the effect of the increase, an agent (Life or Fire and Casualty) who currently pays a bi-annual renewal fee of \$124 will now be paying \$130 or \$6 more every two years. Each company conducting business in the State of California is required to file annual statements along with a fee of \$309, effective November 1, 2002 the fee will be \$324 or \$15 more per year.

The CDI has focused on providing more licensing personnel to better serve the producers, companies and the California consumers. The Department has improved its service to our customers. Our automation efforts have included: The ability to schedule examinations on-line and administering examinations over the web in selected locations; Resident individual licensees can now request a certificate of license status online; Interested parties can both view and receive an on-line subscription to the Department's bulletins, brochures, press releases, newsletters and special reports from our website.

Factors contributing to this increase include rent increases, the recent legislative fund shift of approximately \$1.7 million from the general fund to the insurance fund for the Department's Tax Collection and Audit Program and the impact of consumer price indexing has strained our ability to continue to provide these services without a fee increase. This fee increase will generate approximately \$2.0 million annually to help defray these costs. The Department of Insurance continues to be prudent in its expenditures. In order to ensure adequate resources to continue our regulatory and consumer support services this difficult choice is necessary.

With the passage of the Fiscal Year 2002/03 Budget Act, the State of California will be taking a loan of \$10.0 million from our departmental reserves to be repaid by October 1, 2004. The loan will not impact the cash balance available for our unrestricted fees and license activities and was not a consideration in this fee increase.

A subsequent Bulletin with the new fee schedule will be distributed in October 2002.

Please contact Kären Dickerson, Chief, Financial Management Division, Administration and Licensing Services Branch, at (916) 492-3514 should you have any questions concerning this fee announcement.

PLEASE BE SURE THIS INFORMATION IS DISSEMINATED TO ALL YOUR DISTRICT OFFICES AND GENERAL AGENTS IN CALIFORNIA.

**STATE OF CALIFORNIA
DEPARTMENT OF INSURANCE
SCHEDULE OF FEES AND CHARGES
EFFECTIVE DATE: NOVEMBER 1, 2002**

INSURANCE CODE SECTION	FEE CATEGORY	CURRENT FEE	NEW FEE
134(b)	Filing fee for registering as purchasing group	396.00	416.00
1192.8(d)	Approval of investment trust or partnership	5,500.00	5,775.00
1194.85	Approval of real estate investment by domestic insurer	Actual expense not to exceed \$550.00	Actual expense not to exceed \$578.00
1211(e)	Approval of investment in interest rate futures/options	1,100.00	1,155.00
1211.5(e)	Approval of investment in stock index futures/options	5,500.00	5,775.00
742.39	MEWA financial information filing	309.00	324.00
1107.1	Application for approval to deliver consideration other than securities	275.00	289.00
4030	Domestic mutual insurer contract approval	110.00	116.00
10507.1	Investment return assurance approval	275.00 plus admin cost in excess of 275.00	289.00 plus admin cost in excess of 289.00
1104.9(a)(5)	Qualified custodian approval fee	1,650.00	1,733.00
1104.9(d)	Qualified custodial agreement approval fee	550.00	578.00
12640.10(d)	Permission to transact other classes (mortgage guaranty insurance)	1,650.00	1,733.00

LIST OF ELIGIBLE SURPLUS LINE INSURERS

1765.1 Title 10, Sec. 2174.2(a)	Initial application	\$ 4,500.00	\$ 4,725.00
1765.1 Title 10, Sec. 2174.2(b)	Renewal application	2,250.00	2,363.00
1765.1 Title 10, Sec. 2174.2(c)	Financial update	250.00	263.00
1765.1 Title 10, Sec. 2174.2(d)	Non-financial update	35.00	37.00

SECURITIES DEPOSIT AND WITHDRAWAL

940.1 & 11715(d) after 1/1/03 11691(d)	Initial securities deposit	\$ 101.00	\$ 106.00
940.1 & 11715(d) after 1/1/03 11691(d)	Securities withdrawal, substitution or any change	52.00	55.00
949 & 1589	Certificate of deposit	52.00	55.00
1590	Fee for filing certificate	32.00	34.00
11693.5 until 1/1/03*	Failure to file workers' compensation bond or deposit penalty	519.00	545.00
11693.5 until 1/1/03*	Additional penalty after first month (per month)	625.00	656.00

* On 1/1/03 11692.5 provides as follows: (a) if the deposit shortfall is outstanding for less than 31 days, 0.5 percent of the deposit shortfall, but in no event not less than six hundred dollars (\$600). (b) If the deposit shortfall is outstanding for more than 30 days but less than 61 days, an additional late filing fee in the amount of 1 percent of the deposit shortfall, but in no event not less than one thousand two hundred dollars (\$1,200) shall be due. (c) An additional late filing fee of 1.5 percent of the deposit shortfall for every 30-day period thereafter, or fraction thereof, that the amount is outstanding, but in no event shall the total late fee be less than three thousand dollars (\$3,000).

MISCELLANEOUS

12970	Copying microfilm records, per page/frame	\$ 0.54	\$ 0.57
12970.1	Postage or delivery charges	actual	actual
12972	Attaching commissioners seal of office	1.00	1.00
1751.6	Computer listing of producers licensed in California		
	Life & Disability	1,408.00	1,478.00
	Fire & Casualty	1,235.00	1,297.00
	Partial Listing	618.00 plus .01 per name	649.00 plus .01 per name
12973.7	Computer listing of names/addresses of admitted companies	53.00	56.00
11509	Annual statement, hospital services corporation	0.12 for each indi- vidual or family unit covered by a hospital service contract	0.13 for each indi- vidual or family unit covered by a hospital service contract