



The Surplus Line
Association of California

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BULLETIN #1429

Re: Stamping Fee Lowered To 0.18%, Effective January 1, 2023

The SLA's Board of Directors has voted to reduce the stamping fee from 0.25% to 0.18%, effective January 1, 2023.

The SLA board raised the stamping fee to 0.25% on January 1, 2020, after giving members six months' notice, in order to pay off its long-term debts and build its contingency funds so that it could withstand a three-year recession. The board believed it made the most sense to raise the stamping fee during good economic times, when it would not prove a hardship to insurance consumers.

Since that time, the SLA has paid in full all liabilities from a pension fund it froze in 2010, and paid off a construction loan related to its 2017 office move several years early. It has also built its contingency funds to levels that would assure maintaining its current level of service for at least three years of a major economic downturn.

The board's prudent fiscal stewardship, as well as the continued growth of the surplus lines marketplace and current economic challenges facing consumers, make this the right time to lower the stamping fee. Just as the board decided it made sense to raise it during good economic times, it also makes sense to lower it during a time of high inflation, when consumers are struggling. Now that the SLA has secured its fiscal position and retired its long-term debts, the board unanimously voted to make this adjustment.

By providing six months' notice, the SLA expects its members will have plenty of time to make all adjustments necessary to transition smoothly to the new stamping fee by the end of this year. Three years ago, during the last stamping fee adjustment, providing six months' notice proved to be successful, as the SLA encountered no filing issues.

Please direct any questions you may have about the stamping fee change to Clifton Brown, the SLA's vice president for public affairs, at cbrown@slacal.com.