



THE SURPLUS LINE
ASSOCIATION OF | CALIFORNIA

THE SURPLUS LINE
ASSOCIATION OF
CALIFORNIA

WWW.SLACAL.COM

Annual Report 2018



Welcome



A Word from the Chair

TO THE CALIFORNIA SURPLUS LINES COMMUNITY:

As chair of the SLA Board of Directors since February 2018, one of my leading goals has been to get our industry more involved in the workings of its association and to make the SLA better known to its members. One of the key components of that effort is to keep our members, and everyone with a stake in the association, informed about what the SLA is doing.

That is why we are releasing, for the first time, a formal Annual Report detailing the results of what we have done in 2018. Here, you will have an opportunity to review market trends, noteworthy achievements, and key data for the association and for the industry over the 12-month **2018 fiscal year (Dec. 1, 2017-Nov. 30, 2018)**.

Each department of the SLA is doing much tremendous work on behalf of the surplus lines community in California, as you will see in this report. The rapidly growing Data Analysis Department is reviewing, analyzing and processing enormous numbers of filings as our brokers continue to break records year after year. The Financial Analysis Department is constantly improving its procedures to monitor the solvency of the companies with which our members place business. The Education and Compliance Department is making available new ways to learn and get the necessary continued education to maintain their licenses. And the Communications and Government Relations Department is keeping our members informed and also building relationships with the leaders in government who set the rules we all must follow.

I am very proud of the work that the SLA does on behalf of the California surplus lines community every day, and I believe that after reading this report, you will be too.

Sincerely,

A handwritten signature in black ink that reads "Robert J Gilbert". The signature is written in a cursive, slightly slanted style.

Robert Gilbert
MARKEL WEST INSURANCE SERVICES

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Welcome



A MESSAGE FROM THE CEO & EXECUTIVE DIRECTOR

TO THE CALIFORNIA SURPLUS LINES COMMUNITY:

I am pleased to present you with our **2018 Annual Report**. This report documents a fourth consecutive record-setting year for our industry in California.

In **Fiscal Year 2018, ending November 30**, the SLA processed **\$7,631,927,676** in premiums, shattering all previous records and topping the \$7 billion mark for the first time ever. The record set in Fiscal Year 2018 marked the fourth straight year that California saw record-setting surplus line premiums.

Included for your information are our key financial statistics for 2018, including total processed premiums and items, our membership, new licensees, and statistics on the services we provided last year, including continuing education and our online and onsite training. We also provide lists of the top brokers by group and top carriers by ultimate parent. Additionally, this year we are providing you information on five-year trends in premiums, items and premiums per item; the top 10 counties by premium; and reports from each of our senior staff members about how their departments have been working to serve you over the past year.

As always, our goal is to serve our members and to work toward a healthy, fair and competitive surplus lines marketplace. Please do not hesitate to contact me or our staff if you have questions or need our assistance.

Sincerely,

A handwritten signature in black ink that reads "Benjamin J. McKay". The signature is written in a cursive, flowing style.

Benjamin J. McKay, J.D., M.P.A.
CEO AND EXECUTIVE DIRECTOR
SURPLUS LINE ASSOCIATION OF CALIFORNIA

Introducing...

THE SLA CALIFORNIA SENIOR STAFF MEMBERS



Benjamin J. McKay
CEO & EXECUTIVE DIRECTOR



Joy Erven
COO & DIRECTOR



Michael Caturegli
SENIOR VICE PRESIDENT, DATA
ANALYSIS & TECHNOLOGY



Pat McAuley
SENIOR VICE PRESIDENT,
EDUCATION & COMPLIANCE



Susan Bryant
SENIOR VICE PRESIDENT,
FINANCIAL ANALYSIS



Clifton Brown
VICE PRESIDENT,
COMMUNICATIONS &
GOVERNMENT RELATIONS

YOUR 2018 BOARD OF DIRECTORS



Robert Gilbert
MARKEL WEST INSURANCE
SERVICES
CHAIR



Terri Moran
PAUL HANSON PARTNERS
VICE CHAIR



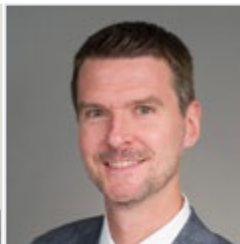
Janet Beaver
TOKIO MARINE HCC – CASUALTY
GROUP
SECRETARY/TREASURER



Tom Ciardello
WORLDWIDE FACILITIES, LLC
PAST CHAIR



Tim Chaix
R.E. CHAIX AND ASSOCIATES



Rich Gobler
BURNS & WILCOX INSURANCE
SERVICES, INC.



Hank Haldeman
WORLDWIDE FACILITIES, LLC



Cameron Kelly
WORLDWIDE FACILITIES, LLC



Pam Quilici
CROUSE & ASSOCIATES
INSURANCE SERVICES OF
NORTHERN CALIFORNIA, INC.



Les Ross
WHOLESALE TRADING
INSURANCE SERVICES, LLC



Kathy Schroeder
SIERRA SPECIALTY INSURANCE
SERVICES, INC.



Gerald Sullivan
GJS RE



John Washington
ARCH INSURANCE GROUP

PLEASED TO MEET YOU.

About the Financials



REPORT FROM THE COO & DIRECTOR

The SLA continues to operate in a fiscally responsible manner and finished Fiscal Year 2018 in good financial health. Here are some of the key statistics for the year:

- Stamping fee revenue for the fiscal year totaled \$15,161,685, and the SLA secured a construction loan of \$1.7 million to assist with the costs of moving the bulk of our operations from San Francisco to San Ramon, bringing our total funding for the year to \$16,861,685. Ultimately, the move will be a major cost saver, because staying at the old San Francisco location would have raised the SLA's costs by more than \$1 million a year over a 10- or 12-year period.
- The company's total operating expenses totaled \$16,655,294.

The SLA's total assets were \$15,904,882 as of 11/30/2018, consisting mainly of:

- \$825,853 in cash and cash equivalents and \$5,488,414 of investments in various types of bonds and of certificates of deposit
- \$2,203,301 of stamping fees receivables
- \$6,818,632 of property, software and equipment.

Your association continues to be a good steward of the stamping fees that fund the SLA. For five consecutive years, we have kept the stamping fee steady at 0.2%, budgeting toward incoming revenues rather than raising or lowering it as needed. In so doing, we have kept a promise we made to keep the stamping fee unchanged for at least this period of time, which our broker members have told us makes their jobs easier. We are here to serve, and providing transparency, fiscal responsibility and stability is crucial to providing the service our members expect.

Sincerely,



Joy Erven, MBA
COO & DIRECTOR
SURPLUS LINE ASSOCIATION OF CALIFORNIA



Michael Caturegli

**SENIOR VICE PRESIDENT,
DATA ANALYSIS AND TECHNOLOGY**

As a result of 2018's steep growth, the Data Analysis Department (DA) reacted swiftly. DA improved its on-boarding of new hires to minimize training time and hire candidates who can process policies quickly. We streamlined our internal processes and systems to handle all the variations in surplus lines filings more efficiently, and we began evaluating the newest technology to improve accuracy and processing times. We reorganized our department to build in-depth expertise in specific areas, like master policies, thereby reducing research time. Many of our members have refined their compliance processes as well. We are seeing over 90% of our filings and payments come in through our SLIP portal. This is faster, more secure, and more accurate for all involved. We've also seen concerted efforts by filers to reduce the number of tags, by submitting cleaner, more accurate and compliant documentation. We've noticed these changes as well, and together, we can accommodate this growth into the future.



Susan Bryant

**SENIOR VICE PRESIDENT,
FINANCIAL ANALYSIS**

Financial Analysis continues to work closely with the California Department of Insurance (CDI) to monitor insurers on the CDI's List of Approved Surplus Line Insurers (LASLI). Our goal is to ensure a marketplace of carriers that meet California's standards of financial stability, integrity and reputation. Two companies were added to the LASLI in Fiscal Year 2018, and two companies withdrew, leaving the total number of LASLI companies at 126. We also continued actively monitoring merger activity and developing issues—risk capital, Brexit and the impact of U.S. tax law changes on insurers. In Fiscal Year 2018, we implemented a new CDI LASLI Portal to allow electronic filing of required documents for LASLI companies and applicants. We also updated the SLA website to improve information availability for insurers. We worked with CDI to complete an annual update and review of the CDI Filing Requirements Guide and we collaborated with CDI to clarify LASLI eligibility requirements.



Pat McAuley

**SENIOR VICE PRESIDENT,
EDUCATION AND COMPLIANCE**

The Education and Compliance Department had an exciting year, highlighted by the creation of a broker portal where brokers can log in and manage their profiles, shop for continuing education (CE) courses, and monitor their CE credits. The portal also includes a section where our members can easily access filing tutorials, bulletins and frequently asked questions. We are currently in the user acceptance testing phase and expect to launch in early 2019. We also received authorization from the California Department of Insurance (CDI) to offer self-directed courses. This will help accommodate the busy schedules of our members by allowing them to earn CE credits remotely. And we created four instructional guides based on member requests, including how to apply for and renew a California surplus lines license, audit tips for brokers, and what you need to do in the event of a merger, acquisition or change in ownership.

Legislative & Regulatory Developments



CALIFORNIA LEG & REG REPORT

It is an exciting and dynamic time to be involved in the legislative and regulatory field, and throughout 2018, the SLA was very active in that arena.

In February, for the first time, the **SLA Legislative Committee**, led by its chair, **Hank Haldeman**, joined our CEO, **Benjamin McKay**, and our entire Communications and Government Relations Department, to hold an **SLA Legislative Day** in Sacramento. Here, we met with key staff from the State Senate and Assembly Insurance Committees and two important legislators on the Senate Insurance Committee. One of those legislators, **Ricardo Lara**, went on to win the post of California's new insurance commissioner in November. Anticipating the very strong possibility that Lara would win his race, the SLA sought and secured what turned out to be a very good meeting with then-Senator Lara.

The endless spate of wildfires has piqued legislative interest in the issue, with more than 20 bills introduced in 2018 regarding insurance issues related to wildfires. In March, SLA Legislative Committee member **Tim Burnett** testified before a key committee in Sacramento about the movement of some homeowners policies into the surplus lines market. This marked the second time the SLA testified on this issue, and we have established a reputation as a reliable source for legislative staff when it comes to surplus lines market trends relative to wildfires. Thus far, we have seen no major adverse legislation affecting our members, but we will stay vigilant, as this will remain a major issue for the foreseeable future.

We also worked with then-Commissioner **Dave Jones** to ensure that new regulations around insurance for the cannabis business would not exclude surplus line insurers. And through our contacts in Sacramento, we learned of regulations that would have inadvertently limited coverage for toxic waste facilities to admitted carriers only. With a letter to the director of the pertinent regulatory agency, we obtained changes to the draft regulations that averted this outcome.

We will continue working for good legislative and regulatory outcomes in 2019.

Sincerely,

A handwritten signature in black ink, appearing to read "Clifton Brown".

Clifton Brown
VICE PRESIDENT, COMMUNICATIONS AND GOVERNMENT RELATIONS
SURPLUS LINE ASSOCIATION OF CALIFORNIA

2018 Fiscal Year in Review

TOP 20 CALIFORNIA SURPLUS LINE BROKER GROUPS*

1. CRC Swett	\$ 851,096,525
2. Marsh & McLennan Companies Inc.	\$ 787,739,620
3. AmWINS Group Inc.	\$ 747,490,943
4. R-T Specialty, LLC	\$ 604,883,722
5. Arthur J. Gallagher & Co.	\$ 540,023,030
6. Aon P.L.C.	\$ 396,869,762
7. Worldwide Facilities, LLC	\$ 278,881,984
8. Willis Towers Watson P.L.C.	\$ 186,254,662
9. Brown & Riding Insurance Services, Inc.	\$ 173,121,522
10. Burns & Wilcox	\$ 153,030,983
11. Lockton Inc.	\$ 140,822,060
12. Risk Specialists Companies Insurance Agency, Inc.	\$ 125,119,587
13. Alliant Insurance Services Inc.	\$ 115,953,107
14. All Risks, Ltd.	\$ 96,383,501
15. Crouse & Associates Insurance Services	\$ 95,696,491
16. Woodruff-Sawyer & Company	\$ 86,452,147
17. National Transportation Associates, Inc.	\$ 79,333,668
18. Brown & Brown Inc.	\$ 72,400,149
19. Wholesale Trading Insurance Services (Jencap Holdings)	\$ 67,267,414
20. Integro Group Holdings L.P.	\$ 65,491,738

TOP 20 CALIFORNIA SURPLUS LINE CARRIERS**

1 Lloyd's	\$ 1,713,534,382	11 AXA SA	\$ 170,932,954
2 American International Group, Inc.	\$ 556,411,105	12 Swiss Re Ltd.	\$ 158,168,992
3 Markel Corporation	\$ 392,181,854	13 James River Group Holdings, Ltd.	\$ 157,202,570
4 Nationwide Mutual Insurance Company	\$ 317,550,774	14 Zurich Insurance Group Ltd.	\$ 154,381,851
5 W. R. Berkley Corporation	\$ 262,344,791	15 QBE Insurance Group Limited	\$ 147,285,076
6 Berkshire Hathaway Inc.	\$ 254,457,675	16 Argo Group International Holdings, Ltd.	\$ 141,576,902
7 Chubb Limited	\$ 233,865,785	17 Alleghany Corporation	\$ 129,883,818
8 Tokio Marine Holdings, Inc.	\$ 231,408,115	18 Everest Re Group, Ltd.	\$ 125,957,655
9 Liberty Mutual Holding Company Inc.	\$ 222,523,574	19 American Financial Group, Inc.	\$ 121,186,557
10 Fairfax Financial Holdings Limited	\$ 219,882,515	20 Sompco Holdings, Inc.	\$ 117,060,162

TOP 10 COVERAGES OF FISCAL YEAR 2018



* Based on Premium Processed by the SLA in Fiscal Year 2018 and categorized by Broker Group

** Based on Premium Processed by the SLA in Fiscal Year 2018 and grouped by Ultimate Parent

2018 Fiscal Year in Review

KEY FINANCIAL STATISTICS

Processed Premium**:

\$ 7,631,927,676

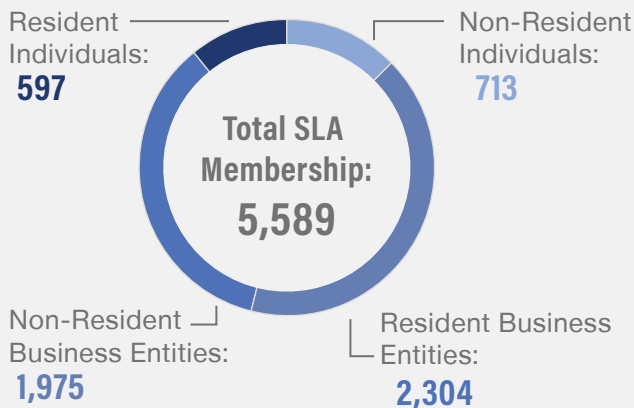
↑ 16.5% from 2017

Processed Items:

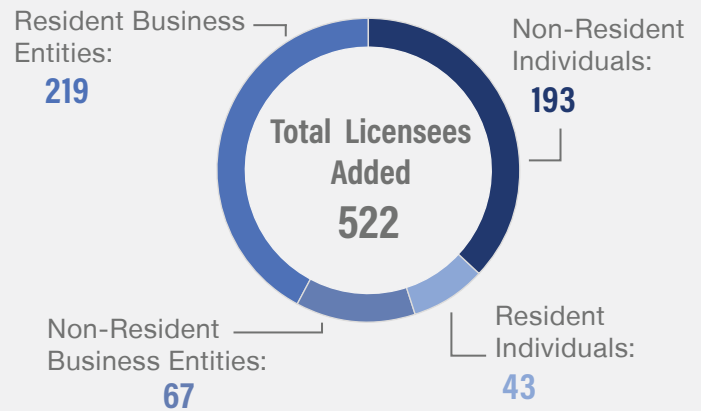
687,194

MEMBERS OF THE SLA

Total Membership as of 11.30.2018



New Licensees Added to Membership

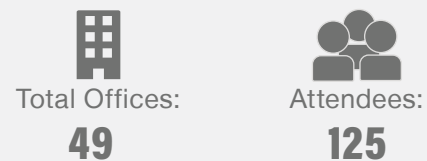


EDUCATION & COMPLIANCE DEPARTMENT STATISTICS

Continuing Education Totals

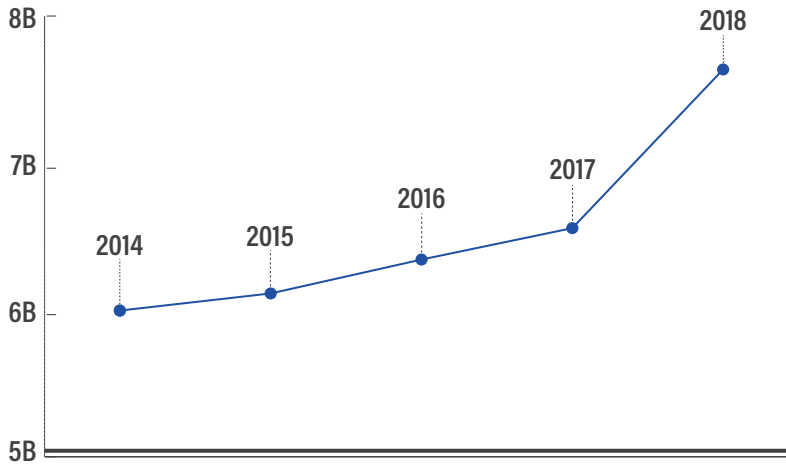


Broker Visits & Training

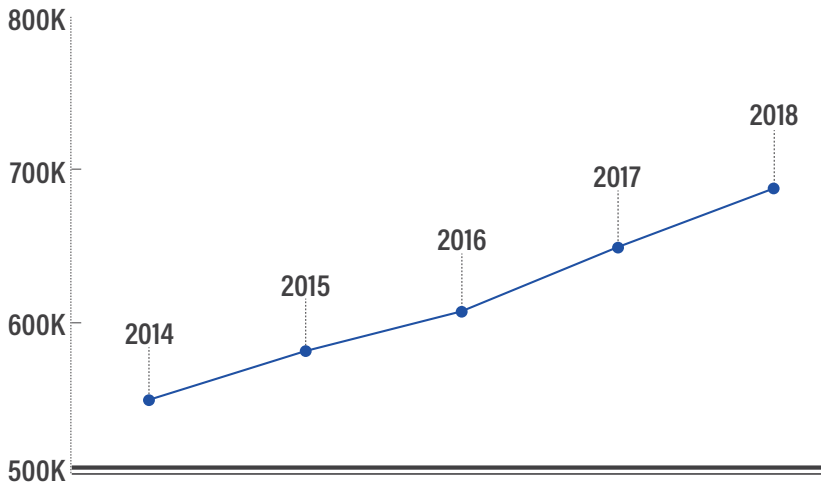


PREMIUM TOTALS

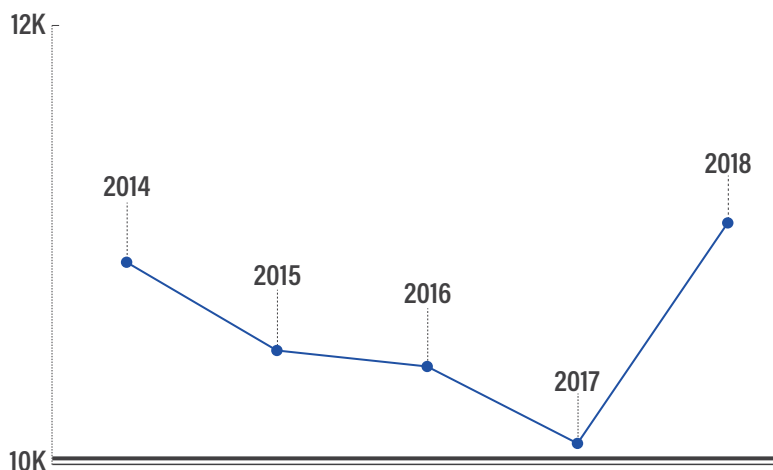
Company Type	[Year End]		[% Growth] 2017 to 2018	[% of Total] 2018
	2017*	2018**		
US Insurers	\$ 4,641,763,069	\$ 5,305,167,898	14.3%	69.5%
Lloyd's Syndicates	\$ 1,398,370,667	\$ 1,713,534,382	22.5%	22.5%
Non-US Insurers	\$ 471,573,299	\$ 564,631,446	19.7%	7.4%
Subtotal	\$ 6,511,707,035	\$ 7,583,333,726	16.5%	99.4%
Other Companies:	\$ 5,590,702	\$ 8,039,589	43.8%	0.1%
Total - All Insurers	\$ 6,517,297,737	\$ 7,591,373,315	16.5%	99.5%
Taxable Fees	\$ 34,567,144	\$ 40,554,361	17.3%	0.5%
Total	\$ 6,551,864,881	\$ 7,631,927,676	16.5%	100.0%



**PREMIUM
TREND**
[2014 - 2018]



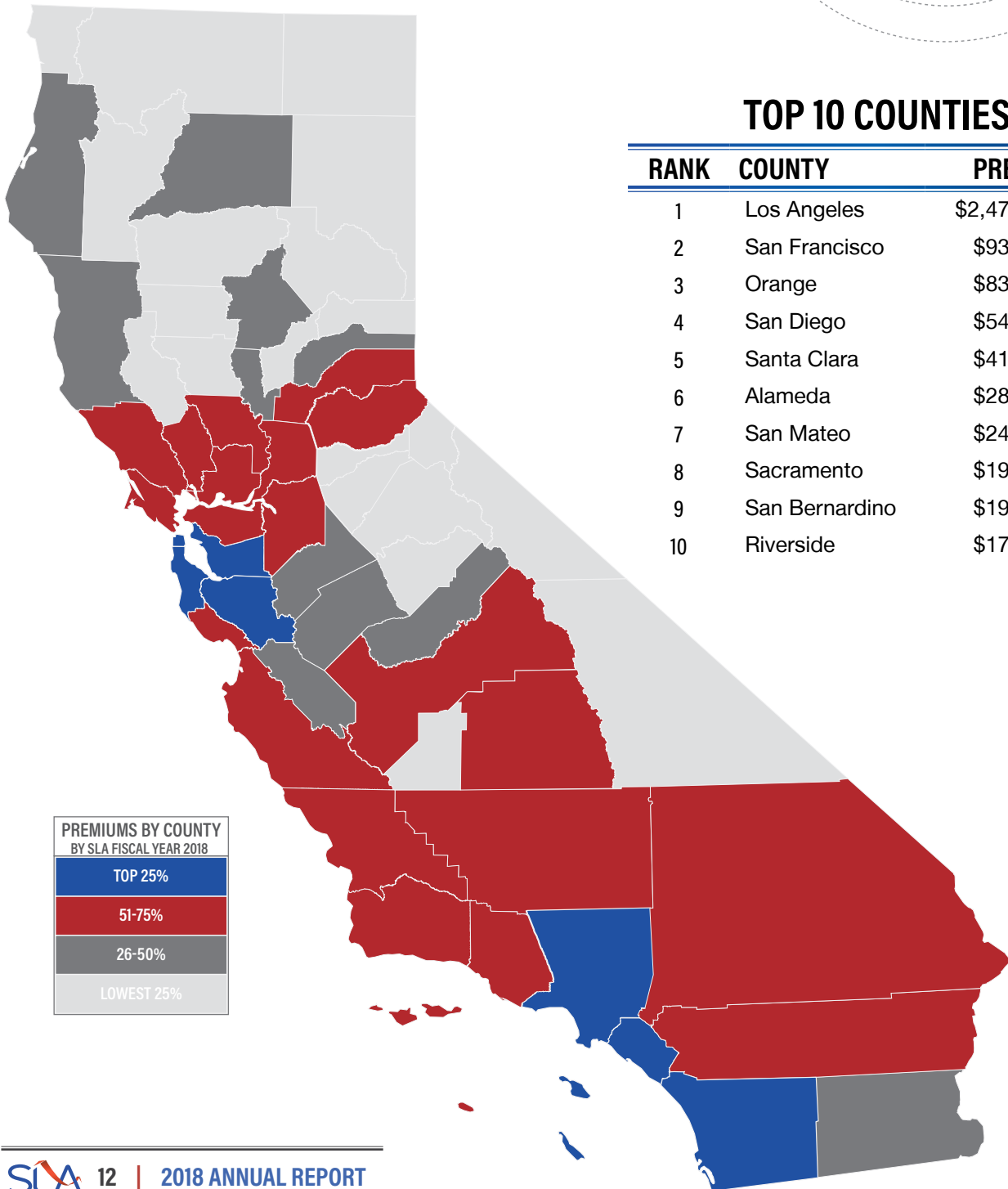
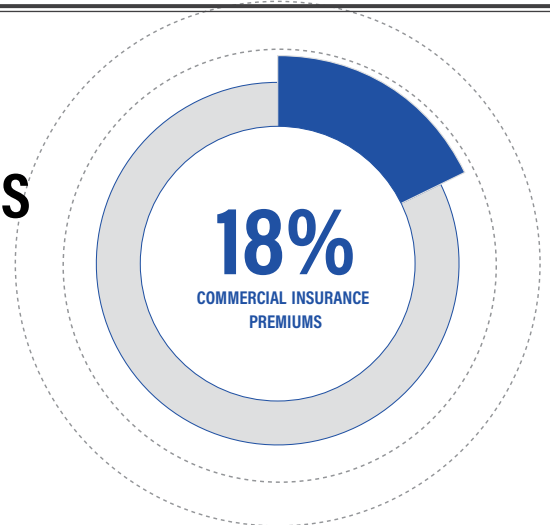
**ITEM
TREND**
[2014 - 2018]



**PREMIUM
PER ITEM
TREND**
[2014 - 2018]

California's Surplus Lines Market

APPROXIMATELY 18% OF ALL COMMERCIAL INSURANCE PREMIUMS COLLECTED IN CALIFORNIA ARE IN SURPLUS LINES.



**PREMIUMS BY COUNTY
BY SLA FISCAL YEAR 2018**

TOP 25%
51-75%
26-50%
LOWEST 25%

TOP 10 COUNTIES

RANK	COUNTY	PREMIUM
1	Los Angeles	\$2,475,726,585
2	San Francisco	\$938,284,137
3	Orange	\$836,513,212
4	San Diego	\$545,440,182
5	Santa Clara	\$413,964,074
6	Alameda	\$289,900,769
7	San Mateo	\$241,733,154
8	Sacramento	\$199,811,441
9	San Bernardino	\$190,376,079
10	Riverside	\$177,975,663

Top 50 Brokers by Group¹

Based on Premium Processed by the SLA December 2017 Through November 2018

RANK	BROKER GROUP	PREMIUM PROCESSED	% OF TOTAL PREMIUM	TOTAL ITEM COUNT
1	CRC SWETT	851,096,525	11.15%	43,305
2	MARSH & MCLENNAN COS. INC.	787,739,620	10.32%	5,082
3	AMWINS GROUP INC.	747,490,943	9.79%	64,404
4	R-T SPECIALTY, LLC	604,883,722	7.93%	28,157
5	ARTHUR J. GALLAGHER & CO.	540,023,030	7.08%	26,157
6	AON P.L.C.	396,869,762	5.20%	3,002
7	WORLDWIDE FACILITIES, LLC	278,881,984	3.65%	26,175
8	WILLIS TOWERS WATSON P.L.C.	186,254,662	2.44%	1,890
9	BROWN & RIDING INSURANCE SERVICES, INC.	173,121,522	2.27%	8,610
10	BURNS & WILCOX	153,030,983	2.01%	50,214
11	LOCKTON INC.	140,822,060	1.85%	6,929
12	RISK SPECIALISTS COMPANIES INSURANCE AGENCY, INC.	125,119,587	1.64%	2,261
13	ALLIANT INSURANCE SERVICES INC.	115,953,107	1.52%	1,419
14	ALL RISKS, LTD.	96,383,501	1.26%	9,732
15	CROUSE & ASSOCIATES INSURANCE SERVICES	95,696,491	1.25%	8,950
16	WOODRUFF-SAWYER & CO.	86,452,147	1.13%	1,645
17	NATIONAL TRANSPORTATION ASSOCIATES, INC.	79,333,668	1.04%	6,035
18	BROWN & BROWN INC.	72,400,149	0.95%	5,433
19	WHOLESALE TRADING INSURANCE SVCS (JENCAP HOLDINGS)	67,267,414	0.88%	2,058
20	INTEGRO GROUP HOLDINGS L.P.	65,491,738	0.86%	2,159
21	SOCIUS INSURANCE SERVICES, INC.	57,293,383	0.75%	4,744
22	GORST & COMPASS INSURANCE	54,965,848	0.72%	22,353
23	USI INSURANCE SERVICES NATIONAL, INC.	54,822,254	0.72%	673
24	SCOTTISH AMERICAN INSURANCE	40,408,739	0.53%	17,175
25	CIBA INSURANCE SERVICES	40,086,264	0.53%	2,221
26	BASS UNDERWRITERS	36,987,885	0.48%	16,592
27	COVE PROGRAMS INSURANCE SERVICES LLC	36,788,999	0.48%	82
28	SOUTHWEST BUSINESS CORPORATION	35,377,613	0.46%	1,490
29	COASTAL BROKERS INSURANCE SERVICES INC.	35,334,280	0.46%	11,129
30	R.E. CHAIX & ASSOCIATES INSURANCE BROKERS, INC.	33,868,364	0.44%	9,583
31	HULL & COMPANY, INC.	31,907,483	0.42%	8,638
32	TOKIO MARINE HOLDINGS, INC.	31,784,357	0.42%	3,054
33	HUB INTERNATIONAL LTD.	31,760,400	0.42%	1,267
34	EXCEPTIONAL RISK ADVISORS, LLC	31,732,415	0.42%	785
35	SPECIALTY PROGRAM GROUP	31,411,321	0.41%	11,228
36	JARDINE LLOYD THOMPSON GROUP P.L.C.	30,684,125	0.40%	267
37	AMTRUST FINANCIAL SERVICES, INC.	29,115,049	0.38%	30,416
38	M.J. HALL & CO., INC.	25,754,878	0.34%	7,444
39	NAS INSURANCE SERVICES, LLC	25,521,252	0.33%	4,540
40	ACRISURE L.L.C.	23,877,716	0.31%	654
41	BERKSHIRE HATHAWAY, INC.	21,763,845	0.29%	2,599
42	EDGEWOOD PARTNERS INSURANCE CENTER, DBA EPIC INSUR	21,665,429	0.28%	515
43	USG INSURANCE SERVICES INC.	19,903,241	0.26%	4,536
44	PETERSEN INTERNATIONAL UNDERWRITERS	19,255,640	0.25%	10,070
45	ALLIED PROFESSIONALS' INSURANCE SERVICES	18,498,029	0.24%	70
46	NEITCLEM WHOLESALE INSURANCE BROKERAGE, INC.	16,914,934	0.22%	2,383
47	MCGRIFF, SEIBELS & WILLIAMS, INC.	16,535,407	0.22%	122
48	COOPER & MCCLOSKEY, INC. INSURANCE BROKERS	15,164,508	0.20%	1,401
49	ASSURANT, INC	14,542,298	0.19%	325
50	US RISK BROKERS	14,040,201	0.18%	2,010
	Subtotal	6,562,078,772	85.98%	481,983
	All Other Brokers	1,069,848,905	14.02%	205,211
	TOTAL	7,631,927,676	100.00%	687,194

¹ Consolidated by group based on broker feedback or the SLA identification process

Top Carriers by Ultimate Parent

Based on Premium Processed by the SLA December 2017 Through November 2018

ULTIMATE PARENT ¹	COMPANY	PREMIUM PROCESSED (ROLLING 12-MONTH)	% OF TOTAL
LLOYD'S	Lloyd's of London ²	1,713,534,382	22.45%
LLOYD'S Total		1,713,534,382	22.45%
AMERICAN INTERNATIONAL GROUP, INC.	LEXINGTON INSURANCE COMPANY	365,630,499	4.79%
	AIG SPECIALTY INSURANCE COMPANY	103,145,763	1.35%
	WESTERN WORLD INSURANCE COMPANY	41,744,031	0.55%
	AIG EUROPE LIMITED	27,546,968	0.36%
	BLACKBOARD SPECIALTY INSURANCE COMPANY	11,948,764	0.16%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <\$10.0M	6,395,080	0.08%
AMERICAN INTERNATIONAL GROUP, INC. Total		556,411,105	7.29%
MARKEL CORPORATION	UNITED SPECIALTY INSURANCE COMPANY	214,980,156	2.82%
	EVANSTON INSURANCE COMPANY	168,485,420	2.21%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <\$10.0M	8,716,278	0.11%
MARKEL CORPORATION Total		392,181,854	5.14%
NATIONWIDE MUTUAL INSURANCE COMPANY	SCOTTSDALE INSURANCE COMPANY	317,550,774	4.16%
NATIONWIDE MUTUAL INSURANCE COMPANY Total		317,550,774	4.16%
W. R. BERKLEY CORPORATION	ADMIRAL INSURANCE COMPANY	108,435,185	1.42%
	GEMINI INSURANCE COMPANY	68,317,458	0.90%
	NAUTILUS INSURANCE COMPANY	57,788,874	0.76%
	BERKLEY ASSURANCE COMPANY	25,174,554	0.33%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <\$10.0M	2,628,719	0.03%
W. R. BERKLEY CORPORATION Total		262,344,791	3.44%
BERKSHIRE HATHAWAY INC.	NATIONAL FIRE & MARINE INSURANCE COMPANY	217,708,509	2.85%
	GENERAL STAR INDEMNITY COMPANY	20,312,118	0.27%
	MOUNT VERNON FIRE INSURANCE COMPANY	12,650,020	0.17%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <\$10.0M	3,787,029	0.05%
BERKSHIRE HATHAWAY INC. Total		254,457,675	3.33%
CHUBB LIMITED	ILLINOIS UNION INSURANCE COMPANY	99,138,628	1.30%
	WESTCHESTER SURPLUS LINES INSURANCE COMPANY	90,259,940	1.18%
	CHUBB CUSTOM INSURANCE COMPANY	40,734,289	0.53%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <\$10.0M	3,732,928	0.05%
CHUBB LIMITED Total		233,865,785	3.06%
TOKIO MARINE HOLDINGS, INC.	HOUSTON CASUALTY COMPANY	122,880,137	1.61%
	TOKIO MARINE SPECIALTY INSURANCE COMPANY	101,398,652	1.33%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <\$10.0M	7,129,325	0.09%
TOKIO MARINE HOLDINGS, INC. Total		231,408,115	3.03%
LIBERTY MUTUAL HOLDING COMPANY INC.	IRONSHORE SPECIALTY INSURANCE COMPANY	120,025,010	1.57%
	LIBERTY SURPLUS INSURANCE CORPORATION	76,087,311	1.00%
	LIBERTY MUTUAL INSURANCE EUROPE LIMITED	15,701,270	0.21%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <\$10.0M	10,709,984	0.14%
LIBERTY MUTUAL HOLDING COMPANY INC. Total		222,523,574	2.92%
FAIRFAX FINANCIAL HOLDINGS LIMITED	ALLIED WORLD NATIONAL ASSURANCE COMPANY	54,443,244	0.71%
	ALLIED WORLD SURPLUS LINES INSURANCE COMPANY	54,079,692	0.71%
	FIRST MERCURY INSURANCE COMPANY	39,147,262	0.51%
	CRUM & FORSTER SPECIALTY INSURANCE COMPANY	26,614,232	0.35%
	HUDSON SPECIALTY INSURANCE COMPANY	23,895,897	0.31%
	HUDSON EXCESS INSURANCE COMPANY	13,721,370	0.18%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <\$10.0M	7,980,818	0.10%
FAIRFAX FINANCIAL HOLDINGS LIMITED Total		219,882,515	2.88%
AXA SA	INDIAN HARBOR INSURANCE COMPANY	155,589,417	2.04%
	CATLIN SPECIALTY INSURANCE COMPANY	11,618,701	0.15%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <\$10.0M	3,724,836	0.05%
AXA SA Total		170,932,954	2.24%
SWISS RE LTD.	SWISS RE INTERNATIONAL SE	59,629,739	0.78%
	NORTH AMERICAN CAPACITY INSURANCE COMPANY	51,211,016	0.67%
	FIRST SPECIALTY INSURANCE CORPORATION	47,328,237	0.62%
SWISS RE LTD. Total		158,168,992	2.07%
JAMES RIVER GROUP HOLDINGS, LTD.	JAMES RIVER INSURANCE COMPANY	157,202,570	2.06%
JAMES RIVER GROUP HOLDINGS, LTD. Total		157,202,570	2.06%
ZURICH INSURANCE GROUP LTD.	STEADFAST INSURANCE COMPANY	98,037,914	1.28%
	EMPIRE INDEMNITY INSURANCE COMPANY	56,343,936	0.74%
ZURICH INSURANCE GROUP LTD. Total		154,381,851	2.02%
QBE INSURANCE GROUP LIMITED	QBE SPECIALTY INSURANCE COMPANY	147,052,449	1.93%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <\$10.0M	232,626	0.00%
QBE INSURANCE GROUP LIMITED Total		147,285,076	1.93%
ARGO GROUP INTERNATIONAL HOLDINGS, LTD.	COLONY INSURANCE COMPANY	120,048,657	1.57%
	PELEUS INSURANCE COMPANY	21,528,245	0.28%
ARGO GROUP INTERNATIONAL HOLDINGS, LTD. Total		141,576,902	1.86%
ALLEGHANY CORPORATION	LANDMARK AMERICAN INSURANCE COMPANY	83,979,360	1.10%
	CAPITOL SPECIALTY INSURANCE CORPORATION	30,019,158	0.39%
	COVINGTON SPECIALTY INSURANCE COMPANY	11,761,440	0.15%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <\$10.0M	4,123,860	0.05%
ALLEGHANY CORPORATION Total		129,883,818	1.70%
All Other Groups with Premium Processed <\$129.0M		2,127,780,582	27.88%
Taxable Fees		40,554,361	0.53%
GRAND TOTAL		7,631,927,676	100.00%

¹ Ultimate parent per AM Best as of 12/3/2018; All Lloyd's Syndicates combined under Lloyd's

² Refer to the following page for a breakdown of Lloyd's Syndicates with premium processed >=\$10.0M

TOP LLOYD'S SYNDICATES IN CALIFORNIA WITH MANAGING AGENT¹

Based on Premium Processed by the SLA December 2017 Through November 2018

LLOYD'S	PREMIUM PROCESSED (ROLLING 12-MONTH)	% OF TOTAL
Lloyd's Syndicate 2623 (Beazley Furlonge Limited)	211,779,158	12.36%
Lloyd's Syndicate 2987 (Brit Syndicates Limited)	83,736,379	4.89%
Lloyd's Syndicate 3624 (Hiscox Syndicates Limited)	83,636,488	4.88%
Lloyd's Syndicate 33 (Hiscox Syndicates Limited)	80,299,234	4.69%
Lloyd's Syndicate 510 (Tokio Marine Kiln Syndicates Limited)	74,111,220	4.33%
Lloyd's Syndicate 2003 (Catlin Underwriting Agencies Limited)	61,467,066	3.59%
Lloyd's Syndicate 2001 (MS Amlin Underwriting Limited)	58,979,482	3.44%
Lloyd's Syndicate 2007 (Axis Managing Agency Limited)	50,581,993	2.95%
Lloyd's Syndicate 623 (Beazley Furlonge Limited)	48,655,416	2.84%
Lloyd's Syndicate 1458 (RenaissanceRe Syndicate Management Limited)	40,987,154	2.39%
Lloyd's Syndicate 4472 (Liberty Managing Agency Limited)	39,175,275	2.29%
Lloyd's Syndicate 2488 (Chubb Underwriting Agencies Limited)	38,744,819	2.26%
Lloyd's Syndicate 1861 (AmTrust Syndicates Limited)	35,006,384	2.04%
Lloyd's Syndicate 609 (Atrium Underwriters Limited)	33,203,808	1.94%
Lloyd's Syndicate 1225 (AEGIS Managing Agency Limited)	32,112,146	1.87%
Lloyd's Syndicate 1084 (Chaucer Syndicates Limited)	30,947,267	1.81%
Lloyd's Syndicate 1969 (Apollo Syndicate Management Limited)	30,497,856	1.78%
Lloyd's Syndicate 4444 (Canopus Managing Agents Limited)	30,400,944	1.77%
Lloyd's Syndicate 2121 (Argenta Syndicate Management Limited)	30,346,943	1.77%
Lloyd's Syndicate 1414 (Ascot Underwriting Limited)	27,497,838	1.60%
Lloyd's Syndicate 1200 (Argo Managing Agency Limited)	24,982,864	1.46%
Lloyd's Syndicate 1886 (QBE Underwriting Limited)	23,869,456	1.39%
Lloyd's Syndicate 4000 (Pembroke Managing Agency Limited)	23,372,634	1.36%
Lloyd's Syndicate 1880 (Tokio Marine Kiln Syndicates Limited)	22,852,179	1.33%
Lloyd's Syndicate 1183 (Talbot Underwriting Ltd)	22,352,807	1.30%
Lloyd's Syndicate 4020 (Ark Syndicate Management Limited)	20,801,279	1.21%
Lloyd's Syndicate 435 (Faraday Underwriting Limited)	20,768,578	1.21%
Lloyd's Syndicate 1955 (Barbican Managing Agency Limited)	20,313,064	1.19%
Lloyd's Syndicate 4242 (Asta Managing Agency Limited)	20,109,271	1.17%
Lloyd's Syndicate 3000 (Markel Syndicate Management Limited)	18,257,382	1.07%
Lloyd's Syndicate 4711 (Aspen Managing Agency Limited)	17,012,766	0.99%
Lloyd's Syndicate 5151 (Endurance at Lloyd's Limited)	16,213,906	0.95%
Lloyd's Syndicate 1274 (Antares Managing Agency Limited)	15,197,141	0.89%
Lloyd's Syndicate 2015 (The Channel Managing Agency Limited)	13,532,362	0.79%
Lloyd's Syndicate 2468 (Neon Underwriting Limited)	13,086,565	0.76%
Lloyd's Syndicate 1980 (Asta Managing Agency Limited)	12,707,192	0.74%
Lloyd's Syndicate 2791 (Managing Agency Partners Limited)	10,418,217	0.61%
Lloyd's Syndicate 1991 (Coverys Managing Agency Limited)	10,123,323	0.59%
Lloyd's Syndicate 1729 (Asta Managing Agency Limited)	10,028,272	0.59%
All Other Lloyd's Syndicates with Premium Processed <\$10.0M & Other ²	255,368,257	14.90%
LLOYD'S TOTAL	1,713,534,382	100.00%

¹ Source: AM Best as of 12/3/2018 and Lloyd's List of Active Syndicates & Managing Agents for 2018 Year of Account

² Other includes Lloyd's premium processed with a missing or invalid syndicate number



MISSION STATEMENT

Our mission is to ensure that a responsive and lawful surplus line insurance market is maintained in California. Our measures of success in this respect are that the consumer is protected, the needs of the regulators are well-served, and unlawful activities are curtailed. Through a professional and committed organization, utilizing state-of-the-art technology and a challenging work environment, we respond to the needs of the California consumer, our membership, and appropriate public agencies. We provide education, processing, evaluation and dissemination of surplus line data and information to help ensure the financial integrity and stability of the nonadmitted market.

12667 ALCOSTA BOULEVARD
SUITE 450
SAN RAMON, CA 94583

www.slacal.com