



## News Release

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### **For Immediate Release**

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## **Governor Jerry Brown Signs SLA-Backed AB 1641** *New Law Will Promote Innovation, Bring Old Insurance Economy Closer In Step With New Digital Economy*

**AB 1641**, legislation offered and lobbied by the Surplus Line Association of California (SLA) that will give the Department of Insurance more flexibility in deciding which coverages to add to the Export List, was signed into law today by Governor **Jerry Brown** after unanimously passing both chambers of the California legislature.

This new law will be crucial in ensuring coverage for commercial consumers and also for emerging new technologies in which California is at the cutting edge, including high-speed rail and autonomous vehicles, as well as other large commercial projects, and new risks such as legal, recreational cannabis and cybersecurity risks. AB 1641, which was introduced and sponsored by Assembly Insurance Chair **Tom Daly** (D-Anaheim), will promote innovation and bring the old insurance economy closer in step with the new digital economy.

“We commend Governor Brown for signing this important bill,” said **Benjamin McKay**, the SLA’s executive director. “The governor has demonstrated a forward-thinking vision and an embrace of innovation, and we are grateful to him for enacting this law.”

The Export List is a list of coverages, maintained by the CDI, which are eligible for placement in the surplus line market without the necessity of a broker obtaining three declinations from the admitted market. Coverages are placed on the Export List after the CDI holds a public hearing and determines that the coverages are not readily available in the admitted market.

“This bill will make it simpler and faster to line up coverage for new, innovative products that the admitted market is not prepared to insure,” McKay said. “In a state which is at the vanguard of new technologies, being able to place this coverage quickly is critical.”

In addition to thanking Governor Brown, McKay also extended his thanks to the bill’s sponsor and the legislative staff that worked on the bill beginning in the spring, as well as the California Department of Insurance and all the SLA’s industry partners, with whom the SLA worked throughout the process.

“We tremendously appreciate Insurance Committee Chair Daly recognizing the value of this proposal, introducing it in the legislature, and seeing it through to the vote. He has done great work, and he has our deepest thanks,” McKay said. “Additionally, we are very grateful to the legislative staff who worked on this bill for all their diligent efforts throughout this six-month process, and also to the California Department of Insurance and all our industry partners who worked with us to ensure that we were offering legislation that they could accept. The CDI gave us ample opportunities to address its questions and concerns through amendments the department crafted and offered, and we thank them for working with us to achieve a good result.”

**ABOUT THE SLA:**

The Surplus Line Association of California (SLA) operates as a self-governed private organization. Appointed by the Commissioner in 1994, the Association serves as the statutory surplus line advisory organization to the California Department of Insurance (CDI) and facilitates the state’s capacity to monitor and direct surplus line brokers’ placements of insurance with eligible nonadmitted insurers. Working with its members and the CDI, the Association assists its members’ compliance with California laws and regulations; helps maintain a healthy, fair, and competitive surplus line marketplace in California; and strives to protect the interests of California insurance consumers.

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