



## News Release

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## **SLA Streamlines Coverage Codes To Help Improve Data Quality and Record-Keeping For Members**

**SAN RAMON, CA**—The Surplus Line Association of California (SLA) is excited to announce the launch of a new coverage code system, which will streamline filing and record-keeping processes for members and allow the SLA to provide them useful data about market trends.

This updated system of coverage codes provides a better reflection of the surplus lines marketplace and will allow better record-keeping for members.

“One of our association’s superordinate goals is to provide added value to our members, and a coding system that is more reflective of the current market will help them file more accurately and get a better set of data points to analyze our marketplace,” said Benjamin J. McKay, J.D., M.P.A., the SLA’s CEO and executive director. “This is just another way we are providing added value to our members and helping them toward another of our superordinate goals, 100% compliance.”

The new 4-digit system has nine broad coverage categories:

- 1000—Crime
- 2000—Property
- 3000—Fidelity/Bonds/Contract Insurance
- 4000—Inland Marine
- 5000—Liability
- 6000—Professional Liability/Malpractice/Cyber
- 7000—Health/Accident
- 8000—Automobile and Motorized Craft
- 9000—Miscellaneous

Each category has a subcategory that captures different coverage descriptions. Filers can simply type in a coverage description (i.e. Representations and Warranties) to pull up a list of coverages to choose from.

The “miscellaneous” category has been reduced to only eight coverages, from the previous total of 25 unique coverages that fell into that category. There are now 17 new coverage codes to enhance the SLA’s reporting capabilities in areas such as media liability, business income/interruption, and forced-placed insurance. At the start of the reclassification process, the SLA found that “miscellaneous” covered as many policies as several other entire non-Export List categories.

“The problem with the miscellaneous coverage code is that you cannot really get much useful data from a catch-all code,” said Jody Black, vice president of the SLA’s Data Analysis Department, which analyzes close to a million surplus lines filings a year to ensure full compliance with all pertinent laws and regulations. “With more specific coverage code categories, we will be able to get a better handle on what is happening in our marketplace and provide useful data to our members and to regulators. And that helps us fulfill our charge to foster a healthy, fair and competitive surplus lines marketplace for California consumers.”

**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 surplus line 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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