

SLA Quarterly

May 2005

What's Inside:

- **REPORT OF THE CHAIR, PGS. 1 - 2**
- **DAVID BRODER, PG. 1**
- **LEGISLATIVE UPDATE, PG. 2**
- **REPORT OF THE STAMPING OFFICE DIRECTOR, PG. 3 - 4**
- **MEMBER PROFILE, PG. 4**
- **TOP 50 BROKERS BASED ON PREMIUM PROCESSED, PG. 5**
- **TOP 50 CARRIERS BASED ON PREMIUM PROCESSED, PG. 6**
- **50 LARGEST COVERAGES BASED ON PREMIUM PROCESSED, PG. 7**
- **COMPARISON OF PREMIUM TOTALS BY COMPANY TYPE PG. 8**
- **COMPARISON OF PREMIUM & ITEMS PROCESSED FOR 2005 VS 2004, PG. 9**
- **TOP TAGS FOR 1ST QUARTER 2005, PG. 10**
- **SLA COMMITTEE MEMBERS, PG. 11**
- **EDUCATIONAL CALENDAR & SLA OFFICERS AND STAFF, PG. 12**

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Rupert Hall
 Chairman, 2005

Report of the Chair

The SLA has received a large influx of new members recently bringing the total number of surplus line broker licensees to 1,047. Seven hundred and seventy-six (776) of these licensees are residents of California while the other 271 are non-residents. Of the 776 resident brokers, 530 have organizational licenses with any number of individual transactors named to the license. The other 246 are individual surplus line broker licensees. Of the 271

nonresident brokers, 150 have organizational licenses and 121 are individually licensed.

The California Department of Insurance (CDI) has just completed a statutory compliance audit of the SLA covering the years 2001 to 2003. The audit is used to determine if the SLA is in compliance with the Plan of Operation describing the duties and tasks performed on behalf of the CDI. The final audit report states SLA operations substantially comply with the Plan of Operation and the applicable California Insurance Code sections reviewed. The final report identifies functional and departmental strengths; opportunities for improvement; status of recommendations made in past examinations; and a plan to implement the new recommendations based on SLA management priorities.

Several brokers have lingering
(Continued on Page 2)

David S. Broder

Columnist



The Western States Surplus Lines Conference, scheduled for the Del Coronado Hotel in San Diego, CA, July 24 -26, 2005 will feature a keynote address by David Broder, a Pulitzer Prize winning political correspondent for The Washington Post. Learn more about the conference at: www.slacal.org

(Continued from Page 1)

questions regarding the SLA Bulletin #1061 notifying brokers that the SLA must capture the invoice date for all surplus line premium-bearing documents. The California Insurance Code defines the invoice date as the date on which the surplus line broker transacting a policy prepares a

bill or invoice for payment of all or part of the premiums due. The date is to be shown on the face of the bill or invoice and should be referred to as the "invoice-date". The invoice date determines the date on which the surplus line premium tax is to be remitted. When providing the invoice date to the SLA, it should be clearly

documented as "invoice date". This will ensure the correct date is captured by the SLA. Finally, the List of Eligible Surplus Line Insurers (LESLI) currently consists of 178 entities -- eighty-six foreign companies, 32 alien, and 60 Lloyd's Syndicates. There are currently 9 pending LESLI applicants. ■

Legislative Update



Ted Pierce
Executive Director

A. B. 729 (Koretz) -- Would require surplus line brokers organized as limited liability companies (LLC) to provide the state written evidence of security for claims against them in the form of E&O coverage or acceptable alternative security equal to \$100,000 for each claim multiplied by the number of licensees rendering professional services on behalf of the company with a minimum required amount of \$500,000. The maximum coverage is not required to exceed \$5 million. The LLC surplus line broker's E&O cover cannot be nonrenewed, cancelled or terminated without providing written notice to the commissioner within 10 days. The bill would make other changes to the Insurance Commissioner's power to

assess penalties. This bill would require that premium taxes collected by surplus line brokers be applied first to any interest and penalties due and then to the tax owed.

S.B. 938 -- (Dunn) -- Would require that an insurance agent or broker acting on behalf of a client in a transaction involving commercial insurance, as defined, use reasonable care, skill, and diligence in performing services on behalf of the client. The bill also says agents and brokers acting on behalf of their clients owe the client the duties of good faith, honesty, loyalty and integrity. The bill would impose specific requirements on agents or brokers acting on behalf of a client with respect to making inquiries of insurers, obtaining coverage, disclosing information to the client, and charging fees to the client. The bill would allow the commissioner to adopt regulations to implement these provisions.

A.B. 1043 (Harman) -- Would revise and recast the provisions

of the state insurance code relevant to the return and accounting for unearned premium for both admitted and nonadmitted companies. The bill would impose a 60-day deadline for the return of gross unearned premium. This bill would eliminate the 120-day deadline for return of unearned premium for premium financed policies and would impose a 25-day deadline for the return of gross unearned premium. The bill would also require an accounting of the insured regarding the calculation of an unearned premium refund.

A.B. 1424 (Saldana) - Would clarify that surplus line brokers are subject to the same lien provisions as insurers for the failure to pay premium taxes. The bill as amended would subject surplus line brokers to state lien rights on the tax collected by surplus line brokers, impose a penalty on any surplus line broker that fails to remit the surplus line premium tax and would disallow a corporate dissolution or bankruptcy discharge unless all tax obligations are paid. ■

Report of the Director of the Stamping Office



Joy Erven Laughery
Director, Stamping Office

The Stamping Office results for the first quarter of 2005 show an 8 percent increase in total processed premium (\$1.5 billion) compared to \$1.3 billion in 2004. The total number of premium bearing items processed by the stamping office in the first quarter was 127,398. This is well above last year's first quarter total of 105,109. The 2005 increase appears to be due to a spike in endorsements and renewals. We have only seen a .3 percent increase in new policies.

The top 5 lines of coverage in terms of premium volume in the first quarter were general liability, E & O, commercial property, commercial DIC/stand alone earthquake, and contractors of new tract homes. This last item had the largest average premium per policy.

Please be sure to register for the Western States Surplus Lines Conference to be held at the Hotel Del Coronado in San Diego, CA from July 24 to 26,

2005. Visit the conference web site at ws.slacal.org to register. The keynote speaker is Pulitzer Prize winning journalist David Broder of the Washington Post.

Please welcome our new employees:

Adriane Brown - DP
Hilary Graves - Financial
Valeria Lee - Financial
Thomas Leibold - IT
Joshua Pebet - Financial
DeAndra Pierre - Admin
Laneitha Rodriguez - Financial
Lawrence Tsui - IT

Please also welcome the new members to the association:

AAS Insurance Brokerage of New York, Inc.
Affinity Brokerage, Inc.
Ahmuty, John Kelly
Alexander J. Wayne & Associates, Inc.
Bene-Marc, Inc.
Black/White & Associates of Nevada
Bonita West Mexico Insurance Services, Inc.
Bratrud Middleton Insurance Brokers, Inc.
Budish, James
Bunker Hill Insurance Agency, Inc.
Cave, John Alfred
Colemont Insurance Brokers of California, LLC
Continental Risk Insurance Services

Cornerstone Specialty Insurance Services, Inc.

Depaul, Joseph
Dimitrakopoulos, Kathrine Lee
Eaton Professional Services, Inc.
ECC Insurance Brokers, LLC
Environmental Insurance Agency, Inc.
Equity Risk Partners, Inc.
First Media Insurance Specialists, Inc.
Fishermans Insurance Services, Inc.
Foster & Parker Insurance Agency, Inc.
Graham, Denise Anne
Hanleigh Management, Inc.
Hartman, Gregory Leon
HBW Insurance Services, LLC
Hylant Group, Inc.
Insurehitech, Inc.
James C. Hermann & Associates, Ltd.
Joyce, James Theodore
Kelly, Stephen Patrick
Knechel, Josefina
Long, Linda Leigh
Maron, Robert Walter
McGriff, Seibels & Williams of California, Inc.
McManamey & McManamey, Inc.
McQuery Henry Bowles Troy, L.L.P.
McVay, Sean TI
Nasdaq Insurance Agency, LLC
National Specialty Underwriting Managers, LLC
New Age Brokerage, LLC
Odice, Joseph Richard
Ownerguard Corporation

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Pacific Excess Insurance Marketing, Inc.
 Palmer & Cay of Georgia, LLC
 Private Jet Insurance Services, Inc.
 R.V. Nuccio & Associates Insurance Brokers, Inc.
 Rick Gombar Insurance Services, Inc.

Rigdon, Douglas Dean
 Russo, Todd
 Rutkin, Richard Allen
 Salas, Ernesto Luis
 Seaport Marine, LLC
 Shahinian, Lizabeth Ann Dorothy
 Sirak-Moore Insurance Agency, Inc.

Specialty Surety & Insurance Services, LLC
 Sterling & Sterling Inc
 Sullivan, Gerald James
 Tornoe, Shannon Marie
 Western Truck Insurance Services, Inc.
 White, Janet Maria
 Wilson, Lorraine Anne

Member Profile



Ceil Norton
Branch Manager
Rathbone, King & Seeley

Ceil Norton serves as Branch Manager with the Fresno office of Rathbone, King & Seeley, a wholly owned subsidiary of Burns & Wilcox Ltd. As manager of the company's Fresno office, she is responsible for overseeing the overall operations of the branch office, including administration, marketing and production of specialty lines products. She has managed the office for nearly 25 years.

Ceil's specialty lines career began in 1981 when she joined Derek Ware Insurance, an Oakland, California-based surplus lines agency. When Derek Ware was purchased by Rathbone,

King & Seeley in 1985, she remained with the merged entity and was promoted to Fresno Branch Manager. She remained in this position throughout the subsequent purchase of Rathbone, King & Seeley by Burns & Wilcox in 1991. She later received Burns & Wilcox's Manager's Distinguished Service Award in 1998, 1999, 2002, 2003 and 2004.

Ceil has been in the insurance industry for more than 40 years and has had experience in all lines, but has specialized primarily in the property and casualty segment. An active member of the National Association of Insurance Women, Norton was once named Insurance Woman of the Year. She also served two terms as President of Insurance Women of Fresno. Ceil is presently the Secretary-Treasurer of the Surplus Line Association of California, having previously served on the organization's executive board and stamping committee. In 2001, she was named the Business Professional

of the Year by M.J.Hall/Golden Bear Insurance Company.

An avid golfer and tennis player, Ceil is also very active in community affairs. She served two terms as President of Storyland, a children's amusement park.

Ceil attended Immaculate Heart of Mary in Hollywood, California, where she concentrated her studies in the Liberal Arts.

Burns & Wilcox is North America's largest independently owned managing general insurance agent. The Farmington Hills, Michigan-based company serves more than 30,000 agents through its network of 33 offices in 23 states. Founded in 1969, Burns & Wilcox, a subsidiary of H.W. Kaufman Financial Group Inc., is recognized nationally for its specialty insurance expertise in excess/surplus lines, professional and commercial liability, personal lines, property, reinsurance and premium financing.

**TOP 50 CALIFORNIA SURPLUS LINE BROKERS BASED ON
PREMIUM PROCESSED BY THE SLA THROUGH MARCH 31, 2005**

Rank	BROKER	PREMIUM PROCESSED	% OF TOTAL
1	AON RISK SERVICES, INC. OF SOUTHERN CALIFORNIA INSURANCE SERVICES	\$113,863,662	7.84%
2	SWETT & CRAWFORD	82,005,010	5.65%
3	WESTERN RISK SPECIALISTS, INC.	80,509,162	5.55%
4	MARSH USA INC.	56,230,656	3.87%
5	STERLING WEST INSURANCE SERVICES, INC.	43,493,166	3.00%
6	LOCKTON INSURANCE BROKERS, INC.	43,488,358	3.00%
7	AMERICAN E & S INSURANCE BROKERS OF CALIFORNIA, INC.	37,421,588	2.58%
8	AMWINS INSURANCE BROKERAGE OF CALIFORNIA, LLC	34,279,162	2.36%
9	WORLDWIDE FACILITIES, INC.	30,156,298	2.08%
10	BURNS & WILCOX INSURANCE SERVICES, INC.	29,040,151	2.00%
11	COONEY, RIKARD & CURTIN INSURANCE SERVICES OF CALIFORNIA, LLC	28,327,898	1.95%
12	NAVIGATORS CALIFORNIA INSURANCE SERVICES, INC.	28,083,766	1.93%
13	STEWART SMITH EAST, INC.	27,705,292	1.91%
14	LEMAC & ASSOCIATES, INC.	27,484,141	1.89%
15	OLD LONDON INSURANCE BROKERS, INC.	25,474,262	1.75%
16	BLISS & GLENNON, INC.	24,418,953	1.68%
17	BROWN & RIDING INSURANCE SERVICES, INC.	23,383,875	1.61%
18	WILLIS INSURANCE SERVICES OF CALIFORNIA, INC.	23,315,877	1.61%
19	HEATH INSURANCE BROKERS INC.	22,974,486	1.58%
20	PARTNERS SPECIALTY GROUP, LLC	22,813,685	1.57%
21	PROFESSIONAL PRACTICE INSURANCE BROKERS, INC.	19,857,826	1.37%
22	BISYS COMMERCIAL INSURANCE SERVICES, INC.	18,326,928	1.26%
23	RISK PLACEMENT SERVICES INSURANCE BROKERS	16,484,078	1.14%
24	BORISOFF INSURANCE SERVICES, INC. (DBA: MONARCH E&S INSURANCE SERVICES)	15,568,502	1.07%
25	ZURICH E&S INSURANCE BROKERAGE, INC.	13,868,256	0.96%
26	CROUSE & ASSOCIATES INSURANCE SERVICES OF NORTHERN CALIFORNIA, INC.	13,673,208	0.94%
27	ECM INSURANCE SERVICES, INC.	13,158,424	0.91%
28	FIRST STATE MANAGEMENT GROUP, INC.	13,022,557	0.90%
29	COMMODORE INSURANCE SERVICES, INC.	11,868,242	0.82%
30	WILLIS OF NEW YORK INC	11,425,907	0.79%
31	HULL & COMPANY	11,017,617	0.76%
32	TRINITY E & S INSURANCE SERVICES, INC.	11,016,064	0.76%
33	CAMPBELL & ASSOCIATES INSURANCE BROKERAGE, LLC	10,851,144	0.75%
34	AON RISK SERVICES, INC. OF NORTHERN CALIFORNIA INSURANCE SERVICES	10,159,458	0.70%
35	BASS UNDERWRITERS, INC.	10,100,028	0.70%
36	W. BROWN & ASSOCIATES PROPERTY & CASUALTY INSURANCE SERVICES	9,788,044	0.67%
37	SBIB, INC.	9,547,289	0.66%
38	YATES & ASSOCIATES INSURANCE SERVICES, INC.	9,498,183	0.65%
39	HULL & COMPANY (CALIFORNIA) INC.	9,467,607	0.65%
40	ARTHUR J. GALLAGHER & CO. INSURANCE BROKERS OF CALIFORNIA, INC. (SF)	9,270,062	0.64%
41	WOODRUFF-SAWYER & COMPANY	8,829,745	0.61%
42	PETERSEN INTERNATIONAL UNDERWRITERS	8,340,299	0.57%
43	M.J. HALL & COMPANY, INC.	8,078,242	0.56%
44	R.E. CHAIX & ASSOCIATES INSURANCE BROKERS, INC.	7,988,020	0.55%
45	PACIFIC WHOLESALE BROKERS, LLC	7,902,084	0.54%
46	CARPENTER & MOORE INSURANCE SERVICES INC.	7,729,953	0.53%
47	HARRY W. GORST COMPANY, INC.	7,714,113	0.53%
48	AON RISK SERVICES, INC. OF CENTRAL CALIFORNIA INSURANCE SERVICES	7,482,861	0.52%
49	NEITCLEM WHOLESALE INSURANCE BROKERAGE, INC	6,743,421	0.46%
50	BROWN & BROWN OF CALIFORNIA, INC.	6,559,788	0.45%
SUBTOTAL		\$1,129,807,398	77.82%
ALL OTHER BROKERS		321,954,467	22.18%
TOTAL		\$1,451,761,865	100.00%

**TOP 50 SURPLUS LINE CARRIERS BASED ON
PREMIUM PROCESSED BY THE SLA THROUGH MARCH 31, 2005**

RANK	COMPANY	PREMIUM PROCESSED	% OF TOTAL
1	STEADFAST INSURANCE COMPANY	\$135,361,158	9.32%
2	LEXINGTON INSURANCE COMPANY	127,496,898	8.78%
3	AMERICAN INTERNATIONAL SPECIALTY LINES INSURANCE COMPANY	77,442,885	5.33%
4	ARCH SPECIALTY INSURANCE COMPANY	56,904,575	3.92%
5	SCOTTSDALE INSURANCE COMPANY	48,918,088	3.37%
6	LANDMARK AMERICAN INSURANCE COMPANY	48,303,810	3.33%
7	EVANSTON INSURANCE COMPANY	44,499,316	3.07%
8	ADMIRAL INSURANCE COMPANY	44,054,495	3.03%
9	WESTCHESTER SURPLUS LINES INSURANCE COMPANY	39,588,246	2.73%
10	NIC INSURANCE COMPANY	33,037,149	2.28%
11	GEMINI INSURANCE COMPANY	30,371,748	2.09%
12	ILLINOIS UNION INSURANCE COMPANY	29,654,007	2.04%
13	NORTH AMERICAN CAPACITY INSURANCE COMPANY	24,544,448	1.69%
14	ESSEX INSURANCE COMPANY	23,595,027	1.63%
15	COLUMBIA CASUALTY COMPANY	23,338,121	1.61%
16	MT. HAWLEY INSURANCE COMPANY	23,269,805	1.60%
17	AMERICAN SAFETY INDEMNITY COMPANY	22,924,825	1.58%
18	AXIS SPECIALTY INSURANCE COMPANY	20,334,859	1.40%
19	LLOYD'S OF LONDON SYNDICATE #0033	20,325,542	1.40%
20	FIRST SPECIALTY INSURANCE CORPORATION	20,204,545	1.39%
21	LLOYD'S OF LONDON SYNDICATE #2020	17,310,734	1.19%
22	LIBERTY SURPLUS INSURANCE CORPORATION	17,005,541	1.17%
23	INTERSTATE FIRE & CASUALTY COMPANY	16,875,537	1.16%
24	PACIFIC INSURANCE COMPANY LTD.	15,311,080	1.05%
25	EVEREST INDEMNITY INSURANCE COMPANY	15,224,928	1.05%
26	QUANTA SPECIALTY LINES INSURANCE COMPANY	15,117,297	1.04%
27	CENTURY SURETY COMPANY	14,670,492	1.01%
28	COLONY INSURANCE COMPANY	14,555,116	1.00%
29	CLARENDON AMERICA INSURANCE COMPANY	14,165,360	0.98%
30	BURLINGTON INSURANCE COMPANY	13,459,686	0.93%
31	WESTERN HERITAGE INSURANCE COMPANY	13,252,906	0.91%
32	HOUSTON CASUALTY COMPANY	12,737,819	0.88%
33	LLOYD'S OF LONDON SYNDICATE #0623	12,689,022	0.87%
34	ST. PAUL SURPLUS LINES INSURANCE COMPANY	11,805,728	0.81%
35	EMPIRE INDEMNITY INSURANCE COMPANY	11,538,637	0.79%
36	GENERAL STAR INDEMNITY COMPANY	11,162,050	0.77%
37	LLOYD'S OF LONDON SYNDICATE #2001	11,059,784	0.76%
38	HUDSON SPECIALTY INSURANCE COMPANY	10,743,466	0.74%
39	LLOYD'S OF LONDON SYNDICATE #2623	10,380,621	0.72%
40	GLENCOE INSURANCE LIMITED	9,891,498	0.68%
41	INDIAN HARBOR INSURANCE COMPANY	9,573,943	0.66%
42	UNITED NATIONAL INSURANCE COMPANY	9,417,275	0.65%
43	CHUBB CUSTOM INSURANCE COMPANY	9,409,440	0.65%
44	LLOYD'S OF LONDON SYNDICATE #2987	9,263,815	0.64%
45	NAUTILUS INSURANCE COMPANY	8,560,026	0.59%
46	LLOYD'S OF LONDON SYNDICATE #0510	8,433,769	0.58%
47	AMERICAN EMPIRE SURPLUS LINES INSURANCE COMPANY	8,262,922	0.57%
48	LLOYD'S OF LONDON SYNDICATE #2488	7,547,049	0.52%
49	GREAT AMERICAN E&S INSURANCE COMPANY	6,717,642	0.46%
50	FIRST MERCURY INSURANCE COMPANY	6,675,719	0.46%
SUBTOTAL		\$1,246,988,450	85.89%
ALL OTHER COMPANIES		204,773,415	14.11%
TOTAL		\$1,451,761,865	100.00%

**50 LARGEST COVERAGE CODES BASED ON
PREMIUM PROCESSED BY THE SLA THROUGH MARCH 31, 2005**

RANK	COVERAGE CODE	PREMIUM PROCESSED	% OF TOTAL
1	GENERAL LIABILITY	\$580,409,019	39.98%
2	ERRORS AND OMISSIONS	135,356,246	9.32%
3	ALL RISK COMMERCIAL PROPERTY	98,580,593	6.79%
4	E COMMERCIAL DIC/STAND ALONE EARTHQUAKE	92,164,089	6.35%
5	E CONTRACTORS ENGAGED IN NEW TRACT HOMES	67,949,850	4.68%
6	SPECIAL MULTI-PERIL	63,468,877	4.37%
7	EXCESS LIABILITY	59,452,740	4.10%
8	E ENVIRONMENTAL IMPAIRMENT REMEDIATION	51,086,391	3.52%
9	E EXCESS LIABILITY/UNDERLYING NONADMITTED	49,637,001	3.42%
10	DIRECTORS AND OFFICERS	41,086,718	2.83%
11	PROFESSIONAL LIABILITY	40,795,711	2.81%
12	E EMPLOYMENT PRACTICES LIABILITY	18,346,933	1.26%
13	E PRODUCTS/COMPLETED OPERATIONS(STAND ALON	14,355,611	0.99%
14	HOMEOWNERS MULTI-PERIL	12,429,749	0.86%
15	MISCELLANEOUS	12,362,919	0.85%
16	INLAND MARINE	11,610,441	0.80%
17	HOSPITALS	8,541,367	0.59%
18	E HIGH LIMITS DISABILITY	8,173,135	0.56%
19	GARAGE LIABILITY	6,577,953	0.45%
20	HOMEOWNERS	6,374,310	0.44%
21	AUTO PHYSICAL DAMAGE-COMMERCIAL	5,742,119	0.40%
22	COMMERCIAL PROPERTY-BASIC	5,676,701	0.39%
23	E INDIV INSURED W/LARGE SCHED TIV > \$500M	4,960,872	0.34%
24	E SECURITY GUARD SERVICES	4,735,579	0.33%
25	SINGLE FAMILY DWELLING/DUPLEX	3,800,277	0.26%
26	AUTO COMBINED LIAB & PHYS DAMAGE-COMM.	3,711,438	0.26%
27	AVIATION	3,603,968	0.25%
28	AUTO LIABILITY-COMMERCIAL	3,528,393	0.24%
29	TERRORISM	3,513,781	0.24%
30	E EVENT CANCELLATION	3,038,464	0.21%
31	SPECIAL MULTI-PERIL WITH TERRORISM	2,910,347	0.20%
32	RESIDENTIAL EARTHQUAKE	1,996,567	0.14%
33	E AVIATION EXCESS LIABILITY	1,711,157	0.12%
34	E OILFIELD CONTRACTORS	1,412,327	0.10%
35	E VACANT BUILDINGS	1,235,120	0.09%
36	E AMUSEMENT PARKS/CARNIVALS/DEVICES	1,182,685	0.08%
37	E CLINICAL & SIMILAR TESTS OF PHARMACEUTIC	1,168,087	0.08%
38	E EXPLOSIVES MFG/SALES/STORAGE	1,069,277	0.07%
39	CRIME	1,050,197	0.07%
40	FIDELITY	970,484	0.07%
41	E AMBULANCE SERVICES INC. PROF LIABILITY	899,515	0.06%
42	E KIDNAP AND RANSOM	835,894	0.06%
43	ACCIDENT	834,698	0.06%
44	E DEMOLITION CONTRACTORS	813,532	0.06%
45	E PERSONAL ARTICLES FLOATERS	792,017	0.05%
46	E EXCESS FLOOD	710,560	0.05%
47	E SHORT TERM SPECIAL EVENTS (EXC HOLE IN 1	589,977	0.04%
48	E EXCESS CRIME	583,351	0.00%
49	DISABILITY INCOME	489,809	0.03%
50	E HOMEOWNERS EQ/EXCESS LIMITS	432,653	0.03%
		\$1,442,759,499	99.34%
E = EXPORT LIST		9,002,366	0.62%
		\$1,451,761,865	99.96%

PREMIUM TOTALS BY COMPANY TYPE				
COMPANY TYPE	3/31/2005	3/31/2004	% GROWTH	% of TOTAL 2005
LESLI LISTED COMPANIES				
FOREIGN INSURERS	\$1,228,407,308	\$1,124,961,815	9.20%	84.61%
LLOYD'S SYNDICATES	165,339,217	171,175,800	-3.41%	11.39%
ALIEN INSURERS	33,685,510	37,619,261	-10.46%	2.32%
SUB TOTAL	\$1,427,432,035	\$1,333,756,876	7.02%	98.32%
ALL OTHER	24,329,830	11,315,191	115.02%	1.68%
TOTAL	\$1,451,761,865	\$1,345,072,067	7.93%	100.00%

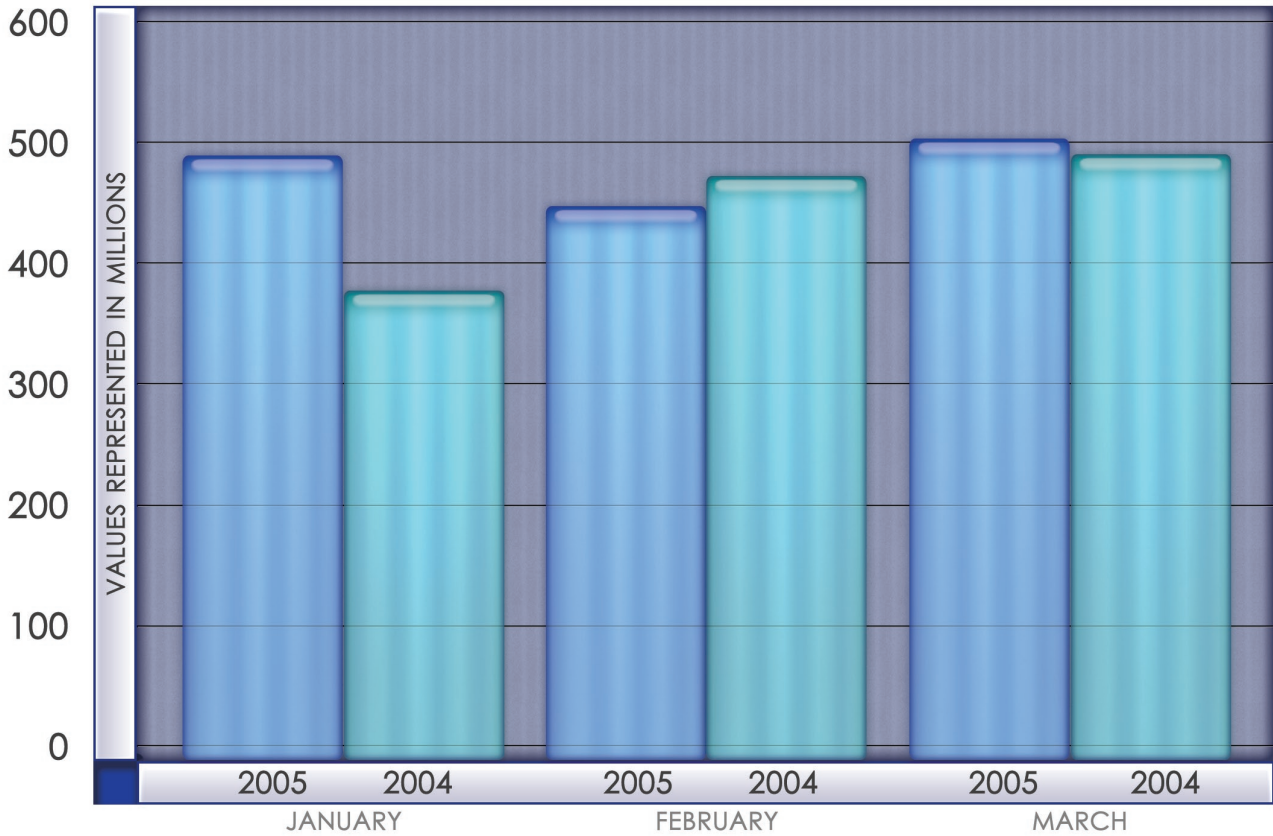
WESTERN STATES SURPLUS LINES CONFERENCE SAN DIEGO JULY 24 - 26, 2005



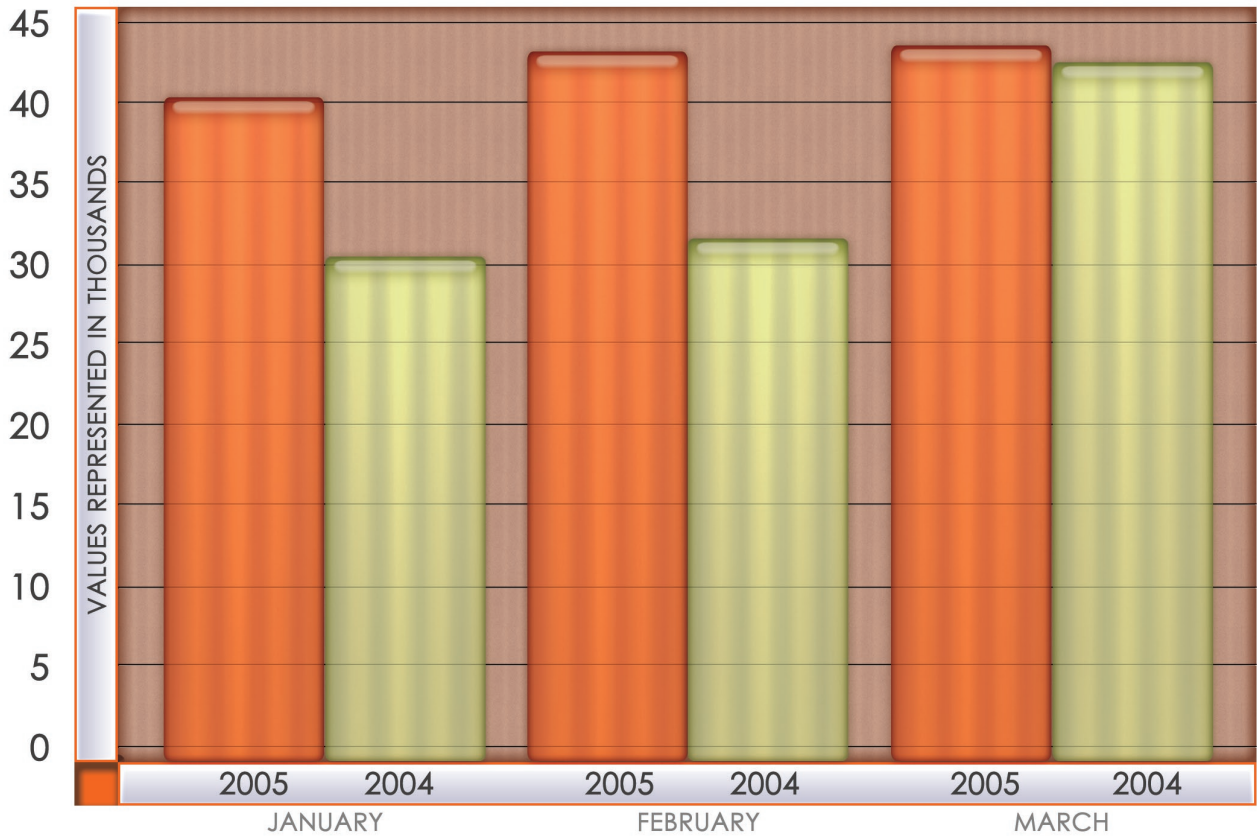
Mark Your
CALENDARS!

ws.slacal.org

COMPARISON OF PROCESSED PREMIUM FOR 2005 vs 2004



COMPARISON OF PROCESSED ITEMS FOR 2005 vs 2004

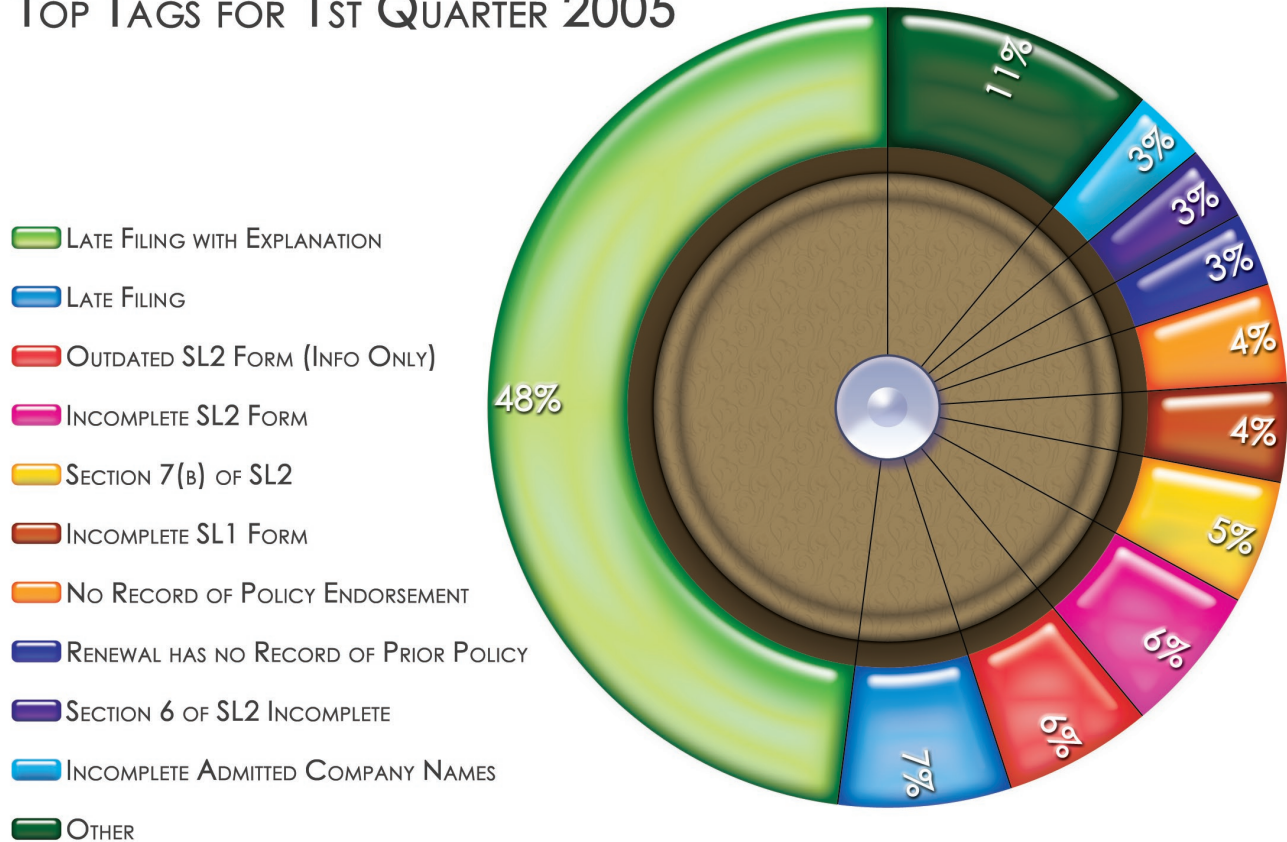


ALL TAGS ISSUED BY TAG CODE

From: 1/1/2005 to 3/31/2005

TAGS DESCRIPTION	PERCENTAGE	COUNT
LATE FILING WITH EXPLANATION	48 %	18,531
LATE FILING	07 %	2,594
OUTDATED SL2 FORM (INFO ONLY)	06 %	2,444
INCOMPLETE SL2 FORM	06 %	2,353
SECTION 7(B) OF SL2 INCOMPLETE	05 %	1,888
INCOMPLETE SL1 FORM	04 %	1,475
NO RECORD OF POLICY ENDORSEMENT	04 %	1,393
RENEWAL HAS NO RECORD OF PRIOR POLICY	03 %	1,269
SECTION 6 OF SL2 INCOMPLETE	03 %	1,145
INCOMPLETE ADMITTED COMPANY NAMES	03 %	1,090
OTHER	11 %	4,320
TOTAL		38,502

TOP TAGS FOR 1ST QUARTER 2005



Effective March 21st, 2005, the Surplus Line Association of California began tagging documents without the invoice date. The invoice date should be clearly noted on the documents. The Premium Tax Audit division of the CDI requested the invoice date for their field audits. (Refer to SLA Bulletin #1061 for additional details.)

Please note: late tags are still generated from the policy effective date. The SLA computer program compares the policy effective date against the batch postmark date; if the difference is greater than 60 days, the late tag is automatically generated.

SLA COMMITTEE MEMBERS 2005

LEGISLATIVE COMMITTEE

HANK HALDEMAN - CHAIR
GERALD J. SULLIVAN & ASSOCIATES, INC.

DAVE ANDERSON
ANDERSON & MURISON, INC.

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Surplus Line Association of California

Scheduled Educational Events for May 2005

AVOIDING "THE STING" RECOGNIZING SCAMS IN THE NON-ADMITTED MARKET

Presented by:

Phil Ballinger, CPCU, ASLI
Executive Director, Surplus Lines Stamping Office of Texas

Dan Brown
Sanford Kingsley
Sonnenschein Nath & Rosenthal LLP

Registration & Continental Breakfast 8:00 a.m.
Seminar 8:30 a.m. – 11:30 a.m.
3 CE Credits – Course #163039

Tuesday, May 17, 2005

Hilton Universal City & Towers
555 Universal Hollywood Drive
Universal City, CA 91608

Wednesday, May 18, 2005

Hyatt Regency San Francisco
5 Embarcadero Center
San Francisco, CA 94111

BULLETIN 96-4 SEMINAR

To review the origin and substance of Bulletin 96-4, particularly with respect to surplus line broker transactions and affiliations with nonadmitted insurers.

Presented by:

James R. Woods
General Counsel, LeBoeuf, Lamb, Greene & MacRae, L.L.P.

Registration & Continental Breakfast 8:00 a.m.
Seminar 8:30 a.m. – 11:30 a.m.
3 CE Credits – Course #88979

Tuesday, June 7, 2005

OMNI Los Angeles Hotel
251 South Olive Street
Los Angeles, CA 90012

Wednesday, June 8, 2005

The Fairmont Hotel
950 Mason Street
San Francisco, CA 94108

2005

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