

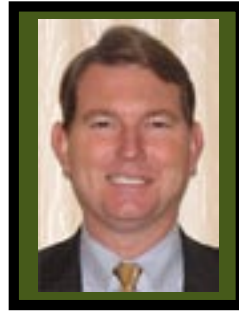
SLA Quarterly

November 2005

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Rupert Hall
Chairman, 2005

Report of the Chair

California surplus line premiums continued to climb, but slowly, over the past 10 months and are expected to exceed last year's total of \$5.5 billion. In other news, the California Department of Insurance will review the Export List of coverage and risk categories (Sec. 1763.1) that can be exported to companies on the List of Eligible Surplus Line Insurers (LESLI) without having to conduct a diligent search of the admitted market.

The SLA is now offering webcast educational sessions on SLA filing procedures through WebEx online meeting services. The SLA webcasts will keep nonresident and resident surplus line brokers up to date on filing procedures. The webcast

technology allows brokers to receive televisual content while receiving audio via telephone. Now brokers can receive this vital training from the comfort of their own workplace. For more information call Vienna Murray or Michelle Sario at the SLA (415) 434-4900.

In late September, A.M. Best released their 11th annual 52-page special report, Excess and Surplus Lines 2004. The report found that in 2004, after growing for three years in a row, direct premium volume for the surplus line industry remained flat. The growth had been the result of the hard market that started in 2001 and took off in 2002 and 2003. The soft trend in the overall insurance industry in 2004 slowed the growth of the surplus line market. Larger insurers continue to dominate the surplus lines market. The top 25 surplus line carriers wrote 82% of the market in 2004. Despite rising loss costs, low investment yields and price decreases, A.M. Best expects surplus lines industry results to remain strong. ■



WESTERN STATES SURPLUS LINES CONFERENCE 2005



The Hotel Del Coronado proved a beautiful location for the annual Western States Surplus Lines Conference. California was honored to be the host state, welcoming attendees from throughout the country. The conference was held from July 24th to the 26th with over 500 registrants. Historically, this event served as a forum where SLA offices could come together and share information regarding the surplus lines industry. As the conference evolved, wholesalers, retailers and insurance companies were invited to participate, and the conference became a place to learn and connect with business associates.

The opening ceremonies began

with the introduction of keynote speaker, David Broder, by Executive Committee Chairman, Rupert Hall. Mr. Broder addressed several issues and challenges facing the nation today.

The educational seminars drew packed houses; topics ranged from “EPL Update/Underwriting/Risk Management”,

“Perspectives on the Spitzer Investigations” to “The State of the Surplus Line/Wholesale Distribution System”. The response to the industry-related issues was very positive.

There was also time for attendees to enjoy a variety of recreational activities and the historic landmarks of San Diego. Golfers participated in a four-ball scramble at the challenging Steele Canyon Golf Course while families enjoyed an afternoon at the Del Mar racetrack or discovered historical facts aboard the Midway.

“The Pink Flamingos” had the audience on their feet during the closing ceremonies. They entertained with an interactive show that had children and adults dancing on stage to the crowd’s delight.



Rupert Hall, Donald Grant, and Hank Haldeman



WESTERN STATES SURPLUS LINES CONFERENCE 2005

Pictorial





WESTERN STATES SURPLUS LINES CONFERENCE 2005

Attendees By State



State	# of Attendees	
Arkansas	5	
Arizona	20	
California	193	
Colorado	12	
Connecticut	2	
England	2	
Georgia	4	
Hawaii	1	
Idaho	16	
Illinois	10	
Massachusetts	1	
Missouri	2	
Mississippi	1	
Montana	8	
North Carolina	1	
Nebraska	2	
New Jersey	6	
Nevada	7	
New York	4	
Oregon	14	
Pennsylvania	8	
Texas	5	
Utah	11	
Virginia	2	
Washington	26	
All States	Attendee	363
All States	Child	59
All States	Spouse/Guest	161
All States	Total	583

FUTURE WESTERN STATES SURPLUS LINES CONFERENCES

2006 - Utah



Save the date! July 19 - 22, 2006
The Canyons Resort, Park City, Utah

2007 - Arizona

2008 - Oregon

2009 - Idaho

2010 - Colorado

2011 - Washington

Legislative Update



Ted Pierce
Executive Director

A.B. 1043 -- (Harman) -- Signed by the Governor on 9/22/05 -- Effective 1/1/06. Eliminates the 120-day deadline for the return of unearned premium for premium financed policies, and would apply a 25-day deadline for the return of gross unearned premium on personal lines policies. The bill imposes a 80-day deadline for the return of gross unearned premium when an insurer endorses, rejects, declines, cancels, or surrenders a certain type of commercial insurance policy, or a worker's compensation policy. The bill imposes specified requirements on insurers, brokers, and others with respect to returning unearned premiums, including providing notice, paying interest on unearned premium premium not timely returned, and applying offsets to amounts owed to insureds. Requires an insurer to provide an accounting to both the insured and the agent or broker regarding the calculation of an unearned premium refund, and provides that the Insurance Commissioner may adopt regu-

lations regarding this accounting.

A.B. 1424 -- (Saldana) -- Signed by the Governor on 9/6/05 -- effective 1/1/06. Clarifies that surplus line brokers are subject to the same lien provisions that apply to other insurers when found to be deficient in premium tax payments to the state. The bill provides that these lien rights extend to all property and franchises of every kind and nature belonging to the surplus line broker. The bill clarifies that the lien levied on surplus line brokers shall not exceed the amount of unpaid tax collected by the surplus line broker.

A.B. 729 -- (Koretz) -- Signed by the Governor on 9/22/05 -- effective 1/1/06. Requires surplus line brokers organized as limited liability companies (LLCs) to provide the state written evidence of security for claims against them in the form of errors and omissions (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. This bill requires that premium taxes collected by LLC surplus line brokers be applied first to any interest and penalties due and then to the tax owed. Surplus line brokers organized as LLCs are responsible to maintain security for payment of their deductible limit or self-insured retention liability. Makes additional specified changes to various existing regulatory requirements governing insurance agents, brokers and production agencies. ■



Report of the Director of the Stamping Office



**Joy Erven Laughery
Director, Stamping Office**

We have received our 3rd Quarter results. The Data Processing department has processed \$4,236,772,157 in premiums. The total fees billed are \$ 9,404,383. It is still early to assess how the recent hurricanes will affect the surplus lines market; however, there are indications the market will experience some hardening.

*****New Broker Extranet Agreement***

If you are a Broker Extranet user, you may have received a revised broker extranet agreement. It is very important you fill out the document and return it to our IT Department. If you have questions regarding the agreement or would like to sign up to use the Broker Extranet, please call Dominique Bourdon, Manager, IT Department.

The current number of LESLI listed companies are: 86 Foreign, 32 Alien, and 56 Lloyd's Syndicates. The total LESLI Listed companies are 174. For

the current LESLI please visit our website- www.slacal.org or call Linda Cheng, Manager, Financial Department.

Our Education Department hosted their first WebEx training in September. This is a new service provided by the SLA. The seminar is "SLA Filing Procedures - The Nuts and Bolts" and walks the user through the basics of filing batches. We are very excited about this new feature and encourage brokers to sign up. For more information regarding WebEx training please contact Vienna Murray, Manager, Education Department.

We welcomed the following new employees to the SLA last quarter:

William Eakin - Web Developer, IT Department
Andre Alvarez - Clerk, Data Processing
Princeton Stamps - Data Analyst, Data Processing
Florence Ko - Financial Analyst Assistant, Financial Department

We would also like to welcome our newest members to our organization:

Aaxia Chemical Insurance Services, LLC
Allied Insurance Brokers, Inc.
Anderson, Bruce Garrett

Boston Insurance Brokerage, Inc.
Brock, Paul Fischer
Brown, Elizabeth Joy
Brown, Ellen Redell
Buckingham Badler Associates Inc.

Cardoso, Frank Peter
Carpenter, Kinsey Leas
Chen, Christopher Izzard
Collingwood, Patrice Anne
Costa, Clarence
Dalton, Robert James
Davis, Kevin John
Denning, Michael Troy
Edwards, James Waldo
Empire Insurance Services, LLC
Fedeli Group, Inc. The
Forsyth, David Andrew
Frazier, John William
Gillies, Scott Allen
Godinez & Sons General Insurance Agency Services, Inc.
Goss, Randall George
Grayhawk General Agency, Inc.
Haase, Steven Harold
Hagerty Insurance Agency, Inc.
Hall, James Allan
Hamlin, Casey Bennett
Harris, Mark David
Harvey Company Insurance Services, Inc.
Heagerty, Michael Patrick
Horton, Timothy William
Hugh Wood Inc.
IMA of Colorado, Inc.
Insurance Office of America, Inc.
Integro USA Inc.
Intercontinental Insurance Brokers, LLC
International Program Managers, Ltd.

(Continued on Page 8)

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Jacinth, Lori Jean	McWilliams, Kevin Gregory	Property Risk Services, Inc.
Janis, Richard Joseph	MedMal Insurance Services, Inc.	Richardson-G&A, Inc.
Jensen, Christopher James	Mihailovich, Eric Joseph	Rigg Insurance Managers, Inc.
John Buttine, Inc.	Miner, Susan Marie	Ross, James Curtis
John L. Wortham & Son, L.P.	Morton, John Henry	Rothert, George Harold
Johnson, Cynthia Lynn	Myron V. Carlson, Insurance	Scalon & Associates Insurance
Keusseyan, Sam Sebouh	Agency, Inc.	Brokers, Inc.
Kilty, Kevin Franklin	Napa River Insurance Services,	Sierra Specialty Insurance Ser-
Krauter & Company LLC	Inc.	vices, Inc.
Kuber, Dana Marie	O'Connell, James Francis	Sokol, Wendy Ann
Leavitt Group Agency Associa-	Owens, Stephanie Ann	Solutions Group Insurance Agency,
tion, LLC	Park, Terry Chang-Hwan	LLC (The)
Lennon, Kenneth Francis	Parker, Laura Suzanne	Taylor & Taylor, Ltd.
Lloyd's America, Inc.	Parks, Renee Ann	Toon, Jack Lynn
Lockton Risk Services, Inc.	Paypal Insurance Services, Inc.	Webb, Roy Dan
Lorenzi, Robert Joseph Weres	Polikoff, Carolyn Bernadette	Willsey, John Stanley
Lyons, Roy Scott	Pro Access, L.L.C.	Xiang, Bei
Mason, Paul Valentine	Professional Underwriting Group,	
	Inc.	

Total Brokers Added Since July 2005: 86

Total CA Corporate:	540	Non-resident Corporate:	186
Total CA Individual:	296	Non-resident Individual:	156
Total in CA:	836	Total Non-Resident:	342

Total Membership Count: 1178
(as of October 18, 2005)

Member Profile



William Newton
President
Lemac & Associates, Inc.

Mr. Newton is a graduate of Ohio University with a B.B.A. in marketing. He began his insurance career with the Hartford Insurance Group in their New York Office. He graduated from their 6-month training program and was then assigned to the S.A.I.D. department as a casualty underwriter. His duties were the production and underwriting of Fortune 1000 type accounts.

He subsequently went to work for Willcox, Baringer & Company as a casualty facultative reinsurance intermediary. A year later Willcox decided to start a casualty department in their Los Angeles office and Mr. Newton was transferred out to do so. It was a successful operation.

He became involved in the wholesale side of the business in 1976 when he joined S.L. Alexander. At that time, it was involved in both surplus lines and reinsurance, and as Executive Vice-President he was heavily involved in both areas.

He started Lemac & Associates in February, 1984 in partnership with the Fremont Insurance Group. He purchased their remaining interest and became the sole owner of Lemac in January, 1990.

Mr. Newton has long been active with various industry trade associations. He was a founder of the California Insurance Wholesalers Association (CIWA), a member of their Board of Directors for 5 years and its President from 1994-1995. He has also been heavily involved with The Surplus Line Association of California, having served as Chair in 1998 and a member of their Executive Committee from 1993-1999 and in 2003. He has also been on many committees for the National Association of Professional Surplus Lines Offices (NAPSLO), and currently serves as Vice President and a member of their Board of Directors. In addition, he serves on the Executive Board of the Western Los Angeles County Council, Boy Scouts of America and is Troop Committee Chair for a local Boy Scout Troop.

PREMIUM TOTALS BY COMPANY TYPE				
COMPANY TYPE	9/30/2005 (\$000)	Revised 9/30/2004 (\$000)	% GROWTH	% of Total 2005
LESLI LISTED COMPANIES				
FOREIGN INSURERS	3,495,939	3,326,399	5.10%	82.51%
LLOYD'S SYNDICATES	539,200	529,295	1.87%	12.73%
ALIEN INSURERS	149,435	140,466	6.39%	3.53%
SUB TOTAL	4,184,574	3,996,160	4.71%	98.77%
ALL OTHER	52,198	54,878	-4.88%	1.23%
TOTAL	4,236,772	4,051,038	4.58%	100.00%

**TOP 100 CALIFORNIA SURPLUS LINE BROKERS BASED ON
PREMIUM PROCESSED BY THE SLA THROUGH SEPTEMBER 30, 2005**

RANK	BROKER	PREMIUM PROCESSED	% OF TOTAL
1	WESTERN RISK SPECIALISTS, INC.	\$292,649,635	6.91%
2	SWETT & CRAWFORD	231,937,369	5.47%
3	MARSH USA INC.	225,126,560	5.31%
4	AON RISK SERVICES, INC. OF SOUTHERN CALIFORNIA INSURANCE SERVICES	186,639,410	4.41%
5	AMWINS INSURANCE BROKERAGE OF CALIFORNIA, LLC	136,947,108	3.23%
6	AMERICAN E & S INSURANCE BROKERS OF CALIFORNIA, INC.	112,001,781	2.64%
7	LOCKTON INSURANCE BROKERS, INC.	94,064,480	2.22%
8	STERLING WEST INSURANCE SERVICES, INC.	93,581,704	2.21%
9	COONEY, RIKARD & CURTIN INSURANCE SERVICES OF CALIFORNIA, LLC	89,689,977	2.12%
10	BURNS & WILCOX INSURANCE SERVICES, INC.	87,615,601	2.07%
11	LEMAC & ASSOCIATES, INC.	84,593,265	2.00%
12	NAVIGATORS CALIFORNIA INSURANCE SERVICES, INC.	84,325,713	1.99%
13	WORLDWIDE FACILITIES, INC.	82,844,731	1.96%
14	STEWART SMITH EAST, INC.	82,470,763	1.95%
15	BISYS COMMERCIAL INSURANCE SERVICES, INC.	82,210,922	1.94%
16	BLISS & GLENNON, INC.	72,312,236	1.71%
17	PARTNERS SPECIALTY GROUP, LLC	67,137,323	1.58%
18	BROWN & RIDING INSURANCE SERVICES, INC.	63,765,199	1.51%
19	OLD LONDON INSURANCE BROKERS, INC.	54,943,895	1.30%
20	HULL & COMPANY (CALIFORNIA) INC.	52,796,945	1.25%
21	RISK PLACEMENT SERVICES INSURANCE BROKERS	52,363,094	1.24%
22	CROUSE & ASSOCIATES INSURANCE SERVICES OF NORTHERN CALIFORNIA, INC.	51,384,560	1.21%
23	WILLIS INSURANCE SERVICES OF CALIFORNIA, INC.	45,285,988	1.07%
24	ECH INSURANCE SERVICES, INC.	43,223,528	1.02%
25	FIRST STATE MANAGEMENT GROUP, INC.	39,592,463	0.93%
26	PROFESSIONAL PRACTICE INSURANCE BROKERS, INC.	36,325,295	0.86%
27	COLEMONT INSURANCE BROKERS OF CALIFORNIA LLC	36,080,064	0.85%
28	WOODRUFF-SAWYER & COMPANY	34,045,885	0.80%
29	BORISOFF INSURANCE SERVICES, INC. (DBA: MONARCH E&S INSURANCE SERVICES)	32,228,576	0.76%
30	COMMODORE INSURANCE SERVICES, INC.	30,654,402	0.72%
31	YATES & ASSOCIATES INSURANCE SERVICES, INC.	30,592,637	0.72%
32	INTERNATIONAL E & S INSURANCE BROKERS, INC.	30,438,945	0.72%
33	ZURICH E&S INSURANCE BROKERAGE, INC.	30,357,673	0.72%
34	BASS UNDERWRITERS, INC.	30,205,314	0.71%
35	W. BROWN & ASSOCIATES PROPERTY & CASUALTY INSURANCE SERVICES	29,816,772	0.70%
36	SBIB, INC.	29,041,089	0.69%
37	HEATH INSURANCE BROKERS INC.	28,701,035	0.68%
38	TRINITY E & S INSURANCE SERVICES, INC.	28,427,316	0.67%
39	PACIFIC WHOLESALE BROKERS, LLC	27,295,213	0.64%
40	LOCKTON COMPANIES, INC.	24,272,610	0.57%
41	HARRY W. GORST COMPANY, INC.	24,213,017	0.57%
42	AON RISK SERVICES, INC. OF NORTHERN CALIFORNIA INSURANCE SERVICES	23,401,808	0.55%
43	WILLIS OF NEW YORK INC	23,147,137	0.55%
44	COLEMONT INSURANCE BROKERS OF CALIFORNIA, LLC	22,953,440	0.54%
45	M.J. HALL & COMPANY, INC.	22,884,866	0.54%
46	CARPENTER & MOORE INSURANCE SERVICES INC.	22,597,710	0.53%
47	NEITCLEM WHOLESALE INSURANCE BROKERAGE, INC	22,450,538	0.53%
48	CANON INSURANCE SERVICE	21,857,041	0.52%
49	PETERSEN INTERNATIONAL UNDERWRITERS	21,739,870	0.51%
50	R.E. CHAIX & ASSOCIATES INSURANCE BROKERS, INC.	20,921,820	0.49%

(Continued on Page 11)

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**TOP 100 CALIFORNIA SURPLUS LINE BROKERS BASED ON
PREMIUM PROCESSED BY THE SLA THROUGH SEPTEMBER 30, 2005**

RANK	BROKER	PREMIUM PROCESSED	% OF TOTAL
51	AON/ALBERT G. RUBEN INSURANCE SERVICES, INC.	20,802,191	0.49%
52	AIS AFFINITY INSURANCE AGENCY, INC.	20,431,477	0.48%
53	CHARTWELL INDEPENDENT INSURANCE BROKERS, LLC	20,178,531	0.48%
54	COASTAL BROKERS INSURANCE SERVICES INC.	18,972,518	0.45%
55	CAMPBELL & ASSOCIATES INSURANCE BROKERAGE, LLC	17,660,766	0.42%
56	ARTHUR J. GALLAGHER & CO. INSURANCE BROKERS OF CALIFORNIA, INC. (SF)	16,503,691	0.39%
57	CAMBRIDGE GENERAL AGENCY	16,150,346	0.38%
58	ALL RISKS, LTD.	15,912,928	0.38%
59	CRUMP E&S OF SAN FRANCISCO INSURANCE SERVICES, INC.	15,510,130	0.37%
60	WESTERN SECURITY SURPLUS INSURANCE BROKERS, INC.	14,701,563	0.35%
61	BARNEY & BARNEY, LLC.	14,680,690	0.35%
62	NAS INSURANCE SERVICES, INC.	14,391,320	0.34%
63	INTEGRATED RISK SOLUTIONS INSURANCE SERVICES, LLC.	13,927,665	0.33%
64	HEFFERNAN INSURANCE BROKERS	13,788,664	0.33%
65	JAMES KLEIN INSURANCE SERVICE INC.	13,751,317	0.32%
66	CRUMP E&S OF CALIFORNIA INSURANCE SERVICES, INC.	13,561,156	0.32%
67	ANDERSON & MURISON INC.	13,323,464	0.31%
68	EXCESS & SURPLUS LINES INSURANCE BROKERS, INC.	13,188,831	0.31%
69	HDR INSURANCE MANAGERS, LLC	11,976,575	0.28%
70	VULCAN EXCESS & SURPLUS INSURANCE SERVICES, INC.	11,584,944	0.27%
71	HYLANT GROUP, INC.	11,436,594	0.27%
72	USI OF SOUTHERN CALIFORNIA INSURANCE SERVICES, INC.	10,984,548	0.26%
73	AMERICAN E & S INSURANCE BROKERS OF CA, INC. (SAN DIEGO)	10,785,663	0.25%
74	LAE INSURANCE SERVICES, INC.	10,646,671	0.25%
75	WESTERN RE/MANAGERS INSURANCE SERVICES, INC.	10,624,179	0.25%
76	INTERNATIONAL FACILITIES INSURANCE SERVICES, INC.	10,548,548	0.25%
77	FRANK CRYSTAL & CO INC	10,122,999	0.24%
78	NORMAN-SPENCER MCKERNAN, INC.	9,589,539	0.23%
79	GALEOTTI, GARY WAYNE	9,433,368	0.22%
80	CRAWLEY WARREN INSURANCE SERVICES, INC.	9,309,525	0.22%
81	RICHTER/ROBB PACIFIC INSURANCE SERVICES, INC.	9,060,655	0.21%
82	CHUBB CUSTOM MARKET, INC.	8,976,481	0.21%
83	ARTHUR J. GALLAGHER & CO. INSURANCE BROKERS OF CALIFORNIA, INC. (GLENDALE)	8,711,418	0.21%
84	TRANS CAL ASSOCIATES	8,403,857	0.20%
85	G.J. SULLIVAN CO. EXCESS & SURPLUS LINES BROKERS	8,103,272	0.19%
86	VESTA INSURANCE PARTNERS OF ILLINOIS, INC.	7,936,516	0.19%
87	BROWN & BROWN OF CALIFORNIA, INC.	7,718,520	0.18%
88	ABRAM, RONALD ALAN	7,642,714	0.18%
89	AON RISK SERVICES, INC. OF CENTRAL CALIFORNIA INSURANCE SERVICES	7,482,861	0.18%
90	GEORGE ROTHERT & ASSOCIATES, INC.	7,429,025	0.18%
91	NATIONAL ADVANTAGE INSURANCE SERVICES, INC.	7,185,527	0.17%
92	NEW AGE BROKERAGE, INC.	7,112,973	0.17%
93	LONDON AMERICAN GENERAL AGENCY, INC.	7,105,535	0.17%
94	ROKS AMERICA, INC. INSURANCE BROKERS	7,076,333	0.17%
95	BLACK, WHITE & ASSOCIATES INSURANCE BROKERS	7,068,995	0.17%
96	FINANCIAL & PROFESSIONAL RISK SOLUTIONS INSURANCE AGENCY, INC.	7,062,251	0.17%
97	ARC WEST COAST EXCESS & SURPLUS BROKERAGE, LLC	6,909,377	0.16%
98	DEWITT STERN OF CALIFORNIA, LLC	6,580,093	0.16%
99	ABD INSURANCE AND FINANCIAL SERVICES	6,568,017	0.16%
100	REPATH MCAULEY WOODS, LLC	6,533,700	0.15%
	SUBTOTAL	\$3,759,302,844	88.73%
	ALL OTHER BROKERS	477,469,313	11.27%
	TOTAL	\$4,236,772,158	100.00%

**TOP 100 NONADMITTED CARRIERS BASED ON
PREMIUM PROCESSED BY THE SLA THROUGH SEPTEMBER 30, 2005**

RANK	COMPANY	PREMIUM PROCESSED	% OF TOTAL
1	LEXINGTON INSURANCE COMPANY	\$494,772,251	11.68%
2	AMERICAN INTERNATIONAL SPECIALTY LINES INSURANCE COMPANY	237,205,997	5.60%
3	STEADFAST INSURANCE COMPANY	199,947,952	4.72%
4	ARCH SPECIALTY INSURANCE COMPANY	155,502,683	3.67%
5	SCOTTSDALE INSURANCE COMPANY	143,828,860	3.39%
6	LANDMARK AMERICAN INSURANCE COMPANY	128,309,454	3.03%
7	ADMIRAL INSURANCE COMPANY	119,173,870	2.81%
8	WESTCHESTER SURPLUS LINES INSURANCE COMPANY	108,680,548	2.57%
9	EVANSTON INSURANCE COMPANY	104,852,151	2.47%
10	GEMINI INSURANCE COMPANY	104,421,305	2.46%
11	NIC INSURANCE COMPANY	100,144,593	2.36%
12	ILLINOIS UNION INSURANCE COMPANY	74,945,032	1.77%
13	MT. HAWLEY INSURANCE COMPANY	70,522,106	1.66%
14	ESSEX INSURANCE COMPANY	70,390,317	1.66%
15	LLOYD'S OF LONDON SYNDICATE #0033	63,687,295	1.50%
16	COLUMBIA CASUALTY COMPANY	62,880,526	1.48%
17	INTERSTATE FIRE & CASUALTY COMPANY	60,278,745	1.42%
18	FIRST SPECIALTY INSURANCE CORPORATION	60,090,703	1.42%
19	LIBERTY SURPLUS INSURANCE CORPORATION	60,005,789	1.42%
20	AMERICAN SAFETY INDEMNITY COMPANY	59,264,818	1.40%
21	NORTH AMERICAN CAPACITY INSURANCE COMPANY	57,065,416	1.35%
22	LLOYD'S OF LONDON SYNDICATE #2020	56,662,669	1.34%
23	QUANTA SPECIALTY LINES INSURANCE COMPANY	56,542,436	1.33%
24	EVEREST INDEMNITY INSURANCE COMPANY	51,617,322	1.22%
25	AXIS SPECIALTY INSURANCE COMPANY	48,448,224	1.14%
26	COLONY INSURANCE COMPANY	48,209,635	1.14%
27	EMPIRE INDEMNITY INSURANCE COMPANY	47,610,147	1.12%
28	CENTURY SURETY COMPANY	46,301,779	1.09%
29	PACIFIC INSURANCE COMPANY LTD.	46,212,790	1.09%
30	AXIS SURPLUS INSURANCE COMPANY	46,123,715	1.09%
31	CLARENDON AMERICA INSURANCE COMPANY	42,117,190	0.99%
32	BURLINGTON INSURANCE COMPANY	40,073,567	0.95%
33	HOUSTON CASUALTY COMPANY	38,308,866	0.90%
34	LLOYD'S OF LONDON SYNDICATE #2623	35,589,364	0.84%
35	LLOYD'S OF LONDON SYNDICATE #2987	33,873,691	0.80%
36	CHUBB CUSTOM INSURANCE COMPANY	33,818,823	0.80%
37	LLOYD'S OF LONDON SYNDICATE #0623	32,768,889	0.77%
38	WESTERN HERITAGE INSURANCE COMPANY	32,712,726	0.77%
39	LLOYD'S OF LONDON SYNDICATE #2488	32,467,826	0.77%
40	LLOYD'S OF LONDON SYNDICATE #2001	30,230,369	0.71%
41	GENERAL STAR INDEMNITY COMPANY	29,145,118	0.69%
42	ST. PAUL SURPLUS LINES INSURANCE COMPANY	28,583,374	0.67%
43	LLOYD'S OF LONDON SYNDICATE #0510	27,695,431	0.65%
44	HUDSON SPECIALTY INSURANCE COMPANY	26,048,588	0.61%
45	UNITED NATIONAL INSURANCE COMPANY	25,842,330	0.61%
46	SR INTERNATIONAL BUSINESS INSURANCE COMPANY LIMITED	22,549,246	0.53%
47	INDIAN HARBOR INSURANCE COMPANY	22,481,529	0.53%
48	NAUTILUS INSURANCE COMPANY	20,478,055	0.48%
49	COMMONWEALTH INSURANCE COMPANY	19,864,687	0.47%
50	GLENCOE INSURANCE LIMITED	19,655,939	0.46%

(Continued on Page 13)

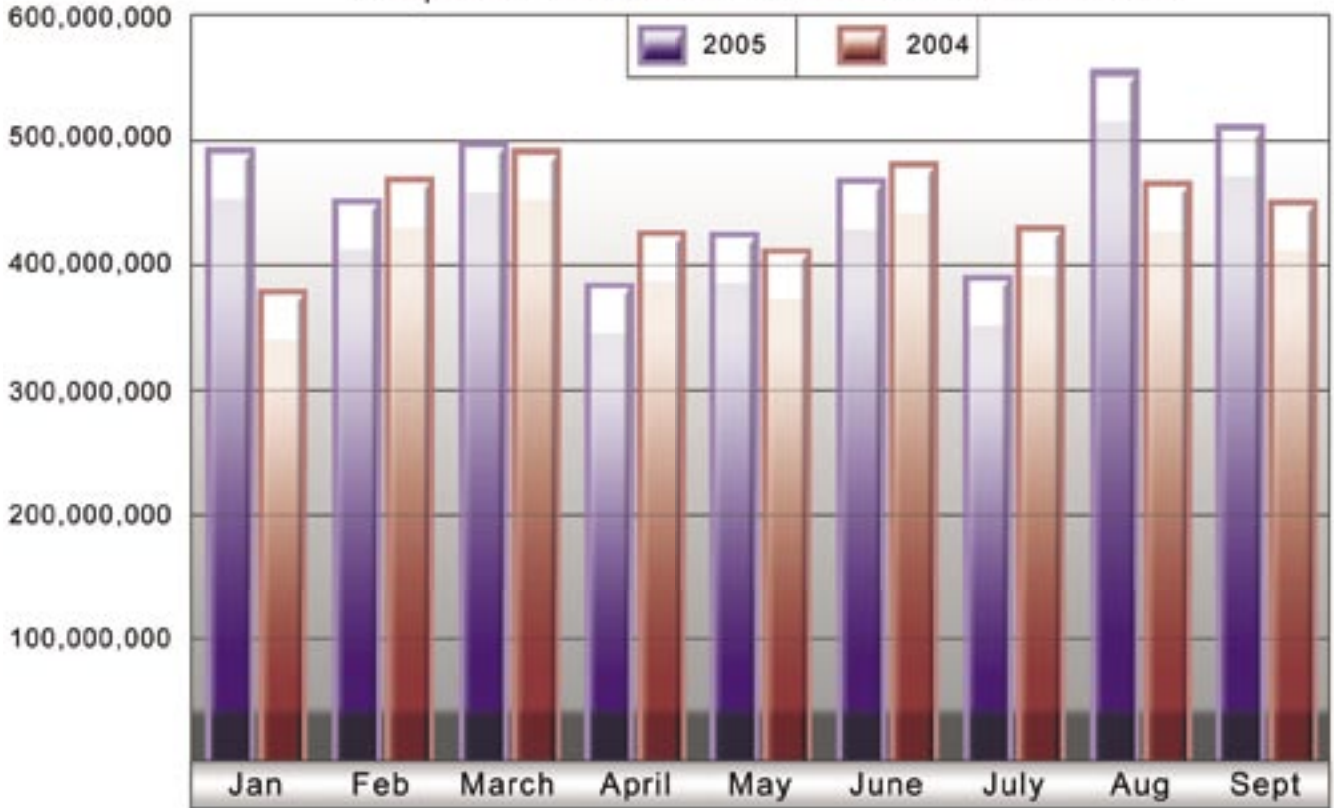
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TOP 100 NONADMITTED CARRIERS BASED ON PREMIUM PROCESSED BY THE SLA THROUGH SEPTEMBER 30, 2005			
RANK	COMPANY	PREMIUM PROCESSED	% OF TOTAL
51	LLOYD'S OF LONDON SYNDICATE #2003	19,056,055	0.45%
52	GREAT AMERICAN E&S INSURANCE COMPANY	19,009,251	0.45%
53	GREAT LAKES REINSURANCE (UK) PLC	18,831,986	0.44%
54	FIRST MERCURY INSURANCE COMPANY	17,036,750	0.40%
55	NATIONAL FIRE & MARINE INSURANCE COMPANY	16,328,650	0.39%
56	LLOYD'S OF LONDON SYNDICATE #0570	15,566,494	0.37%
57	JAMES RIVER INSURANCE COMPANY	14,739,258	0.35%
58	LLOYD'S OF LONDON SYNDICATE #2791	14,419,506	0.34%
59	LLOYD'S OF LONDON SYNDICATE #0435	14,348,802	0.34%
60	AMERICAN EMPIRE SURPLUS LINES INSURANCE COMPANY	13,980,323	0.33%
61	ASSOCIATED ELECTRIC & GAS INSURANCE SERVICES LIMITED	13,828,272	0.33%
62	STARR EXCESS LIABILITY INSURANCE COMPANY, LTD.	13,698,686	0.32%
63	NEWMARKET UNDERWRITERS INSURANCE COMPANY	13,493,317	0.32%
64	NOETIC SPECIALTY INSURANCE COMPANY	13,428,255	0.32%
65	HOMELAND INSURANCE COMPANY OF NEW YORK	13,398,656	0.32%
66	ASPEN SPECIALTY INSURANCE COMPANY	12,917,061	0.30%
67	TUDOR INSURANCE COMPANY	11,710,663	0.28%
68	USF INSURANCE COMPANY	11,697,748	0.28%
69	LLOYD'S OF LONDON SYNDICATE #5000	11,079,820	0.26%
70	PENN-STAR INSURANCE COMPANY	9,893,833	0.23%
71	LLOYD'S OF LONDON SYNDICATE #1084	9,698,252	0.23%
72	LLOYD'S OF LONDON SYNDICATE #0958	9,651,981	0.23%
73	LLOYD'S OF LONDON SYNDICATE #1243	9,633,727	0.23%
74	NUTMEG INSURANCE COMPANY	9,599,198	0.23%
75	ASPEN INSURANCE UK LIMITED	9,292,390	0.22%
76	EXECUTIVE RISK SPECIALTY INSURANCE COMPANY	9,260,470	0.22%
77	ALEA LONDON LIMITED	9,183,443	0.22%
78	LLOYD'S OF LONDON SYNDICATE #1183	8,781,752	0.21%
79	LLOYD'S OF LONDON SYNDICATE #1200	8,779,090	0.21%
80	MOUNT VERNON FIRE INSURANCE COMPANY	8,680,696	0.20%
81	NORTHFIELD INSURANCE COMPANY	8,492,377	0.20%
82	LLOYD'S OF LONDON SYNDICATE #0727	8,343,839	0.20%
83	LLOYD'S OF LONDON SYNDICATE #0190	8,109,795	0.19%
84	LLOYD'S OF LONDON SYNDICATE #4472	6,832,206	0.16%
85	LLOYD'S OF LONDON SYNDICATE #1225	6,686,107	0.16%
86	LLOYD'S OF LONDON SYNDICATE #2000	6,676,745	0.16%
87	LLOYD'S OF LONDON SYNDICATE #1414	6,673,742	0.16%
88	LLOYD'S OF LONDON SYNDICATE #1861	6,602,569	0.16%
89	DISCOVER SPECIALTY INSURANCE COMPANY	6,556,267	0.15%
90	GULF UNDERWRITERS INSURANCE COMPANY	6,374,462	0.15%
91	TRADERS & PACIFIC INSURANCE COMPANY	6,348,551	0.15%
92	GOTHAM INSURANCE COMPANY	6,051,199	0.14%
93	LLOYD'S OF LONDON SYNDICATE #0807	6,041,400	0.14%
94	WESTERN WORLD INSURANCE COMPANY	5,746,286	0.14%
95	LLOYD'S OF LONDON SYNDICATE #1206	5,730,004	0.14%
96	ALLIANZ MARINE & AVIATION VERSICHERUNGS-AG	5,506,615	0.13%
97	AMERICAN WESTERN HOME INSURANCE COMPANY	5,226,357	0.12%
98	COLONY NATIONAL INSURANCE COMPANY	4,855,914	0.11%
99	QBE SPECIALTY INSURANCE COMPANY	4,703,586	0.11%
100	MAXUM INDEMNITY COMPANY	4,163,520	0.10%
SUBTOTAL		\$4,084,750,656	96.41%
All Others		152,021,502	3.59%
TOTAL		\$4,236,772,158	100.00%

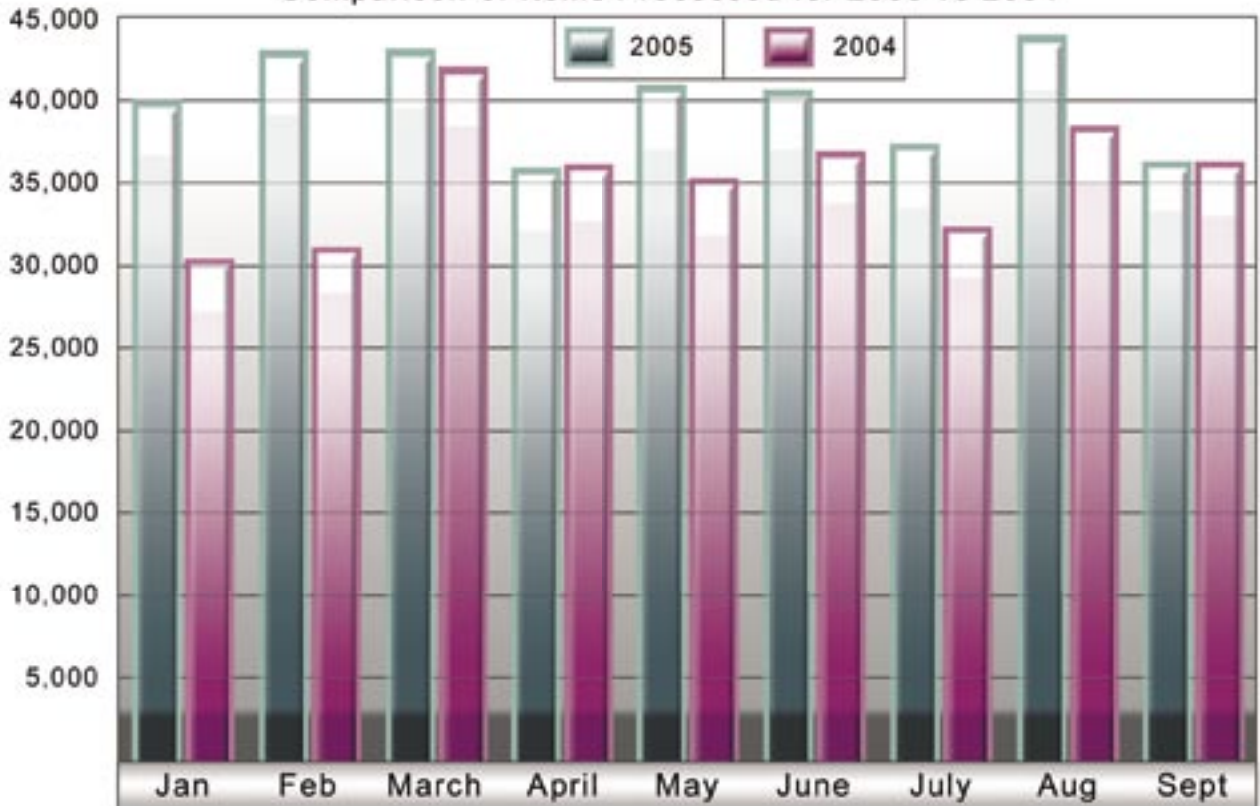
**50 LARGEST COVERAGE CODES BASED ON
PREMIUM PROCESSED BY THE SLA THROUGH SEPTEMBER 30, 2005**

RANK	EXPORT	COVERAGE DESCRIPTION	PREMIUM PROCESSED	% OF TOTAL
1		GENERAL LIABILITY	\$1,582,525,705	37.35%
2		ERRORS AND OMISSIONS	428,496,530	10.11%
3		ALL RISK COMMERCIAL PROPERTY	313,433,504	7.40%
4	YES	COMMERCIAL DIC/STAND ALONE EARTHQUAKE	301,781,728	7.12%
5		SPECIAL MULTI-PERIL	193,495,672	4.57%
6		EXCESS LIABILITY	187,698,244	4.43%
7	YES	CONTRACTORS ENGAGED IN NEW TRACT HOMES	162,897,201	3.84%
8	YES	EXCESS LIABILITY/UNDERLYING NONADMITTED	134,800,881	3.18%
9	YES	ENVIRONMENTAL IMPAIRMENT REMEDIATION	129,762,439	3.06%
10		DIRECTORS AND OFFICERS	103,965,633	2.45%
11		PROFESSIONAL LIABILITY	100,641,098	2.38%
12	YES	INDIV INSURED W/LARGE SCHED TIV > \$500M	89,417,141	2.11%
13	YES	EMPLOYMENT PRACTICES LIABILITY	59,115,762	1.40%
14	YES	PRODUCTS/COMPLETED OPERATIONS (STAND ALONE)	50,261,655	1.19%
15		INLAND MARINE	37,845,354	0.89%
16		HOMEOWNERS MULTI-PERIL	33,723,900	0.80%
17		MISCELLANEOUS	32,137,135	0.76%
18	YES	HIGH LIMITS DISABILITY	23,123,447	0.55%
19		AUTO PHYSICAL DAMAGE-COMMERCIAL	21,099,551	0.50%
20		AVIATION	20,565,797	0.49%
21		HOMEOWNERS	19,003,309	0.45%
22		COMMERCIAL PROPERTY-BASIC	18,869,935	0.45%
23		HOSPITALS	17,083,921	0.40%
24		GARAGE LIABILITY	16,741,016	0.40%
25	YES	SECURITY GUARD SERVICES	13,062,829	0.31%
26		AUTO LIABILITY-COMMERCIAL	11,725,816	0.28%
27		AUTO COMBINED LIAB & PHYS DAMAGE-COMM.	11,431,279	0.27%
28		SINGLE FAMILY DWELLING/DUPLEX	11,123,028	0.26%
29		TERRORISM	10,751,189	0.25%
30	YES	AVIATION EXCESS LIABILITY	7,379,609	0.17%
31	YES	EVENT CANCELLATION	7,367,649	0.17%
32		SPECIAL MULTI-PERIL WITH TERRORISM	6,333,538	0.15%
33		ACCIDENT	5,819,281	0.14%
34		FIDELITY	4,091,705	0.10%
35	YES	VACANT BUILDINGS	3,277,995	0.08%
36		DISABILITY INCOME	3,234,872	0.08%
37	YES	DEMOLITION CONTRACTORS	2,999,200	0.07%
38	YES	AMUSEMENT PARKS/CARNIVALS/DEVICES	2,865,653	0.07%
39		BONDS	2,842,415	0.07%
40	YES	PERSONAL ARTICLES FLOATERS	2,670,251	0.06%
41	YES	OILFIELD CONTRACTORS	2,571,014	0.06%
42	YES	CLINICAL & SIMILAR TESTS OF PHARMACEUTICAL	2,420,082	0.06%
43		RESIDENTIAL EARTHQUAKE	2,385,176	0.06%
44		EXCESS WORKERS COMPENSATION	2,308,353	0.05%
45	YES	EXCESS CRIME	2,302,494	0.05%
46	YES	KIDNAP AND RANSOM	2,209,322	0.05%
47		CRIME	2,157,638	0.05%
48	YES	EXCESS FLOOD	1,984,346	0.05%
49	YES	AMBULANCE SERVICES INC. PROF LIABILITY	1,707,565	0.04%
50	YES	SHORT TERM SPECIAL EVENTS (EXC HOLE IN ONE)	1,428,728	0.03%
SUBTOTAL			\$4,206,937,583	99.30%
ALL OTHER COVERAGES			29,834,575	0.70%
TOTAL			\$4,236,772,158	100.00%

Comparison of Premium Processed for 2005 vs 2004



Comparison of Items Processed for 2005 vs 2004



Surplus Line Association of California

Scheduled Educational Event for November 2005

ALL OUR SEMINARS ARE APPROVED FOR CALIFORNIA FIRE & CASUALTY BROKER-AGENTS (FX)

**INTELLECTUAL PROPERTY INSURANCE:
AN INTRODUCTION**

3 CE Credits – Course #95519

This is an introductory class on intellectual property (“IP”) risk management techniques. The course imparts a basic understanding of what defines intellectual property and an overview of the various types of intellectual property; a discussion of various financial risks associated with IP; and the various management techniques available to treat each specific type of IP risk, including insurance solutions. Attendees will come away with a broad understanding of IP definitions, categories, the attendant risks in each, and the methods available to treat those risks.

LA Presenter:

Kevin Kershnik
Vice President

ECM Insurance Services, Inc.

SF Presenter:

Kirk Denebeim
Vice President

ECM Insurance Services, Inc.

*Registration/Sign-In & Continental Breakfast 8:00 a.m.
Seminar 8:30 a.m. – 11:30 a.m.*

Tuesday, November 8, 2005

Sheraton Universal City
333 Universal Hollywood Drive
Universal City, CA 91608

Wednesday, November 9, 2005

Pan Pacific San Francisco
500 Post Street – Union Square
San Francisco, CA 94102

2005

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