

# SLA Quarterly

## November 2006

### *What's Inside:*

- **REPORT OF THE CHAIRMAN, PGS. 1 - 2**
- **LEGISLATIVE UPDATE, PGS. 2 - 3**
- **REPORT OF THE STAMPING OFFICE DIRECTOR, PGS. 3 - 4**
- **MEMBER PROFILE, PG. 5**
- **LEGAL UPDATE, PGS. 5 - 7**
- **ANNUAL MEETING, PG. 8**
- **KEYNOTE SPEAKER, PG. 8**
- **TOP 150 BROKERS BASED ON PREMIUM PROCESSED, PGS. 9 - 11**
- **TOP 100 NONADMITTED CARRIERS BASED ON PREMIUM PROCESSED, PGS. 12 - 13**
- **COMPARISON OF PREMIUM TOTALS BY COMPANY TYPE PG. 13**
- **50 LARGEST COVERAGES BASED ON PREMIUM PROCESSED, PG. 14**
- **COMPARISON OF PREMIUM & ITEMS PROCESSED FOR 2006 VS 2005, PG. 15**
- **EDUCATIONAL CALENDAR & SLA OFFICERS AND STAFF, PG. 16**

The Surplus Line Association of California  
50 California Street, 18th Floor  
San Francisco, CA 94111  
Phone: (415) 434-4900  
Fax: (415) 434-3716  
E-Mail: Via the SLA Website  
[www.slacal.org](http://www.slacal.org)



**James Pettipas**  
*Chairman, 2006*

### **Report of the Chairman**

California surplus line premiums for the first three quarters of 2006 (\$4.5 billion) are 5.79% above the 2005 total for the same period. 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. A hearing is expected in November or December.

The annual A.M. Best Company *Special Report on the Surplus Lines Market* released by the NAPSLO Education Foundation on Sept. 16, 2006, said the

larger, more established insurance groups continue to dominate the surplus lines market, with the 25 leading surplus lines groups making up approximately 82.5% of the total surplus lines direct premium in 2005. The leaders in direct written premium are AIG and Lloyds. Combined, these two organizations commanded 35% of the total surplus lines market in 2005. For the past 10 years, domestic professional surplus lines insurers have maintained a higher proportion of "Secure" ratings than the overall P&C industry. Best said surplus lines carrier failure frequencies have dropped to zero from 2004 through the first six months of 2006.

The SLA Executive Committee has reestablished the Admitted Market Liaison Committee and elected Jerry Sullivan of Gerald J. Sullivan & Associates as chairman. The committee will liaise with the admitted market on matters of common interest and work with the SLA Arbitrator on any questions, controversies or complaints that come before the association relative to the admitted market. The SLA Arbi-

*(Continued on Page 2)*

(Continued from Page 1)

trator is the Honorable Harry W. Low, former California Insur-

ance Commissioner (2000 to 2003), Presiding Justice,

California Court of Appeal (1983 to 1992). ■

## Legislative Update



### California Legislature

**AB 2125 (Vargas)** was signed by the Governor on Sept. 29, 2006. The bill (now Chapter 740, Statutes of 2006) contains one provision relevant to surplus line premium tax remittance. Section 1775.4 of the California Insurance Code is amended, effective January 1, 2007, to impose a penalty of 10 percent of the amount of the monthly surplus line premium tax owed by surplus line brokers to the state if they fail to make the necessary payment within the time required, plus interest at a rate of 1 percent per calendar month from the due date of the payment. The Commissioner may remit the penalty in a case where he or she finds, as a result of examination or otherwise, that the failure of, or delay in, payment arose out of

excusable mistake or excusable inadvertence.

### United States Congress

On Sept. 27, the U.S. House of Representatives passed the Nonadmitted and Reinsurance Reform Act of 2006 (H.R. 5637) by a vote of 417 to 0. No companion bill has been introduced in the Senate.

The bill would prohibit any state other than the home state of an insured from requiring premium tax payment for nonadmitted insurance. The bill prescribes requirements for reporting, payment, and allocation of premium taxes. The bill would subject nonadmitted insurance solely to the regulatory requirements of the insured's home state. The bill would prohibit states from collecting any fees relating to licensing of a nonresident insurance broker in the state unless the state has laws or regulations in effect that provide for its participation in the national producer database of the NAIC. The bill would prohibit states from establishing eligibility criteria for nonadmitted insurers domiciled in a U.S. jurisdiction except in conformance with the

NAIC Non-Admitted Insurance Model Act.

The bill would prohibit surplus line brokers from placing nonadmitted insurance with, or procuring nonadmitted insurance from, a nonadmitted insurer domiciled outside the United States that is not listed on the Quarterly Listing of Alien Insurers maintained by the NAIC International Insurance Division. The bill prescribes conditions under which a surplus line broker, seeking to procure or place nonadmitted insurance in a state for an exempt commercial purchaser, shall not be required to satisfy any state requirement to make a due diligence search to determine whether the full amount or type of insurance sought by such exempt commercial purchaser can be obtained from admitted insurers.

The bill specifies the preemption of state laws regarding a ceding insurer, except those of the ceding insurer's state of domicile. The bill would declare the state of domicile of a reinsurer solely responsible for regulating the reinsurer's financial solvency if such is NAIC-accredited. Passage of this legislation in the 109<sup>th</sup> Congress is unlikely.

(Continued on Page 3)

(Continued from Page 2)

On September 28, U.S. Representative Ed Royce (R-CA) introduced the National Insurance Act of 2006 (H.R. 6225). This legislation would create an optional federal charter regulatory regime for property &

casualty and life insurers. The bill serves as a companion to S 2509, which was introduced by Senators John Sununu (R-NH) and Tim Johnson (D-SD). Both bills would create a federal regulatory agency within

the U.S. Treasury Department. Under the bill, insurers could choose to be regulated by the 50 states or by the Office of National Insurance. Passage of this legislation in the 109<sup>th</sup> Congress is unlikely. ■

## Report of the Stamping Office Director



**Joy Laughery**  
Stamping Office Director

The year 2006 has been a busy one for the Surplus Line Association. The Data Processing department has processed \$ 4,482,144,275 in premiums. We are on target to again exceed \$5.5 billion in processed premiums, and our total items processed to date are 381,551.

As a reminder, the stamping fee will change from .175% to .125% as of January 1, 2007. If you have any questions please feel free to call us at 415-434-4900.

Also as a reminder our Annual Meeting will be held January 23, 2007 in San Francisco and on January 25, 2007 in Los

Angeles. The first part of the Annual Meeting will consist of election of officers, Report of the Secretary/Treasurer, as well as a legal update by our counsel – LeBoeuf, Lamb, Greene and MacRae. The second part of the program will be taught by Bob Marshburn, (topic to be determined), and will count for 2 CE credits. After the meeting is adjourned the SLA will host a fantastic lunch. Please look for the bulletin that will go out in December with more information and be sure to RSVP. Our Annual meeting is a great opportunity to catch up with old acquaintances and make new contacts in the insurance industry. I hope to see you there!

We would like to welcome our newest brokers:

### **New Brokers Added Since July 2006**

Anderson, Morgan Thomas  
Arrowhead Wholesale Insurance Services, Inc.

Barbot Equities, Inc.  
Barnett, Doris Ann  
Barnett, Joseph Beacham  
Bass & Associates, Inc.  
Benveniste, Diane Rose  
Berry, Dawn Dalaine  
Bleasdale, Kathy Ann  
Brinson, Diane Lynn  
Broker Intermediaries Insurance Services, LLC  
Builders & Tradesmen's Insurance Services, Inc.  
Campo, Edgar Jules Jr.  
Carr, John Patrick  
CFS International, Inc.  
Chivaroli, Richard Damian  
Clark, William Walter  
Cohen, Marc Irwin  
Combined Specialties International, Inc.  
Conway, Jeffrey Charles  
Costello, Matt Scott  
CRC-Sterling West Insurance Services, LLC  
De Boer, Larry Evan  
Dennett, Tina Louise  
Descombes, Gordon Barry  
Dewalt, George Allan  
Diamond Peak Insurance Services, Inc.  
Driscoll, Ross Edward

(Continued on Page 4)

(Continued from Page 3)

Duler & Co., Risk Management and Insurance Services, Inc.	LIG Insurance Agency, Inc.	Teschner, Marci Nicole
Fenz, Judy Kathleen	Lindsay, Paul Monroe	Towers, Perrin, Forster & Crosby, Inc.
Gill, Jeevanjot Kaur	Loving, Bethany Lynn	Townsend, Dennis Leroy
Gladius Insurance Services, LLC	Markin, William Glenn	Trevor, Joy Gatchalian
Glickman, Alexandra Salima	Mayo, Michael David	Tucker, Choon Song
Gregson, Alicia Dawn	McGowan & Company, Inc.	W.K. Cooper & Co. International Insurance Brokers, Inc.
Guy-Girbovan, Deborah Susan	McHugh, Jennifer Dickens	Winn, Donald John
Haley, David Charles	Miller, Donna Jean	Wynne, Sonya Elaine
Harper, David William	Mundelius, Matthew Edward	Zuppann, Ann
Harrell, Patricia Ann	Neely, Sharron Elizabeth	
Hart, Whitney Keras	Nordstrom, Rachel S.	<b>Total Brokers Added Since July 2006: 95</b>
Hause, Stephen Ashton	Nowell, Richard Phillip	Total CA Corporate: 562
Havard, William Jay II	O'Neill, Derrick Patrick	Non-resident Corporate: 245
Heffernan, Michael Joseph	Ornelas, Jeff Joe	Total CA Individual: 421
Hill, Leigh Ann	Payne, Stanley Guy	Non-resident Individual: 209
Hoeke, Ann Jeannette	Pestana, Gary Patrick	Total in CA: 983
Houska, Christopher John	Professional Employer Network, Inc.	Total Non-Resident: 454
Hunt, Marilyn Pearl	Ranger Insurance Services, Inc.	
Huntington, Christie Dawn	Reshefsky, Ronald	<b>Total Membership Count: 1437</b>
Intellect Enterprises, LLC	Sandau, Roger Allen	(as of October 10, 2006)
Jacobson, Kathryn Ann	Santos, Shirley Ramos	
James, Terry Lee	Shapiro, Merle Elyse	
Jansen & Hastings Insurance Services	Shaw, Moses, Mendenhall & Associates Insurance Agency	
Jennings, John Francis	Shephard, Carl Stephen	
Johnson, Negin	Sieks, Thomas Robert	
Kennedy, Gemsy Allyson	Skipper, Cullman Leonard	
Ledbetter, Lonnie Kossuth	Sparling, John C. II	
Lewis, Karen Patricia	Spiteri, Karen Joyce	
	Stancell, Carolyn Elaine	
	Surber, Steven Robert	

## Member Profile



**Andrew Rosenfeld**  
*President, Canon Insurance*

For over half a century, the people of Canon Insurance have worked to earn trust and reward client confidence. Year after year, they've proven the value of having established some of the strongest relationships in the specialty market.

In 1947, William Rosenfeld

joined the retail agency started by his father, A.M. Rosenfeld. Frustrated with the inability of primary and standard markets to fulfill the unique needs of his clients, Bill became a surplus line broker. His legacy of independence and service continues today, distinguishing Canon as a prime developer of innovative products in wholesale property and casualty insurance.

A Cum Laude graduate of Claremont Men's College, with a degree in Mathematics, Andrew joined Canon Insurance in 1982 and has been pivotal to its unwavering focus on providing excellence and value.

The Canon can-do spirit of innovation is nowhere more apparent than in representing its clients to a variety of excess and surplus line markets, particularly in underwriting risks which present unusual hazards. The company provides its broker clients access to a diverse array of Personal and Commercial lines insurance products.

The topic that will always bring the biggest smile to Andrew's face is his family: his beautiful wife, Patty, and his children, Avi and Geraldine, to whom he fondly refers as the next generation of Canon can-do-ers. ■

## Legal Update



### Diligent Search (CIC §1763)

In *Crusader Insurance Com-*

*pany v. Harry W. Gorst Company, Inc.*, the California courts reviewed whether, having properly conducted a "diligent search" under Cal. Ins. Code §1763, a surplus line broker may export a risk if the broker is aware of *any* admitted insurer willing to insure the risk.

The case involved an action by Crusader against surplus line broker Gorst under Cal. Bus. & Prof. Code §17200 for alleged violations of the sur-

plus line laws. The trial court granted summary judgment in Crusader's favor and enjoined Gorst from exporting risks in violation of §1763's diligent search requirements.

More important for surplus line brokers, the trial court also held that Cal. Ins. Code §1763 allows a risk to be exported if *bona fide* declinations are obtained from three admitted insurers, even if the surplus line

*(Continued on Page 6)*

(Continued from Page 5)

broker has actual knowledge that some other admitted insurer is willing to insure the risk.

Expressly rejecting Crusader's arguments to the contrary, the trial court ruled:

- "[N]othing in [§1763] requires the surplus line broker to place business with an admitted carrier of whom the surplus line broker knows of his or her own independent knowledge may indeed write the coverage requested." Summary Judgment Order, p. 5.
- "Nothing in California Insurance Code §§ 1763(a) or (b) require the surplus line broker to identify as part of the report submitted by the surplus line broker to the Commissioner admitted insurers so determined by any mechanism known or employed by the surplus line broker, who write the particular type of insurance but with whom the surplus line broker chooses not to do business." *Id.*

Having obtained a judgment against Gorst, Crusader moved for an award of attorneys' fees under Cal. Civ. Proc. Code §1021.5. That section allows an award of attorneys' fees to

a plaintiff whose lawsuit confers a substantial benefit on the public or a large class of persons. Crusader contended that its lawsuit against Gorst conferred a substantial benefit on the consuming public by deterring unlawful export of risks to the nonadmitted market.

The trial court denied Crusader's motion for attorneys' fees. Crusader appealed the trial court's order denying attorneys' fees but did not appeal the ruling rejecting Crusader's interpretation of §1763.

Before the Court of Appeal, Crusader sought to reargue its interpretation of §1763 that the trial court rejected and Crusader chose not to appeal.

The SLA filed an *amicus* brief in the Court of Appeal opposing Crusader's arguments concerning proper interpretation of §1763. In an unpublished opinion, the Court of Appeal affirmed denial of Crusader's request for attorneys' fees and declined to reexamine the trial court's §1763 ruling, which it referenced with apparent approval.

Crusader sought review of the Court of Appeal decision by the California Supreme Court. In its Petition for Review, Crusader again sought to reargue

its interpretation of §1763 in the context of its request for attorneys' fees. In an *amicus* letter filed with the Supreme Court, the SLA again opposed those arguments.

Crusader's Petition for Review was denied by the Supreme Court on September 13, 2006, thereby exhausting Crusader rights of appeal. Accordingly, Crusader is bound by the trial court's rulings regarding the diligent search requirements of §1763.

As indicated, the Court of Appeal decision in *Crusader v. Gorst* is unpublished and does not appear in the Official Reports of California judicial decisions. The decision therefore may not be cited as precedent in cases before the California courts. No such prohibition exists, however, regarding the trial court's summary judgment rulings interpreting §1763. Although not binding precedent, the trial court's well-reasoned summary judgment order may well be persuasive to a court presented with the same issue in the future.

### Wholesale Broker Liability

In *Business to Business Markets, Inc. v. Zurich Specialties London Limited*, 135 Cal. App.4th 165, 37 Cal.Rptr.3d 295 (2005) ("**B2B**"), the Court

(Continued on Page 7)

(Continued from Page 6)

of Appeal greatly expanded the potential liability of a wholesale surplus line broker to third parties. The Court held that a wholesale surplus line broker owed a duty of care to a third party who was not the wholesale broker's client, not an insured under the policy obtained, and with whom the wholesale broker had no direct contact.

The SLA, jointly with NAPSLO, AAMGA, and CIWA, filed an *amicus* letter in the California Supreme Court. The *amicus* letter urged the Supreme Court to grant review and reverse the Court of Appeal decision. The Supreme Court declined to do so. Accordingly, **B2B** can be cited as legal precedent in California courts.

The B2B case has been remanded for trial. The SLA intends to monitor the trial, as well as the companion case by B2B against the retail broker, which currently is pending before the Court of Appeal. *Business to Business Markets, Inc. v. Hoyla Insurance Group, Inc.*, B182571.

### Broker/Agent Fees

In several recent enforcement actions, the CDI has taken the position that "broker/agent fees" may not be charged in

connection with admitted business unless authorized by the insurer and reflected in the insurer's rate filings. None of these enforcement actions has been litigated either in administrative proceedings or before the courts. Instead, the insurers and producers involved have settled or are in settlement negotiations with the CDI.

In the matter of *In re American Reliable Insurance Company*, a settlement without adjudication of any issues, the CDI attempted to designate the terms of the settlement as a "precedential decision" under Cal. Gov't Code § 11425.60. If the *American Reliable* settlement is accorded "precedential decision" status, the terms of that settlement – largely, if not exclusively, dictated by the CDI – will become established regulatory precedent upon which the CDI may rely for purposes of future enforcement actions.

IBA West has challenged the CDI's "precedential decision" tactic before the Office of Administrative Law on the ground that the CDI has promulgated an "interpretive rule" in violation of the Administrative Procedure Act. *See*, Petition To The Office Of Administrative Law ("Re Underground Regulation in the form of a settlement agreement designated as a "precedential decision" under

Cal. Gov't Code § 11425.60"), filed September 26, 2006. In effect, IBA West argues that the CDI is unlawfully promulgating an "underground regulation" through use of the "precedential decision" mechanism.

The challenge mounted by IBA West appears to have substantial merit.

Whether and to what extent the *American Reliable* case before OAL will shed light on the viability of the CDI's enforcement efforts in this area remains to be seen. Until the CDI's view of the limitations applicable to "broker/agent fees" are resolved by OAL or the courts, surplus line brokers should expect that the issue of broker/agent fees will continue to be a priority enforcement topic for the foreseeable future. ■

## Surplus Line Association Annual Meeting - 2007

San Francisco – January 23, 2007  
The Four Seasons Hotel

Los Angeles – January 25, 2007  
The Beverly Hills Hotel

The Annual Meeting is Free.  
Please call Joy Laughery, Stamping Office Director  
if you have questions – 415-434-4900.  
Invitations will go out by bulletin in December.

Election of Officers, Reports from Chairman & Secretary/Treasurer,  
Legal Update and 2 Hours of CE Credit from Keynote Speaker, Robert J. Marshburn.  
Lunch is included at both locations

### Keynote Speaker



**Robert J. Marshburn**  
CRM, CIC, ARM

*Founder and Principal*  
*R. J. Marshburn & Associates,*  
*Certified Risk Managers.com*

Robert J. Marshburn is the founder and principal of R. J. Marshburn & Associates, Certified Risk Managers.com, an independent risk management consulting and educational firm. In independent industry

evaluations, Mr. Marshburn is consistently rated as one of the nation's top Risk Management Consultants and Educators. He has been in risk management for over 30 years.

Mr. Marshburn works as an outsourced risk manager, as an independent consultant to clients, and in association with other professionals with their clients. He is a dynamic public speaker, teacher, and conference speaker on risk management topics.

He has been retained as a consultant for some of the nation's premier builders, manufacturers, carriers, brokers, consultants, attorneys, municipalities,

industry associations, and educational organizations.

Mr. Marshburn holds the professional designations of Associate in Risk Management (ARM) from the Insurance Institute of America as well as the Certified Risk Manager (CRM) designation as awarded by Certified Risk Managers International. He also holds the professional designation of Certified Insurance Counselor (CIC) as awarded by The Society of Certified Insurance Counselors. ■



**TOP 150 CALIFORNIA SURPLUS LINE BROKERS  
BASED ON PREMIUM PROCESSED THROUGH SEPTEMBER 30, 2006**

Rank	BROKER	PREMIUMS PROCESSED	% OF TOTAL
1	WESTERN RISK SPECIALISTS, INC.	376,850,173	8.41%
2	SWETT & CRAWFORD	285,024,950	6.36%
3	MARSH USA INC.	241,981,563	5.40%
4	AMWINS INSURANCE BROKERAGE OF CALIFORNIA, LLC	181,215,569	4.04%
5	CRC INSURANCE SERVICES, INC.	165,269,450	3.69%
6	AON RISK SERVICES, INC. OF SOUTHERN CALIFORNIA INSURANCE SERVICES	146,827,036	3.28%
7	AMERICAN E & S INSURANCE BROKERS OF CALIFORNIA, INC.	130,171,802	2.90%
8	WORLDWIDE FACILITIES, INC.	106,499,707	2.38%
9	BLISS & GLENNON, INC.	99,220,140	2.21%
10	COLEMONT INSURANCE BROKERS OF CALIFORNIA, LLC	93,839,171	2.09%
11	BISYS COMMERCIAL INSURANCE SERVICES, INC.	90,689,289	2.02%
12	BROWN & RIDING INSURANCE SERVICES, INC.	80,785,930	1.80%
13	LEMAC & ASSOCIATES, INC.	75,443,959	1.68%
14	INTERNATIONAL E & S INSURANCE BROKERS, INC.	74,874,737	1.67%
15	BURNS & WILCOX INSURANCE SERVICES, INC.	72,708,073	1.62%
16	LOCKTON INSURANCE BROKERS, INC.	66,292,512	1.48%
17	PARTNERS SPECIALTY GROUP, LLC	60,449,459	1.35%
18	CROUSE & ASSOCIATES INSURANCE SERVICES OF NORTHERN CALIFORNIA, INC.	54,270,865	1.21%
19	WILLIS INSURANCE SERVICES OF CALIFORNIA, INC.	50,097,042	1.12%
20	HULL & COMPANY (CALIFORNIA) INC.	43,555,229	0.97%
21	RISK PLACEMENT SERVICES INSURANCE BROKERS	41,448,563	0.92%
22	NAVIGATORS CALIFORNIA INSURANCE SERVICES, INC.	40,972,097	0.91%
23	BORISOFF INSURANCE SERVICES, INC. (DBA: MONARCH E&S INSURANCE SERVICES)	38,703,847	0.86%
24	ECM INSURANCE SERVICES, INC.	37,822,172	0.84%
25	BASS UNDERWRITERS, INC.	36,792,606	0.82%
26	FIRST STATE MANAGEMENT GROUP, INC.	34,888,910	0.78%
27	CARPENTER & MOORE INSURANCE SERVICES INC.	33,498,553	0.75%
28	SBIB, INC.	32,979,675	0.74%
29	LOCKTON COMPANIES, INC.	32,607,411	0.73%
30	WOODRUFF-SAWYER & COMPANY	32,219,759	0.72%
31	ARTHUR J. GALLAGHER & CO. INSURANCE BROKERS OF CALIFORNIA, INC. (GLENDALE)	31,418,424	0.70%
32	CRUMP E&S OF SAN FRANCISCO INSURANCE SERVICES, INC.	29,517,535	0.66%
33	YATES & ASSOCIATES INSURANCE SERVICES, INC.	28,368,414	0.63%
34	CHARTWELL INDEPENDENT INSURANCE BROKERS, LLC	28,230,987	0.63%
35	COMMODORE INSURANCE SERVICES, INC.	28,157,862	0.63%
36	W. BROWN & ASSOCIATES PROPERTY & CASUALTY INSURANCE SERVICES	26,855,910	0.60%
37	COOPER & MCCLOSKEY, INC. INSURANCE BROKERS	26,748,617	0.60%
38	NEITCLEM WHOLESALE INSURANCE BROKERAGE, INC	26,519,815	0.59%
39	TRINITY E & S INSURANCE SERVICES, INC.	26,517,448	0.59%
40	ZURICH E&S INSURANCE BROKERAGE, INC.	25,974,819	0.58%
41	HARRY W. GORST COMPANY, INC.	25,171,474	0.56%
42	PACIFIC WHOLESALE BROKERS, LLC	24,082,917	0.54%
43	M.J. HALL & COMPANY, INC.	22,108,162	0.49%
44	ALLIANT INSURANCE SERVICES, INC.	21,185,893	0.47%
45	INTEGRATED RISK SOLUTIONS INSURANCE SERVICES, LLC.	21,146,191	0.47%
46	ALL RISKS, LTD.	20,246,551	0.45%
47	AIS AFFINITY INSURANCE AGENCY, INC.	19,481,392	0.43%
48	WESTERN RE/MANAGERS INSURANCE SERVICES, INC.	19,450,663	0.43%
49	MIDWESTERN GENERAL BROKERAGE, INC.	19,446,810	0.43%
50	COASTAL BROKERS INSURANCE SERVICES INC.	18,995,512	0.42%

(Continued on Page 10)

(Continued from Page 9)

TOP 150 CALIFORNIA SURPLUS LINE BROKERS BASED ON PREMIUM PROCESSED THROUGH SEPTEMBER 30, 2006			
Rank	BROKER	PREMIUMS PROCESSED	% OF TOTAL
51	WESTERN SECURITY SURPLUS INSURANCE BROKERS, INC.	18,633,348	0.42%
52	R.E. CHAIX & ASSOCIATES INSURANCE BROKERS, INC.	18,279,058	0.41%
53	PETERSEN INTERNATIONAL UNDERWRITERS	17,312,012	0.39%
54	BROWN & BROWN OF CALIFORNIA, INC.	17,062,397	0.38%
55	NAS INSURANCE SERVICES, INC.	16,904,728	0.38%
56	LAE INSURANCE SERVICES, INC.	16,904,702	0.38%
57	WILLIS OF NEW YORK INC	16,488,845	0.37%
58	ARROWHEAD GENERAL INSURANCE AGENCY, INC.	16,037,506	0.36%
59	CRUMP E&S OF CALIFORNIA INSURANCE SERVICES, INC.	15,730,561	0.35%
60	CAMBRIDGE GENERAL AGENCY	15,326,410	0.34%
61	HART, ANTHONY JOSEPH	15,323,503	0.34%
62	NORMAN SPENCER MCKERNAN AGENCY(NSM) (DBA:TB&C WHOLESALE INS. SERV'S OF PASADENA)	15,054,652	0.34%
63	HILB ROGAL & HOBBS PROFESSIONAL PRACTICE INS BROKERS, INC.	14,828,870	0.33%
64	HDR INSURANCE MANAGERS, LLC	14,315,421	0.32%
65	STEWART SMITH EAST, INC.	13,884,488	0.31%
66	HOBBS GROUP INSURANCE	13,714,575	0.31%
67	ALBERICO, DONALD ANTHONY	13,370,784	0.30%
68	ABD INSURANCE AND FINANCIAL SERVICES	12,964,038	0.29%
69	HAGAN, PHILIP STEPHEN	12,881,056	0.29%
70	VULCAN EXCESS & SURPLUS INSURANCE SERVICES, INC.	12,796,131	0.29%
71	AON RISK SERVICES, INC. OF NORTHERN CALIFORNIA INSURANCE SERVICES	12,628,734	0.28%
72	FRANK CRYSTAL & CO INC	11,913,072	0.27%
73	JOHN L. WORTHAM & SON, L.P.	11,795,713	0.26%
74	GIADROSICH, RONALD BERNARD	11,651,019	0.26%
75	ANDERSON & MURISON INC.	11,201,927	0.25%
76	AON/ALBERT G. RUBEN INSURANCE SERVICES, INC.	10,445,317	0.23%
77	NORMAN SPENCER MCKERNAN AGY(NSM) (DBA: TB&C WHOLESALE INS. SERV'S OF ORANGE CO.)	10,035,447	0.22%
78	G.J. SULLIVAN HEALTHCARE INSURANCE SERVICES, INC.	9,517,560	0.21%
79	HEFFERNAN INSURANCE BROKERS	9,469,088	0.21%
80	JAMES KLEIN INSURANCE SERVICE INC.	9,421,977	0.21%
81	INTERNATIONAL FACILITIES INSURANCE SERVICES, INC.	9,160,435	0.20%
82	ALEXANDER, MORFORD & WOO, INC.	9,020,140	0.20%
83	BARNEY & BARNEY, LLC.	9,012,886	0.20%
84	NATIONAL ADVANTAGE INSURANCE SERVICES, INC.	8,789,822	0.20%
85	GALEOTTI, GARY WAYNE	8,782,138	0.20%
86	RICHTER/ROBB PACIFIC INSURANCE SERVICES, INC.	8,491,173	0.19%
87	EXCESS & SURPLUS LINES INSURANCE BROKERS, INC.	8,308,568	0.19%
88	W. B. AHERN ENTERPRISES, INC.	8,286,286	0.18%
89	BECHER & CARLSON INSURANCE SERVICES, INC.	8,223,443	0.18%
90	ALL RISKS, LLC	8,081,091	0.18%
91	G.J. SULLIVAN CO. EXCESS & SURPLUS LINES BROKERS	8,065,642	0.18%
92	STERLING WEST INSURANCE SERVICES, INC.	7,991,931	0.18%
93	AMWINS BROKERAGE OF NEW YORK, INC.	7,953,545	0.18%
94	HCC SPECIALTY UNDERWRITERS, INC.	7,752,578	0.17%
95	ROBERTSON TAYLOR (CALIFORNIA), INC.	7,478,370	0.17%
96	CRC-STERLING WEST INSURANCE SERVICES, LLC	7,473,189	0.17%
97	ARTHUR J. GALLAGHER & CO. INSURANCE BROKERS OF CALIFORNIA, INC. (SF)	7,428,770	0.17%
98	HILB ROGAL & HOBBS INSURANCE SERVICES OF CALIFORNIA, INC.	7,324,131	0.16%
99	TRANS CAL ASSOCIATES	7,091,575	0.16%
100	GEORGE ROTHERT & ASSOCIATES, INC.	6,879,635	0.15%

(Continued on Page 11)

(Continued from Page 10)

TOP 150 CALIFORNIA SURPLUS LINE BROKERS BASED ON PREMIUM PROCESSED THROUGH SEPTEMBER 30, 2006			
Rank	BROKER	PREMIUMS PROCESSED	% OF TOTAL
101	CANON INSURANCE SERVICE	6,831,755	0.15%
102	NETWORK E & S INSURANCE BROKERS, LLC	6,436,310	0.14%
103	CHIVAROLI & ASSOCIATES, INC.	6,215,479	0.14%
104	PROWEST INSURANCE SERVICES, INC.	6,107,347	0.14%
105	DEWITT STERN OF CALIFORNIA, LLC	6,093,239	0.14%
106	WESTERN BROKERS INSURANCE SERVICES	6,015,651	0.13%
107	E.L.M. INSURANCE BROKERS, INC.	5,852,035	0.13%
108	ACORDIA OF CALIFORNIA INSURANCE SERVICES, INC.	5,668,330	0.13%
109	CK SPECIALTY INSURANCE ASSOCIATES, INC.	5,598,508	0.12%
110	HERBERT L. JAMISON & CO., LLC	5,554,196	0.12%
111	NAPCO, LLC	5,429,893	0.12%
112	ROKS AMERICA, INC. INSURANCE BROKERS	5,390,801	0.12%
113	VISTA INSURANCE PARTNERS OF ILLINOIS, INC.	5,333,975	0.12%
114	ABRAM, RONALD ALAN	5,321,239	0.12%
115	ARC WEST COAST EXCESS & SURPLUS BROKERAGE, LLC	5,318,928	0.12%
116	DEALEY, RENTON & ASSOCIATES INSURANCE BROKERS	5,268,369	0.12%
117	R.I.C. INSURANCE GENERAL AGENCY, INC.	5,266,197	0.12%
118	SMITH, JACKIE WAYNE	5,078,918	0.11%
119	FINANCIAL & PROFESSIONAL RISK SOLUTIONS INSURANCE AGENCY, INC.	4,914,660	0.11%
120	CHOPRA INSURANCE BROKERAGE, INC.	4,836,632	0.11%
121	SIERRA SPECIALTY INSURANCE SERVICES, INC.	4,820,089	0.11%
122	INTERLINE INSURANCE SERVICES, INC.	4,700,396	0.10%
123	COONEY, RIKARD & CURTIN INSURANCE SERVICES OF CALIFORNIA, LLC	4,673,874	0.10%
124	JAMES C. JENKINS INSURANCE SERVICE INC.	4,597,878	0.10%
125	PROPERTY RISK SERVICES, LLC	4,513,546	0.10%
126	WHOLESALE CONNECTION INSURANCE SERVICES, LLC	4,507,908	0.10%
127	CRAWLEY WARREN INSURANCE SERVICES, INC.	4,346,279	0.10%
128	WORLDLINK INSURANCE SERVICES, INC.	4,300,350	0.10%
129	INTERWEST INSURANCE SERVICES, INC.	4,284,755	0.10%
130	THOMPSON, GREGORY STEELE	4,225,857	0.09%
131	DEANS & HOMER	4,218,768	0.09%
132	AUSTIN & AUSTIN INSURANCE SERVICES, INC.	4,134,816	0.09%
133	E.M. MORROW INSURANCE GENERAL AGENCY, INC.	4,090,555	0.09%
134	ORION COMMERCIAL INSURANCE SERVICES INC	4,040,161	0.09%
135	ALEXANDER ANTHONY INSURANCE LLC	4,038,212	0.09%
136	WNC INSURANCE SERVICES, INC.	3,869,308	0.09%
137	SEABURY & SMITH	3,841,980	0.09%
138	NEW AGE BROKERAGE, INC.	3,767,973	0.08%
139	UNIONBANC INSURANCE SERVICES, INC.	3,750,220	0.08%
140	COSTANZA INSURANCE AGENCY OF CALIFORNIA, INC.	3,710,264	0.08%
141	INSPRO CORPORATION	3,604,895	0.08%
142	K & K INSURANCE GROUP, INC	3,506,277	0.08%
143	U.S. RISK OF CALIFORNIA, INC.	3,402,175	0.08%
144	GRAY-STONE & COMPANY	3,396,619	0.08%
145	STAUB, WILLIAM DONALD JR	3,345,466	0.07%
146	JOYCE, JAMES THEODORE	3,292,363	0.07%
147	BREITSTONE & CO., LTD.	3,213,222	0.07%
148	KING INSURANCE SUPPORT SYSTEMS, INC.	3,208,639	0.07%
149	USI OF SOUTHERN CALIFORNIA INSURANCE SERVICES, INC.	3,183,760	0.07%
150	UNITED CHINESE AMERICAN GENERAL AGENTS, INC.	3,153,591	0.07%
<b>SUBTOTAL</b>		<b>4,155,386,587</b>	<b>92.71%</b>
ALL OTHER BROKERS		326,757,688	7.29%
<b>TOTAL</b>		<b>4,482,144,275</b>	<b>100.00%</b>

**TOP 100 NONADMITTED CARRIERS BASED ON  
PREMIUM PROCESSED BY THE SLA THROUGH SEPTEMBER 30, 2006**

RANK	COMPANY	PREMIUM PROCESSED	% OF TOTAL
1	LEXINGTON INSURANCE COMPANY	\$548,539,650	12.24%
2	AMERICAN INTERNATIONAL SPECIALTY LINES INSURANCE COMPANY	218,274,494	4.87%
3	SCOTTSDALE INSURANCE COMPANY	148,844,674	3.32%
4	LANDMARK AMERICAN INSURANCE COMPANY	136,659,130	3.05%
5	ARCH SPECIALTY INSURANCE COMPANY	134,506,573	3.00%
6	STEADFAST INSURANCE COMPANY	134,218,810	2.99%
7	ADMIRAL INSURANCE COMPANY	126,350,369	2.82%
8	GEMINI INSURANCE COMPANY	120,303,393	2.68%
9	WESTCHESTER SURPLUS LINES INSURANCE COMPANY	110,144,042	2.46%
10	NIC INSURANCE COMPANY	99,260,340	2.21%
11	EVANSTON INSURANCE COMPANY	94,527,893	2.11%
12	MT. HAWLEY INSURANCE COMPANY	84,585,255	1.89%
13	ILLINOIS UNION INSURANCE COMPANY	79,064,673	1.76%
14	INTERSTATE FIRE & CASUALTY COMPANY	78,470,770	1.75%
15	AXIS SURPLUS INSURANCE COMPANY	76,379,735	1.70%
16	AMERICAN SAFETY INDEMNITY COMPANY	75,315,678	1.68%
17	ESSEX INSURANCE COMPANY	68,796,134	1.53%
18	EMPIRE INDEMNITY INSURANCE COMPANY	66,214,785	1.48%
19	COLUMBIA CASUALTY COMPANY	65,465,447	1.46%
20	EVEREST INDEMNITY INSURANCE COMPANY	62,508,020	1.39%
21	NORTH AMERICAN CAPACITY INSURANCE COMPANY	58,352,755	1.30%
22	LIBERTY SURPLUS INSURANCE CORPORATION	58,174,704	1.30%
23	COLONY INSURANCE COMPANY	56,976,288	1.27%
24	LLOYD'S OF LONDON SYNDICATE #2020	56,835,482	1.27%
25	LLOYD'S OF LONDON SYNDICATE #0033	55,451,572	1.24%
26	LLOYD'S OF LONDON SYNDICATE #2623	51,878,526	1.16%
27	ENDURANCE AMERICAN SPECIALTY INSURANCE COMPANY	48,638,374	1.09%
28	CENTURY SURETY COMPANY	47,949,906	1.07%
29	HUDSON SPECIALTY INSURANCE COMPANY	44,967,494	1.00%
30	LLOYD'S OF LONDON SYNDICATE #2987	42,836,720	0.96%
31	PACIFIC INSURANCE COMPANY LTD.	42,721,590	0.95%
32	FIRST SPECIALTY INSURANCE CORPORATION	42,583,076	0.95%
33	HOUSTON CASUALTY COMPANY	42,225,804	0.94%
34	CLARENDON AMERICA INSURANCE COMPANY	41,724,437	0.93%
35	BURLINGTON INSURANCE COMPANY	41,217,221	0.92%
36	UNITED NATIONAL INSURANCE COMPANY	36,457,586	0.81%
37	LLOYD'S OF LONDON SYNDICATE #2488	35,107,191	0.78%
38	CHUBB CUSTOM INSURANCE COMPANY	34,312,027	0.77%
39	LLOYD'S OF LONDON SYNDICATE #2001	33,973,618	0.76%
40	LLOYD'S OF LONDON SYNDICATE #0510	31,125,472	0.69%
41	WESTERN HERITAGE INSURANCE COMPANY	30,765,845	0.69%
42	INDIAN HARBOR INSURANCE COMPANY	30,432,036	0.68%
43	QUANTA SPECIALTY LINES INSURANCE COMPANY	29,716,595	0.66%
44	JAMES RIVER INSURANCE COMPANY	26,004,836	0.58%
45	STARR EXCESS LIABILITY INSURANCE COMPANY, LTD.	25,949,966	0.58%
46	ST. PAUL SURPLUS LINES INSURANCE COMPANY	25,702,424	0.57%
47	GENERAL STAR INDEMNITY COMPANY	25,086,147	0.56%
48	GREAT AMERICAN E&S INSURANCE COMPANY	24,571,229	0.55%
49	SR INTERNATIONAL BUSINESS INSURANCE COMPANY LIMITED	24,439,060	0.55%
50	LLOYD'S OF LONDON SYNDICATE #0623	24,267,535	0.54%
51	COMMONWEALTH INSURANCE COMPANY	24,060,724	0.54%
52	ASSOCIATED ELECTRIC & GAS INSURANCE SERVICES LIMITED	21,614,244	0.48%
53	NAUTILUS INSURANCE COMPANY	21,510,896	0.48%
54	LLOYD'S OF LONDON SYNDICATE #2003	21,417,889	0.48%
55	HOMELAND INSURANCE COMPANY OF NEW YORK	21,338,168	0.48%
56	AXIS SPECIALTY INSURANCE COMPANY	20,961,275	0.47%
57	ASPEN INSURANCE UK LIMITED	20,384,042	0.45%
58	FIRST MERCURY INSURANCE COMPANY	18,867,034	0.42%
59	GLENCOE INSURANCE LIMITED	18,295,614	0.41%
60	LLOYD'S OF LONDON SYNDICATE #1200	18,173,687	0.41%

(Continued on Page 13)

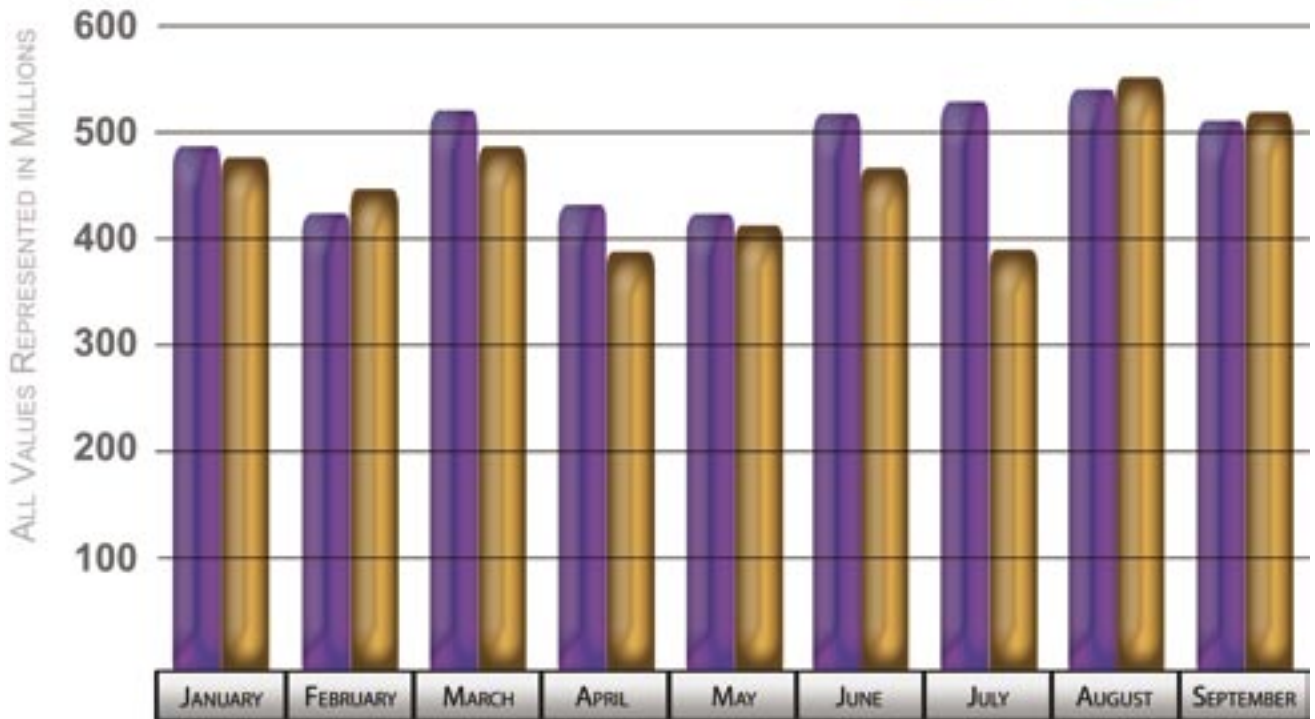
(Continued from Page 12)

TOP 100 NONADMITTED CARRIERS BASED ON PREMIUM PROCESSED BY THE SLA THROUGH SEPTEMBER 30, 2006			
RANK	COMPANY	PREMIUM PROCESSED	% OF TOTAL
61	ASPEN SPECIALTY INSURANCE COMPANY	17,630,725	0.39%
62	LLOYD'S OF LONDON SYNDICATE #0570	17,067,970	0.38%
63	LLOYD'S OF LONDON SYNDICATE #0435	16,316,985	0.36%
64	NATIONAL FIRE & MARINE INSURANCE COMPANY	16,079,338	0.36%
65	NEWMARKET UNDERWRITERS INSURANCE COMPANY	15,464,513	0.35%
66	LLOYD'S OF LONDON SYNDICATE #2791	14,665,108	0.33%
67	LLOYD'S OF LONDON SYNDICATE #4472	14,448,048	0.32%
68	ROCKHILL INSURANCE COMPANY	14,017,312	0.31%
69	LLOYD'S OF LONDON SYNDICATE #1084	13,436,574	0.30%
70	LLOYD'S OF LONDON SYNDICATE #1225	12,860,706	0.29%
71	AMERICAN EMPIRE SURPLUS LINES INSURANCE COMPANY	12,677,936	0.28%
72	LLOYD'S OF LONDON SYNDICATE #0958	11,647,025	0.26%
73	LLOYD'S OF LONDON SYNDICATE #5000	11,549,301	0.26%
74	LLOYD'S OF LONDON SYNDICATE #1414	11,483,928	0.26%
75	PENN-STAR INSURANCE COMPANY	11,282,367	0.25%
76	NUTMEG INSURANCE COMPANY	11,188,100	0.25%
77	GREAT LAKES REINSURANCE (UK) PLC	11,068,480	0.25%
78	LLOYD'S OF LONDON SYNDICATE #1861	10,658,826	0.24%
79	USF INSURANCE COMPANY	10,568,950	0.24%
80	NOETIC SPECIALTY INSURANCE COMPANY	10,114,563	0.23%
81	COLONY NATIONAL INSURANCE COMPANY	10,061,206	0.22%
82	MOUNT VERNON FIRE INSURANCE COMPANY	9,865,528	0.22%
83	LLOYD'S OF LONDON SYNDICATE #2000	9,547,386	0.21%
84	TUDOR INSURANCE COMPANY	9,400,694	0.21%
85	LLOYD'S OF LONDON SYNDICATE #0727	9,299,790	0.21%
86	GOETHAM INSURANCE COMPANY	8,333,136	0.19%
87	LLOYD'S OF LONDON SYNDICATE #2010	8,085,484	0.18%
88	NORTHFIELD INSURANCE COMPANY	8,031,565	0.18%
89	LLOYD'S OF LONDON SYNDICATE #1183	7,117,103	0.16%
90	LLOYD'S OF LONDON SYNDICATE #0807	6,557,309	0.15%
91	DARWIN SELECT INSURANCE COMPANY	6,533,844	0.15%
92	LLOYD'S OF LONDON SYNDICATE #4444	6,035,226	0.13%
93	WESTERN WORLD INSURANCE COMPANY	6,014,231	0.13%
94	AMERICAN WESTERN HOME INSURANCE COMPANY	5,313,016	0.12%
95	MAXUM INDEMNITY COMPANY	5,310,387	0.12%
96	LLOYD'S OF LONDON SYNDICATE #1206	5,189,106	0.12%
97	TRAVELERS EXCESS & SURPLUS LINES COMPANY	4,590,388	0.10%
98	QBE SPECIALTY INSURANCE COMPANY	4,352,734	0.10%
99	ENERGY INSURANCE MUTUAL LIMITED	4,312,991	0.10%
100	INTERNATIONAL INSURANCE COMPANY OF HANNOVER LIMITED	3,885,517	0.09%
<b>SUBTOTAL</b>		<b>\$4,307,562,348</b>	<b>96.10%</b>
All Other Companies		174,581,927	3.90%
<b>TOTAL</b>		<b>\$4,482,144,275</b>	<b>100.00%</b>

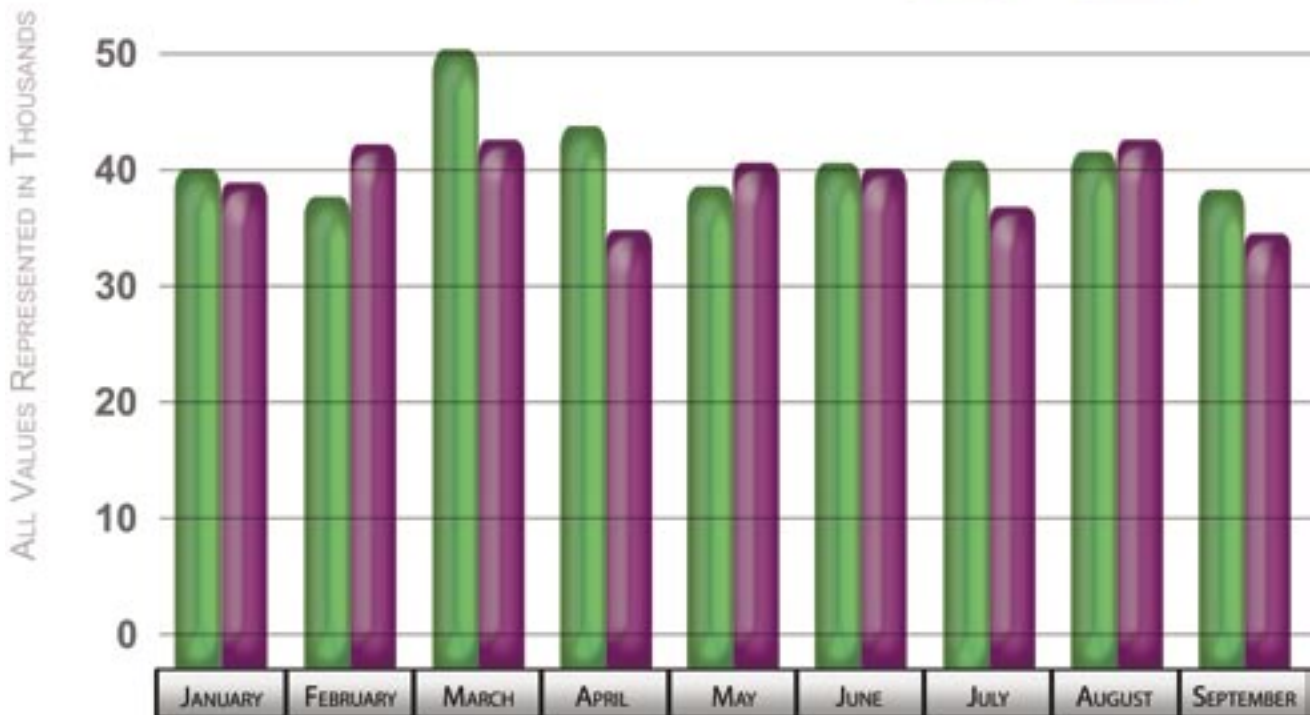
PREMIUM TOTALS BY COMPANY TYPE				
COMPANY TYPE	9/30/2006	9/30/2005	% GROWTH	% of TOTAL 9/30/2006
LESLI LISTED COMPANIES				
FOREIGN INSURERS	\$3,655,832,416	\$3,495,939,292	4.57%	81.56%
LLOYD'S SYNDICATES	600,868,704	\$539,199,898	11.44%	13.41%
ALIEN INSURERS	155,547,023	\$149,434,916	4.09%	3.47%
SUB TOTAL	\$4,412,248,143	\$4,184,574,106	5.44%	98.44%
ALL OTHER	69,896,131	52,198,052	33.91%	1.56%
TOTAL	\$4,482,144,274	\$4,236,772,158	5.79%	100.00%

50 LARGEST COVERAGE CODES BASED ON PREMIUM PROCESSED BY THE SLA THROUGH SEPTEMBER 30, 2006				
RANK	EXPORT	COVERAGE	PREMIUM PROCESSED	% OF TOTAL
1		GENERAL LIABILITY	\$1,558,689,340	34.78%
2		ERRORS AND OMISSIONS	446,575,759	9.96%
3	YES	COMMERCIAL DIC/STAND ALONE EARTHQUAKE	442,518,391	9.87%
4		ALL RISK COMMERCIAL PROPERTY	354,114,794	7.90%
5		EXCESS LIABILITY	219,220,152	4.89%
6		SPECIAL MULTI-PERIL PACKAGE	183,283,747	4.09%
7	YES	CONTRACTORS ENGAGED IN NEW TRACT HOMES	167,035,096	3.73%
8	YES	EXCESS LIABILITY/UNDERLYING NONADMITTED	149,521,245	3.34%
9	YES	ENVIRONMENTAL IMPAIRMENT REMEDIATION & POLLUTION LIABILITY	134,989,878	3.01%
10		PROFESSIONAL LIABILITY	110,086,960	2.46%
11	YES	INDIV INSURED W/LARGE SCHED TIV > \$500M	109,012,468	2.43%
12		DIRECTORS AND OFFICERS	105,067,677	2.34%
13	YES	EMPLOYMENT PRACTICES LIABILITY	58,830,302	1.31%
14	YES	PRODUCTS/COMPLETED OPERATIONS (STAND ALONE BASIS)	49,783,900	1.11%
15		INLAND MARINE	38,914,356	0.87%
16		MISCELLANEOUS	37,396,752	0.83%
17		HOMEOWNERS MULTI-PERIL	28,832,889	0.64%
18		HOSPITALS	27,916,611	0.62%
19	YES	HIGH LIMITS DISABILITY	21,623,342	0.48%
20		AUTO PHYSICAL DAMAGE-COMMERCIAL	20,859,861	0.47%
21		COMMERCIAL PROPERTY-BASIC	17,343,201	0.39%
22		HOMEOWNERS	17,039,755	0.38%
23		GARAGE LIABILITY	14,184,044	0.32%
24	YES	EVENT CANCELLATION	13,833,763	0.31%
25		AUTO LIABILITY-COMMERCIAL	13,099,717	0.29%
26	YES	SECURITY GUARD SERVICES	12,448,342	0.28%
27		SINGLE FAMILY DWELLING/DUPLEX	12,427,981	0.28%
28		TERRORISM	11,727,706	0.26%
29		AVIATION	10,052,622	0.22%
30		AUTO COMBINED LIAB & PHYS DAMAGE-COMM.	9,344,478	0.21%
31	YES	AVIATION EXCESS LIABILITY	6,251,198	0.14%
32		SPECIAL MULTI-PERIL WITH TERRORISM	6,160,514	0.14%
33		FIDELITY	4,939,335	0.11%
34	YES	CLINICAL & SIMILAR TESTS OF PHARMACEUTICAL	4,792,822	0.11%
35	YES	PERSONAL ARTICLES FLOATERS WRITTEN ON A STAND ALONE BASIS	3,807,904	0.08%
36		BONDS	3,502,621	0.08%
37		ACCIDENT	3,446,012	0.08%
38	YES	ARCHITECTS AND ENGINEERS/CONDO COV ONLY	3,345,500	0.07%
39	YES	OILFIELD CONTRACTORS	3,093,027	0.07%
40	YES	DEMOLITION CONTRACTORS	2,654,772	0.06%
41	YES	EXCESS FLOOD	2,543,968	0.06%
42	YES	VACANT BUILDINGS	2,528,217	0.06%
43		RESIDENTIAL EARTHQUAKE	2,132,049	0.05%
44		CRIME	1,670,028	0.04%
45	YES	PRODUCTS RECALL	1,456,228	0.03%
46	YES	TATTOO AND BODY PIERCING	1,344,303	0.03%
47	YES	AMUSEMENT PARKS/CARNIVALS/DEVICES	1,308,815	0.03%
48	YES	SHORT TERM SPECIAL EVENTS (EXC HOLE IN ONE)	1,238,688	0.03%
49	YES	POLITICAL RISKS INCLUD EXPROPRIATION, CONFISCATION, UNFAIR CALLING	1,238,417	0.03%
50		POLLUTION LEGAL LIABILITY	1,103,199	0.02%
<b>SUBTOTAL</b>			<b>\$4,454,332,744</b>	<b>99.38%</b>
All Other Coverages			27,811,531	0.62%
<b>TOTAL</b>			<b>\$4,482,144,275</b>	<b>100.00%</b>

### Comparison of Premium Processed for January through September of 2006 vs. 2005



### Comparison of Items Processed for January through September of 2006 vs. 2005



## *Surplus Line Association of California*

Scheduled Educational Event for November 2006

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

FINANCIAL MISSTATEMENTS:  
FRAUD, FEDS, AND FUGITIVES  
4 CE Credits – Course #189298

Presented by:  
**Rod Simonds, CPA, CPCU**

The financial trade press continues to report abuses of corporate financial reporting and ethics by executives at the highest levels. As revelations continue, readers of financial statements can only wonder about the reliability of what they are reading. Insurance personnel are part of that readership, basing underwriting, marketing and account servicing decisions on the financial strength and profitability of their insureds. This course takes a look at why financial reporting can be a minefield of uncertainty, the types of misstatements that have occurred, and the perpetrators behind the bad numbers. The effect of Sarbanes Oxley on the financial landscape is also part of the discussion. Through the use of case studies, specific problem areas are crystalized into easy to understand illustrative examples. Attendees will be better prepared to deal with financial reporting issues and to ask more insightful questions.

*Registration/Sign-In & Continental Breakfast 7:30 a.m.*  
Seminar 8:00 a.m. – 12:00 p.m.

**Tuesday, November 14, 2006**  
Sheraton Universal City  
333 Universal Hollywood Drive  
Universal City, CA 91608

**Wednesday, November 15, 2006**  
Hyatt Regency San Francisco  
5 Embarcadero Center  
San Francisco, CA 94111

Please check our website for any future updates:  
[www.slacal.org](http://www.slacal.org) – look for EDUCATION

## 2006

The SLA Quarterly is published by the  
Surplus Line Association of California,  
for the members of the Surplus Line Association

### **SLA OFFICERS & STAFF**

**James Pettipas - Chairman**  
*ECM Insurance Services Inc.*

**Ceil Norton - Vice Chairman**  
*Burns & Wilcox Insurance, Inc.*

**John Edack - Secretary Treasurer**  
*Arch Specialty Insurance Agency, Inc.*

**Rupert Hall - Past Chairman**  
*M.J. Hall & Company, Inc.*

**Greg Crouse**  
*Crouse & Associates*

**Katie Freeman**  
*Katie Freeman Insurance Services*

**Stacey Shurson**  
*IHW Insurance Service of California, Inc.*

**Hank Haldeman**  
*Gerald J. Sullivan & Associates, Inc.*

**Chris Brown**  
*Brown & Riding Insurance Brokers*

**Davis Moore**  
*Worldwide Facilities, Inc.*

**Frank Cravens**  
*Cravens, Lefter & McCormick, Inc.*

**Warren Stanley**  
*Wholesale Connection Insurance Services*

**Les Ross**  
*Tri-City Brokerage, a Division of BISYS  
Commercial Insurance Services, Inc.*

\*\*\*\*\*

**Ted Pierce**  
Executive Director, SLA

**Joy Laughery**  
Stamping Office Director, SLA

\*\*\*\*\*

Please address all correspondence to the Editors:

**SLA Quarterly**  
50 California Street, 18th Floor  
San Francisco, CA 94111  
Telephone: (415) 434-4900  
Fax: (415) 434-3716  
[www.slacal.org](http://www.slacal.org)