

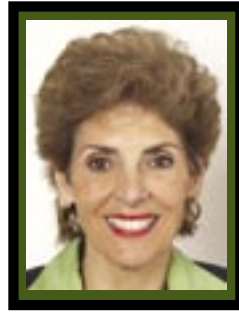
SLA Quarterly

May 2007

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The Surplus Line Association of
California
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www.slacal.org



Ceil Norton
Chairman, 2007

Report of the Chairman

The California Department of Insurance has advised the SLA to inform its members that maintaining scanned documents will meet the recordkeeping requirements of Section 2190 (Production Agency Records) of the California Code of Regulations. Prior to this decision, Surplus Line Brokers were required to maintain a hard copy of the SL-1 (Confidential Report of Surplus Line Placement) for 5 years. In addition, Surplus Line Brokers or their retail broker/agents were required to maintain the original signed SL-2 (Diligent Search) and the signed D-1 (Disclosure Notice). Under this new ruling, the electronic or scanned documents must be clearly legible and replicate the full page of the original paper documents (see Bulletin #1127).

California surplus line premiums processed by the SLA in the first three months of 2007 are in decline having decreased by 11.75%. The total number of policies processed in the first quarter are also down 8%. There are 176 insurers on the California List of Eligible Surplus Line Insurers (LESLI). Eighty-seven of these insurers are U.S. domiciled, 28 are non-U.S. domiciled, and 61 are Lloyd's Syndicates. Thirteen additional insurers are pending eligibility.

The SLA has signed a 15-month, \$1.5 million contract with Satyam Computer Services to rewrite the SLA stamping office software application and to create an electronic interface for brokers making monthly batch filings. The system will become available in 2008.

The SLA is conducting a member satisfaction survey. Surplus Line brokers will be contacted by telephone by Kelton Research and asked if they are willing to answer a 7-minute questionnaire. Results of the survey should become available in June.

A bill is pending in the
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California Legislature that would require California Fire & Casualty Broker/Agents that are endorsed to organization surplus line broker licenses to apply to become individually licensed. The California Department of Insurance has deemed this necessary because California brokers that are merely endorsed to organization licenses are having difficulty qualifying for nonresident surplus line broker licenses in the other states.

The SLA has issued a bulletin (#1123) clarifying the requirements under the California insurance code concerning “independent procurement” and the propriety of so-called “courtesy filings”. The SLA also issued a bulletin (#1121) announcing the addition of four new items to the Export List. The new items are: 1) crane and rigging contractors’ general liability, 2) short term media/entertainment non-owned

contingent aircraft liability (film/entertainment productions), 3) short term media/entertainment railroad protective liability (film/entertainment productions), and 4) short term media/entertainment failure to survive coverage for \$5 million and over (film/entertainment productions). The SLA will continue to urge either the California Department of Insurance and/or the Legislature to allow short term policy extensions to be exempt from the diligent search process. ■

Legislative Update



State

AB 1639 (Duvall), would require California residents who are selling surplus line/special lines’ surplus line insurance to be individually licensed by the Department of Insurance, instead of being licensed under, or on behalf of, a business entity. Surplus line producers are currently having difficulty obtaining licensure in other states

because they do not have their individual license in California. The bill is sponsored by the California Department of Insurance and was heard in the Assembly Insurance Committee on April 25.

AB 522 (Duvall), would delete the sunset provision on the right of personal lines policy applicants and policyholders to sign the D-1 disclosure notice five days after being provided evidence of insurance. The bill was heard in the Assembly Insurance Committee on April 11 and amended. The amendments change paragraph 4 of the surplus line disclosure notice to provide a web link to the List of Eligible Surplus Line Insurers.

AB 1051 (Carter), would exempt governmental agencies from existing prohibitions on the purchase of nonadmitted

insurance when purchased for the purpose of financing environmental remedial work authorized by a court order. The bill is pending in the Assembly Insurance Committee.

Federal

HR 1065 & S 929, The Non-admitted and Reinsurance Reform Act -- calls for a uniform 50-state system of surplus line premium tax allocation on multi-state policies, and home state regulation of surplus line transactions, participation in the national producer database, uniform standards for surplus line insurer eligibility, and streamlined regulation of commercial purchases. The bill was referred to the House Committee on Financial Services and is expected to pass in the House without hearing. In the Senate, the bill

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was referred the Committee on Banking, Housing, and Urban Affairs.

HR 1081 & S 618, The Insurance Industry Competition Act of 2007 – would amend

the McCarran-Ferguson Act to make the Federal Trade Commission Act, as it relates to areas other than unfair methods of competition, applicable to the business of insurance to the extent that such business is

not regulated by state law. The House bill has multiple committee referrals and the Senate bill is pending in the Judiciary Committee. ■

Report of the Stamping Office Director



Joy Laughery
Stamping Office Director

Report of the Stamping Office Director:

The Stamping Office results for the first quarter of 2007 show a -11.75 percent decrease in total processed premium over last years figures. As of March 30, 2007, the total processed premium was \$ 1,290,252,743. The item count that comprises the premium volume is 120,327. This is a small decrease over last year as well.

There are a few items that are worth noting:

- Did you know you can answer tags, print prior invoices, and/ or see what items have been

submitted to our office? It is available through our Broker Extranet. Please contact Dominique Bourdon in IT or Vienna Murray in Education.

- Kelton Research will conduct a Brokers Satisfaction Survey in the next few months. Please be aware they might call you to discuss your experiences with our office. In the meantime, if you have any feedback, please use the “Contact Us” section of the website to contact Ted Pierce or me with any questions, comments or concerns you may have. We are interested in your feedback!

- We will host some “brown bag lunches” for brokers who would like to learn more about the SLA, its history, functions, and the different services we have to offer. If you are interested in attending, please email me at jlaughery@slacal.org and I’ll contact you to discuss

the dates and times of these events.

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

New Brokers Added Since February 2007

- Abramson, Robert Phillip Agency, LLC, The Americana Program Underwriters, Inc.
- AmWins Brokerage of Illinois, LLC
- Aviation Markets-CA., Inc.
- Baird, Woodrow Michael Black/White R.E.Lee Insurance Services, Inc.
- Boomer Events Insurance Services, Inc.
- C.L. Frates and Company
- Cabaud, Philip Graeme III Charity First Insurance Services, Inc.
- Chung, Gay Catherine Cosmos Services (America) Inc.
- Daggett, Thomas Brian David, Robert Joel Dean, Regina Celia

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Dow, Michael Stephen	Johnson, Laura Lee	T.B.A. Insurance Group, Ltd.
Dowell Insurance Agency, Inc.	Khalid, Imtiaz G.	TLC/Amicus Insurance Services, Inc.
Durkalski, Peter James	Latham, Jess Benjamin IV	Wanzer, Chiree Danielle
ECC Insurance Brokers, Inc.	Lockton Companies, LLC	Wiley, Robert Chavez
EnRisk Services, Ltd.	Marketscout Corporation	Wilkerson, William Ryan IV
Foley, Kristen Leigh	McDonnell, Daniel Patrick	Young, Matthew Robert
Fortress Insurance Agency, Inc.	McGonegal, Susan Marie	Youngbar, Alice Georgeann
G.A. Mavon & Co.	Mischal, Leann Marie	ZC Sterling Insurance Agency, Inc.
Gassen, Thomas Joseph	Murphy, Daniel Joseph	
Goldenberg, Harvey William	Murphy, Gerard Martin	
Halbleib, James Cooper	Nuccio, Robert Vincent	Total Brokers Added Since
Hawley, Cynthia Ann	Orion Insurance Services, LLC	February 2007: 68
Heatherton, John Patrick	Palmer, Larry Eugene	Total CA Corporate: 568
Hub International Midwest Limited	Phillips, Christopher Michael	Non-resident Corporate: 263
Iacino, James Anthony	Rognstads Inc.	Total CA Individual: 461
International Aerospace Insurance Services, Inc.	Rossomme, Richard David	Non-resident Individual: 228
ISM Group, LLC	Sanchez, Keith Edward	Total in CA: 1,029
Izzo Insurance Services, Inc.	Sanders, William Dean	Total Non-Resident: 491
James, Thomas Alton	Security Insurance, Inc. II	
JLT Aerospace (North America) Inc.	Seminario, Michael Carlos	Total Membership Count:
	Sherman, Richard Thomas	1520
	Siler, Tracy Elvis	(as of April 9, 2007)
	Silverstone Group, Incorporated	
	Soll, Todd Robert	

SLA Committee Members 2007

EXECUTIVE COMMITTEE

Ceil Norton - Chairman

Burns & Wilcox Insurance Services, Inc

John Edack

Arch Specialty Insurance Agency, Inc.

Warren Stanley

Wholesale Connection Insurance Services, LLC

Kris Bauer

AmWINS Insurance Brokerage of CA

Chris Brown

Brown & Riding Insurance Services, Inc.

Frank Cravens

M.J. Hall & Company, Inc.

Greg Crouse

Crouse & Associates Insurance Services of Northern California, Inc.

Rupert Hall

M.J. Hall & Company, Inc.

Patrick Hanley

Socius Insurance Services, Inc.

Phil Mazur

Swett & Crawford

Davis Moore

Worldwide Facilities, Inc.

Les Ross

Tri-City Brokerage, A Division of BISYS Commercial Insurance Services, Inc

Gerald J Sullivan

Gerald J. Sullivan & Associates, Inc.

Staff Liaison - Ted Pierce

Surplus Line Association of California

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STAMPING COMMITTEE

John Edack - Chairman
Arch Specialty Insurance
Agency, Inc.

Katie Freeman
Katie Freeman Insurance
Services

Pam Quilici
Crouse & Associates
Insurance Services of
Northern California, Inc.

Stacey Shurson
IIW Insurance Services of
California

Staff Liaison - Joy Laughery
Surplus Line Association of
California

AUTOMATION COMMITTEE

Pam Quilici - Chairman
Crouse & Associates
Insurance Services of
Northern California, Inc.

Bill Buckley
Gerald J. Sullivan &
Associates, Inc.

Joe Pospichal
London American General
Agency, Inc.

Angela Urrutia
Specialty Insurance
Underwriters

Ex-Officio - Ceil Norton
Burns & Wilcox Insurance
Services, Inc

Staff Liaison - Dominique Bourdon
Surplus Line Association of
California

EDUCATION COMMITTEE

Robert Gilbert - Chairman
Argonaut Specialty Insurance
Services

Tina Epstein
Argonaut Specialty Insurance
Services

Katie Freeman
Katie Freeman
Insurance Services

Kristina Mason
Worldwide Facilities, Inc.

Staff Liaison - Vienna Murray
Surplus Line Association of
California

LEGISLATIVE COMMITTEE

Hank Haldeman - Chairman
Gerald J. Sullivan
& Associates, Inc.

Dave Anderson
Anderson & Murison, Inc.

Doris Barnett
Colemont Insurance Brokers

Ed Maucere
London American General
Agency, Inc.

Anne McNally
ABD Insurance Services
Financial

Richard Polizzi
Western Security Surplus
Insurance

Les Ross
Tri-City Brokerage, A Division
of BISYS Commercial
Insurance Services, Inc

Gerald J Sullivan
Gerald J. Sullivan &
Associates, Inc.

AUDIT COMMITTEE

Ceil Norton - Chairman
Burns & Wilcox Insurance
Services, Inc

John Edack
Arch Specialty Insurance
Agency, Inc.

**ADMITTED MARKET LIAISON
COMMITTEE**

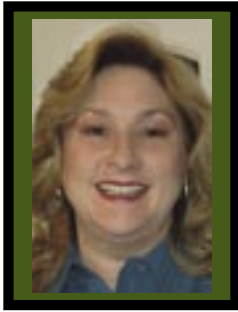
Gerald J Sullivan - Chairman
Gerald J. Sullivan &
Associates, Inc.

Chris Brown
Brown & Riding Insurance
Services, Inc.

Ian Fitt
Western Re Management

Hank Haldeman
Gerald J. Sullivan
& Associates, Inc.

Member Profile



Katharyn Andreas

*Administrative Coordinator
Western Risk Specialists, Inc.*

Katharyn “Kathy” Andreas serves as Administrative Coordinator for Western Risk Specialists, Inc.

She began her insurance career in 1982 with a reinsurance intermediary “Reinco Intermediaries” in Los Angeles. During her four years at Reinco she processed admitted and surplus lines busi-

ness with AIG companies.

In 1986 she accepted a position offered to her by Mr. John Shields, then President of Western Risk Specialists, Inc. At that time there were only eight employees on staff in Los Angeles and seven in San Francisco. She recalls being very impressed in that they placed close to \$80 million in premium that year.

Now, over 20 years later, and under the guidance of Ms. Jodi Cotter, the entire staff has grown to over one hundred employees and the gross written premium was over \$900 million in 2006. Kathy knows these figures well as she supervises the WRSI Collection staff and personally prepares the Quarterly and Annual

State tax reports.

Kathy also coordinates all Surplus Lines Filings, license and compliance issues; along with keeping the staff updated on any regulation changes. She says “there has never been a dull moment; this company has evolved and grown every year always providing a challenge”.

Her favorite activities are traveling and genealogy; especially researching her fathers ancestry in Germany. She is scuba certified and likes to garden. She is very involved with her high school alumni by co-administrating a website of over 150 of her classmates who raise scholarship funds for their high school. ■

PREMIUM TOTALS BY COMPANY TYPE

COMPANY TYPE	3/31/2007	3/31/2006	% GROWTH	% of TOTAL 3/31/2007
LESLI LISTED COMPANIES				
FOREIGN INSURERS	\$1,030,753,520	\$1,201,743,120	-14.23%	79.89%
LLOYD'S SYNDICATES	188,704,858	186,615,666	1.12%	14.63%
ALIEN INSURERS	55,427,586	49,130,877	12.82%	4.30%
SUB TOTAL	\$1,274,885,964	\$1,437,489,663	-11.31%	98.81%
ALL OTHER	15,366,779	24,612,808	-37.57%	1.19%
TOTAL	\$1,290,252,743	\$1,462,102,471	-11.75%	100.00%

**TOP 50 CALIFORNIA SURPLUS LINE BROKERS
BASED ON PREMIUM PROCESSED THROUGH MARCH 31, 2007**

Rank	BROKER	PREMIUM PROCESSED	% OF TOTAL
1	SWETT & CRAWFORD	\$97,836,349	7.58%
2	MARSH USA INC.	82,617,934	6.40%
3	WESTERN RISK SPECIALISTS, INC.	71,982,288	5.58%
4	AMERICAN E & S INSURANCE BROKERS OF CALIFORNIA, INC.	60,367,589	4.68%
5	RISK PLACEMENT SERVICES INSURANCE BROKERS	40,234,833	3.12%
6	AMWINS INSURANCE BROKERAGE OF CALIFORNIA, LLC	40,121,452	3.11%
7	WORLDWIDE FACILITIES, INC.	37,353,110	2.90%
8	CRC-STERLING WEST INSURANCE SERVICES, LLC	27,724,180	2.15%
9	CRC INSURANCE SERVICES, INC.	25,774,841	2.00%
10	INTERNATIONAL E & S INSURANCE BROKERS, INC.	25,350,667	1.96%
11	BLISS AND GLENNON INC	24,469,961	1.90%
12	COLEMONT INSURANCE BROKERS OF CALIFORNIA, LLC	21,640,911	1.68%
13	AON RISK SERVICES, INC. OF SOUTHERN CALIFORNIA INSURANCE SERVICES	20,927,254	1.62%
14	BROWN & RIDING INSURANCE SERVICES, INC.	19,584,462	1.52%
15	BURNS & WILCOX INSURANCE SERVICES, INC.	18,764,980	1.45%
16	CROUSE & ASSOCIATES INSURANCE SERVICES OF NORTHERN CALIFORNIA, INC.	17,993,558	1.39%
17	USI OF SOUTHERN CALIFORNIA INSURANCE SERVICES, INC.	17,003,298	1.32%
18	BISYS COMMERCIAL INSURANCE SERVICES, INC.	15,208,955	1.18%
19	HULL & COMPANY (CALIFORNIA) INC.	15,190,201	1.18%
20	PARTNERS SPECIALTY GROUP, LLC	13,571,807	1.05%
21	PETERSON, GARY TODD	13,205,114	1.02%
22	BORISOFF INSURANCE SERVICES, INC. (DBA: MONARCH E & S INSURANCE SERVICES)	13,166,059	1.02%
23	AON/ALBERT G. RUBEN INSURANCE SERVICES, INC.	12,471,492	0.97%
24	SOCIUS INSURANCE SERVICES, INC. (FKA: ECM INSURANCE SVCS, INC.)	11,851,331	0.92%
25	LOCKTON INSURANCE BROKERS, INC.	11,495,760	0.89%
26	WILLIS INSURANCE SERVICES OF CALIFORNIA, INC.	11,154,307	0.86%
27	BASS UNDERWRITERS, INC.	11,148,098	0.86%
28	HART, ANTHONY JOSEPH	10,001,236	0.78%
29	WILLIS OF NEW YORK INC	9,352,650	0.72%
30	LAE INSURANCE SERVICES, INC.	9,125,024	0.71%
31	CARPENTER & MOORE INSURANCE SERVICES INC.	8,723,285	0.68%
32	M.J. HALL & COMPANY, INC.	8,188,125	0.63%
33	COMMODORE INSURANCE SERVICES, INC.	8,121,517	0.63%
34	ZURICH E&S INSURANCE BROKERAGE, INC.	7,929,593	0.61%
35	MIDWESTERN GENERAL BROKERAGE, INC.	7,917,863	0.61%
36	WESTERN RE/MANAGERS INSURANCE SERVICES, INC.	7,888,062	0.61%
37	AON RISK SERVICES, INC. OF NORTHERN CALIFORNIA INSURANCE SERVICES	7,884,917	0.61%
38	W. BROWN & ASSOCIATES PROPERTY & CASUALTY INSURANCE SERVICES	7,399,858	0.57%
39	FIRST STATE MANAGEMENT GROUP, INC.	7,344,593	0.57%
40	ALL RISKS, LTD.	7,165,407	0.56%
41	CAMPBELL & ASSOCIATES INSURANCE BROKERAGE, LLC	7,031,821	0.54%
42	WOODRUFF-SAWYER & COMPANY	6,820,838	0.53%
43	NEITCLEM WHOLESAL INSURANCE BROKERAGE, INC	6,802,849	0.53%
44	YATES & ASSOCIATES INSURANCE SERVICES, INC.	6,551,055	0.51%
45	SBIB, INC.	6,473,953	0.50%
46	LOCKTON COMPANIES, INC.	6,455,598	0.50%
47	TRINITY E & S INSURANCE SERVICES, INC.	6,193,505	0.48%
48	NORMAN SPENCER MCKERNAN AGY(NSM)-TB&C WHOLESAL INS. SERV'S OF PASADENA	6,106,591	0.47%
49	COASTAL BROKERS INSURANCE SERVICES INC.	5,783,473	0.45%
50	NAS INSURANCE SERVICES, INC.	5,776,018	0.45%
	SUBTOTAL	\$949,248,621	73.57%
	ALL OTHER BROKERS	341,004,122	26.43%
	TOTAL	\$1,290,252,743	100.00%

**TOP 50 NONADMITTED CARRIERS BASED ON
PREMIUM PROCESSED BY THE SLA THROUGH MARCH 31, 2007**

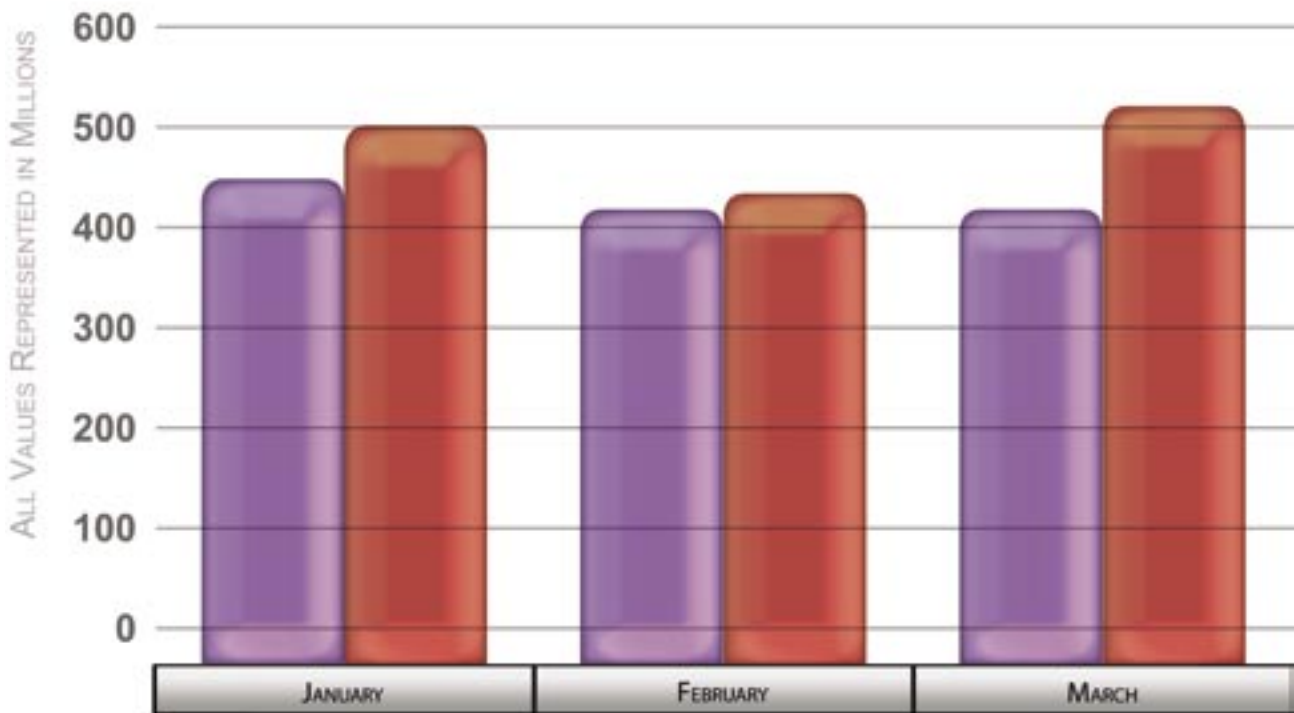
RANK	COMPANY	PREMIUM PROCESSED	% OF TOTAL
1	LEXINGTON INSURANCE COMPANY	\$139,359,591	10.80%
2	AMERICAN INTERNATIONAL SPECIALTY LINES INSURANCE COMPANY	67,484,946	5.23%
3	SCOTTSDALE INSURANCE COMPANY	44,355,657	3.44%
4	NAVIGATORS SPECIALTY INSURANCE COMPANY	40,805,303	3.16%
5	ARCH SPECIALTY INSURANCE COMPANY	40,247,157	3.12%
6	ADMIRAL INSURANCE COMPANY	36,486,577	2.83%
7	LANDMARK AMERICAN INSURANCE COMPANY	35,570,808	2.76%
8	WESTCHESTER SURPLUS LINES INSURANCE COMPANY	29,832,657	2.31%
9	STEADFAST INSURANCE COMPANY	28,299,353	2.19%
10	ILLINOIS UNION INSURANCE COMPANY	27,245,435	2.11%
11	EVANSTON INSURANCE COMPANY	26,170,078	2.03%
12	GEMINI INSURANCE COMPANY	24,753,911	1.92%
13	AXIS SURPLUS INSURANCE COMPANY	24,399,076	1.89%
14	NATIONAL FIRE & MARINE INSURANCE COMPANY	24,044,678	1.86%
15	EMPIRE INDEMNITY INSURANCE COMPANY	23,596,968	1.83%
16	LLOYD'S OF LONDON SYNDICATE #0033	23,307,936	1.81%
17	MT. HAWLEY INSURANCE COMPANY	22,106,698	1.71%
18	EVEREST INDEMNITY INSURANCE COMPANY	20,686,355	1.60%
19	CHUBB CUSTOM INSURANCE COMPANY	19,357,071	1.50%
20	ESSEX INSURANCE COMPANY	19,296,537	1.50%
21	COLONY INSURANCE COMPANY	18,739,168	1.45%
22	LLOYD'S OF LONDON SYNDICATE #2020	18,035,342	1.40%
23	LIBERTY SURPLUS INSURANCE CORPORATION	16,886,984	1.31%
24	NORTH AMERICAN CAPACITY INSURANCE COMPANY	16,799,765	1.30%
25	INDIAN HARBOR INSURANCE COMPANY	16,292,369	1.26%
26	INTERSTATE FIRE & CASUALTY COMPANY	16,133,429	1.25%
27	COLUMBIA CASUALTY COMPANY	16,092,136	1.25%
28	ASSOCIATED ELECTRIC & GAS INSURANCE SERVICES LIMITED	15,781,769	1.22%
29	LLOYD'S OF LONDON SYNDICATE #2987	15,362,984	1.19%
30	AMERICAN SAFETY INDEMNITY COMPANY	14,400,041	1.12%
31	LLOYD'S OF LONDON SYNDICATE #2623	13,604,362	1.05%
32	ENDURANCE AMERICAN SPECIALTY INSURANCE COMPANY	13,162,533	1.02%
33	CENTURY SURETY COMPANY	13,056,734	1.01%
34	HOUSTON CASUALTY COMPANY	12,381,277	0.96%
35	CLARENDON AMERICA INSURANCE COMPANY	11,582,895	0.90%
36	LLOYD'S OF LONDON SYNDICATE #0510	11,003,933	0.85%
37	UNITED NATIONAL INSURANCE COMPANY	10,505,624	0.81%
38	BURLINGTON INSURANCE COMPANY	10,199,430	0.79%
39	JAMES RIVER INSURANCE COMPANY	10,091,696	0.78%
40	LLOYD'S OF LONDON SYNDICATE #2488	9,999,556	0.78%
41	PACIFIC INSURANCE COMPANY LTD.	9,589,252	0.74%
42	FIRST MERCURY INSURANCE COMPANY	8,010,901	0.62%
43	ASPEN INSURANCE UK LIMITED	7,199,021	0.56%
44	FIRST SPECIALTY INSURANCE CORPORATION	7,166,126	0.56%
45	LLOYD'S OF LONDON SYNDICATE #2001	6,651,976	0.52%
46	HUDSON SPECIALTY INSURANCE COMPANY	6,625,073	0.51%
47	NAUTILUS INSURANCE COMPANY	6,515,308	0.50%
48	LLOYD'S OF LONDON SYNDICATE #1200	6,368,792	0.49%
49	LLOYD'S OF LONDON SYNDICATE #0623	6,338,668	0.49%
50	HOMELAND INSURANCE COMPANY OF NEW YORK	6,310,630	0.49%
SUBTOTAL		\$1,068,294,566	82.80%
All Other Companies		221,958,177	17.20%
TOTAL		\$1,290,252,743	100.00%

The Surplus Line Association of California

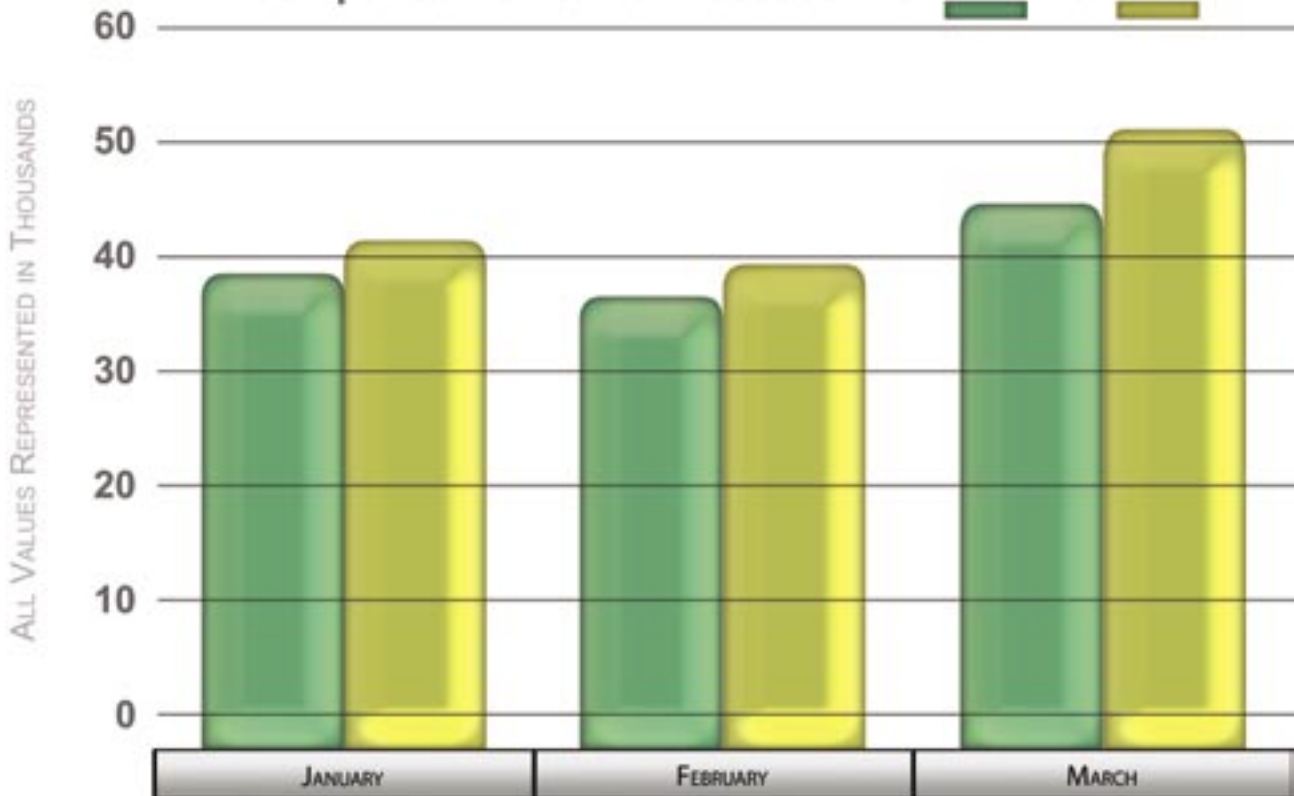
**50 LARGEST COVERAGE CODES BASED ON PREMIUM
PREMIUM PROCESSED BY THE SLA THROUGH MARCH 31, 2007**

	EXPORT	COVERAGE	PREMIUM PROCESSED	% OF TOTAL
1		GENERAL LIABILITY	\$416,967,602	32.32%
2	Yes	COMMERCIAL DIC/STAND ALONE EARTHQUAKE	159,979,202	12.40%
3		ERRORS AND OMISSIONS	120,140,465	9.31%
4		ALL RISK COMMERCIAL PROPERTY	94,431,642	7.32%
5		SPECIAL MULTI-PERIL PACKAGE	67,794,412	5.25%
6		EXCESS LIABILITY	62,945,541	4.88%
7	Yes	ENVIRONMENTAL IMPAIRMENT REMEDIATION & POLLUTION	53,284,727	4.13%
8	Yes	EXCESS LIABILITY/UNDERLYING NONADMITTED	43,719,924	3.39%
9	Yes	CONTRACTORS ENGAGED IN NEW TRACT HOMES	32,716,972	2.54%
10		PROFESSIONAL LIABILITY	31,580,468	2.45%
11	Yes	INDIV INSURED W/LARGE SCHED TIV > \$500M	26,940,991	2.09%
12		DIRECTORS AND OFFICERS	25,555,617	1.98%
13	Yes	EMPLOYMENT PRACTICES LIABILITY	16,075,556	1.25%
14		MISCELLANEOUS	15,095,130	1.17%
15	Yes	PRODUCTS/COMPLETED OPERATIONS (STAND ALONE)	11,790,671	0.91%
16		INLAND MARINE	9,956,484	0.77%
17		HOMEOWNERS MULTI-PERIL	8,960,531	0.69%
18	Yes	EVENT CANCELLATION	8,082,445	0.63%
19		AUTO PHYSICAL DAMAGE-COMMERCIAL	7,229,870	0.56%
20	Yes	HIGH LIMITS DISABILITY	6,897,317	0.53%
21		HOSPITALS	5,496,245	0.43%
22		HOMEOWNERS	5,216,168	0.40%
23		GARAGE LIABILITY	5,161,805	0.40%
24	Yes	SECURITY GUARD SERVICES	4,615,757	0.36%
25		COMMERCIAL PROPERTY-BASIC	4,406,579	0.34%
26		AUTO COMBINED LIAB & PHYS DAMAGE-COMM.	3,558,798	0.28%
27		AUTO LIABILITY-COMMERCIAL	3,469,483	0.27%
28		SINGLE FAMILY DWELLING/DUPLEX	3,120,367	0.24%
29	Yes	PERSONAL ARTICLES FLOATERS WRITTEN ON A STAND ALONE	2,166,458	0.17%
30	Yes	LIMITS THAT ATTACH IN EXCESS OF \$150M	2,079,484	0.16%
31	Yes	OILFIELD CONTRACTORS	2,062,632	0.16%
32		EXCESS WORKERS COMPENSATION	1,991,061	0.15%
33		BONDS	1,929,247	0.15%
34		TERRORISM	1,628,350	0.13%
35		FIDELITY	1,511,003	0.12%
36	Yes	PRODUCTS RECALL	1,200,447	0.09%
37		AVIATION	1,065,376	0.08%
38	Yes	VACANT BUILDINGS	1,063,571	0.08%
39		SPECIAL MULTI-PERIL WITH TERRORISM	1,061,866	0.08%
40	Yes	EXCESS FLOOD	1,053,772	0.08%
41		GROUP HEALTH	872,624	0.07%
42		ACCIDENT	808,953	0.06%
43		CRIME	785,490	0.06%
44	Yes	SHORT TERM SPECIAL EVENTS (EXC HOLE IN ONE)	761,096	0.06%
45	Yes	AVIATION EXCESS LIABILITY	755,789	0.06%
46	Yes	EXPLOSIVES MFG/SALES/STORAGE	698,875	0.05%
47		DISABILITY INCOME	677,980	0.05%
48	Yes	DEMOLITION CONTRACTORS	595,060	0.05%
49	Yes	TATTOO AND BODY PIERCING	560,916	0.04%
50		RESIDENTIAL EARTHQUAKE	476,766	0.04%
SUBTOTAL			\$1,280,997,581	99.28%
All Other Coverages			9,255,162	0.72%
TOTAL			\$1,290,252,743	100.00%

Comparison of Premium Processed for 2007 vs. 2006



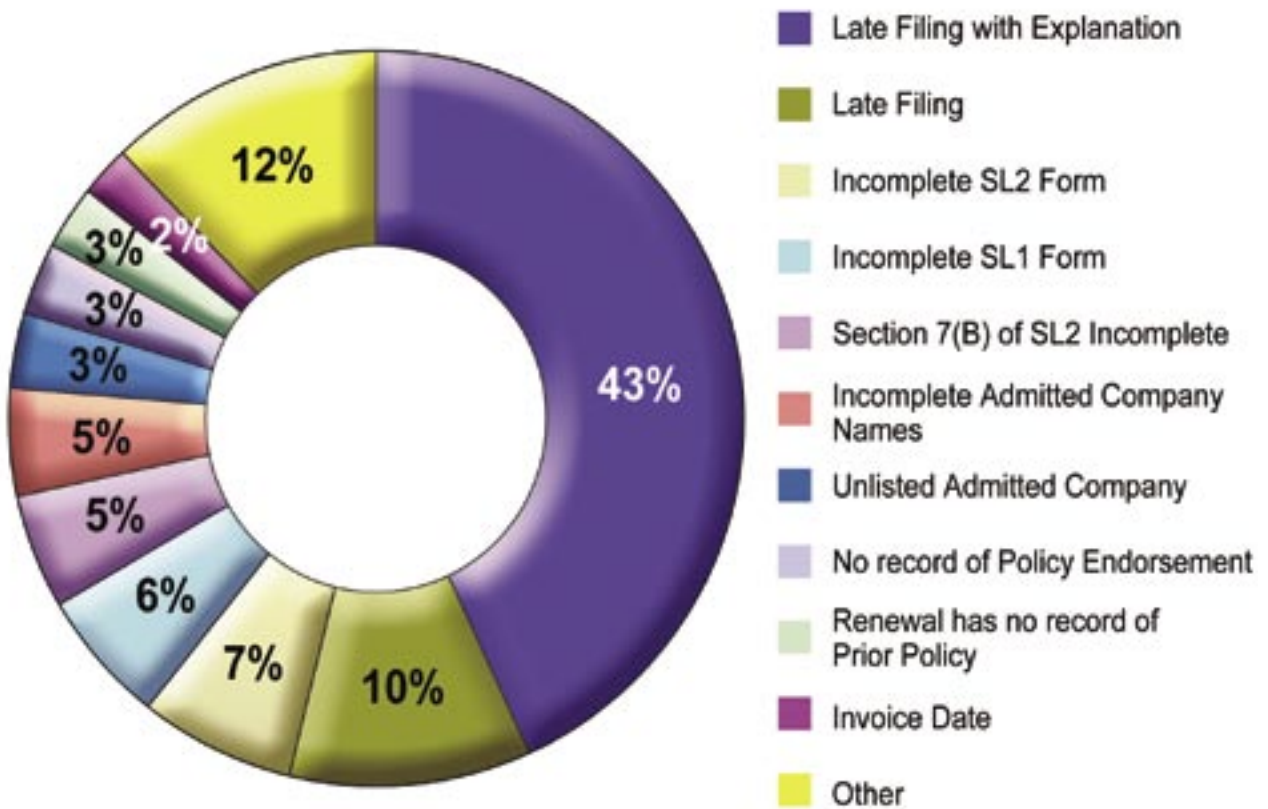
Comparison of Items Processed for 2007 vs. 2006



ALL TAGS ISSUED BY TAG CODE

From 1/1/2007 to 3/31/2007

TAGS DESCRIPTION	PERCENTAGE	COUNT
LATE FILING WITH EXPLANATION	43%	13,458
LATE FILING	10%	3,251
INCOMPLETE SL2 FORM	07%	2,195
INCOMPLETE SL1 FORM	06%	1,770
SECTION 7(B) OF SL2 INCOMPLETE	05%	1,587
INCOMPLETE ADMITTED COMPANY NAMES	05%	1,475
UNLISTED ADMITTED COMPANY	03%	1,072
NO RECORD OF POLICY ENDORCEMENT	03%	934
RENEWAL HAS NO RECORD OF PRIOR POLICY	03%	807
INVOICE DATE	02%	682
OTHER	12%	3,833
		31,064



Scheduled Educational Events for May - June 2007

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

COMMERCIAL PROPERTY AND LIABILITY CLAIMS

Presented by:
William J. Costello, CPCU, ARe, ASLI
Argonaut Specialty

Registration & Continental Breakfast 8:00 a.m.
Seminar 8:30 a.m. - 11:30 a.m.
3 CE Credits – Course #196019

Tuesday, May 22, 2007
Hilton Universal City
555 Universal Hollywood Drive
Universal City, CA 91608

Wednesday, May 23, 2007
PG&E Conference Center - Auditorium
245 Market Street
San Francisco, CA 94105

TAKING THE ETHICAL HIGH ROAD

Presented by:
Rod Simonds, CPA, CPCU, ARM
Registration & Continental Breakfast 7:30 a.m.
Seminar 8:00 a.m. - 12:00 p.m.
4 CE Credits – Course #196598

Tuesday, June 12, 2007
Hilton Universal City
555 Universal Hollywood Drive
Universal City, CA 91608

Wednesday, June 13, 2007
PG&E Conference Center - Auditorium
245 Market Street
San Francisco, CA 94105

ETHICS TRAINING FOR THE INSURANCE PROFESSIONAL

Presented by:
Laura S. Danoff, CPCU, AIS, ASLI
Surplus Line Association of California
Registration & Continental Breakfast 7:30 a.m.
Seminar 8:00 a.m. - 12:00 p.m.
4 CE Credits – Course #180378

May 16 **Irvine**
June 6 **Fresno**
July 25 **San Diego**

**please check our website for updates:
www.slacal.org under "Education"*

2007

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