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SLA ELECTS OFFICERS

Presiding over the Surplus Line Association of California's 71st Annual Meeting held in San Francisco on January 27 and Beverly Hills on January 29, 2009, the Association Chairman, Warren Stanley of Wholesale Connection Insurance



John Edack
Chairman, 2009



Les Ross
Vice Chairman, 2009



Pat Hanley
Secretary-Treasurer, 2009

Services (Woodland Hills) called the meeting to order. The chairman thanked the Executive

Committee and his standing committee chairs for their dedication and service to the industry. In reviewing the year, Chairman Stanley noted the SLA Executive Committee successfully revamped the employee pension fund and raised the stamping fee from .125% to .225%. The Chairman emphasized that the SLA has not experienced an increase in expenses and that expenses have remained stable. However, surplus line premium volume is expected to decrease significantly in 2009 which necessitated the need for a stamping fee increase. The chairman also noted that a two-thirds majority of the members-at-large had voted to approve the updated version of the Association's Constitution which went into effect November 1, 2008.

After reports from the Secretary-Treasurer, Executive Director, the Director of the Stamping office, and the SLA General Counsel, Chairman Stanley moved to the major business item of the meeting – the election of officers.

The meeting attendees were read the slate of officers and Executive Committee members who had been nominated to serve in 2009. The nominees were as fol-

Members attending the SLA Annual Meeting voted for the nominating committee slate of officers. A subsequent email ballot was sent to eligible voters to achieve a quorum which was satisfied on February 12, 2009. At the conclusion of the meeting, SLA Vice Chairman, John Edack presented the outgoing chairman, Warren Stanley with a replica of the Lutine Bell that hangs in the trading room of Lloyd's.

lows: John Edack of Arch Specialty Insurance Agency, Inc., as SLA Chairman. The other two elected officers include Les Ross of Crump Insurance Services, Inc, as Vice Chairman, and Patrick Hanley of Socius Insurance Services, Inc., as Secretary-Treasurer. The remaining Executive Committee nominees included Warren Stanley of Wholesale Connection Insurance Services, Pamela Quilici of Crouse & Associates, Frank Cravens of M.J. Hall & Company, Inc., Doris Barnett of Colemont Insurance Brokers, Anne McNally of Wells Fargo Insurance Services, Gerald J. Sullivan of Gerald J. Sullivan & Associates, Inc., Davis Moore of Worldwide Facilities, Inc., Chris Brown of Brown & Riding Insurance Brokers, Kris Bauer of AmWINS Insurance, and Phil Mazur of Swett & Crawford.

The Chairman then asked for any outstanding nominations from the floor, and hearing none, the slate of nominees was put to a vote which was unanimously in favor of the slate. The Chairman also asked for a vote to approve the appointment of former Insurance Commissioner Justice Harry Low (Ret.) for a one year term as SLA Mediator. The motion to appoint Harry Low as Mediator passed by unanimous vote.

At the conclusion of the business meeting, the incoming Chairman, John Edack presented the outgoing Chairman Warren Stanley, with a replica of the Lutine Bell that hangs in the trading room of Lloyd's.

The business session of the SLA Annual Meeting can be viewed on the SLA website (www.slacal.org) under Publications, Annual Meetings, Annual Meeting 2009, WATCH.

Voting Eligibility.

Only those resident Members that filed one or more SL-1 or SL-2 Forms during the 12 months immediately preceding the month in which the vote is taken are eligible to vote for election of officers or the conduct of Association business requiring a vote of the Membership. (Article IX(3) SLA Constitution)

LEGAL UPDATE

Despite the failure to enact the Nonadmitted and Reinsurance Reform Act of 2007 (H.R. 1065, the "NRRRA"), which would have created a federal standard for the qualifications of surplus lines insurers, and other federal initiatives discussed during the past few years, the idea of a role for federal oversight of insurance remains active and may be a part of the financial regulation reforms that will likely be adopted in response to the current financial crisis. Participants in the surplus

lines marketplace should keep abreast of these developments as they may be affected by such regulatory changes.

Although the Obama administration has yet to state its position with respect to the role of the federal government in insurance oversight, members of Congress have stated that they intend to push the Obama administration to create a federal role in overseeing insurance regulation and two reports issued

in January -- the United States Government Accountability Office (“GAO”) report to Congress titled: “Financial Regulation: A Framework for Crafting and Assessing Proposals to Modernize the Outdated U.S. Financial Regulatory System” (the “GAO Report”); and the Group of Thirty (“G30”), a private, nonprofit, international body composed of very senior representatives of the private and public sectors and academia, report titled: “Financial Reform: A Framework for Financial Stability” (the “G30 Report”) – include a discussion of insurance regulation in the context of broader financial regulation reforms. Both reports were initiated prior to the full onset of the current financial crisis, but provide support for financial regulation reforms that include some role for the federal government with respect to the oversight of insurance.

Recent reports indicate that two members of the House Financial Services Committee will send a letter to the Obama administration’s new Treasury Secretary requesting that, as one of his first official acts, he establish an Office of Insurance Information (“OII”) within Treasury. The proposed OII would focus on gathering information, and could be created without Congressional Action. If the Treasury Secretary were to accede to this request, he would be able to proceed unilaterally in laying the groundwork for a more robust federal role in the regulation of insurance, particularly with respect to financial stability and solvency matters.

The GAO Report notes that the “U.S. regulatory system is a fragmented and complex system of federal and state regulators – put into place over the past 150 years – that has not kept pace with the major developments that have occurred in financial markets and products in recent decades.” In addition, the GAO Report identifies the rise of complex holding companies with a variety of different financial entities, which frequently include both insurance companies and non-insurance companies, and one of the challenges that the current scheme of decentralized financial regulation is inadequately equipped to address. The GAO Report also notes that the lack of a centralized United States authority on insurance issues has complicated regulatory decision-making in the international arena. The GAO Report notes that the GAO has not studied the issue of an optional federal charter for insurers, but that “Congress could consider the advantages and disadvantages of providing a federal charter option for insurance and creating a federal insurance regulatory entity.” The GAO suggests that such actions might help alleviate some of the present challenges but could have unintended consequences.

While the GAO Report is focused on the United States and is meant to assist Congress in its policy decisions, the G30 Report is the product of an international, independent body of experts making recommendations that are international in scope. While independent and unsolicited, the opinions of the

The United States and other countries are in the midst of the worst financial crisis in more than 75 years. While much of the attention of policymakers understandably has been focused on taking short-term steps to address the immediate nature of the crisis, these events have served to strikingly demonstrate that the current U.S. financial regulatory system is in need of significant reform. (GAO-09-314T, January 8, 2009)

Today, almost a dozen federal regulatory agencies, numerous self-regulatory organizations, and hundreds of state financial regulatory agencies share responsibility for overseeing the financial services industry. As the nation finds itself in the midst of one of the worst financial crises ever, it has become apparent that the regulatory system is ill-suited to meet the nation's needs in the 21st century. (GAO-09-314T, January 8, 2009)

G30 are worth noting because the G30 itself includes individuals who are now senior advisors to President Obama as members. Compared to the GAO Report, the G30 Report more explicitly favors federal regulations of insurance. Notably, it recommends that "For those countries lacking such arrangements, a framework for national-level consolidated prudential regulation and supervision over large internationally active insurance companies should be established." Since the G30 Report identifies the absence of national-level regulation of the insurance segment as a distinguishing characteristic of the United States financial system, this recommendation may

be read as a suggestion that the United States adopt a federal regulatory structure for insurance.

While the Treasury's response to the expected request to create an OII, the weight these reports will carry, and the ultimate shape of the expected reforms of the United States system of financial regulation are unclear, it is apparent that the discussion of such reforms will include consideration of a federal role in insurance regulation, particularly with respect to areas, such as surplus lines, where there is a significant international nexus.

EXECUTIVE DIRECTOR'S ADDRESS - SLA ANNUAL MEETING 2009



Ted Pierce
Executive Director

Every year, we at the Surplus Line Association work under a newly elected chairman. So every year is a surprise.

Our chairman, Warren Stanley of Wholesale Connection Insurance Services is a no-nonsense, can do, and will do leader. As we heard from Warren, he knew what he wanted to do and he got it done in the limited time allotted. Warren was absolutely correct when he said we could finalize a new Constitution and transfer the SLA retirement funds to a more cost efficient vendor—all within one year. Congratulations to you Warren. You have increased our effi-

ciency, improved our internal operations, and brought more transparency to SLA operations.

I also want to thank our General Counsel – Jim Woods and his associates at Dewey & LeBoeuf. The correct attorney is essential to the success of an organization like the SLA – which is laden with insurance regulatory compliance matters. In Jim Woods, we have the correct attorney. The breadth of Jim's experience and the diversity of his knowledge enable him to produce the highest quality legal work.

Insurance regulation is complex and ever changing—which requires SLA to bring diverse talents to the board table. We have a team approach to SLA external affairs which

affords our chairman, his 13-member Executive Committee, and the Executive Director expert consultation. This team of supporting individuals consists of our elected Chairman, our general counsel Jim Woods, the chairman of our Legislative Committee Hank Haldeman, the wise renowned senior statesman Jerry Sullivan, and our Sacramento representative John Norwood. Thanks to this team of supporting professionals, the SLA is always prompt and ready to make the significant decisions of the day.

I want to recognize the insurance regulators who are here from the California Department of Insurance. Thank you for your dedication to public service. The SLA has enjoyed our joint arrangement and we're honored to serve as the advisory organization to the Department on surplus line matters. We appreciate your fair dealing and honest approach to the industry.

Turning to the SLA internal operations – the SLA Information Technology (IT) Department is developing a new electronic filing system. To learn more, contact us at support@slacal.org.

The existing e-filing system is called the 'broker extranet'. The extranet allows brokers to do the following with regard to their SLA filings:

- Reply/print tag with attachment
- View/print Invoices
- View/print Filing History

- Upload/file XML data batches

- Upload/file Image batches

Seven hard working individuals in SLA IT and 33 Indian programmers are working on fully automating the stamping office.

On another front, the SLA Data Processing Department is getting ready to test new screens developed for them by IT and their Indian software vendor. Data Processing has 30 hard working data analysts who analyze the SL-1s, SL-2s, and declaration page, certificate, cover note, or binder filed by the brokers.

The SLA Financial Department is readying a plan to go electronic. The SLA Financial Department has 16 financial analysts who assist the California Department of Insurance (CDI) in evaluating and monitoring the financial condition of insurers who are eligible to operate in California on a surplus lines basis. In the near future, when surplus line insurers apply for eligibility status in California, they will submit their application and the many accompanying documents electronically to the CDI and SLA.

In the area of education, the SLA has continued to provide substantive, well attended seminars for continuing education credits. A two-hour on-line education course you will be able to access when it's convenient for you from your desk or at home, is in the works. Our five education specialists want to tap your expertise. Your variety of perspectives and skills gives

Stats.2008, c.29 (AB 1699), A business entity licensed (as a surplus line brokerage) under this chapter shall provide two hours of appropriate training to its employees who solicit, negotiate, or effect insurance coverage placed by a nonadmitted insurer. The training shall be given to each eligible employee every five years. The surplus line advisory organization authorized pursuant to Chapter 6.1 (commencing with Section 1780.50) shall develop the curriculum for the training. (CIC Sec. 1765(f))

Beginning July 1, 2009, all insurance producer licenses (including surplus line brokers) issued by the California Department of Insurance (CDI) Producer Licensing Bureau will no longer be printed or mailed. License renewals will be sent by email only. Brokers will download their license to a PDF document via CDI email notice. The CDI urges that all producer licensees provide the licensing bureau with an accurate email address. Producers can update their email address at: <https://interactive.web.insurance.ca.gov/flrs/addressChange/Welcome.jsp>.

this organization a renewable source of qualified, forward thinking leaders who reflect the innovation and creativity of the surplus line marketplace. If you have any ideas about how we can deliver education credits to you, please let us know.

In 2008, we issued 24 bulletins. The 5 most important of which were (briefly) as follows:

Bulletin 1157 – the Revised Export List – Reissued 1/22/09 with Bulletin 1174

Bulletin 1159 announced SLB licensing fee changes and who must be licensed

Bulletin 1163, changed the stamping fee from .125% to .225% effective 1/1/09

Bulletin 1164, distinction between agent and broker-- and new broker fee disclosure rules

Bulletin 1165, waiver of penalty for non-timely payments of SL premium taxes

I encourage you to review the SLA bulletins and take a look at the 25 most important bulletins viewable on our web site under "Publications". Some of these top 25 bulletins go as far back as 1992.

Our General Counsel Jim Woods will discuss the rumblings in Washington about federal insurance regulation. Please know, the SLA is seeking a state-based solution to one of the issues being addressed by Congress the last four years – the multi-state surplus line premium tax allocation

issue. The federal legislation actually called for the establishment of a Surplus Lines Insurance Multi-State Compliance Compact (SLIMPACT). The compact has been drafted by industry representatives with the intention of facilitating the payment, collection, and distribution of the multi-state surplus line insurance premium taxes among the states.

The compact is essential to streamlining and improving the efficiency of the surplus line market by eliminating duplicative and conflicted tax and regulatory requirements between the states. We have been told by the CDI and the State Legislature that without a federally mandated surplus line compact, California will not support the compact solution.

The 2008 A.M. Best Special Report on Surplus Lines (sponsored by the NAPSLO Foundation) was released on August 25, 2008. The report notes that in the last four years (2004 – 2007) surplus lines recorded no financial impairments, compared to four impairments in the admitted market. The top three surplus line groups remain the same: AIG, Lloyd's, Zurich. In 2007, surplus lines out performed the admitted market in underwriting and operating performance but the soft market is expected to bring loss of market share. In 2006, after tax profitability from underwriting and investment went from a prior 15.05% to 12.4%. Net premiums decreased by 8.7% in 2007. The report also notes that merger and acquisition activity among both carriers and brokerages have been high through mid 2008 and will continue.

The CDI announced last week that beginning July 1, 2009, all licenses issued by the department's Producer Licensing Bureau will no longer be printed or mailed. License renewals will be sent by email only. Brokers will download their license to a PDF document via CDI email notice. The CDI warns that it is essential that they have accurate email addresses for

every licensee. Brokers can update their email address for the CDI at: <https://interactive.web.insurance.ca.gov/flrs/addressChange/Welcome.jsp>

On a final note, looking at the insurance market forecast for 2009, I can find no positive reports from the rating agencies or think tanks. This is unprecedented.

REPORT OF THE DIRECTOR OF THE STAMPING OFFICE



Joy Erven
Director,
Stamping Office

The Surplus Line Association was formed for the purpose of overseeing the regulation of surplus line market in California. Over the last 10 years, as the surplus line market has evolved, our membership has grown from 400 surplus line

broker licensees in 1998 to nearly 4000 in 2008, as did the responsibilities of the SLA. The SLA has received many new duties that have been delegated by the Insurance Commissioner and we are proud of the services we have provided to the Department of Insurance and to the brokers. The SLA is also proud of the integrity in which our staff conducts business to keep the California surplus lines brokers up to speed on filing and regulations.

The duties the SLA is charged with today include assisting the Department of Insurance with evaluating the financial solvency of non-admitted carriers eligible in California;

collecting extensive data on policies; ensuring placements are made in compliance with California surplus line laws and regulations; providing education with continuing education (or CE) credits to our members; and creating an electronic system to ease the filing processes for our members. The Broker Extranet and the SLA website are the two main resources the Association has invested heavily to add value to its members.

In addition, the integrity of the organization is sound. The stamping fee, our expenses, and our operational goals are all reviewed by the Department of Insurance and the Executive and Stamping Office committees. There are also other committees committed to the core values of the Association - the Legislative Committee which keeps current with legislative matters affecting the surplus line industry, the Education Committee which seeks out and provides the needed educational trainings to our members, the Automation Committee which oversees the numerous projects that will keep the Association current with technology, and the Admitted Market Liaison Committee

Over the last 10 years, as the surplus line market has evolved, our membership has grown from 400 surplus line broker licensees in 1998 to nearly 4,000 in 2008.

which works with the trade groups on matters of common interest.

During times such as these, it is very difficult for the Association to explain a higher stamping fee. However, as our Chairman explained, the expenses have stayed flat for 4 years; the stamping fee increase was made in anticipation of a market decline. The decision was made with much research & debate. I assure you the Association does not take this task lightly. We will continue to strive for transparency and fiscal integrity in the eyes of our members.

The statistics of 2008.

Filed Premium- \$ 5,863,959

Item count- 466,397

Member Totals as of 12/31/08 – 3,952

Top Non Resident Broker States:

Texas: 191 non resident brokers

Illinois: 138 non resident brokers

New York: 122 non resident brokers

Georgia: 85 non resident brokers

New Jersey: 75 non resident brokers

Percentage of Business Written by Non resident vs. Resident:

Resident Premium 2008: \$5,235,869,430 (91.5% of total)

Non-Resident Premium 2008: \$487,611,696 (8.5% of total)

The Western States Surplus Lines Meeting
Reminder-

July 19 to 21, 2009 in Sun Valley Idaho

I would like to thank the managers & the staff for their dedication and hard work this past year.

Pat McAuley – Data Processing Manager

Vienna Murray – Education Manager

Linda Cheng – Financial Manager

Brent Hunter – IT Manager

Thank you also to the Executive & Stamping Committees for their dedication and support of the Association and its goals.

It has been my pleasure to serve the members of this Association and I look forward to 2009.

The year-end 2008 premium total is \$5,723,481,125 – down 2.4% from 2007. The policy count is 466,397 - down 4.82% from 2007.

WESTERN STATES SURPLUS LINES REMINDER

The Western States Surplus Lines Conference for 2009 will be held in Sun Valley Idaho, from July 19 to 21st.



The SLA must satisfy the following requirements of the Commissioner of Insurance relative to computer automation. Maintain the administrative and recordkeeping facilities to process all surplus line filings in California (CIC Sec. 1780.54(a)(2)). Maintain the data processing capability and the necessary personnel to perform appropriate security review of all nonadmitted insurers (CIC Sec. 1780(a)(3)).

MEMBER PROFILE



Pam Quilici

Executive
Vice President
Crouse and Associates

Pam Quilici is the Executive Vice President, Operations Manager and Branch Manager of the San Francisco office for Crouse and Associates. Crouse and Associates is an independent wholesale insurance broker with four offices on the West Coast.

the implementation of Electronic Filings for the SLA membership. This became a realization in 2008 and will springboard in 2009. She is also a PAC member with NAPSLO which she feels is a strong advocate fighting to protect the wholesale livelihood.

Pam is married with 3 children and lives in Green Valley, California. Weekends are spent with family and friends. With three teenage children there is never a dull moment. Sons, Brandon and Gino spend most weekends playing golf and baseball, and daughter Emily is actively involved in the Theatre. The entire family loves to travel and looks forward to another adventure this summer. Exploring new recipes is another Quilici pastime, and Pam is also an avid collector of fine wine. With

Pam's support of the insurance community includes being active with the Surplus Lines Association where she is presently on the Executive Committee and the Chair of the Automation Committee. She has also served on the Stamping Committee. An ongoing project of the Automation Committee has been

her love of food and wine, she has recently created a Dark Chocolate Cabernet wine ice-cream.

Pam joined Crouse and Associates in 1996. Prior to this she spent 11 years working as a retail broker in the East Bay. Her accomplishments at Crouse and Associates include leading Crouse to becoming one of the 1st wholesalers in the industry to have a completely paperless environment with ImageRight. Pam currently serves as a member on the Users Advisory Board with

ImageRight which continues to improve the imaging technology for the insurance industry. She has developed and coordinates CE Credit Classes surrounding their core products which include Construction, DIC/Property, Transportation and Umbrella. Crouse has always been known for their knowledge and expertise in these areas. Pam has been instrumental in developing and leading a mentoring program to develop new talent in the wholesale industry.

Leading the nation in consumer protection continues to be the motivating force in providing all investigative and support services necessary for the fight against insurance fraud. The California Department of Insurance, Enforcement Branch maintains its lead through the collaboration of other law enforcement agencies and prosecutors throughout the state.

REPORTING INSURANCE FRAUD

The California Department of Insurance Fraud Division has established a method for consumers to report suspected insurance fraud. It is important to know that notification of insurance fraud may be made anonymously. You may contact any of the Fraud Division Regional Offices directly responsible for your county. Other types of complaints may be directed to the Department's Consumer Services Division using the Consumer Request for Assistance Form. For further information about the Fraud Division and its programs, click here to go to the Fraud Division home page. The Insurance Code states that no insurer, or the employees or agents of any insurer, shall be subject to civil liability for libel, slander or any other relevant cause of action by virtue of providing information concerning a Suspected Fraudulent Claim to law enforcement, including the California

Department of Insurance, Fraud Division.

The Fraud Division is here to help you if you need more information or assistance with fraud related matters. To contact your nearest Fraud Division Regional Office, select the Regional Office or select the appropriate county on the map

- Rick Plein, Deputy Commissioner, Enforcement Branch
- Vacant, Bureau Chief, Workers' Compensation Fraud Program, Northern Region
- Vacant, Bureau Chief, Property/Casualty, Healthcare/Disability & Training/Outreach Programs, Central Region
- John Standish, Bureau Chief, Auto Fraud Program, Southern Region
- Marta York, Captain, Internal Affairs/Computer Forensics/Defensive Tactics & Firearms/Background

THE SURPLUS LINE ASSOCIATION OF CALIFORNIA
Safeguarding Consumers

- Dennis Dunbar, Manager, Enforcement Branch Headquarters
- Michael Godard, Division Chief, Investigation Division

e-mail address is listed. To report suspected fraud or reach Fraud Division staff, address your e-mail to Fraud@insurance.ca.gov.

9342 Tech Center Drive, Suite 100
 Sacramento, CA 95826
 Phone: (916) 854-5760
 Fax: (916) 255-3202

Benicia Regional Office

Eric Weirich, Captain

1100 Rose Drive, Suite 100
 Benicia, CA 94510
 Phone: (707) 751-2000
 Fax: (707) 747-8233

Note: To discourage unsolicited automatic e-mails, we have changed the way in which our

Counties Served: Alameda, Contra Costa, Del Norte, Humboldt, Lake, Marin, Mendocino, Napa, San Francisco, Solano and Sonoma.

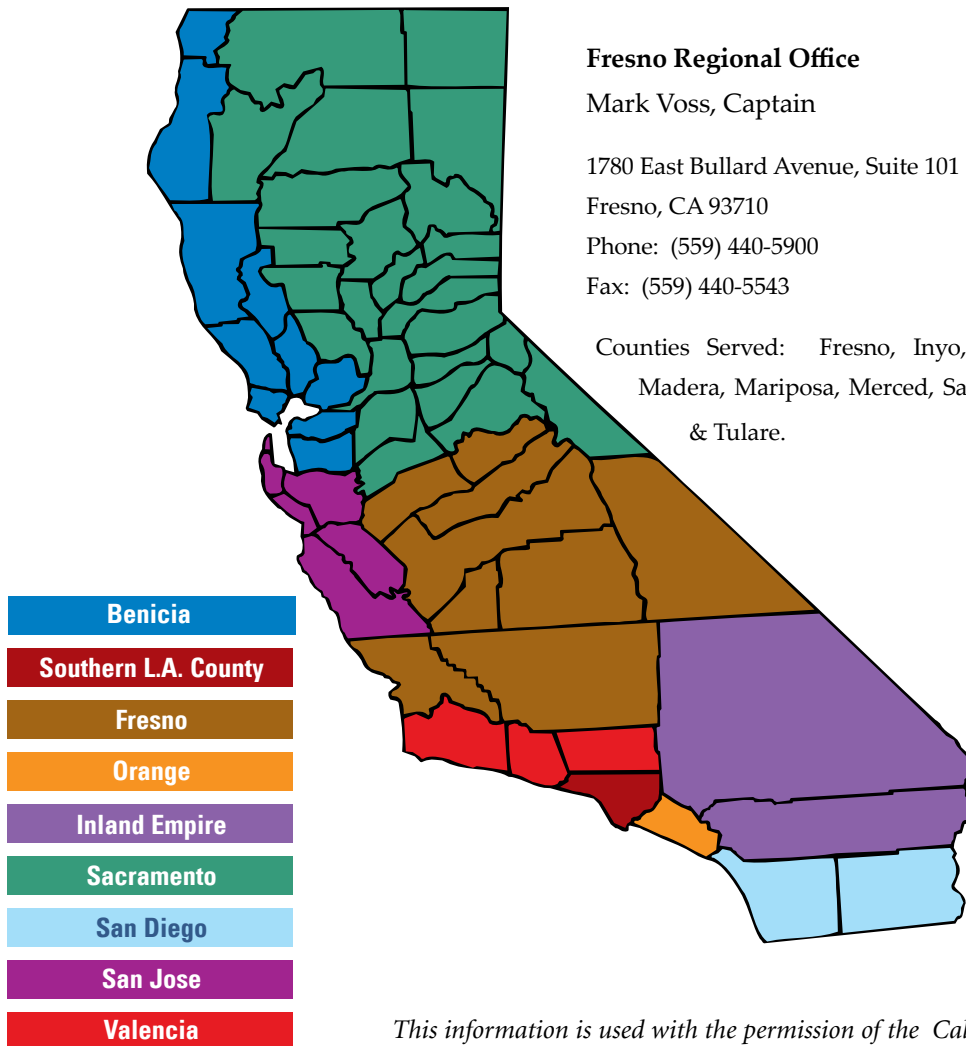
Fresno Regional Office

Mark Voss, Captain

1780 East Bullard Avenue, Suite 101
 Fresno, CA 93710
 Phone: (559) 440-5900
 Fax: (559) 440-5543

Counties Served: Fresno, Inyo, Kern, Kings, Madera, Mariposa, Merced, San Luis Obispo, & Tulare.

The mission of the Investigation Division is to protect California Consumers by investigating suspected violations of laws and regulations pertaining to the business of insurance and seeking appropriate enforcement action against violators.



This information is used with the permission of the California Department of Insurance

The Enforcement Branch of the Department of Insurance is the investigative body for the department. This branch consists of the [Fraud Division](#) and the [Investigation Division](#).

Inland Empire Regional Office

David Goldberg, Captain

9674 Archibald Avenue, Suite 100
Rancho Cucamonga, CA 91730
Phone: (909) 919-2200
FAX: (909) 980-2196

Counties Served: Riverside & San Bernardino.

Los Angeles Automobile Insurance Fraud Task Force Regional Office

Laureen Pedroza, Captain

5999 East Slauson Avenue
Commerce, CA 90040
Phone: (323) 278-5000
Fax: (323) 838-0163

County Served: Los Angeles.

Silicon Valley Regional Office

Laurel Robinson, Captain

18425 Technology Drive
Morgan Hill, CA 95037
Phone: (408) 201-8800
Fax: (408) 779-7299

Counties Served: Monterey, San Benito, San Mateo, Santa Clara, & Santa Cruz.

Orange Regional Office

Tony Torres, Captain

333 South Anita Drive, Suite 450
Orange, CA 92868
Phone: (714) 712-7600
Fax: (714) 456-1838

County Served: Orange.

Sacramento Regional Office

Robert Yee, Captain

9342 Tech Center Drive, Suite 500
Sacramento, CA 95826
Phone: (916) 854-5700
Fax: (916) 255-3307

Counties Served: Alpine, Amador, Butte, Calaveras, Colusa, El Dorado, Glenn, Lassen, Modoc, Mono, Nevada, Placer, Plumas, Sacramento, San Joaquin, Shasta, Sierra, Siskiyou, Stanislaus, Sutter, Tehama, Trinity, Tuolumne, Yolo, & Yuba.

San Diego Regional Office

Shawn Ferris, Captain

1495 Pacific Highway, Suite 400
San Diego, CA 92101
Phone: (619) 699-7100
Fax: (619) 645-2485

Counties Served: Imperial & San Diego.

Southern Los Angeles County Regional Office

Martin Gonzalez, Captain

5999 East Slauson Avenue
Commerce, CA 90040
Phone: (323) 278-5000
Fax: (323) 838-0028

County Served: Southern Los Angeles County.

Valencia Regional Office

Randall Richardson, Captain

27200 Tourney Road, Suite 375
Valencia, CA 91355
Phone: (661) 253-7400
Fax: (661) 286-1457

Counties Served: Northern Los Angeles, Santa Barbara, & Ventura..

Top 100 California Surplus Line Brokers

Based on Premium Processed through December 31, 2008

Rank		BROKER	Premium Processed (\$million)		% of Change	% of Total
2008	2007		2008	2007	2008 - 2007	2008
1	3	AON RISK SERVICES, INC. OF SOUTHERN CALIFORNIA INSURANCE SERVICES	\$559.0	\$250.3	123.37%	9.77%
2	1	WESTERN RISK SPECIALISTS, INC.	490.0	514.4	-4.74%	8.56%
3	4	MARSH USA INC.	418.7	244.3	71.36%	7.32%
4	2	SWETT & CRAWFORD	365.9	502.1	-27.13%	6.39%
5	5	AMWINS INSURANCE BROKERAGE OF CALIFORNIA, LLC	358.2	232.2	54.29%	6.26%
6	21	AON RISK INSURANCE SERVICES WEST, INC.	166.2	66.1	151.54%	2.90%
7	9	BLISS AND GLENNON INC	136.6	121.1	12.75%	2.39%
8	15	LOCKTON COMPANIES, LLC	120.9	88.4	36.84%	2.11%
9	7	RISK PLACEMENT SERVICES INSURANCE BROKERS	115.8	156.2	-25.83%	2.02%
10	11	HART, ANTHONY JOSEPH	107.1	113.0	-5.16%	1.87%
11	6	AMERICAN E & S INSURANCE BROKERS OF CALIFORNIA, INC.	104.6	168.9	-38.10%	1.83%
12	8	WORLDWIDE FACILITIES, INC.	100.1	147.5	-32.11%	1.75%
13	18	PARTNERS SPECIALTY GROUP, LLC	77.4	78.8	-1.77%	1.35%
14	10	CRC-STERLING WEST INSURANCE SERVICES, LLC	76.8	119.6	-35.82%	1.34%
15	14	BROWN & RIDING INSURANCE SERVICES, INC.	65.6	95.0	-30.98%	1.15%
16	17	COLEMONT INSURANCE BROKERS OF CALIFORNIA, LLC	63.0	82.7	-23.82%	1.10%
17	28	CRUMP INSURANCE SERVICES, INC.	62.4	43.1	44.81%	1.09%
18	24	FIRST STATE MANAGEMENT GROUP, INC.	61.5	56.3	9.23%	1.07%
19	16	CRC INSURANCE SERVICES, INC.	56.7	83.7	-32.19%	0.99%
20	19	CROUSE & ASSOCIATES INSURANCE SERVICES OF NORTHERN CALIFORNIA, INC.	56.4	77.9	-27.61%	0.98%
21	20	BURNS & WILCOX INSURANCE SERVICES, INC.	54.8	74.6	-26.63%	0.96%
22	23	WILLIS INSURANCE SERVICES OF CALIFORNIA, INC.	54.2	58.7	-7.63%	0.95%
23	12	BISYS COMMERCIAL INSURANCE SERVICES, INC.	49.0	107.3	-54.39%	0.86%
24	54	HULL & COMPANY, INC.	47.9	19.4	146.30%	0.84%
25	32	BORISOFF INSURANCE SERVICES, INC. (DBA: MONARCH E & S INSURANCE SERVICES)	45.7	34.3	33.14%	0.80%
26	26	SOCIUS INSURANCE SERVICES, INC.	43.6	47.8	-8.79%	0.76%
27	59	HRH E&S SERVICES, LLC	42.4	17.0	148.60%	0.74%
28	27	BASS UNDERWRITERS, INC.	38.5	44.9	-14.31%	0.67%
29		TRACKSURE INSURANCE AGENCY, INC.	38.2	0.0	100.00%	0.67%
30	13	INTERNATIONAL E & S INSURANCE BROKERS, INC.	36.9	100.9	-63.41%	0.64%
31	29	WOODRUFF-SAWYER & COMPANY	36.8	40.8	-10.01%	0.64%
32	25	ARTHUR J. GALLAGHER & CO. INSURANCE BROKERS OF CALIFORNIA, INC.	36.3	48.0	-24.38%	0.63%
33	39	HARRY W. GORST COMPANY, INC.	33.0	27.8	18.74%	0.58%
34	31	WESTERN RE/MANAGERS INSURANCE SERVICES, INC.	28.5	36.8	-22.49%	0.50%
35	64	ALL RISKS, LLC	25.7	15.2	69.45%	0.45%
36	35	WILLIS OF NEW YORK INC	24.6	30.4	-19.33%	0.43%
37	33	W. BROWN & ASSOCIATES PROPERTY & CASUALTY INSURANCE SERVICES	24.3	31.6	-23.01%	0.43%
38	57	JOHN L. WORTHAM & SON, L.P.	23.6	17.5	34.89%	0.41%
39	34	M.J. HALL & COMPANY, INC.	23.4	31.3	-25.36%	0.41%
40	37	NEITCLEM WHOLESALE INSURANCE BROKERAGE, INC	23.0	30.1	-23.74%	0.40%
41	45	ALL RISKS, LTD.	21.7	25.3	-14.54%	0.38%
42	71	HILB ROGAL & HOBBS PROFESSIONAL PRACTICE INS BROKERS, INC.	21.5	13.1	64.36%	0.38%
43	43	CARPENTER & MOORE INSURANCE SERVICES INC.	21.5	26.8	-19.82%	0.38%
44	48	COASTAL BROKERS INSURANCE SERVICES INC.	20.4	23.1	-12.03%	0.36%
45	38	YATES & ASSOCIATES INSURANCE SERVICES, INC.	19.8	29.5	-32.87%	0.35%
46	49	ZURICH E&S INSURANCE BROKERAGE, INC.	18.2	23.0	-21.03%	0.32%
47	41	SBIB, INC.	18.2	27.3	-33.45%	0.32%
48	94	FRANK CRYSTAL & CO INC	17.7	9.5	85.33%	0.31%
49	22	ALLIANT INSURANCE SERVICES, INC.	17.3	64.6	-73.27%	0.30%
50	65	WESTERN SECURITY SURPLUS INSURANCE BROKERS, INC.	17.1	15.1	13.21%	0.30%

THE SURPLUS LINE ASSOCIATION OF CALIFORNIA
Safeguarding Consumers

Rank		BROKER	Premium Processed (\$million)		% of Change	% of Total
2008	2007		2008	2007	2008 - 2007	2008
51	99	INTEGRO USA INC.	16.9	8.5	99.35%	0.30%
52	89	ABD INSURANCE AND FINANCIAL SERVICES	16.9	10.1	67.93%	0.30%
53	51	MIDWESTERN GENERAL BROKERAGE, INC.	16.9	22.0	-23.21%	0.30%
54	241	PROCTOR FINANCIAL, INC.	16.7	1.9	765.24%	0.29%
55	53	AIS AFFINITY INSURANCE AGENCY, INC.	16.5	20.6	-19.96%	0.29%
56	98	LAMBERSON KOSTER & COMPANY	16.3	8.6	90.77%	0.29%
57	46	CHARTWELL INDEPENDENT INSURANCE BROKERS, LLC	16.1	25.3	-36.44%	0.28%
58	36	AON/ALBERT G. RUBEN INSURANCE SERVICES, INC.	15.8	30.1	-47.43%	0.28%
59	42	COMMODORE INSURANCE SERVICES, INC.	15.8	27.2	-42.10%	0.28%
60	44	R.E. CHAIX & ASSOCIATES INSURANCE BROKERS, INC.	15.6	25.8	-39.47%	0.27%
61	55	NAS INSURANCE SERVICES, INC.	15.5	18.1	-14.12%	0.27%
62	66	HEFFERNAN INSURANCE BROKERS	15.3	15.0	2.23%	0.27%
63	77	ALEXANDER, MORFORD & WOO, INC.	14.3	11.7	22.64%	0.25%
64	222	HILB ROGAL & HOBBS INSURANCE SERVICES OF CALIFORNIA, INC.	13.7	2.3	507.04%	0.24%
65	70	CAMBRIDGE GENERAL AGENCY	13.5	13.1	2.83%	0.24%
66	113	MCGRIFF, SEIBELS & WILLIAMS, INC.	13.2	6.9	90.84%	0.23%
67	69	GALEOTTI, GARY WAYNE	13.1	13.3	-0.90%	0.23%
68	58	PETERSEN INTERNATIONAL UNDERWRITERS	13.0	17.1	-23.86%	0.23%
69	84	HALL, JAMES ALLAN	12.3	11.1	10.99%	0.21%
70	83	COOPER & MCCLOSKEY, INC. INSURANCE BROKERS	11.8	11.3	4.71%	0.21%
71	52	TRINITY E & S INSURANCE SERVICES, INC.	11.7	21.7	-45.94%	0.21%
72	190	TAFARO, EDWARD ALAN	11.0	2.8	294.07%	0.19%
73	82	BARNEY & BARNEY, LLC	11.0	11.3	-2.55%	0.19%
74	185	COOPER GAY RISK SERVICES, INC.	11.0	2.9	272.47%	0.19%
75	68	ARC WEST COAST EXCESS & SURPLUS BROKERAGE, LLC	10.9	13.5	-19.78%	0.19%
76	81	BROWN & BROWN OF CALIFORNIA, INC.	10.3	11.3	-9.07%	0.18%
77	76	ROBERTSON TAYLOR (CALIFORNIA), INC.	10.1	11.8	-14.75%	0.18%
78	85	G.J. SULLIVAN CO. EXCESS & SURPLUS LINES BROKERS	10.0	11.0	-8.54%	0.18%
79	79	ANDERSON & MURISON INC.	10.0	11.5	-13.04%	0.17%
80	92	W. B. AHERN ENTERPRISES, INC.	9.7	9.8	-1.21%	0.17%
81	90	CHIVAROLI & ASSOCIATES, INC.	9.3	10.0	-6.98%	0.16%
82	75	HDR INSURANCE MANAGERS, LLC	8.7	12.6	-30.66%	0.15%
83	72	PACIFIC WHOLESALE INSURANCE BROKERS, LLC	8.3	13.0	-36.61%	0.14%
84	74	A.I. RISK SPECIALISTS INSURANCE, INC.	8.2	12.7	-35.44%	0.14%
85	117	DEALEY, RENTON & ASSOCIATES INSURANCE BROKERS	7.7	6.5	18.24%	0.13%
86	80	VULCAN EXCESS & SURPLUS INSURANCE SERVICES, INC.	7.6	11.4	-33.15%	0.13%
87	62	ALBERICO, DONALD ANTHONY	7.4	15.6	-52.32%	0.13%
88	86	U.S. RISK OF CALIFORNIA, INC.	7.3	10.8	-32.06%	0.13%
89	101	WHOLESALE CONNECTION INSURANCE SERVICES, LLC	7.3	8.2	-10.93%	0.13%
90	60	LAE INSURANCE SERVICES, INC.	7.2	16.4	-56.07%	0.13%
91	153	MERCATOR RISK SERVICES, INC.	7.2	4.1	74.71%	0.13%
92	91	JAMES KLEIN INSURANCE SERVICE INC.	7.1	9.9	-28.13%	0.12%
93	73	NAPCO, LLC	7.0	13.0	-45.88%	0.12%
94	96	HCC SPECIALTY UNDERWRITERS, INC.	6.9	8.8	-21.93%	0.12%
95	220	ROKS AMERICA, INC. INSURANCE BROKERS	6.6	2.3	190.25%	0.12%
96	88	TIO, TOMAS EDUARDO	6.4	10.2	-37.30%	0.11%
97	119	HERBERT L. JAMISON & CO., LLC	6.3	6.4	-0.92%	0.11%
98	219	NATIONAL SPECIALTY UNDERWRITERS, INC.	6.3	2.3	173.97%	0.11%
99	110	SIERRA SPECIALTY INSURANCE SERVICES, INC.	6.3	7.2	-12.47%	0.11%
100	107	PROWEST INSURANCE SERVICES, INC.	6.2	7.6	-18.72%	0.11%
SUBTOTAL			\$5,036.8	\$4,910.1	2.58%	88.00%
ALL OTHER BROKERS			686.7	953.9	-28.01%	12.00%
TOTAL			\$5,723.5	\$5,864.0	-2.40%	100.00%

Top 100 Nonadmitted Carriers

Based on Premium Processed through December 31, 2008

RANK		COMPANY	PREMIUM PROCESSED (\$ in millions)		% GROWTH	MARKET SHARE (%)	
2008	2007		2008	2007	2008 - 2007	2008	2007
1	1	LEXINGTON INSURANCE COMPANY	\$1,019.2	\$870.5	17.09%	17.81%	14.84%
2	2	AMERICAN INTERNATIONAL SPECIALTY LINES INSURANCE COMPANY	304.3	400.5	-24.02%	5.32%	6.83%
3	6	STEADFAST INSURANCE COMPANY	252.3	146.6	72.09%	4.41%	2.50%
4	4	SCOTTSDALE INSURANCE COMPANY	144.7	167.6	-13.72%	2.53%	2.86%
5	3	LANDMARK AMERICAN INSURANCE COMPANY	123.7	169.0	-26.77%	2.16%	2.88%
6	5	ADMIRAL INSURANCE COMPANY	122.6	158.9	-22.85%	2.14%	2.71%
7	16	ILLINOIS UNION INSURANCE COMPANY	118.8	95.2	24.82%	2.08%	1.62%
8	9	EMPIRE INDEMNITY INSURANCE COMPANY	118.1	133.3	-11.35%	2.06%	2.27%
9	12	EVANSTON INSURANCE COMPANY	107.6	110.4	-2.59%	1.88%	1.88%
10	13	AXIS SURPLUS INSURANCE COMPANY	106.3	108.7	-2.26%	1.86%	1.85%
11	22	LLOYD'S OF LONDON SYNDICATE #2623	95.7	75.0	27.61%	1.67%	1.28%
12	11	MT. HAWLEY INSURANCE COMPANY	95.0	118.3	-19.73%	1.66%	2.02%
13	10	WESTCHESTER SURPLUS LINES INSURANCE COMPANY	92.4	133.0	-30.49%	1.61%	2.27%
14	24	COLUMBIA CASUALTY COMPANY	91.5	70.9	29.14%	1.60%	1.21%
15	17	LLOYD'S OF LONDON SYNDICATE #0033	89.2	91.3	-2.31%	1.56%	1.56%
16	8	NAVIGATORS SPECIALTY INSURANCE COMPANY	86.2	141.2	-38.97%	1.51%	2.41%
17	18	INTERSTATE FIRE & CASUALTY COMPANY	85.2	88.5	-3.67%	1.49%	1.51%
18	20	LLOYD'S OF LONDON SYNDICATE #2987	81.4	81.1	0.37%	1.42%	1.38%
19	7	ARCH SPECIALTY INSURANCE COMPANY	80.3	141.4	-43.23%	1.40%	2.41%
20	19	LIBERTY SURPLUS INSURANCE CORPORATION	79.0	83.4	-5.25%	1.38%	1.42%
21	26	ENDURANCE AMERICAN SPECIALTY INSURANCE COMPANY	66.1	61.8	7.05%	1.16%	1.05%
22	21	ESSEX INSURANCE COMPANY	64.9	75.4	-13.93%	1.13%	1.29%
23	29	LLOYD'S OF LONDON SYNDICATE #2003	64.3	57.1	12.67%	1.12%	0.97%
24	23	COLONY INSURANCE COMPANY	64.1	73.1	-12.37%	1.12%	1.25%
25	14	GEMINI INSURANCE COMPANY	62.2	98.6	-36.88%	1.09%	1.68%
26	15	NATIONAL FIRE & MARINE INSURANCE COMPANY	60.9	97.0	-37.18%	1.06%	1.65%
27	31	HOUSTON CASUALTY COMPANY	59.4	53.1	11.83%	1.04%	0.91%
28	30	INDIAN HARBOR INSURANCE COMPANY	57.6	55.1	4.54%	1.01%	0.94%
29	28	CHUBB CUSTOM INSURANCE COMPANY	54.0	58.2	-7.08%	0.94%	0.99%
30	25	NORTH AMERICAN CAPACITY INSURANCE COMPANY	49.4	64.4	-23.29%	0.86%	1.10%
31	32	CENTURY SURETY COMPANY	48.4	52.2	-7.36%	0.85%	0.89%
32	53	SWISS RE INTERNATIONAL SE	46.4	26.2	77.04%	0.81%	0.45%
33	33	JAMES RIVER INSURANCE COMPANY	44.3	50.9	-12.99%	0.77%	0.87%
34	42	ASSOCIATED ELECTRIC & GAS INSURANCE SERVICES LIMITED	43.4	34.5	25.68%	0.76%	0.59%
35	43	LLOYD'S OF LONDON SYNDICATE #1200	42.5	34.4	23.82%	0.74%	0.59%
36	34	PACIFIC INSURANCE COMPANY LTD.	41.4	50.4	-17.79%	0.72%	0.86%
37	39	LLOYD'S OF LONDON SYNDICATE #2488	40.2	39.2	2.43%	0.70%	0.67%
38	141	VOYAGER INDEMNITY INSURANCE COMPANY	39.9	1.4	2758.63%	0.70%	0.02%
39	36	AMERICAN SAFETY INDEMNITY COMPANY	39.7	48.1	-17.34%	0.69%	0.82%
40	35	LLOYD'S OF LONDON SYNDICATE #0510	38.9	49.6	-21.54%	0.68%	0.85%
41	40	NAUTILUS INSURANCE COMPANY	38.5	37.6	2.38%	0.67%	0.64%
42	44	FIRST MERCURY INSURANCE COMPANY	38.4	31.3	22.54%	0.67%	0.53%
43	27	EVEREST INDEMNITY INSURANCE COMPANY	37.8	58.2	-35.01%	0.66%	0.99%
44	37	BURLINGTON INSURANCE COMPANY	32.6	45.4	-28.12%	0.57%	0.77%
45	41	HUDSON SPECIALTY INSURANCE COMPANY	32.4	37.3	-13.13%	0.57%	0.64%
46	79	PRINCETON EXCESS AND SURPLUS LINES INSURANCE COMPANY	31.4	14.2	121.37%	0.55%	0.24%
47	45	PRAETORIAN SPECIALTY INSURANCE COMPANY	30.3	30.1	0.48%	0.53%	0.51%
48	70	GREAT LAKES REINSURANCE (UK) PLC	29.8	15.7	89.73%	0.52%	0.27%
49	49	LLOYD'S OF LONDON SYNDICATE #0623	29.4	26.9	9.04%	0.51%	0.46%
50	47	COMMONWEALTH INSURANCE COMPANY	29.3	28.5	2.71%	0.51%	0.49%

THE SURPLUS LINE ASSOCIATION OF CALIFORNIA
Safeguarding Consumers

RANK	RANK	COMPANY	PREMIUM PROCESSED (\$ in millions)		% GROWTH	MARKET SHARE (%)	
			2008	2007	2008 - 2007	2008	2007
51	66	ALLIED WORLD NATIONAL ASSURANCE COMPANY	28.7	18.0	59.22%	0.50%	0.31%
52	59	GREAT AMERICAN E&S INSURANCE COMPANY	24.4	21.2	15.09%	0.43%	0.36%
53	103	QBE SPECIALTY INSURANCE COMPANY	23.8	6.9	246.96%	0.42%	0.12%
54	54	AIG EXCESS LIABILITY INSURANCE COMPANY LTD.	23.5	24.8	-5.44%	0.41%	0.42%
55	64	LLOYD'S OF LONDON SYNDICATE #4472	23.2	19.4	19.54%	0.40%	0.33%
56	57	ASPEN INSURANCE UK LIMITED	22.9	21.9	4.26%	0.40%	0.37%
57	67	ST. PAUL SURPLUS LINES INSURANCE COMPANY	22.0	17.3	27.27%	0.38%	0.29%
58	50	LLOYD'S OF LONDON SYNDICATE #2001	21.3	26.8	-20.62%	0.37%	0.46%
59	55	WESTERN HERITAGE INSURANCE COMPANY	21.1	24.1	-12.46%	0.37%	0.41%
60	48	FIRST SPECIALTY INSURANCE CORPORATION	20.0	28.1	-28.71%	0.35%	0.48%
61	65	LLOYD'S OF LONDON SYNDICATE #1414	19.4	18.6	4.29%	0.34%	0.32%
62	46	GENERAL STAR INDEMNITY COMPANY	19.1	29.8	-35.81%	0.33%	0.51%
63	76	LLOYD'S OF LONDON SYNDICATE #4242	19.1	14.8	29.29%	0.33%	0.25%
64	63	COLONY NATIONAL INSURANCE COMPANY	18.3	19.4	-5.37%	0.32%	0.33%
65	95	CATLIN SPECIALTY INSURANCE COMPANY	18.2	9.3	96.34%	0.32%	0.16%
66	74	DARWIN SELECT INSURANCE COMPANY	17.6	14.9	18.30%	0.31%	0.25%
67	58	PENN-STAR INSURANCE COMPANY	17.4	21.5	-19.14%	0.30%	0.37%
68	62	LLOYD'S OF LONDON SYNDICATE #1225	17.1	19.6	-12.64%	0.30%	0.33%
69	61	LLOYD'S OF LONDON SYNDICATE #1084	15.6	20.3	-23.32%	0.27%	0.35%
70	52	HOMELAND INSURANCE COMPANY OF NEW YORK	15.5	26.3	-40.93%	0.27%	0.45%
71	73	LLOYD'S OF LONDON SYNDICATE #0958	15.4	15.3	0.78%	0.27%	0.26%
72	96	ENERGY INSURANCE MUTUAL LIMITED	15.2	9.1	67.20%	0.27%	0.16%
73	80	LLOYD'S OF LONDON SYNDICATE #2010	15.0	14.1	6.29%	0.26%	0.24%
74	108	LLOYD'S OF LONDON SYNDICATE #5151	14.9	5.9	151.42%	0.26%	0.10%
75	75	LLOYD'S OF LONDON SYNDICATE #4444	14.9	14.8	0.09%	0.26%	0.25%
76	88	FIREMAN'S FUND INSURANCE COMPANY OF OHIO	13.7	11.0	25.46%	0.24%	0.19%
77	83	LLOYD'S OF LONDON SYNDICATE #5000	13.2	13.8	-4.26%	0.23%	0.24%
78	51	UNITED NATIONAL INSURANCE COMPANY	13.0	26.6	-51.00%	0.23%	0.45%
79	81	LLOYD'S OF LONDON SYNDICATE #2000	12.6	14.0	-10.06%	0.22%	0.24%
80	84	LLOYD'S OF LONDON SYNDICATE #0807	12.4	13.2	-6.10%	0.22%	0.23%
81	78	LLOYD'S OF LONDON SYNDICATE #2791	12.2	14.6	-16.38%	0.21%	0.25%
82	110	GENERAL SECURITY INDEMNITY COMPANY OF ARIZONA	12.2	5.4	124.73%	0.21%	0.09%
83	69	LLOYD'S OF LONDON SYNDICATE #0435	12.1	15.8	-23.32%	0.21%	0.27%
84	72	LLOYD'S OF LONDON SYNDICATE #0570	11.9	15.5	-23.57%	0.21%	0.26%
85	60	NUTMEG INSURANCE COMPANY	11.1	20.4	-45.48%	0.19%	0.35%
86	85	MOUNT VERNON FIRE INSURANCE COMPANY	10.9	13.0	-16.24%	0.19%	0.22%
87	71	ROCKHILL INSURANCE COMPANY	10.9	15.6	-30.12%	0.19%	0.27%
88	87	LLOYD'S OF LONDON SYNDICATE #1183	10.5	11.7	-9.68%	0.18%	0.20%
89	82	USF INSURANCE COMPANY	10.2	13.9	-26.70%	0.18%	0.24%
90	98	TRAVELERS EXCESS & SURPLUS LINES COMPANY	9.8	8.5	14.25%	0.17%	0.15%
91	106	INTEGON SPECIALTY INSURANCE COMPANY	9.6	6.1	56.26%	0.17%	0.10%
92	89	NOETIC SPECIALTY INSURANCE COMPANY	9.5	10.9	-12.61%	0.17%	0.19%
93	91	NORTHFIELD INSURANCE COMPANY	9.5	10.3	-7.78%	0.17%	0.18%
94	104	LLOYD'S OF LONDON SYNDICATE #1206	9.3	6.8	35.63%	0.16%	0.12%
95	119	INTERNATIONAL INSURANCE COMPANY OF HANNOVER LIMITED	9.1	4.0	127.31%	0.16%	0.07%
96	77	AMERICAN EMPIRE SURPLUS LINES INSURANCE COMPANY	8.2	14.6	-43.99%	0.14%	0.25%
97	111	LLOYD'S OF LONDON SYNDICATE #2121	8.2	5.4	52.19%	0.14%	0.09%
98	90	TUDOR INSURANCE COMPANY	7.8	10.6	-26.13%	0.14%	0.18%
99	105	MAXUM INDEMNITY COMPANY	7.7	6.6	17.83%	0.14%	0.11%
100	92	GOTHAM INSURANCE COMPANY	7.4	10.3	-28.14%	0.13%	0.18%
		SUBTOTAL	\$5,398.3	\$5,551.5	-2.76%	94.32%	94.67%
		ALL OTHER COMPANIES	325.1	312.5	4.04%	5.68%	5.33%
		TOTAL	\$5,723.4	\$5,864.0	-2.40%	100.00%	100.00%

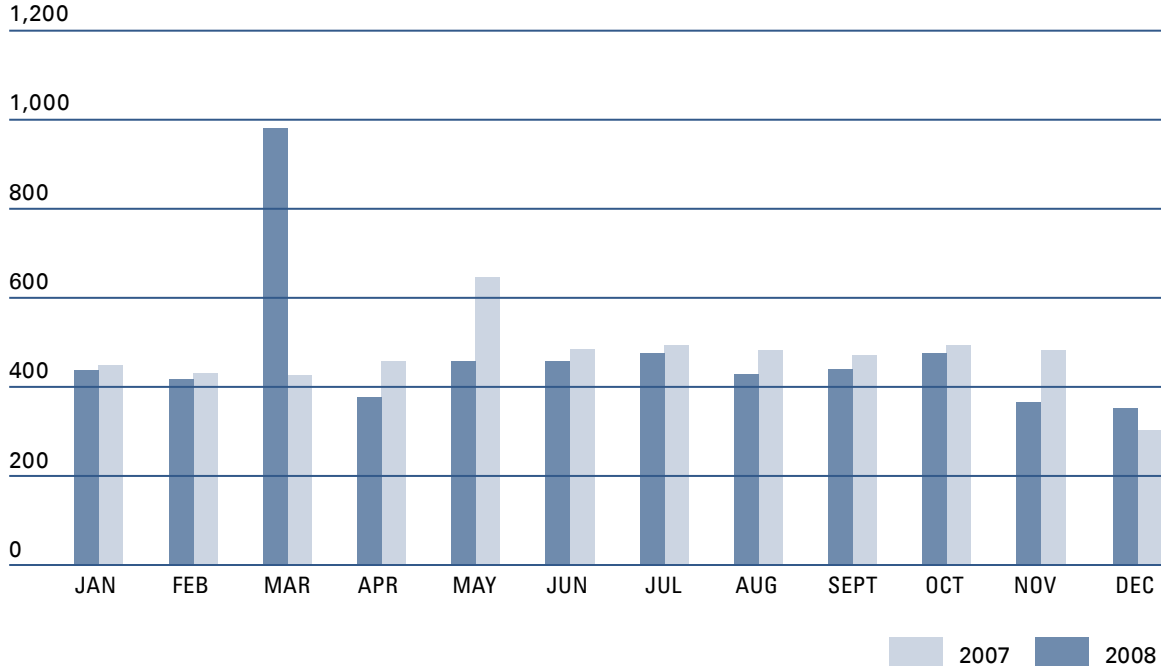
Top 50 Coverages

Based on Premium Processed through December 31, 2008

Rank	EXPORT	COVERAGE	PREMIUM PROCESSED (\$ million)		% GROWTH 2008 - 2007	% OF TOTAL 2008
			2008	2007		
2008	2007					
1	1	GENERAL LIABILITY	\$1,326.6	\$1,689.8	-21.50%	23.18%
2	3	ERRORS AND OMISSIONS	707.4	572.9	23.46%	12.36%
3	2	E COMMERCIAL DIC/STAND ALONE EARTHQUAKE	678.4	770.4	-11.94%	11.85%
4	4	ALL RISK COMMERCIAL PROPERTY	543.8	456.2	19.21%	9.50%
5	6	SPECIAL MULTI-PERIL PACKAGE	308.2	291.6	5.72%	5.39%
6	8	E INDIVIDUAL INSUREDS WITH LARGE SCHEDULES WHERE THE TIV (TOTAL INSURED VALUES) ARE IN EXCESS OF \$500 MILLION	274.8	199.9	37.48%	4.80%
7	7	EXCESS LIABILITY	268.1	269.0	-0.32%	4.69%
8	5	E ENVIRONMENTAL IMPAIRMENT REMEDIATION & POLLUTION LIABILITY	245.8	324.2	-24.18%	4.29%
9	9	E EXCESS LIABILITY/UNDERLYING NONADMITTED	187.0	177.9	5.12%	3.27%
10	10	MISCELLANEOUS	172.0	146.1	17.75%	3.01%
11	11	PROFESSIONAL LIABILITY	148.5	119.6	24.11%	2.59%
12	14	DIRECTORS AND OFFICERS	143.0	99.5	43.72%	2.50%
13	12	E EMPLOYMENT PRACTICES LIABILITY	77.9	114.8	-32.15%	1.36%
14	25	COMMERCIAL PROPERTY-BASIC	71.1	17.6	304.42%	1.24%
15	15	E PRODUCTS/COMPLETED OPERATIONS (WRITTEN ON A STAND ALONE BASIS)	67.5	54.7	23.49%	1.18%
16	16	INLAND MARINE	48.0	52.6	-8.75%	0.84%
17	13	E CONTRACTORS ENGAGED IN CONSTRUCTION OF NEW TRACT HOMES AND/OR NEW CONDOMINIUMS	35.1	104.3	-66.35%	0.61%
18	17	HOMEOWNERS MULTI-PERIL	31.5	34.4	-8.51%	0.55%
19	18	HOSPITALS	28.0	33.5	-16.51%	0.49%
20	31	TERRORISM	27.6	10.5	162.91%	0.48%
21	19	AUTO PHYSICAL DAMAGE-COMMERCIAL	24.1	30.4	-20.60%	0.42%
22	20	E EVENT CANCELLATION	23.2	27.3	-15.08%	0.40%
23	21	E HIGH LIMITS DISABILITY	22.1	23.0	-4.08%	0.39%
24	23	HOMEOWNERS	20.8	21.7	-4.08%	0.36%
25	29	AVIATION	20.6	11.7	76.85%	0.36%
26	22	GARAGE LIABILITY	18.3	22.5	-18.50%	0.32%
27	24	E SECURITY GUARD SERVICES	16.7	18.7	-10.85%	0.29%
28	26	SINGLE FAMILY DWELLING/DUPLEX	14.7	14.4	1.83%	0.26%
29	27	AUTO LIABILITY-COMMERCIAL	13.7	14.3	-4.50%	0.24%
30	30	GROUP HEALTH	12.3	11.1	11.21%	0.21%
31	39	E VACANT BUILDINGS	9.0	4.8	88.32%	0.16%
32	38	E AVIATION EXCESS LIABILITY	8.8	4.8	84.08%	0.15%
33	37	E PRODUCTS RECALL	8.2	4.9	67.70%	0.14%
34	40	ACCIDENT	7.7	3.4	128.37%	0.13%
35	28	AUTO COMBINED LIABILITY & PHYSICAL DAMAGE - COMMERCIAL	7.1	12.2	-41.41%	0.12%
36	34	SPECIAL MULTI-PERIL WITH TERRORISM	6.3	5.8	9.33%	0.11%
37	32	BONDS	5.7	7.6	-25.15%	0.10%
38	42	DISABILITY INCOME	5.0	3.3	53.67%	0.09%
39	35	E PERSONAL ARTICLES FLOATERS WRITTEN ON A STAND ALONE BASIS	4.6	5.5	-16.46%	0.08%
40	41	E SHORT TERM SPECIAL EVENTS (EXC HOLE IN ONE)	4.4	3.3	33.28%	0.08%
41	49	CRIME	4.4	2.0	126.18%	0.08%
42	33	E OILFIELD CONTRACTORS	4.4	5.9	-26.07%	0.08%
43	72	E CRANE & RIGGING CONTRACTORS	4.2	0.4	1081.13%	0.07%
44	47	EXCESS WORKERS COMPENSATION	3.7	2.2	70.51%	0.07%
45	45	E DEMOLITION CONTRACTORS	3.5	2.5	38.24%	0.06%
46	58	E PRIZE INDEMNIFICATION (EXCL HOLE IN ONE)	3.4	1.1	216.46%	0.06%
47	46	E EXCESS CRIME	3.1	2.5	26.00%	0.05%
48	36	FIDELITY	3.1	5.0	-38.11%	0.05%
49	44	E CLINICAL & SIMILAR TESTS OF PHARMACEUTICAL	3.0	3.0	-0.25%	0.05%
50	51	RESIDENTIAL EARTHQUAKE	2.8	1.8	52.49%	0.05%
		SUBTOTAL	\$5,679.1	\$5,816.1	-2.36%	99.22%
		ALL OTHER COVERAGES	44.4	47.8	-7.16%	0.78%
		TOTAL	\$5,723.5	\$5,864.0	-2.40%	100.00%

Comparison of Premium Processed for 2008 versus 2007

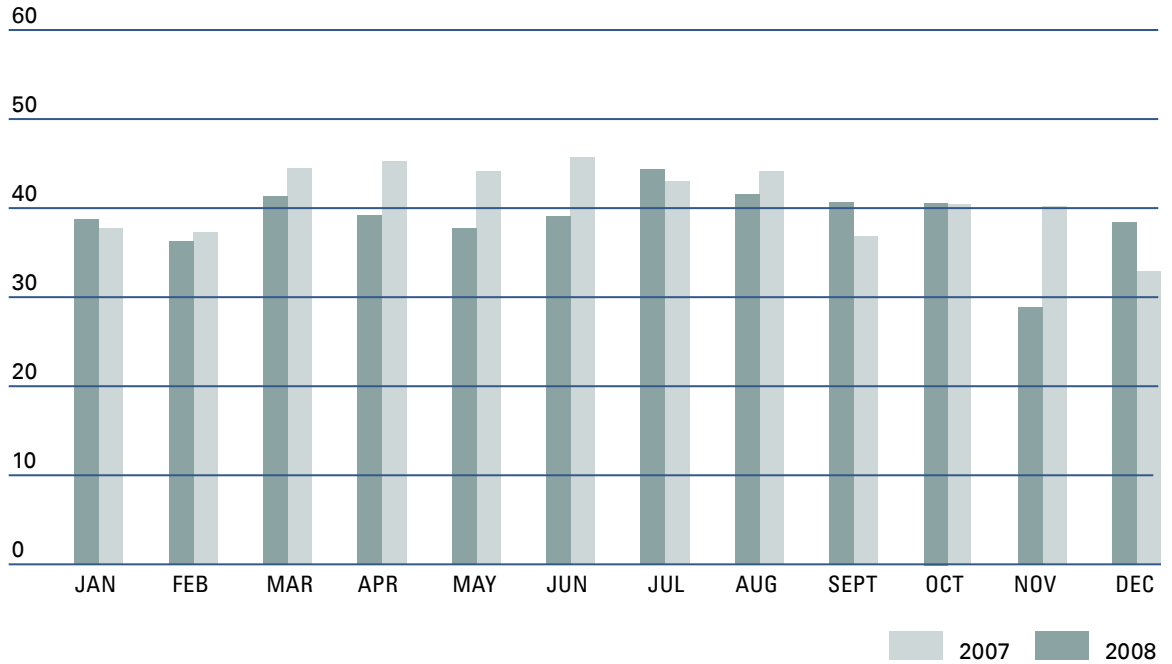
All values represented in Millions



The year-end 2008 pre-
 premium total is \$5,723,481,125
 - down 2.4% from 2007.
 The policy count is 466,397
 - down 4.82% from 2007.

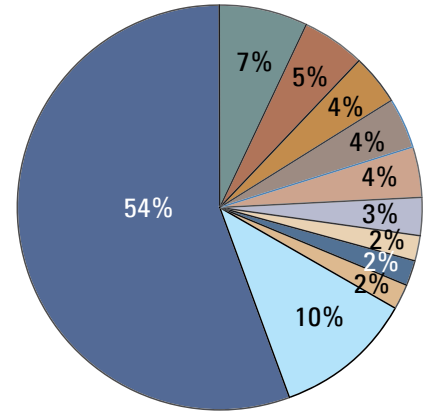
Comparison of Items Processed for 2008 versus 2007

All values represented in Thousands



Issued Tags for 2008

Tags Description	Percentage	Count
Late Filing with Explanation	54%	68,608
Late Filing	7%	9,017
Incomplete SL2 Form	5%	6,492
Section 7(B) of SL2 Incomplete	4%	5,622
Incomplete SL1 Form	4%	5,594
Renewal has No Record of Prior Policy	4%	4,540
No Record of Policy Endorsement	3%	4,149
Incomplete Admitted Company Names	2%	3,146
Lloyd's Syndicate Numbers	2%	2,965
Unlisted Admitted Company	2%	2,805
All Other Tags	10%	13,201
Total		126,148



Over 50% of the tags issued by the stamping office are for late filings.

Premium Totals by Company Type

COMPANY TYPE	(\$ in thousands)			% of TOTAL
	12/31/2008	12/31/2007	% GROWTH	
LES LI LISTED COMPANIES				
FOREIGN INSURERS	4,499,154	4,766,407	-5.61%	78.61%
LLOYD'S SYNDICATES	847,358	856,754	-1.10%	14.80%
ALIEN INSURERS	232,401	191,250	21.52%	4.06%
SUBTOTAL	\$5,578,914	\$ 5,814,412	-4.05%	97.47%
ALL OTHER	144,566	49,546	191.78%	2.53%
TOTAL	\$ 5,723,481	\$5,863,959	-2.40 %	100.00%

IT CORNER



Brent Hunter
Manager, Information
Technology

We continue to spend significant time, energy, and resources moving forward with our internal stamping office system re-write and upgrade, and we are now in the process of conducting a phased User Acceptance Test (UAT). Although we have experienced a few delays, the project is

progressing nicely for the most part despite an aggressive schedule.

In other IT Department related news, in addition to all of the day to day support we provide our members and staff, we continue to move forward with several other system initiatives: delivery of a "front end" to our server-to-server filing system, automation of the LESLI filing process and systems development required to support the California Emergency Response Surcharge Initiative.

Scheduled Educational Events for The Surplus Line Association of California

March 2009 - May 2009

All our seminars are approved for California Fire & Casualty Broker-Agents (FX)
and Personal Lines Broker-Agents (PL)

Insurance Agents and Brokers E & O in the Digital Age

Presented by

Michael Carr, ARM
Product Manager
Markel Shand, Inc.

Mark W. Henderson
AVP/Product Line Manager
Markel Shand, Inc.

Registration & Continental Breakfast at 8:00 a.m.

Seminar 8:30 a.m. - 11:30 a.m. - 3 CE Credits - Course # 219302

Dates

Tuesday, March 17, 2009
Hilton Universal City
555 Universal Hollywood Drive
Universal City, CA 91608

Wednesday, March 18, 2009
PG&E Conference Center Auditorium
245 Market Street
San Francisco, CA 94105
(use rear entrance)

The Economics of the Wholesale Environment

Presented by

Patrick E. Hanley
President
Socius Insurance Services, Inc.

Tim Turner
President
CRC Insurance Services, Inc.

Hank Haldeman
Executive Vice President
The Sullivan Group

Registration & Continental Breakfast at 8:00 a.m.

Seminar 8:30 a.m. - 11:30 a.m. - 3 CE Credits - *pending CDI approval*

Dates

Tuesday, April 21, 2009
Wilshire Grand
930 Wilshire Boulevard
Los Angeles, CA 90017

Wednesday, April 22, 2009
PG&E Conference Center Auditorium
245 Market Street
San Francisco, CA 94105
(use rear entrance)

The Broker's Guide to Additional Insureds, Certificates of Insurance and Contractual Liability Insurance

Presented by

Ruth F. Cazden, CPCU

Registration & Continental Breakfast at 8:00 a.m.

Seminar 8:30 a.m. - 11:30 a.m. - 3 CE Credits - Course #217882

Dates

Tuesday, May 19, 2009
Hilton Universal City
555 Universal Hollywood Drive
Universal City, CA 91608

Wednesday, May 20, 2009
PG&E Conference Center Auditorium
245 Market Street
San Francisco, CA 94105
(use rear entrance)

2009 SLA Executive Committee

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Arch Specialty Insurance Agency, Inc.

Les Ross - Vice Chairman
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Patrick Hanley - Secretary Treasurer
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The SLA Quarterly is published by The Surplus Line Association of California, 50 California Street, 18th floor, San Francisco, CA 94111 for the members of The Sur-