

What's Inside

Report of the Chairman
pgs. 1-2

Developments to Watch in the Surplus Line Market
pgs. 2-3

Report of the Director of the Stamping Office
pgs. 4-6

California Surplus Line Filings
pg. 6

NRRA Legislation Maps
pg. 7

Member Profile
pg. 8

Premium Totals by Company Type
pg. 8

Top 100 California Surplus Line Brokers
pgs. 9-10

Top 100 Nonadmitted Carriers
pgs. 11-12

Top 50 Coverages
pg. 13

Comparison of Premium & Items Processed 3rd Quarter through 2011 vs 2010
pg. 14

Tags Issued through 3rd Quarter 2011
pg. 15

Information Technology
pg. 15

Event Calendar & SLA Executive Committee
pg. 16

REPORT OF THE CHAIRMAN

The Surplus Line Association has completed the launch of a new broker electronic filing system called SLIP developed by Infinity Software based out of Tallahassee, FL. With SLIP, brokers can:



Patrick Hanley
Chairman, 2011

1. Generate and submit a batch file from their internal Agency Management System (AMS) using Web Services provided by SLIP
2. Log into SLIP to upload a batch file containing policy data for one or more policies.
3. Log into SLIP to manually enter policy information one record at a time.

Brokers that file their batch submissions electronically with the SLA will expedite the filing process and reduce postage costs. However, if brokers are unable to submit documents electronically, they can still submit paper copies of their documentation for the time being.

To generate an XML batch filing, brokers will need to work within their IT expertise to identify the best method to export data from your agency management system in the required format. The batch reporting procedures manual available on the SLA web site provides the details necessary to generate the XML file.

In the first 9-months of 2011, the total California premium dollars processed by the SLA was \$3.1 billion, a fraction below the total premium processed in the first 9-months of

2010. However, 349,883 surplus line policies were processed during the first 9-months of 2011, representing a 9.65% increase over the same period in 2010.

*SLA Annual Meeting
Save the Date*

Tuesday, January 24, 2012

10:00 a.m. to Noon

Bently Reserve Building

301 Battery Street

San Francisco, CA

Or

Thursday, January 26, 2012

10:00 a.m. to Noon

The Jonathan Club

545 South Figueroa Street

Los Angeles, CA

There are currently, 109 foreign insurers on the List of Approved Surplus Line Insurers (LASLI), 77 Lloyd's Syndicates and 38 alien insurers. In the first 9-months of 2011, for-

foreign insurers wrote 78.55% of the California premium, Lloyd's wrote 16.24%, and alien insurers wrote 4.30%.

DEVELOPMENTS TO WATCH IN THE SURPLUS LINE MARKET

SB 131 Update

On September 20, 2011, California Senate Bill 131 ("SB 131") was signed into law, and will take effect on January 1, 2012. SB 131 amends California Insurance Code section 1774 (as amended by AB 315 on July 21, 2011). SB 131 is amended to clarify that when two or more licensed surplus line brokers are involved in making a placement for a home state insured, only one licensed surplus line broker would be required to include the policy in his or her sworn statement, and that licensed surplus line broker is either: (1) the one responsible for negotiating, effecting the placement, remitting the premium to the nonadmitted insurer or its representatives, and filing the confidential written report; or (2) the one surplus line broker delegated the responsibility for the filing of the confidential written report pursuant to a written agreement. The agreement delegating the responsibility for the filing of the confidential written report must be made available to the California Department of Insurance (the "CDI") upon request.

NRRA and AB 315 Q&A

Since the federal Nonadmitted and Reinsurance Reform Act of 2010 ("NRRA")

and the operating provisions of AB 315 (which made conforming changes to California law) became effective on July 21, 2011, various questions with respect to surplus line broker compliance and nonadmitted insurer eligibility have been submitted to the SLA for clarification. Set forth below are some of the more frequently asked questions with responses.

Q1: In the case of group insurance where a master policy is issued to a Risk Purchasing Group with certificate holders in various states, are surplus line brokers required to provide disclosure statements specific to each individual state?

A1: NRRA provides that the "placement of nonadmitted insurance shall be subject to the statutory and regulatory requirements solely of the insured's home State." 15 U.S.C. 8202(a). Accordingly, disclosure requirements are subject to the laws and regulations of the home state of the named insured/applicant. There is no rule providing different treatment for policies issued to a Risk Purchasing Group. If California is the home state of the insured, the surplus line brokers must comply with the California disclosure requirements of section 1764.1.

Q2: If an insurance contract has coverage by both admitted and nonadmitted insurers, which state's laws apply?

A2: For the nonadmitted portion of the insurance contract, applicable state laws must be determined based on the home state of the insured. There are no exceptions from the rules applicable to nonadmitted placements even if there is admitted portion to the placement.

Q3: Are third party insurance consultants allowed to make surplus line insurance policy filings on behalf of surplus line brokers?

A3: Section 1763 requires a surplus line broker to make the required filing within 60 days of placing any insurance for a home state insured with a nonadmitted insurer. Thus, the broker making the placement must make the required filing. While section 1774, as amended by SB 131 contemplates that, after January 1, 2012, the responsibility for making the filing may be delegated to another surplus line broker pursuant to an agreement, it does not authorize anyone other than a licensed surplus line broker to make the filing.

Q4: California Insurance Code section 35 provides that transacting insurance includes the following: (i) solicitation; (ii) negotiations preliminary to execution; (iii) execution of a contract of insurance; and (iv) transaction of matters subsequent to execution of the contract and arising out of it. If a California-licensed surplus line broker has a client in

Virginia and "transacts" the placement from California for a risk that is located in another country, is that transaction subject to surplus line law?

A4: Irrespective of the location of the surplus line broker, whether a nonadmitted insurance transaction would be subject to surplus line law of a particular state requires a determination of the home state of the insured/applicant. In general, surplus line laws of a state in which the insured's principal place of business or principal residence is located will govern. However, in this case, none of the risk is located in Virginia. The NRRA provides that if 100% of the risk is located outside the state that would otherwise constitute the home state, the state to which the greatest percentage of the insured's taxable premium for that insurance contract is allocated will be deemed the home state for that insurance contract. In this case, 100% of the risk is located outside the United States. Therefore, per the NRRA and California Insurance Code section 1760.1(e), no state surplus line laws would be applicable to this transaction. We note however, with respect to licensing requirements, while the NRRA gives the home state the sole right to require a license in order to sell, solicit, or negotiate nonadmitted insurance and section 703 of the California Insurance Code as amended limits its prohibition on acting as an agent or aiding in the transaction of a nonadmitted insurer to transactions for home state insureds, maintaining a license in the state where the surplus line broker is located is strongly recommended.

REPORT OF THE DIRECTOR OF THE STAMPING OFFICE



Joy Erven
Director,
Stamping Office

The year 2011 has shown modest results for the Surplus Line Association. The Data Processing department has processed \$3,126,843,146 in premiums. This is a small decline (.03%) from last year's filed premium.

We expect \$4.1 billion in processed premiums for this year, and we're optimistic the market will continue to stabilize and increase slightly next year. The Executive Committee met in September and reviewed the 2012 budget. The Association is continuing to cut costs and look for new opportunities to save money. Please be advised the stamping fee will remain .25% in 2012.

With the implementation of NRRRA and AB315 the SLA has changed the surplus line filing requirements. We hosted webinars and live seminars on the subject- but please make sure you are aware that we now require a coversheet that indicates if the insured is an Exempt Commercial Purchaser and if the insured is a Multi State risk, and if so, what percentage is in California. Surplus Line Brokers are required, under AB 315, to provide data on tax allocations relative to multi-state policies in the annual premium tax filing beginning with the filing due March 1, 2012. The Commissioner of Insurance can waive

this requirement. If that option is exercised, the SLA will report back to you. The SLA is seeking additional clarification as to the extent of the data and the applicable policies required in the filing for the 2011 transition year, and will advise you of its findings.

We currently have an NRRRA Help Center on our webpage that has links to different resources to help you navigate the new regulations that went into effect. If at any time you, or anyone in your organization has questions please do not hesitate to call our office. The Surplus Line Association is committed to helping our members stay compliant and providing the education and guidance necessary to achieve that goal.

Also as a reminder our Annual Meeting will be held January 25, 2012 in San Francisco (The Bently Reserve) and on January 27, 2012 in Los Angeles (The Jonathan Club) . 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 – Dewey & LeBoeuf. After the meeting is adjourned the SLA will host a luncheon. 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!

Business Entity Licenses

Alliance Insurance Partners, Inc.	Leavitt Insurance Services of Los Angeles, Inc.
AmTrust E & S Insurance Services	McDermott-Costa Co., Inc
Art Risk Financial & Insurance Solutions, Inc.	McLaughlin Company, The
Asian American General Agency, Inc.	One Source Risk Management and Funding, Inc.
BBVA Compass Insurance Agency, Inc.	Porter & Curtis, LLC
Britt/Paulk Insurance Agency, Inc.	Pre Flight Insurance Services, Inc.
Budde & Associates, Inc.	RealCare Insurance Marketing, Inc.
Consolidated Agency Partners, Inc	Stieg & Associates Insurance, Inc.
Frenkel Benefits, LLC	SullivanCurtisMonroe Insurance Services, LLC
Genesis Management and Ins. Services Corporation	Texas AGA, Inc.
HCF Insurance Agency	Tom C Pickard & Co Inc Insurance Agency
Jim Whorton & Associates, Inc.	Tower Hill Entertainment, Inc.
Keystone Specialty Risk, LLC	Venture Underwriters, Inc.
Lease Term Insurance Group, LLC	Wells Fargo Insurance Services of New York Inc.
	Willis IIB, Inc.

Individual Licenses

Adams, Collette Colleen	Carroll, Daniel Patrick	Harbour, John Michael
Alfalla, Marci Allyse	Clark, Eunice Catherine	Hart, Virginia Sittel
Anderson, Van Anthony	Cohen, Mitchell Arthur	Hay, James Michael
Angiulo, Stephen	Condon, Laura Jean	Hext, Thomas Allen
Arts, James Lee	Curtis, William Patrick Jr.	Hildebrand, Allan Truman
Astorga, Christopher Dana	Dale, George David	Hinshaw, Linda Maria
Bagileo, Caterina T	Dame, Janice Kite	Hintze, Scott Edward
Bangs, Alfred Raymond	Davis, Janet	Hooven, Jonathan Michael
Bardouka, Dean Joseph	Deloach, John Mark	Ignasiak, Bradley Thomas
Berger, James Aaron	Dercoli, Michael	Illa, Keith Michael
Bertolotti, Paul John	Dias, Jessica Lynn	Jasinski, John Peter
Bingham, Stephen Calvin	Douglas, Jay Kirk	Jungman, Richard C
Blust, Ralph John	Duncan, Andrew Thomas	Karpp, Douglas Alan
Bozzo, Nicholas Livio	Eckerty, Scott Rolland	Keller, Kevin Michael
Bradford, Jayne Ann	Edwards, Garry Martin	Killeen, Lynn Elizabeth
Bradshaw, Ryan Andrew	Fairow, Mary Ida	Kim, Michelle
Brown, Cameron David	Faust, Karen Ann	Landucci, Michael William
Brownyard, Bruce William	Flores, SherryL	Levins, Meghan Jennie
Budde, Todd Michael	Fowler, William Ray	Lewis, Lois Fiesta
Burton, Chantelle Marie	Fyfe, Douglas Donald	Linder, Andrea Doria
Bussman, Charles Lawton	Ganta, Nivedita Tulja	Lyon, Yvette Mendoza
Carlisle, James Acree	Graham, Craig Scott	Marutsos, Vasilios George
Carneiro, Toni	Grotts, John Phillip	McCulloch, Kate Elise

THE SURPLUS LINE ASSOCIATION OF CALIFORNIA

Safeguarding Consumers

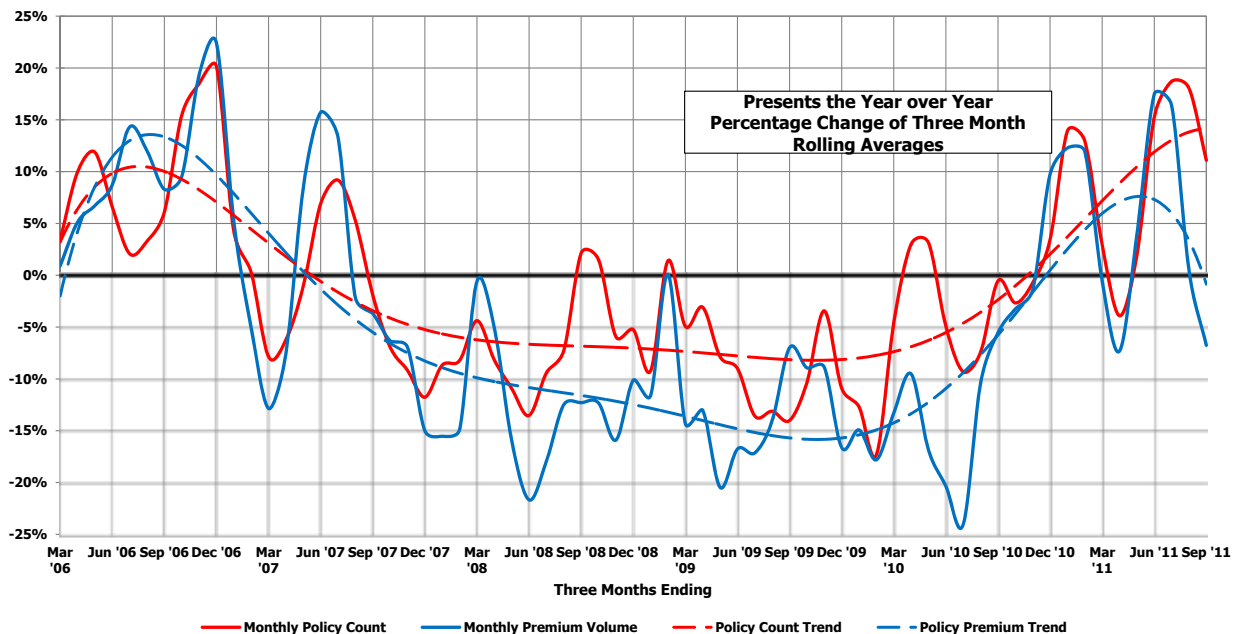
Miller, Tina Lynn	Plotycia, Joseph Christopher	Stieg, Walter Dave
Miranda, Erika	Reese, Glen Scott	Striniste, James John
Monroe, John Forest	Reynolds, Carolyn	Takahashi, Clyde Kane
Montgolf, Lisa Brown	Roberts, Jeremy Scott	Terranova, Allison
Moscoso, Walt Henry	Romero, Stephen Burdette	Thomson, Paul Alan
Mourning, Judd Byron	Rudinica, Lindsey Ann	Thornton, Brian William
Okura, Deborah Jo	Sadoff, Brett Stuart	Underwood, Roberts Francis
Oliphant, Alison Dean Ruschell	Sanders, Stacy Bibi	Vazquez, Alexandra
Palmiotto, Antonio	Sheehy, Thomas Martin	Viola, Brigitte Shawna
Pappas, Theodore Martin	Simmerman, Danny Lewis II	Walmsley, Gerald Paul
Paul, Larry Wayne	Smith, James Maxwell	White, Chester Donald
Pickard, Don Curtis	Smith, Sandra Lynne	Whorton, Jim Charles
Plascencia, Refugio Joseph	Smith, Thomas Edward	Yergin, Kathleen Helen

SLA Membership Totals as of November 2, 2011

California Business Entities	629	Non-Resident Business Entities	469
California Individuals	2,237	Non-Resident Individuals	1,357
Total California	2,866	Total Non-Resident	1,826
Total SLA Membership: 4,692			

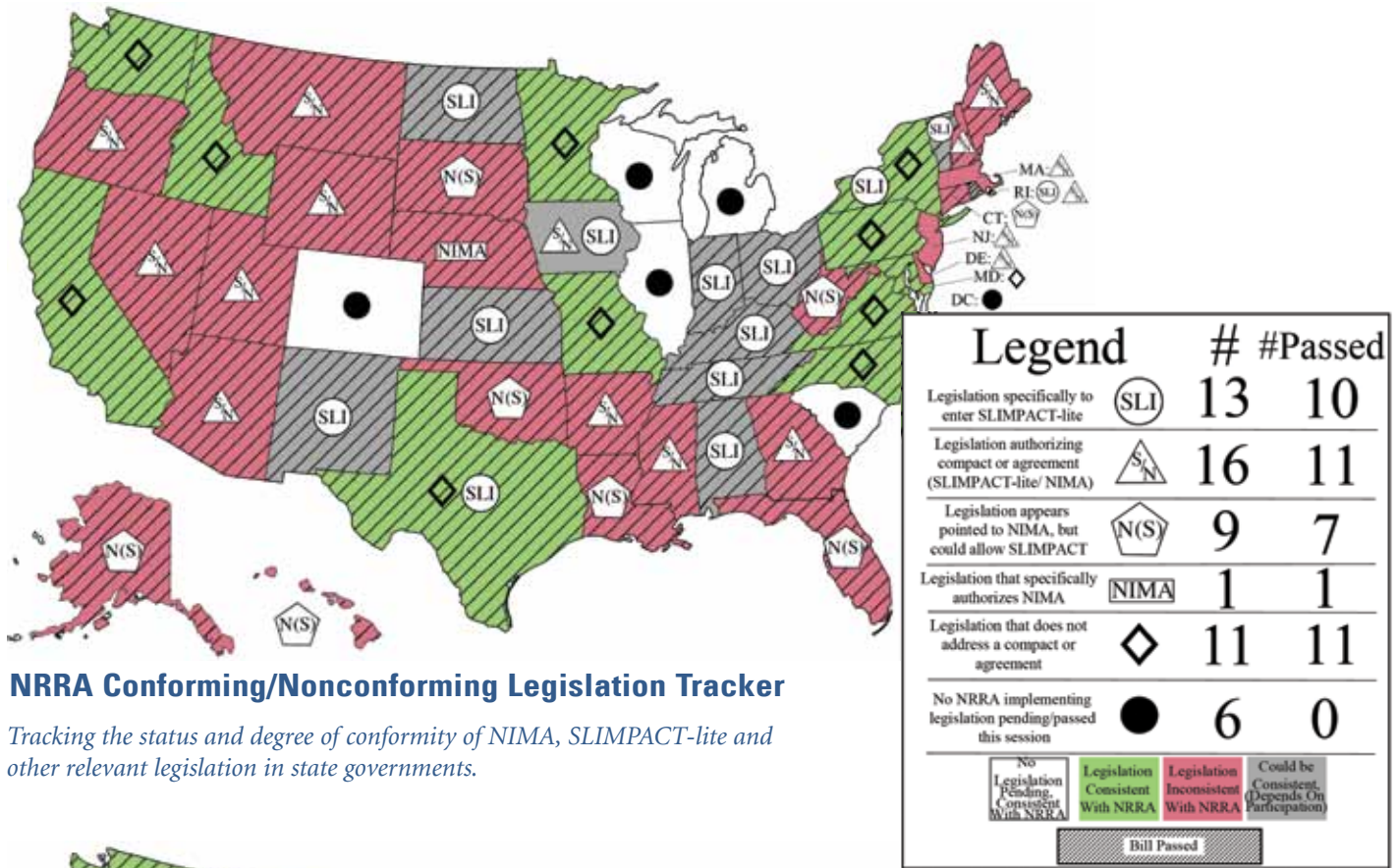
California Surplus Lines Filings - Total Policy Count & Total Premium Volume

Based on Premium Processed March, 2006 through September, 2011



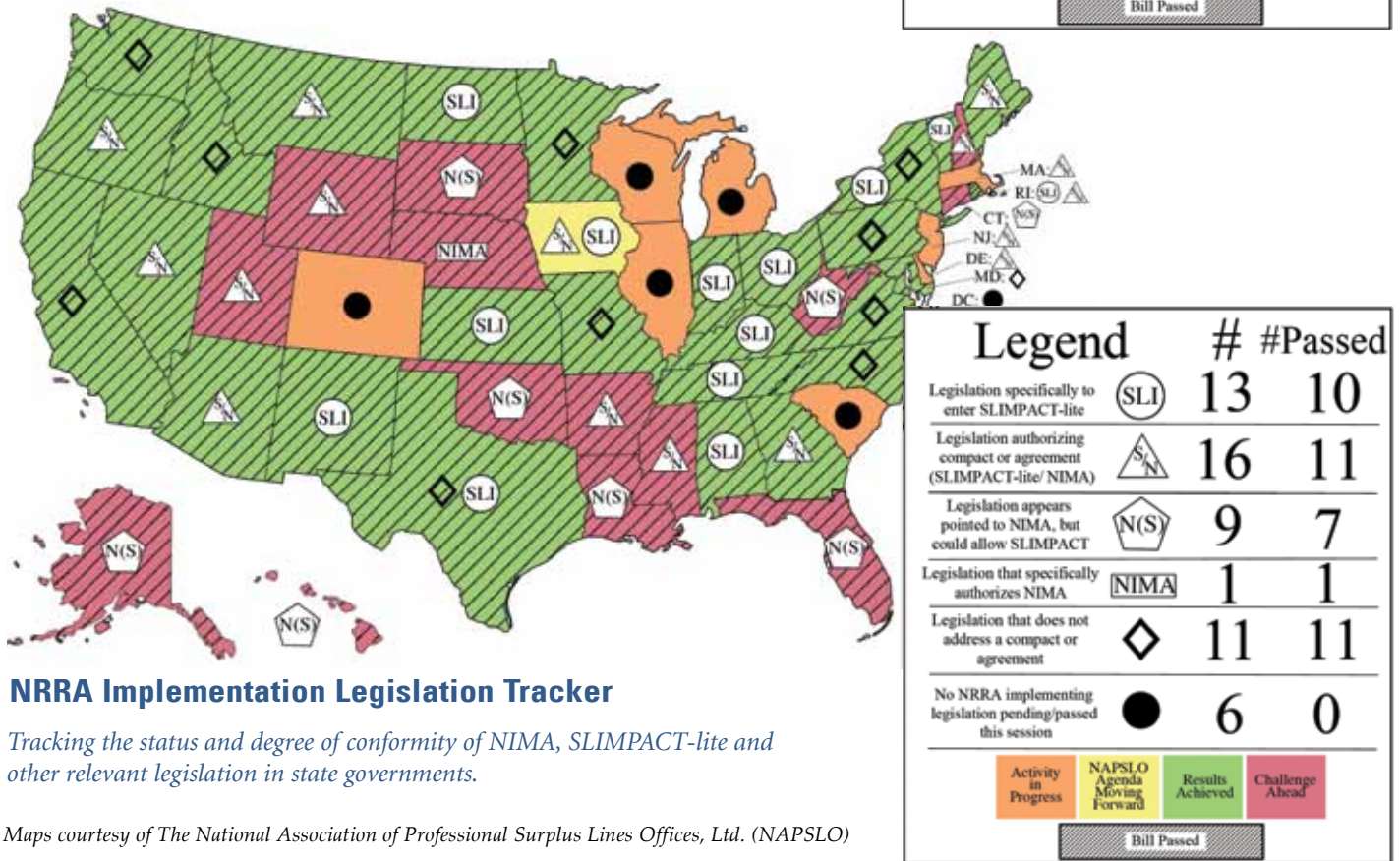
Rolling 3 Month Averages -Graph

CA SLA Policy & Premium Graphs 2006-2011 (Thru 2011-09)



NRRA Conforming/Nonconforming Legislation Tracker

Tracking the status and degree of conformity of NIMA, SLIMPACT-lite and other relevant legislation in state governments.



NRRA Implementation Legislation Tracker

Tracking the status and degree of conformity of NIMA, SLIMPACT-lite and other relevant legislation in state governments.

Maps courtesy of The National Association of Professional Surplus Lines Offices, Ltd. (NAPSLO)

MEMBER PROFILE



Denis Brady

Managing Director,
R-T Specialty, LLC

Denis Brady has 30 years of experience in the insurance industry, including over 28 years as a wholesale broker, manager, president and CEO. He began his insurance career right out of college as an account executive at AIG in New York City. In 1982 he moved to Chicago with Interstate Fire & Casualty working as an underwriter. He took advantage of an opportunity in 1986 to move to Southern California to work with Swett and Crawford in Orange County as a wholesale broker. His role soon evolved into the role of branch manager while continuing to serve as a broker. In 1996 Denis was pursued by American E&S to fill the role of regional manager and within a few years was promoted to take on the role of President/CEO in San Francisco in 1998, all the while continuing to successfully broker business. During the 13 years he led American E&S he grew the organization from two to sixteen offices becoming a top ten national wholesaler.

The most recent organizational change occurred in April of this year when American E&S was acquired by RT Specialty - a full-service wholesaler offering extensive market access and in-house binding authorities. Denis was presented with the opportunity to take on the position of Managing Director/President of San Francisco while continuing to broker business. The San Francisco arm of RT is focused on professional insurance specialty products for the excess and surplus market, providing an important link between independent insurance providers and specialty underwriters. Denis specializes in primary and excess liability with a focus on construction.

Denis has an exceptional reputation in the wholesale industry and strong relationships with both clients and markets. He is well respected among his peers and has been sought throughout his career for his knowledge both as a broker and as a manager. His strong work ethic and product knowledge proves beneficial not only to his customers, but also the organizations he's managed.

Premium Totals by Company Type

COMPANY TYPE	9/30/2011	9/30/2010	% GROWTH	% of TOTAL 9/30/2011
LASLI LISTED COMPANIES				
FOREIGN INSURERS	\$2,456,213,677	2,380,653,068	3.17%	78.55%
LLOYD'S SYNDICATES	507,768,413	537,800,599	-5.58%	16.24%
ALIEN INSURERS	134,590,522	179,534,003	-25.03%	4.30%
SUBTOTAL	\$3,098,572,612	\$3,097,987,670	0.02%	99.10%
ALL OTHER	28,270,534	29,918,620	-5.51%	0.90%
TOTAL	\$3,126,843,146	\$3,127,906,289	-0.03%	100.00%

Top 100 Surplus Line Brokers

Based on Premium Processed through September 30, 2011

Rank	BROKER	PREMIUM PROCESSED	% OF TOTAL
1	SWETT & CRAWFORD	\$321,582,314	10.28%
2	MARSH USA INC.	254,866,285	8.15%
3	AON RISK INSURANCE SERVICES WEST, INC.	198,347,846	6.34%
4	AMWINS INSURANCE BROKERAGE OF CALIFORNIA, LLC	187,069,336	5.98%
5	RISK SPECIALISTS COMPANIES INSURANCE AGENCY, INC.	131,911,247	4.22%
6	R-T SPECIALTY, LLC	97,300,145	3.11%
7	WORLDWIDE FACILITIES, INC.	90,809,139	2.90%
8	BLISS AND GLENNON INC.	87,426,053	2.80%
9	LOCKTON COMPANIES, LLC	83,044,813	2.66%
10	RISK PLACEMENT SERVICES, INC.	74,191,881	2.37%
11	CRUMP INSURANCE SERVICES, INC.	70,385,157	2.25%
12	BROWN & RIDING INSURANCE SERVICES, INC.	66,229,120	2.12%
13	CRC INSURANCE SERVICES, INC.	59,808,466	1.91%
14	TRACKSURE INSURANCE AGENCY, INC.	50,569,964	1.62%
15	PARTNERS SPECIALTY GROUP, LLC	50,198,966	1.61%
16	BURNS & WILCOX INSURANCE SERVICES, INC.	49,896,821	1.60%
17	WILLIS INSURANCE SERVICES OF CALIFORNIA, INC.	40,804,094	1.30%
18	ARTHUR J. GALLAGHER & CO. INSURANCE BROKERS OF CALIFORNIA, INC. (GLENDALE)	39,188,960	1.25%
19	CHARTIS INSURANCE AGENCY, INC.	38,015,174	1.22%
20	CROUSE & ASSOCIATES INSURANCE SERVICES OF NORTHERN CALIFORNIA, INC.	33,274,675	1.06%
21	BORISOFF INSURANCE SERVICES, INC. (DBA: MONARCH E & S INSURANCE SERVICES)	25,942,015	0.83%
22	WESTERN RE/MANAGERS INSURANCE SERVICES, INC.	23,748,652	0.76%
23	WELLS FARGO INSURANCE SERVICES USA, INC.	23,375,898	0.75%
24	INTEGRO USA INC.	23,173,240	0.74%
25	WOODRUFF-SAWYER & COMPANY	22,735,681	0.73%
26	HULL & COMPANY, INC.	22,702,998	0.73%
27	BASS UNDERWRITERS, INC.	22,174,159	0.71%
28	SOCIUS INSURANCE SERVICES, INC.	21,430,821	0.69%
29	ALL RISKS, LLC	20,398,175	0.65%
30	ALLIANT INSURANCE SERVICES, INC.	20,318,857	0.65%
31	AMERICAN E & S INSURANCE BROKERS OF CALIFORNIA, INC.	20,268,855	0.65%
32	IRONSHORE INSURANCE SERVICES, LLC	18,664,695	0.60%
33	HARRY W. GORST COMPANY, INC.	16,994,151	0.54%
34	PETERSEN INTERNATIONAL UNDERWRITERS	16,323,787	0.52%
35	COASTAL BROKERS INSURANCE SERVICES INC.	15,832,865	0.51%
36	LAE INSURANCE SERVICES, INC.	14,766,706	0.47%
37	W. BROWN & ASSOCIATES PROPERTY & CASUALTY INSURANCE SERVICES	14,521,118	0.46%
38	ALL RISKS, LTD.	12,460,438	0.40%
39	AMWINS BROKERAGE OF GEORGIA, LLC	11,725,097	0.37%
40	M.J. HALL & CO., INC.	11,360,824	0.36%
41	BARNEY & BARNEY, LLC	10,672,389	0.34%
42	HYLANT GROUP, INC.	10,502,606	0.34%
43	WILLIS OF NEW YORK INC.	10,173,589	0.33%
44	NEITCLEM WHOLESALE INSURANCE BROKERAGE, INC.	10,097,465	0.32%
45	PREFERRED CONCEPTS, LLC	9,530,890	0.30%
46	COOPER & MCCLOSKEY, INC. INSURANCE BROKERS	9,117,991	0.29%
47	FRANK CRYSTAL & CO INC.	8,891,755	0.28%
48	DILLON, THOMAS FREDERICK	8,814,272	0.28%
49	WESTERN SECURITY SURPLUS INSURANCE BROKERS, INC.	8,528,127	0.27%
50	BEECHER CARLSON INSURANCE SERVICES, LLC	8,527,404	0.27%

THE SURPLUS LINE ASSOCIATION OF CALIFORNIA

Safeguarding Consumers

Rank	BROKER	PREMIUM PROCESSED	% OF TOTAL
51	NAS INSURANCE SERVICES, INC.	8,278,429	0.26%
52	JOHN L. WORTHAM & SON, L.P.	8,250,753	0.26%
53	SEMINARIO, MICHAEL CARLOS	7,741,718	0.25%
54	EDGEWOOD PARTNERS INSURANCE CENTER	7,715,766	0.25%
55	ARTHUR J. GALLAGHER RISK MANAGEMENT SERVICES, INC.	7,681,565	0.25%
56	E.L.M. INSURANCE BROKERS, INC.	7,552,095	0.24%
57	YATES & ASSOCIATES INSURANCE SERVICES, INC.	7,305,569	0.23%
58	WHOLESALE TRADING CO-OP INSURANCE SERVICES LLC	7,265,646	0.23%
59	ALBERICO, DONALD ANTHONY	7,076,675	0.23%
60	HCC SPECIALTY UNDERWRITERS, INC.	7,037,597	0.23%
61	EXCEPTIONAL RISK ADVISORS, LLC	6,886,452	0.22%
62	PACIFIC WHOLESALE INSURANCE BROKERS, LLC	6,200,575	0.20%
63	IMA OF COLORADO, INC.	6,121,590	0.20%
64	HEFFERNAN INSURANCE BROKERS	5,957,791	0.19%
65	ARC WEST COAST EXCESS & SURPLUS BROKERAGE, LLC	5,845,882	0.19%
66	MESSINA, JOSEPH	5,713,661	0.18%
67	AFFINITY BROKERAGE, INC.	5,583,269	0.18%
68	W. B. AHERN ENTERPRISES, INC.	5,564,953	0.18%
69	TRINITY E & S INSURANCE SERVICES, INC.	5,439,526	0.17%
70	AMWINS BROKERAGE OF TEXAS, INC.	5,300,971	0.17%
71	R.E. CHAIX & ASSOCIATES INSURANCE BROKERS, INC.	5,298,951	0.17%
72	WHOLESALE CONNECTION INSURANCE SERVICES, LLC	5,034,335	0.16%
73	HUB INTERNATIONAL INSURANCE SERVICES INC.	4,982,104	0.16%
74	JANSEN & HASTINGS INSURANCE SERVICES	4,738,524	0.15%
75	PROCTOR FINANCIAL, INC.	4,412,091	0.14%
76	ANDERSON & MURISON INC.	4,408,758	0.14%
77	PROWEST INSURANCE SERVICES, INC.	4,293,757	0.14%
78	JAMES KLEIN INSURANCE SERVICE INC.	4,252,198	0.14%
79	ARROWHEAD WHOLESALE INSURANCE SERVICES, INC.	4,249,289	0.14%
80	USG INSURANCE SERVICES OF CALIFORNIA, INC.	4,245,369	0.14%
81	JAMES C. JENKINS INSURANCE SERVICE INC.	4,105,273	0.13%
82	BALBOA INSURANCE SERVICES, INC.	4,097,889	0.13%
83	AON/ALBERT G. RUBEN INSURANCE SERVICES, INC.	4,089,017	0.13%
84	MCGRIF, SEIBELS & WILLIAMS, INC.	4,002,285	0.13%
85	SIERRA SPECIALTY INSURANCE SERVICES, INC.	3,997,516	0.13%
86	RIGG INSURANCE MANAGERS, INC.	3,988,030	0.13%
87	HERBERT L. JAMISON & CO., LLC	3,975,054	0.13%
88	ALLIANT INSURANCE SERVICES HOUSTON, LLC	3,963,204	0.13%
89	AMWINS BROKERAGE OF NEW JERSEY, INC.	3,938,660	0.13%
90	SULLIVAN BROKERS WHOLESALE INSURANCE SOLUTIONS, INC.	3,926,655	0.13%
91	INTERNATIONAL FACILITIES INSURANCE SERVICES, INC.	3,912,831	0.13%
92	SANDAU, ROGER ALLEN	3,909,192	0.13%
93	ETHOS INSURANCE PARTNERS, INC.	3,886,025	0.12%
94	G.J. SULLIVAN CO. EXCESS & SURPLUS LINES BROKERS	3,836,247	0.12%
95	DEALEY, RENTON & ASSOCIATES INSURANCE BROKERS	3,835,173	0.12%
96	J.L. VON ARX & ASSOCIATES	3,814,944	0.12%
97	GALEOTTI, GARY WAYNE	3,662,754	0.12%
98	ROBERTSON TAYLOR (CALIFORNIA), INC.	3,658,833	0.12%
99	GEORGE ROTHERT & ASSOCIATES, INC.	3,658,557	0.12%
100	HALL, JAMES ALLAN	3,627,109	0.12%
	SUBTOTAL	\$2,757,017,085	88.17%
	ALL OTHER BROKERS	369,826,061	11.83%
	TOTAL	\$3,126,843,146	100.00%

Top 100 Nonadmitted Carriers

Based on Premium Processed through September 30, 2011

RANK	COMPANY	PREMIUM PROCESSED	% OF TOTAL
1	LEXINGTON INSURANCE COMPANY	\$342,280,071	10.95%
2	SCOTTSDALE INSURANCE COMPANY	136,122,602	4.35%
3	LLOYD'S OF LONDON SYNDICATE #2623	94,823,527	3.03%
4	CHARTIS SPECIALTY INSURANCE COMPANY	84,973,666	2.72%
5	QBE SPECIALTY INSURANCE COMPANY	71,619,795	2.29%
6	STEADFAST INSURANCE COMPANY	70,657,749	2.26%
7	COLUMBIA CASUALTY COMPANY	64,295,675	2.06%
8	LANDMARK AMERICAN INSURANCE COMPANY	62,665,973	2.00%
9	EMPIRE INDEMNITY INSURANCE COMPANY	61,564,436	1.97%
10	IRONSHORE SPECIALTY INSURANCE COMPANY	57,781,837	1.85%
11	AXIS SURPLUS INSURANCE COMPANY	57,035,239	1.82%
12	WESTCHESTER SURPLUS LINES INSURANCE COMPANY	56,140,085	1.80%
13	ENDURANCE AMERICAN SPECIALTY INSURANCE COMPANY	55,936,906	1.79%
14	MT. HAWLEY INSURANCE COMPANY	54,247,921	1.73%
15	COLONY INSURANCE COMPANY	53,241,805	1.70%
16	HOUSTON CASUALTY COMPANY	52,522,302	1.68%
17	ARCH SPECIALTY INSURANCE COMPANY	51,138,070	1.64%
18	VOYAGER INDEMNITY INSURANCE COMPANY	51,079,221	1.63%
19	ILLINOIS UNION INSURANCE COMPANY	50,481,910	1.61%
20	ADMIRAL INSURANCE COMPANY	47,368,339	1.51%
21	LIBERTY SURPLUS INSURANCE CORPORATION	44,892,535	1.44%
22	NAVIGATORS SPECIALTY INSURANCE COMPANY	43,583,906	1.39%
23	ESSEX INSURANCE COMPANY	37,203,806	1.19%
24	EVANSTON INSURANCE COMPANY	36,573,161	1.17%
25	ALTERRA EXCESS & SURPLUS INSURANCE COMPANY	35,924,944	1.15%
26	PRINCETON EXCESS AND SURPLUS LINES INSURANCE COMPANY	34,366,068	1.10%
27	INDIAN HARBOR INSURANCE COMPANY	33,297,421	1.06%
28	CHUBB CUSTOM INSURANCE COMPANY	32,333,167	1.03%
29	FIRST MERCURY INSURANCE COMPANY	30,854,442	0.99%
30	LLOYD'S OF LONDON SYNDICATE #2003	30,329,771	0.97%
31	CATLIN SPECIALTY INSURANCE COMPANY	30,303,390	0.97%
32	LLOYD'S OF LONDON SYNDICATE #2987	29,900,248	0.96%
33	INTERSTATE FIRE & CASUALTY COMPANY	29,739,323	0.95%
34	GEMINI INSURANCE COMPANY	29,718,298	0.95%
35	NAUTILUS INSURANCE COMPANY	29,401,115	0.94%
36	ASPEN SPECIALTY INSURANCE COMPANY	29,014,109	0.93%
37	GREAT LAKES REINSURANCE (UK) PLC	28,663,464	0.92%
38	JAMES RIVER INSURANCE COMPANY	27,502,396	0.88%
39	CENTURY SURETY COMPANY	26,614,345	0.85%
40	SWISS RE INTERNATIONAL SE	26,468,427	0.85%
41	ALLIED WORLD NATIONAL ASSURANCE COMPANY	26,161,036	0.84%
42	AMERICAN SAFETY INDEMNITY COMPANY	25,418,516	0.81%
43	GREAT AMERICAN E&S INSURANCE COMPANY	24,240,414	0.78%
44	LLOYD'S OF LONDON SYNDICATE #0623	23,958,941	0.77%
45	LLOYD'S OF LONDON SYNDICATE #0033	23,912,788	0.76%
46	EVEREST INDEMNITY INSURANCE COMPANY	22,847,585	0.73%
47	NORTH AMERICAN CAPACITY INSURANCE COMPANY	20,580,529	0.66%
48	NATIONAL FIRE & MARINE INSURANCE COMPANY	19,991,069	0.64%
49	LLOYD'S OF LONDON SYNDICATE #0510	19,641,960	0.63%
50	DARWIN SELECT INSURANCE COMPANY	19,431,023	0.62%

THE SURPLUS LINE ASSOCIATION OF CALIFORNIA

Safeguarding Consumers

RANK	COMPANY	PREMIUM PROCESSED	% OF TOTAL
51	UNITED SPECIALTY INSURANCE COMPANY	19,257,356	0.62%
52	BURLINGTON INSURANCE COMPANY	16,985,352	0.54%
53	COMMONWEALTH INSURANCE COMPANY	16,820,985	0.54%
54	ASSOCIATED ELECTRIC & GAS INSURANCE SERVICES LIMITED	16,522,476	0.53%
55	LLOYD'S OF LONDON SYNDICATE #2488	16,030,287	0.51%
56	LLOYD'S OF LONDON SYNDICATE #1209	14,423,868	0.46%
57	GENERAL SECURITY INDEMNITY COMPANY OF ARIZONA	13,445,202	0.43%
58	LLOYD'S OF LONDON SYNDICATE #2001	13,232,617	0.42%
59	LLOYD'S OF LONDON SYNDICATE #3624	13,205,183	0.42%
60	HUDSON SPECIALTY INSURANCE COMPANY	12,843,222	0.41%
61	HOMELAND INSURANCE COMPANY OF NEW YORK	12,839,752	0.41%
62	LLOYD'S OF LONDON SYNDICATE #4242	12,636,572	0.40%
63	UNITED NATIONAL INSURANCE COMPANY	12,460,228	0.40%
64	ROCKHILL INSURANCE COMPANY	11,829,483	0.38%
65	LLOYD'S OF LONDON SYNDICATE #0958	11,778,695	0.38%
66	LLOYD'S OF LONDON SYNDICATE #4472	11,120,797	0.36%
67	GENERAL STAR INDEMNITY COMPANY	10,920,803	0.35%
68	LLOYD'S OF LONDON SYNDICATE #4444	10,870,331	0.35%
69	MAIDEN SPECIALTY INSURANCE COMPANY	10,758,091	0.34%
70	LLOYD'S OF LONDON SYNDICATE #4020	10,324,854	0.33%
71	MAXUM INDEMNITY COMPANY	10,248,496	0.33%
72	LLOYD'S OF LONDON SYNDICATE #1200	10,060,574	0.32%
73	ASPEN INSURANCE UK LIMITED	9,174,153	0.29%
74	LLOYD'S OF LONDON SYNDICATE #1414	8,859,626	0.28%
75	LLOYD'S OF LONDON SYNDICATE #1206	8,642,865	0.28%
76	FIRST SPECIALTY INSURANCE CORPORATION	8,616,405	0.28%
77	TORUS SPECIALTY INSURANCE COMPANY	8,463,537	0.27%
78	LLOYD'S OF LONDON SYNDICATE #5000	8,328,967	0.27%
79	WESTERN HERITAGE INSURANCE COMPANY	8,153,219	0.26%
80	MOUNT VERNON FIRE INSURANCE COMPANY	8,032,918	0.26%
81	LLOYD'S OF LONDON SYNDICATE #0570	7,840,280	0.25%
82	LLOYD'S OF LONDON SYNDICATE #1084	7,793,504	0.25%
83	LLOYD'S OF LONDON SYNDICATE #0807	7,542,417	0.24%
84	LLOYD'S OF LONDON SYNDICATE #1183	7,382,869	0.24%
85	USF INSURANCE COMPANY	7,005,828	0.22%
86	NORTHFIELD INSURANCE COMPANY	6,873,727	0.22%
87	FIREMAN'S FUND INSURANCE COMPANY OF OHIO	6,703,750	0.21%
88	COLONY NATIONAL INSURANCE COMPANY	6,683,865	0.21%
89	LLOYD'S OF LONDON SYNDICATE #4000	6,575,771	0.21%
90	LLOYD'S OF LONDON SYNDICATE #2010	6,562,380	0.21%
91	LLOYD'S OF LONDON SYNDICATE #2000	6,295,350	0.20%
92	LLOYD'S OF LONDON SYNDICATE #1225	5,919,446	0.19%
93	LLOYD'S OF LONDON SYNDICATE #2791	5,823,557	0.19%
94	STARR SURPLUS LINES INSURANCE COMPANY	5,799,217	0.19%
95	QBE INSURANCE (EUROPE) LIMITED	5,726,955	0.18%
96	PENN-STAR INSURANCE COMPANY	5,493,837	0.18%
97	AXIS SPECIALTY EUROPE LIMITED	5,493,243	0.18%
98	AMERICAN WESTERN HOME INSURANCE COMPANY	5,448,237	0.17%
99	AIX SPECIALTY INSURANCE COMPANY	5,191,270	0.17%
100	AMERICAN EMPIRE SURPLUS LINES INSURANCE COMPANY	5,101,299	0.16%
	SUBTOTAL	\$2,932,989,043	93.80%
	All Other Companies	193,954,103	6.20%
	TOTAL	\$3,126,943,146	100.00%

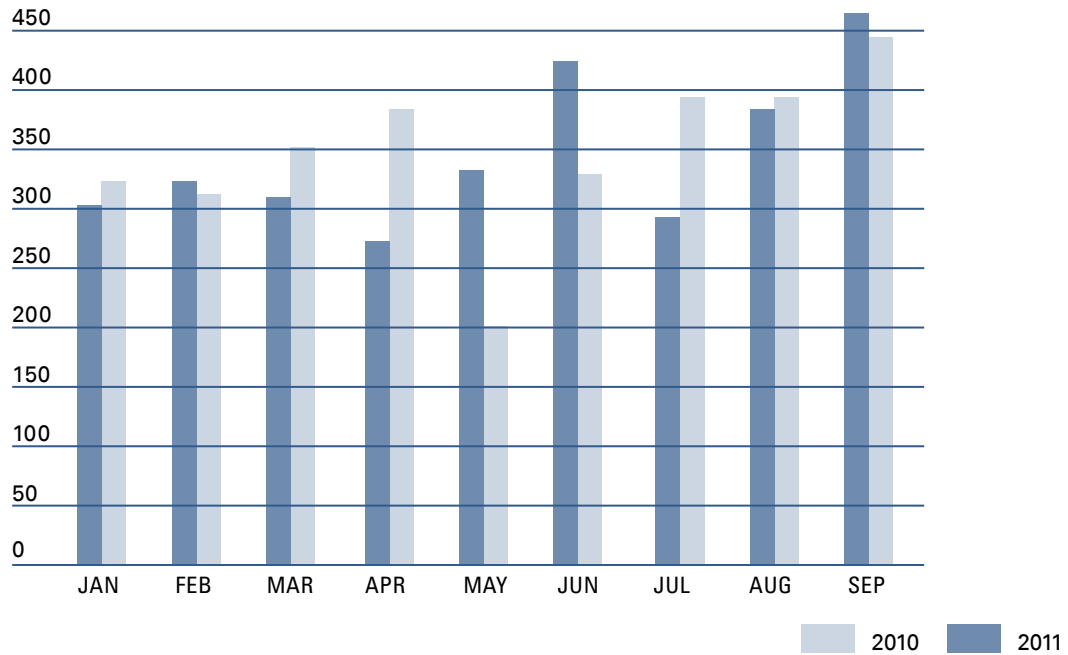
Top 50 Coverages

Based on Premium Processed through September 30, 2011

RANK	EXPORT	COVERAGE	PREMIUM PROCESSED	% OF TOTAL
1		GENERAL LIABILITY	\$591,796,195	18.93%
2	E	COMMERCIAL DIC/STAND ALONE EARTHQUAKE	503,176,218	16.09%
3		ERRORS AND OMISSIONS	442,642,283	14.16%
4		ALL RISK COMMERCIAL PROPERTY	226,940,890	7.26%
5		SPECIAL MULTI-PERIL PACKAGE	183,583,373	5.87%
6	E	INDIVIDUAL INSUREDS WITH LARGE SCHEDULES WHERE THE TIV (TOTAL INSURED VALUES) ARE IN EXCESS OF \$500 MILLION	155,670,539	4.98%
7		EXCESS LIABILITY	142,421,598	4.55%
8	E	EXCESS LIABILITY WHERE PART OF UNDERLYING IS NONADMITTED	102,631,460	3.28%
9	E	ENVIRONMENTAL IMPAIRMENT REMEDIATION & POLLUTION LIABILITY	101,579,478	3.25%
10		PROFESSIONAL LIABILITY	96,748,327	3.09%
11		MISCELLANEOUS	79,775,191	2.55%
12		DIRECTORS AND OFFICERS	79,603,157	2.55%
13	E	EMPLOYMENT PRACTICES LIABILITY	64,977,988	2.08%
14	E	PRODUCTS/COMPLETED OPERATIONS (WRITTEN ON A STAND ALONE BASIS)	42,913,253	1.37%
15		INLAND MARINE	24,765,116	0.79%
16	E	HIGH LIMITS DISABILITY	19,437,844	0.62%
17		HOMEOWNERS MULTI-PERIL	16,811,618	0.54%
18		HOMEOWNERS	16,471,771	0.53%
19	E	VACANT BUILDINGS	16,048,479	0.51%
20		HOSPITALS	14,669,515	0.47%
21		AUTO PHYSICAL DAMAGE-COMMERCIAL	14,478,578	0.46%
22		GARAGE LIABILITY	13,027,304	0.42%
23	E	EVENT CANCELLATION	12,314,070	0.39%
24		AVIATION	11,477,779	0.37%
25		COMMERCIAL PROPERTY-BASIC	11,461,033	0.37%
26	E	PRODUCTS RECALL	10,697,003	0.34%
27		AUTO LIABILITY-COMMERCIAL	10,329,996	0.33%
28		SINGLE FAMILY DWELLING/DUPLEX	9,480,919	0.30%
29	E	SECURITY GUARD SERVICES	8,841,370	0.28%
30	E	CONTRACTORS ENGAGED IN CONSTRUCTION OF NEW TRACT HOMES AND/OR NEW CONDOMINIUMS	7,743,143	0.25%
31		TERRORISM	7,499,620	0.24%
32		ACCIDENT	5,521,309	0.18%
33		AUTO COMBINED LIAB & PHYS DAMAGE-COMM.	4,132,773	0.13%
34	E	PERSONAL ARTICLES FLOATERS WRITTEN ON A STAND ALONE BASIS WHERE THE VALUE OF THE SCHEDULE IS IN EXCESS OF \$1,000,000 OR CONTAINS A SINGLE ITEM(S) OVER \$100,000	3,908,417	0.12%
35		EXCESS WORKERS COMPENSATION	3,837,870	0.12%
36		FIDELITY	3,664,168	0.12%
37		GROUP HEALTH	3,645,109	0.12%
38		PRODUCT TAMPERING	3,421,607	0.11%
39		RESIDENTIAL EARTHQUAKE	3,229,092	0.10%
40		DISABILITY INCOME	3,001,932	0.10%
41	E	CLINICAL & SIMILAR TESTS OF PHARMACEUTICAL, MEDICAL, BIOLOGICAL AND OTHER SIMILAR PRODUCTS	2,735,252	0.09%
42		CRIME	2,652,651	0.08%
43	E	SHORT TERM SPECIAL EVENTS (EXCLUDING HOLE-IN-ONE COVERAGE	2,546,816	0.08%
44		SPECIAL MULTI-PERIL WITH TERRORISM	2,511,462	0.08%
45	E	AVIATION EXCESS LIABILITY	2,118,893	0.07%
46	E	AMUSEMENT PARKS/CARNIVALS/DEVICES	2,046,892	0.07%
47	E	EXCESS FLOOD	1,847,714	0.06%
48	E	CRANE & RIGGING CONTRACTORS	1,812,542	0.06%
49	E	AMUSEMENT PARKS/CARNIVALS AND AMUSEMENT DEVICES	1,702,699	0.05%
50		BONDS	1,669,153	0.05%
		SUBTOTAL	\$3,096,021,459	99.01%
		All Other Coverages	30,821,687	0.99%
		TOTAL	\$3,126,843,146	100.00%

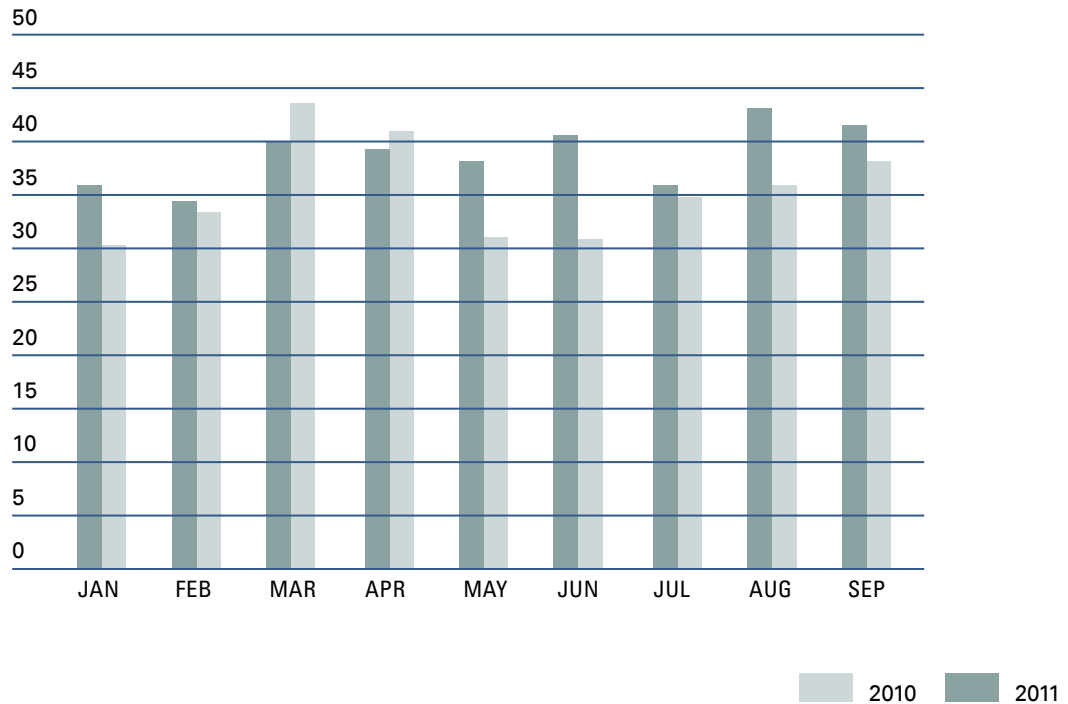
Comparison of Premium Processed through 3rd Quarter 2011 versus 2010

All values represented in Millions



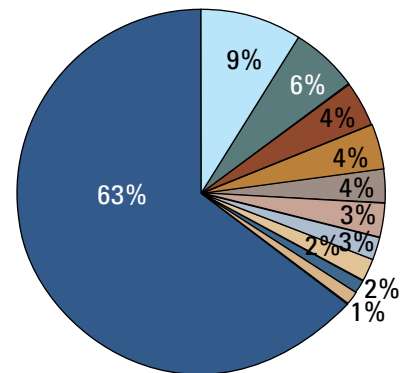
Comparison of Items Processed through 3rd Quarter 2011 versus 2010

All values represented in Thousands



Issued Tags through 3rd Quarter 2011

Tags Description	Percentage	Count
Late Filing with Explanation	62%	62,381
Late Filing	6%	5,792
Incomplete SL2 Form	4%	4,511
Section 7(B) of SL2 Incomplete	4%	3,938
Incomplete SL1 Form	4%	3,539
Incomplete Admitted Company Names	3%	2,836
Renewal has No Record of Prior Policy	3%	2,814
No Record of Policy Endorsement	2%	2,420
Unlisted Admitted Company	2%	1,555
Lloyd's Syndicate Numbers	1%	1,505
All Other Tags	9%	9,279
Total		100,570



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

INFORMATION TECHNOLOGY

On August 29, 2011, the SLA released the SLIP Broker Portal for online filing of batches, tag processing, and for viewing account information. In the first two months of releasing SLIP, nearly 1,000 batches have been submitted through SLIP, over 600 members have used the system, and 6,500 tags have been processed. In addition, SLIP allows those members with Agency Management Systems (AMS), to submit batches “system to system” via a universal XML format. This automated batch processing is designed to work with some of the leading AMS software packages, as well as accommodate custom systems that can utilize the XML format for passing information between systems. The SLA IT department is available to assist with this highly efficient and automated process. Please contact us at 415-434-4900 x164 or email support@slacal.org for help in further automating your filings.

SLIP training and tutorials are also available on the SLA website. There is a series of video tutorials,

a user manual, and recorded webinar available at http://www.slacal.org/slip/sl_tutorials.html. These are available on a 24x7 basis, to supplement the live training classes and live webinars that were conducted in September. Additional webinars will be available in the upcoming months, as well.

Over the last two months, the SLA has been compiling all of the feedback and suggestions that has been received regarding SLIP. The SLA has released nearly 50 enhancements to the software since August, as well as taken steps to improve the performance of the application. In the near future, we will release a list of the changes that have occurred to SLIP, as well as the planned changes for future improvements. The training materials will also be revised to better explain some of the more complicated processing. The SLA greatly appreciates the enthusiasm and collaboration from the members using this new system.

Scheduled Events for The Surplus Line Association of California

Save these Dates!

The SLA Annual Meeting

Dates

Tuesday, January 24, 2012

Bently Reserve

301 Battery Street

San Francisco, CA 94103

Thursday, January 26, 2012

The Jonathan Club

545 South Figueroa Street

Los Angeles, CA 90071

Jacket & Tie required for men. Business attire for women

2012 Western States Surplus Lines Conference

Dates

Wednesday, July 25th - Saturday, July 28th 2012

The St. Regis Monarch Beach

One Monarch Beach Resort

Dana Point, CA 92629



2011 SLA Executive Committee

Patrick Hanley - Chairman

Socius Insurance Services, Inc.

Davis Moore - Vice Chairman

Worldwide Facilities, Inc

Pam Quilici - Secretary Treasurer

Crouse & Associates

Les Ross

Wholesale Trading Co-Op Insurance Services, LLC

Dean Andrighetto

Westchester Specialty Insurance Services

Denis Brady

R-T Specialty, LLC

Chris Brown

Brown & Riding Insurance Services, Inc.

John Edack

Arch Specialty Insurance Agency, Inc.

Rupert Hall

M.J. Hall & Company, Inc.

Ian Fitt

Western Re/Managers Insurance Services, Inc.

Phil Mazur

Swett & Crawford

Anne McNally

Wells Fargo Insurance Services

Gerald J Sullivan

Gerald J. Sullivan & Associates

Editors

Ted Pierce

Executive Director, SLA

Joy Erven

Director, Stamping Office, 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

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 Surplus Line Association