

SLA CONNECTION

Surplus Lines News from the Golden State

The Surplus Line Association of California

Summer 2016

Inside

"Go Green" Initiative 2

Reduces Waste

SLA saves paper, time and effort.

New Resource Available 3
To Recruit Millennials

SLA adds page to its website to help members find schools' career placement sites.

Top Brokers & Carriers 4-5

The listing of California's top 50 brokers and surplus lines carriers through 2nd quarter

Legislative/Regulatory 6
Report

Executive Director **Benjamin McKay** discusses how the SLA influenced flood legislation pending in Congress.

Technology Report 7

VP **Mike Caturegli** details the SLA's new computer system.

Upcoming Events 8

Calendar of key industry events through December



Riding The Storm Out

Sullivan discusses how brokers can get through the current cycle

By **Cliston Brown** Editor-In Chief, SLA Connection

Over the course of the summer, a flurry of articles in insurance and business publications have indicated that insurance industry profits took a hit in the second quarter of 2016.

While there have been a few reports of insurers that have bucked the trend, far more headlines have indicated falling profits and rising combined ratios. Dozens of leading insurers and reinsurers have reported profit drops from April 1 through June 30 this year.

Many of these news reports point to two drivers for the second-quarter market volatility: low interest rates, resulting in a drop in investment income, and catastrophe losses.

For example, *Bloomberg* reported on July 14 that a quarterly report issued by the Insurance Services Office (ISO), a unit of Verisk Analytics, Inc., and the Property Casualty Insurers Association of America (PCI) showed a drop in insurers' investment income from \$11.7 billion in the second quarter of 2015 to \$10.9 billion in the corresponding quarter of 2016. The study also showed that the annualized yield on the industry's portfolio dropped to 2.9 percent, down from 3.1 percent during the same period in 2015. This figure, as noted in the *Bloomberg* article, is well short of the 3.8 percent average over the last 10 years and peaks as high as 8 percent in the mid-1980s.

What does this all mean for the surplus line industry? Indicators show that there are challenges in this sector as well.



Jerry Sullivan

A *Business Insurance* article published August 5 indicated that pricing on commercial property/casualty insurance dipped by 3.9 percent during the second quarter, a slight rise from 3.7 percent in the preceding quarter. Commercial property coverage took an even bigger hit, with a 6 percent drop. For this article, *Business Insurance* cited a report issued by the Council of Insurance Agents & Brokers (CIAB).

An *Intelligent Insurer* article published the same day indicated that insurers and reinsurers were likely to invest heavily in mergers and acquisitions to escape the adverse conditions currently prevailing in the market. Three days later, on August 8, the same publication followed with an article on notable shrinkages in Berkshire Hathaway's reinsurance units. These contractions were chalked up to a snub of underpriced business.

The Sullivan Group's **Jerry Sullivan**, a long-time member of the SLA Board of Directors, says the current market conditions definitely indicate something is afoot, and he has some ideas about what is driving them and what they might mean for brokers. But first and foremost, he sees what is happening as a function of the insurance cycle.

"I've got an itch, and the itch says maybe the excesses of the last 18 to 36 months are starting to show up in the financials of the risk takers," Sullivan said. "This is nothing new. This happens every cycle. You'll find a number of observers who say we don't have cycles anymore, but I

Story continues on Page 2

Riding The Storm Out

think they're dead wrong. The cycles are different than they were 10 years ago."

Sullivan says the industry is clearly in a "soft and evolving market" and that it has been for some time. He is not sure how long it will take the changes being seen in the market right now to develop.

"The trick is, how soft is it and how long is it going to last? It's not the worst soft market I've ever seen, but the competition is bloody right now. People are writing risks at prices that will catch up to them.

It always has. Things are in an early state of change. How quickly those changes will occur and how far they'll go, darned if I know."

Sullivan concurs with some of the assessments that the current downturn in profits has to do with natural catastrophes.

"One of the things that's absolutely true in

our business is that you have to have faith in Mother Nature. She's going to speak her piece, and she's been speaking more loudly lately. We just don't know when or where she's going to speak."

"Find new products... That's where the opportunity is to keep business flowing and to remain alive and well in the brokerage business."

Between the natural catastrophes and the infusion of capital into the market—which Sullivan sagely noted in an SLA Connection article several years ago—the industry faces a challenging moment. But Sullivan noted that the surplus lines industry has greater flexibility and ability to adapt than the standard market, and

Continued from Page 1

that with some creativity and diligence, brokers can see their way through to the bottom of the market and beyond.

"What it does mean is that you've got to hustle," Sullivan said. "My personal idea is that you can't just do the same old things you've been doing. Fortunately, there are a lot of new products coming on line. Our industry has been slow to embrace new products, but that's started to change over the last 12 to 18 months. We're dealing with new risks and exposures we haven't always insured," Sullivan said.

In short, Sullivan's advice to surplus line brokers boils down to three simple words.

"Find new products," Sullivan said. "When in London a few weeks ago, my whole approach was to get them to focus on what their strengths are. I pointed out that there are all kinds of new products coming on line: active shooter, tax audit cover, medical catastrophe, drones. These are all new things. That's where the opportunity is to keep business flowing and to remain alive and well in the brokerage business."

"Go Green" Program Cuts Paper, Time, Effort

By Michael Caturegli

SLA Vice President, Technology

The Surplus Line Association of California, along with many of its members, has been incrementally completing initiatives over the last few years to eliminate paper consumption and reduce its carbon footprint.

The California SLA takes its responsibilities seriously—not only strictly adhering to fiscal and regulatory obligations, but also environmental contributions that improve California, as well as the insurance industry. As a byproduct, these initiatives also gain efficiencies for our members and the SLA. They reduce time, effort, and money spent filing policies and staying compliant.

Here are some of milestones of the SLA's "Go Green" program:

- In the last three years, the SLA has increased adoption of its filing portal for members from 10% to over 85% of items being submitted electronically through the SLIP portal. This accounts for

over 500,000 items received by the SLA in electronic format. The amount of paper required to file with us can be zero, should a member choose to do so. Earlier this year, the third generation of filing portal was released to our membership, and usage has increased even more.

- The SLA also has an online payment system, which accounts for nearly 50% of stamping fee payments received. This has drastically improved accuracy in account receivables functions, broker account balances, and has reduced the number of paper checks received and deposited.

- With the new filing portal released earlier this year came the option for our members to opt out of receiving paper statements. After only two months of being online, already 25% of our users have chosen not to receive paper statements, but rather to receive them via email only or downloaded from the portal itself.

- Internally, the SLA has gone to 100% cloud-based systems. This reduces our carbon footprint by allowing us to leverage computing technology that is already present in a cloud environment. It also drastically reduces the amount of paper the SLA needs to fulfill its membership and compliance obligations.

As part of the California SLA's culture, SLA will continue to promote reductions in energy and natural resource consumption, while making it easier for our members to comply with industry regulations. If you are interested in participating in our online broker portal, opting out of paper statements, or paying your stamping fees online, please email the SLA at support@slacal.org and our friendly, courteous staff will explain how it works. We encourage all of our members to "Go Green" and use our online filing portal for many of their SLA needs.

SLA Website Can Help Brokerages Identify Recent College Graduates To Hire

By **Cliston Brown**

Editor-in-Chief

The SLA's Education and Compliance Department is offering a new resource to brokers and brokerages hoping to hire millennials, which is a major focus of the SLA and its Board of Directors.

There is now a new page on the SLA website at www.slacal.org that includes links to career placement sites of in-state universities with risk management and insurance programs, and nationally, to The Institutes and the Gamma Iota Sigma insurance fraternity.

"Our ongoing discussions with other trade organizations, and with our California brokers and underwriters, demonstrate that surplus line brokerage workforces tend to be older," said **Pat McAuley**, the SLA's senior vice president, Education and Compliance. "Many of the employees in our field are nearing retirement age in the next few years. These surplus line professionals are very mindful of the need to bring in the young brokers and underwriters needed to sustain

this industry in the coming years. We at the SLA are doing our part to help our members find these future industry leaders. It is crucial to the future of the surplus lines business that brokers and brokerages begin identifying and hiring promising young employees who can step up and take the reins as older employees begin to retire."

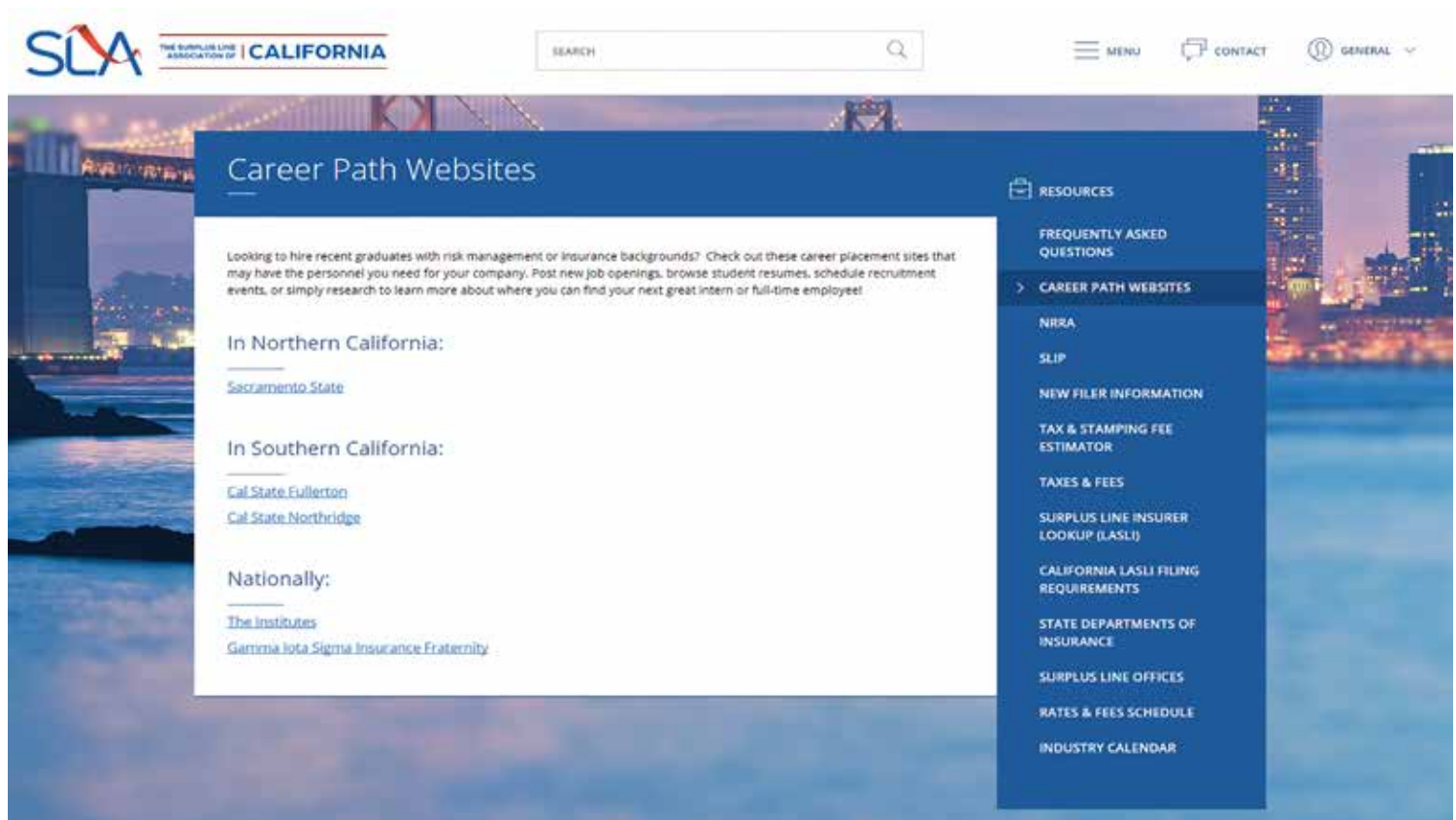
Numerous studies and reports in recent years have noted the graying of the insurance industry as a whole, including surplus lines. For example, a leading insurance publication, **PropertyCasualty360.com**, reported on April 20, 2014, that the average age among U.S. insurance agents is 59 years old, and as much as a quarter of all producers are expected to retire by 2022. Yet potential replacements among the younger generations have remained elusive, and that is why the Board of Directors has enlisted the SLA's help in identifying promising young recruits to help sustain the industry in coming years.

"It is absolutely vital that everyone with an interest in the industry's future helps identify the young talent that will fill these roles,"

McAuley said. "That is why we actively reach out to college and university students, partner with organizations such as Emerging Insurance Professionals and other groups of young people in the industry, and seek to find every way possible to get leads on future brokers and underwriters."

To utilize the SLA's "Career Path Websites" page, click on the "Menu" button on the upper right-hand side of the website and go down to "Career Path Websites." And remember that the SLA's Education and Compliance Department is a resource as well. Please feel free to contact McAuley at (415) 434-4900 or pmcauley@slacal.org with any questions, requests or suggestions you might have regarding millennial outreach.

"We encourage our members to reach out to us if they need help or have ideas about how we can help recruit young, talented college graduates into the surplus lines industry. This sector of the insurance business is very dynamic and has much to offer, and we are working hard to ensure that these up-and-coming professionals know it."



Top 50 Brokers by Premium, through July 31, 2016

| RANK | BROKER | PREMIUM PROCESSED | % OF TOTAL |
|------|--|-------------------------|----------------|
| 1 | CRC INSURANCE SERVICES, INC. | \$ 321,595,847 | 11.32% |
| 2 | MARSH USA INC. | \$ 216,013,897 | 7.60% |
| 3 | R-T SPECIALTY, LLC | \$ 212,657,752 | 7.49% |
| 4 | SWETT & CRAWFORD | \$ 175,011,410 | 6.16% |
| 5 | AON RISK INSURANCE SERVICES WEST, INC. | \$ 157,887,298 | 5.56% |
| 6 | AMWINS INSURANCE BROKERAGE OF CALIFORNIA, LLC | \$ 134,785,930 | 4.74% |
| 7 | RISK SPECIALISTS COMPANIES INSURANCE AGENCY, INC. | \$ 128,981,415 | 4.54% |
| 8 | WORLDWIDE FACILITIES, LLC | \$ 72,572,635 | 2.55% |
| 9 | BROWN & RIDING INSURANCE SERVICES, INC. | \$ 55,036,979 | 1.94% |
| 10 | LOCKTON COMPANIES, LLC | \$ 50,723,009 | 1.79% |
| 11 | RISK PLACEMENT SERVICES, INC. | \$ 48,867,595 | 1.72% |
| 12 | SCOTTISH AMERICAN INSURANCE GENERAL AGENCY, INC. | \$ 39,127,806 | 1.38% |
| 13 | AMWINS ACCESS INSURANCE SERVICES, LLC | \$ 35,837,263 | 1.26% |
| 14 | ALL RISKS, LTD. | \$ 35,603,452 | 1.25% |
| 15 | WILLIS OF OHIO, INC. | \$ 32,363,623 | 1.14% |
| 16 | WOODRUFF-SAWYER & COMPANY | \$ 29,919,267 | 1.05% |
| 17 | HARRY W. GORST COMPANY, INC. | \$ 29,622,581 | 1.04% |
| 18 | ALLIANT INSURANCE SERVICES, INC. | \$ 27,862,700 | 0.98% |
| 19 | PARTNERS SPECIALTY GROUP, LLC | \$ 25,407,332 | 0.89% |
| 20 | AMWINS BROKERAGE OF GEORGIA, LLC | \$ 24,816,285 | 0.87% |
| 21 | INTEGRO USA INC. | \$ 22,972,145 | 0.81% |
| 22 | COVE PROGRAMS INSURANCE SERVICES LLC | \$ 22,884,648 | 0.81% |
| 23 | WHOLESALE TRADING CO-OP INSURANCE SERVICES LLC | \$ 21,559,155 | 0.76% |
| 24 | SOCIUS INSURANCE SERVICES, INC. | \$ 21,015,701 | 0.74% |
| 25 | MONARCH E & S INSURANCE SERVICES | \$ 18,651,626 | 0.66% |
| 26 | MARSH & MCLENNAN AGENCY LLC | \$ 18,082,730 | 0.64% |
| 27 | BURNS & WILCOX INSURANCE SERVICES, INC. | \$ 17,961,909 | 0.63% |
| 28 | WELLS FARGO INSURANCE SERVICES USA, INC. | \$ 17,592,724 | 0.62% |
| 29 | AMWINS BROKERAGE OF THE MID-ATLANTIC, LLC | \$ 16,517,706 | 0.58% |
| 30 | ARTHUR J. GALLAGHER & CO. INSURANCE BROKERS OF CALIFORNIA, INC. | \$ 16,477,904 | 0.58% |
| 31 | CROUSE & ASSOCIATES INSURANCE SERVICES OF NORTHERN CALIFORNIA, INC | \$ 15,829,784 | 0.56% |
| 32 | HULL & COMPANY, INC. | \$ 15,312,679 | 0.54% |
| 33 | PETERSEN INTERNATIONAL UNDERWRITERS | \$ 13,620,268 | 0.48% |
| 34 | R.E. CHAIX & ASSOCIATES INSURANCE BROKERS, INC. | \$ 13,293,761 | 0.47% |
| 35 | COASTAL BROKERS INSURANCE SERVICES INC. | \$ 13,088,134 | 0.46% |
| 36 | BASS UNDERWRITERS, INC. | \$ 12,516,500 | 0.44% |
| 37 | AMWINS BROKERAGE OF ILLINOIS, LLC | \$ 12,088,393 | 0.43% |
| 38 | W. BROWN & ASSOCIATES PROPERTY & CASUALTY INSURANCE SERVICES | \$ 11,818,213 | 0.42% |
| 39 | NATIONAL TRANSPORTATION ASSOCIATES, INC. | \$ 11,138,042 | 0.39% |
| 40 | BURNS & WILCOX INSURANCE SERVICES, INC. | \$ 10,359,225 | 0.36% |
| 41 | HUB INTERNATIONAL INSURANCE SERVICES INC. | \$ 9,659,642 | 0.34% |
| 42 | M.J. HALL & CO., INC. | \$ 9,446,790 | 0.33% |
| 43 | SOUTHWEST BUSINESS CORPORATION | \$ 9,203,369 | 0.32% |
| 44 | WILLIS INSURANCE SERVICES OF CALIFORNIA, INC. | \$ 9,166,665 | 0.32% |
| 45 | COMMERCIAL INDUSTRIAL BUILDING OWNERS ALLIANCE, INC. | \$ 8,748,676 | 0.31% |
| 46 | NAS INSURANCE SERVICES, LLC | \$ 8,732,570 | 0.31% |
| 47 | LAE INSURANCE SERVICES, INC. | \$ 8,523,950 | 0.30% |
| 48 | CROUSE & ASSOCIATES INSURANCE SERVICES OF NORTHERN CALIFORNIA, INC | \$ 8,523,532 | 0.30% |
| 49 | IMA, INC. | \$ 8,194,086 | 0.29% |
| 50 | OPTICA NORTH AMERICA INSURANCE SOLUTIONS, LLC | \$ 7,847,834 | 0.28% |
| | SUBTOTAL | \$ 2,265,522,438 | 79.74% |
| | ALL OTHER BROKERS | \$ 575,516,118 | 20.26% |
| | TOTAL | \$ 2,841,038,556 | 100.00% |

Top 50 Carriers by Premium, through July 31, 2016

| RANK | INSURER | PREMIUM PROCESSED | % OF TOTAL |
|------|--|-------------------------|----------------|
| 1 | LEXINGTON INSURANCE COMPANY | \$ 236,264,505 | 8.32% |
| 2 | SCOTTSDALE INSURANCE COMPANY | \$ 125,457,584 | 4.42% |
| 3 | JAMES RIVER INSURANCE COMPANY | \$ 90,375,364 | 3.18% |
| 4 | LLOYD'S OF LONDON SYNDICATE #2623 | \$ 71,760,909 | 2.53% |
| 5 | UNITED SPECIALTY INSURANCE COMPANY | \$ 61,000,456 | 2.15% |
| 6 | IRONSHORE SPECIALTY INSURANCE COMPANY | \$ 57,958,041 | 2.04% |
| 7 | COLONY INSURANCE COMPANY | \$ 57,527,777 | 2.02% |
| 8 | QBE SPECIALTY INSURANCE COMPANY | \$ 56,836,814 | 2.00% |
| 9 | ADMIRAL INSURANCE COMPANY | \$ 54,799,355 | 1.93% |
| 10 | AIG SPECIALTY INSURANCE COMPANY | \$ 53,602,458 | 1.89% |
| 11 | INDIAN HARBOR INSURANCE COMPANY | \$ 45,964,741 | 1.62% |
| 12 | HOUSTON CASUALTY COMPANY | \$ 42,944,758 | 1.51% |
| 13 | NAVIGATORS SPECIALTY INSURANCE COMPANY | \$ 40,846,926 | 1.44% |
| 14 | STEADFAST INSURANCE COMPANY | \$ 40,797,438 | 1.44% |
| 15 | GREAT AMERICAN E&S INSURANCE COMPANY | \$ 39,231,054 | 1.38% |
| 16 | ASPEN SPECIALTY INSURANCE COMPANY | \$ 39,181,613 | 1.38% |
| 17 | ILLINOIS UNION INSURANCE COMPANY | \$ 39,036,494 | 1.37% |
| 18 | WESTCHESTER SURPLUS LINES INSURANCE COMPANY | \$ 38,068,380 | 1.34% |
| 19 | EVANSTON INSURANCE COMPANY | \$ 37,711,505 | 1.33% |
| 20 | GEMINI INSURANCE COMPANY | \$ 36,717,509 | 1.29% |
| 21 | LANDMARK AMERICAN INSURANCE COMPANY | \$ 36,642,593 | 1.29% |
| 22 | NATIONAL FIRE & MARINE INSURANCE COMPANY | \$ 36,328,923 | 1.28% |
| 23 | EVEREST INDEMNITY INSURANCE COMPANY | \$ 35,525,082 | 1.25% |
| 24 | INTERNATIONAL INSURANCE COMPANY OF HANNOVER SE | \$ 34,056,936 | 1.20% |
| 25 | CHUBB CUSTOM INSURANCE COMPANY | \$ 34,020,029 | 1.20% |
| 26 | GREAT LAKES REINSURANCE (UK) SE | \$ 33,381,205 | 1.17% |
| 27 | MT. HAWLEY INSURANCE COMPANY | \$ 33,096,759 | 1.16% |
| 28 | LIBERTY SURPLUS INSURANCE CORPORATION | \$ 32,989,022 | 1.16% |
| 29 | LLOYD'S OF LONDON SYNDICATE #3624 | \$ 32,834,002 | 1.16% |
| 30 | AXIS SURPLUS INSURANCE COMPANY | \$ 31,485,815 | 1.11% |
| 31 | COLUMBIA CASUALTY COMPANY | \$ 29,751,160 | 1.05% |
| 32 | LLOYD'S OF LONDON SYNDICATE #2987 | \$ 29,192,251 | 1.03% |
| 33 | LLOYD'S OF LONDON SYNDICATE #0510 | \$ 28,875,245 | 1.02% |
| 34 | LLOYD'S OF LONDON SYNDICATE #2003 | \$ 28,492,755 | 1.00% |
| 35 | STARR SURPLUS LINES INSURANCE COMPANY | \$ 27,834,217 | 0.98% |
| 36 | TOKIO MARINE SPECIALTY INSURANCE COMPANY | \$ 27,411,248 | 0.96% |
| 37 | LLOYD'S OF LONDON SYNDICATE #0033 | \$ 26,790,025 | 0.94% |
| 38 | ESSEX INSURANCE COMPANY | \$25,514,884 | 0.90% |
| 39 | ENDURANCE AMERICAN SPECIALTY INSURANCE COMPANY | \$ 25,260,086 | 0.89% |
| 40 | GENERAL SECURITY INDEMNITY COMPANY OF ARIZONA | \$ 23,846,258 | 0.84% |
| 41 | LLOYD'S | \$ 22,971,967 | 0.81% |
| 42 | NAUTILUS INSURANCE COMPANY | \$ 22,884,447 | 0.81% |
| 43 | ARCH SPECIALTY INSURANCE COMPANY | \$ 22,818,509 | 0.80% |
| 44 | AMTRUST INTERNATIONAL UNDERWRITERS LIMITED | \$ 21,545,192 | 0.76% |
| 45 | FIRST MERCURY INSURANCE COMPANY | \$ 21,189,587 | 0.75% |
| 46 | ROCKHILL INSURANCE COMPANY | \$ 20,911,927 | 0.74% |
| 47 | KINSALE INSURANCE COMPANY | \$ 20,785,455 | 0.73% |
| 48 | EMPIRE INDEMNITY INSURANCE COMPANY | \$ 19,600,404 | 0.69% |
| 49 | LLOYD'S OF LONDON SYNDICATE #4020 | \$ 19,519,418 | 0.69% |
| 50 | ASSOCIATED ELECTRIC & GAS INSURANCE SERVICES LIMITED | \$ 18,878,929 | 0.66% |
| | SUBTOTAL | \$ 2,090,518,010 | 73.58% |
| | ALL OTHER INSURERS | \$ 750,520,546 | 26.42% |
| | TOTAL | \$ 2,841,038,556 | 100.00% |

SLA Members Vital To Flood Bill Passage



By Benjamin J. McKay

SLA Executive Director

It is important for us to understand that our members and our association **can** make a difference in the legislation that emerges in Washington and Sacramento. The difference we can make is vital to the business and the livelihood of our members, and to the consumers our members serve.

A case in point was the passage in the spring of the **Flood Insurance Market Parity and Modernization Act (H.R. 2901)** by the U.S. House of Representatives.

The House, by a 419-0 vote, sent this legislation to the Senate on April 28. Not only does it require private flood insurance to be treated the same by mortgage lenders as policies issued by the National Flood Insurance Program (NFIP), but it also explicitly opens this market to surplus lines brokers and insurers.

It was not always clear that this was going to be the case. A powerful Democrat on the committee of jurisdiction, the **House Financial Services Committee**, spent weeks pushing back against the inclusion of surplus lines in the bill. The prospects of budging her from this position were generally regarded as not especially promising, and while it was possible for the Republican majority on the committee to move the bill forward without her consent, they preferred to have a bipartisan consensus if possible to improve the bill's chances of passage in the Senate. The

bill languished in the committee while negotiations ensued.

At this point, the SLA and its members, in conjunction with the National Association of Professional Surplus Lines Offices (NAPS-LO), sprang into action and began the hard work of convincing this influential member of the committee that it was imperative to allow surplus lines brokers to place these policies

On several occasions, SLA brokers and I traveled to Washington to meet [a] key member of Congress and her staff.

in the nonadmitted market.

On several occasions, SLA brokers and I traveled to Washington to meet this key member of Congress and her staff, as well as other Republicans and Democrats on the committee, to make the case that the legislation simply would not work without surplus lines.

One of the keys to making our case was letting the member know that she had many surplus lines brokers who lived and/or conducted business right in her district and how many surplus lines policies insured property in her district. These brokers would benefit from being allowed to place these policies, as would the residents of her district who would now have the opportunity to purchase this vital protection.

In the end, our arguments persuaded this vital Democrat to withdraw her opposition to the inclusion of surplus lines in the bill, and it sailed out of committee and passed the House with no opposition.

I have to take a moment here and note that excellent SLA staff work provided the statistics needed to demonstrate to the Congresswoman how many surplus line brokers live in her district and serve her constituents. The SLA department that did this research and helped frame our arguments—**Communications and Government Relations**—did not exist prior to 2013. This is a key example of how rethinking and upgrading the SLA's operations has produced added value for you, our members. I also would like to thank

the SLA Legislative Committee for doing an excellent job of helping to make this case.

We have more work to do. Election-year politics have bottled up H.R. 2901's identical companion bill, **S. 1679**, in the U.S. Senate. One of the House cosponsors, Democrat Patrick Murphy of Florida, is running for the Senate this year, and Republicans worry that passing this legislation prior to the election

in November would give him a legislative victory he could tout in his campaign. However, there appears to be a possibility that the bill could move forward to a vote between the election and the end of the current Congress.

During our travels to Washington, we also met with key Senators to lay the groundwork for the speedy consideration and passage of this bill once election-year political considerations are out of the way.

The continued, ongoing great work of our involved members, working together with our SLA staff and our industry allies, is producing results for the broker community. We will continue to advocate for you and for your vital interests in both Washington and Sacramento.



SLA Starts “Anytime, Anywhere” Program



By Michael Caturegli

SLA Vice President, Technology

The SLA launched the new **California Surplus Lines Application Suite (“SLAS”)** system in June, and we hope and expect it will improve our members’ experience.

This initiative serves as the foundation for our **“SLA Anytime, Anywhere”** program, which is designed to allow the SLA to serve its membership 24x7 at any location, on any electronic device. It promotes paperless, internet, and cloud-based processes, that help make our members and the California SLA more efficient.

The new enterprise suite includes technology changes and upgrades to both our

internal systems, as well as our SLIP broker portal. While some of the changes and impacts to the California SLA have been drastic, the SLA staff is on “double-duty” to overcome the challenges of transitioning to a completely new enterprise system while still processing incoming filings. Our broker support team has doubled up as well, to ensure that any inquiries about filing in the new system are answered as quickly as possible for our members using SLIP. We encourage anyone using SLIP to call the office or email support@slacal.org with any questions.

The new system includes a variety of changes, not only to technology, but also to processes, the data collected, and our ability to report and analyze it. Our three most significant member-facing changes are the elimination of the “batch” concept, the newly designed statement/account balance feature, and the ability for our members to opt-out of receiving paper statements/invoices.

The elimination of “batches” transitioned the filing processes to be more consistent with a digital-age filing, and it is less paper-based and mail-based. Multiple policies can still be filed in one “submission,” but SLIP now separates them out and distributes them to our analysts depending on their queue size. This eliminates the concept that

an entire batch has to be processed by one single person for all policies. The new statement-style invoice is another feature that should be very familiar to those used in the financial industry. Now, all broker-members have an account with the SLA which maintains a balance. The new statement format reflects all policies processed by the SLA during the billing month, and the account concept provides for a familiar method of keeping track of payments and outstanding and credit balances.

The other significant feature of our new enterprise system is the ability for any of our members to “opt-out” of receiving paper statements. This supports the SLA’s efforts to reduce its environmental footprint, while also improving the efficiencies of our members and analysts. To opt-out of paper statements, just send an email to the SLA at support@slacal.org, and you’ll receive electronic statements via email going forward.

The California SLA understands that changes are often disruptive and sometimes stressful; however, our friendly, knowledgeable staff is always available to help. Also, the SLA website has a multitude of tutorial videos, instructions, user manuals, and FAQ’s to assist with the filing process. Visit us at www.slacal.org for more information.

The SLA Thanks Our Members And Staff

We are aware that the implementation of our Surplus Lines Automation Suite (SLAS) in June has created reporting issues and backlogs for many of our members’ filings. This has been an inconvenience for filers and has created a tremendous amount of work for many of our employees.

We appreciate the patience of all members, filers and SLA staff members as we have worked to alleviate these issues. Our employees continue working hard to resolve any lingering problems. **Thank you** to everyone for your understanding and forbearance as we make the transition to this new system. Once it is fully up to speed, it will provide better service to members and make our own operations more efficient.

Benjamin J. McKay, J.D., M.P.A.
Executive Director

SLA Board of Directors 2016

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Tom Ciardello—Vice Chair
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Davis Moore
Worldwide Facilities, LLC

Terri Moran
Vela Insurance Services

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

Les Ross
Wholesale Trading Co-Op Insurance
Services, LLC

Gerald Sullivan
The Sullivan Group

Industry Calendar: September-December 2016

**AAMGA Under Forty Organization (UFO)
Annual Meeting**
Doubletree Hotel, Portland, OR
September 15-17, 2016
<http://www.aamga.org/ufo/2016>

NAPSLO Annual Convention
Atlanta Marriott Marquis and Hyatt Regency
September 25-28, 2016
http://napslo.org/wcm/Annual_Convention/Home/wcm/Networking/Annual2016.aspx

IICF Insuring the Children Golf Tourney
Arroyo Trabuco Golf Club, Mission Viejo, CA
September 27, 2016
<https://iicf.ejoinme.org/MyEvents/IICFInsuringtheChildrenGolfTournament2016/tabid/783152/Default.aspx>

AAMGA Underwriting Boot Camp
Site TBD, Dallas
October 17-21, 2016
<http://www.aamga.org/events/aamga-underwriting-boot-camp-2016%E2%80%93week-2>

NCOIL Annual Meeting
Paris Las Vegas
November 17-20, 2016
<http://ncoil.org/future-meetings/>

NAIC Fall/Winter Meeting
Fontainebleu Hotel, Miami
December 10-13, 2016
http://www.naic.org/meetings_home.htm

Upcoming SLA Continuing Education

Registration and continental breakfast for all courses starts at 8 a.m., seminars run from 8:30-11:30 a.m.
Call Education and Compliance Department at (415) 434-4900 or register at:
<http://www.slacal.org/education/courses>

The Sharing Economy

3 CE Credits

Tuesday, October 18, Hilton Universal City
555 Universal Hollywood Drive, Universal City

Wednesday, October 19, PG&E Conference
Center Auditorium, 245 Market Street, San Francisco

How to Speak Drone To Your Next Client

3 CE Credits

Tuesday, November 15, Hilton Universal City
555 Universal Hollywood Drive, Universal City

Wednesday, November 16, Hyatt Regency
San Francisco, 5 Embarcadero Center

SLA Connection

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Benjamin J. McKay, J.D., M.P.A.
SLA Executive Director

Cliston Brown, Editor-in-Chief
SLA Vice President, Communications

Phone: (415) 434-4900

Toll-Free (CA): (800) 334-0491

Fax: (415) 434-3716

Website: www.slacal.org

Twitter: @SLACALNews

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