



SLA CONNECTION

Surplus Lines News from the Golden State

The Surplus Line Association of California

Spring 2019

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Stamping Fee Change

First change in seven years will adjust fee to 0.25% on January 1st

By Cliston Brown Editor-In Chief, SLA Connection

For the first time in more than seven years, the Board of Directors of the Surplus Line Association of California (SLA) has voted to adjust the stamping fee to 0.25%, effective January 1, 2020.

The board took this action to meet increased expenses resulting from rapid market growth and also to retire the SLA's outstanding pension liability from the pension it froze in 2011.

The fee, which policyholders pay on every surplus line policy filed in California, supports SLA operations. It is currently 0.2%, which means that policyholders pay \$1 in stamping fees for every \$500 in premiums. The new fee will mean that policyholders will pay \$1 in stamping fees for every \$400 in premiums.

The SLA's Data Analysis Department reviews, for compliance purposes, every surplus lines policy filed in the State of California on behalf of the California Department of Insurance (CDI). The number of policies has mushroomed in recent years.

"We did not take this action lightly," said **Robert Gilbert**, chair of the SLA Board of Directors. "We know that a change in the stamping fee is a coast and an inconvenience for policyholders, as well as our members and their employees who file surplus lines policies with the SLA. In fact, our members have told us that they prefer no change at all, whether it is an increase or a decrease, because the clerical adjustments create extra work and system changes can be confusing. That is why we kept the stamping fee constant for seven years. We did this by focusing on expenses, including moving our offices, which saved over \$800,000 a year. However, the increasing costs

associated with a growing organization, as well as the need to address a large pension liability, made it necessary to raise the stamping fee at this time. We set the effective date for January 1, 2020, to give our members plenty of time to make the necessary adjustments."

Since the SLA last changed its stamping fee, the surplus lines marketplace has boomed, producing significantly more premiums and items. At the time of the last change, in 2012, the SLA was processing approximately 470,000 policies a year, representing less than \$6 billion in premiums. In 2018, those numbers were more than 680,000 items and more than \$7.6 billion in premiums, and the SLA expects to approach 800,000 items and \$8 billion in premiums in 2019.

While the number of policies has increased significantly, the amount of premium per item has decreased, which also decreases the stamping fees received per item. Currently, 94.3% of policies filed cost the SLA more to analyze than the SLA receives in stamping fees from those policies.

The SLA has also had to concern itself with how to best pay its obligations to current and future retirees. Although the SLA board elected to stop offering pensions in 2011, the SLA remains obligated to pay pensions to all eligible employees who were on staff previously. It is estimated that it will take upwards of \$15.3 million to annuitize these pensions and dispense with an annual liability that has quadrupled to about \$560,000.

"Fiscal responsibility dictates that eliminating this liability is the smart thing to do," said

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Wildfire Issue Continues To Heat Up As More Homeowners Policies Go Into Surplus Lines



By Benjamin J. McKay
SLA CEO and Executive Director

It is unusual for the surplus lines industry to concern itself very much with what is happening in the personal lines space. As we all know, the overwhelming share of surplus lines policies are written to cover commercial risks. Less than 1% of the personal lines market is written by surplus line carriers.

Increasingly, however, events are forcing us to pay close attention to what is happening with homeowners insurance in California.

The massive wildfires and major losses we have seen as a result of those fires have continued to mount. The devastating Paradise fire, which wiped out a long-established admitted carrier that had taken on too much risk in that community, was just the latest catastrophe that has caused admitted insurers to reevaluate their exposure in fire-prone areas.

As admitted carriers think twice about taking on homeowners' policies in high-risk locales, the amount of homeowners' business going into the surplus lines market has grown significantly. While it still amounts to a very small fraction of surplus lines business placed in California (slightly more than 2% in the first three months of 2019), it has grown significantly over the last decade.

Legislators are noticing, as they continue to receive more and more complaints from constituents about being nonrenewed by their admitted homeowners carriers despite years of premiums paid and no losses incurred in

some cases.

The numbers back up what homeowners in fire-prone areas are telling their legislators. Admitted coverage appears to be receding, as we can see from the major increases in homeowners policies going into the surplus lines marketplace. The number of items and the amount of premiums in California surplus line homeowners insurance have more than doubled in the last decade.

Our credibility will be crucial if the role of surplus lines in insuring homes that admitted carriers won't cover comes under scrutiny.

In 2009, surplus lines insurers covered 14,116 homes in California, with total premiums reaching slightly more than \$46 million. In 2018, those numbers were 49,370 policies representing more than \$122 million in premiums.

While the increase did not happen overnight, there has been steady growth punctuated by a few large jumps, notably in 2013, 2014 and 2017.

Preliminary indications in 2019 point to another large increase this year in surplus lines' homeowners business written in California. Over the first three months of 2018, there were 10,021 surplus lines homeowners transactions in California, representing \$21,617,546 in premiums. Fast forward a year to the first quarter of 2019, and those numbers skyrocketed to 19,389 policies representing \$52,631,689 in premiums.

These kinds of major changes in the market always carry scrutiny. The State Senate Insurance Committee, under the leadership of its new chair, Senator **Susan Rubio** (D-Baldwin Park), is holding a series of hearings on the impacts of wildfires on the state insurance marketplace.

Senate Insurance Committee staff invited me to testify at one of these hearings on April 3 in Sacramento. This hearing was to familiarize the committee, and especially its new members, with how the California insurance marketplace works. I explained the surplus lines industry to the committee and also provided an update on homeowners' insurance business going into the surplus lines market.

My purpose was to demonstrate the SLA's value as a credible source of marketplace information and data on important and timely issues and to make sure the senators understood our industry and our role in the marketplace. I also wanted them to know that we were available to them should they have any questions about our industry.

Based on subsequent conversations with committee staff, it appears that we have met

this objective. Our credibility will be crucial if the role of surplus lines in insuring homes that admitted carriers won't cover comes under scrutiny. And given the kinds of increases we have seen in homeowners' policies and premiums in our market, it is likely only a matter of time before that happens.

Our advocacy team remains vigilant, attending hearings of the relevant committees and also of the governor's wildfire commission to ensure that if our industry comes up, we can supply facts and correct any misperceptions. On the same day I was in Sacramento, the SLA's **Cliston Brown** attended the wildfire commission's hearing in Marin County. We are paying close attention and ready to support our members and our industry at any time.



Top 50 Brokers by Group¹

Based on Premium Processed by the SLA January Through March 2019

Rank	Broker Group	Premium Processed	% of Total Premium	Total Item Count
1	CRC	230,517,676	10.48%	10,899
2	AMWINS GROUP INC.	195,962,676	8.91%	20,603
3	MARSH & MCLENNAN COS. INC.	132,849,040	6.04%	1,458
4	R-T SPECIALTY, LLC	128,962,935	5.86%	6,765
5	AON P.L.C.	121,296,892	5.51%	804
6	ARTHUR J. GALLAGHER & CO.	120,772,357	5.49%	7,113
7	WORLDWIDE FACILITIES, LLC	84,807,326	3.85%	7,211
8	CROUSE & ASSOCIATES INSURANCE SERVICES	68,325,175	3.11%	6,718
9	BURNS & WILCOX	56,253,805	2.56%	18,714
10	WILLIS TOWERS WATSON P.L.C.	54,545,865	2.48%	593
11	BROWN & RIDING INSURANCE SERVICES, INC.	54,134,117	2.46%	3,130
12	RISK SPECIALISTS COMPANIES INSURANCE AGENCY, INC.	43,785,817	1.99%	898
13	LOCKTON INC.	43,184,624	1.96%	2,461
14	ALLIANT INSURANCE SERVICES INC.	34,945,703	1.59%	336
15	ALL RISKS, LTD.	32,869,359	1.49%	3,965
16	NATIONAL TRANSPORTATION ASSOCIATES, INC.	30,493,389	1.39%	2,755
17	SPECIALTY PROGRAM GROUP	28,837,637	1.31%	9,393
18	GORST & COMPASS INSURANCE	26,958,667	1.23%	11,766
19	WOODRUFF-SAWYER & CO.	24,998,650	1.14%	473
20	SOCIUS INSURANCE SERVICES, INC.	23,933,073	1.09%	1,725
21	INTEGRO GROUP HOLDINGS L.P.	21,462,496	0.98%	495
22	CIBA INSURANCE SERVICES	19,499,684	0.89%	681
23	BASS UNDERWRITERS	18,209,132	0.83%	9,159
24	PETERSEN INTERNATIONAL UNDERWRITERS	17,822,233	0.81%	1,333
25	HULL & COMPANY, INC.	15,321,403	0.70%	4,717
26	BROWN & BROWN INC.	15,284,139	0.69%	1,500
27	HUB INTERNATIONAL LTD.	14,792,347	0.67%	544
28	WHOLESALE TRADING INSURANCE SVCS (JENCAP HOLDINGS)	12,735,938	0.58%	406
29	USI INSURANCE SERVICES NATIONAL, INC.	11,171,185	0.51%	129
30	SOUTHWEST BUSINESS CORPORATION	10,987,210	0.50%	460
31	TOKIO MARINE HOLDINGS, INC.	10,876,808	0.49%	1,122
32	R.E. CHAIX & ASSOCIATES INSURANCE BROKERS, INC.	10,771,608	0.49%	2,825
33	SCOTTISH AMERICAN INSURANCE	10,066,239	0.46%	3,292
34	ASSURANT, INC	9,988,393	0.45%	135
35	COASTAL BROKERS INSURANCE SERVICES INC.	9,743,243	0.44%	3,420
36	THE IMA FINANCIAL GROUP INC.	9,373,973	0.43%	70
37	ALLIED PROFESSIONALS' INSURANCE SERVICES	8,654,900	0.39%	24
38	NAS INSURANCE SERVICES, LLC	8,472,224	0.39%	1,402
39	M.J. HALL & CO., INC.	8,469,650	0.38%	2,553
40	BERKSHIRE HATHAWAY, INC.	7,544,076	0.34%	1,251
41	MCGRIFF, SEIBELS & WILLIAMS, INC.	6,971,813	0.32%	60
42	ABD INSURANCE & FINANCIAL SERVICES INC.	6,565,438	0.30%	85
43	ACRISURE L.L.C.	6,460,072	0.29%	238
44	BB&T INSURANCE HOLDINGS INC.	6,409,263	0.29%	47
45	JARDINE LLOYD THOMPSON GROUP P.L.C.	6,356,187	0.29%	97
46	EDGEWOOD PARTNERS INSURANCE CENTER, DBA EPIC INSUR	6,112,798	0.28%	102
47	CHIVAROLI & ASSOCIATES, INC.	6,023,570	0.27%	48
48	USG INSURANCE SERVICES INC.	5,966,216	0.27%	1,540
49	AMTRUST FINANCIAL SERVICES, INC.	5,929,779	0.27%	6,709
50	NEITCLEM WHOLESALE INSURANCE BROKERAGE, INC.	5,692,058	0.26%	885
	Subtotal	1,852,168,859	84.18%	163,109
	All Other Brokers	348,025,193	15.82%	76,697
	Total	2,200,194,053	100.00%	239,806

¹ Premium Processed represents the total premium processed by the SLA for each group member for the entire time period specified.

Top Carriers by Ultimate Parent

Based on Premium Processed by the SLA January Through March 2019

ULTIMATE PARENT 1	COMPANY	PREMIUM PROCESSED	% OF TOTAL
LLOYD'S	Lloyd's of London	488,961,064.51	22.22%
LLOYD'S Total		488,961,064.51	22.22%
AMERICAN INTERNATIONAL GROUP, INC.	LEXINGTON INSURANCE COMPANY	106,487,688.54	4.84%
	AIG SPECIALTY INSURANCE COMPANY	38,628,187.12	1.76%
	WESTERN WORLD INSURANCE COMPANY	13,849,222.23	0.63%
	BLACKBOARD SPECIALTY INSURANCE COMPANY	4,924,334.98	0.22%
	AIG EUROPE LIMITED	4,712,132.64	0.21%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <\$2.5M	1,972,259.00	0.09%
AMERICAN INTERNATIONAL GROUP, INC. Total		170,573,824.51	7.75%
MARKEL CORPORATION	UNITED SPECIALTY INSURANCE COMPANY	80,859,347.65	3.68%
	EVANSTON INSURANCE COMPANY	53,487,824.76	2.43%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <\$2.5M	2,517,850.12	0.11%
MARKEL CORPORATION Total		136,865,022.53	6.22%
NATIONWIDE MUTUAL INSURANCE COMPANY	SCOTTSDALE INSURANCE COMPANY	105,316,709.85	4.79%
NATIONWIDE MUTUAL INSURANCE COMPANY Total		105,316,709.85	4.79%
W. R. BERKLEY CORPORATION	ADMIRAL INSURANCE COMPANY	35,281,962.25	1.60%
	GEMINI INSURANCE COMPANY	18,520,182.17	0.84%
	NAUTILUS INSURANCE COMPANY	16,170,084.28	0.73%
	BERKLEY ASSURANCE COMPANY	11,988,644.19	0.54%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <\$2.5M	493,244.20	0.02%
W. R. BERKLEY CORPORATION Total		82,454,117.09	3.75%
FAIRFAX FINANCIAL HOLDINGS LIMITED	ALLIED WORLD SURPLUS LINES INSURANCE COMPANY	18,871,511.48	0.86%
	ALLIED WORLD NATIONAL ASSURANCE COMPANY	14,985,828.62	0.68%
	FIRST MERCURY INSURANCE COMPANY	10,867,673.66	0.49%
	CRUM & FORSTER SPECIALTY INSURANCE COMPANY	10,464,985.38	0.48%
	HUDSON SPECIALTY INSURANCE COMPANY	8,648,741.23	0.39%
	HUDSON EXCESS INSURANCE COMPANY	8,500,678.00	0.39%
	SENECA SPECIALTY INSURANCE COMPANY	3,636,201.00	0.17%
FAIRFAX FINANCIAL HOLDINGS LIMITED Total		75,975,619.37	3.45%
LIBERTY MUTUAL HOLDING COMPANY INC.	IRONSHORE SPECIALTY INSURANCE COMPANY	32,125,909.72	1.46%
	LIBERTY SURPLUS INSURANCE CORPORATION	30,508,522.87	1.39%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <\$2.5M	5,168,578.72	0.23%
LIBERTY MUTUAL HOLDING COMPANY INC. Total		67,803,011.31	3.08%
BERKSHIRE HATHAWAY INC.	NATIONAL FIRE & MARINE INSURANCE COMPANY	47,357,428.38	2.15%
	GENERAL STAR INDEMNITY COMPANY	6,274,876.70	0.29%
	MOUNT VERNON FIRE INSURANCE COMPANY	5,125,899.82	0.23%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <\$2.5M	668,230.25	0.03%
BERKSHIRE HATHAWAY INC. Total		59,426,435.15	2.70%
CHUBB LIMITED	WESTCHESTER SURPLUS LINES INSURANCE COMPANY	24,636,687.65	1.12%
	ILLINOIS UNION INSURANCE COMPANY	23,900,595.74	1.09%
	CHUBB CUSTOM INSURANCE COMPANY	9,294,138.54	0.42%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <\$2.5M	689,213.76	0.03%
CHUBB LIMITED Total		58,520,635.69	2.66%
TOKIO MARINE HOLDINGS, INC.	HOUSTON CASUALTY COMPANY	32,679,451.91	1.49%
	TOKIO MARINE SPECIALTY INSURANCE COMPANY	19,184,479.05	0.87%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <\$2.5M	2,294,137.51	0.10%
TOKIO MARINE HOLDINGS, INC. Total		54,158,068.47	2.46%
JAMES RIVER GROUP HOLDINGS, LTD.	JAMES RIVER INSURANCE COMPANY	50,776,787.00	2.31%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <\$2.5M	1,641,734.00	0.07%
JAMES RIVER GROUP HOLDINGS, LTD. Total		52,418,521.00	2.38%
ARGO GROUP INTERNATIONAL HOLDINGS, LTD.	COLONY INSURANCE COMPANY	40,337,199.67	1.83%
	PELEUS INSURANCE COMPANY	8,550,743.95	0.39%
ARGO GROUP INTERNATIONAL HOLDINGS, LTD. Total		48,887,943.62	2.22%
AXA SA	INDIAN HARBOR INSURANCE COMPANY	43,488,422.51	1.98%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <\$2.5M	2,961,663.62	0.13%
AXA SA Total		46,450,086.13	2.11%
AMERICAN FINANCIAL GROUP, INC.	GREAT AMERICAN E&S INSURANCE COMPANY	32,840,176.85	1.49%
	AMERICAN EMPIRE SURPLUS LINES INSURANCE COMPANY	4,670,479.19	0.21%
	GREAT AMERICAN FIDELITY INSURANCE COMPANY	2,595,499.36	0.12%
AMERICAN FINANCIAL GROUP, INC. Total		40,106,155.40	1.82%
ZURICH INSURANCE GROUP LTD.	STEADFAST INSURANCE COMPANY	20,862,986.50	0.95%
	EMPIRE INDEMNITY INSURANCE COMPANY	18,799,592.59	0.85%
ZURICH INSURANCE GROUP LTD. Total		39,662,579.09	1.80%
ALLEGHANY CORPORATION	LANDMARK AMERICAN INSURANCE COMPANY	23,838,214.95	1.08%
	CAPITOL SPECIALTY INSURANCE CORPORATION	8,459,158.17	0.38%
	COVINGTON SPECIALTY INSURANCE COMPANY	4,708,045.36	0.21%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <\$2.5M	902,299.51	0.04%
ALLEGHANY CORPORATION Total		37,907,717.99	1.72%
AMTRUST FINANCIAL SERVICES, INC.	ASSOCIATED INDUSTRIES INSURANCE COMPANY, INC.	24,052,137.00	1.09%
	AMTRUST INTERNATIONAL UNDERWRITERS DAC	13,386,646.01	0.61%
AMTRUST FINANCIAL SERVICES, INC. Total		37,438,783.01	1.70%
SOMPO HOLDINGS, INC.	ENDURANCE AMERICAN SPECIALTY INSURANCE COMPANY	34,946,722.72	1.59%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <\$2.5M	823,058.14	0.04%
SOMPO HOLDINGS, INC. Total		35,769,780.86	1.63%
All Other Groups with Premium Processed <\$35.0M		547,215,626.51	24.87%
Taxable Fees		14,282,350.70	0.65%
Grand Total		2,200,194,052.79	100.00%

Top Lloyd's Syndicates In California With Managing Agent¹

Based on Premium Processed by the SLA January Through March 2019

LLOYD'S	PREMIUM PROCESSED	% OF TOTAL
Lloyd's Syndicate 2623 (Beazley Furlonge Limited)	58,098,911	11.88%
Lloyd's Syndicate 510 (Tokio Marine Kiln Syndicates Limited)	25,656,719	5.25%
Lloyd's Syndicate 3624 (Hiscox Syndicates Limited)	24,651,776	5.04%
Lloyd's Syndicate 2987 (Brit Syndicates Limited)	24,556,668	5.02%
Lloyd's Syndicate 33 (Hiscox Syndicates Limited)	23,937,611	4.90%
Lloyd's Syndicate 2001 (MS Amlin Underwriting Limited)	17,200,194	3.52%
Lloyd's Syndicate 2007 (Axis Managing Agency Limited)	16,454,761	3.37%
Lloyd's Syndicate 2003 (Catlin Underwriting Agencies Limited)	15,975,111	3.27%
Lloyd's Syndicate 1458 (RenaissanceRe Syndicate Management Limited)	15,247,977	3.12%
Lloyd's Syndicate 623 (Beazley Furlonge Limited)	12,823,440	2.62%
Lloyd's Syndicate 609 (Atrium Underwriters Limited)	11,189,413	2.29%
Lloyd's Syndicate 4000 (Pembroke Managing Agency Limited)	10,979,475	2.25%
Lloyd's Syndicate 1861 (AmTrust Syndicates Limited)	9,757,700	2.00%
Lloyd's Syndicate 4020 (Ark Syndicate Management Limited)	9,404,805	1.92%
Lloyd's Syndicate 2488 (Chubb Underwriting Agencies Limited)	8,914,012	1.82%
Lloyd's Syndicate 1880 (Tokio Marine Kiln Syndicates Limited)	8,437,132	1.73%
Lloyds Syndicate 1886 (QBE Underwriting Limited)	8,347,850	1.71%
Lloyd's Syndicate 4444 (Canopus Managing Agents Limited)	8,318,905	1.70%
Lloyd's Syndicate 1414 (Ascot Underwriting Limited)	8,167,254	1.67%
Lloyd's Syndicate 4472 (Liberty Managing Agency Limited)	8,018,956	1.64%
Lloyd's Syndicate 1084 (Chaucer Syndicates Limited)	7,835,629	1.60%
Lloyd's Syndicate 1183 (Talbot Underwriting Ltd)	6,716,781	1.37%
Lloyd's Syndicate 1225 (AEGIS Managing Agency Limited)	6,336,543	1.30%
Lloyd's Syndicate 435 (Faraday Underwriting Limited)	6,077,004	1.24%
Lloyd's Syndicate 1274 (Antares Managing Agency Limited)	6,057,975	1.24%
Lloyd's Syndicate 2121 (Argenta Syndicate Management Limited)	5,836,563	1.19%
Lloyd's Syndicate 2015 (The Channel Managing Agency Limited)	5,308,028	1.09%
Lloyd's Syndicate 4242 (Asta Managing Agency Limited)	5,270,069	1.08%
Lloyd's Syndicate 1200 (Argo Managing Agency Limited)	5,105,047	1.04%
Lloyd's Syndicate 1955 (Barbican Managing Agency Limited)	5,047,265	1.03%
Lloyd's Syndicate 4711 (Aspen Managing Agency Limited)	4,730,696	0.97%
Lloyd's Syndicate 5000 (Travelers Syndicate Management Limited)	4,600,778	0.94%
Lloyd's Syndicate 3000 (Markel Syndicate Management Limited)	4,566,044	0.93%
Lloyds Syndicate 1980 (Asta Managing Agency Limited)	4,440,374	0.91%
Lloyd's Syndicate 5151 (Endurance at Lloyd's Limited)	4,413,592	0.90%
Lloyd's Syndicate 2791 (Managing Agency Partners Limited)	3,545,649	0.73%
Lloyd's Syndicate 1969 (Apollo Syndicate Management Limited)	3,519,884	0.72%
Lloyd's Syndicate 1991 (Coverys Managing Agency Limited)	3,496,030	0.71%
Lloyd's Syndicate 2468 (Neon Underwriting Limited)	3,338,071	0.68%
Lloyd's Syndicate 457 (Munich Re Syndicate Limited)	2,852,015	0.58%
Lloyd's Syndicate 1729 (Asta Managing Agency Limited)	2,769,144	0.57%
Lloyd's Syndicate 318 (Beaufort Underwriting Agency Limited)	2,730,639	0.56%
Lloyd's Syndicate 1221 (Navigators Underwriting Agency Limited)	2,708,336	0.55%
Lloyd's Syndicate 3334 (Hamilton Underwriting Limited)	2,584,161	0.53%
All Other Lloyd's Syndicates with Premium Processed <\$2.5M & Other ²	52,936,082	10.83%
Lloyd's Total	488,961,065	100.00%

¹ Source: AM Best as of 4/1/2019 and Lloyd's List of Active Syndicates & Managing Agents for 2019 Year of Account

² Other includes Lloyd's premium processed with a missing or invalid syndicate number

SLA Annual Meeting Brings Industry Together Again



More than 200 people gathered in San Francisco and Los Angeles for the SLA's Annual Meeting, where they elected the 2019 Board of Directors, heard from Hank Watkins of Lloyd's North America, and networked with peers in the industry. The meeting took place in the Julia Morgan Ballroom in San Francisco, and the Millennium Biltmore in Los Angeles.



SLA Learning Center Offers Many Resources For Member Educational Opportunities

In January 2019, the SLA launched our new user interface, the Learning Center. Not only does the new Learning Center allow one to register for live CE courses, but it also provides access to on-demand CE courses and important information and instruction relevant to you, our members.

The Learning Center is divided into two sections: Courses and Resources.

In the resources section, you will find the most utilized bulletins, frequently asked questions, and tutorials.

The tutorials provide guidance on basic filing procedures and explain how to navigate the SLA's electronic filing portal, SLIP.

To access the tutorials, on the Learning Center homepage, select Tutorials in the Resources section.

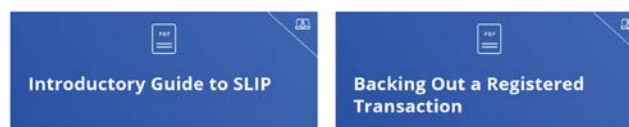
The next page will bring you to a screen that shows the types of tutorials being offered. If you want to view more of the basic filing tutorials available, click on View More and additional related tutorials will display.

The basic filing tutorials that are available

BASIC FILING TUTORIALS



SLIP PROCEDURES



VIEW MORE +

include helpful breakdowns of the SL forms, an explanation of the requirements for Lloyd's policies, information on tag violations, and direction on submitting zero-premium endorsements.

The SLIP tutorials offered through the Learning Center contain detailed instructions on creating and

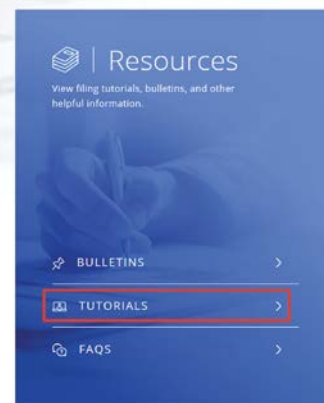
submitting new policies, renewals, endorsements and cancellations through the SLIP wizard, responding to tags, and making an ACH/echeck payment.

The SLA invites you to go check out the Learning Center at <https://learningcenter.slacal.com/> and see all the features it has to offer.

FEATURED ON DEMAND COURSES



UPCOMING LIVE COURSES



Stamping Fee Change (continued From Page 1)

Benjamin J. McKay, the SLA's CEO and executive director. "In addition to our retirees, we have a number of current employees who are eligible to draw pension funds when they retire, which is still decades down the road for some of them. By earmarking a portion of the added stamping fee revenues for retiring this liability, we are putting our fiscal house in order."

The board chose to act now for several reasons. First, it was important to honor the promise that the SLA made to its members when it last changed the stamping fee that it would make no new changes for at least five years. The current seven-year period without a change, the longest timespan without an adjustment on records dating back to 1977, not only met that promise but exceeded it.

"In previous years, we used to lower or raise the stamping fee pretty regularly, sometimes even more than once a year," McKay

said. "We recognized that this was a hardship and wanted to create some stability. We imposed fiscal discipline to prevent changes in the stamping fee from becoming a regular occurrence."

Second, SLA management and the board agreed that if the stamping fee had to increase, it would be less of a hardship to impose that change during an economic boom than it would be to do so during a market downturn.

"It is never a good idea to ask for additional fees when the market is down and consumers are feeling the pinch," McKay said. "If it has to happen, it makes more sense to do it when times are good."

Although the new fee does represent a slight increase, it is well within the SLA's historic stamping fee range. The new stamping fee is below the SLA's midpoint since 1977, which was 0.3%, and it is almost exactly in

line with the 42-year mean, which is 0.24%. Since 1977, the earliest year for which SLA stamping fee records are available, the fee has ranged from a low of 0.1% to a high of 0.5%.

"With the new stamping fee rate, we are certainly well within the parameters in which we have operated for at least four decades," McKay said.

The SLA emphasizes that the new rate does not take effect until January 1, 2020, so any policies that are filed between now and December 31, 2019, should continue to apply the current 0.2% stamping rate.

The SLA is only providing notice at this time to ensure that its members have plenty of time to make whatever adjustments they need to make on their end. Applying the new rate at any time prior to January 1, 2020, could mean that brokers would have to give refunds to policyholders.

SLA Board of Directors

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Industry Calendar: June-August 2019

**Western States Surplus Lines
Conference (WSSLC)**
Monterey Plaza Hotel
Monterey, CA
June 23-25
<https://wsslc2019.com/>

**RIMS Risk Management Academy at
Lloyd's**
Gallery 11
1 Lime Street
London, England
June 24-26
[https://www.rims.org/events/risk-manage-
ment-academy/lloyd's-2019](https://www.rims.org/events/risk-management-academy/lloyd's-2019)

WSIA Consultative Selling & Negotiations
AmWINS Dallas, 5190 North Central Expy.
Dallas, TX
July 9-10
<https://www.wsia.org/>

NCOIL Summer Meeting
Newport Beach Marriott Hotel
Newport Beach, CA
July 10-13
<http://ncoil.org/future-meetings/>

WSIA Underwriting Boot Camp
Georgia State University
Atlanta, GA
July 15-18
[https://wsia.org/wcm/Education/Underwrit-
ing_Boot_Camp/wcm/Education/Underwrit-
ing_Boot_Camp.aspx?hkey=92f1aec5-f357-
45a7-aba6-111110cc126e](https://wsia.org/wcm/Education/Underwriting_Boot_Camp/wcm/Education/Underwriting_Boot_Camp.aspx?hkey=92f1aec5-f357-45a7-aba6-111110cc126e)

NAIC Summer Meeting
Hilton Midtown
New York, NY
August 3-6
https://www.naic.org/meetings_events.htm

WSIA University
Scottsdale Plaza Resort
Paradise Valley, AZ
August 14-16
[https://wsia.org/wcm/Education/WSIA_Uni-
versity/wcm/Education/WSIA_Univer-
sity.aspx?hkey=86545cdd-9e71-4376-
bce2-578703366060](https://wsia.org/wcm/Education/WSIA_University/wcm/Education/WSIA_University.aspx?hkey=86545cdd-9e71-4376-bce2-578703366060)

Continuing Education Courses

Agriculture/Product Recall (3 credits)

Tuesday, August 20
8:30-11:30 a.m.
Hilton Universal City
555 Universal Hollywood Drive
Universal City

<https://learningcenter.slacal.com/course/1049>

Agriculture/Product Recall (3 credits)

Wednesday, August 21
8:30-11:30 a.m.
The City Club
155 Sansome Street
San Francisco

<https://learningcenter.slacal.com/course/1050>

Call Education and Compliance Department at
(415) 434-4900 or register at:
<http://www.slacal.com/education/courses>

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WE WANT YOU

TO SEND US YOUR WAR STORIES

Do you have a great story about a challenging claims situation, a difficult account you were able to service, or another potential issue or sticking point that you were able to resolve to a client's satisfaction? The **SLA Connection** wants your "war stories." The surplus lines industry is often misunderstood, which makes it vital for us to tell our stories and remind people of the value our industry's professionals provide to their insureds and to their communities. That is why we would like to publish your stories in upcoming newsletters. Our stories will not publish names or identify companies or insureds in any way.

To submit your war stories for publication in a future SLA Connection, please e-mail Cliston Brown at cbrown@slacal.org.