

# SLA CONNECTION

Surplus Lines News from the Golden State

The Surplus Line Association of California

Winter 2019

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## Annual Meeting 2019

*Premier SLA Event Coming to SF on February 5, LA on February 7*

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

The **SLA Annual Meeting** is once again set for February, with the San Francisco session taking place on Tuesday, February 7, and the Los Angeles segment set for Thursday, February 9.

Headlining this year's Annual Meeting as the keynote speaker is **Hank Watkins**, president of Lloyd's North America. Watkins will discuss the condition of the market for Lloyd's and in general.

The meeting is essentially the same event in both locations, with the exception that the San Francisco event starts at 3 p.m. and is followed by a networking reception, and the Los Angeles event starts at 10 a.m. and concludes with a luncheon. The SLA does it this way in recognition of the fact that our members are split between northern and southern California, and holding the meeting in two locations helps minimize their travel needs. While members are certainly welcome to attend both, attendance at either session is sufficient.

The Annual Meeting is the SLA's showcase event, in which attendees get to hear the latest news about what's happening at the SLA and in the industry and to network with dozens of their colleagues. Our attendance normally exceeds 100 at each venue and has been growing in recent years.

It is also the event at which authorized voting representatives for the SLA's members ratify

the nominating committee's slate for the Board of Directors, officers, and mediator.

This year, for the first time, the meeting has its own website, <https://slaannualmeeting.com/>. Here, you can register to attend one of the sessions, view the slate of nominees for the Board of Directors and SLA mediator, learn about the venues. Although we encourage authorized voting representa-

tives to attend the meeting and cast their votes there, they also have the option to vote through the website if they simply cannot be there. Eligible voters (which means designated representatives of brokerages that did business in 2018) each received an e-mail with unique login information for purposes of secure online voting.

This year's venues are sure to be a hit, with the San Francisco segment once again taking place at the historic **Julia Morgan Ballroom** at the Merchants' Exchange. This venue has always received rave reviews from attendees in our post-Annual Meeting surveys, so please make sure to come see it for yourself.

In Los Angeles, the meeting is shifting to the **Millennium Biltmore**, after several years at the Jonathan Club. This hotel, built in 1923, has been designated a historic cultural landmark, and the SLA is very excited to hold its Los Angeles segment there this year.

Visit <https://slaannualmeeting.com/> for more details.



**Hank Watkins**

# SLA Had A Productive 2018 On The Legislative and Regulatory Outreach Fronts



**By Benjamin J. McKay**  
SLA CEO and Executive Director

As I look back on 2018, I am pleased to report to our members and the entire surplus lines community that we continued to increase our efforts and our impact in the legislative and regulatory realms.

Coming off of our big victory in late 2017 with the enactment of **Assembly Bill 1641**, which gave the California Department of Insurance (CDI) expanded authority to add new, innovative items to the Export List, we began working on what to do for an encore.

We got things off to a good start by holding our first ever SLA Legislative Day in Sacramento in February. For this event, we brought the **SLA Legislative Committee**, led by its chair, **Hank Haldeman**, to the state's capital to meet with key legislators and staffers on insurance issues. We secured meetings with Democratic State Senator **Ricardo Lara** and Republican State Senator **Ted Gaines**. We sought these meetings in part because they both served on the **Senate Insurance Committee**, and in part because both were seeking higher office and appeared likely to succeed.

As it happens, Lara was elected the state's new insurance commissioner in November, and Gaines will be moving on to a seat on the State Board of Equalization in 2019, so getting to know both of them better was crucial.

While in Sacramento, we also met with the staff of Senator Steve Glazer, who then chaired the Senate Insurance Committee and still represents the district where our headquarters office is located, as well as key staffers on both the Assembly and Senate insurance committees.

Also on the legislative side, we were fortunate

*As you can see, we had a very active and productive year on the legislative and regulatory fronts in 2018. We will continue to reach out to movers and shakers in Sacramento and in Washington, D.C. to ensure that your voice is heard when important decisions about your business is made.*

enough to have one of our members, **Tim Burnett**, testify during a committee hearing in March on insurance issues related to wildfires, an issue that won't be going away anytime soon. We have been working to build credibility on this issue since 2015, when we learned a key legislative staffer was asking questions about the increasing numbers of homeowners policies going into the surplus lines market. Tim's testimony was well-received and helped increase our standing to speak on this issue.

We also had some very important regulatory successes in 2018. When we learned that the new regulations for cannabis insurance inadvertently omitted surplus lines, we worked with then-Commissioner **Dave Jones** to fix that problem. Our work in building a relationship with the commissioner for several years ensured that he not only listened to us, but went out of his way to help. In the end, with his support, we got the changes we needed, with the result that surplus lines carriers are indeed permitted to provide coverage for the various links in the legal cannabis chain.

Later last year, we learned from our sources in Sacramento that regulations were imminent that would have limited coverage for toxic waste facilities to admitted carriers only. I wrote a letter to the director of the Bureau of Toxic Substances Control, which responded by changing the regulations to ensure that surplus lines carriers could indeed write this kind of business in California.

In both of the regulatory cases I mentioned, we received another reminder that the surplus lines sector and its importance to the overall market is often unknown and/or misunderstood. That is why we at the SLA, particularly myself and **Cliston Brown**, our vice president, Communication and Government Relations, spend a great deal of time working to ensure that the movers and shak-

ers on the state and federal levels know who we are and what our members do. We have spent years building relationships and credibility with legislators, regulators and staff, which puts us in an advantageous position to ward off the unintended issues that sometimes arise.

As you can see, we had a very active and productive year on the legislative and regulatory fronts in 2018. We will continue to reach out to movers and shakers in Sacramento and in Washington, D.C. to ensure that your voice is heard when important decisions about your business is made.



# Top 50 Brokers by Group<sup>1</sup>

Based on Premium Processed by the SLA January Through December 2018

Rank	Broker Group	Premium Processed	% of Total	Item Count
1	CRC SWETT	846,569,697	11.07%	43,309
2	MARSH & MCLENNAN COS. INC.	780,084,360	10.20%	5,101
3	AMWINS GROUP INC.	756,329,289	9.89%	68,617
4	R-T SPECIALTY, LLC	610,748,465	7.99%	28,333
5	ARTHUR J. GALLAGHER & CO.	525,370,944	6.87%	26,458
6	AON P.L.C.	403,256,307	5.27%	2,930
7	WORLDWIDE FACILITIES, LLC	284,934,121	3.73%	26,665
8	WILLIS TOWERS WATSON P.L.C.	178,042,933	2.33%	1,770
9	BROWN & RIDING INSURANCE SERVICES, INC.	173,998,825	2.28%	8,854
10	BURNS & WILCOX	158,517,227	2.07%	52,891
11	LOCKTON INC.	144,591,080	1.89%	7,684
12	RISK SPECIALISTS COMPANIES INSURANCE AGENCY, INC.	114,189,434	1.49%	2,234
13	ALLIANT INSURANCE SERVICES INC.	114,019,958	1.49%	1,460
14	ALL RISKS, LTD.	101,528,784	1.33%	10,479
15	WOODRUFF-SAWYER & CO.	91,009,228	1.19%	1,757
16	CROUSE & ASSOCIATES INSURANCE SERVICES	90,823,788	1.19%	8,480
17	NATIONAL TRANSPORTATION ASSOCIATES, INC.	84,201,826	1.10%	6,632
18	BROWN & BROWN INC.	69,606,530	0.91%	5,209
19	INTEGRO GROUP HOLDINGS L.P.	67,658,764	0.88%	2,560
20	WHOLESALE TRADING INSURANCE SVCS (JENCAP HOLDINGS)	66,230,557	0.87%	2,051
21	GORST & COMPASS INSURANCE	60,666,511	0.79%	24,075
22	SOCIUS INSURANCE SERVICES, INC.	56,412,720	0.74%	4,649
23	USI INSURANCE SERVICES NATIONAL, INC.	54,225,730	0.71%	672
24	CIBA INSURANCE SERVICES	42,215,935	0.55%	2,544
25	SCOTTISH AMERICAN INSURANCE	38,916,205	0.51%	16,056
26	COASTAL BROKERS INSURANCE SERVICES INC.	37,112,375	0.49%	11,449
27	COVE PROGRAMS INSURANCE SERVICES LLC	35,569,264	0.47%	88
28	HULL & COMPANY, INC.	34,951,569	0.46%	9,989
29	SOUTHWEST BUSINESS CORPORATION	34,391,083	0.45%	1,434
30	R.E. CHAIX & ASSOCIATES INSURANCE BROKERS, INC.	34,265,725	0.45%	9,691
31	BASS UNDERWRITERS	33,100,262	0.43%	14,491
32	HUB INTERNATIONAL LTD.	33,010,861	0.43%	1,336
33	JARDINE LLOYD THOMPSON GROUP P.L.C.	32,144,738	0.42%	308
34	SPECIALTY PROGRAM GROUP	32,126,706	0.42%	11,083
35	EXCEPTIONAL RISK ADVISORS, LLC	31,070,053	0.41%	764
36	AMTRUST FINANCIAL SERVICES, INC.	30,615,991	0.40%	32,178
37	TOKIO MARINE HOLDINGS, INC.	30,138,128	0.39%	3,134
38	M.J. HALL & CO., INC.	29,440,617	0.38%	8,326
39	NAS INSURANCE SERVICES, LLC	29,342,400	0.38%	5,099
40	ACRISURE L.L.C.	24,092,130	0.32%	659
41	BERKSHIRE HATHAWAY, INC.	23,100,234	0.30%	2,849
42	EDGEWOOD PARTNERS INSURANCE CENTER, DBA EPIC INSUR	22,005,371	0.29%	514
43	USG INSURANCE SERVICES INC.	20,797,505	0.27%	4,720
44	PETERSEN INTERNATIONAL UNDERWRITERS	19,425,357	0.25%	9,741
45	MCGRUFF, SEIBELS & WILLIAMS, INC.	16,769,292	0.22%	131
46	NEITCLEM WHOLESALE INSURANCE BROKERAGE, INC.	15,774,340	0.21%	2,347
47	SIERRA SPECIALTY INSURANCE SERVICES, INC.	15,044,355	0.20%	6,841
48	ALLIED PROFESSIONALS' INSURANCE SERVICES	14,170,768	0.19%	50
49	COOPER & MCCLOSKEY, INC. INSURANCE BROKERS	14,119,834	0.18%	1,305
50	INTERNATIONAL EXCESS ALLIANCE LLC	14,028,708	0.18%	1,675
	<b>Subtotal</b>	<b>6,570,756,883</b>	<b>85.91%</b>	<b>501,672</b>
	<b>All Other Brokers</b>	<b>1,077,274,114</b>	<b>14.09%</b>	<b>221,129</b>
	<b>Total</b>	<b>7,648,030,997</b>	<b>100.00%</b>	<b>722,801</b>

<sup>1</sup> 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 December 2018

ULTIMATE PARENT <sup>1</sup>	COMPANY	PREMIUM PROCESSED	% OF TOTAL
LLOYD'S	Lloyd's of London 2	1,715,866,046	22.44%
<b>LLOYD'S Total</b>		<b>1,715,866,046</b>	<b>22.44%</b>
AMERICAN INTERNATIONAL GROUP, INC.	LEXINGTON INSURANCE COMPANY	353,544,752	4.62%
	AIG SPECIALTY INSURANCE COMPANY	101,866,138	1.33%
	WESTERN WORLD INSURANCE COMPANY	42,747,241	0.56%
	AIG EUROPE LIMITED	27,041,202	0.35%
	BLACKBOARD SPECIALTY INSURANCE COMPANY	11,232,980	0.15%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <=\$10M	6,324,079	0.08%
<b>AMERICAN INTERNATIONAL GROUP, INC. Total</b>		<b>542,756,391</b>	<b>7.10%</b>
MARKEL CORPORATION	UNITED SPECIALTY INSURANCE COMPANY	220,559,223	2.88%
	EVANSTON INSURANCE COMPANY	172,992,149	2.26%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <=\$10M	9,137,855	0.12%
<b>MARKEL CORPORATION Total</b>		<b>402,689,227</b>	<b>5.27%</b>
NATIONWIDE MUTUAL INSURANCE COMPANY	SCOTTSDALE INSURANCE COMPANY	325,419,185	4.25%
<b>NATIONWIDE MUTUAL INSURANCE COMPANY Total</b>		<b>325,419,185</b>	<b>4.25%</b>
W. R. BERKLEY CORPORATION	ADMIRAL INSURANCE COMPANY	109,874,832	1.44%
	GEMINI INSURANCE COMPANY	67,006,182	0.88%
	NAUTILUS INSURANCE COMPANY	58,973,040	0.77%
	BERKLEY ASSURANCE COMPANY	25,467,204	0.33%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <=\$10M	2,643,336	0.03%
<b>W. R. BERKLEY CORPORATION Total</b>		<b>263,964,595</b>	<b>3.45%</b>
BERKSHIRE HATHAWAY INC.	NATIONAL FIRE & MARINE INSURANCE COMPANY	217,427,988	2.84%
	GENERAL STAR INDEMNITY COMPANY	21,755,406	0.28%
	MOUNT VERNON FIRE INSURANCE COMPANY	13,117,273	0.17%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <=\$10M	3,891,449	0.05%
<b>BERKSHIRE HATHAWAY INC. Total</b>		<b>256,192,115</b>	<b>3.35%</b>
TOKIO MARINE HOLDINGS, INC.	HOUSTON CASUALTY COMPANY	124,101,660	1.62%
	TOKIO MARINE SPECIALTY INSURANCE COMPANY	98,138,218	1.28%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <=\$10M	7,384,916	0.10%
<b>TOKIO MARINE HOLDINGS, INC. Total</b>		<b>229,624,794</b>	<b>3.00%</b>
CHUBB LIMITED	ILLINOIS UNION INSURANCE COMPANY	92,390,519	1.21%
	WESTCHESTER SURPLUS LINES INSURANCE COMPANY	90,130,544	1.18%
	CHUBB CUSTOM INSURANCE COMPANY	40,324,121	0.53%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <=\$10M	3,631,350	0.05%
<b>CHUBB LIMITED Total</b>		<b>226,476,534</b>	<b>2.96%</b>
FAIRFAX FINANCIAL HOLDINGS LIMITED	ALLIED WORLD SURPLUS LINES INSURANCE COMPANY	55,252,484	0.72%
	ALLIED WORLD NATIONAL ASSURANCE COMPANY	52,922,706	0.69%
	FIRST MERCURY INSURANCE COMPANY	38,918,614	0.51%
	CRUM & FORSTER SPECIALTY INSURANCE COMPANY	26,624,311	0.35%
	HUDSON SPECIALTY INSURANCE COMPANY	24,686,666	0.32%
	HUDSON EXCESS INSURANCE COMPANY	13,746,736	0.18%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <=\$10M	8,595,416	0.11%
<b>FAIRFAX FINANCIAL HOLDINGS LIMITED Total</b>		<b>220,746,932</b>	<b>2.89%</b>
LIBERTY MUTUAL HOLDING COMPANY INC.	IRONSHORE SPECIALTY INSURANCE COMPANY	119,740,728	1.57%
	LIBERTY SURPLUS INSURANCE CORPORATION	72,578,027	0.95%
	LIBERTY MUTUAL INSURANCE EUROPE LIMITED	15,590,427	0.20%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <=\$10M	10,774,039	0.14%
<b>LIBERTY MUTUAL HOLDING COMPANY INC. Total</b>		<b>218,683,222</b>	<b>2.86%</b>
AXA SA	INDIAN HARBOR INSURANCE COMPANY	151,102,082	1.98%
	CATLIN SPECIALTY INSURANCE COMPANY	11,331,269	0.15%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <=\$10M	3,481,402	0.05%
<b>AXA SA Total</b>		<b>165,914,753</b>	<b>2.17%</b>
SWISS RE LTD.	SWISS RE INTERNATIONAL SE	59,734,778	0.78%
	NORTH AMERICAN CAPACITY INSURANCE COMPANY	54,223,168	0.71%
	FIRST SPECIALTY INSURANCE CORPORATION	47,398,213	0.62%
<b>SWISS RE LTD. Total</b>		<b>161,356,159</b>	<b>2.11%</b>
ZURICH INSURANCE GROUP LTD.	STEADFAST INSURANCE COMPANY	92,886,092	1.21%
	EMPIRE INDEMNITY INSURANCE COMPANY	59,388,397	0.78%
<b>ZURICH INSURANCE GROUP LTD. Total</b>		<b>152,274,489</b>	<b>1.99%</b>
JAMES RIVER GROUP HOLDINGS, LTD.	JAMES RIVER INSURANCE COMPANY	149,007,675	1.95%
<b>JAMES RIVER GROUP HOLDINGS, LTD. Total</b>		<b>149,007,675</b>	<b>1.95%</b>
QBE INSURANCE GROUP LIMITED	QBE SPECIALTY INSURANCE COMPANY	148,576,798	1.94%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <=\$10M	232,626	0.00%
<b>QBE INSURANCE GROUP LIMITED Total</b>		<b>148,809,424</b>	<b>1.95%</b>
ARGO GROUP INTERNATIONAL HOLDINGS, LTD.	COLONY INSURANCE COMPANY	123,116,152	1.61%
	PELEUS INSURANCE COMPANY	22,462,239	0.29%
<b>ARGO GROUP INTERNATIONAL HOLDINGS, LTD. Total</b>		<b>145,578,391</b>	<b>1.90%</b>
ALLEGHANY CORPORATION	LANDMARK AMERICAN INSURANCE COMPANY	85,761,140	1.12%
	CAPITOL SPECIALTY INSURANCE CORPORATION	29,868,951	0.39%
	COVINGTON SPECIALTY INSURANCE COMPANY	11,916,982	0.16%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <=\$10M	3,943,635	0.05%
<b>ALLEGHANY CORPORATION Total</b>		<b>131,490,708</b>	<b>1.72%</b>
EVEREST RE GROUP, LTD.	EVEREST INDEMNITY INSURANCE COMPANY	125,015,613	1.63%
<b>EVEREST RE GROUP, LTD. Total</b>		<b>125,015,613</b>	<b>1.63%</b>
All Other Groups with Premium Processed <=\$125.0M		2,024,139,034	26.47%
Taxable Fees		42,025,710	0.55%
<b>Grand Total</b>		<b>7,648,030,997</b>	<b>100.00%</b>

<sup>1</sup> Ultimate parent per AM Best as of 1/2/2019; All Lloyd's Syndicates combined under Lloyd's

<sup>2</sup> Refer to the following page for a breakdown of Lloyd's Syndicates with premium processed >=\$10M

# Top Lloyd's Syndicates In California With Managing Agent<sup>1</sup>

Based on Premium Processed by the SLA January Through December 2018

LLOYD'S	PREMIUM PROCESSED	% OF TOTAL
Lloyd's Syndicate 2623 (Beazley Furlonge Limited)	210,193,417	12.25%
Lloyd's Syndicate 2987 (Brit Syndicates Limited)	85,037,574	4.96%
Lloyd's Syndicate 3624 (Hiscox Syndicates Limited)	83,889,651	4.89%
Lloyd's Syndicate 33 (Hiscox Syndicates Limited)	82,020,587	4.78%
Lloyd's Syndicate 510 (Tokio Marine Kiln Syndicates Limited)	77,109,796	4.49%
Lloyd's Syndicate 2001 (MS Amlin Underwriting Limited)	59,766,176	3.48%
Lloyd's Syndicate 2003 (Catlin Underwriting Agencies Limited)	59,425,289	3.46%
Lloyd's Syndicate 2007 (Axis Managing Agency Limited)	50,723,819	2.96%
Lloyd's Syndicate 623 (Beazley Furlonge Limited)	48,285,400	2.81%
Lloyd's Syndicate 1458 (RenaissanceRe Syndicate Management Limited)	42,419,367	2.47%
Lloyd's Syndicate 2488 (Chubb Underwriting Agencies Limited)	40,576,039	2.36%
Lloyd's Syndicate 4472 (Liberty Managing Agency Limited)	39,087,339	2.28%
Lloyd's Syndicate 1861 (AmTrust Syndicates Limited)	35,686,052	2.08%
Lloyd's Syndicate 609 (Atrium Underwriters Limited)	33,932,585	1.98%
Lloyd's Syndicate 1084 (Chaucer Syndicates Limited)	31,127,400	1.81%
Lloyd's Syndicate 2121 (Argenta Syndicate Management Limited)	30,987,794	1.81%
Lloyd's Syndicate 1225 (AEGIS Managing Agency Limited)	30,892,033	1.80%
Lloyd's Syndicate 1969 (Apollo Syndicate Management Limited)	30,431,980	1.77%
Lloyd's Syndicate 4444 (Canopus Managing Agents Limited)	29,684,383	1.73%
Lloyd's Syndicate 1414 (Ascot Underwriting Limited)	25,189,204	1.47%
Lloyd's Syndicate 1200 (Argo Managing Agency Limited)	25,072,095	1.46%
Lloyd's Syndicate 1880 (Tokio Marine Kiln Syndicates Limited)	24,136,994	1.41%
Lloyd's Syndicate 4000 (Pembroke Managing Agency Limited)	23,967,941	1.40%
Lloyds Syndicate 1886 (QBE Underwriting Limited)	23,799,417	1.39%
Lloyd's Syndicate 1183 (Talbot Underwriting Ltd)	21,930,480	1.28%
Lloyd's Syndicate 435 (Faraday Underwriting Limited)	20,948,537	1.22%
Lloyd's Syndicate 4020 (Ark Syndicate Management Limited)	20,665,071	1.20%
Lloyd's Syndicate 4242 (Asta Managing Agency Limited)	20,382,209	1.19%
Lloyd's Syndicate 1955 (Barbican Managing Agency Limited)	20,228,165	1.18%
Lloyd's Syndicate 4711 (Aspen Managing Agency Limited)	16,840,970	0.98%
Lloyd's Syndicate 3000 (Markel Syndicate Management Limited)	16,490,631	0.96%
Lloyd's Syndicate 5151 (Endurance at Lloyd's Limited)	15,325,227	0.89%
Lloyd's Syndicate 1274 (Antares Managing Agency Limited)	15,303,279	0.89%
Lloyd's Syndicate 2015 (The Channel Managing Agency Limited)	14,081,657	0.82%
Lloyds Syndicate 1980 (Asta Managing Agency Limited)	13,593,477	0.79%
Lloyd's Syndicate 2468 (Neon Underwriting Limited)	13,332,574	0.78%
Lloyd's Syndicate 1991 (Coverys Managing Agency Limited)	11,021,473	0.64%
Lloyd's Syndicate 2791 (Managing Agency Partners Limited)	10,492,020	0.61%
Lloyd's Syndicate 1729 (Asta Managing Agency Limited)	10,196,198	0.59%
Lloyd's Syndicate 5000 (Travelers Syndicate Management Limited)	10,172,086	0.59%
All Other Lloyd's Syndicates with Premium Processed <\$10.0M & Other <sup>2</sup>	241,419,661	14.07%
<b>Lloyd's Total</b>	<b>1,715,866,046</b>	<b>100.00%</b>

<sup>1</sup> Source: AM Best as of 1/2/2019 and Lloyd's List of Active Syndicates & Managing Agents for 2018 Year of Account

<sup>2</sup> Other includes Lloyd's premium processed with a missing or invalid syndicate number

# SLIP Offers Several Options For Filing Policies With SLA

After issuing guidance to members that the SLA would only accept electronic filings as of January 1, 2019, the association reconsidered and issued an amended bulletin indicating that it recognized there may be rare compelling circumstances in which brokers might file by postal mail or e-mail.

Although those options remain available as a result of the most recent bulletin, the SLA nonetheless encourages members to file using the Surplus Lines Insurance Portal (SLIP) system, which is more efficient, takes less time and provides greater accuracy, resulting in less need for filers to remediate errors.

Filing your policies electronically will expedite the submission and examination process and eliminate postage costs. As well as filing convenience, using SLIP will give you historical account, invoice and tag information, as well as allow you to pay your stamping fees online using a credit card or ACH/eCheck.

There are four ways to file through SLIP. Manual data entry, in which the filer types in all the information, provides the greatest accuracy and the lowest error rate. To do this, a filer would log into SLIP and enter policy information one record at a time.

To enter filings this way, log into SLIP at <https://slip.slacal.org/> and select the type of policy in the policy options screen, then enter the policy details. Asterisks indicate required fields. Next, enter the policy period, invoice date, single insurer, coverage, premium and fees on the transaction details. Then complete the online SL-1 and SL-2 form or upload the forms if you have already filled them out. Complete the process by uploading a copy of the policy declaration page, binder or cover note, and a list of multiple insurers if necessary, correct all alerts and submit the filing to the SLA. Users would follow a similar process for renewals, endorsements or cancellations.

While this may be the best method for a number of reasons, it can also be a time-consuming one for brokerages that have many policies to submit. While it may ultimately save time by preventing errors that will have to be corrected on the back end, the SLA has made several other options available to filers that can reduce the time necessary to file.

An XML upload of bulk policy data al-

lows for an authorized user to log into SLIP to upload a batch file containing policy data for one or more policies. Users can either upload and submit filings to the SLA, or directly into SLIP. And an AMS upload allows authorized users to generate and submit filings from their internal Agency Management System (AMS) using web services provided by SLIP. In both cases, filers will need to rely on their information technology support staff to do the necessary programming. An Automated Batch Submission manual is available to provide your information technology staff a resource providing the technical information necessary to submit the type of bulk upload of your choice.

For all three of the aforementioned options, the SLA is here to help instruct filers on how to avail themselves of these methods. Filers who need help getting started can reach out to the SLA at (415) 434-4900 and receive assistance.

Authorized users may also submit a batch by uploading a document image file or files. Users will get a confirmation that the file(s) were successfully uploaded, but no other batch information will be available in SLIP for that batch. This function is nearly identical to

the old Broker Extranet method.

To upload a batch image file (BIF), a five-step process is involved. First, click the BIF or XML Bulk Submission/Import Wizard hyperlink. Second, select the middle button providing the "Upload Bulk Image Files (BIF) and Submit to SLA" option. Third, click the "Select Files" button and select the PDF from your computer to upload. Fourth, select the type of document from the drop-down menu and click "Next." Finally, when the submission is ready to send, click "Submit." If the submission is successful, the filer will receive a notification at the top of the Submission List page.

By utilizing one of these SLIP filing options, both filers and the SLA can reduce errors and save time, which benefits everybody involved, but especially filers. Any errors that the SLA Data Analysis team flags have to be remedied by the brokerage that filed the policy. If a tag are not responded to in a timely manner, it is referred to the California Department of Insurance. Together, we can make filing more efficient, achieve maximum compliance, and ensure a healthy, fair and competitive surplus lines marketplace in California.

## 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, and the insurance sector in general, are 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](mailto:cbrown@slacal.org).

# California Surplus Line Industry Sets Record In Premiums For Fourth Consecutive Year

For the fourth straight year, California surplus line brokers set a record for premiums, as SLA data analysts for the first time processed more than \$7 billion in premiums.

The calendar year totals represent more than a 16% increase over the \$6,551,864,881 processed by the SLA in 2017, a total which had set the record for the third consecutive year.

The large increase in part can be attributed to the SLA hiring more staff to reduce the

filing backlog, but it is clear that the market is growing as well. The raw number of processed filings increased from 648,582 in 2017 to 687,194 in 2018. Additionally, the number of surplus lines licensees increased notably as well, from 5,348 in 2017 to almost 5,600 in 2018.

To meet the demands of a growing industry, the SLA has increased its efforts. As noted, the association hired significant numbers of new data analysts in 2018 to meet

the increased volume, but also offered more continuing education seminars (nine in 2018, compared to seven in 2017) and significantly more training visits to member offices (49 in 2018, up from 20 in 2017).

As the industry grows, so does the SLA's need to grow in order to serve it. The SLA will continue to increase its focus on membership and member outreach in 2019, with discussions under way for opening a Los Angeles office to better serve Southern California.

## SLA Launches New Online "Learning Center"

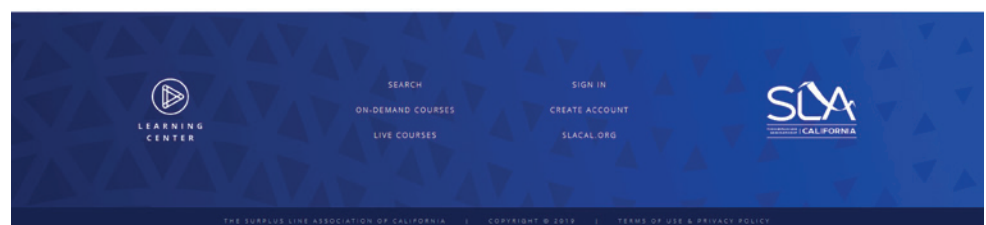
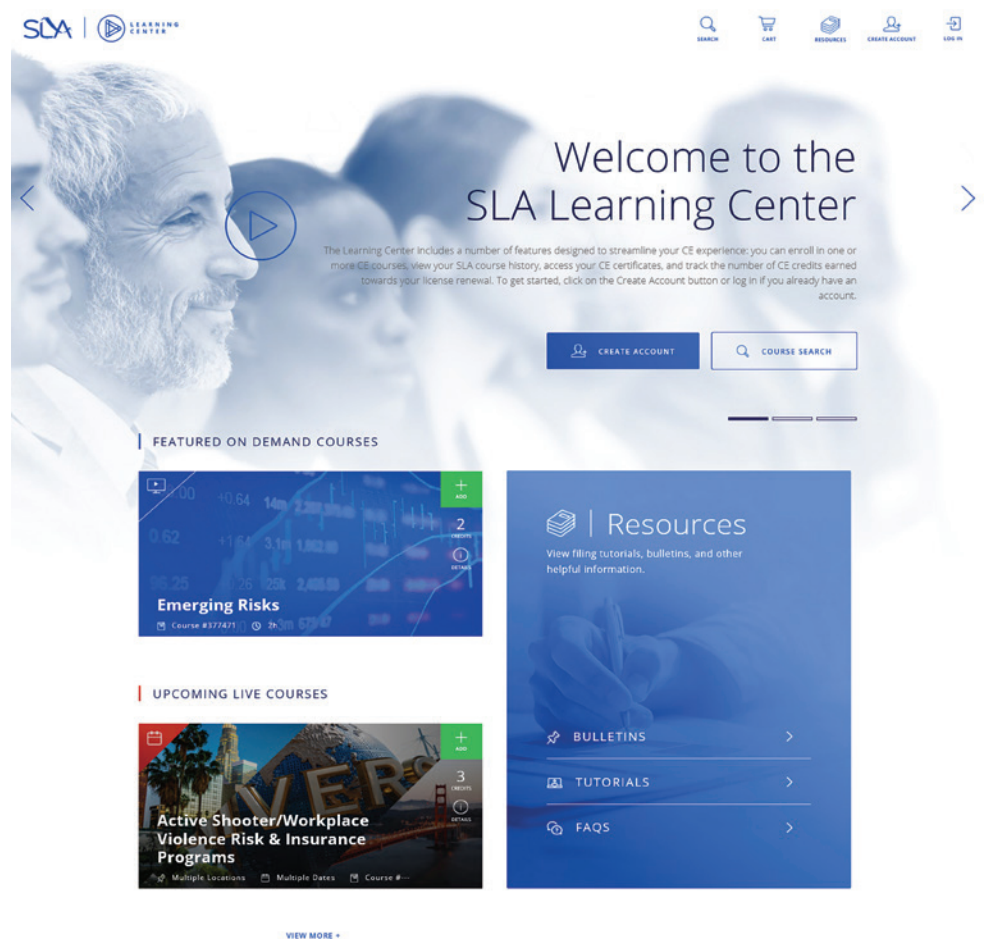
The Surplus Line Association of California has created a new web-based **Learning Center**. This new online vehicle is a one-stop shop broker portal where brokers can log in and manage their profiles, shop for continuing education courses, monitor their continuing education credits, and obtain quick and easy access to our most requested bulletins and frequently asked questions.

The SLA created the Learning Center to allow brokers to manage their continuing education credits as well as have quicker access to specific information they need.

The SLA is also in the process of offering on-demand courses in addition to live seminars, and these on-demand courses will be housed in the Learning Center. At this time, the on-demand course "Emerging Risks" is available online, with more to follow. (Please note that if you have already attended the live CE course, you cannot get additional CE credits for viewing it online.)

Please go to [learningcenter.slacal.org](http://learningcenter.slacal.org) to see the site, and to <https://s3.amazonaws.com/learningcenter-assets/WelcomeVideo.mp4> for an introduction from SLA Board of Directors Chair Bob Gilbert and a tutorial on how to use the Learning Center.

Feel free to contact Pat McAuley, the SLA's senior vice president for Education and Compliance, with your comments, questions or suggestions. She can be reached via e-mail at [pmcauley@slacal.org](mailto:pmcauley@slacal.org) or (415) 434-4900, extension 1111.



SLA members can access the association's new Learning Center online by going to: [learningcenter.slacal.org](http://learningcenter.slacal.org).



## SLA Board of Directors

**Robert Gilbert—Chair**  
Markel West Insurance Services

**Terri Moran—Vice Chair**  
Paul Hanson Partners

**Janet Beaver—Secretary/Treasurer**  
Tokio Marine-HCC Casualty Services

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**Kathy Schroeder**  
Sierra Specialty Insurance Services,  
Inc.

**Gerald Sullivan**  
G.J. Sullivan Co., Reinsurance

**John Washington**  
Arch Insurance Group

## Industry Calendar: February-April 2019

### SLA Annual Meeting

Julia Morgan Ballroom, San Francisco  
February 5  
Millennium Biltmore, Los Angeles  
February 7  
[slaannualmeeting.com](http://slaannualmeeting.com)

### WSIA Surplus Lines Management

Emory University  
Atlanta, GA  
February 5-8  
[www.wsia.org/WSIA/WSIA/Upcoming\\_Events.aspx](http://www.wsia.org/WSIA/WSIA/Upcoming_Events.aspx)

### WSIA Automation Conference

Bally's Las Vegas  
Las Vegas, NV  
March 14-17  
[www.wsia.org/wsia/AUTOMATION\\_CONFERENCE/2018/automation\\_conference\\_home.aspx](http://www.wsia.org/wsia/AUTOMATION_CONFERENCE/2018/automation_conference_home.aspx)

### NCOIL Spring Meeting

Sheraton Grand Nashville Downtown  
Nashville, TN  
March 14-17  
[www.ncoil.org/future-meetings](http://www.ncoil.org/future-meetings)

### WSIA Extreme Risk Takers Symposium

Chicago, IL  
March 23-24  
[www.wsia.org/WSIA/WSIA/Upcoming\\_Events.aspx](http://www.wsia.org/WSIA/WSIA/Upcoming_Events.aspx)

### NAIC Spring National Meeting

J.W. Marriott  
Orlando, FL  
April 6-9  
[www.naic.org/meetings\\_events.htm](http://www.naic.org/meetings_events.htm)

### WSIA Wholesale & Specialty Insurance Forum

Phoenix, AZ  
April 6-7  
[www.wsia.org/WSIA/WSIA/Upcoming\\_Events.aspx](http://www.wsia.org/WSIA/WSIA/Upcoming_Events.aspx)

### WSIA Spring Summit

J.W. Marriott Desert Ridge  
Phoenix, AZ  
April 14-17  
[www.wsia.org/WSIA/WSIA/Upcoming\\_Events.aspx](http://www.wsia.org/WSIA/WSIA/Upcoming_Events.aspx)

## Continuing Education Courses

### Topic: Active Shooter Coverage

**Tuesday, March 19**  
Jonathan Club,  
545 S. Figueroa Street, Los Angeles

**Wednesday, March 20**  
Park Central Hotel  
50 Third Street, San Francisco

### Topic: Emerging Trends

**Tuesday, April 16**  
Hilton Universal City,  
555 Universal City Drive, Universal City

**Wednesday, April 17**  
Hyatt Regency San Francisco  
5 Embarcadero Center, San Francisco  
Call Education and Compliance Department at  
(415) 434-4900 or register at:  
<http://www.slacal.com/education/courses>.

### SLA Connection

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The SLA Nominating Committee has nominated the following slate for the 2019 Board of Directors, to be considered for approval at the SLA Annual Meeting February 5 and 7:

**Robert Gilbert**, Markel West Insurance Services Chair

**Terri Moran**, Paul Hanson Partners, Vice Chair

**Janet Beaver**, Tokio Marine-HCC Casualty Group, Secretary/Treasurer

**Gerald Sullivan**, GJS Re, Member Emeritus

**Tim Chaix**, R.E. Chaix & Co., Member

**Jim Faley**, Vela Insurance Services, Member

**Rich Gobler**, Burns & Wilcox, Member

**Hank Haldeman**, Worldwide Facilities, Member

**Cameron Kelly**, Worldwide Facilities, Member

**Pam Quilici**, Crouse and Associates, Member

**Charlie Rosson**, R-T Specialty, Member

**Kathy Schroeder**, Sierra Specialty, Member

**John Washington**, Arch Insurance Group, Member

**Terrence Villar**, AmWINS, Member