



# Tag Violations

The Surplus Line Association of California

# Preface

The Surplus Line Association of California (SLA) notifies the surplus line brokers of discrepancies and violations through 'tags'.

California Insurance Code section 1780.56(a)(1) states:

“The advisory organization shall notify the filing surplus line broker in writing of any filing that the advisory organization determines to be incomplete or inaccurate, and shall request the filing broker to correct the problem. The advisory organization may, or as directed by the commissioner shall, notify the commissioner of incomplete or inaccurate filings.”

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# Tag Categories

The SLA categorizes tags into standard tags, priority tags, and informational tags.

- ▶ Standard tags
  - Notify the broker of errors, problems, discrepancies, or missing information in their filed documents.
  - 30-day or 90-day response time
  
- ▶ Priority tags
  - Notify the broker of violations of a California statute or regulation in their filed documents.
  - 28-day response time
  
- ▶ Informational tags
  - Requires viewing without a response

# Standard Tags (30-Day Response Time)

Tags with a 30-day allowable response time are:

- ▶ SL-1 is missing
- ▶ SL-1 form is incomplete
- ▶ SL-2 is missing
- ▶ SL-2 form is incomplete
- ▶ Admitted Insurer Information of the SL-2 form is incomplete
- ▶ Admitted insurer name is incomplete, not licensed to write that class of business, or is not stated as an admitted insurer in the CDI's website [https://interactive.web.insurance.ca.gov/apex\\_extprd/f?p=144:1](https://interactive.web.insurance.ca.gov/apex_extprd/f?p=144:1)
- ▶ SL forms required for extension endorsement
- ▶ Forms are not legible
- ▶ Late filing

# Standard Tags (90-Day Response Time)

Tags with a 90-day allowable response time are:

- ▶ Name insured is not legible
- ▶ Policy/certificate number is missing
- ▶ Policy/certificate term of coverage is missing
- ▶ Cancellation effective date is missing
- ▶ Incomplete policy
- ▶ Taxes are not shown on policy/certificate
- ▶ Endorsement has no record of policy being filed
- ▶ Free form text
- ▶ Endorsement does not fall within policy term
- ▶ Premium not broken down by coverage
- ▶ Renewal has no record of previous policy filed
- ▶ Endorsement does not show tax and fee
- ▶ Invoice date
- ▶ Revised coversheet
- ▶ Risk purchasing group name is not registered under company

# Priority Tags

- ▶ Priority tags with a 28-day allowable response time are:
  - ▶ Lower Rate Filing
  - ▶ CAARP declination is missing
  - ▶ Insurer not in compliance with GAP provisions
  - ▶ Company objected by California Department of Insurance
  - ▶ Security information is not provided
  - ▶ Security list does not show group breakdown
  - ▶ Lloyd's syndicate numbers not shown
  - ▶ Security company % does not equal % on cover note
  - ▶ Premium needs to be broken down by coverage
  - ▶ Alien insurer not meeting eligibility
  - ▶ Insurer with a merged status

# Informational Tags

- ▶ Tags for informational purposes only with no response required are:
  - Revised SL1 (January 16, 1997)
  - Revised SL2 (January, 2024)
  - Late filing with explanation
  - Workers Compensation Coverage included

# Tag Response Time

- ▶ If a tag is not responded to at the end of its allotted time period or the tag response is inadequate, a report is sent to the California of Insurance Investigations Division.
- ▶ The report includes the broker's name, tag violation and policy details.

# Contact Us

- ▶ If you have any questions please contact the Compliance Department at

**[Compliance@slacal.com](mailto:Compliance@slacal.com)**