



**THE SURPLUS LINE ASSOCIATION
OF CALIFORNIA**

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March 14, 2014

Bulletin # 1304

RE: California LASLI Filing Requirements Guide for Surplus Line Insurers (Guide)

Attached is the 2014 Guide issued by the California Department of Insurance (CDI) for nonadmitted insurers who wish to remain on or be added to the List of Approved Surplus Line Insurers (LASLI). The LASLI is a voluntary list of nonadmitted insurers that the CDI has approved for use by surplus line brokers for placement of risks when California is the insured's home state. The filing requirements are in accordance with California Insurance Code §1765.2. You may also obtain the Guide from the SLA website http://www.slacal.org/carrier_info/cr_california_lasli_filing_requirements.html.

The filing requirements for 2014 are essentially the same as those in 2013 except for the filing fees which will be increased by 10% effective **March 17, 2014**:

Type of Filing	New Fee	Current Fee
LASLI application	\$5,557	\$5,052
Annual renewal	\$2,779	\$2,526
Financial update	\$310	\$282
Non-financial update	\$45	\$41

Should you have any questions, please call me or Patrice Kwang at (800) 334-0491 or (415) 434-4900. You may also contact the CDI as follows: Carol Frair, Senior Staff Counsel, Corporate Regulatory Affairs Bureau at (415) 538-4408, or Shannon Carrion, Bureau Chief, Licensing Compliance & Company Investigations Bureau at (916) 492-3426.

Sincerely,

Linda Cheng
Manager, Financial Department

LC/pk
Attachment

DEPARTMENT OF INSURANCE

LICENSING SERVICES DIVISION
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SACRAMENTO, CA 95814
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CALIFORNIA LASLI FILING REQUIREMENTS GUIDE FOR SURPLUS LINE INSURERS

This document provides guidance as regards some frequently asked questions (“FAQs”) and provides guidance on the filing requirements for nonadmitted insurers wishing to be added to or to continue to be on the List of Approved Surplus Line Insurers (“LASLI”). The Guide is intended to assist those who prepare regulatory filings for nonadmitted insurers. It is not all inclusive and does not supersede the actual language of the governing statutory California surplus line laws and regulations, specifically CIC §1765.2.

FAQs

Q: What is the LASLI?

A: The LASLI is a List of Approved Surplus Line Insurers in California. The LASLI is an optional listing and an insurer need not be on the LASLI to be used for surplus line placements in California if the alien (non-US domiciled) nonadmitted insurer is on the Quarterly Listing of Alien Insurers maintained by the National Association of Insurance Commissioners (“NAIC”) International Insurers Department, or if the foreign (US domiciled) nonadmitted insurer satisfies other financial and licensing requirements set forth in CIC §1765.1. Both foreign and alien nonadmitted insurers may be included on the LASLI provided they satisfy the standards set forth in CIC §1765.2.

Q: Where can one obtain a copy of the LASLI?

A: The LASLI is available on the California Department of Insurance’s (“CDI”) website at <http://www.insurance.ca.gov/0100-consumers/0030-licensee-info/0031-surplus-lines/lasli.cfm>

Q: What are the requirements to become LASLI listed?

A: Refer to the attached Guide for a summary of the requirements or refer to CIC §1765.2 for detailed requirements.

Q: Under the LASLI requirements, all financial and certain non-financial documents need to be certified or verified. If these documents are available from the NAIC or other public source, is certification or verification of documents still required?

A: If the financial and certain non-financial documents are available from the NAIC or other public source, certification or verification of these documents is not required. However, if hard copies of the documents are provided to the CDI instead, these documents must be certified or verified and submitted in quadruplicate (one original and three photocopies).

Q: What are the required filing fees?

A: Refer to the Guide for details of the fees for a LASLI application, and subsequent annual renewals and update filings. The fees are posted on the CDI's website as well:
<http://www.insurance.ca.gov/0200-industry/0050-renew-license/0600-fees/upload/2013-14FeeScheduleEff20140317F.pdf>

Q: Where should the documents and fees be filed?

A: All documents and fees should be submitted to the following address:

Accounting Services Bureau
State of California Department of Insurance
300 Capitol Mall
Sacramento, CA 95814

The Guide is divided into the following sections:

- I. LASLI Filing Requirements
 - II. Document Filing Requirements
 - A. Filing Requirements for Foreign Insurers
 - B. Filing Requirements for Alien Insurers
 - III. Definitions of “Certified” and “Verified”
 - IV. Annual Renewal Requirements
 - V. Update Filing Requirements
 - A. Update Filing Requirements for Foreign Insurers
 - B. Update Filing Requirements for Alien Insurers
 - VI. Suggested Dates for Filing Financial Documents
 - VII. Filing Fees Schedule
-
- Exhibit A Verified Regulatory Disclosure Statement
 - Exhibit B Verified Statement to be used when Certification is Unavailable
 - Exhibit C Verified Statement Incorporating Previously Filed Documents
 - Exhibit D Verified Statement to be used when Certificate of Good Standing, Certificate of Compliance, or Equivalent Certificate is Unavailable
 - Exhibit E Document Checklists for Foreign and Alien Insurers
 - Exhibit F Verified Statement to be used to Identify Documents that are Available from the NAIC

I. LASLI Filing Requirements

To be considered for placement on the LASLI, a nonadmitted insurer must make an application to the CDI and submit all the documents specified under CIC §1765.2(c) and (d), along with a filing fee of \$5,557. The required documents and applicable filing fee are summarized in Sections II and VII of this Guide, respectively. Subsequent to its placement on the LASLI, the nonadmitted insurer is required to renew its status annually by submitting updates of the documents set forth in CIC §1765.2(c) and (d). The documents submitted must demonstrate that the insurer meets the following standards:

- A. The insurer has established its **financial stability, reputation, and integrity** for the class of insurance it proposes to place with California surplus line brokers {CIC §1765.2(a)(1)}.
- B. A nonadmitted insurer who wishes to operate as an approved-surplus line carrier in California must have and maintain a minimum capital and surplus of \$45 million at all times. The insurer must also have at least \$25 million in assets acceptable under CIC §1765.2(a)(2)(A). Acceptable assets are essentially comprised of cash, or securities falling within CIC §1170 to 1182, or readily marketable securities listed on regulated US national or principal regional securities exchanges.

If a nonadmitted insurer has less than \$45 million in capital and surplus, then the carrier may request an affirmative finding of acceptability from the Commissioner based upon factors such as quality of management, capital and surplus of any parent company, company underwriting profit and investment income trends, market availability and company record and reputation within the industry.

- C. For a new applicant, the insurer must have actively **transacted insurance for at least three years** immediately prior to its application for surplus line eligibility unless an exemption is granted {CIC §1765.2(e)(3)}.
- D. Alien insurers must have established an irrevocable **US trust account** consisting of cash and marketable securities of no less than \$5.4 million at all times with a qualified US financial institution. Letters of credit may be used to fund the trust account, provided they are issued by a qualified US financial institution. {CIC §1765.2(b)(1)}
- E. The insurer must currently hold a **license** to issue insurance policies (other than reinsurance) to residents of the jurisdiction that granted the license unless it has been granted an exemption {CIC §1765.2(e)(4)}.
- F. All documents filed must be **complete, clear, comprehensible, unambiguous, accurate and consistent** {CIC §1765.2(e)(1)}.

- G. The insurer must have an appointed California-licensed surplus line broker who has agreed to act as its **contact broker** to assist with the insurer's LASLI application and subsequent regulatory filing responsibilities in California (CIC §1765.2). A nonadmitted insurer may make its LASLI application, annual renewal filings, and update filings directly with the CDI provided the insurer keeps its contact broker informed. It is recommended that the contact broker maintain a complete set of all such filings.

II. Document Filing Requirements

All required documents must be filed in accordance with the provisions of CIC §1765.2(c) and (d). All financial and certain non-financial documents must be certified, while several other required documents must be verified. For definitions of "certified" and "verified", refer to Section III of this Guide. In addition, the following standards must be met:

- (1) All communications and documents filed must be submitted in, or translated into, the English language. All financial data must be converted into US dollars.
- (2) Documents filed must be complete, in that pages cannot be omitted or cut off and they must include all referenced schedules, exhibits and/or attachments.
- (3) Documents filed must be legible.
- (4) Documents must be filed in quadruplicate (at least one original and up to three photocopies).

If any required document(s) is not available at the time of the insurer's filing, the insurer should provide an explanation why the document(s) was not included and an estimate as to when the document(s) will be made available to the CDI.

If a required document is available from the NAIC or other public source, then the document need not be filed with the CDI, and certification or verification of this document is not necessary. However, the insurer will still have to submit a verified statement to the CDI identifying the document that is available from the NAIC or other public source along with the appropriate filing fee. Exhibit F is a specimen of such verified statement that the Commissioner considers to be in compliance with the California Insurance Code.

The filing requirements for foreign are slightly different from alien insurers; hence, requirements for these two types of insurers are addressed in separate sections.

A. Filing Requirements for Foreign Insurers

Foreign insurers must file each of the documents listed below (in quadruplicate, one original and three photocopies) with the LASLI application and, subsequent to their placement on the LASLI, at least annually as part of the annual renewal process or as an update filing:

1. **Annual Statement** of the insurer not older than 12 months, and prepared in the NAIC prescribed format {CIC §1765.2(c)(1)(A) & (D)(i)}. The Annual Statement must be certified and include all supplementary reports, exhibits, and schedules required by the NAIC.
2. **Audited Financial Report** of the insurer, prepared by an independent certified public accountant or accounting firm (“CPA”), showing the insurer’s condition as of a date not more than 12 months prior to submission {CIC §1765.2(c)(1)(B)}. The CPA must be in good standing with the American Institute of Certified Public Accountants in all states where the CPA is licensed to practice. The Audited Financial Report must be prepared in accordance with statutory accounting practices prescribed, or otherwise permitted, by the insurance regulator of the insurer’s domiciliary jurisdiction.

CIC §1765.2(c)(1)(D)(i) requires Audited Financial Reports to be certified; however, the CDI will accept verified copies if certified copies are not available at the time of filing. The CDI expects to receive certified copies when they become available. Exhibit B is a specimen of such a verification statement that the Commissioner considers to be in compliance with the California Insurance Code.

3. A certified copy of the insurer’s **current License or Certificate of Authority** issued by its domiciliary jurisdiction. The license should set forth the insurer’s authority to transact the types of insurance it proposes to provide California home state insureds {CIC §1765.2(c)(2)}.
4. A **Certificate of Good Standing, Certificate of Compliance, or other Equivalent Certificate** issued by the insurer’s domiciliary jurisdiction {CIC §1765.2(c)(2)}. If such certification is not available from its domiciliary jurisdiction or any other state where it is licensed, the insurer must provide a verified statement signed by a responsible executive or officer of the company. Exhibit D is a specimen of such a verification statement that the Commissioner considers to be in compliance with the California Insurance Code.
5. **Agent for Service of Process** appointed by the insurer to receive service of suits

filed against the insurer. The Agent must be located in California. Information must include the Agent's full name, the name of the firm the Agent represents, business address, telephone and fax numbers where the agent can be reached during normal business hours {CIC §1765.2(c)(3)}.

6. **Principal Place of Business** of the insurer, including complete street address, mailing address, telephone and fax numbers {CIC §1765.2(c)(4)}.
7. **An Explanation, Report, or other Statement as to the Insurer's Record Regarding Market Conduct and Consumer Complaints.** Such report should be from the insurance regulatory office or official of the insurer's domiciliary jurisdiction and may be certified or verified {CIC §1765.2(c)(5)}.

If such report is not available from the insurer's domiciliary jurisdiction for the current filing year, or if the market conduct report is older than 12 months, then the insurer can provide a verified statement describing its own record regarding market conduct, and its own record of claims payment and treatment of policyholders.

8. **Regulatory Disclosure Statement.** A verified statement that discloses any currently known regulatory actions pending against the insurer or any affiliated entities {CIC §1765.2(c)(6)} for the current filing year. These regulatory actions include, but are not limited to, legal proceeding for receivership, conservation, liquidation, license revocation or suspension, or any other cease and desist order. If the insurer or its affiliate(s) is subject to such proceedings, the statement must identify the proceeding by date, jurisdiction, and relief or sanction sought. Copies of any outstanding orders must also be attached to the statement.

For insurers and their affiliates who are not subject to any such actions, Exhibit A is a specimen of such a verified regulatory disclosure statement that the Commissioner considers to be in compliance with the California Insurance Code.

9. The insurer's **Proposed Plan of Operation** in California {CIC §1765.2(d)(1)}. The Plan assists the Commissioner in determining whether the insurer has the financial stability, reputation and integrity for the class of insurance it proposes to accept from surplus line brokers, and in ascertaining that (i) the insurer does not intend to offer in California products that violate CIC §1765.2(e)(6); and (ii) the insurer does not conduct any activity through its affiliate that constitutes the transaction of insurance in this State or a violation of CIC §700 and §703. The Plan should include the following information:
 - a) A brief description of the products the insurer intends to accept from

California surplus line brokers.

- b) A list of all affiliated companies who are admitted in California, including any affiliate(s) applying for admission in this State.
- c) An explanation as to how the coverages offered by the nonadmitted insurer differ from those offered by affiliated insurers (if any) transacting business in California on an admitted or nonadmitted basis.
- d) A brief description of the insurer's reinsurance program(s).
- e) If applicable, a description of any administrative services to be rendered in California by an affiliated insurer domiciled in California.

For new applicants, the insurer's business plan should also include: (1) three- to five-year written premium volume projections by line(s) of business, both worldwide and in California; and (2) three- to five-year pro forma statutory financial statements along with the assumptions used.

10. **Biographical Affidavits on the Officers and Directors** of the insurer {CIC §1765.2(d)(1)}. If the insurer has filed these with the NAIC, they must also be filed in California.
11. **Latest Report of Examination** of the insurer issued by its domiciliary regulator. If the latest Report is not available at the time of the filing, the insurer must provide an explanation why it is not available, and an estimate as to when the latest Report should be made available {CIC §1765.2(c)(7)}. All copies must be certified.
12. **List of Surplus Line Brokers Authorized to Issue Policies on Behalf of the Insurer** {CIC §1765.2(c)(8)}. California-licensed surplus line broker(s) may issue policies on behalf of a nonadmitted insurer provided the broker(s) has a written authorization from the insurer. The insurer is required to provide the Commissioner with a list of those California-licensed surplus line brokers who have been granted such authorization.

If the insurer has not granted this authority to any broker, the insurer must submit a statement that indicates no broker has the authority to issue policies on the insurer's behalf.

13. **Quarterly Financial Statements** of the insurer for the current year if available at the time of making the LASLI application. For LASLI-listed companies, Quarterly Statements are normally filed as updates. {CIC §1765.2(d)(1)}

Quarterly Statements must be certified and filed as soon as they are available; however, the CDI will accept verified copies if certified copies are not available at the time of filing. The CDI also expects to receive certified copies when they do

become available. Exhibit B is a specimen of such a verification statement that the Commissioner considers to be in compliance with the California Insurance Code.

B. Filing Requirements for Alien Insurers

Alien insurers must file each of the documents listed below (in quadruplicate, one original and three photocopies) with the LASLI application and, subsequent to their placement on the LASLI, at least annually as part of the annual renewal process or as an update filing:

1. **Standard IID Financial Reporting Format (“IID Report”)** of the insurer not more than 12 months old. The IID Report (including all the required schedules and exhibits) shall be prepared following the filing instructions as prescribed by the International Insurers Department (“IID”) of the NAIC {CIC §1765.2(c)(1)(A) & (E)}.

There are **two filings** of this IID Report: (a) An initial financial filing as required by the NAIC IID that is due within three months of the insurer’s year-end; and (b) the final filing as required by the NAIC IID that is due within seven months of the insurer’s year-end. However, if the insurer is waived by the NAIC IID from providing its initial filing, the insurer must advise the CDI in writing by March 31st that it will submit its final filing no later than May 31st of each year.

All copies of the financial statement must be certified; however, the CDI will accept verified copies if certified copies are not available at the time of filing. The CDI expects to receive certified copies when they do become available. Exhibit B is a specimen of such a verification statement that the Commissioner considers to be in compliance with the California Insurance Code.

2. **Audited Financial Report** of the insurer, prepared by an independent licensed auditor in the insurer’s domiciliary jurisdiction, showing the insurer’s condition as of a date not more than 12 months prior to submission {CIC § 1765.2(c)(1)(B) & (E)}. The Audited Financial Report must be prepared in accordance with either (i) Generally Accepted Auditing Standards that prescribe Generally Accepted Accounting Principles, or (ii) International Accounting Standards as published and revised from time to time by the International Auditing Guidelines published by the International Auditing Practice Committee of the International Federation of Accountants. The Audited Financial Report must include financial statement notes and a summary of significant accounting practices.

All copies of the Audited Financial Report must be certified; however, the CDI will accept verified copies if certified copies are not available at the time of filing. The CDI expects to receive certified copies when they become available. Exhibit B is a

specimen of such a verification statement that the Commissioner considers to be in compliance with the California Insurance Code.

3. **US Trust Agreement** of the insurer {CIC §1765.2(c)(1)(C)(i)} prepared in accordance with the NAIC Standard Form Trust Agreement for Alien Excess or Surplus Lines Insurers (**as amended January 1, 2007**). All copies of the agreement must be certified. The trustee bank may certify these agreements.
4. Most recent quarterly **Statement of Account or List of Assets in the Trust Account** {CIC §1765.2(c)(1)(C)(ii)}. This Statement, generally provided on a regular basis by the trustee bank, shows a list of the assets held in the insurer's trust account at the end of each quarter. The Statement must be verified. Exhibit B is a specimen of such a verification statement that the Commissioner considers to be in compliance with the California Insurance Code.
5. A certified copy of the insurer's **current License or Certificate of Authority** issued by its domiciliary jurisdiction. The license should set forth the insurer's authority to transact the types of insurance it proposes to provide California home state insureds {CIC §1765.2(c)(2)}.

Each alien insurer must make every attempt to get a certified copy of its license issued by its domiciliary jurisdiction.

6. A **Certificate of Good Standing, a Certificate of Compliance, or other Equivalent Certificate** issued by the insurer's domiciliary jurisdiction {CIC §1765.2(c)(2)}. If such certification is not available from its domiciliary jurisdiction, the insurer must provide a verified statement signed by a responsible executive or officer of the company. Exhibit D is a specimen of such a verification statement that the Commissioner considers to be in compliance with the California Insurance Code.
7. **Agent for Service of Process in California** appointed by the insurer to receive service of suits filed against the insurer. The Agent must be located in California. Information must include the Agent's full name, the name of the firm the Agent represents, business address, telephone and fax numbers where the agent can be reached during normal business hours {CIC §1765.2(c)(3)}.
8. **Principal Place of Business** of the insurer, including complete street address, mailing address, telephone and fax numbers {CIC §1765.2(c)(4)}.
9. **An Explanation, Report, or other Statement as to the Insurer's Record Regarding Market Conduct and Consumer Complaints**. Such report should be from the insurance regulatory office or official of the insurer's domiciliary jurisdiction and

may be certified or verified {CIC §1765.2(c)(5)}.

If such report is not available from the insurer's domiciliary jurisdiction for the current filing year, or if the market conduct report is older than 12 months, then the insurer can provide a verified statement describing its own record regarding market conduct, and its own record of claims payment and treatment of policyholders.

10. **Regulatory Disclosure Statement.** A verified statement that discloses any currently known regulatory actions pending against the insurer or any affiliated entities {CIC §1765.2(c)(6)} for the current filing year. These regulatory actions include, but are not limited to, legal proceeding for receivership, conservation, liquidation, license revocation or suspension, or any other cease and desist order. If the insurer or its affiliate(s) is subject to such proceedings, the statement must identify the proceeding by date, jurisdiction, and relief or sanction sought. Copies of any outstanding orders must also be attached to the statement.

For insurers and their affiliates who are not subject to any such actions, Exhibit A is a specimen of such a verified regulatory disclosure statement that the Commissioner considers to be in compliance with the California Insurance Code.

11. The insurer's **Proposed Plan of Operation** in California {CIC §1765.2(d)(1)}. The Plan assists the Commissioner in determining whether the insurer has the financial stability, reputation and integrity for the class of insurance it proposes to accept from surplus line brokers and in ascertaining that (i) the insurer does not intend to offer in California products that violate CIC §1765.2(e)(6); and (ii) the insurer does not conduct any activity through its affiliate that constitutes the transaction of insurance in this State or a violation of CIC §700 and §703. The Plan should include the following information:

- a) A brief description of the products the insurer intends to accept from California surplus line brokers.
- b) A list of all affiliated companies who are admitted in California, including any affiliate(s) applying for admission in this State.
- c) An explanation as to how the coverages offered by the nonadmitted insurer differ from those offered by affiliated insurers (if any) transacting business in California on an admitted or nonadmitted basis.
- d) A brief description of the insurer's reinsurance program(s).
- e) Premiums written in California by lines of business.
- f) If applicable, a description of any administrative services to be rendered in California by an affiliated insurer domiciled in California.

For new applicants, the insurer's business plan should also include: (1) three- to five-year written premium volume projections by line(s) of business, both worldwide and in California; and (2) three- to five-year pro forma statutory financial statements along with the assumptions used.

12. **Biographical Affidavits on the Officers and Directors** of the insurer {CIC § 1765.2(d)(1)}. If these affidavits are filed in the insurer's home jurisdiction or elsewhere, they must also be filed in California.
13. **List of Surplus Line Brokers Authorized to Issue Policies on Behalf of the Insurer** {CIC §1765.2(c)(8)}. California-licensed surplus line broker(s) may issue policies on behalf of a nonadmitted insurer provided the broker(s) has a written authorization from the insurer. The insurer is required to provide the Commissioner with a list of those California-licensed surplus line brokers who have been granted such authorization.

If the insurer has not granted this authority to any broker, the insurer must submit a statement that indicates no broker has the authority to issue policies on the insurer's behalf.

14. **Quarterly or Half-Yearly Results** for the current year, if available, should be included with the insurer's LASLI application. For LASLI-listed companies, Quarterly or Half-yearly Results are normally filed as updates.

Quarterly or Half-yearly Results must be certified or verified, and filed as soon as they are available {CIC §1765.2(d)(1)}. Exhibit B is a specimen of such a verification statement that the Commissioner considers to be in compliance with the California Insurance Code

III. Definitions of "Certified" and "Verified"

"Certified" – an originally signed or sealed statement, dated not more than 60 days before submission, made by a public official or other person (someone at the Department of Insurance of the insurer's domiciliary jurisdiction), attached to a copy of a document, attesting that the copy is a true copy of the original, and that the original is in the custody of the person making the statement {CIC §1760.1(a)}.

"Verified" – a document or copy accompanied by an originally signed statement, dated not more than 60 days before submission, from a responsible executive or official who has authority to provide the statement and knowledge whereof he or she speaks, attesting either under oath before a notary public, or under penalty of perjury under California law, that the assertions made in the document are true {CIC §1760.1(q)}.

IV. Annual Renewal Requirements

To maintain their surplus line eligibility in California and to ensure continual compliance with the requirements of CIC §1765.2, LASLI-listed companies are required to renew their eligibility status annually. This renewal process includes the filing of up-to-date versions of all the documents required under CIC §1765.2(c) & (d) along with a **\$2,779 filing fee.** {CIC §1765.2(i) and (j)}

Approved insurers may incorporate certain previously filed documents (except for the Market Conduct Information and Regulatory Disclosure Statement) into a current annual renewal package, provided there were no changes to the information in those documents. To incorporate a previously filed document(s) into a current annual filing, the insurer must: (1) Submit a verified statement that lists the document(s) previously provided to the CDI and affirm that there has been no change to the information contained in the previously filed document(s); and (2) make a specific reference to the prior filing(s) in its current annual renewal filing. Exhibit C is a specimen of such verified statement that the Commissioner considers to be in compliance with the California Insurance Code.

Insurers may **not** incorporate a previously filed Market Conduct Report (or Market Conduct Information Statement) **and** a previously filed Regulatory Disclosure Statement into a current annual renewal filing, even if the information previously provided has not changed, since the information in these documents pertains to a specific period. Each year, a LASLI-listed company is required to submit market conduct information pertaining to the current filing year. If such information is not available from its domiciliary jurisdiction, the insurer must then submit a verified statement describing its record of claims payment and treatment of policyholders for the current filing period.

A LASLI-listed company is also required to submit a Regulatory Disclosure Statement each year, stating whether the insurer or any of its affiliates is subject to regulatory actions. A standardized Regulatory Disclosure Statement acceptable by the Commissioner has been incorporated into Exhibit A for insurers and their affiliates who are not subject to any such actions.

When to File: Annual renewal filings should be made on or before the anniversary of the insurer's LASLI approved date; however, insurers do not have to wait until their LASLI anniversary date to make a filing. It is strongly recommended that insurers make their annual renewal filing as soon as all the required materials are available.

All applications, annual renewals, and update filings must be filed with the CDI. These filings may be made through the insurer's California contact broker or directly to the CDI, provided the insurer keeps its contact broker informed.

Where to File: All documents and fees must be sent to the CDI at the following address:

Accounting Services Bureau
State of California Department of Insurance
300 Capitol Mall
Sacramento, CA 95814

Regulatory Filing Contacts: For questions regarding surplus lines eligibility and filing requirements, please contact:

Carol Frair
Senior Staff Counsel
Corporate Affairs Bureau
45 Fremont Street
San Francisco, CA 94111
(415) 538-4408

Shannon Carrion
Chief, Licensing Compliance and
Company Investigations Bureau
300 Capitol Mall
Sacramento, CA 95814
(916) 492-3426

V. Update Filing Requirements

A. Update Filing Requirements for Foreign Insurers

Whenever any previously-filed document (described in Section II above) becomes outdated, a LASLI-listed Foreign insurer is required to file the new, up-to-date version of the document, as soon as it becomes available, along with the appropriate filing fee with the CDI. If a required document is available from the NAIC or other public source, then the document need not be filed with the CDI. However, the insurer will have to submit a verified statement to the CDI identifying the document that is available from the NAIC or other public source along with the appropriate filing fee. Exhibit F is a specimen of such verified statement that the Commissioner considers to be in compliance with the California Insurance Code.

The following classifies the documents as financial, non-financial or supplemental information based on the required filing fee:

1. **Updated Financial Document requiring a \$310 filing fee.**
 - (a) NAIC Annual Statement
 - (b) Audited Financial Report
 - (c) Report of Examination
 - (d) NAIC Quarterly Statements

2. Updated Non-financial Document requiring a \$45 filing fee.

- (a) Certificate of Authority
- (b) Certificate of Good Standing or Compliance
- (c) Agent for Service of Process
- (d) Principal Place of Business
- (e) Market Conduct Report
- (f) Regulatory Disclosure Statement
- (g) List of surplus line brokers authorized to issue policies
- (h) Any other material change involving the company's operations (e.g. name change, domiciliary change, ownership change, etc.)

3. Updated Supplemental Information requiring a \$45 filing fee.

- (a) Proposed Plan of Operation
- (b) Biographical Affidavits on Officers & Directors

B. Update Filing Requirements for Alien Insurers

Whenever any previously-filed document (described in Section II above) becomes outdated, a LASLI-listed Alien insurer is required to file the new, up-to-date version of the document, as soon as it becomes available, along with the appropriate filing fee with the CDI. If a required document is available from the NAIC or other public source, then the document need not be filed with the CDI. However, the insurer will have to submit a verified statement to the CDI identifying the document that is available from the NAIC or other public source along with the appropriate filing fee. Exhibit F is a specimen of such verified statement that the Commissioner considers to be in compliance with the California Insurance Code.

The following classifies the documents as financial, non-financial or supplemental information based on the required filing fee:

1. Updated Financial Document requiring a \$310 filing fee.

- (a) Standard IID Financial Reporting Format – Initial
- (b) Standard IID Financial Reporting Format – Final
- (c) Audited Financial Report
- (d) Quarterly or Half-Yearly Results

2. Updated Non-Financial Document requiring a \$45 filing fee.

- (a) Certificate of Authority
- (b) Certificate of Good Standing or Compliance
- (c) Trust Agreement
- (d) Statement of Trust Assets
- (e) Agent for Service of Process
- (f) Principal Place of Business

- (g) Market Conduct Report
- (h) Regulatory Disclosure Statement
- (i) List of surplus line brokers authorized to issue policies
- (j) Any other material change involving the company’s operations (e.g. name change, domiciliary change, ownership change, etc.)

3. Updated Supplemental Information requiring a \$45 filing fee.

- (a) Proposed Plan of Operation
- (b) Biographical Affidavits on Officers & Directors

VI. Suggested Dates for Filing Financial Documents

The CDI requires LASLI-listed companies to file new, amended, or updated financial documents as soon as they are available and in accordance with the provisions of CIC §1765.2. Updated financial documents are generally available when they are due for regulatory filing with the insurer’s domiciliary jurisdiction. Therefore, the CDI expects to receive the new financial documents no later than the dates specified below. If a required document is available from the NAIC or other public source, then the document need not be filed with the CDI. However, the insurer will have to submit a verified statement to the CDI identifying the document that is available from the NAIC or other public source along with the appropriate filing fee. Exhibit F is a specimen of such verified statement that the Commissioner considers to be in compliance with the California Insurance Code.

Foreign Insurers

Financial Document	Document Should be Filed NO LATER than
Annual Statement	April 30th each year
March 31 st Quarterly Statement	May 31st each year
Audited Financial Statement	June 30th each year
June 30 th Quarterly Statement	August 30th each year
September 30 th Quarterly Statement	November 30th each year

Alien Insurers

Financial Document	Document Should be Filed NO LATER than
Standard IID Reporting Format– Initial	April 15th each year
Standard IID Reporting Format – Final	August 15th each year
Audited Financial Report	An Alien insurer should file their audited financial statement 15 days after it is due for regulatory filing with the insurer’s domiciliary regulators.

March 31 st Listing of Assets in Trust Account	April 15th each year
June 30 th Listing of Assets in Trust Account	July 15th each year
September 30 th Listing of Assets in Trust Account	October 15th each year
December 31 st Listing of Assets in Trust Account	January 15th each year
Quarterly or Half-Yearly Results	Due as soon as they are available

VII. Filing Fees Schedule

All checks for filing fees must be made payable to the California Department of Insurance in US dollars {CIC §1765.2(j)}. The following filing fees are in effect as of March 17, 2014:

Type of Filing	Filing Fee
LASLI Application	\$5,557
Subsequent Annual Renewal (see Section IV above)	\$2,779
Updated Financial Document	\$310*
Updated Non-Financial Document	\$45*
Updated Supplementary Information	\$45*

***Note:** These fees apply only if the document(s) is submitted to the CDI as an update filing (see Section V above for more details) and NOT as part of the insurer's annual renewal.

EXHIBIT A

REGULATORY DISCLOSURE STATEMENT

_____ (a nonadmitted insurer) and its affiliated entities are currently not known to be the subject of any order or proceeding regarding conservation, liquidation, or other receivership; or regarding revocation or suspension of a license to transact insurance in any jurisdiction; or otherwise seeking to stop the insurer from transacting insurance in any jurisdiction. I make this statement as an executive or official who has authority to provide the statement and knowledge whereof he or she speaks and under penalty of perjury under California law that the assertions are true.

Signature

Title

Name

Date

Revised January 29, 2004

EXHIBIT B

VERIFICATION

I declare under penalty of perjury under California law that this is a true correct copy of the original _____, and that I am an executive or officer of _____ who has the authority to provide this declaration.

(Name of Document)

(Name of the Nonadmitted Insurer)

Signature

Title

Name

Date

Revised January 29, 2004

EXHIBIT C

VERIFICATION

As an officer or executive of _____ who has the
(Name of the nonadmitted Insurer)

authority and knowledge to provide this declaration, I declare under penalty of perjury under California law that all of the following statements are true and correct:

1. The documents identified below have previously been filed with the California Department of Insurance (CDI) and there have been no changes to the information in those documents.
2. These documents on file with the CDI contain the most current information available, and should be considered as part of the annual renewal for _____ (year):

Document Previously Filed	Date Filed
<input type="checkbox"/> Year ended _____ Annual Statement	_____
<input type="checkbox"/> Period ended _____ Quarterly Statement	_____
<input type="checkbox"/> Year ended _____ IID Report	_____
<input type="checkbox"/> Year ended _____ Audited Financial Statement	_____
<input type="checkbox"/> Certificate of Authority	_____
<input type="checkbox"/> Certificate of Good Standing/Compliance	_____
<input type="checkbox"/> Agent for Service of Process	_____
<input type="checkbox"/> Principal Place of Business	_____
<input type="checkbox"/> Proposed California Plan of Operation/Business Plan	_____
<input type="checkbox"/> List of Surplus Line Brokers Authorized to Issue Policies	_____
<input type="checkbox"/> Biographical Affidavits on Officers and Directors Except as enclosed, there are no changes to the biographical affidavits previously filed.	_____
<input type="checkbox"/> Report of Examination: Date of Report: _____	_____
<input type="checkbox"/> List of Trust Assets as of (for alien insurers only): _____	_____
<input type="checkbox"/> Trust Agreement (for alien insurers only): Date of Trust: _____ Date of Last Amendment: _____	_____
<input type="checkbox"/> Other: _____	_____

Signature

Title

Name

Date

Revised February 17, 2010

EXHIBIT D

VERIFICATION

I declare under penalty of perjury under California law that the Insurance Department for the state/country of _____ does not issue a Certificate of Good Standing, Certificate of Compliance, or other equivalent Certificate. I further declare that a Certificate of Good Standing, Certificate of Compliance, or other equivalent Certificate is not available from any other state where the company is licensed and that I am an executive or officer of _____
(Name of the Nonadmitted Insurer)

who has the authority to provide this declaration.

Signature

Title

Name

Date

Revised January 29, 2004

EXHIBIT E

CHECKLIST for **FOREIGN (US DOMICILED) INSURERS**
CALIFORNIA LASLI FILING REQUIREMENTS

Please make checks payable to the **California Department of Insurance (CDI)**. All documents must be submitted in QUADRUPPLICATE (one original and three photocopies) to:

**Accounting Services Bureau
State of California Department of Insurance
300 Capitol Mall
Sacramento, CA 95814**

If a required document is available from the National Association of Insurance Commissioners (NAIC) or other public source, then the document need not be filed with the CDI. However, the insurer will have to submit a verified statement to the CDI identifying the document that is available from the NAIC or other public source along with the appropriate filing fee.

o **Filing Fee:**

- _____ LASLI Application : \$5,557
- _____ Annual Renewal : \$2,779
- _____ Updated Financial Document : \$310
- _____ Updated Non-Financial or Supplemental Document : \$45

o **Certified Annual Statement**

o **Audited Financial Report**

_____ Certified or _____ Verified

o **Certified Current License or Certificate of Authority**

o **Certified of Good Standing or Certificate of Compliance.** If the domiciliary jurisdiction does not issue such a certificate, see Exhibit D.

o **Agent for Service of Process**

o **Principal Place of Business**

o **Market Conduct Report/Information**

_____ Certified or _____ Verified

o **Verified Regulatory Disclosure Statement**

o **Proposed Business Plan/Plan of Operation
In California**

o **Biographical Affidavit on the Officers and Directors**

o **Certified Report of Examination**

o **List of Surplus Lines Brokers Authorized to Issue Policies**

o **March 31st Quarterly Statement & Supplements**

_____ Certified or _____ Verified

o **June 30th Quarterly Statement & Supplements**

_____ Certified or _____ Verified

o **September 30th Quarterly Statement & Supplements**

_____ Certified or _____ Verified

Revised March 10, 2014

CHECKLIST for **ALIEN (NON-US DOMICILED)** INSURERS
CALIFORNIA LASLI FILING REQUIREMENTS

Please make checks payable to the **California Department of Insurance** (CDI). All documents must be submitted in QUADRUPPLICATE (one original and three photocopies) to:

**Accounting Services Bureau
State of California Department of Insurance
300 Capitol Mall
Sacramento, CA 95814**

If a required document is available from the National Association of Insurance Commissioners (NAIC) or other public source, then the document need not be filed with the CDI. However, the insurer will have to submit a verified statement to the CDI identifying the document that is available from the NAIC or other public source along with the appropriate filing fee.

Filing Fee

_____ LASLI Application : \$5,557
_____ Annual Renewal : \$2,779
_____ Updated Financial Document : \$310
_____ Updated Non-Financial or Supplemental Document : \$45

Audited Financial Report

_____ Certified or _____ Verified

Certified Financial Statement and/or Standard IID (International Insurers Department) Financial Reporting Format

_____ Initial or _____ Final

Certified Trust Agreement (as Amended January 1, 2007)

Verified List of Trust Assets as of March 31st

Verified List of Trust Assets as of June 30th

Verified List of Trust Assets as of September 30th

Verified List of Trust Assets as of December 31st

Certified Current License or Certificate of Authority

Certificate of Good Standing or Certificate of Compliance

If the domiciliary jurisdiction does not issue such a certificate, see Exhibit D.

Agent for Service of Process

Principal Place of Business

Market Conduct Report/Information

_____ Certified or _____ Verified

Verified Regulatory Disclosure Statement

Premiums Written in California by Lines of Business

Proposed Business Plan / Plan of Operation in California

Biographical Affidavit on the Officers and Directors

List of Surplus Lines Brokers Authorized to Issue Policies

Quarterly or Semi-Annual Results

Revised March 10, 2014

EXHIBIT F

