

SLA CONNECTION

Surplus Lines News from the Golden State

The Surplus Line Association of California

Fall 2017

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SLA Wins Passage of New Export List Language

Enactment of AB 1641 will allow CDI to expedite surplus lines coverage of new, innovative products

Under the leadership of the Board of Directors and its chair, **Tom Ciardello**, the Surplus Line Association of California (SLA) has won an important victory with the enactment of **AB 1641**. This legislation, offered and lobbied by the SLA, will give the California Department of Insurance (CDI) more flexibility in deciding which coverages to add to the Export List.



SLA Executive Director Benjamin McKay (left) and Clifton Brown, SLA vice president of Communications and Government Relations, secured the enactment of AB 1641.
Photos by Patrick Power

This new law, signed Oct. 4 by **Governor Jerry Brown**, will be crucial in ensuring coverage for commercial consumers and also for emerging new technologies in which California is at the cutting edge, including high-speed rail and autonomous vehicles, as well as other large commercial projects, and new risks such as legal, recreational cannabis and cybersecurity risks. AB 1641 will promote innovation and bring the old insurance economy closer in step with the new digital economy.

The bill resulted from a meeting with Assembly Insurance Committee staff in March, when the SLA's **Benjamin McKay**, executive director, and **Clifton Brown**, vice president, Communications and Government Relations, visited with staffers in their Sacramento office. Committee

staff passed the SLA-crafted proposal on to Insurance Committee Chair **Tom Daly** (D-Anaheim), with whom McKay and Brown also had met on a previous visit to Sacramento, and Assembly Member Daly decided to sponsor the legislation.

With the chair's backing, the bill went through the Assembly Insurance Committee and Appropriations

Committee on unanimous votes, then passed the full Assembly 76-0 before moving on to the Senate.

At that point, the SLA requested, and was granted, the addition of several technical amendments at the behest of the CDI. These additions came at the end of a lengthy, ongoing discussion with the CDI's legislative team, which initially had some concerns that the SLA worked with the CDI to ameliorate. The bill then went through the same committee process on unanimous votes and passed the Senate 40-0, then passed the Assembly a second time, 79-0, when the amended legislation went back to the house of origin for concurrence on the amendments.

At every stage, the SLA's Brown talked with
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SLA Wins Passage of New Export List Language

industry partners and the CDI to ensure they would not object to the bill, and also kept in contact with staff in both the Assembly and the Senate to monitor any roadblocks that might emerge. Brown also coordinated with members of the SLA's Legislative Committee and its chair, **Hank Haldeman**, on letters to the committees considering the bill, and McKay sent letters of support as well, both to key legislators and to Governor Brown.

"We tremendously appreciate Insurance Committee Chair Daly recognizing the value of this proposal, introducing it in the legislature, and seeing it through to the vote. He has done great work for consumers and the broker community, and he has our deepest thanks," McKay said. "Additionally, we are very grateful to the legislative staff who worked on this bill for all their diligent efforts throughout this six-month process, and also to the California Department of Insurance for and all our industry partners who worked with us to ensure that we were offering legislation that they could accept. The CDI gave us ample opportunities to address its questions and concerns through amendments the department crafted and offered, and

we thank them for working with us to achieve a good result. We also thank our members who wrote letters to their legislators at key points during the process."

The SLA believes this bill will make it simpler and faster to line up coverage for new, innovative products that the admitted market is not prepared to insure. In a state which is at the vanguard of new technologies, being able to place this coverage quickly is critical.

"This is another example of how the SLA is working diligently to ensure a healthy, fair and competitive surplus lines marketplace in California," McKay said. "In 2015, anticipating the need to cultivate relationships in Sacramento, we decided to expand the focus of the Communications Department to include government relations and began a concerted push to meet legislators, key staffers, and industry partners in the capital on a regular basis. By building these relationships at a time when we weren't asking for anything, we had built visibility, credibility and capital with a number of key players in Sacramento, both in government and in the industry. When the time came to advocate for a needed piece of legislation, we

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had our ducks in a row."

McKay and Brown put their relationships to use after last December's Export List hearing, during which a number of members asked the department to add small-business cyber and primary flood to the list. The department declined, which was understandable given the laws and regulations in place at the time. It became clear that a legal fix was needed to empower the department to move more swiftly on these innovative technologies and the insurance products needed to cover them. The SLA worked to craft language and then put that language in the hands of key legislative staff.

"This legislation, which will benefit not only our members, but also consumers and an entire market sector of innovative technologies, wouldn't have happened without the groundwork we laid over the last two years," Brown said.

Going forward, the SLA will continue to build its advocacy function, with plans in the works to expand its Legislative Committee and grow its outreach to key legislators, both in Sacramento and in Washington, D.C.

Export List Hearing To Be Held November 29 *CDI event will take place earlier than the usual December date*

The California Department of Insurance (CDI) has set **Wednesday, November 29, 2017**, as the date for its annual Export List hearing. The hearing will take place at the CDI's San Francisco hearing room, **45 Fremont Street, 22nd Floor**. At this hearing, the CDI will take testimony on the Export List.

Specifically, those advocating for an addition must provide firsthand, written testimony verifying that the coverage is generally unavailable in the admitted market. In addition, it is recommended to provide written declinations from admitted carriers stating that they are unwilling to underwrite policies for the specific coverage or risk. The evidence must convince the CDI that the person requesting the addition has surveyed the entire spectrum of California admitted carriers known for insuring the risk.

Those who would like to seek an addition to the Export List should plan to testify at the hearing, and they also may request that the SLA also testify in support of the re-



quest. Those who intend to seek additions to the list should let the SLA know and begin preparing the necessary evidence as outlined above.

The Export List is necessary in order to facilitate the efficient and speedy placement of coverages that the CDI recognizes are clearly not available in the admitted market. Particularly in California, which is a key center of innovation for both the United States and the world, new technologies are creating

new products every day for which the admitted market has no loss history and is, therefore, reluctant to insure.

Placing these coverages on the Export List enables developers of new, innovative products and services to obtain insurance coverage more quickly than they otherwise would if the standard three declinations were required. This is good for innovators when it comes to getting their products and technologies to market, and good for consumers who can benefit from those innovations sooner. It also saves work for brokers and filers who know that such coverage is not being offered in the admitted market but nonetheless are required to seek out declinations anyway.

The new law facilitating the placement of more of these coverages on the Export List quickly will promote innovation and bring the old insurance economy closer into step with the new digital economy.

Top Brokers By Group: 1st 3 Quarters of 2017

RANK	BROKER GROUP	PREMIUM PROCESSED	% OF TOTAL
1	MARSH & MCLENNAN COS. INC.	529,181,480	11.90%
2	AMWINS GROUP INC.	448,832,331	10.10%
3	R-T SPECIALTY, LLC	345,161,859	7.70%
4	CRC SWETT	306,902,719	6.90%
5	AON P.L.C.	247,658,496	5.60%
6	ARTHUR J. GALLAGHER & CO.	225,696,890	5.10%
7	WORLDWIDE FACILITIES, LLC	156,360,889	3.50%
8	WILLIS TOWERS WATSON P.L.C.	106,787,429	2.40%
9	BURNS & WILCOX	104,926,008	2.40%
10	BROWN & RIDING INSURANCE SERVICES, INC.	97,871,574	2.20%
11	A.I.G. AGENCY INC.	94,575,837	2.10%
12	CROUSE & ASSOCIATES INSURANCE SERVICES	89,047,800	2.00%
13	LOCKTON INC.	80,446,458	1.80%
14	ALL RISKS, LTD.	78,642,507	1.80%
15	BROWN & BROWN INC.	57,868,034	1.30%
16	SCOTTISH AMERICAN INSURANCE	46,648,526	1.00%
17	SOCIUS INSURANCE SERVICES, INC.	42,317,122	0.90%
18	GORST & COMPASS INSURANCE	39,968,870	0.90%
19	PETERSEN INTERNATIONAL UNDERWRITERS	35,302,776	0.80%
20	MONARCH E & S INSURANCE SERVICES	34,318,550	0.80%
21	WOODRUFF-SAWYER & CO.	33,670,286	0.80%
22	SOUTHWEST BUSINESS CORPORATION	33,099,166	0.70%
23	NATIONAL TRANSPORTATION ASSOCIATES, INC.	32,040,884	0.70%
24	WHOLESALE TRADING INSURANCE SERVICES (JENCAP HOLDINGS)	30,549,711	0.70%
25	HUB INTERNATIONAL LTD.	27,557,400	0.60%
26	WELLS FARGO INSURANCE SERVICES USA INC.	26,898,808	0.60%
27	ALLIANT INSURANCE SERVICES INC.	26,596,294	0.60%
28	BASS UNDERWRITERS	25,833,561	0.60%
29	COASTAL BROKERS INSURANCE SERVICES INC.	25,605,560	0.60%
30	INTEGRO GROUP HOLDINGS L.P.	24,708,290	0.60%
31	HULL & COMPANY, INC.	22,756,625	0.50%
32	AMTRUST FINANCIAL SERVICES, INC.	20,222,711	0.50%
33	R.E. CHAIX & ASSOCIATES INSURANCE BROKERS, INC.	20,140,629	0.50%
34	ACRISURE L.L.C.	19,638,202	0.40%
35	TOKIO MARINE HOLDINGS, INC.	17,401,685	0.40%
36	NAS INSURANCE SERVICES, LLC	16,914,462	0.40%
37	SULLIVAN GROUP	16,576,198	0.40%
38	EXCEPTIONAL RISK ADVISORS, LLC	16,169,762	0.40%
39	CIBA INSURANCE SERVICES	15,632,378	0.40%
40	M.J. HALL & CO., INC.	15,067,848	0.30%
41	COOPER & MCCLOSKEY, INC. INSURANCE BROKERS	13,849,883	0.30%
42	USG INSURANCE SERVICES INC.	12,772,565	0.30%
43	BERKSHIRE HATHAWAY, INC.	11,943,531	0.30%
44	MCGRIFF, SEIBELS & WILLIAMS, INC.	11,782,886	0.30%
45	CBIZ INC.	11,156,952	0.30%
46	NEITCLEM WHOLESALE INSURANCE BROKERAGE, INC.	10,941,889	0.20%
47	CHIVAROLI & ASSOCIATES, INC.	10,461,430	0.20%
48	K2 INSURANCE SERVICES	10,399,526	0.20%
49	THE IMA FINANCIAL GROUP INC.	10,338,167	0.20%
50	SIERRA SPECIALTY INSURANCE SERVICES, INC.	10,309,632	0.20%
	Subtotal	3,749,553,075	84.00%
	All Other Brokers	712,471,252	16.00%
	Total	4,462,024,327	100.00%

Top Insurers By Group: 1st 3 Quarters of 2017

ULTIMATE PARENT ¹	COMPANY	PREMIUM PROCESSED	% OF TOTAL
Lloyd's ²	LLOYD'S OF LONDON	944,424,918	21.17%
Lloyd's Total		944,424,918	21.17%
American International Group, Inc.	LEXINGTON INSURANCE COMPANY	251,088,083	5.63%
	AIG SPECIALTY INSURANCE COMPANY	62,500,422	1.40%
	AIG EUROPE LIMITED	9,422,806	0.21%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <\$5M	5,510	0.00%
American International Group, Inc. Total		323,016,821	7.24%
Zurich Insurance Group Ltd.	STEADFAST INSURANCE COMPANY	222,908,579	5.00%
	EMPIRE INDEMNITY INSURANCE COMPANY	21,320,704	0.48%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <\$5M	239	0.00%
Zurich Insurance Group Ltd. Total		244,229,522	5.47%
Nationwide Mutual Insurance Company	SCOTTSDALE INSURANCE COMPANY	190,823,393	4.28%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <\$5M	2,914,399	0.07%
Nationwide Mutual Insurance Company Total		193,737,791	4.34%
W. R. Berkley Corporation	ADMIRAL INSURANCE COMPANY	73,499,137	1.65%
	GEMINI INSURANCE COMPANY	48,576,858	1.09%
	NAUTILUS INSURANCE COMPANY	37,032,843	0.83%
	BERKLEY ASSURANCE COMPANY	18,739,044	0.42%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <\$5M	151,256	0.00%
W. R. Berkley Corporation Total		177,999,138	3.99%
Chubb Limited	ILLINOIS UNION INSURANCE COMPANY	60,856,778	1.36%
	WESTCHESTER SURPLUS LINES INSURANCE COMPANY	59,565,032	1.33%
	CHUBB CUSTOM INSURANCE COMPANY	21,400,837	0.48%
	CHUBB EUROPEAN GROUP LIMITED	5,795,199	0.13%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <\$5M	810,478	0.02%
Chubb Limited Total		148,428,324	3.33%
Fairfax Financial Holdings Limited	ALLIED WORLD NATIONAL ASSURANCE COMPANY	32,316,905	0.72%
	ALLIED WORLD SURPLUS LINES INSURANCE COMPANY	31,263,203	0.70%
	FIRST MERCURY INSURANCE COMPANY	27,289,089	0.61%
	HUDSON SPECIALTY INSURANCE COMPANY	17,767,220	0.40%
	CRUM & FORSTER SPECIALTY INSURANCE COMPANY	13,752,432	0.31%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <\$5M	10,194,721	0.23%
Fairfax Financial Holdings Limited Total		132,583,569	2.97%
Liberty Mutual Holding Company Inc.	IRONSHORE SPECIALTY INSURANCE COMPANY	71,256,805	1.60%
	LIBERTY SURPLUS INSURANCE CORPORATION	46,933,154	1.05%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <\$5M	9,468,154	0.21%
Liberty Mutual Holding Company Inc. Total		127,658,113	2.86%
Tokio Marine Holdings, Inc.	HOUSTON CASUALTY COMPANY	61,745,438	1.38%
	TOKIO MARINE SPECIALTY INSURANCE COMPANY	61,217,515	1.37%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <\$5M	1,471,175	0.03%
Tokio Marine Holdings, Inc. Total		124,434,128	2.79%
State National Companies, Inc.	UNITED SPECIALTY INSURANCE COMPANY	109,490,363	2.45%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <\$5M	5,806	0.00%
State National Companies, Inc. Total		109,496,169	2.45%
Markel Corporation	EVANSTON INSURANCE COMPANY	99,713,893	2.23%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <\$5M	5,531,145	0.12%
Markel Corporation Total		105,245,038	2.36%
Berkshire Hathaway Inc.	NATIONAL FIRE & MARINE INSURANCE COMPANY	78,354,870	1.76%
	GENERAL STAR INDEMNITY COMPANY	11,990,542	0.27%
	MOUNT VERNON FIRE INSURANCE COMPANY	8,904,082	0.20%
	BERKSHIRE HATHAWAY INTERNATIONAL INSURANCE LIMITED	5,732,721	0.13%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <\$5M	67,804	0.00%
Berkshire Hathaway Inc. Total		105,050,017	2.35%
American Financial Group, Inc.	GREAT AMERICAN E&S INSURANCE COMPANY	83,651,420	1.87%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <\$5M	6,956,624	0.16%
American Financial Group, Inc. Total		90,608,044	2.03%
Argo Group International Holdings, Ltd.	COLONY INSURANCE COMPANY	83,392,034	1.87%
	PELEUS INSURANCE COMPANY	5,229,343	0.12%
Argo Group International Holdings, Ltd. Total		88,621,377	1.99%
Amtrust Financial Services, Inc.	AMTRUST INTERNATIONAL UNDERWRITERS DAC	43,008,070	0.96%
	ASSOCIATED INDUSTRIES INSURANCE COMPANY, INC.	38,251,742	0.86%
Amtrust Financial Services, Inc. Total		81,259,812	1.82%
XL Group Ltd	INDIAN HARBOR INSURANCE COMPANY	69,836,171	1.57%
	CATLIN SPECIALTY INSURANCE COMPANY	9,903,408	0.22%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <\$5M	1,496,800	0.03%
XL Group Ltd Total		81,236,379	1.82%
All Other Groups with Premium Processed <\$80M		1,383,995,166	31.02%
Grand Total		4,462,024,327	100.00%

¹ Ultimate parent as of 10/2/2017; All Lloyd's Syndicates combined under Lloyd's ² Refer to the following page for a breakdown of Lloyd's Syndicates with premium processed >=\$5M

Breakdown of Lloyd's Syndicates¹: 1st 3 Quarters of 2017

LLOYD'S	PREMIUM PROCESSED	% OF TOTAL
Lloyd's Syndicate 2623 (Beazley Furlonge Limited)	112,207,430	11.88%
Lloyd's Syndicate 3624 (Hiscox Syndicates Limited)	57,929,519	6.13%
Lloyd's Syndicate 2003 (Catlin Underwriting Agencies Limited)	46,055,031	4.88%
Lloyd's Syndicate 2987 (Brit Syndicates Limited)	46,021,603	4.87%
Lloyd's Syndicate 510 (Tokio Marine Kiln Syndicates Limited)	45,239,773	4.79%
Lloyd's Syndicate 33 (Hiscox Syndicates Limited)	39,725,641	4.21%
Lloyd's Syndicate 4020 (Ark Syndicate Management Limited)	27,988,599	2.96%
Lloyd's Syndicate 2007 (Novae Syndicates Limited)	27,283,988	2.89%
Lloyd's Syndicate 2001 (MS Amlin Underwriting Limited)	26,365,060	2.79%
Lloyd's Syndicate 4472 (Liberty Managing Agency Limited)	25,693,366	2.72%
Lloyd's Syndicate 623 (Beazley Furlonge Limited)	24,869,202	2.63%
Lloyd's Syndicate 609 (Atrium Underwriters Limited)	22,561,568	2.39%
Lloyd's Syndicate 4000 (Pembroke Managing Agency Limited)	20,441,894	2.16%
Lloyd's Syndicate 2488 (ACE Underwriting Agencies Limited)	19,770,309	2.09%
Lloyd's Syndicate 1183 (Talbot Underwriting Ltd)	19,717,855	2.09%
Lloyd's Syndicate 4444 (Canopus Managing Agents Limited)	18,782,883	1.99%
Lloyd's Syndicate 1200 (Argo Managing Agency Limited)	18,762,882	1.99%
Lloyd's Syndicate 1458 (RenaissanceRe Syndicate Management Limited)	18,267,881	1.93%
Lloyd's Syndicate 1084 (Chaucer Syndicates Limited)	17,127,323	1.81%
Lloyds Syndicate 1886 (QBE Underwriting Limited)	15,082,910	1.60%
Lloyd's Syndicate 4242 (Asta Managing Agency Limited)	14,976,170	1.59%
Lloyd's Syndicate 1225 (AEGIS Managing Agency Limited)	14,607,518	1.55%
Lloyd's Syndicate 5000 (Travelers Syndicate Management Limited)	13,277,876	1.41%
Lloyd's Syndicate 2121 (Argenta Syndicate Management Limited)	12,337,678	1.31%
Lloyd's Syndicate 1414 (Ascot Underwriting Limited)	11,728,786	1.24%
Lloyd's Syndicate 1880 (Tokio Marine Kiln Syndicates Limited)	11,010,861	1.17%
Lloyd's Syndicate 1969 (Apollo Syndicate Management Limited)	10,318,250	1.09%
Lloyd's Syndicate 5151 (Endurance at Lloyd's Limited)	10,076,713	1.07%
Lloyd's Syndicate 1861 (AmTrust Syndicates Limited)	9,739,695	1.03%
Lloyd's Syndicate 4711 (Aspen Managing Agency Limited)	9,658,153	1.02%
Lloyd's Syndicate 1955 (Barbican Managing Agency Limited)	9,320,805	0.99%
Lloyd's Syndicate 3000 (Markel Syndicate Management Limited)	9,094,966	0.96%
Lloyd's Syndicate 435 (Faraday Underwriting Limited)	8,996,006	0.95%
Lloyd's Syndicate 1274 (Antares Managing Agency Limited)	8,021,596	0.85%
Lloyd's Syndicate 382 (Hardy (Underwriting Agencies) Limited)	7,873,583	0.83%
Lloyd's Syndicate 1991 (R&Q Managing Agency Limited)	6,777,714	0.72%
Lloyd's Syndicate 2015 (The Channel Managing Agency Limited)	6,154,255	0.65%
Lloyd's Syndicate 1301 (StarStone Underwriting Limited)	6,134,829	0.65%
Lloyd's Syndicate 1919 (Starr Managing Agents Limited)	6,039,111	0.64%
Lloyd's Syndicate 2791 (Managing Agency Partners Limited)	5,918,502	0.63%
Lloyd's Syndicate 1206 (AmTrust Syndicates Limited)	5,810,530	0.62%
Lloyd's Syndicate 318 (Beaufort Underwriting Agency Limited)	5,642,938	0.60%
Lloyd's Syndicate 1967 (W. R. Berkley Syndicate Management Limited)	5,177,263	0.55%
All Other Lloyd's Syndicates with Premium Processed <\$5M & Other ²	85,836,403	9.09%
Lloyd's Total	944,424,918	100.00%

¹ Source: AM Best as of 10/2/2017 and Lloyd's List of Active Syndicates & Managing Agents for 2017 Year of Account

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

SLA Keeps Growing Its Advocacy Function



By Benjamin J. McKay
SLA Executive Director

The famed Chinese military strategist **Sun Tzu** delivered a pronouncement more than 2,500 years ago which remains true and relevant today:

“Every battle is won before it is ever fought.”

No phrase could better or more concisely sum up my philosophy, and the SLA’s philosophy, on advocacy.

In our successful push this year to enact **AB 1641** into California law, it was the groundwork we had done, and the foundation we had laid, months or years in advance that enabled us to win. Years of building relationships with other associations in the insurance space, with regulators, and with legislators enabled us to prevent or mitigate any issues that might arise that would prevent our bill from becoming law.

Almost all of the work that enabled AB 1641 to pass had been done before it was even introduced by Assembly Insurance Committee Chair **Tom Daly** (D-Anaheim), whom **Cliston Brown**, our vice president of Communications and Government Relations, and I visited in his Sacramento office in 2016.

Keeping that fact firmly in mind, the SLA, under the leadership of the Legislative Committee and its chair, **Hank Haldeman**, is moving aggressively toward establishing an advocacy program that will enable us to

win as many victories as possible before the battle is even joined.

So how does an organization lay the groundwork to win those battles?

The first step is getting to know the regulators and legislators, forging relationships, and most importantly, building trust. If these decision-makers see you as a trusted partner, they will be more willing to listen when you offer a solution to a problem, or point

just the SLA but the entire California surplus lines community.

We want our outreach to our members to be a two-way process. Certainly we want to activate you when we believe it is in the interests of the surplus lines community to do so. To that end, we’d like you to join our grassroots community. To sign up, please go to http://www.ciclt.net/sn/gre2/gre2_join.aspx?ClientCode=slacal.

“Every battle is won before it is ever fought.”

out problems that might occur. The SLA has been doing this since I came aboard as executive director in 2012, and we continue to build that outreach one legislator and regulator at a time.

Another important step is to activate our membership. There is only so much that one or two senior staff members can do, but there is so much more that can be done by our association’s 5,000 members.

To that end, we are working to identify which of our members live in the Congressional and legislative districts of key legislators in Washington, D.C. and Sacramento. We have purchased a software license for a product that helps identify the districts where our members are located. Going forward, when we have key issues that we need to bring to the attention of our elected leaders, we can work to ensure that they are receiving these messages from their constituents.

I would like to underscore how important this is. Numerous studies, and the personal experience that Cliston and I have as former Congressional staffers, demonstrate that legislators are very receptive to the outreach efforts of their own constituents. A call, letter, e-mail or visit, or increasingly, even a social media post from one of their own district’s voters gets their attention. If we can mobilize our members to reach out to, and build relationships with, the elected leaders who represent them in Washington, D.C., and Sacramento, this will benefit not

Additionally, we want you to notify us whenever you encounter relevant issues. This kind of intelligence is crucial in helping us to advocate on your behalf.

Ultimately, our mission is to ensure a healthy, fair and competitive surplus lines market in California, and we can do that best when we have two-way communications with our members. Please contact Cliston or me whenever you encounter a legislative or regulatory issue that you believe we should be aware of. We can be reached at (415) 434-4900 and through our website at www.slacal.com. We are all in this together, and together, we can do great things for our industry and the consumers that it serves.



SLA Relocates Its Operations To New Offices

After 12 years at 50 California Street in the heart of San Francisco's Financial District, the SLA has moved to two new offices.

The SLA's principal office is now located at the **Bishop Ranch** office complex in San Ramon, approximately 30 miles east of San Francisco, and the association will also maintain a smaller presence in San Francisco at **275 Battery Street**, a few blocks from the previous office. All telephone numbers remain the same as before the move.

Business considerations drove the relocation. The SLA's 12-year lease was set to expire this year, and remaining in the California Street location or a similarly located venue would have more than doubled the association's rental costs.

"As the appointed advisory organization for the California Department of Insurance, we have a public duty to California surplus line consumers to be prudent with the money they pay in fees on each policy they purchase," said **Benjamin J. McKay**, the SLA's executive director. "There was no way to justify keeping our entire staff in such an expensive location when we had significantly better options in the area."

Approximately three-quarters of the SLA staff has moved to the Bishop Ranch location, which offered space at prices barely more than a third of the costs per square foot that currently prevail in San Francisco. With most of the staff now in the East Bay, and the remainder moving to a much smaller office space in San Francisco, the SLA's rental costs will remain flat. This is in line with maintaining the budget discipline that has been a key component of Tom Ciardello's chairmanship of the Board of Directors. Significantly, the relocation came in on time and under budget thanks to the efforts of **Joy Erven**, the SLA's chief operating officer and director.

Moving to Bishop Ranch at the end of September were three of the SLA's six departments, including Communications and Government Relations; Human Resources; and Data Analysis, by far the association's largest department in terms of personnel. Approximately 60 SLA employees are now housed in the San Ramon office.



Pictured above is one of the office buildings at the Bishop Ranch complex, where the bulk of the SLA's employees and operations are now located.

Photo available at the Bishop Ranch website

All filings that are sent to the SLA by mail should go to the San Ramon office, which is located at **12667 Alcosta Boulevard, Suite 450, San Ramon, CA 94583**.

Remaining in San Francisco, but relocating to the new, smaller office in late October, were Education and Compliance; Financial Analysis; and Technology.

While certainly such a significant move presented some disruptions, the SLA Senior Staff took care to find an East Bay location that would be accessible to employees by public transportation. Staff surveys taken at the beginning of the process showed that 16% of SLA employees did not have cars.

"We learned that one out of every six SLA employees does not drive, so finding a location serviced by public transit was imperative," McKay said. "Bishop Ranch operates a direct shuttle bus to and from San Francisco and also has regularly scheduled bus service between the office complex and

two nearby BART stations. Finding a location where all of our employees could get to the office became a top priority."

The SLA signed a 10-year lease on the Bishop Ranch property and a 5-year lease on the new, smaller office in San Francisco. Between now and 2022, the SLA will determine whether to maintain two offices.

"Certainly we will need to evaluate whether a two-office solution is what is best for the SLA and the external audiences it serves, whether it makes financial sense, and how well we can navigate the issues of having two offices after maintaining all of our operations under one roof for such a long time," McKay said. "But that is a decision that we will make down the road once we have had time to see how things are working. Right now, we are just pleased to be in our new offices and working every day to secure a healthy, fair and competitive surplus lines marketplace in California."

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Industry Calendar: November 2017-February 2018

WSIA Marcus Payne Advanced E&S

November 5-8, Parkway Hotel, St. Louis
http://wsia.org/WSIA/Education/Marcus_Payne_Advanced_E_S/Advanced_Program.aspx

NCOIL Annual Meeting

November 16-19, Sheraton Phoenix Downtown, Phoenix
<http://ncoil.org/future-meetings/>

NAIC Fall Meeting

December 2-4, Hilton Hawaiian Village and Hawaii Convention Center, Honolulu
http://www.naic.org/meetings_events.htm?tab_1

SLA Annual Meeting

February, Dates TBD
San Francisco
Los Angeles

Upcoming SLA Continuing Education

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

Ethics

Featuring Casey Roberts, Laurus Insurance Consulting

3 CE Credits

Tuesday, January 23, Jonathan Club, 545 S. Figueroa Street, Los Angeles

Wednesday, January 24, Omni Hotel, 500 California Street, San Francisco

Gig Economy and Insurance Tech

Featuring Dan Brown, Drinker Biddle

3 CE Credits

Tuesday, March 20, Hilton Universal City
555 Universal Hollywood Drive, Universal City

Wednesday, March 21, Omni Hotel, 500 California Street, San Francisco

Cyber

Featuring Bridget Livingston, Sullivan Brokers

3 CE Credits

Tuesday, April 17, Jonathan Club, 545 S. Figueroa Street, Los Angeles

Wednesday, April 18, Omni Hotel, 500 California Street, San Francisco

Green Buildings

Featuring Stephen Bushnell

3 CE Credits

Tuesday, May 8, Hilton Universal City
555 Universal Hollywood Drive, Universal City

Wednesday, May 9, Hyatt Regency,
5 Embarcadero Center, San Francisco

SLA Connection

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SLA Staff Members Participate In 2017 IICF Week of Giving

Once again, the overwhelming majority of SLA staff members participated in the Insurance Industry Charitable Foundation (IICF) Week of Giving, which took place from October 14-21. Pictured (left to right) at the San Francisco Exploratorium: the SLA's **Susan Bryant, Glenn Leung, Michelle Hutson, Christine Wiemers, Pat McAuley and Scott Nadzam**. *Photo provided by the Exploratorium.*

