



February 15, 2024

BULLETIN #1470

Re: Timely Response to Tags

The Surplus Line
Association of California

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The Surplus Line Association of California (“SLA”) reminds brokers of their obligation to respond promptly to tags issued in connection with their SLA filings.

“Tags” are the notices the SLA issues to brokers pursuant to California Insurance Code §1780.56 regarding errors, discrepancies, missing information, or other problems in filed documents. As directed by the California Department of Insurance (“CDI”), tags are reported to CDI if not answered within the time specified in the tag. In reviewing these reports, it is noted that there may be some brokers who have large numbers of unanswered tags.

CDI has directed the SLA to remind brokers of their reporting requirements, noting that under California Insurance Code §1764.7, violation of specified surplus line statutes is “a public offense and punishable by imprisonment pursuant to subdivision (h) of Section 1170 of the Penal Code, or in a county jail for not exceeding one year or by fine not exceeding ten thousand dollars (\$10,000), or by both.” The specified violations include the following sections of the California Insurance Code:

- 1760.5 (special lines surplus line broker requirements)
- 1761 (transaction of insurance for a home state insured with a nonadmitted insurer only by and through a licensed surplus line broker)
- 1763 (diligent search)
- 1764 through 1764.4 (issuance and delivery of policy documents/evidence of insurance)
- 1765.1 through 1765.2 (eligibility of the nonadmitted insurer)

As such, brokers are required to clear-up any outstanding tags promptly and to make a point of responding in a timely manner to future tags. Brokers can see a list of outstanding tags under the “Open Tags” or “Tag Summary” tabs on the Surplus Lines Information Portal (SLIP).

If you have questions or concerns regarding a “tag”, or need assistance accessing your tag, please reach out to the Data Analysis Department at DALeads@slacal.com.

In addition, if you have questions regarding the Bulletin, you may direct them to Yusuf Mayet, Vice President, Legal Compliance at ymayet@slacal.com, our Legal Compliance Department at compliance@slacal.com, or by calling (415) 434-4900.