



News Release

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California Surplus Line Premiums Top \$5.5 Billion

SAN FRANCISCO, California – (January 11, 2005) – Ted Pierce, Executive Director of the Surplus Line Association of California (SLA) released the annual filed premium analysis demonstrating that \$5,518,895,627 in surplus line insurance premiums were processed in 2004.

The \$5.5 billion in surplus line premium represents 441,221 insurance policies written for California insurance consumers. “While these figures are high, they represent a mere 8.24 percent increase over the 2003 premium total. In 2003, the SLA processed 43.1 percent more than in 2002. In 2002, the SLA processed 104.5 percent more than in 2001. There is clearly a slowing in the demand for increased surplus line coverage in California,” Pierce said.

The top five surplus line brokers were Swett & Crawford, Marsh USA, Inc., Western Risk Specialists, Inc., AON Risk Services, Inc. of Southern California, and Sterling West Insurance Services, Inc. The five largest coverages written in 2004 were general liability, errors & omissions, commercial property, commercial DIC/stand alone earthquake, and excess liability. The top five surplus line insurers were Lexington Insurance Company, American International Specialty Lines Insurance Company, Landmark American Insurance Company, Arch Specialty Insurance Company, and Scottsdale Insurance Company. The combined Lloyd’s syndicates wrote 14 percent of California premiums.

The SLA is an organization of 990 surplus line brokers licensed by the State of California to negotiate and place insurance with nonadmitted insurers. The SLA serves as the official surplus line advisory organization to the California Department of Insurance -- California Insurance Code Sec. 1780.50 et seq. With few exceptions, all California surplus line insurance policies must be filed with the Surplus Line Association of California for analysis, regulatory compliance, record keeping, and statistical reporting.

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