



News Release

FOR IMMEDIATE RELEASE

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One Hundred and Four Percent Increase in Surplus Lines

\$3.6 Billion in Premium Data Recorded by California Surplus Line Association

SAN FRANCISCO, California – (January 8, 2003) – Ted Pierce, executive director of the Surplus Line Association of California released the association’s 2002 totals for processed surplus line premium showing a whopping 104.5 percent increase over the 2001 premium total. The \$3,563,159,626 in calendar year 2002 premium is attributed to the impact of the hard market. “Insurers have been hit hard by stock market woes, environmental hazard claims and the 9/11 terrorist attacks. Insurance agents are turning more frequently to Surplus Line Brokers to place difficult and hard to place accounts,” said Pierce. The Association processed a total of 331,835 insurance policies in 2002 compared to only 201,211 in 2001. The Association’s Chairman, Horst Lechler noted, “the Surplus Line Association has been very busy the past twelve months processing record levels of California premium data due to an obvious upswing in the surplus line market.”

The Surplus Line Association of California is an organization of 460 surplus line brokers who are licensed by the state of California to negotiate and place insurance with nonadmitted insurers. The Association 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 for analysis of regulatory compliance and record keeping.