

# Lone Star Lines

The Quarterly Publication of the Surplus Lines Stamping Office of Texas



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## We're Waiting to Hear from You!

We want your opinion! Visit the Stamping Office website and fill out our easy on-line Customer Service Survey. It only takes a few minutes to complete. Your input will help us measure our success in meeting your needs within each department of our office as well as identify potential additional areas of service.

We are not limiting the results to one submission per agency; therefore, anyone interacting with our office is encouraged to participate. Although we require an agency or company name for validation purposes, your name is optional if you wish to remain anonymous. All results will be summarized and reported in the next *Lone Star Lines* newsletter. ★



Got a minute? Take the survey now at [www.slsot.org](http://www.slsot.org).

## Odds & Ends

by Phil Ballinger, CPCU, ASLI, General Manager

The number of nonresident surplus lines agencies continues to grow. As of July, one out of every five agencies holding a Texas-issued surplus lines license was out-of-state (99 out of 484). Also, non-residents now hold 381 of the 2,239 individual surplus lines licenses.

■ NAPSLO has distributed a white paper, "The Future Is Now," identifying possible ways to address the regulatory filing and tax payment problems agents face when insuring multi-state risks. Suggestions include creation of an interstate compact for dealing with

tax payments, enhanced coordination of state tax laws, possible use of stamping offices as "regional" reporting centers, a centralized tax clearinghouse, and regulatory filing of a policy in only one state. In June, SLSOT's Board of Directors adopted a resolution in support of the NAPSLO proposals.

■ Underwriting in Texas has had a dismal record over the past decade. According to the Insurance Information Institute, the cumulative underwriting losses in Texas for all P&C lines from 1991 to 2002 were an incredible

## SLSOT 2004 Board of Directors

The SLSOT Board of Directors consists of five industry and four public members. They are appointed to three-year terms by the Commissioner of Insurance.



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Term expiration: ■ 12/31/2004 ■ 12/31/2005 ■ 12/31/2006

## 2004 Agent Workshops Coming Soon!

The 2004 agent workshops are scheduled for October. Registration information and CE credit information will be distributed to all bulletin holders at the end of August. On-line registration will also be available through our website at that time. Workshops will focus on policy filing through our Electronic Filing System (EFS) as well as the alternative option of paper filing. Dates and locations are:



October 6, 2004  
Omni Hotel, Houston, Texas

October 13, 2004  
Wyndham Anatole Hotel, Dallas, Texas

October 19, 2004  
Omni San Antonio, San Antonio, Texas

Odds & Ends, continued from page 1

\$31.7 billion. This ranks with the total insured losses from the Sept. 11 WTC attack, now estimated at \$32.5 billion. Losses over this period in the Texas Homeowners market alone totaled nearly \$7 billion. From 1993-2002, when measured by return on net worth, P&C insurer profitability in Texas ranked 48th in the US.

■ Here we go again: data from stamping offices across the nation underscore the slowing of the surplus lines market. The following table compares the percent increase in surplus lines insurance premium reported to selected stamping offices for the first half of 2004 with the relative increase seen by those offices for the same period last year. ★

	% Increase, 1st Half 2004	% Increase, 1st Half 2003
Arizona	30.3%	39.4%
California	13.1%	71.7%
Florida	7.7%	44.9%
Illinois	30.2%	81.8%
Pennsylvania	2.9%	7.1%
New York	26.7%	111.3%
Oregon	-0.3%	75.1%
Texas	23.8%	21.4%
Washington	10.6%	64.6%

## Is Your Office Hooked on Electronic Filing Yet?

As agents increasingly move to file surplus lines policy data with the Stamping Office electronically, we become more convinced of the convenience and efficiency of the Electronic Filing System. Remember: agents filing through the EFS can eliminate the need to mail any paper to the Stamping Office. If your agency has not yet made the transition to e-filing, is there anything we can do to help you achieve that? Questions, problems, etc? One way you can communicate those issues to us is by answering the



EFS section on the Customer Service Survey, available on our website at [www.slsot.org](http://www.slsot.org). (See "We're Waiting to Hear from You," page 1.) We are anxious to get you started, so let us know how we can help. ★

### Helpful Hints...

- Be sure the Surplus Lines Agent name you show on the Transmittal and Verification Slip is either the name just as it's shown on the license or else the approved trade name. If you have multiple licenses, be sure the license number is the correct one for the name of the surplus lines agent/agency.
- The green Transmittal and Verification Slip is for security corrections only. This form is available for download from our website at [www.slsot.org](http://www.slsot.org). Please do not mix these in with a regular batch. Security corrections should be submitted separately. ★

E  
F  
S



- Watch out for expiring passwords. You can change your password at any time, but once it expires, you must send a request in writing to have it reset.

- Once you are filing in the EFS production environment, it is not necessary to submit paper copies of those items to our office.

- All of our End-Of-Month reports (including invoices) are online. These reports will be available for viewing and programmatic download on the first business day of each month.

- When contacting our office, please identify yourself, your agency, and environment used.

- We recommend that each EFS user have his or her own user ID. This helps our office more effectively communicate with your staff.

- If your item is showing a separate terrorism (TRIA)

premium, please choose the coverage code for terrorism. Do not add that premium in with another coverage.

- When entering items through the EFS, make sure to accurately report separate coverage premiums. For example, if your policy has both Commercial General Liability coverage as well as Auto Liability, report the premiums for each of the coverages separately.

**The SLSOT Electronic Filing System (EFS) Help Desk Center is available for EFS filing & technical questions 8 a.m. to 5 p.m. (Central) Monday - Friday. ★**

Toll Free (800) 681-5848



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### Comparison of SLSOT Premium Processed by Line of Business

Annual Statement Line of Business	Premium through 6/30/04	Premium through 6/30/03	Percent Change
1 Fire (incl. allied lines)	\$431,445,167	\$388,931,555	10.9%
2 Allied lines	\$16,816,917	\$21,223,839	-20.8%
3 Farmowners multiple peril	\$844,217	\$627,027	34.6%
4 Homeowners multiple peril	\$74,104,847	\$75,149,371	-1.4%
5 Commercial multiple peril	\$42,411,274	\$29,941,392	41.7%
8 Ocean marine	\$3,347,469	\$5,442,851	-38.5%
9 Inland marine	\$33,156,320	\$22,488,259	47.4%
11 Medical malpractice	\$38,238,109	\$32,966,025	16.0%
12 Earthquake	(\$11,461)	\$68,115	-116.8%
13 Group accident & health	\$52,127,372	\$52,105,684	0.0%
15 All other A&H	\$473,592	\$11,869	3890.3%
17 Other liability	\$795,242,795	\$590,094,247	34.8%
18 Products liability	\$27,908,387	\$21,500,081	29.8%
19.2 Other priv pass auto lia	\$8,829	\$7,212	22.4%
19.4 Other comm. auto liab	\$67,622,476	\$45,867,970	47.4%
21.1 Priv pass auto physical	\$762,320	\$689,682	10.5%
21.2 Comm auto phys.damage	\$38,835,905	\$31,405,924	23.7%
22 Aircraft (all perils)	\$4,995,006	\$2,682,081	86.2%
23 Fidelity	\$1,252,189	\$802,223	56.1%
26 Burglary & theft	\$1,147,986	\$351,570	226.5%
27 Boiler & machinery	\$88,472	\$8,624	925.9%
28 Credit	\$41,845,908	\$29,676,735	41.0%
31 Aggregate/other business	\$1,385,248	\$112,123	1135.5%
<b>TOTAL</b>	<b>\$1,674,049,344</b>	<b>\$1,352,154,459</b>	<b>23.8%</b>

Note: Due to rounding figures may not total

Updated monthly premium totals can be found on-line at [www.slsot.org/premium.htm](http://www.slsot.org/premium.htm)

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We invite readers to suggest topics for articles that may be of interest to others. Any submissions or inquiries should be sent to the following address:

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 General e-mail address:  
[info@slsot.org](mailto:info@slsot.org)

You can locate a text copy of this and previous issues of this newsletter on our web site at:  
<http://www.slsot.org/slsotpub.htm>

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