

Lone Star Lines

The Quarterly Publication of the Surplus Lines Stamping Office of Texas



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Surplus Lines Agency Branch Offices

Registering with TDI

To comply with provisions of Section 19.902 of the Texas Administrative Code, surplus lines agents must register additional business locations (branch offices) with the Texas Department of Insurance (TDI). At each branch office doing the business of surplus lines insurance in Texas, there must be at least one person holding an individual Texas surplus lines license.



Recently we have learned that some non-resident agencies are experiencing problems when attempting to register their branch offices with TDI. Normally the Agent Licensing Division at TDI will not register branch offices unless they are located in Texas. However, the Company Licensing and Registration Division informs us they are requesting the non-resident surplus lines agency branch office to be registered with TDI, if the branch writes surplus lines business in Texas.

TDI form LHL203: LDTL Registration of Assumed Name and/or Office Location or Official Name Change of Corporation or Partnership is used to register branch offices. To facilitate registration of branches by non-resident surplus lines agencies, use this form, but include a cover memo emphasizing "at the request of TDI Company Licensing and Registration, non-Texas branch offices are being registered for surplus lines purposes."

The form is available at the following link: <http://www.tdi.state.tx.us/forms/lhllicensing/lhl203ldtlform.pdf>.

When completing Item 5 on the form, override or mark through "Texas" and enter the appropriate state name. Completed forms must be mailed to the address indicated on the form, along with the \$50.00 registration fee to avoid rejection.

The above information was distributed in SLSOT Bulletin SO-2008-13.

U.S. Stamping Office / Service Office Production Statistics First Half 2008

Reflect Softening Market

Data compiled from the 14 stamping offices indicate an overall 7.6% drop in premium reported by agents for the first half of this year and a 2.5% decrease in items processed.

State	Rates		6 Mos Premium (mill.)		% Change	6 Mos Items		% Change
	Stamping Fee	Surplus Lines Tax	2008	2007		2008	2007	
AZ	0.20%	3.00%	\$ 249.3	\$ 286.4	-13.0%	36,059	34,098	5.8%
CA	0.125%	3.00%	\$ 3,116.8	\$ 2,976.8	4.7%	232,638	254,652	-8.6%
FL	0.10%	5.00%	\$ 2,585.8	\$ 2,806.4	-7.9%	586,476	631,769	-7.2%
ID	0.25%	1.50%	\$ 38.9	\$ 45.9	-15.3%	7,386	7,016	5.3%
IL	0.10%	3.50%	\$ 608.4	\$ 540.5	12.6%	51,854	57,749	-10.2%
MS	0.25%	4.00%	\$ 156.9	\$ 172.4	-9.0%	40,857	32,890	24.2%
MT	1.00%	2.75%	\$ 24.0	\$ 36.4	-34.1%	5,412	5,541	-2.3%
NV	0.40%	3.50%	\$ 160.0	\$ 168.7	-5.2%	14,686	15,083	-2.6%
NY	0.20%	3.60%	\$ 1,841.0	\$ 2,486.6	-26.0%	110,305	108,298	1.9%
	Additional fee of \$25 applies for late/erroneous filing							
OR	\$5.00	2.00%	\$ 148.5	\$ 118.9	24.9%	19,553	17,699	10.5%
	Flat stamping fee rate of \$5 per original filing							
PA	\$25.00	3.00%	\$ 504.2	\$ 460.4	9.5%	88,894	55,804	59.3%
	New stamping fee rate effective Jan. 1, 2008; late filing fee = \$50							
TX	0.06%	4.85%	\$ 1,577.8	\$ 1,802.9	-12.5%	426,494	440,400	-3.2%
UT	0.25%	4.25%	\$ 88.2	\$ 92.9	-5.1%	9,479	8,759	8.2%
WA	0.25%	2.00%	\$ 274.0	\$ 312.3	-12.3%	43,360	46,868	-7.5%
TOTAL			\$11,373.8	\$12,307.5	-7.6%	1,673,453	1,716,626	-2.5%

NY data is gross premium; 2008 net premium = \$1,345.6 million.

Data for FL includes \$465.9 million / 7,547 policies in IP insurance.

Data for TX excludes \$225.3 million in "other state" & \$95.6 million in "tax exempt" premium.

Stamping fee rates are at January 1, 2008.

Items include certain non-premium filings in IL, NV, & TX.

SLSOT Educational Seminars

Each year SLSOT presents educational seminars to provide agents and their staff with pertinent filing instructions, current legislative issues, and other germane information. In 2006, SLSOT presented its first on line web seminar. The event was so well-received that the on line format was repeated in 2007.



For your further convenience, 2008 is bringing yet another change. Rather than requiring you to schedule a two to three hour period of time to watch and listen to a presentation, we are recording a number of "mini-seminars", sessions lasting from 30 minutes to one hour. These sessions will focus on specific topics such as "Basic How-To For New EFS Users", "Issues When Filing Paper", or "SLSOT Coverage and Class Use". We plan to expand the list of topics over time.

By recording these short, topical sessions and making them available on www.slsot.org, you or your staff can watch those relevant to your specific needs and can be accessed at your convenience. These sessions may also be a beneficial training tool for new employees.

Information regarding the availability of the first of these sessions will be announced on www.slsot.org in October 2008. ★

EFS Quick Tips

- Date Extension endorsements should be entered as Renewal Policies.
- If you are unsure of a coverage and/or class code, please contact the Help Desk for assistance. For your convenience, coverage and class code mapping is available.
- EFS users in the live environment have online access to their agency's monthly reports (including invoices). This information is available the first day of each month. ★

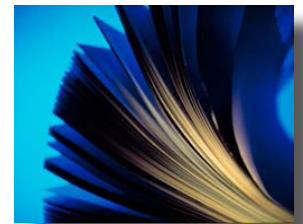
Helpful Hints - Paper Filing of Policies

- By using our "Checklist for Submitting Items to the Stamping Office," you can greatly reduce or even eliminate tags. This Checklist can be found on our website www.slsot.org under Filing Forms.
- The mandatory Texas Complaint Notice was amended effective July 1, 2007, to include the TDI website and e-mail address in paragraph 6 of the notice. Refer to bulletin SO-2007-09.
- Read your tag memos completely. Most instruct you to return your correction on a NEW Transmittal. Failure to do so will result in the item being returned to you unprocessed. ★

Texas Market Data Reports Available On Line

SLSOT is pleased to announce the availability of additional Texas surplus lines statistical data on our website. You may now access these reports showing various premium data relating to insurers writing business in Texas and coverage broken down by line of business as well as individual coverage codes. Of particular interest to some is premium by line of business for each insurer with a comparison to the previous year. The following reports are available:

Premium - Page 15 Line of Business	2008 Year-to-date	2007	2006
Premium - Page 15 Line of Business - YTY Comparison	2008 Year-to-date		
Company Totals by Name	2008 Year-to-date	2007	2006
Company Totals by Premium Volume	2008 Year-to-date	2007	2006
Coverage Totals by Description	2008 Year-to-date	2007	2006
Coverage Totals by Premium Volume	2008 Year-to-date	2007	2006
Company Totals by Line of Business - YTY Comparison	2008 Year-to-date	2007	2006
Coverage Totals by Company	2008 Year-to-date	2007	2006



The SLSOT provides access to these reports for informational purposes only. Reports are compiled from policies submitted to SLSOT by surplus lines agents, and reflect data processed in each calendar month. The premium information is not static as information pertaining to companies and/or coverage may be updated, based on corrections. Historical information is available dating back to 2006. Premium writings by surplus lines agencies is not available.

To access these reports, go to www.slsot.org/premium.htm or click on the link Texas Market Stats on the home page of our website at www.slsot.org. ★

Comparison of SLSOT Premium Processed by Line of Business

Annual Statement by Line of Business	Premium through 7/31/08	Premium through 07/31/07	Percent Change
1 Fire (incl. allied lines)	\$393,747,536	\$498,784,684	-21.06%
2 Allied lines	\$27,828,972	\$22,185,498	25.44%
3 Farmowners multiple peril	\$604,740	\$622,841	-2.91%
4 Homeowners multiple peril	\$42,819,994	\$49,683,083	-13.81%
5 Commercial multiple peril	\$103,235,454	\$104,476,707	-1.19%
8 Ocean marine	\$2,777,771	\$5,092,403	-45.45%
9 Inland marine	\$44,517,820	\$47,409,993	-6.10%
11 Medical malpractice	\$28,239,827	\$35,954,976	-21.46%
12 Earthquake	\$1,279,934	\$315,680	305.45%
13 Group accident & health	\$54,017,243	\$47,112,414	14.66%
15 All other A&H	\$1,864,821	\$979,158	90.45%
17 Other liability	\$927,710,275	\$997,207,714	-6.97%
18 Products liability	\$14,852,126	\$21,909,381	-32.21%
19.2 Other priv pass auto lia	\$5,043	\$22,755	-77.84%
19.4 Other comm. auto liab	\$54,373,055	\$76,150,580	-28.60%
21.1 Priv pass auto physical	\$927,646	\$1,045,120	-11.24%
21.2 Comm auto phys.damage	\$32,654,460	\$38,832,021	-15.91%
22 Aircraft (all perils)	\$12,096,126	\$4,716,801	156.45%
23 Fidelity	\$775,075	\$209,441	270.07%
24 Surety	\$370,116	\$203,361	82.00%
26 Burglary & theft	\$733,477	\$738,736	-0.71%
27 Boiler & machinery	\$1,493,599	\$914,905	63.25%
28 Credit	\$123,781,979	\$148,498,575	-16.64%
31 Aggregate/other business	\$272,545	\$72,854	274.10%
TOTAL	\$1,870,979,634	\$2,103,139,681	-11.04%

Note: Due to rounding figures may not total



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