

# Lone Star Lines

The Quarterly Publication of the Surplus Lines Stamping Office of Texas



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SLSOT Special Report

## Agents Comment on SLSOT's Electronic Filing System

by Phil Ballinger, CPCU, ASLI, Executive Director

**2005** marks the second full year our Electronic Filing System has been on-line. Usage continues to grow. In particular, we believe the "programmatic" filing method, where policy data is extracted automatically from an agency management system for submission to SLSOT, offers major advantages for offices with significant surplus lines volume. Given this available alternative, we believe paper filing is not sensible from either an efficiency or cost perspective.

With that in mind, we have asked a few agencies using the EFS to comment on their e-filing experiences...

**Gil Hine, CPCU, President,** McClelland & Hine, Inc., San Antonio:

*"The other day someone asked me what I thought of the Stamping Office's electronic filing system. I told them that on December 23rd we processed four batches of approximately 600 items in under 10 seconds with only four tags. Enough said. I think the numbers*

*speaking for themselves. It took some work to get where we are and we still have a few things to fix, but the efficiency is enormous and we will enjoy the savings for years to come."*  
(programmatic filer)

**Todd Teitell, President,** Colemont Insurance Brokers (fka Heath Insurance Brokers), Dallas:

*"Heath looked at programmatic filing as an opportunity to streamline our procedures. Although there was a significant IT effort invested in developing a customized data collection system within our existing agency management system, the results have exceeded our expectations. We have achieved major labor and postage savings in handling filings plus we have reduced our tagged items to a minimal number, given the volume our offices handle. I feel much more confident today that all Texas filings are being properly recorded than under the*

*paper system. Our greatest hope is that this or a very similar system could be adopted nationally."*  
(programmatic filer)

**Susie Gomez, Surplus Lines Tax Coordinator,** Myron F. Steves & Co., Houston:

*"Thanks so much for making my job easier. Electronic Filing is GREAT! It's convenient! I do all the SLSOT filings. It saves paper, boxes, tape, and postage. I have access to our filings instantly. E-filing provides a correction batch with a list of your current tags.*

*There are no more transmittal and verification slips, nor green sheets for 'unknown syndicates'.*

*When you are ready to correct a tag you can file your information instantly. If you want to check whether a policy, an endorsement or a cancellation has been filed you can quickly check the Transaction Inquiry to view what was done. The EFS Help Desk staff is awesome!*

**"...we processed four batches of approximately 600 items in under 10 seconds with only four tags. Enough said."**

**Agent Comments, continued...**

*Cheyenne, Janet and others are always ready to help with any problem.*  
(programmatic filer)

**Mary Sinco, IT Specialist,**  
Myron F. Steves & Co., Houston:

*"Since implementing e-filing in personal lines in November 2003, we send no paper to the Stamping Office. The savings in postage alone is significant! What we appreciate is knowing that all of our files are being processed and in a timely manner. As soon as the upload is completed we can go online and get real-time information regarding our filings, billings, etc."*

**Marlana Conner, Senior Surplus Lines Coordinator,** Lockton Companies, Inc., Kansas City:

*"I've been filing on the live system since August 2003 and it has made my job so much easier! It is difficult to determine what cost savings would be in dollars, but I no longer have to copy and mail batches, wait for batch edits to return, or wait for the monthly invoices to arrive. I file online with various other stamping offices and the Texas EFS is one of my favorite systems to use."* (web-based filer)

To date, five other stamping offices have visited Austin to evaluate the operation of the EFS. ★

## Employee of the Year



*"I have learned so much working at the Stamping Office. It is an honor to work with such dedicated staff who always strive for the very best. I look forward to what 2005 will bring!"*  
- Angelica Perez

Angelica Perez was named the SLSOT Employee of the Year during the holiday luncheon in December. She has demonstrated exceptional levels of work performance and displayed high regard and loyalty toward SLSOT and her job responsibilities.

Angelica has been an employee of the Stamping Office since February 2001, when she was hired as a Data Entry Clerk. Angelica was promoted to the position of Data Entry Examiner II in 2004. Angelica has become the self-appointed "cheerleader" in the office, turning on the motivation for excellence among her co-workers. Congratulations to Angelica! ★

## Track SL Bills on SLSOT's Website

The 79th session of the Texas Legislature convened January 11th. Following the investigations initiated by NY Attorney General Spitzer, there is a growing interest in requiring disclosure of all insurance producer fees. In December, the NAIC adopted an amendment to its Producer Licensing Model Act requiring disclosure of all "broker compensation." However, this amendment exempts wholesale intermediaries. It is probable that legislation regarding disclosure will be introduced in Texas this session. You can follow the progress of all bills of interest to the surplus lines industry on the Stamping Office website under "Quick Links - Legislation." ★

## 2005 Surplus Lines Company Filing Requirements

The Texas Department of Insurance (TDI) has released the Annual Evidence Filing Requirements Letter for surplus lines insurers for 2005. The Stamping Office distributed the letter in a Bulletin mailed January 11, 2005. These filing requirements are in accordance with the Texas Insurance Code (Code) and related provisions of the Texas Administrative Code (Rules). The Code and Rules require the TDI maintain a "Surplus Lines Insurers List" compiled from the information submitted by insurers that meet the eligibility requirements. The minimum capital and surplus requirement remains at \$15 million. All surplus lines insurers wishing to retain or gain Texas surplus lines eligibility must file complete and legible evidence by the due dates contained in the TDI letter. The first filing deadline for foreign (US) insurers is March 31, 2005. New for 2005 filing is the ability to receive certain evidence electronically. Please refer to the letter for the instructions.

Concurrent with our mailing we placed a copy of these requirements on our web site at [www.slsot.org](http://www.slsot.org). You can also request a copy by calling the Financial Analysis Department, (512) 346-3274, ext. 220. ★

## SLSOT Employee News

The Stamping Office welcomes Opal Banks to the Stamping Office. Opal is employed as a Document Processing Clerk in the Data Services Department. ★



## Financial Analysis Sweeps Annual Salsa & Queso Competition

Competition among staff was strong at the Stamping Office's 3rd Annual Salsa & Queso Competition held recently. Defending her title for a second year, Sandy Christian took top honors for Best Salsa. Brian Wilds won bragging rights for his entry for Best Queso. Sandy works as a Financial Analyst under Brian's supervision as Director of Financial Analysis & Accounting. This annual event is always a hit with the employees as they are encouraged to sample all the entries and vote for their favorite in each category. The winners receive \$25 and the famous sombreros to display in their offices until the next year. ★

# EFS



■ When entering policy numbers, we recommend you not use dashes, slashes, spaces or parenthesis. This will make policy number searches much easier.

■ When entering a cancellation with a return premium, be sure to enter the negative sign.

■ When processing a reversal, be sure to select the same type; i.e. if it is a new policy, select new policy reversal or if it is an endorsement, select premium change reversal. ★

EFS Help Desk Toll Free (800) 681-5848

## Helpful Hints

■ When reversing an item, please state REVERSE on item and show the reversal premium on the Transmittal and Verification Slip.

■ Verify the insurance company name is complete on items submitted for processing. Please refer to bulletin SO 2005-01, dated January 1, 2005 for a current list of eligible insurers or access the list at [www.slsot.org](http://www.slsot.org). ★

## Surplus Lines Taxes Due in March

Premium taxes for all 2004 surplus lines business are due to the Texas Comptroller of Public Accounts by March 1, 2005. If you held a surplus lines agent's license at any point during 2004, you are required to file a tax report, even if no tax is due. Tax forms were mailed to each surplus lines agent by the

Comptroller's Office during the month of January. If you did not receive a form, please call their office at (512) 463-4074. If your tax liability last year exceeded \$100,000 you are required to file taxes electronically. By now, you should have received a summary of all business processed for your agency by the Stamping Office

during 2004. If you have not received your Agents Annual Report, please call SLSOT at (800)449-6394 x 228. ★

*Note: Additional information and links to tax forms can be located on our website at [www.slsot.org](http://www.slsot.org). Follow link to Agent Information.*

## SLSOT POLICY STRATIFICATION BY PREMIUM FOR 2004

Premium Range	No. of Policies	% of Total Policies	Cumulative %
<= \$500	87,877	16.463%	16.463
\$501 - \$1,000	136,241	25.524%	41.987
\$1,001 - \$5,000	226,962	42.520%	84.507
\$5,001 - \$10,000	35,325	6.618%	91.125
\$10,001 - \$25,000	24,854	4.656%	95.782
\$25,001 - \$100,000	16,454	3.083%	98.864
\$100,001 - \$500,000	5,057	0.947%	99.812
\$500,001 - \$1,000,000	592	0.111%	99.922
\$1,000,001 - \$5,000,000	390	0.073%	99.996
> \$5,000,000	24	0.004%	100.00%
<b>Totals:</b>	<b>533,766</b>	<b>100.00%</b>	



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Return Service Requested

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

Annual Statement Line of Business	Premium through 12/04	Premium through 12/03	Percent Change
1 Fire (incl. allied lines)	\$812,850,000	\$773,714,099	5.1%
2 Allied lines	\$31,379,966	\$47,530,725	-34.0%
3 Farmowners multiple peril	\$1,958,823	\$1,559,384	25.6%
4 Homeowners multiple peril	\$137,768,874	\$151,982,683	-9.4%
5 Commercial multiple peril	\$80,999,554	\$65,727,279	23.2%
8 Ocean marine	\$11,794,308	\$9,031,000	30.6%
9 Inland marine	\$72,266,932	\$52,385,970	38.0%
11 Medical malpractice	\$75,670,282	\$63,274,038	19.6%
12 Earthquake	\$3,806	\$513,067	-99.3%
13 Group accident & health	\$102,548,959	\$97,925,377	4.7%
15 All other A&H	\$1,350,574	\$305,243	342.5%
17 Other liability	\$1,626,157,332	\$1,377,877,187	18.0%
18 Products liability	\$51,911,868	\$45,242,261	14.7%
19.2 Other priv pass auto lia	\$22,097	\$22,870	-3.4%
19.4 Other comm. auto liab	\$144,839,319	\$106,037,853	36.6%
21.1 Priv pass auto physical	\$1,398,192	\$1,331,230	5.0%
21.2 Comm auto phys.damage	\$70,973,859	\$65,762,701	7.9%
22 Aircraft (all perils)	\$9,354,431	\$4,642,104	101.5%
23 Fidelity	\$1,628,655	\$1,515,605	7.5%
26 Burglary & theft	\$1,986,892	\$1,380,084	44.0%
27 Boiler & machinery	\$213,506	\$125,855	69.6%
28 Credit	\$84,252,255	\$77,265,408	9.0%
31 Aggregate/other business	(\$213,990)	\$322,913	-166.3%
<b>TOTAL</b>	<b>\$3,321,116,494</b>	<b>\$2,945,474,936</b>	<b>12.8%</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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<http://www.slsot.org/slsotpub.htm>

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