

Lone Star *Lines*

Volume 5, 1999, October - December Issue ~ Surplus Lines Stamping Office of Texas

www.slsot.org

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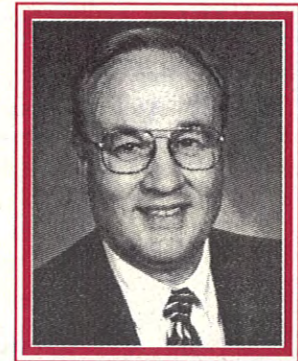
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Tea Announces Retirement

After an insurance career spanning more than 43 years, General Manager Charles L. Tea is retiring from the Stamping Office, effective December 31, 1999. Charles' first insurance job was for the Hartford Insurance Group in Dallas in 1956. Following employment with United Insurance Agency in Arkansas, he joined the Aetna Insurance Company in 1960, where he served as Regional Manager in Los Angeles and then as corporate Risk Manager in the home office of Connecticut General Insurance Corp. He moved back to Texas in 1981 when he joined the Republic Group as Vice President of Reinsurance and Surplus Lines and also as Risk Manager. In 1990, Charles was named General Manager of the Stamping Office. ★



**Charles L. Tea,
General Manager**

A RETIREMENT RECEPTION
FOR MR. TEA WILL BE
HELD FROM
5-6 P.M. IN THE
STONE'S CROSSING ROOM
AT THE
FOUR SEASONS HOTEL,
AUSTIN, TEXAS, SUNDAY,
NOVEMBER 14, 1999, JUST PRIOR
TO TSLA'S ANNUAL MEETING.

Late Submissions Report Mailed to Surplus Lines Agencies

At the request of the Texas Department of Insurance, (TDI) we have developed a new report listing possible late submissions to the Stamping Office. At the request of the Texas Surplus Lines Association (TSLA), we mailed this report in early October to all Texas surplus lines agencies listing policies processed by us during the first six months of 1999,

which appear to have been reported more than 75 days after the effective date of the policy. The Texas Insurance Code requires that you file a policy within 60 days of issuance or effective date, whichever is later.

Any such report obviously can not account for all situations, but in programming these reports, we attempted to exclude

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Submissions continued...

all data that might incorrectly lead to a false result. Audits and endorsements were also removed because they can be issued well after their effective date. These might appear to be late when measured by the effective date, but not when measured by the issue date.

Despite our efforts, this report may yield unintended results in three areas:

1. Situations where policies replace binders with a different policy number or effective date from those shown on the binder.

2. Duplicate submission (i.e., a policy was reported by your office a second time in error and the second filing was later than 75 days.)

3. Policies reported within the statutory time frame when measured by the issue date. The Stamping Office does not capture the issue date as one of its data elements from a policy.

"Policies seemingly filed late represented approximately 12% of all policies reported to the Stamping Office between January and June..."

(Our inspection reveals over half of all items submitted to us do not show an issue date.)

The Texas Department of Insurance told us they are growing concerned about the

volume of apparent late filings by surplus lines agents. Policies seemingly filed late represented approximately 12% of all policies reported to the Stamping Office between January and June of this year.

If your office received one of these reports, we hope it provides you an opportunity to review the time frame in which your agency reports its policies to the Stamping Office. We encourage you to modify your internal procedures as needed if policies are being filed later than the law requires. At least one other state is imposing a monetary penalty for late filings. We prefer to avoid this action if possible; therefore, we encourage your cooperation in more timely filings. ★

TSLA Offers On-Line Coverage Information

Having trouble placing a specialty coverage? The Texas Surplus Lines Association's web site now offers a convenient and easy-to-use guide to facilitate the placement of your specialty insurance business. After making a coverage selection from the main window of the coverage section, a link will take you to a listing of all Texas TSLA member surplus lines agencies that are offering that particular coverage. This is a free service provided by TSLA. Click on www.tsla.org for more information. ★

10-year Anniversary



The Stamping Office congratulates Monte Hall on her 10th-year anniversary

with the Stamping Office. Monte is an Analyst in the Technical Services Department and has recently received her Certified Insurance Counselor designation. We wish her continued success. ★

Y
2000

In an effort to insure that January 2000 is a non-event here at the Stamping Office, we have been working industriously to make the necessary changes to all our office systems, with particular attention to our computer systems.

Our production programs have been modified, tested and returned to production. We successfully processed transactions up to and well beyond January 2000. We ran daily,

weekly and end of month procedures for all these transactions.

Given the complex nature of the issue, it is not possible for any organization to guarantee that no year-2000 problems will surface. However, based on our progress to date, we believe that an acceptable state of readiness has been achieved and the year 2000 will be "business as usual" at the Stamping Office. ★

1999

Surplus Lines Insurance Regulation Seminars

Wrap-up

Thanks to each of you that attended the 1999 Surplus Lines Insurance Regulation seminars held in San Antonio, Houston, and Grapevine in September. Nearly 300 surplus lines agents and other industry personnel participated this year. A

variety of topics were covered including tax issues, the NAIC review of Underwriter's at Lloyd's, legislative changes, market statistics, and surplus lines policy filing requirements. The sessions included speakers from the Texas Department of Insurance, the Texas Comptroller of Public Accounts, and the Stamping Office. ★

Financial Summaries of Surplus Lines Insurers Operating in Texas

As we reported to you in our April issue, we have been publishing surplus lines insurers financial summary pages to our web site at www.slsot.org. In previous years, we have mailed these summaries to all Texas surplus lines agents. This year, these pages will only be available through our web site. Summaries contain information helpful to Texas surplus lines agents in performing "due diligence", including each company's state/country of domicile and date of initial eligibility in Texas, as well as trends in capital and surplus, profitability, gross and net-premiums written, percent of total business written in Texas, recent IRIS ratio results, and premium processed by the Texas Stamping Office.

The Stamping Office has compiled the latest available financial information for this web publication

from several sources for companies appearing on the Texas Surplus Lines Insurers List. Form 2 Annual Statements (the "yellow books") provide financial data on U.S. companies, while information for non-U.S. companies comes from the Standard International Insurers Department Financial Report, if available, or from the insurer's audited financial statements. Graphs are based on the compiled information. Annual year-end company financial information is based on the latest data available to the Stamping Office.

At this printing, all but a few summaries for current eligible Texas surplus lines insurers are now available. If you have any questions concerning these summaries, please call Brian Wilds, Senior Financial Analyst, at (512) 346-3274 x 215. ★



Batchman's Helpful Hints

- If you are submitting a policy and also have an endorsement correcting some of the policy information, please submit them together. Attach the endorsement on top of the dec page. Do not submit them in separate batches.
- Be sure you provide the expiring policy number on renewal certificates. ★

Who's New?

The Stamping Office is pleased to introduce two new additions to our staff.



Laurie Delgado (left) is a Microfilm Prep Clerk in the Document Processing Department.

JoAnn Rodriguez (below) joins us as Assistant Production Supervisor in the Data Entry Department.



We wish each the best in their new positions.

The following personnel have been promoted to new positions: Stephanie Laurich, Human Resource Administrator; Melody Lopez, Data Entry Analyst/Trainer; Janet Kantor, Data Entry Examiner III; and Susan Schroeder, Microfilm Processor. ★

Happy Holidays!



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Comparison of SLSOT Premium Processed by Line of Business

Annual Statement Line of Business	Premium through 9/99	Premium through 9/98	Percent Change
1 Fire (incl. allied lines)	\$171,958,235	\$169,068,412	1.71%
2 Allied lines	\$5,861,132	\$6,025,742	-2.73%
3 Farmowners multiple peril	\$1,689,493	\$1,507,797	12.05%
4 Homeowners multiple peril	\$31,836,162	\$31,694,036	0.45%
5 Commercial multiple peril	\$21,182,903	\$16,846,405	25.74%
6 Mortgage guaranty	\$0	\$0	0.00%
8 Ocean marine	\$6,683,648	\$8,025,669	-16.72%
9 Inland marine	\$14,560,996	\$13,550,701	7.46%
10 Financial guaranty	\$0	\$0	0.00%
11 Medical malpractice	\$15,072,050	\$10,623,735	41.87%
12 Earthquake	\$177,902	\$81	>21K%
13 Group accident & health	\$48,330,283	\$52,803,970	-8.47%
14 Credit A&H (group & indiv)	\$0	\$0	0.00%
15 All other A&H	\$27,147	\$59,911	-54.69%
16 Workers' compensation	\$0	\$0	0.00%
17 Other liability	\$356,605,986	\$354,511,608	0.59%
18 Products liability	\$14,797,938	\$17,338,528	-14.65%
19.1 Priv pass auto no fault	\$0	\$0	0.00%
19.2 Other priv pass auto lia	\$41,721	\$53,541	-22.08%
19.3 Comm. auto no fault PIP	\$0	\$0	0.00%
19.4 Other comm. auto liab	\$22,784,049	\$25,434,076	-10.42%
21.1 Priv pass auto physical	\$712,362	\$726,320	-1.92%
21.2 Comm auto phys.damage	\$25,649,498	\$24,020,213	6.78%
22 Aircraft (all perils)	\$3,977,471	\$1,775,347	124.04%
23 Fidelity	\$657,181	\$1,121,535	-41.40%
24 Surety	\$576,350	\$76,413	654.25%
26 Burglary & theft	\$1,144,520	\$544,593	110.16%
27 Boiler & machinery	\$258,673	\$1,436,067	-81.99%
28 Credit	\$25,436,715	\$24,776,882	2.66%
31 Aggregate/other business	\$942,100	\$73,104	1188.72%
TOTAL	\$770,964,515	\$762,094,686	1.16%

Note: Due to rounding figures may not total



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October - December

The "Lone Star Lines" is published quarterly by the Surplus Lines Stamping Office of Texas for surplus lines agents, companies, and others involved in surplus lines business.

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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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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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