

Lone H Star Lines

Volume 4, Fall Issue 1998 ~ Surplus Lines Stamping Office of Texas

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Advisory Committee for the Interim Study of Agents and Agents' Licensing Statutes

As required by the passage of Senate Bill 206 in 1997, Commissioner Bomer appointed an advisory committee to review the current Texas laws relating to the licensing of insurance agents. After many months of study, the committee released its recommendations in August. If ultimately passed into law, the work of the advisory committee will result in truly substantial changes to current practice. Included in the committee's findings for property & casualty licenses are the following:

Subdivide property & casualty license authorities into 3 main types: full lines, personal lines, and commercial lines.

Consolidate various license authorities (including solicitors, insurance service representatives, and Group II county mutual agents) into the 05-01 Local Recording Agent license.

Eliminate the property & casualty temporary license.

Create a new "limited" property & casualty license for persons selling certain specialty products, such as Motor Vehicle Only, Agriculture, and Travel.

To avoid retaliatory action by other states and to reduce the potential for federal intervention, delete current statutory restrictions on insurance activities conducted in Texas by non-resident agents, as well as the restriction against licensing of non-resident corporations.

Remove the current requirement that all officers, directors, and shareholders of an insurance entity be licensed agents.

Require all individuals issued a license by TDI to complete continuing education. For the general license, requirements should be 30 hours every two years, including 4 hours of ethics. For the limited license, requirements should be 10 hours every two years, including two hours of ethics.

Authorize fines for routine statutory violations, such as late renewal filings, failure to comply with continuing education requirements, or failure to provide TDI with required information (e.g., a change in address or officers).

Apply the current laws on advertising to Internet and telemarketing solicitations.

Require Internet solicitations to display the name, address, insurance license number, and state of issuance of the agent responsible for the web page.

It is important to note that the committee did not recommend any changes to existing laws regulating the licensing of surplus lines agents. **H**

Phil Ballinger Named Associate General Manager

The SLSOT Board of Directors has named Phil Ballinger as Associate General Manager of the Surplus Lines Stamping Office of Texas. Phil joined the Stamping Office in 1992, first serving as Director of Technical Services then promoted to Assistant General Manager in 1996. He is responsible for supervision of the financial analysis, technical assistance, education, and data services functions of the Stamping Office.



Prior to his arrival at the Stamping Office, Phil served as director of tax administration at the Texas Department of Insurance, and also briefly acting as director of information services.

Phil holds a Bachelor of Business Administration degree in Management and a Master of Arts degree in Energy and Mineral Resources, both from the University of Texas at Austin.

Phil is a Chartered Property and Casualty Underwriter (CPCU). He was in the inaugural class receiving the Associate in Surplus Lines Insurance (ASLI) professional designation in September, 1997, and he serves on the ASLI national advisory committee.

Financial Summaries Delivered to Surplus Lines Agents

The Surplus Lines Stamping Office of Texas publication *Financial Summary of Surplus Lines Insurers Operating in Texas* was mailed to all surplus lines agents the last week of October. This publication contains one page of data for each eligible insurer listed on the Texas Surplus Lines Insurers List in Texas as of October 1, 1998. This data is a five-year summary of selected financial information for an insurer as well as a three-year table of financial ratios and three bar charts. The purpose of this publication is to aid Texas surplus lines agents in assessing the financial condition and operating history of surplus lines insurers, as required by law. **H**

Happy Anniversary Employees Celebrate 10 years

Sandy Dill



The Stamping Office is celebrating the 10-year anniversaries of Sandy Dill and Carol Rasmussen

of the Data Entry Department. Their careers at the Stamping Office are mirrored as they both started in 1988 as Data Entry Clerks and were promoted later to Data Entry Analysts.

Carol Rasmussen



Away from the office Sandy enjoys gardening, caring for her animals, and spending time with her

husband Thomas in their home in the country. Carol and her husband, Ron, stay busy raising their 11-year old daughter Tiggy. You can find them in their spare time at the local bowling alley having fun league bowling with their friends.

We thank Sandy and Carol for their 10 years of service with our office and wish them continued success. **H**



Who's New at the Water Cooler

Peggy Bell has rejoined our staff after relocating back to Austin this month. Peggy started with the Stamping Office in 1993. We are pleased to have her back as a Data Entry Analyst.



Bell



Hobbs

Travis Hobbs is a student at the University of Texas and will be assisting us part-time as a Computer Technician. The Document

Processing Department has seen the most growth this month and has been busy training **Isabel Bowie**, **Dana Strunk**, and **Shannon Whiteley** as Records Prep Clerks. We extend our welcome to each of our new teammates



Bowie, Strunk, & Whiteley

and wish them well in their new positions. **H**

ASLI Designation

Associate in Surplus Lines Insurance



Did you know that there is an insurance designation developed specifically for anyone working in surplus line insurance? Sponsored by NAPSLO and available through the Insurance Institute of America, the Associate in Surplus Lines Insurance (ASLI) designation emphasizes to your customers and colleagues that you have demonstrated competence as a surplus lines professional. Earning the ASLI designation requires passing four national examinations — CPCU 1 (Ethics, Insurance Perspectives, & Insurance Contract Analysis); CPCU 5 (Insurance Operations); ASLI 161 (Surplus Lines Principles & Issues); and ASLI 162 (Surplus Lines Insurance Practices). You can learn more about the ASLI program by calling the Institute at (800) 644-2101 or by calling Technical Services at the Stamping Office (512) 346-3274 ext. 24. **H**

Workshop Wrap-up

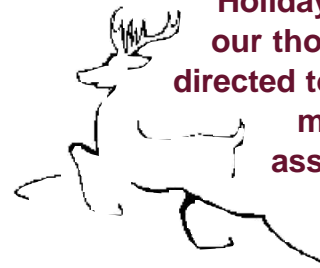
We thank all of the surplus lines agents and others new to the surplus lines industry that participated in our Austin, Grapevine, and Houston educational workshops held over the last few months. If you did not pick up your certificate of attendance for CETIAA credit at the conclusion of the workshop, please call the Technical Services Department at the Stamping Office at (512) 346-3274 ext. 23. **H**

SLSOT Calendar

November:
11/25 Data Processing closing date
11/26-11/27 Office closed
December:
12/25 Office closed
12/31 Data Processing closing date
January:
1/1 Office closed
S/L Insurer filing requirements mailed

Season's Greetings

With the approach of the Holiday Season, our thoughts are directed toward the many fine associations and



friendships that we have enjoyed throughout this year. And so, we want to extend a special greeting to you and your staff for our special association with you. As a business and as individuals, we shall endeavor to merit continuance of this relationship. On the threshold of the New Year, our wish is that the peace and happiness of the season will be yours



Batchman's Helpful Hints

Date extensions must have the Non-Participation in the Guaranty Fund stamp. You must also include the complete names of the securities and a list of Lloyd's syndicate numbers (if any).

Multiple transactions for the same policy need to be listed separately on the Transmittal.

When submitting a batch, please place the items in the same order as they are listed on the Transmittal.

Don't forget about the "Checklist For Submitting Items To The Stamping Office". It can help prevent tags.

Quotable Quotes:

Nearly all men can stand adversity, but if you want to test a man's character, give him power.

- Abraham Lincoln



Surf the Web...

Great resources for the insurance industry

Surplus Lines Stamping Office of Texas

www.slsot.org

Texas Department of Insurance

www.tdi.state.tx.us

Texas Comptroller of Public Accounts

www.window.texas.gov

Texas Surplus Lines Association

www.ix.com/tx/tsla

National Association of Professional Surplus Lines Offices

www.insweb.com/carriers/napslo

American Association of Managing General Agents

www.aamga.org

Independent Insurance Agents of Texas

www.iiat.org

Independent Insurance Agents of America

www.iaa.org

AM Best Company Ratings

www.ambest.com

Standard & Poor Insurance Ratings

www.insure.com/ratings/pc_alpha.html

ASLI Designation

www.napslo.org/Foundation/asli.html

American Institute for CPCU & Insurance Institute of America

www.aicpcu.org



"Beats the heck out of performance reviews."



Lone Star Lines
 Surplus Lines Stamping Office of Texas
 P.O. Box 9906
 Austin, Texas 78766-0906

Bulk Rate
 U.S. Postage
 Paid
 Austin, Texas
 Permit #216

Return Service Requested

Comparison of SLSOT Premium Processed by Line of Business

Annual Statement Line of Business	Premium through 9/97	Premium through 9/98	Percent Change
1 Fire(incl. allied lines)	\$169,052,188	\$170,345,523	-0.76%
2 Allied lines	\$5,927,718	\$5,900,973	-0.45%
3 Farmowners multiple peril	\$1,507,797	\$1,713,453	-12.00%
4 Homeowners multiple peril	\$31,698,822	\$30,378,703	4.35%
5 Commercial multiple peril	\$16,908,753	\$29,017,316	-41.73%
6 Mortgage guaranty	\$0	\$0	0.00%
8 Ocean marine	\$8,023,819	\$13,148,998	-38.98%
9 Inland marine	\$13,552,557	\$9,681,778	39.98%
10 Financial guaranty	\$0	\$0	0.00%
11 Medical malpractice	\$10,540,617	\$19,155,633	-44.97%
12 Earthquake	\$81	\$80,060	-99.90%
13 Group accident & health	\$52,803,970	\$48,690,108	8.45%
14 Credit A&H(group & indiv)	\$1,550	\$0	0.00%
15 All other A&H	\$59,911	\$1,086,646	-94.49%
16 Workers' compensation	\$0	\$0	0.00%
17 Other liability	\$354,614,888	\$388,362,952	-8.69%
18 Products liability	\$17,285,286	\$21,923,086	-21.15%
19.1 Priv pass auto no fault	\$0	\$0	0.00%
19.2 Other priv pass auto lia	\$53,091	\$31,256	69.86%
19.3 Comm. auto no fault PIP	\$0	\$0	0.00%
19.4 Other comm. auto liab	\$25,411,711	\$30,804,584	-17.51%
21.1 Priv pass auto physical	\$726,320	\$933,424	-22.19%
21.2 Comm auto phys.damage	\$24,016,255	\$26,475,470	-9.29%
22 Aircraft (all perils)	\$1,775,347	\$5,419,217	-67.24%
23 Fidelity	\$1,121,535	\$939,875	19.33%
24 Surety	\$76,413	\$593,042	-87.12%
25 Glass	\$70,334	\$25,703	173.64%
26 Burglary & theft	\$544,593	\$1,810,269	-69.92%
27 Boiler & machinery	\$1,436,067	\$296,050	385.08%
28 Credit	\$24,811,384	\$20,116,131	23.34%
31 Aggregate/other business	\$73,679	\$153,715	-52.07%
TOTAL	\$762,094,686	\$827,083,965	-7.86%

Note: Due to rounding figures may not total

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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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