



THE SURPLUS LINE
ASSOCIATION OF CALIFORNIA

Year In Review 2017

12667 Alcosta Boulevard,
Suite 450
San Ramon, CA 94583

www.slacal.com



The Surplus Line
Association of California

12667 Alcosta Boulevard
Suite 450
San Ramon, CA 94583

275 Battery Street
Suite 750
San Francisco, CA 94111

P 415.434.4900

slacal.com

To The California Surplus Lines Community:

I am pleased to present you with our **2017 Year in Review**. This collection of documents provides a comprehensive look at what has been another record-setting year for our industry in California.

Last year, the SLA processed **\$6,551,864,881** in premiums on behalf of our members, an all-time high and a 3.4 percent increase over the previous record-setting year of 2016. The record set in 2017 marked the third straight year that California saw record-setting surplus line premiums.

Included for your information are our key financial statistics for 2017, including total processed premiums and items, our membership, new licensees, and statistics on the services we provided last year, including continuing education and our online and onsite training. We also provide lists of the top brokers by group and top carriers by ultimate parent. Last year, we changed the way we provide these listings to account for the ongoing wave of mergers and acquisitions and create a more accurate picture of the market.

As always, the SLA is here to serve its members and to work toward a healthy, fair and competitive surplus lines marketplace. Please do not hesitate to get in touch with us if you have questions or need our assistance.

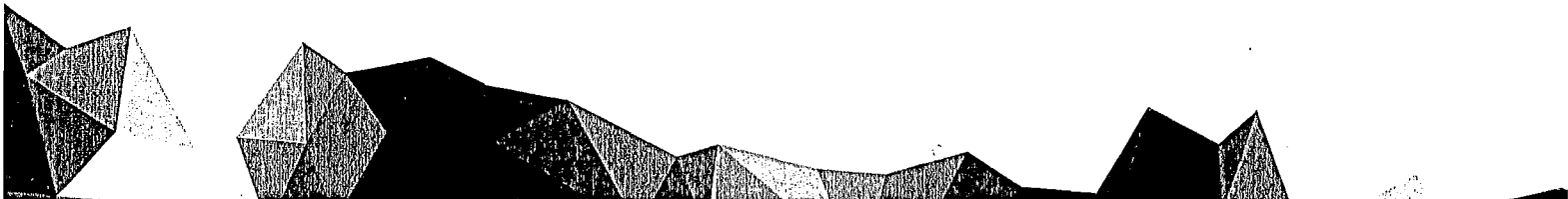
Sincerely,

A handwritten signature in black ink that reads "Benjamin J. McKay". The signature is written in a cursive, flowing style.

Benjamin J. McKay, J.D., M.P.A.

Executive Director

Surplus Line Association of California



2017 YEAR IN REVIEW

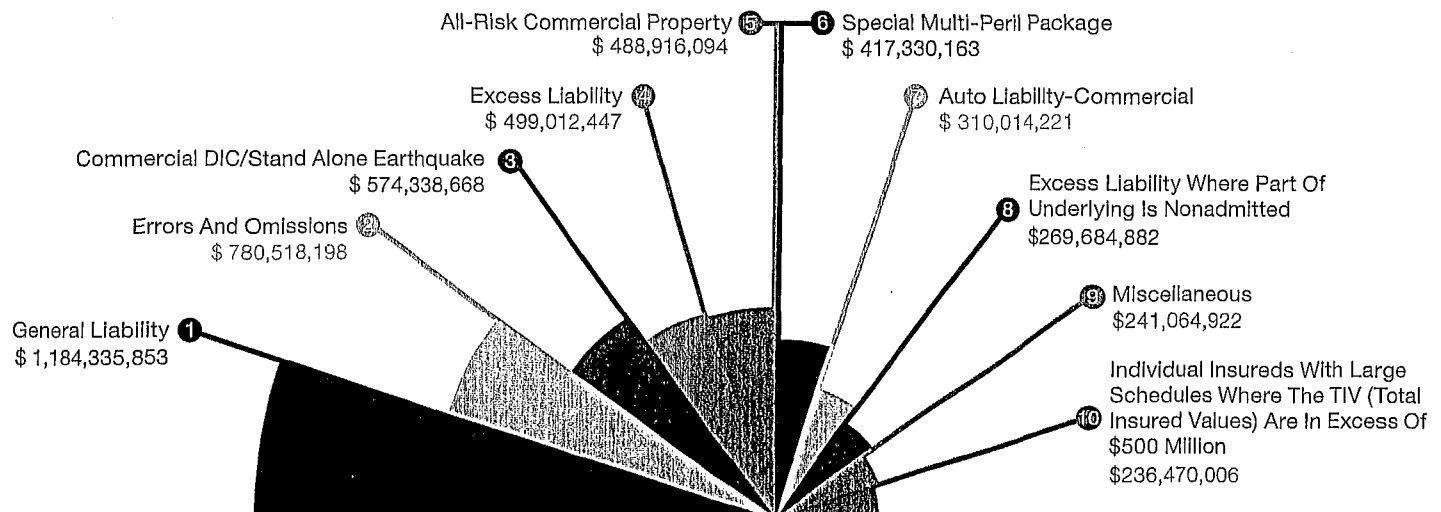
Top 20 California Surplus Line Broker Groups*

1. Marsh & McLennan Cos. Inc.	\$ 796,251,058
2. AmWINS Group Inc.	\$ 673,770,953
3. CRC Swett	\$ 593,131,238
4. R-T Specialty, LLC	\$ 491,172,090
5. Aon P.L.C.	\$ 381,033,672
6. Arthur J. Gallagher & Co.	\$ 286,154,462
7. Worldwide Facilities, LLC	\$ 203,792,508
8. Brown & Riding Insurance Services, Inc.	\$ 152,074,897
9. Willis Towers Watson P.L.C.	\$ 147,957,469
10. Burns & Wilcox	\$ 139,218,903
11. Risk Specialists Companies Insurance Agency, Inc.	\$ 133,769,461
12. Crouse & Associates Insurance Services	\$ 129,879,212
13. Lockton Inc.	\$ 110,155,020
14. All Risks, Ltd.	\$ 105,953,856
15. Brown & Brown Inc.	\$ 76,984,397
16. Woodruff-Sawyer & Company	\$ 70,784,296
17. CIBA Insurance Services	\$ 63,744,124
18. Petersen International Underwriters	\$ 60,571,526
19. Alliant Insurance Services Inc.	\$ 59,038,041
20. Scottish American Insurance	\$ 58,197,790

Top 20 California Surplus Line Carriers**

1 Lloyd's	\$ 1,398,370,667	11 Toklo Marine Holdings, Inc.	\$ 172,585,863
2 American International Group, Inc.	\$ 447,027,300	12 James River Insurance Company	\$ 135,463,169
3 Zurich Insurance Group Ltd.	\$ 321,999,928	13 Argo Group International Holdings, Ltd.	\$ 127,932,717
4 Markel Corporation	\$ 305,499,779	14 American Financial Group, Inc.	\$ 121,816,422
5 Nationwide Mutual Insurance Company	\$ 280,948,744	15 QBE Insurance Group Limited Swiss Re Ltd.	\$ 121,599,622
6 W. R. Berkley Corporation	\$ 260,953,839	16 XL Group Ltd.	\$ 119,214,800
7 Chubb Limited	\$ 213,027,590	17 Aspen Insurance Holdings Limited	\$ 117,400,596
8 Liberty Mutual Holding Company Inc.	\$ 191,568,805	18 Amtrust Financial Services, Inc.	\$ 110,174,758
9 Fairfax Financial Holdings Limited	\$ 190,201,311	19 Alleghany Corporation	\$ 108,112,742
10 Berkshire Hathaway Inc.	\$ 185,168,947	20 Swiss RE Ltd.	\$ 106,827,139

Top 10 Coverages of 2017



* Based on Premium Processed by the SLA in 2017 and categorized by Broker Group
 ** Based on Premium Processed by the SLA in 2017 and grouped by Ultimate Parent

2017 YEAR IN REVIEW

Key Financial Statistics

2017 Processed Premium:

\$ 6,551,864,881

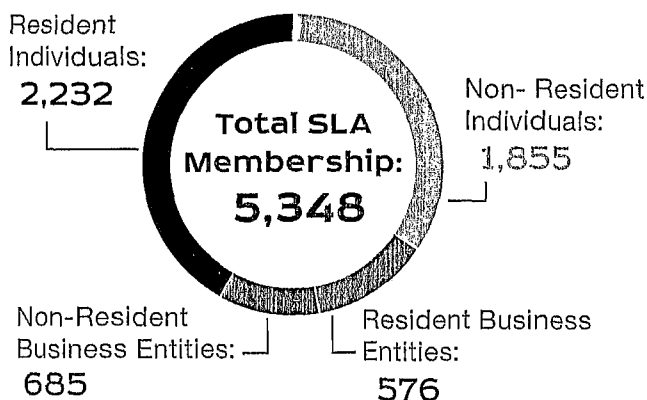
↑ 3.26% from 2016

2017 Processed Items:

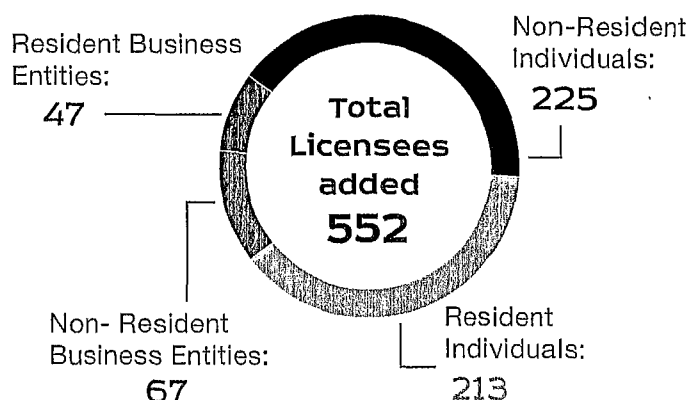
648,582

Members of the SLA

Total Membership as of 12.31.2017




New Licensees Added to Membership



Education & Compliance Department Statistics

Continuing Education Totals

Visits & Training


Total Seminars:
7


Total CE Credits:
21


Total Certificates:
1,405


Total Offices:
20


Attendees:
79

Premium Totals

[Years ended 12.31]

[% Growth]

[% of Total]

Company Type

2016 | 2017

2016 to 2017

2017

LASLI/Eligible Carriers

US Insurers	\$ 4,033,077,021	\$ 4,640,514,165	15.1%	70.8%
Lloyd's Syndicates	\$ 1,194,842,717	\$ 1,354,341,311	13.3%	20.7%
Non-US Insurers	\$ 537,110,804	\$ 470,948,795	-12.3%	7.2%
Subtotal	\$ 5,765,030,542	\$ 6,465,804,271	12.2%	98.7%
Other Companies:	\$ 87,170,926	\$ 86,060,610	-1.3%	1.3%
Total [PREMIUMS PROCESSED]	\$ 5,852,201,468	\$ 6,551,864,881	12.0%	100.0%
Premium in Process [BACKLOG] ¹	\$ 485,798,532	-	-	-
Total	\$ 6,338,000,000	\$ 6,551,864,881	3.4%	100.0%

¹ Premium in Process (Backlog) was reported for 2016 due to operational issues driven by the change in systems and resulting backlog.

Top 50 Brokers by Group¹

Based on Premium Processed by the SLA January Through December 2017

Rank	Broker Group	Premium Processed	% of Total
1	MARSH & MCLENNAN COS. INC.	796,251,058	12.15%
2	AMWINS GROUP INC.	673,770,953	10.28%
3	CRC SWETT	593,131,238	9.05%
4	R-T SPECIALTY, LLC	491,172,090	7.50%
5	AON P.L.C.	381,033,672	5.82%
6	ARTHUR J. GALLAGHER & CO.	286,154,462	4.37%
7	WORLDWIDE FACILITIES, LLC	203,792,508	3.11%
8	BROWN & RIDING INSURANCE SERVICES, INC.	152,074,897	2.32%
9	WILLIS TOWERS WATSON P.L.C.	147,957,469	2.26%
10	BURNS & WILCOX	139,218,903	2.12%
11	RISK SPECIALISTS COMPANIES INSURANCE AGENCY, INC.	133,769,461	2.04%
12	CROUSE & ASSOCIATES INSURANCE SERVICES	129,879,212	1.98%
13	LOCKTON INC.	110,155,020	1.68%
14	ALL RISKS, LTD.	105,953,856	1.62%
15	BROWN & BROWN INC.	76,984,397	1.17%
16	WOODRUFF-SAWYER & CO.	70,784,296	1.08%
17	CIBA INSURANCE SERVICES	63,744,124	0.97%
18	PETERSEN INTERNATIONAL UNDERWRITERS	60,571,526	0.92%
19	ALLIANT INSURANCE SERVICES INC.	59,038,041	0.90%
20	SCOTTISH AMERICAN INSURANCE	58,197,790	0.89%
21	SOCIUS INSURANCE SERVICES, INC.	56,043,198	0.86%
22	WHOLESALE TRADING INSURANCE SVCS (JENCAP HOLDINGS)	50,941,679	0.78%
23	GORST & COMPASS INSURANCE	50,867,966	0.78%
24	NATIONAL TRANSPORTATION ASSOCIATES, INC.	47,478,460	0.72%
25	MONARCH E & S INSURANCE SERVICES	45,652,042	0.70%
26	WELLS FARGO INSURANCE SERVICES USA INC.	41,273,217	0.63%
27	SOUTHWEST BUSINESS CORPORATION	40,893,573	0.62%
28	BASS UNDERWRITERS	33,915,770	0.52%
29	COASTAL BROKERS INSURANCE SERVICES INC.	31,573,039	0.48%
30	HULL & COMPANY, INC.	30,737,718	0.47%
31	HUB INTERNATIONAL LTD.	30,348,918	0.46%
32	R.E. CHAIX & ASSOCIATES INSURANCE BROKERS, INC.	29,101,105	0.44%
33	INTEGRO GROUP HOLDINGS L.P.	27,796,357	0.42%
34	AMTRUST FINANCIAL SERVICES, INC.	26,632,391	0.41%
35	TOKIO MARINE HOLDINGS, INC.	26,375,767	0.40%
36	ACRISURE L.L.C.	25,841,684	0.39%
37	NAS INSURANCE SERVICES, LLC	23,040,729	0.35%
38	SULLIVAN GROUP	22,915,747	0.35%
39	EXCEPTIONAL RISK ADVISORS, LLC	22,476,936	0.34%
40	CHIVAROLI & ASSOCIATES, INC.	21,842,518	0.33%
41	M.J. HALL & CO., INC.	21,109,537	0.32%
42	COOPER & MCCLOSKEY, INC. INSURANCE BROKERS	19,634,392	0.30%
43	USG INSURANCE SERVICES INC.	17,127,461	0.26%
44	ALLIED PROFESSIONALS' INSURANCE SERVICES	15,364,270	0.23%
45	ASSURANT, INC	15,282,676	0.23%
46	NEITCLEM WHOLESALE INSURANCE BROKERAGE, INC.	15,104,563	0.23%
47	BERKSHIRE HATHAWAY, INC.	14,162,135	0.22%
48	MCGRIFF, SEIBELS & WILLIAMS, INC.	14,131,796	0.22%
49	EDGEWOOD PARTNERS INSURANCE CENTER, DBA EPIC INSUR	13,086,493	0.20%
50	K2 INSURANCE SERVICES	12,932,781	0.20%
	Subtotal	5,577,319,892	85.13%
	All Other Brokers	974,544,989	14.87%
	Total	6,551,864,881	100.00%

¹ Consolidated by group based on broker feedback or the SLA Identification process

Top Carriers by Ultimate Parent

Based on Premium Processed by the SLA January Through December 2017

ULTIMATE PARENT ¹	COMPANY	PREMIUM PROCESSED	% OF TOTAL
LLOYD'S	Lloyd's of London ²	1,398,370,667	21.34%
LLOYD'S Total		1,398,370,667	21.34%
AMERICAN INTERNATIONAL GROUP, INC.	LEXINGTON INSURANCE COMPANY	392,072,080	5.07%
	AIG SPECIALTY INSURANCE COMPANY	86,409,806	1.32%
	HAMILTON SPECIALTY INSURANCE COMPANY	14,860,760	0.23%
	AIG EUROPE LIMITED	13,679,144	0.21%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <\$7M	5,510	0.00%
AMERICAN INTERNATIONAL GROUP, INC. Total		447,027,300	6.82%
ZURICH INSURANCE GROUP LTD.	STEADFAST INSURANCE COMPANY	290,540,823	4.43%
	EMPIRE INDEMNITY INSURANCE COMPANY	31,459,105	0.48%
ZURICH INSURANCE GROUP LTD. Total		321,999,928	4.91%
MARKEL CORPORATION	UNITED SPECIALTY INSURANCE COMPANY	156,800,049	2.39%
	EVANSTON INSURANCE COMPANY	140,495,304	2.14%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <\$7M	8,204,426	0.13%
MARKEL CORPORATION Total		305,499,779	4.66%
NATIONWIDE MUTUAL INSURANCE COMPANY	SCOTTSDALE INSURANCE COMPANY	277,876,791	4.24%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <\$7M	3,071,953	0.05%
NATIONWIDE MUTUAL INSURANCE COMPANY Total		280,948,744	4.29%
W. R. BERKLEY CORPORATION	ADMIRAL INSURANCE COMPANY	103,347,155	1.58%
	GEMINI INSURANCE COMPANY	75,721,334	1.16%
	NAUTILUS INSURANCE COMPANY	57,813,312	0.88%
	BERKLEY ASSURANCE COMPANY	23,759,466	0.36%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <\$7M	512,573	0.01%
W. R. BERKLEY CORPORATION Total		260,953,839	3.98%
CHUBB LIMITED	WESTCHESTER SURPLUS LINES INSURANCE COMPANY	87,454,845	1.33%
	ILLINOIS UNION INSURANCE COMPANY	87,053,594	1.33%
	CHUBB CUSTOM INSURANCE COMPANY	31,110,209	0.47%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <\$7M	7,408,941	0.11%
CHUBB LIMITED Total		213,027,590	3.25%
LIBERTY MUTUAL HOLDING COMPANY INC.	IRONSHORE SPECIALTY INSURANCE COMPANY	105,525,460	1.61%
	LIBERTY SURPLUS INSURANCE CORPORATION	69,436,811	1.06%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <\$7M	9,075,205	0.14%
	LIBERTY MUTUAL INSURANCE EUROPE LIMITED	7,531,329	0.11%
LIBERTY MUTUAL HOLDING COMPANY INC. Total		191,568,805	2.92%
FAIRFAX FINANCIAL HOLDINGS LIMITED	ALLIED WORLD NATIONAL ASSURANCE COMPANY	46,125,770	0.70%
	ALLIED WORLD SURPLUS LINES INSURANCE COMPANY	45,283,695	0.69%
	FIRST MERCURY INSURANCE COMPANY	37,382,513	0.57%
	HUDSON SPECIALTY INSURANCE COMPANY	22,606,976	0.35%
	CRUM & FORSTER SPECIALTY INSURANCE COMPANY	20,122,192	0.31%
	HUDSON EXCESS INSURANCE COMPANY	11,451,620	0.17%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <\$7M	7,228,546	0.11%
FAIRFAX FINANCIAL HOLDINGS LIMITED Total		190,201,311	2.90%
BERKSHIRE HATHAWAY INC.	NATIONAL FIRE & MARINE INSURANCE COMPANY	150,473,301	2.30%
	GENERAL STAR INDEMNITY COMPANY	16,650,957	0.25%
	MOUNT VERNON FIRE INSURANCE COMPANY	12,067,334	0.18%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <\$7M	5,977,366	0.09%
BERKSHIRE HATHAWAY INC. Total		185,168,947	2.83%
TOKIO MARINE HOLDINGS, INC.	HOUSTON CASUALTY COMPANY	87,206,024	1.33%
	TOKIO MARINE SPECIALTY INSURANCE COMPANY	81,727,070	1.25%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <\$7M	3,652,769	0.06%
TOKIO MARINE HOLDINGS, INC. Total		172,585,863	2.63%
JAMES RIVER GROUP HOLDINGS, LTD.	JAMES RIVER INSURANCE COMPANY	135,463,169	2.07%
JAMES RIVER GROUP HOLDINGS, LTD. Total		135,463,169	2.07%
ARGO GROUP INTERNATIONAL HOLDINGS, LTD.	COLONY INSURANCE COMPANY	118,539,775	1.81%
	PELEUS INSURANCE COMPANY	9,392,942	0.14%
ARGO GROUP INTERNATIONAL HOLDINGS, LTD. Total		127,932,717	1.95%
AMERICAN FINANCIAL GROUP, INC.	GREAT AMERICAN E&S INSURANCE COMPANY	113,410,625	1.73%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <\$7M	8,405,797	0.13%
AMERICAN FINANCIAL GROUP, INC. Total		121,816,422	1.86%
QBE INSURANCE GROUP LIMITED	QBE SPECIALTY INSURANCE COMPANY	121,571,204	1.86%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <\$7M	28,419	0.00%
QBE INSURANCE GROUP LIMITED Total		121,599,622	1.86%
XL GROUP LTD	INDIAN HARBOR INSURANCE COMPANY	104,188,304	1.69%
	CATLIN SPECIALTY INSURANCE COMPANY	13,209,681	0.20%
	OTHER AFFILIATES WITH PREMIUM PROCESSED <\$7M	1,816,816	0.03%
XL GROUP LTD Total		119,214,800	1.82%
All Other Groups with Premium Processed <\$19M		1,958,485,378	29.89%
Grand Total		6,551,864,881	100.00%

¹ Source: AM Best ultimate parent as of 1/2/2018; All Lloyd's Syndicates combined under Lloyd's

² Refer to the following page for a breakdown of Lloyd's Syndicates with premium processed >=\$7M

Top Lloyd's Syndicates in California with Managing Agent¹

Based on Premium Processed by the SLA January Through December 2017

LLOYD'S	PREMIUM PROCESSED	% OF TOTAL
Lloyd's Syndicate 2623 (Beazley Furlong Limited)	166,869,588	11.93%
Lloyd's Syndicate 3624 (Hiscox Syndicates Limited)	79,785,404	5.71%
Lloyd's Syndicate 2987 (Brit Syndicates Limited)	69,951,835	5.00%
Lloyd's Syndicate 2003 (Catlin Underwriting Agencies Limited)	64,856,525	4.64%
Lloyd's Syndicate 510 (Tokio Marine Kiln Syndicates Limited)	64,069,459	4.58%
Lloyd's Syndicate 33 (Hiscox Syndicates Limited)	59,584,706	4.26%
Lloyd's Syndicate 2007 (Novae Syndicates Limited)	40,265,320	2.88%
Lloyd's Syndicate 2001 (MS AmIn Underwriting Limited)	39,589,299	2.83%
Lloyd's Syndicate 4472 (Liberty Managing Agency Limited)	39,446,225	2.82%
Lloyd's Syndicate 4020 (Ark Syndicate Management Limited)	37,927,906	2.71%
Lloyd's Syndicate 623 (Beazley Furlong Limited)	36,788,965	2.63%
Lloyd's Syndicate 4000 (Pembroke Managing Agency Limited)	31,020,151	2.22%
Lloyd's Syndicate 609 (Atrium Underwriters Limited)	30,154,670	2.16%
Lloyd's Syndicate 4444 (Canopus Managing Agents Limited)	29,415,226	2.10%
Lloyd's Syndicate 2488 (ACE Underwriting Agencies Limited)	29,380,685	2.10%
Lloyd's Syndicate 1200 (Argo Managing Agency Limited)	27,530,619	1.97%
Lloyd's Syndicate 1458 (RenaissanceRe Syndicate Management Limited)	27,514,127	1.97%
Lloyd's Syndicate 1183 (Talbot Underwriting Ltd)	27,360,202	1.96%
Lloyd's Syndicate 1084 (Chaucer Syndicates Limited)	24,010,445	1.72%
Lloyd's Syndicate 1886 (QBE Underwriting Limited)	22,245,693	1.59%
Lloyd's Syndicate 1225 (AEGIS Managing Agency Limited)	21,280,996	1.52%
Lloyd's Syndicate 4242 (Asta Managing Agency Limited)	20,952,288	1.50%
Lloyd's Syndicate 1414 (Ascot Underwriting Limited)	20,200,397	1.44%
Lloyd's Syndicate 5000 (Travelers Syndicate Management Limited)	19,325,082	1.38%
Lloyd's Syndicate 2121 (Argenta Syndicate Management Limited)	17,361,334	1.24%
Lloyd's Syndicate 435 (Faraday Underwriting Limited)	16,277,117	1.16%
Lloyd's Syndicate 1880 (Tokio Marine Kiln Syndicates Limited)	15,890,800	1.14%
Lloyd's Syndicate 3000 (Markel Syndicate Management Limited)	15,547,729	1.11%
Lloyd's Syndicate 1861 (AmTrust Syndicates Limited)	15,498,686	1.11%
Lloyd's Syndicate 4711 (Aspen Managing Agency Limited)	15,293,609	1.09%
Lloyd's Syndicate 1969 (Apollo Syndicate Management Limited)	15,224,952	1.09%
Lloyd's Syndicate 5151 (Endurance at Lloyd's Limited)	14,130,724	1.01%
Lloyd's Syndicate 382 (Hardy (Underwriting Agencies) Limited)	13,754,711	0.98%
Lloyd's Syndicate 1955 (Barbican Managing Agency Limited)	13,605,696	0.97%
Lloyd's Syndicate 1274 (Antares Managing Agency Limited)	12,186,415	0.87%
Lloyd's Syndicate 1301 (StarStone Underwriting Limited)	9,085,882	0.65%
Lloyd's Syndicate 2015 (The Channel Managing Agency Limited)	9,039,881	0.65%
Lloyd's Syndicate 2791 (Managing Agency Partners Limited)	8,974,578	0.64%
Lloyd's Syndicate 1991 (R&Q Managing Agency Limited)	8,462,122	0.61%
Lloyd's Syndicate 1919 (Starr Managing Agents Limited)	8,395,648	0.60%
Lloyd's Syndicate 318 (Beaufort Underwriting Agency Limited)	8,381,061	0.60%
Lloyd's Syndicate 1206 (AmTrust Syndicates Limited)	7,681,538	0.55%
Lloyd's Syndicate 1967 (W. R. Berkley Syndicate Management Limited)	7,413,161	0.53%
All Other Lloyd's Syndicates with Premium Processed <\$7M & Other ²	136,639,211	9.77%
Lloyd's Total	1,398,370,667	100.00%

¹ Source: AM Best as of 1/2/2018 and Lloyd's List of Active Syndicates & Managing Agents for 2017 Year of Account

² Other includes Lloyd's premium processed with a missing or invalid syndicate number



THE SURPLUS LINE
ASSOCIATION OF **CALIFORNIA**

Mission Statement

Our mission is to ensure that a responsive and lawful surplus line insurance market is maintained in California. Our measures of success in this respect are that the consumer is protected, the needs of the regulators are well-served, and unlawful activities are curtailed. Through a professional and committed organization, utilizing state-of-

the-art technology and a challenging work environment, we respond to the needs of the California consumer, our membership, and appropriate public agencies. We provide education, processing, evaluation and dissemination of surplus line data and information to help ensure the financial integrity and stability of the nonadmitted market.