

POSTINGS & UPDATES FROM THE STAMPING OFFICE

The following links will take you to the latest bulletins posted by the Stamping Office:

Updated Kinds & Class List and Export List – Posted June 1, 2006:

<http://www.pasla.org/Bulletins/Updated%20Kinds%20and%20Classes%20List%20and%20Export%20List%202006.pdf>

Eligible List Update – Posted June 12, 2006:

<http://www.pasla.org/Documents/Eligible%20List%20Update%20061206.doc>

New Electronic Filing System Ready to Go Live – Posted June 20, 2006:

<http://www.pasla.org/Bulletins/June20EFSUpdate.pdf>

Pennsylvania Insurance Department's Published Eligible List dated July 10, 2006:

<http://www.pabulletin.com/secure/data/vol36/36-29/1296.html>

INDUSTRY NEWS YOU MAY HAVE MISSED

Update on New York Surplus Lines Notice. AAMGA's web site reports that the red type notice has been withdrawn. It would have amended New York Regulation 41 to require a new notice provision on all surplus lines policies. ELANY's Dan Maher is given as a resource regarding proposed revisions 646/292-5500.

Montana's Department of Insurance issued a June 12 letter clarifying "10% and \$1,500 exception" per a 2005 law, MCA 33-2-302(2) that prompted industry confusion. Details: www.mslaa.org

Nevada's Department is contemplating a **new regulation** to change requirements for brokers' affidavits, report of coverage, and a change in the stamping fee from a minimum of \$25 or 0.5% to 0.4%. Details: www.nsla.org

SwissRe issued a Sigma study July 10 showing **2005 growth** in the world's insurance market of 3.9 % in life and a flat 0.6% in non-life. Details: www.swissre.com

COMING UP...2006 CALENDAR

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| Sept. 6 | PSLA Workshop in Exton |
| Sept. 6-9 | AAMGA Under Forty Organization Meeting in Lake Tahoe, NV |
| Sept. 10-15 | AAMGA Summer School in London, England |
| Sept. 11-20 | SPARKS Clinics in PA (PSLA is exhibiting) |
| Sept. 13-16 | NAPSLO Annual Meeting in Chicago, IL |
| Sept. 17-18 | AAMGA University Garage Risks in Denver, CO |
| Sept. 27 | PSLA Workshop via WebEx |
| October 7-11 | CIAB Insurance Leadership Forum at the Greenbriar (WV) |
| October 11 | PSLA Workshop via WebEx |
| October 22-23 | AAMGA University Advanced Truckers in Atlanta, GA |
| November 9 | PSLA Workshop via WebEx |

NAPSLO's new address is:
200 NE 54th Street #200
Kansas City, MO 64118



INDUSTRY NEWS YOU MAY HAVE MISSED...

(cont'd from page 1)

The current issue of Adjusting Today (Adjusters International Disaster Consulting Services) lists Ten Commandments to assist commercial risks after a devastating loss when they find out that they may be underinsured. Happily, the first Commandment is to consult with the agent or broker to have him/her re-examine the policy to see if the claim can be reviewed since complex policies list various coverages under various headings and additional coverage that may not be immediately obvious. Insurance producers are treated as an important intermediary resource between client and insurance company underwriter. Free copy is available from 800/382-2468 www.adjustingtoday.com (newsletter tab).

FEDERAL SURPLUS LINES BILL INTRODUCED, DISCUSSED

HR 5637 was the topic of a hearing of the Capital Markets Subcommittee of the House Financial Services Committee. Titled "Nonadmitted and Reinsurance Reform Act of 2006", the legislation purports to establish a uniform system for collection of surplus lines premium taxes. This new system would replace the patchwork of differing and often contradictory tax collection methods surplus lines licensees have to face in meeting the demands of the different states. The subcommittee moved the bill in late July.

Testifying for NAPSLO, Executive Director Richard Bouhan expressed support and applauded subcommittee chairman Rep. Richard Baker (R-LA) for moving surplus lines out of the State Modernization and Regulatory Transparency Act (SMART Act) into its own legislation. SMART Act had become a lightning rod for both advocates and detractors of an expanded federal role in regulation of insurance. Bouhan singled out HR 5637's provisions of a uniform system of premium tax allocation and remittance, uniform standards for producer licenses, one-state compliance on multi-state surplus lines risks, and direct access to the surplus lines market for sophisticated purchasers "long endorsed by NAPSLO".

AAMGA joined its sister association in supporting the bill. AAMGA Executive Director Bernd G. Heinze presented congressional testimony suggesting that enactment would (among other things):

- enhance the speed to market of new and needed insurance products and services
- stimulate open competition and the creation of innovative risk products specifically addressing or scripted to the needs of the consumer
- establish a uniform simple tax allocation formula and system for multi-state risks
- establish a uniform licensing system
- facilitate uniform and consistent compliance requirements for the surplus lines agents and brokers now that the insured's home state will have authority and regulatory primacy

The subcommittee minority chairman is PA Democrat Paul Kanjorski. Other Pennsylvanians on the committee are Republican Representatives Mike Fitzpatrick from Bucks County and Jim Gerlach from Chester County. Fitzpatrick is listed as a sponsor of the bill as is Democratic Rep. Tim Holden from central PA.

Text and summaries of HR 5637 are available at www.thomas.gov.

In a separate federal legislative news note, Sen. John Sununu (R-NH) introduced S. 2509, the National Insurance Act of 2006, to create an Office of National Insurance within the U.S. Treasury to oversee a parallel system of federal-state regulation. It offers life and P/C insurers the choice of state versus federal chartering but does not include NAPSLO language regarding uniform treatment of the surplus lines regarding premium taxation.

At a July 11 hearing of the Senate Finance Committee on this bill, the Council of Insurance Agents and Brokers (CIAB) praised the surplus lines provisions contained in the House legislation cited above. Also, the Senate Banking Committee's S.2509 that contains the optional federal chartering (OFC) heard testimony from a variety of organizations. Supportive testimony came from organizations made up of large brokers and carriers while the opposition was from the smaller broker and carrier associations.