



# PERISCOPE

PENNSYLVANIA SURPLUS LINES ASSOCIATION

December 2006

As 2006 draws to a close, the staff and officers of the Pennsylvania Surplus Lines Association would like to thank you for your participation in Association events during 2006 and wish you, your families and employees a safe and happy holiday season.

## POSTINGS & UPDATES FROM THE STAMPING OFFICE

- According to PSLA Executive Director, Ken Rudert, the new PSLA Electronic Filing System has dramatically reduced turn-around time for 300 agency users.

The full text of a Special Bulletin issued by PSLA dated June 20, 2006 regarding Electronic Filing, as well as step by step instructions on use of the Electronic Filing System (see Electronic Filing at PSLA) are available at [www.pasla.org](http://www.pasla.org). In addition, E-filing Workshops are being developed for 2007 in an effort to improve PSLA's training and education efforts.

- **REMINDER:** The deadline to file the 3% surplus lines gross premium tax for Pennsylvania is January 31, 2007. Checks are to be made payable to the PA Department of Revenue. Filing information as well as a link to the RTC-123 can be found on the PSLA web site [www.pasla.org](http://www.pasla.org).
- 2007 will mark the 25th Anniversary of the PSLA Membership Division. To honor this special anniversary PSLA is planning a full two day Annual Membership Meeting to be held at the ACE Center in Lafayette Hill, PA. More details to follow in early 2007. Please mark your calendar to attend this very special event.

## COMING UP...2007 CALENDAR

Jan. 10	PSLA Workshop via WebEx
<b>Jan. 31</b>	<b>PA Surplus Lines Gross Premium Taxes due to PA Dept. of Revenue</b>
Feb. 7	PSLA Workshop via WebEx
March 1-3	NAPSLO Mid Year Education Workshop, Palm Springs, CA
March 10-13	AAMGA Automation & Agency Management Conference, Atlanta, GA
March 14	PSLA Workshop via WebEx
<b>April 12-13</b>	<b>PSLA Annual Membership Meeting ACE Center, Lafayette Hill, PA</b>
May 20-24	AAMGA Annual Meeting, Paradise Island, Bahamas
June 9-12	NAPSLO E&S School, St. Louis, MO
June 12-15	NAPSLO E&S School, St. Louis, MO

## SPECIAL NOTICE

As of January 1, 2007, please forward all PSLA Member Services inquiries and mail to the PSLA's Exton location:

Attn: Robin Springer  
PSLA Member Services  
211 Welsh Pool Road, Suite 200  
Exton, PA 19341  
610-594-1340 x103  
610-594-7623 FAX  
E-mail: [rspringer@pasla.org](mailto:rspringer@pasla.org)



## INDUSTRY NEWS YOU MAY HAVE MISSED...

**Interstate Compact** - The Interstate Insurance Product Regulation Commission selected officers at its annual meeting in Landsdowne, VA on November 15. Serving as Management Committee chair will be PA Insurance Commissioner, Diane Koken. Other officers are: Vice-chair Jane Cline (WV) and Glenn Wilson (MN) as Treasurer. Frances Arricale Executive Director of the Commission will serve as Secretary.

**Internet Financial Filings** - NAIC reports that insurers are increasing their use of internet filings, increasing over 17 percent in the past three years. Meeting the November 15 filing deadline electronically were 4,480 companies or 97.8% of all those required to file third quarter reports.

**Lloyds Guidelines** - AAMGA announced that Lloyd's London have released new Slip Guidelines for Binding Authority Agreements and Line Slips. These are consistent with the Market Reform Slip for open-market business and the Slip Templates for Binding Authority Agreements published in August 2006. For the Lloyd's market, the mandatory implementation date is February 1, 2007 although the new slip formats may be used before that time. Questions: Bernd G. Heinze, Esquire, AAMGA 610-225-2363.

The following web sites are presented as a resource for understanding the new Market Reform Binding Authority Slip Guidelines and the Market Reform Lineslip Guidance.

[http://www.marketreform.co.uk/Binding\\_pubs1.htm](http://www.marketreform.co.uk/Binding_pubs1.htm)

[www.marketreform.co.uk/LMP\\_lineslip.htm](http://www.marketreform.co.uk/LMP_lineslip.htm)

**Surplus Lines Bill Referred** - HR 5637, the Nonadmitted and Reinsurance Reform Act of 2006, was referred to the Senate Committee on Banking, Housing & Urban Affairs on November 13. This legislation is strongly supported by NAPSLO and AAMGA since it clarifies confusing and conflicting state rules on payment of surplus lines premium taxes and other areas of traditional concern to surplus lines licensees in interstate business.

### INSURANCE DEPARTMENT ACTION of NOTE

A recent PA Insurance Department enforcement action demonstrates once again that the regulators are taking special interest in surplus lines licensing situations.

The recent Department Enforcement Action was:

\* CO06-07-012 Scranton: Agency acted as retail producer in procurement of surplus lines insurance without possessing surplus lines licensing for a PA policyholder.. Agency also assisted policyholder in filing and paying surplus lines taxes as independently procured. Fine of \$10,000.00 and five-years licensing supervision.

### CORRECTION

Please note the following correction from the October PSLA newsletter regarding HR 5637, the Nonadmitted and Reinsurance Reform Act of 2006 before Congress. One of the bill's provisions should have stated, "*A state may not prohibit a surplus lines broker from placing nonadmitted insurance with or procuring nonadmitted insurance from a nonadmitted insurer domiciled outside the U.S. that is listed on the Quarterly Listing of Alien Insurers maintained by the NAIC International Insurers Department.*"