

POSTINGS & UPDATES FROM THE STAMPING OFFICE

“FILINGS VIA FAX” SUBMISSION PROCESS GAINS POPULARITY

PSLA is pleased to report that our new ability to receive filing information via fax (including New Filings, Endorsements, Returned Filings and Endorsements containing corrections, Monthly 1620 Reports and Copies of RCT-123 reports), has been well received by the licensee community and continues to grow in popularity. Since announcing this process via special bulletin on February 22nd (see “Update on PSLA Filing Procedures” Bulletin on the PSLA web site), several Agencies have begun submitting all filing information to PSLA via fax. According to Missy Greenberg at the Tuscano agency, “We have saved both time and money by making our filings via fax. Not only are we saving on paper cost, but the reduction in postage costs have been substantial as well.”

PSLA would like to, congratulate the Jimcor Agency, Tuscano Agency, and Conway E&S for being the first to adopt this new process.

When faxing filing information to PSLA, please remember these guidelines:

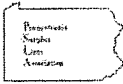
- Use a cover letter indicating what is being sent
- Do not re-send the original filing with an endorsement or a late PR form
- When submitting a Filing Return item, the Filing Return cover letter should be the FIRST page after the cover letter, not the last
- Do not send more than three filings of the same kind within the same fax transmission

COMING UP...2006 CALENDAR

May 7-11	AAMGA Annual Meeting, Maui, HI
May 16	PSLA Continuing Education, Exton, PA (Commercial Insurance Flash Points and Department Update)
May 17	PSLA Continuing Education, Harrisburg, PA (History of Surplus Lines)
May 17	PSLA Workshop, Exton, PA
May 18	PSLA Continuing Education, Warrendale, PA (E&O In-Depth)
May 22-24	AAMGA MGA School, Scottsdale, AZ
May 24	PSLA Workshop via WebEx
June 10-13	NAPSLO E&S School, St. Louis, MO
June 14	PSLA Workshop via WebEx

NEW ELECTRONIC FILING SYSTEM DEMONSTRATED AT ANNUAL MEMBERSHIP MEETING

As discussed and demonstrated to attendees during PSLA's recent Annual Membership Meeting, development is underway for a new Electronic Filing System (EFS) at PSLA. This will bring changes to the PA Surplus Lines filing process beginning in July of 2006.



NEW ELECTRONIC FILING SYSTEM DEMONSTRATED AT ANNUAL MEMBERSHIP MEETING

(cont'd from page 1)

Here's a summary of what this new system means to the Licensee:

- Starting in early July, all errors found in filings submitted to PSLA via hard copy paper will be corrected online, via a secure Error Correction screen. Individuals currently on file with PSLA as "Filing Return" contacts (the individual responsible for submitting filings from an Agency) will receive a User ID and password, along with directions to the new Error Correction screen.
- The new Electronic Filing System will be "phased" into use by licensees through scheduled invitations beginning in August of 2006. PSLA Members will be enrolled first.
- Submitting filing information through the EFS will eliminate the need to mail or fax hard copy SLL Affidavit forms, as SLL Affidavit information can be submitted directly to the PSLA database via a secure web form or file upload process.
- When required by the filing type, scanned images of completed 1609-PR Affidavits will be uploaded as part of the filing submission process.

For questions or comments regarding the Electronic Filing or online Error Correction systems, please contact PSLA IT Manager, Stephanie Sensenig (ssensenig@pasla.org).

REMINDER FROM THE STAMPING OFFICE – DON'T FORGET ABOUT FILING TYPE 1609-B

Filing type 1609-B may be used when the same coverage, as described, has been placed continuously with an eligible surplus lines carrier for a period of at least three consecutive years immediately preceding the current placement. A placement meeting these criteria is precluded from the diligent search requirement and does not require a completed 1609-PR affidavit by the producer. We urge all Surplus Lines Licensees to evaluate their placements before making a filing to the Stamping Office, to see if it qualifies as a 1609-B (Reminder – the insured does not need to be with the same eligible surplus lines carrier over the three-year time period).

For more information on this filing type, or others which are excluded from the diligent search requirement, please see Page 10 of the PSLA Procedures Manual.

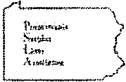
INDUSTRY NEWS YOU MAY HAVE MISSED...

NEW JERSEY SL FUND EXPANSION is sought by the Professional Insurance Agents of New Jersey. PIA specifically wants to add liquor liability to the Guaranty Fund's purview, now only covering homeowners and medical malpractice. The Fund governs insolvencies of surplus lines carriers. PA does not have a similar fund.

DISASTER-RELATED REPORTS

- AonRe has issued a report regarding industry volatility on shareholder value for insurers and reinsurers in the context of mega-disasters such as Katrina. www.aon.com
- Fireman's Fund Insurance Company issued a disaster preparedness guide to commemorate the devastation of its headquarters a century ago due to a natural disaster. www.firemansfund.com/preparedness
- The U.S. Senate Republican Policy Committee issued a white paper on flood insurance policy options. "National Flood Insurance: Crisis and Renewal" is available at www.rpc.senate.gov ...A flood-related note comes from a study conducted by Chubb and released in March attesting to only 14% of homeowners surveyed carried flood insurance.

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INDUSTRY NEWS YOU MAY HAVE MISSED...

(cont'd from page 2)

S&P CLAIMS CAT BOND GROWTH

Standard & Poor's Rating Services published a report suggesting that the insurance industry is shifting to greater use of cat bonds instead of the traditional use of the reinsurance market. The report is available for purchase from 212/438-9823 or research_request@standardandpoors.com.

NAIC COMMITTEE ADOPTED CRIMINAL BACKGROUND CHECK at the NAIC's Spring 2006 National Meeting. The Model Act provides a framework for the use of electronic fingerprints provided by a resident insurance producer. Dropped was a proposal for the NAIC to have a master record of producer prints from all states. In March Pennsylvania announced that new producers should use digital scanning of fingerprints as part of the application process. This is available at the Testing Centers administered by Thomson Prometric.

FRAUD ALERT comes from Insurance Information Institute (III) regarding as many as 500,000 autos damaged in the 2005 hurricanes that may have entered the used car market. National Insurance Crime Bureau has a free data base of vehicles by VIN known to have been affected by the storms. www.nicb.org

SURPRISING TO SOME is the statement by New York Attorney General Elliott Spitzer that Sarbanes Oxley may have gone too far. "We've seen some unintended consequences from Sarbanes Oxley. It has created an unbelievable burden for small companies and may be preventing some initial public offerings." (Reuters March 14, 2006).