



PSLA 2015 ANNUAL MEETING TO BE HELD MAY 6 & 7, 2015

The Pennsylvania Surplus Lines Association cordially invites you to attend the [2015 Annual Meeting](#), May 6 & 7, 2015 at the renowned Omni Bedford Springs Resort, in Bedford, PA, as we bring together the various elements comprising the surplus lines marketplace in Pennsylvania. The Annual Meeting is a vitally important opportunity for you, your associates and staff to hear first-hand from the Pennsylvania Insurance Department and to be informed of industry changes, emerging risks and regulatory developments. Further information with regard to the meeting, registration and sponsorship information can be found on page 3.

MEMBERSHIP ENDOWMENTS FUNDS

At the Annual Meeting held in May 2014, the membership voted to direct management to do all things necessary for PSLA to restructure the mission of its Membership Division and to provide endowments of all Membership funds, less those amounts required for administration. We are pleased to announce that PSLA has established scholarship endowment funds in its name at the following institutions: Gannon University, Penn State University, St. Joseph's University, and Temple University. Each Fund's purpose is to provide financial assistance to qualified deserving students who seek scholastic achievement and professional growth in the field of insurance, with a focus on surplus lines, however, not limited to surplus lines.

A FOND FAREWELL

We would like to wish former Insurance Commissioner Michael Consedine farewell and best wishes. Commissioner Consedine's contributions over the past four years, domestically, nationally and internationally, while serving Pennsylvania were significant to the industry.

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MEET THE ACTING INSURANCE COMMISSIONER

[Teresa D. Miller](#) was appointed Acting Insurance Commissioner by Pennsylvania Governor Tom Wolf on January 20, 2015. The position requires confirmation from the Pennsylvania Senate.

Miller has extensive experience in the health sector at both the state and federal levels. She is the former administrator of the Oregon Insurance Division, where she helped implement the early stages of the ACA at the state level. As Oregon's top insurance regulator, she was also responsible for making significant changes to Oregon's health insurance rate review process and was invited to testify before the Senate Health, Education, Labor, and Pensions Committee to highlight features of Oregon's improved process.

Miller was previously a partner at Crowell & Moring in the Health Care Group where she focused on matters related to the implementation and enforcement of the Affordable Care Act (ACA).



COUNSEL'S CORNER

Saul Ewing LLP

NEW FATCA REQUIREMENTS APPLY TO U.S. AND NON-U.S. INSURERS AND INSURANCE BROKERS ON JANUARY 1, 2015

New FATCA requirements that apply to U.S. and non-U.S. insurance brokers and insurance companies became effective on January 1, 2015. Those requirements impose new information gathering and reporting rules when U.S. insurance and reinsurance premiums are sent outside the U.S. Read more about the [new FATCA requirements](#) on Saul Ewing's website featuring an in-depth article outlining the steps that should be taken to comply.

NAIC ADOPTS CORPORATE GOVERNANCE ANNUAL DISCLOSURE MODELS – WHAT ALL INSURERS NEED TO KNOW

Insurers should be preparing now to comply with a significant new annual filing requirement on corporate governance. Understanding the type and scope of information that must be filed is critical to preparing for this new requirement. In addition, adopting and implementing changes to current governance structures and practices may be advisable for some insurers to align more closely with recognized "best practices" principles.

The NAIC formally adopted the Corporate Governance Annual Disclosure Model Act and corresponding Model Regulations ("CGAD") at its Fall National Meeting.

Adoption of CGAD is the culmination of nearly five years of efforts by the NAIC to address concerns over the perceived lack of effective corporate governance practices and Board and senior management oversight of critical risk areas as part of the "lessons learned" from the recent financial crisis. Beginning in 2016, the new requirement is intended to give U.S. regulators insight into the governance framework and practices of all U.S. insurers.

Read more about the Corporate Governance Annual Disclosure Models adopted by the NAIC on Saul Ewing's website featuring an in-depth article detailing [What All Insurers Need to Know](#).

STAMPING OFFICE MISSION

The Pennsylvania Surplus Lines Association (PSLA) is a non-profit organization that serves as an advisory organization under contract with the Pennsylvania Insurance Department (PID) for purposes of advising and consulting on matters concerning the surplus lines market place in Pennsylvania. At the same time, PSLA provides extensive training and education to both resident and non-resident surplus lines licensees.

This organization plays a vital role in protecting Pennsylvania insurance buyers by being a depository for the required filings documentation that provides an important reference for the PID. This greatly assists the Department in its efforts to monitor the activity, compliance and

transparency in this specialty marketplace.

Our website has been created over many years reflecting this organization's detailed experience in the surplus lines market in Pennsylvania. The website contains substantial amounts of helpful information regarding the Pennsylvania statutes, filing and reporting guidelines, frequently asked questions on a variety of

**"Our mission is to serve
Pennsylvania's insurance
consumers through fair and efficient
review and verification of the
surplus lines insurance industry."**

subjects, market data, legislation and links to many other insurance sites. Also included are instruction manuals providing various procedures including the newly created Electronic Filing System, featuring user friendly characteristics.

The website includes both drop down menus and left side menus for easy reference. PSLA will continuously update this site as new content comes to our attention, and we welcome any suggestions that can be added to assist the user to a greater extent. Please visit the site at www.pasla.org.



PSLA ANNUAL MEETING

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In addition you will receive educational opportunities, take advantage of forming new working relationships, visiting with those you may not have seen for a while and a multitude of networking opportunities with other surplus lines professionals.

Please click on the [PSLA Annual Meeting Registration Materials](#) for complete details. Please contact the [Omni Bedford Springs Resort](#) directly to reserve your room.

We would like to thank [BDO](#) and [Saul Ewing LLP](#) for their generous sponsorship.

You may also feel free to contact us at memberservices@pasla.org or 610-594-1340, ext. 103 with any questions. We look forward to seeing you in May.

PSLA ANNUAL MEETING SPONSORSHIP

PSLA is proud to offer the opportunity to sponsor it's 2015 Annual Meeting. This is a chance for companies such as yours that are interested in expanding its participation in the market and maximizing its exposure to surplus lines agencies and others interested in this growing industry. Please see the [2015 Annual Meeting Sponsor Program](#) for more information with regard to sponsorship.

WHEN AN EMPLOYEE LEAVES

An employee whose position has been terminated from an agency, no matter the terms of the departure, should have all access to the computer, network and all data blocked or revoked immediately, including remote access. A former employee who still has access to a company's network and data is a security threat. Sharing EFS logins and passwords is in violation of the terms and conditions of the licensee's EFS Enrollment Application. We have found however, that many agencies continue to use logins and passwords of former employees. You are responsible for any use of the EFS by means of user name/ID and password issued to you, and the damages that result from such use. You should maintain the security and confidentiality of your user name/ID and password. You are responsible for maintaining the confidentiality of any data or information accessed through the PSLA EFS. PSLA asks that you notify us immediately when the individual you have appointed as an agency administrator leaves your employ so we can disable the administrator's account and have you assign a new administrator through the completion of a new EFS enrollment application. Please contact Agency Services at 610-594-1340, ext. 500 or agencyservices@pasla.org if you have any questions or need assistance.

PENNSYLVANIA INSURANCE DEPARTMENT'S ROLE IN GLOBAL REGULATION

As most are aware, insurance regulation is largely dictated by state law. This has always been preferred as the individual states have individual conditions. Therefore, a one size fits all approach has been avoided. On the other hand, it should be recognized that regulators from the states also play a major role in regulation activities both nationally and internationally.

All producers should be aware that Pennsylvania is a major contributor in this effort. In "The Legal Intelligencer" Attorney Steven B. Davis of the law firm Stradley Ronon Stevens & Young, LLP authored an article that reports on a number of contributions made recently by Pennsylvania regulators. More importantly this article outlines current activities on the national and international level. Read more about the involvement of former Insurance Commissioner Michael Consedine and current Deputy Insurance Commissioner Stephen Johnson in the following article, [PA Insurance Department's Role in Global Regulation](#).



BULLETINS AND DEVELOPMENTS

Exempt Commercial Purchaser Minimum Qualifying Amounts Adjustment Effective January 1, 2015

Section 1610 of the current Insurance Company Law (40 P.S. §991.1610) contains a definition for “Exempt Commercial Purchaser.” Within the definition is minimum qualifying amounts for three categories which have been adjusted beginning January 1, 2015 and every five years thereafter. Please see PSLA bulletin, [Surplus Lines Law – Exempt Commercial Purchaser](#), for further details.

Surplus Lines Agent Gross Premium Tax Report RCT-123 as of December 31, 2014 Reminder

The ORIGINAL Gross Premium Tax Report (RCT-123), along with your tax payment was to be filed with the PENNSYLVANIA DEPARTMENT OF REVENUE on or before January 31, 2015, whether or not any surplus lines business was written in calendar year 2014. A complete copy of this report must be filed electronically in PSLA’s Electronic Filing System (EFS). For more information please see PSLA bulletin [Surplus Lines Agent Gross Premium Tax Report - RCT-123 as of December 31, 2014](#) for further details.

ELIGIBLE SURPLUS LINES INSURER LIST

The Department posted the new [Eligible List of Surplus Lines Insurers](#) as of January 31, 2015. Updates to the Eligible List can be found on our website under the, [Eligible Insurers](#) tab.

PSLA LONGTIME BOARD MEMBER RETIRES

After many years of service and dedication longtime board member and board Secretary Charles Conway of Conway E&S retired this past fall. Chuck has contributed many years of service to PSLA and the surplus lines community. We wish Chuck a long, healthy and joyous retirement.

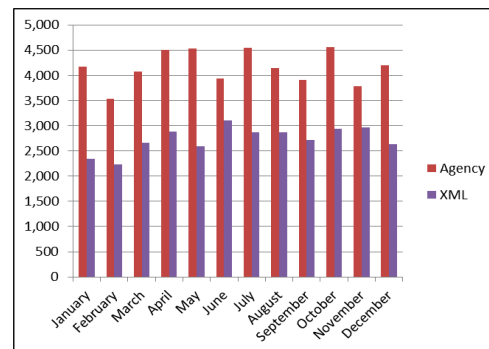
EFS NEXT GENERATION

It is hard to believe that PSLA’s Electronic Filing System (EFS) has been in service for 10 years. We have begun construction and will keep you updated on the progress of our “Next Generation”.



2014 EFS FILINGS

Carla Baker, PSLA’s Data Analyst for Reconciliation, reports that 82,683 filings were entered in PSLA’s EFS for calendar year ending 2014. Of the total 49,865 or 60.3% were entered via the web by Agency users and 32,818 or 39.7% were entered via XML import.



As a Data Analyst, Carla also reviews the 1620 Monthly Report images against the transactions entered in a month. Once the review is completed the licensees are notified of any discrepancies. At year end she reconciles the RCT-123 Tax Report against the 1620 Monthly Reports for the year. After the review, licensees are notified of any discrepancies via email. If a 1620 Monthly Report is missing or the copy of the RCT-123 Tax Report is not uploaded into PSLA’s EFS the surplus lines licensees are notified so as to be compliant with the Pennsylvania Surplus Lines Law.

EDUCATION

WEBINAR
SCHEDULE

TRAINING WORKSHOP WEBINARS

PSLA's goal is to educate all parties involved in making a surplus lines filing. We offer many webinar workshops to assist resident and non-resident licensees about the law, regulations and procedures for submitting filings and reports over the internet. Please visit our website for the [Training Workshop Webinar schedule](#).

PSLA AND NAPSLO PARTNER FOR EDUCATION

Pennsylvania Surplus Lines Association proudly partnered with NAPSLO to award two scholarships. The NAPSLO Executive Leadership School scholarship was awarded to Layla Greytok Vice President of Partners Specialty Group, LLC. The NAPSLO Marcus Payne Advanced School scholarship was awarded to Ryan Tierney, Underwriter at Insurance Markets, Inc.

INDUSTRY EVENTS

March

- National Association of Insurance Commissioners (NAIC) – March 28-31, 2015 – Phoenix, AZ

April

- Philly I-Day – April 9, 2015 – Philadelphia, PA
- Pittsburgh I-Day – April 24, 2015 – Pittsburgh, PA

May

- PSLA Annual Meeting – May 6-7, 2015 – Bedford Springs, PA
- American Association of Managing General Agents (AAMGA) Annual Meeting – May 17-20, 2015 – National Harbor, MD

June

- Western States Surplus Lines Conference (WSSLC) – June 20-23, 2015 – Sun Valley, ID

THE PSLA WANTS

You've heard from us - now it's your turn. We love feedback, so please let us know your thoughts on this issue of the PSLA's Newsletter. Did you like it? Were the articles of interest and value to you? We're already planning the next issues, so please let us incorporate your ideas. Kindly direct your comments or questions to

memberservices@pasla.org

