



The Surplus Line
Association of California

12667 Alcosta Boulevard
Suite 450
San Ramon, CA 94583

P 415.434.4900
F 415.434.3117

slacal.com

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Re: Use of NAIC Group Name/Codes on SL-2 Form

The Surplus Line Association of California (SLA) reminds brokers completing the declinations section of the SL-2 Diligent Search Report to identify each specific admitted insurer that declined the risk. An NAIC group name or NAIC group code is not acceptable for this purpose.

As set forth in California Insurance Code § 1763(b), the purpose of the SL-2 is to establish “that three admitted insurers that actually write the particular type of insurance in this state have declined the risk, or that fewer than three admitted insurers actually write the particular type of insurance.” Accordingly, the SL-2 requires that declinations be identified by both the full name of the admitted insurers and their NAIC numbers. **Insurer groups designated by NAIC group codes are not admitted insurers.** They are groups of affiliated insurers, often composed of both admitted and nonadmitted insurers, writing a variety of insurance products. As such, a group name/number is insufficient for purposes of the SL-2.

The SLA’s online pdf SL-2 and SLIP portal provide drop down lists of admitted companies to make the process easier to manage. Regardless of the format of the SL-2, brokers are reminded to put the name and NAIC code for each admitted insurer that (i) writes the type of insurance and (ii) declined the risk. Effective immediately, the NAIC group name and group code will not be accepted.

The NAIC company code for each admitted insurer can also be found on the California Department of Insurance website at:

https://interactive.web.insurance.ca.gov/apex_extprd/f?p=144:1.

If you have questions regarding this Bulletin, you may direct them to Yusuf Mayet, Vice President, Legal Compliance at ymayet@slacal.com, to our Legal Compliance Department at compliance@slacal.com, or by calling (415) 434-4900.