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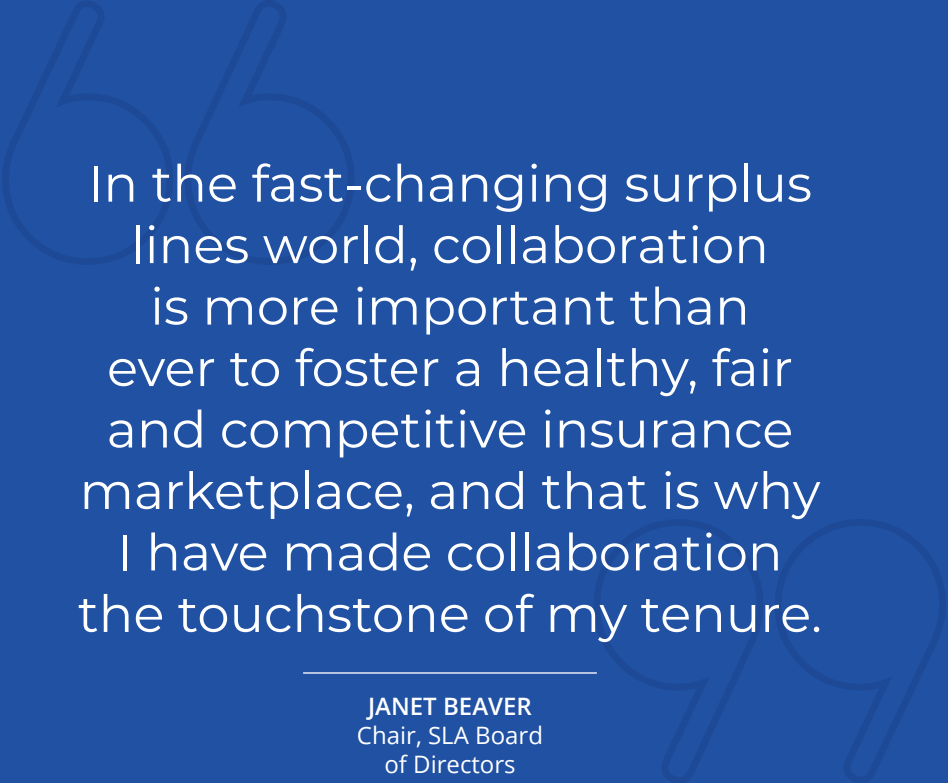
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Statement



In the fast-changing surplus
lines world, collaboration
is more important than
ever to foster a healthy, fair
and competitive insurance
marketplace, and that is why
I have made collaboration
the touchstone of my tenure.

JANET BEAVER
Chair, SLA Board
of Directors

THE TOUCHSTONE OF A RELATIONSHIP BUSINESS

For the past two years, it has been my privilege to serve as the chair of the SLA Board of Directors. In the fast-changing surplus lines world, collaboration is more important than ever to foster a healthy, fair and competitive insurance marketplace, and that is why I have made collaboration the touchstone of my tenure.

In 2023, the SLA's collaborative ventures further positioned this association as a modern, credible leader in our industry. In April, our board and SLA leadership team traveled to London to meet with the leading players in the industry. It was an important step to build or rebuild relationships that had been altered by the COVID-19 pandemic. It is fine to talk by telephone or hold Zoom meetings, but when collaboration and cooperation are vital, especially in a relationship-based business, nothing can replace face-to-face meetings as the foundation of those relationships.

In June, we took part in the first-ever National Excess and Surplus Summit in New York. After many months of working together to conceive the idea, we joined the Excess Line Association of New York (ELANY) and representatives of other surplus line associations from all over the country to share ideas, best practices, and market intelligence. I'm proud to have helped create this annual conference, which the California SLA will host in 2024.

The SLA did not just collaborate with companies or other SLAs in 2023, but also worked with members to find ways to make

their lives easier. One of the most important SLA accomplishments of the year was reforming the SL-2 form, which it did with the input of a committee of individuals responsible for their companies' filings.

The SLA also continued to reach out to members at trade shows and industry events to learn what is important to the people who are on our sector's front lines. I cannot say enough about the knowledgeable, motivated and highly collaborative SLA staff that is leading the charge. Under the leadership of its talented CEO, Ben McKay, the SLA has grown and evolved into an industry leader in its own right.

These last two years as chair of the SLA board have been an honor and a pleasure, and it has been my privilege to serve. Thank you!

Sincerely,

JANET BEAVER

CHAIR, SLA BOARD
OF DIRECTORS
2022 - 2023



WATCH
VIDEO





AN OUNCE OF PREVENTION IS WORTH A POUND OF CURE

One of the three superordinate goals that guide the SLA is 100% compliance. This aspirational goal is of the highest importance because if our industry is fully compliant with all applicable laws and regulatory requirements, we believe that a healthy, fair and competitive surplus lines insurance marketplace will naturally be the result.

This is why in 2023, we chose to focus on our membership rather than simply analyzing policies for compliance. We instituted our Member Value Program—another of our three superordinate goals—by which we assigned each of our most productive brokerages to specific data teams, who will work with them and their filers and, we hope, begin identifying potential compliance issues before we even receive an incorrect filing. It is far more efficient for everybody involved if we catch filing errors before they happen than correcting them after they occur.

It is more important to stay ahead of compliance issues than ever. In 2023, our data analysis team analyzed 946,000 filings, a record for surplus lines filings in California. Going forward, we anticipate receiving more than 1 million filings in 2024. That is a lot of cleanup on the back end, for both our team and our members' filing teams, if we do not catch errors up front.

In addition to the Member Value Program, we instituted a new,

shorter and more efficient SL-2 Diligent Search Form at the end of 2023. This will ease the process for filers and, we hope, also result in fewer errors.

Ultimately, this more efficient process, based on building relationships with our members, will result in a more compliant surplus lines marketplace, which in turn provides regulators with confidence that our industry is functioning as it is supposed to function. This makes for a better regulatory environment and enables our members to do business more efficiently and effectively—and that is what we are here at the SLA to facilitate.

As we head into 2024, I wish all of our members, stakeholders, employees and friends a successful year.

Sincerely,

BENJAMIN MCKAY
J.D., M.P.A.
CEO & EXECUTIVE DIRECTOR



AND THAT'S A WIN

Effective January 1, 2023, the stamping fee for surplus line insurance policies in California decreased from 0.25% to 0.18%, a significant reduction of 28%. The SLA Board of Directors unanimously agreed to reduce the stamping fee during a period of historic inflation in the United States—underscoring the organization's prudent financial management.

Paid directly by the insured, the stamping fee is the revenue mechanism which enables the SLA to fulfill the duties delegated to it by the California Department of Insurance.

During a challenging economic period, the SLA was able to offer relief to consumers thanks to the significant operational efficiencies and reinforced reserves achieved through the execution of a multi-year innovation plan. And that's a win!

A woman with long dark hair, wearing a white t-shirt and blue jeans, is smiling and holding two large, red, 3D-style numbers '18%' in front of her. The numbers are positioned in the lower right quadrant of the page, partially overlapping her. The background is a solid blue color.



Iona Vinson
Admin Operations
Coordinator

COVERAGE CODES

As an advisory organization, gaining a thorough understanding of the market is crucial. To achieve this, the SLA revised the coding methodology for coverages by expanding coverage codes from three digits to four. This adjustment allows for a precise representation of the wide range of coverage types found in the marketplace.

The restructuring of coverage codes was a substantial effort, involving multiple departments, working groups, and a comprehensive update to our enterprise platform, the Surplus Lines Information Portal (SLIP). This modification also enhances the alignment of our codes with other state stamping offices, ensuring more accurate information for effective advising, forecasting, and trend identification across the entire market.



WATCH
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WE'VE EVOLVED!

Our objective is to ensure 100% compliance with California laws and regulations across the entire market, coupled with providing excellent service and support to our members and stakeholders. We actively listen to our membership, analyze data, and identify areas where we can enhance processes while simultaneously mitigating compliance issues.

Many members have found the SL-2 diligent search report, a prerequisite to placing business, a challenging area. In response to this concern, the Legal and Compliance team established a working group of key industry leaders to formulate a plan for the complete overhaul and modernization of the process.

After an extensive effort, the group submitted its finalized plan to the California Department of Insurance (CDI) for approval. Swiftly, the CDI endorsed the recommendations, marking the first substantial changes to the diligent search report in two decades.

This accomplishment underscores our commitment to continuous improvement and ensuring the vitality of our market.

The Surplus Line Association of California
DILIGENT SEARCH REPORT (SL-2 FORM)

Before completing this report, please review the instructions on page 2 and 3.

1. I, _____, hereby submit that I performed or supervised this diligent search.

(A) Insured as an individual Agent/broker for the applicable lines of insurance or surplus line broker under California license number _____
(B) Insured and an employee on the license of _____ OR
(Full Name of Organization), California license number _____

2. (A) Name of Insured: _____
(B) Description of Risk: _____
(e.g., Tattoo Parlor, Cannabis Dispensary, Vitamins Building, NOT TYPE OF COVERAGE)
(C) Type of insurance or Coverage Code: _____

3. Describe the diligent efforts made to place this coverage with admitted insurers by completing (A) or, if applicable, (B) below:
(A) List the insurers admitted in California who actually write the type of insurance described on lines 2(B) and 2(C) to which you or someone under your supervision submitted the risk described in lines 2(A) through 2(C). Please complete ALL sections of the table below.

INSURER 1		INSURER 2		INSURER 3	
NAIC ID	MONTH YEAR OF DECLINATION	NAIC ID	MONTH YEAR OF DECLINATION	NAIC ID	MONTH YEAR OF DECLINATION
FULL NAME OF ADMITTED INSURER		FULL NAME OF ADMITTED INSURER		FULL NAME OF ADMITTED INSURER	
CONTACT INFORMATION CHOOSE ONE		CONTACT INFORMATION CHOOSE ONE		CONTACT INFORMATION CHOOSE ONE	
FULL NAME		FULL NAME		FULL NAME	
PHONE		PHONE		PHONE	
OR EMAIL		OR EMAIL		OR EMAIL	
WEBSITE		WEBSITE		WEBSITE	

(B) If you did not list at least three insurers in 3(A) above, describe in detail how you determined that fewer than THREE admitted insurers write the type of insurance described on lines 2(B) and 2(C).

4. Is the type of insurance you are reporting as identified in line 2(C) private passenger automobile liability or health? Yes No
If you answered "yes," please complete the Diligent Search Report Addendum on page 4 of this form.

The undersigned licensee hereby certifies that this report is true and correct, and that this risk is not being placed with a non-admitted insurer for the sole purpose of securing a rate or premium lower than the lowest rate or premium available from an admitted insurer.

(Signature of Licensee Named on Line 1) _____ (Date) _____



WATCH VIDEO

COMPLIANCE CONNECTIONS



Yusuf Mayet
VP, Legal Compliance

In alignment with our superordinate objective of achieving 100% compliance and aiding members in conforming with state and department regulations, the SLA successfully launched its third season of the live streaming interactive program, "Compliance Connections." This initiative is designed to assist members in adhering to state and department regulations.

The show conveys relevant information in real time, offering an opportunity for audience members to ask questions and receive responses from the Legal and Compliance team during the broadcast. The topics covered encompass obtaining a California surplus line license for both residents and non-residents,

tax-related matters, and important considerations when placing insurance with an eligible carrier versus a LASLI insurer.

The program has demonstrated its effectiveness as a tool to help members and their support teams meet regulatory requirements and gain a deeper understanding of the industry, and helps the SLA foster a healthy, fair, and competitive marketplace.



WATCH
VIDEO



EDUCATION & TRAINING

In its mission to cultivate a profound understanding of regulations and best practices, the SLA delivers specialized education and training programs for surplus line brokers and industry professionals. Guiding this initiative is the board-level Education and Compliance Committee, dedicated to providing exceptional educational opportunities that enhance the marketplace.

The SLA provides continuing education courses to accommodate the preferences of busy professionals: in-person, live-streaming, and on-demand options. Topics included climate change, ethics, professional liability, DEI, risk transfer, and kidnap and ransom.

For the second consecutive year, the SLA collaborated with the Excess Line Association of New York (ELANY) to conduct a live-

streaming, multi-state Diversity, Equity and Inclusion (DEI) course from the SLA's broadcast studio in San Ramon, California. This ongoing partnership underscores the commitment to providing accessible and impactful education across state boundaries.

The SLA hosted nearly 2,000 attendees and issued an impressive 1,666 certificates, demonstrating the organization's effectiveness in delivering high-quality educational experiences to a broad audience.



WATCH VIDEO

TOTAL LIVE COURSES

7

TOTAL CE COURSE CERTIFICATES ISSUED

1,666

TOTAL ON-DEMAND COURSE CERTIFICATES ISSUED

556

TOTAL ATTENDEES

1,852



COAST TO COAST

Chief Industry and Regulatory Officer David Kodama, Jr., led a live panel discussion with the well-known credit rating agency, news publisher, and data analytics provider AM Best. It was the SLA's first live-stream linkup between our broadcast studio in San Ramon, California, and another broadcast studio at AM Best in Oldwick, New Jersey.

Focusing on the surplus lines market, its growth over recent years, and the impact of delegated underwriting authority enterprises, the panel discussion was highly successful in attracting a national audience. The panel included AM Best's Managing Director, Jeff Mango, and Senior Director Sridhar Manyem.

The SLA achieved its objective of delivering valuable, high-quality content to its members and stakeholders. At the same time, it showcased its capability to broadcast alongside a major insurance news publisher.



WATCH
VIDEO

David Kodama, Jr.
Chief Industry and Regulatory Officer



Left to Right: **Bruce Carnegie-Brown**, Chairperson, Lloyd's of London / **Janet Beaver**, Chair, SLA Board of Directors / **Benjamin McKay**, J.D., M.P.A CEO & Executive Director

LONDON 2023 GLOBAL RISK TRANSFER SUMMIT

Building relationships fosters collaboration, crucial for a thriving marketplace. Given California's significant role in the surplus lines sector, the SLA organized a Global Risk Transfer Summit in London to strengthen ties with international stakeholders.

These strategic engagements not only enriched our comprehension of market dynamics but also emphasized our unwavering commitment to collaboration, compliance, and the exchange of essential data.

During a three-day series of high-level meetings at companies like Lloyd's, Markel, Amwins Global Risks, Liberty Specialty Markets, Chesterfield Group, and Lloyd's Market Association, the board and senior leadership gained a deeper understanding of market operations, compliance strategies, and the sharing of data for improved insights.



WATCH
VIDEO



California Surplus Lines
Surplus
Management, Salberg 10
20-Apr-21



Left: **Rich Gobler**, Vice Chair, SLA Board of Directors leads a conversation at Chesterfield Group Ltd.



Left: **Andrew Carter**, Head of Liability, Markel International
Right: **Robert Gilbert**, SLA Board Member



Left to Right: **John Andrews**, Head of Capacity Portfolio Management, Amwins Global Risk / **Lee Collins**, Director, Head of Binding Authorities, Amwins Global Risk / **Julian Vereker**, Head of Marine, Energy, Transportation & Aviation, Amwins Global Risk / **Toby Colls**, Managing Director, Worldwide Property, Amwins Global Risk / **Roddy Graham**, Head of Financial Lines, Casualty and Product Recall Insurance, Amwins Global Risk

NATIONAL EXCESS AND SURPLUS SUMMIT



WATCH
VIDEO

Benjamin McKay
J.D., M.P.A.
CEO & Executive Director





ness

NATIONAL EXCESS & SURPLUS SUMMIT

In the face of growing market complexities, collaboration is essential to ensure a responsive and lawful surplus line industry. Partnering with the Excess Line Association of New York (ELANY), the SLA launched a national forum to bring leaders of surplus line associations together. The inaugural National Excess and Surplus Summit (NESS) took place in New York City on July 14-15, 2023.

Featuring an immersive and interactive agenda, activities included a SWOT analysis, financial statements examination, discussions on hypothetical and real-life industry scenarios, and a lively team-based trivia competition. John Finston, the Executive Deputy Superintendent of Insurance with the New York Department of Financial Services and a former California regulator, delivered the keynote address.

Representatives from 10 states attended NESS with the aim of building relationships, exploring best practices, and sharing insights about the marketplace.



John Finston (Keynote)



Left to Right: Timothy Chaix (CA) / Dan Maher (NY) / Anna Kodryahu (NY) / Janet Pane (NY)



CORE VALUES

COLLABORATIVE
KNOWLEDGE-ABLE
MOTIVATED

Our commitment to excellence is deeply rooted in our core values: **Collaborative**, **Knowledge-able**, and **Motivated**. These guiding principles permeate every aspect of our operations, fostering a culture that propels us toward success.

Whether overcoming challenges or exploring innovative solutions, our collective ambition is fueled by a drive to exceed expectations. In an environment where ideas flow freely and partnerships flourish, our combined efforts consistently outshine individual accomplishments.

We are dedicated to continuous learning, staying abreast of industry trends, and nurturing expertise within our team, leveraging knowledge as our competitive edge. These core values, far more than mere words, act as the compass that guides our identity, setting the tone for our interactions, projects, and achievements.





NEXTGEN

The SLA launched a six-week immersive internship program, providing risk management in insurance (RMI) students nationwide with firsthand experience in the surplus line industry. This initiative reflects our continuous commitment to attracting the best emerging talent to the field.

Selected from the University of Southern California, California State Fullerton, University of Colorado Denver, and California State University Sacramento, students underwent a rigorous application process for this specialized internship program.

The interns collaborated with the entire company, primarily focusing on the Data Analysis and Financial Analysis departments. They gained firsthand insight into the operations of brokerages and carriers through structured field trips and meetings. A notable highlight was the interns' active participation in the California Insurance Wholesalers Association's (CIWA) Summer Forum, where they delivered presentations to the SLA Board of Directors.

The resounding success of this program underscores our dedication to the industry and the next generation.

Left to Right: **Abraham Martinez** Sacramento State University / **Lichen Zhao** USC / **Sunny Lim** USC / **Jet Thao** Sacramento State University / **Jordan McCarty** UC Denver / **Lissette Villa** UC Fullerton



WATCH
VIDEO



Insurance Industry
Charitable Foundation

WEEK OF GIVING

The SLA demonstrates a profound commitment to the community through various initiatives. One of which we are particularly proud of is our partnership with the Insurance Industry Charitable Foundation (IICF).

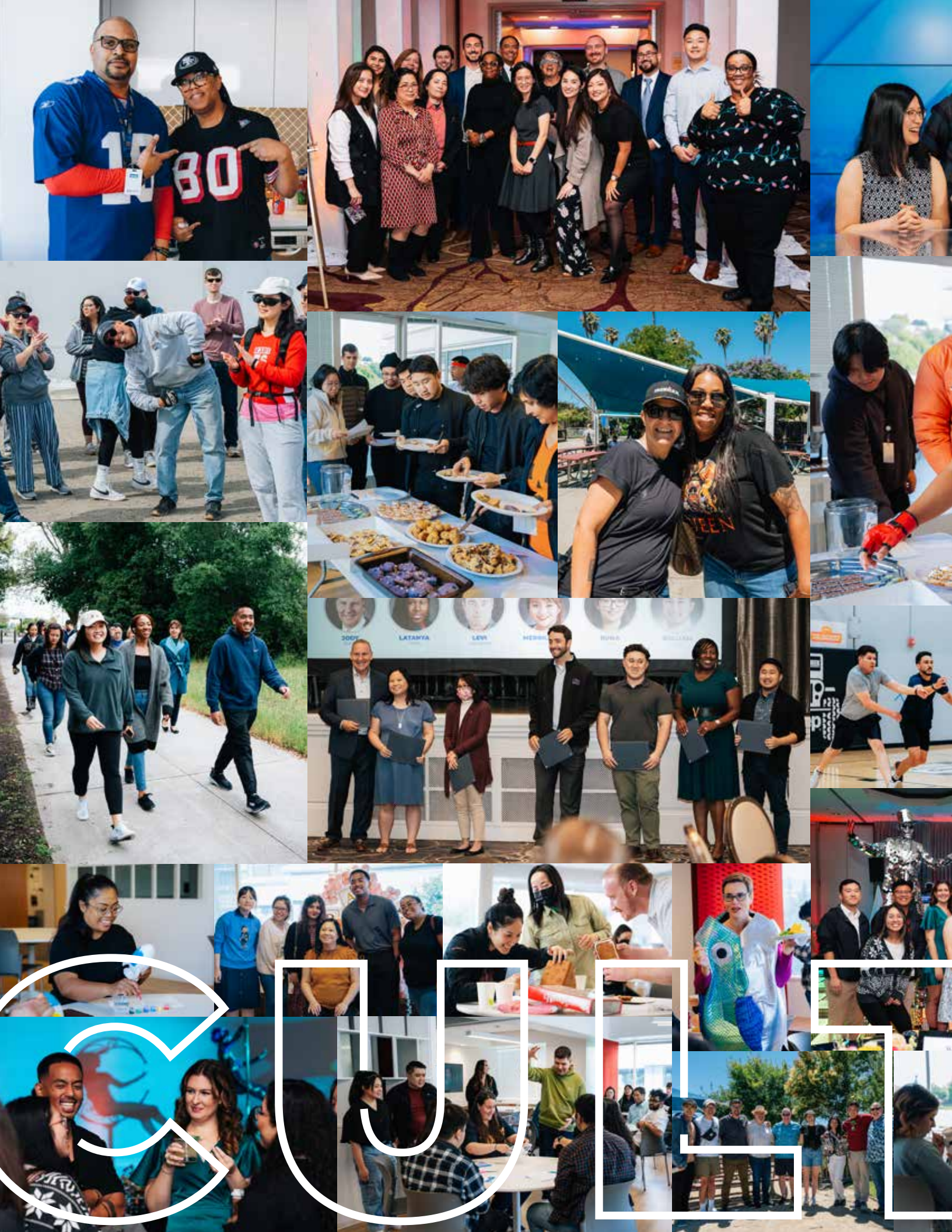
During the IICF's week of giving, where insurance professionals come together for community service, the SLA provides every employee with dedicated time for participation. This year, the

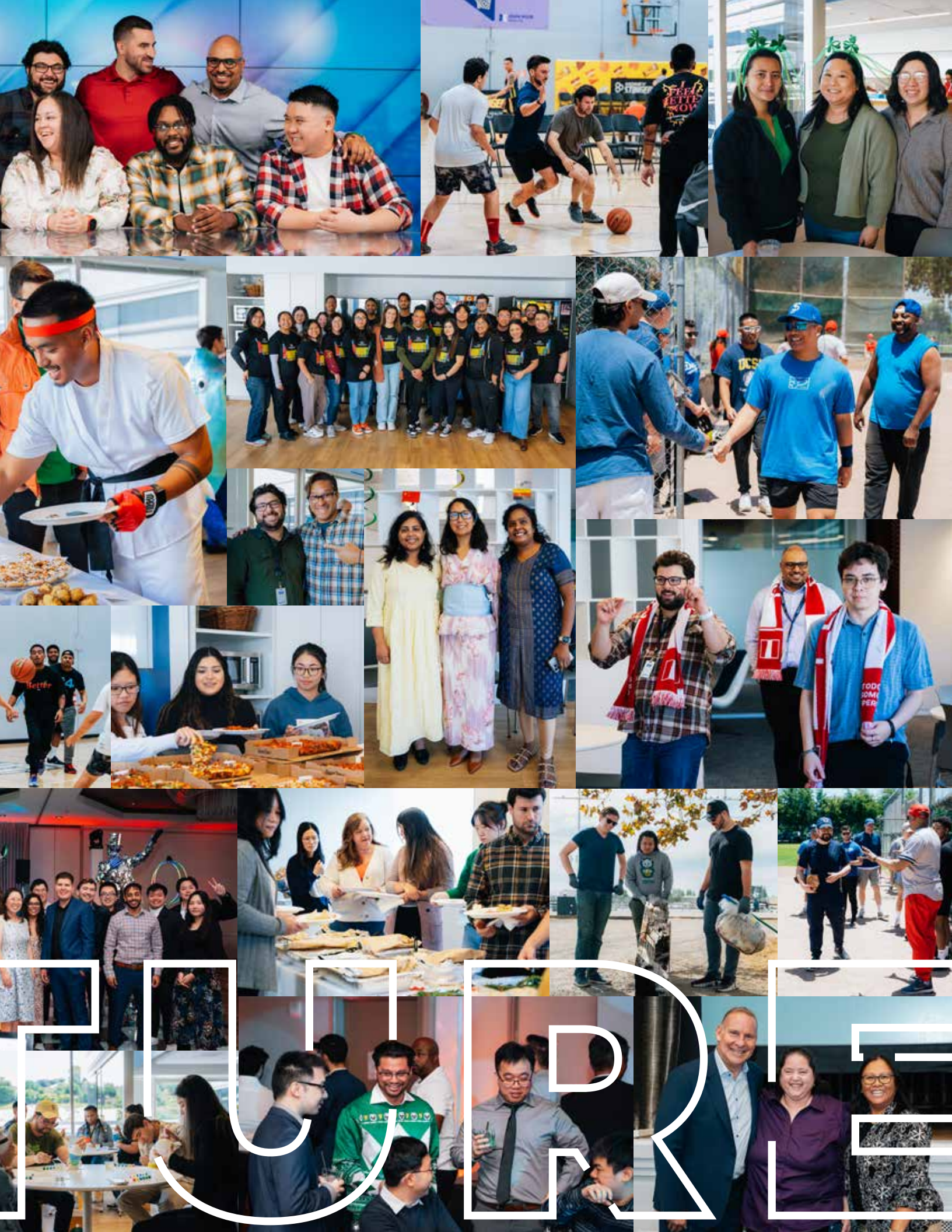
SLA collaborated with I Heart Oakland Alameda Estuary and actively contributed to the cleanup of the heavily polluted body of water. Surpassing expectations, SLA staff successfully removed more than 1,400 pounds of debris, exceeding their goal by an impressive 800 pounds.

Additionally, we extend our support to the IICF through sponsorships, and our CEO & Executive Director, Benjamin McKay, serves on its board.



WATCH
VIDEO





WELCOME ABOARD

Yusuf Mayet

Vice President, Legal Compliance: Yusuf brings more than 22 years of industry, compliance, and management experience, having worked for Brown and Riding, Worldwide Facilities, and AmWINS. He has also served as a valued member of our Special Advisory Committee, and most recently, chair of the SLA Technology Committee.

Theresa Fitzgerald

Assistant Vice President, Legal Compliance Counsel: Theresa has more than 30 years of insurance regulatory legal experience, working both in government at the California Department of Insurance and Hawaii Insurance Division and in private practice representing insurance companies, brokers, and others in the insurance space.

Adam Rosenthal

Membership Services Manager: Adam has a background in technology with a deep understanding of how to build relationships. He brings a unique blend of sales expertise and a customer-centric approach to drive exceptional member experiences.



GREAT PLACE TO WORK



TOTAL EMPLOYEES

151

NEW HIRES

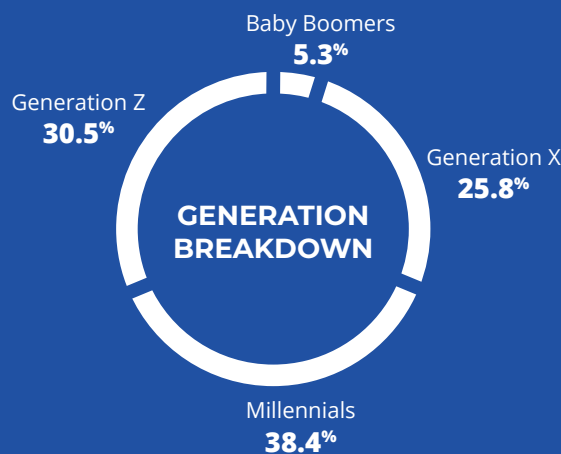
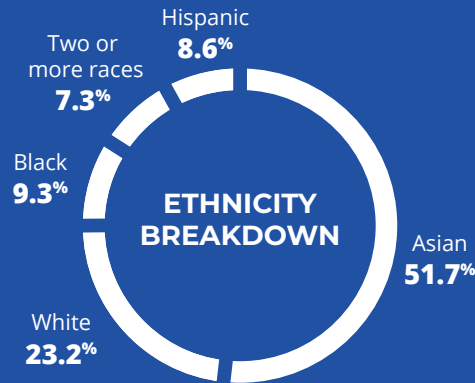
38

GROWTH RATE

3.5%

AVERAGE TENURE

5.4
YEARS



KNOWLEDGE-ABLE: DESIGNATIONS, CERTIFICATIONS & ADVANCED DEGREES

29

INSURANCE DESIGNATIONS

20

INSURANCE CERTIFICATIONS

60

TECHNICAL CERTIFICATIONS

19

MASTERS / Ph.Ds

THANK YOU

It is always bittersweet when one of the SLA's board members retires—the happiness one naturally feels about the next phase of their lives is tempered by the sadness of their departure from the Board of Directors.

In 2023, two longtime board members—**Kathy Schroeder** and **Hank Haldeman**—announced their retirement and their departures from the board.

Kathy served on the board from 2018-23 after previously being a member of the Special Advisory Committee from 2014-17.

- She also served a year on the Stamping Committee in 2019.
- Additionally, just before her retirement, Kathy served as president of the California Insurance Wholesalers Association (CIWA).

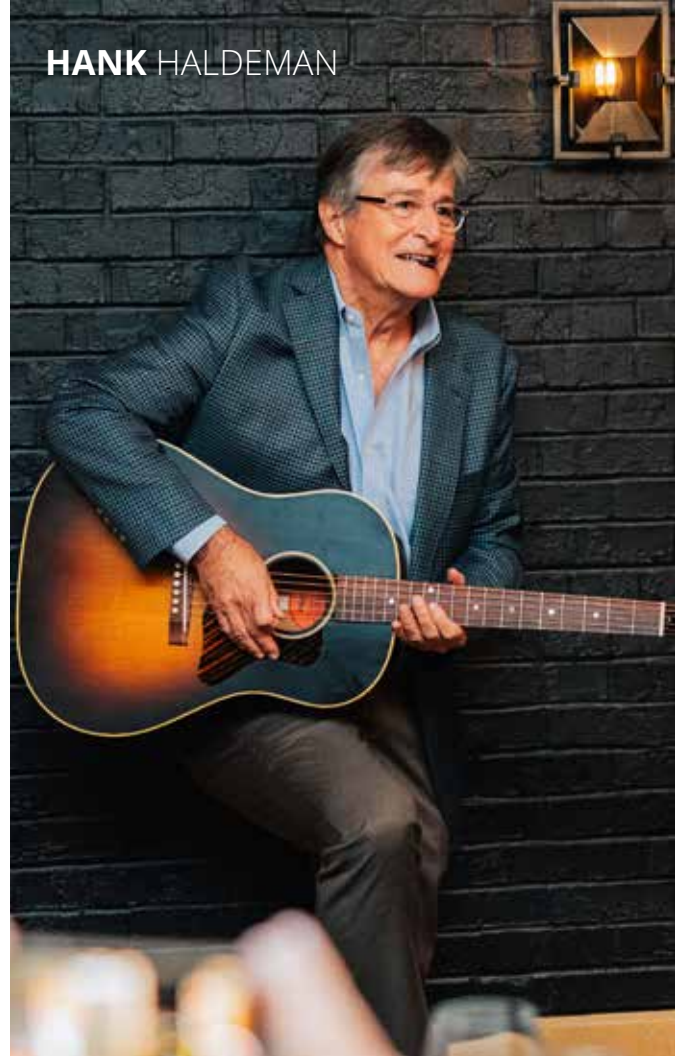
Hank provided more than two decades of service to the SLA, including a term as chairman of the Board of Directors in 1996 and two lengthy stints on the board, the most recent from 2017-23.

- He also served 22 years as the chair of the Legislative Committee, as well as 12 years on the Admitted Market Liaison Committee and seven years on the Stamping Committee.
- From 2010-16, he served on three committees at once.
- Additionally, he has long been an active leader within the Wholesale and Specialty Insurance Association (WSIA) and its predecessor, the National Association of Professional Surplus Lines Offices (NAPSLO).

The SLA is grateful for the dedication and devotion shown by Kathy and Hank to the SLA and the industry, and we wish them both all the very best in the next phase of their lives.



HANK HALDEMAN



SLA LEADERSHIP

BOARD OF DIRECTORS



Janet Beaver
Chair
Aurenty



Rich Gobler
Vice Chair
Burns & Wilcox



John Washington
Secretary / Treasurer
Arch Insurance Group



Terri Moran
Past Chair
Paul Hanson Partners



Timothy Chaix
R.E. Chaix & Associates



James Faley
Vela Insurance
Services, LLC



Robert Gilbert
Markel West
Insurance Services



Hank Haldeman
Amwins Group



Sarah Nichols
Crum & Forster
Insurance Brokers, Inc.



Pam Quilici
Ryan Specialty



Charles Rosson
USI Insurance Services



Kathy Schroeder
XPT Group



Terrence Villar
Amwins Insurance
Brokerage of California



Gerald Sullivan
GJS Re
Emeritus

SENIOR STAFF



**Benjamin J. McKay,
J.D., MPA**
CEO & Executive Director



Michael Caturegli
Chief Technology
& Analysis Officer



David Kodama, Jr.
Chief Industry &
Regulatory Officer



Barbara Trumbly, Esq.
SVP, Operations & Events



Jody Black
VP, Data Analysis



Clifton Brown
VP, Public Affairs



Vani Ganti
VP, Technology



James Greene
VP, Marketing, Communications
& Membership Services



Glenn Leung
VP, Financial Analysis



Yusuf Mayet
VP, Legal Compliance

FISCAL YEAR 2023 FINANCIALS

RATIOS	DEFINITIONS
Quick Ratio	Short term liquidity ratio that measures a company's immediate ability to cover its current liabilities with its most liquid assets. Ratio of 1 and above is considered good.
Receivables Turn Over Ratio	Average number of days it takes a company to collect its accounts receivable.
Change in Net Assets	Did the organization live within its means during the year? A positive number indicates revenues were greater than expenses.
Program Expense Ratio	Are expenses being used on core mission? A ratio of 50% means half of all expenditures were for programs related to the core mission.
Operating Margin	Ability to produce a potential surplus for future periods. A higher ratio indicates a stronger likelihood of increasing net assets.
Debt Ratio	The proportion of an organization's assets which are financed through debt. The higher the ratio, the greater risk will be associated with the organization since more debt is needed. A ratio 50% or less indicates a good financial base.

	TARGET	SLA FY2023	SLA FY2022
Quick Ratio	>1.0	11.03	4.56
Receivables Turn Over Ratio	<40 days	36.67	35.40
Change in Net Assets	Avoid two consecutive years of deficits	\$ 7,577,185	\$ 16,247,385
Program Expense Ratio	65-85%	75%	80%
Operating Margin	<50%	19%	41%
Debt Ratio	0-15%	6%	7%

UNAUDITED STATEMENTS OF FINANCIAL POSITION

November 30,	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	\$22,325,879	\$5,745,326
Stamping fees receivable	\$3,020,250	\$3,944,403
Prepaid expenses	\$542,321	\$582,463
Total current assets	\$25,888,450	\$10,272,191
Investments at fair value	\$24,744,921	\$31,385,032
Property and equipment, net	\$2,093,622	\$2,556,105
Intangible asset, net (software)	\$1,147,886	\$1,878,571
Other assets	\$66,210	\$211,522
Total assets	\$53,941,088	\$46,303,420
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$343,180	\$404,918
Accrued liabilities	\$2,004,797	\$1,847,973
Total current liabilities	\$2,347,977	\$2,252,891
Long-term liabilities:		
Deferred rent	\$306,562	\$341,165
Accrued post-retirement benefit liability	\$851,230	\$851,230
Total liabilities	\$3,505,769	\$3,445,286
Commitments		
Net Assets:		
Unrestricted:		
Undesignated	\$30,725,319	\$23,148,134
Board-designated	\$19,710,000	\$19,710,000
Total net assets	\$50,435,319	\$42,858,134
Total liabilities and net assets	\$53,941,088	\$46,303,420

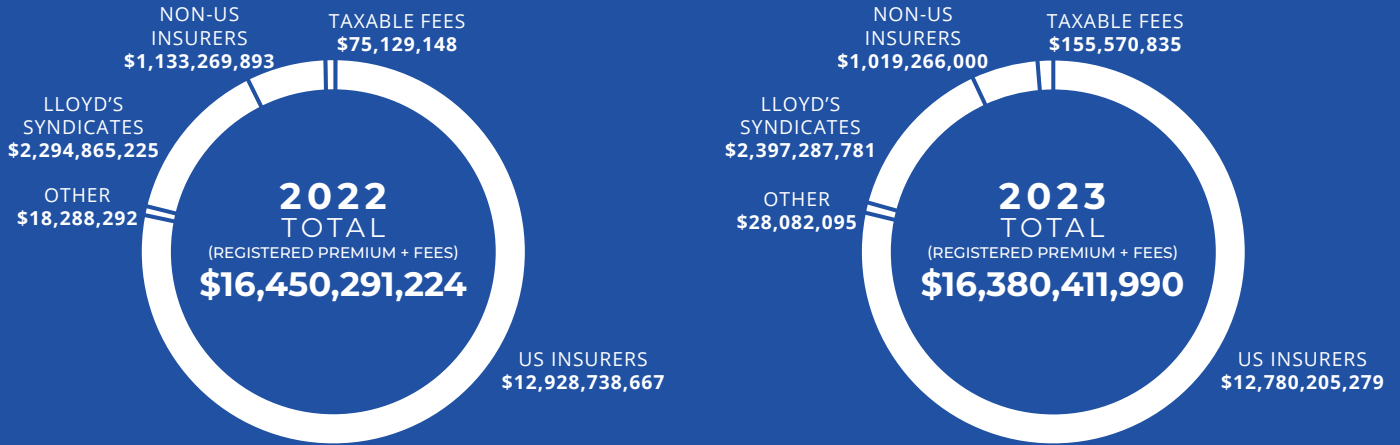
UNAUDITED STATEMENTS OF CASH FLOWS

Fiscal Years Ended November 30,	2023	2022
Cash Flows from Operating Activities:		
Change in net assets	\$7,577,185	\$16,247,386
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation of property and equipment	\$583,326	\$526,725
Amortization of intangible assets	\$730,685	\$1,003,459
Realized loss/(gain) on disposal of equipment	\$3,032	-----
Realized/unrealized loss/ (gain) on investments	(\$405,084)	\$1,666,458
Unrealized gain on pension and post retirement benefits	-----	(\$445,676)
Changes in operating assets and liabilities:		
Stamping fees and other receivable	\$924,152	\$207,276
Prepaid expenses and other assets	\$185,454	(\$235,421)
Accounts payable and accrued liabilities	\$95,086	(\$37,305)
Deferred rent liability	(\$34,602)	(\$47,768)
<i>Net cash provided by operating activities</i>	\$9,659,234	\$18,885,134
Cash Flows from Investing Activities:		
Proceeds from sales and maturities of investments	\$16,704,457	\$4,431,581
Purchase of investments	(\$9,659,262)	(\$20,446,062)
Proceeds from sale of property, equipment and software	-----	-----
Purchase of property and equipment	(\$123,876)	(\$749,897)
Additions to software	-----	(\$516,105)
<i>Net cash used in investing activities</i>	\$6,921,319	(\$17,280,483)
Cash Flows from Financing Activities:		
Payment on note payable to bank	-----	-----
<i>Net cash used in financing activities</i>	-----	-----
Net Increase in Cash and Cash Equivalents	\$16,580,553	\$1,604,651
Cash and Cash Equivalents , beginning of fiscal year	\$5,745,326	\$4,140,675
Cash and Cash Equivalents , end of fiscal year	\$22,325,879	\$5,745,326
Supplemental Disclosure of Non-Cash Investing and Financing Activities:		
Property and equipment additions:		
Included in current liabilities	\$10,832	\$78,436
Interest paid	-----	-----

12 / 1 / 2022 - 11 / 30 / 2023

FISCAL YEAR

PROCESSED PREMIUM TOTAL YEAR OVER YEAR



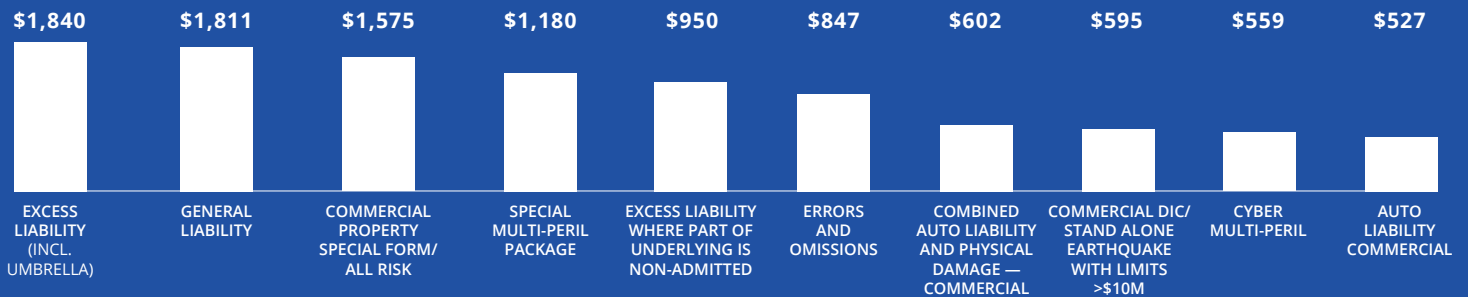
% OF TOTAL 2023



% GROWTH 2022 - 2023



TOP 10 COVERAGES OF FISCAL YEAR 2023 (IN MILLIONS)



KEY METRICS

FISCAL YEAR 2023 TOTAL NUMBER OF PROCESSED TRANSACTIONS

932,366

SURPLUS LINE PROCESSED PREMIUM

\$16.4B

LASLI
List of Approved
Surplus Line
Insurers

140

TOP 50 BROKERS 2023*

RANK	BROKER GROUP	PREMIUM REGISTERED	% OF TOTAL PREMIUM	TOTAL TRANSACTIONS
1	R-T SPECIALTY LLC	\$2,309,525,742	13.77%	95,006
2	AMWINS GROUP, INC.	\$2,098,901,241	12.52%	98,838
3	ARTHUR J. GALLAGHER & CO.	\$1,581,461,966	9.43%	52,855
4	AON P.L.C.	\$1,501,362,400	8.95%	4,336
5	CRC	\$1,268,313,647	7.56%	46,251
6	MARSH & MCLENNAN COS. INC.	\$700,970,455	4.18%	2,390
7	BROWN & RIDING INSURANCE SERVICES, INC.	\$529,120,388	3.16%	16,573
8	ALLIANT INSURANCE SERVICES, INC.	\$515,885,604	3.08%	2,466
9	LOCKTON, INC.	\$345,444,642	2.06%	8,571
10	WILLIS TOWERS WATSON P.L.C.	\$338,981,862	2.02%	1,589
11	BURNS & WILCOX	\$332,974,691	1.99%	51,485
12	WOODRUFF-SAWYER & CO.	\$309,534,846	1.85%	2,092
13	BROWN & BROWN, INC.	\$211,400,453	1.26%	9,355
14	EDGEWOOD PARTNERS INSURANCE CENTER, DBA EPIC INSUR	\$135,026,752	0.81%	1,730
15	NTA UNDERWRITERS, LLC	\$130,881,985	0.78%	8,588
16	JENCAP SPECIALTY INSURANCE SERVICES, INC.	\$118,869,544	0.71%	2,394
17	HULL & COMPANY, INC.	\$108,304,566	0.65%	16,006
18	GORST & COMPASS INSURANCE	\$106,021,325	0.63%	23,098
19	HUB INTERNATIONAL LTD.	\$103,186,883	0.62%	2,050
20	SPECIALTY PROGRAM GROUP	\$100,066,404	0.60%	24,244
21	CSU PRODUCER RESOURCES, INC.	\$99,811,406	0.60%	1,858
22	SOCIUS INSURANCE SERVICES, INC.	\$95,113,428	0.57%	5,241
23	ACRISURE LLC	\$91,042,914	0.54%	1,918
24	XPT PARTNERS LLC	\$90,436,447	0.54%	19,117
25	RISK SPECIALISTS COMPANIES INSURANCE AGENCY, INC.	\$90,333,215	0.54%	4,279
26	BRECKENRIDGE INSURANCE SERVICES, LLC	\$86,728,731	0.52%	5,909
27	BASS UNDERWRITERS	\$76,205,518	0.45%	22,805
28	CRC INSURANCE SERVICES, INC.	\$75,963,685	0.45%	15,086
29	COBBS ALLEN CAPITAL, LLC	\$68,860,835	0.41%	310
30	R.E. CHAIX & ASSOCIATES INSURANCE BROKERS, INC.	\$57,856,528	0.35%	12,812
31	COVER WHALE INSURANCE SOLUTIONS, INC.	\$57,061,198	0.34%	17,107
32	CANON INSURANCE SERVICE	\$56,368,693	0.34%	885
33	LOCKTON SPECIALTIES, LLC	\$54,675,138	0.33%	311
34	RSI INSURANCE BROKERS, INC.	\$54,185,182	0.32%	2,891
35	NORMAN-SPENCER AGENCY, LLC	\$48,197,662	0.29%	3,449
36	COASTAL BROKERS INSURANCE SERVICES, INC.	\$46,596,910	0.28%	9,829
37	USI INSURANCE SERVICES, LLC	\$45,939,842	0.27%	429
38	ABD INSURANCE & FINANCIAL SERVICES, INC.	\$45,776,142	0.27%	629
39	TRACKSURE INSURANCE AGENCY, INC.	\$42,404,906	0.25%	486
40	RISK THEORY INSURANCE SERVICES LLC	\$42,011,722	0.25%	1,868
41	M.J. HALL & CO., INC.	\$39,877,663	0.24%	7,751
42	ONE80 INTERMEDIARIES, INC.	\$39,443,450	0.24%	4,339
43	ARDEN INSURANCE SERVICES, LLC	\$35,840,096	0.21%	310
44	PETERSEN INTERNATIONAL UNDERWRITERS	\$35,367,010	0.21%	3,209
45	PROCTOR FINANCIAL, INC.	\$35,159,406	0.21%	1,182
46	CHUBB INSURANCE SOLUTIONS AGENCY, INC.	\$35,117,891	0.21%	669
47	R.K. GORE & ASSOCIATES LLC	\$34,662,483	0.21%	21
48	VENBROOK GROUP LLC	\$33,688,477	0.20%	1,235
49	RISK STRATEGIES CO., INC.	\$33,425,851	0.20%	678
50	NIF GROUP, INC.	\$32,287,233	0.19%	3,115
	Subtotal Top 50	\$14,526,675,061	86.64%	619,645
	All Other Brokers	\$2,239,933,710	13.36%	326,624
	GRAND TOTAL	\$16,766,608,771	100.00%	946,269

* Based on processed premium by the SLA January 2023 through December 2023.

TOP CARRIERS BY ULTIMATE PARENT 2023*

ULTIMATE PARENT	INSURER	REGISTERED PREMIUM	% OF TOTAL PREMIUM
LLOYD'S	LLOYD'S OF LONDON	\$2,391,562,531	14.26%
LLOYD'S Total		\$2,391,562,531	14.26%
BERKSHIRE HATHAWAY INC	NATIONAL FIRE & MARINE INSURANCE COMPANY	\$669,452,430	3.99%
	LANDMARK AMERICAN INSURANCE COMPANY	\$283,247,480	1.69%
	GENERAL STAR INDEMNITY COMPANY	\$79,016,715	0.47%
	CAPITOL SPECIALTY INSURANCE CORPORATION	\$60,585,973	0.36%
	MOUNT VERNON FIRE INSURANCE COMPANY	\$26,387,418	0.16%
	AZGUARD INSURANCE COMPANY	\$22,564,021	0.13%
	COVINGTON SPECIALTY INSURANCE COMPANY	\$16,557,375	0.10%
	OTHER AFFILIATES WITH PREMIUM <\$11M	\$14,383,448	0.09%
BERKSHIRE HATHAWAY INC Total		\$1,172,194,861	6.99%
FAIRFAX FINANCIAL HOLDINGS LIMITED	CRUM & FORSTER SPECIALTY INSURANCE COMPANY	\$309,267,495	1.84%
	ALLIED WORLD NATIONAL ASSURANCE COMPANY	\$232,230,132	1.39%
	HUDSON EXCESS INSURANCE COMPANY	\$115,583,733	0.69%
	ALLIED WORLD SURPLUS LINES INSURANCE COMPANY	\$105,477,951	0.63%
	SENECA SPECIALTY INSURANCE COMPANY	\$28,440,139	0.17%
	OTHER AFFILIATES WITH PREMIUM <\$11M	\$6,772,238	0.04%
FAIRFAX FINANCIAL HOLDINGS LIMITED Total		\$797,771,687	4.76%
AMERICAN INTERNATIONAL GROUP INC	LEXINGTON INSURANCE COMPANY	\$449,527,560	2.70%
	AIG SPECIALTY INSURANCE COMPANY	\$184,084,525	1.10%
	WESTERN WORLD INSURANCE COMPANY	\$27,371,448	0.16%
	AMERICAN INTERNATIONAL GROUP UK LIMITED	\$17,896,718	0.11%
	OTHER AFFILIATES WITH PREMIUM <\$11M	\$2,597,790	0.02%
AMERICAN INTERNATIONAL GROUP INC Total		\$681,478,041	4.06%
NATIONWIDE MUTUAL INSURANCE COMPANY	SCOTTSDALE INSURANCE COMPANY	\$588,314,579	3.51%
	HARLEYSVILLE INSURANCE COMPANY OF NEW YORK	\$37,537,832	0.22%
	OTHER AFFILIATES WITH PREMIUM <\$11M	\$55,659	0.00%
NATIONWIDE MUTUAL INSURANCE COMPANY Total		\$625,908,069	3.73%
W. R. BERKLEY CORPORATION	ADMIRAL INSURANCE COMPANY	\$188,770,828	1.13%
	GEMINI INSURANCE COMPANY	\$154,428,888	0.92%
	NAUTILUS INSURANCE COMPANY	\$113,273,988	0.68%
	BERKLEY ASSURANCE COMPANY	\$60,960,718	0.36%
	BERKLEY SPECIALTY INSURANCE COMPANY	\$14,962,532	0.09%
	OTHER AFFILIATES WITH PREMIUM <\$11M	\$8,475,901	0.05%
W. R. BERKLEY CORPORATION Total		\$540,872,855	3.23%
MARKEL GROUP INC	EVANSTON INSURANCE COMPANY	\$368,897,703	2.20%
	UNITED SPECIALTY INSURANCE COMPANY	\$139,132,603	0.83%
	MARKEL INTERNATIONAL INSURANCE COMPANY LIMITED	\$14,906,569	0.09%
	OTHER AFFILIATES WITH PREMIUM <\$11M	\$10,651,951	0.06%
MARKEL GROUP INC Total		\$533,588,826	3.18%
CHUBB LIMITED	WESTCHESTER SURPLUS LINES INSURANCE COMPANY	\$216,991,380	1.29%
	ILLINOIS UNION INSURANCE COMPANY	\$107,000,532	0.64%
	CHUBB CUSTOM INSURANCE COMPANY	\$93,806,386	0.56%
	CHUBB EUROPEAN GROUP SE	\$25,438,280	0.15%
CHUBB LIMITED Total		\$443,236,578	2.64%
MUNCHENER RUCKVERSICHERUNG AG	GREAT LAKES INSURANCE SE	\$178,293,381	1.06%
	PRINCETON EXCESS & SURPLUS LINES INSURANCE COMPANY	\$153,031,370	0.91%
	BRIDGEWAY INSURANCE COMPANY	\$44,853,047	0.27%
	OTHER AFFILIATES WITH PREMIUM <\$11M	\$6,992,651	0.04%
MUNCHENER RUCKVERSICHERUNG AG Total		\$383,170,449	2.29%
SOMPO HOLDINGS INC	ENDURANCE AMERICAN SPECIALTY INSURANCE COMPANY	\$312,609,256	1.86%
	ENDURANCE WORLDWIDE INSURANCE LIMITED	\$37,081,748	0.22%
	OTHER AFFILIATES WITH PREMIUM <\$11M	\$2,470,067	0.01%
SOMPO HOLDINGS INC Total		\$352,161,072	2.10%
CSCA INSURANCE EXCHANGE	MOBILITAS INSURANCE COMPANY OF ARIZONA	\$296,524,284	1.77%
CSCA INSURANCE EXCHANGE Total		\$296,524,284	1.77%
PROGRESSIVE CORPORATION Total	BLUE HILL SPECIALTY INSURANCE COMPANY INC.	\$279,008,762	1.66%
	OTHER AFFILIATES WITH PREMIUM <\$11M	\$948,369	0.01%
PROGRESSIVE CORPORATION Total		\$279,957,131	1.67%
STARR INTERNATIONAL COMPANY INC	STARR SURPLUS LINES INSURANCE COMPANY	\$277,910,156	1.66%
STARR INTERNATIONAL COMPANY INC Total		\$277,910,156	1.66%

ULTIMATE PARENT	INSURER	REGISTERED PREMIUM	% OF TOTAL PREMIUM
TOKIO MARINE HOLDINGS INC	HOUSTON CASUALTY COMPANY	\$174,163,673	1.04%
	TOKIO MARINE SPECIALTY INSURANCE COMPANY	\$63,533,473	0.38%
	SAFETY SPECIALTY INSURANCE COMPANY	\$25,204,842	0.15%
	PURE SPECIALTY EXCHANGE	\$11,601,038	0.07%
	OTHER AFFILIATES WITH PREMIUM <\$11M	\$198,964	0.00%
TOKIO MARINE HOLDINGS INC Total		\$274,701,991	1.64%
AXIS CAPITAL HOLDINGS LIMITED	AXIS SURPLUS INSURANCE COMPANY	\$232,617,005	1.39%
	AXIS SPECIALTY EUROPE SE	\$39,679,718	0.24%
	OTHER AFFILIATES WITH PREMIUM <\$11M	\$501,245	0.00%
AXIS CAPITAL HOLDINGS LIMITED Total		\$272,797,967	1.63%
LIBERTY MUTUAL HOLDING COMPANY INC	IRONSHORE SPECIALTY INSURANCE COMPANY	\$138,421,244	0.83%
	LIBERTY SURPLUS INSURANCE CORPORATION	\$138,421,244	0.65%
	LIBERTY MUTUAL INSURANCE EUROPE SE	\$13,832,030	0.08%
	OTHER AFFILIATES WITH PREMIUM <\$11M	\$453,792	0.00%
LIBERTY MUTUAL HOLDING COMPANY INC Total		\$261,848,420	1.56%
AXA S.A.	INDIAN HARBOR INSURANCE COMPANY	\$225,959,767	1.35%
	AXA XL INSURANCE COMPANY UK LTD	\$20,152,298	0.12%
	OTHER AFFILIATES WITH PREMIUM <\$11M	\$2,419,337	0.01%
AXA S.A. Total		\$248,531,402	1.48%
KINSALE CAPITAL GROUP INC	KINSALE INSURANCE COMPANY	\$245,455,925	1.46%
KINSALE CAPITAL GROUP INC Total		\$245,455,925	1.46%
THE HARTFORD FINANCIAL SERVICES GROUP INC	NAVIGATORS SPECIALTY INSURANCE COMPANY	\$208,147,012	1.24%
	PACIFIC INSURANCE COMPANY, LIMITED	\$17,933,721	0.11%
	MAXUM INDEMNITY COMPANY	\$12,187,494	0.07%
	OTHER AFFILIATES WITH PREMIUM <\$11M	\$20,469	0.00%
THE HARTFORD FINANCIAL SERVICES GROUP INC Total		\$238,288,696	1.42%
ZURICH INSURANCE GROUP LTD	STEADFAST INSURANCE COMPANY	\$195,470,801	1.17%
	OTHER AFFILIATES WITH PREMIUM <\$11M	\$15,844,888	0.09%
	AMERICAN FEDERATION INSURANCE COMPANY	\$12,213,755	0.07%
ZURICH INSURANCE GROUP LTD Total		\$223,529,443	1.33%
EVEREST GROUP LTD	EVEREST INDEMNITY INSURANCE COMPANY	\$210,007,520	1.25%
	OTHER AFFILIATES WITH PREMIUM <\$11M	\$2,705,431	0.02%
EVEREST GROUP LTD Total		\$212,712,951	1.27%
EVERGREEN PARENT L.P.	ASSOCIATED INDUSTRIES INSURANCE COMPANY, INC.	\$197,188,657	1.18%
	REPUBLIC-VANGUARD INSURANCE COMPANY	\$11,173,546	0.07%
	OTHER AFFILIATES WITH PREMIUM <\$11M	\$1,924,549	0.01%
EVERGREEN PARENT L.P. Total		\$210,286,752	1.25%
AMERICAN FINANCIAL GROUP INC	GREAT AMERICAN E&S INSURANCE COMPANY	\$151,080,674	0.90%
	GREAT AMERICAN RISK SOLUTIONS SURPLUS LINES INSURANCE COMPANY	\$33,567,624	0.20%
	GREAT AMERICAN FIDELITY INSURANCE COMPANY	\$16,214,240	0.10%
	OTHER AFFILIATES WITH PREMIUM <\$11M	\$3,885	0.00%
AMERICAN FINANCIAL GROUP INC Total		\$200,866,423	1.20%
JAMES RIVER GROUP HOLDINGS LTD	JAMES RIVER INSURANCE COMPANY	\$163,706,198	0.98%
	FALLS LAKE NATIONAL INSURANCE COMPANY	\$31,123,703	0.19%
JAMES RIVER GROUP HOLDINGS LTD Total		\$194,829,901	1.16%
QBE INSURANCE GROUP LIMITED	QBE SPECIALTY INSURANCE COMPANY	\$181,704,625	1.08%
	OTHER AFFILIATES WITH PREMIUM <\$11M	\$9,107,616	0.05%
QBE INSURANCE GROUP LIMITED Total		\$190,812,241	1.14%
LOEWS CORPORATION	COLUMBIA CASUALTY COMPANY	\$187,279,969	1.12%
	OTHER AFFILIATES WITH PREMIUM <\$11M	\$556,955	0.00%
LOEWS CORPORATION Total		\$187,836,924	1.12%
TRISURA GROUP LTD	TRISURA SPECIALTY INSURANCE COMPANY	\$170,005,159	1.01%
	BRICKTOWN SPECIALTY INSURANCE COMPANY	\$12,918,000	0.08%
TRISURA GROUP LTD Total		\$182,923,159	1.09%
ARCH CAPITAL GROUP LTD	ARCH SPECIALTY INSURANCE COMPANY	\$169,149,343	1.01%
	OTHER AFFILIATES WITH PREMIUM <\$140M	\$5,093,155	0.03%
ARCH CAPITAL GROUP LTD. Total		\$174,242,497	1.04%
All Other Groups with Premium Registered <\$165M		\$4,579,198,944	27.31%
Taxable Fees		\$91,408,592	0.55%
Premium and Taxable Fees Grand Total		\$16,766,608,771	100%

* Based on processed premium by the SLA January 2023 through December 2023.

VISION STATEMENT

The SLA's vision is to be a modern, credible leader in the surplus lines industry. This vision will be achieved through continuous focus on competence, expertise, service, and innovation. In keeping with its prescribed purposes and powers, the SLA will function as an ally to the public, a resource to the industry, an asset to its members, and a great place to work for its employees.

MISSION STATEMENT

Our mission is to ensure that a responsive and lawful surplus line insurance market is maintained in California. Our measures of success in this respect are that the consumer is protected, the needs of the regulators are well-served, and unlawful activities are curtailed. Through a professional and committed organization, utilizing state-of-the-art technology, and a challenging work environment, we respond to the needs of the California consumer, our membership, and appropriate public agencies. We provide education, processing, evaluation, and dissemination of surplus line data and information to help ensure the financial integrity and stability of the surplus line market.



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