



RICARDO LARA
CALIFORNIA INSURANCE COMMISSIONER

BULLETIN 2025-10

TO: All Surplus Line Brokers and Other Interested Persons

FROM: Teresa Campbell, General Counsel and Deputy Commissioner

DATE: May 28, 2025

RE: 2025 Adjustment to Calculations for Application of “Commercial Insured” Exemption

In accordance with the nonadmitted insurance provisions in the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, Insurance Code Section 1760.1(b) defines the term “commercial insured” to include specific dollar amounts for net worth, annual revenues, and annual budgeted expenditures, which are subject to adjustment on January 1, 2015, and each fifth January 1 occurring thereafter.

Under these provisions, the specified dollar amounts are adjusted to reflect the percentage change for a five-year period in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the United States Department of Labor. Insurance Code Section 1760.1 (b)(3)(B) requires the Commissioner to issue a bulletin to all surplus line brokers advising of any adjustments, and in so doing the Commissioner may adopt the calculations of the National Association of Insurance Commissioners (NAIC) or other entity.

This Bulletin advises all surplus line brokers and other interested parties of the California Department of Insurance’s adoption of the NAIC’s adjustment calculations.

In determining the applicability of the commercial insured definition, the percentage change calculation and adjusted minimum amounts for the affected categories should be calculated utilizing the percentages and dollar amounts shown below:

Change Calculation

CPI-U June 2019	256.143*
CPI-U June 2024	314.175*

Adjustment Calculation: $(314.175 - 256.143) / 256.143 = 22.7\%$ (Percentage Change)

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<u>Category</u>	<u>Minimum Effective 1/1/2020</u>	<u>Adjusted Minimum Effective 1/1/2025</u>
Net Worth	\$23,781,160	\$29,179,483
Annual Revenues	\$59,452,900	\$72, 948,708
Annual Budgeted Expenditures	\$35,671,740	\$43,769,225

Inquiries regarding this Bulletin may be directed to binionr@insurance.ca.gov.

*Source: U.S. Bureau of Labor Statistics, *Consumer Price Index for All Urban Consumers*,
<https://data.bls.gov/timeseries/CUUR0000SA0>