

# THE SURPLUS LINE ASSOCIATION

OF CALIFORNIA

THOMAS A. SCADDEN  
MANAGER  
ROSS MURPHY  
ASST. MANAGER  
JOHN L. GUIDERY  
ASST. MANAGER

315 MONTGOMERY STREET  
SAN FRANCISCO, 4

SAN FRANCISCO  
TELEPHONE YUKON 6-0763  
LOS ANGELES  
510 SOUTH SPRING STREET  
MADISON 9-2571

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BULLETIN TO ALL MEMBERS:

## RE: NEW AND RENEWAL EXCESS FIDELITY COVERAGE

The Stamping Office and Contact Committee at its meeting held on August 11, 1959 instructed this office to advise the members as follows:

By-Law VII, and as referred to on Page 74 of The Surplus Line Association Manual, is hereby amended as follows:

A. Excess fidelity bonds may be written on renewal business only with a non-admitted carrier subject to the following requirements:

1. No excess fidelity business shall be undertaken which involves reductions in the basic amount of the existing underlying fidelity suretyship.
2. No excess fidelity bonds shall be undertaken unless written in standard penalties and not in odd amounts.
3. Admitted carriers shall be allowed a rate differential of 40%, which differential applies against the aggregate cost to the assured. (That is, comparing aggregate costs and comparable coverages of admitted companies primary or primary and excess or other combinations against the aggregate cost of non-admitted carriers' excess fidelity bond coverage plus the underlying coverage.)
4. Members are required to justify filings of excess fidelity bonds by attaching to the filing a true and complete description of the primary or underlying bond together with a list of employees and positions covered in order to make a proper cost and coverage comparison. (It is suggested that members ascertain in advance from the Stamping Office whether or not the line in question qualifies as a surplus line.)

This amendment applies to all new business effective on or after thirty days from date hereof.

*Thomas A. Scadden*

MANAGER

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