

THE SURPLUS LINE ASSOCIATION
OF CALIFORNIA

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November 21, 1955

No. 15

BULLETIN TO ALL MEMBERS:

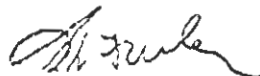
RE: EVIDENCE OF COVER ISSUED BY UNITED STATES
CORRESPONDENTS OF LONDON BROKERS.
OPEN MARKET BUSINESS ONLY

You will recall that at a meeting held on the 3rd of August in San Francisco and later confirmed by a meeting in Los Angeles on the 16th of August, 1955, a committee was set up to study ways and means of complying with Underwriters' requirements as set out in instructions sent by our individual member's Correspondents in London. Your committee has met on numerous occasions, and on two occasions with representatives of London Brokers. It is to be emphasized that the committee has acted in an entirely unofficial capacity, as did the representatives of the London Brokers.

As a result of these meetings, the Certificate forms as attached to this letter have been prepared as a sample of the form which it is believed will meet with the instructions as sent out from London. It is not within the province of the committee to recommend that this be a standard form of Certificate, but it is sent to you as a guide to prepare whatever Certificate form you feel will comply with Underwriters' instructions.

In preparing these Certificates, your committee has had considerable help from a number of members, particularly, Mr. J. H. Parks of Swett & Crawford who, in turn, has received cooperation from the printers who are the Surplus Line Printers Ltd., 1326 Wilshire Boulevard, Los Angeles 17, California. It may be that some members will wish to contact this same firm to supply their requirements. The Certificate forms can be provided on the basis of insert carbons which, of course, are very satisfactory in many ways and a brief explanation of a method of handling these certificate forms and dailies is attached for your consideration. No date line has been established by London for the compliance of their instructions, but London is being advised that it is expected that all offices will be complying on or before the 1st of January, 1956.

It is our hope that the deliberations of the committee will prove of considerable help to the membership.



CHAIRMAN
SPECIAL COMMITTEE

Attached hereto are three specimen forms:

1. A Lloyd's Only Certificate.
2. A Company Only Certificate.
3. A daily report which can be used for both Lloyd's and Company participations.

Members will no doubt need additional daily reports to meet the requirements of their individual offices, but the suggested certificate form was designed to make use of one-time snapout carbons and to eliminate almost entirely the necessity of double typing. When typing a set of these certificates, everything appearing on the Lloyd's certificate will appear on the Company certificate and all daily reports. However, the one-time carbons will be so arranged that the Lloyd's percentage of the risk will not appear on the Company certificate. When the Lloyd's certificate has been typed, it is then snapped off along with the first carbon and all that it is necessary to type on the face of the Company certificate is the percentage and the Lloyd's certificate number. The one-time carbon is so "stripped" that both the Company and the Lloyd's percentage will appear on all dailies so that there will be no question as to how the risk is actually divided.

If a risk is placed 100% with Lloyd's the same procedure would be followed, showing the Lloyd's percentage as 100% and the Company certificate would be destroyed. If the entire risk were placed in companies, the Lloyd's certificate would be destroyed and the original typing would be made on the Company certificate. You will notice that on the Company certificate, it stipulates that it shall be subject to the same gross rate, terms and conditions and endorsements as are set forth in the Lloyd's certificate. This eliminates the necessity of attaching forms and endorsements to the Company certificate. If, however, the risk were placed 100% with companies, then that particular provision would be eliminated from the Company certificate and the appropriate forms attached thereto.

Certificate of Insurance

No. _____

EFFECTED THROUGH
YOUR NAME HERE

ASSURED _____

EXPIRATION _____

SPECIMEN

THIS IS TO CERTIFY that the undersigned have procured insurance as hereinafter specified from Underwriters at Lloyd's, London, (hereinafter called the "Underwriters" through our Lloyd's Brokers in London, England.

Pursuant to such authorization the Underwriters do hereby bind themselves, each for his own part and not for another.

In favor of _____

address: _____

type of coverage: _____

in the amount of _____

Assured.

AMOUNT	RATE	PREMIUM
\$ _____		\$ _____
\$ _____		\$ _____
\$ _____		\$ _____
\$ _____		\$ _____
\$ _____		\$ _____
	% Federal Tax	\$ _____
	% State Tax	\$ _____
	% Stamping Fee	\$ _____
	Policy Fee	\$ _____
TOTAL		\$ _____
		\$ _____
		\$ _____

Hereon _____ % of the amount and premium shown above.

Beginning at 12:01 A.M. on the _____ day of _____

and ending at 12:01 A.M. on the _____ day of _____
standard time at the place of location of risks insured, and in accordance
with the terms and conditions of the form(s) attached.

1. It is specifically understood that the names of the assurers hereunder are on file in the office of our Lloyd's Brokers in London, England, and will be on file in the office of the undersigned, upon being forwarded to them by our Lloyd's Brokers.
2. It is expressly understood and agreed by the Assured by accepting this instrument that the undersigned is not one of the Underwriters or Assurers hereunder and neither is he shall be in any way or to any extent liable for any loss or claim whatever, as an Assurer, but the Assurers hereunder are only those Underwriters whose names are on file as hereinbefore set forth.
3. If the Assured shall make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this Certificate shall become void and all claims thereunder shall be forfeited.
4. This Certificate may be cancelled on the customary short rate basis by the Assured at any time by written notice or by surrender of this Certificate to the Undersigned. This Certificate may also be cancelled, with or without the return or tender of the unearned premium, by Underwriters, or by the undersigned in their behalf by delivering to the Assured or by sending to the Assured by mail, registered or unregistered, at the Assured's address as shown herein, not less than 10 days' written notice stating when the cancellation shall be effective, and in such case Underwriters shall refund the paid premium less the earned portion thereof on demand, subject always to the retention by Underwriters hereon of any minimum premium stipulated herein (or proportion thereof previously agreed upon) in the event of cancellation either by Underwriters or the Assured.
5. This Certificate of Insurance shall not be assigned either in whole or part, without the written consent of the Undersigned endorsed hereon.
6. Loss or damage to the property insured occasioned by war, invasion, hostilities, acts of foreign enemies, civil war, rebellion, insurrection, military or usurped power or martial law or confiscation by order of any Government or public authority not covered.
7. This insurance is made and accepted subject to all the provisions, conditions and warranties set forth herein and in any forms or endorsements attached hereto, all of which are to be considered as incorporated herein, and any provisions or conditions appearing in any forms or endorsements attached hereto which alter the Certificate provisions stated above shall supersede such Certificate provisions in so far as they are inconsistent therewith.
8. United States Internal Revenue Documentary Stamps in the amount shown above, applicable to this insurance have been affixed to the office record of this Certificate retained by the undersigned. The law provides for no Federal Tax refund once the insurance attaches.
9. This document is intended for use as evidence that insurance described herein has been effected, against which a Policy(ies) will be issued and that, in the event of any inconsistency therewith, the terms, conditions and provisions of the Policy(ies) shall prevail. Immediate advice must be given of any discrepancies or necessary changes.

This Certificate shall not be valid unless signed by (YOUR NAME HERE)

Dated at _____, this _____ day of _____

YOUR NAME HERE

By _____

YOUR NAME AND ADDRESS TO APPEAR HERE

No.

REWRITE OF
RENEWAL OF

BROKER
ADDRESS

BROKERAGE %

COPY TO AUDIT DEPT.?

O.M. CABLE NO.

AGE CLASS
(A. & H. ONLY)

PREMIUMS PAYABLE

	GROSS PREMIUM	NET PREMIUM	CONTRACT No.	CODE No.	AMOUNT		YEAR	TERM	CLASS
% \$	\$	\$			\$				
% \$	\$	\$			\$				
% \$	\$	\$			\$				

PREMIUMS RECEIVABLE

BOND FEE	STAMPING FEE	KIND	STATE TAX	TAX	FEDERAL TAX	GROSS PREMIUM	NET PREMIUM	BRKG. RATE	POLICY FEE	CO.	BR.	BROKER

STATE	S & C EXP.	CABLE FEE	MARINE TAX

SPECIMEN

STAMPS REQUIRED \$

DATE OF ISSUE
RENEWED BY

BY

TAX PAID AND TAX CLAUSE ATTACHED?
TAX PAID CLAUSE (ADJUSTED) ATTACHED?
SPECIAL CANCELLATION CLAUSE ATTACHED?

In favor of

address:

type of coverage:

in the amount of

% of this insurance is with Lloyd's Underwriters.

% of this insurance is with certain Insurance Companies.

Beginning at 12:01 A.M. on the day of

and ending at 12:01 A.M. on the day of
standard time at the place of location of risks insured, and in accordance
with the terms and conditions of the form(s) attached.

Assured.

AMOUNT	RATE	PREMIUM
\$		\$
\$		\$
\$		\$
\$		\$
\$		\$
\$		\$
\$		\$
% Federal Tax		\$
% State Tax		\$
% Stamping Fee		\$
Policy Fee		\$
TOTAL		\$
		\$
		\$

United States Internal Revenue Documentary Stamps in the amount shown above, applicable to this insurance have been affixed to the office record of this Certificate retained by me. The law provides for no Federal Tax refund once the insurance attaches.