

THE SURPLUS LINE ASSOCIATION

OF CALIFORNIA

315 MONTGOMERY STREET

SAN FRANCISCO 94104

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A. L. LATHROP
MANAGER

A. B. HERRICK
ASSISTANT MANAGER

July 20, 1972

NO. 326

BULLETIN TO ALL MEMBERS

RE: Disclosure to Insureds of
Non-Admitted Insurers

Your attention is called to the attached Ruling No. 179.

We have been informed by the Insurance Department that the notice to the insured must be no smaller than the type on this bulletin. The Association is printing a sticker which will be available to all members without charge. The use of this sticker is not mandatory, that is, you may elect to use your own sticker or imprint or other manner of compliance.

In any event, please notify us in accordance with the Department ruling of your selected manner of compliance on or before October 1. If you elect to use our sticker, please advise the number you wish supplied.

The notice requirement of this ruling does not apply to Mexican insurance since such insurance is purchased from Mexican insurance companies by California residents traveling to Mexico.



A. L. Lathrop
Manager

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STATE OF CALIFORNIA
DEPARTMENT OF INSURANCE
1407 Market Street
San Francisco, California 94103

In the Matter of Proposed Amendment)
to the Rules and Regulations of the)
Insurance Commissioner relating to)
Surplus Line Brokers)

RULING NO. 179

FILE NO. RH-145

PROPOSED DECISION

In accordance with Notice published pursuant to law, the above-entitled matter came on regularly for hearing before Lawrence C. Baker, Jr., Chief Deputy Insurance Commissioner, at the office of the Insurance Commissioner at 1407 Market Street, San Francisco, California, on Tuesday, April 18, 1972, at which place and time exhibits were received and statements, arguments and contentions, both written and oral, were adduced. At the conclusion of the hearing on April 18, 1972, the said matter was submitted for decision, subject to the record being continued open until April 28, 1972, to allow interested parties to file written statements with respect to matters covered by the hearing.

The matter having been duly heard and considered, the following Order is hereby made.

ORDER

WHEREFORE, IT IS ORDERED, by virtue of the authority vested in me by Section 1763 of Chapter 6, Part 2, Division 1, of the Insurance Code of the State of California that Exhibit "A", stated on the reverse hereof, is adopted as Article 4, Subchapter 1, Chapter 5, Title 10, of the California Administrative Code.

IT IS FURTHER ORDERED that said Exhibit "A" shall become effective in the time and manner provided for by the Government Code of the State of California.



RICHARDS D. BARGER
Insurance Commissioner

I hereby certify that the foregoing constitutes my Proposed Decision in the above-entitled matter as a result of the Hearing held before me, as the duly authorized Deputy of the Insurance Commissioner, on April 18, 1972, at San Francisco, California, and I hereby recommend its adoption as the Decision of the Insurance Commissioner of the State of California.

Dated: July 5, 1972



LAWRENCE C. BAKER, JR.
Chief Deputy
Insurance Commissioner

EXHIBIT "A"

TITLE 10, CALIFORNIA ADMINISTRATIVE CODE

Chapter 5, Subchapter 1

Article 4. Surplus Lines

2171.1. Notice to Insureds.

On and after October 1, 1972, every certificate, policy, contract, cover note, or other evidence of insurance delivered or issued for delivery in California by a Surplus Line Broker shall contain prominently displayed on the face page thereof by means of a sticker, an imprint, or in some other manner the following statement:

This insurance is issued pursuant to the California Insurance Code, Sections 1760 through 1780, and is placed in an insurer or insurers not holding a Certificate of Authority from or regulated by the California Insurance Commissioner.

On or before October 1, 1972, every Surplus Line Broker licensed by the Insurance Commissioner to transact surplus line insurance business in California shall report to the office of The Surplus Line Association its selected manner of compliance with the above-required notice.

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