

THE SURPLUS LINE ASSOCIATION
OF CALIFORNIA

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No. 392

BULLETIN TO ALL MEMBERS

RE: Section 1620 Insurance Code (Service of Suit Clause)

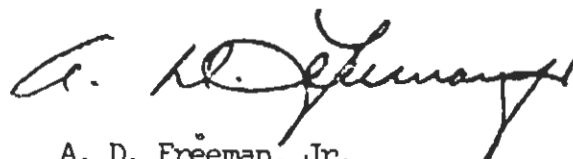
This bulletin is sent as a reminder and followup to Bulletin AG September 14, 1949.

Sections 1610 through 1620 of the California Insurance Code added in 1949 specify that the delivery in California of an insurance policy by a non-admitted insurer, constitutes an appointment by the insurer of the California Insurance Commissioner for "Service of Suit".

Section 1620 exempts from these provisions of the code, any policy issued under the Surplus Line Law, and which contains a provision (Service of Suit Clause) designating a California resident or firm which would be served any lawful process arising out of such policy.

Over the years the California Insurance Department has advised the Association that it prefers not to be burdened with process agent functions and duties except when there is no other alternative to obtaining jurisdiction over a nonadmitted insurer in a lawsuit and has requested that California Surplus Line Brokers comply with the intent of Section 1620 by the attachment of a "Service of Suit" clause designating a California process agent (NOT the Commissioner), to every contract of insurance effected under the Surplus Line Law with a nonadmitted insurer.

Please be guided accordingly.



A. D. Freeman, Jr.
Manager