THE SURPLUS LINE ASSOCIATION

OF CALIFORNIA

A. D. FREEMAN, JR. MANAGER

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SAN FRANCISCO, CA 94105

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September 12, 1983

No. 395

BULLETIN TO ALL MEMBERS:

RE: Disclosure to Insureds of Non-Admitted Insurers

We want to again call your attention to Insurance Department Ruling #179 dated July 5, 1972. A copy is attached to this Bulletin.

The notice to the insured is required on the original policy or certificate and the type size must be no smaller than the type on this Bulletin.

The Association has printed stickers containing the required wording and these are available without charge. A sample is shown below.

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.

The use of the sticker is not mandatory, that is, you may elect to use your own sticker, or imprint or any other manner of compliance.

This ruling does not apply to Mexican insurance, since this coverage is for exposures outside the State of California.

A. D. Freeman, Jr.

Manager

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.

WWWWWW 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

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.