

# THE SURPLUS LINE ASSOCIATION

OF CALIFORNIA

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April 4, 1957

NO. 46

BULLETIN TO ALL MEMBERS:

RE: ACCIDENT AND HEALTH INSURANCE

At a meeting of the Accident and Health Committee held on the 6th of March, 1957 (confirmed by the Stamping Office Committee, March 28, 1957) it was decided that the membership be bulletined as follows: -

1. There is a majority admitted market for the equivalent of a K-3 Form for the average risk, and therefore a prohibition should be made against the exporting of such policies unless:-
  - A. The individual risk is not acceptable to the majority of admitted carriers
  - or
  - B. The amount of principal sum written in conjunction with weekly indemnity must not be less than \$ 30,000., and the amount of weekly indemnity provided shall not be less than \$ 150.
  - C. In no event shall a policy be written at lower than the lowest admitted rates.

The Accident and Health Committee has made an investigation for the guidance of the membership and feels that the following are the lowest admitted carrier rates for individual policies: -

	<u>\$ 5 Weekly Indemnity</u>	<u>Combined Unit \$ 1,000 P. S. &amp; \$ 5 W.I.</u>
Class A	\$ 1.70	\$ 3.05
Class B	2.25	3.60
Class C	3.05	4.60
Class D & D*	3.60	5.45
Class E	4.55	7.05
Class F	5.45	8.15

Different combinations of Principal Sum and Weekly Indemnity may be written by using the above Weekly Indemnity rates, for example: -

Combined Unit \$ 1,000 P. S.  
& \$10 Weekly Indemnity

Class A	\$ 4.75
Class B	5.85
Class C	7.65
Class D & D*	9.05
Class E	11.60
Class F	13.60

Inasmuch as there has been considerable difficulty in determining the lowest admitted market for a competitive form, due largely to the wide divergencies in types of policies and premiums issued by Domestic Carriers, and some confusion has existed in the minds of the Surplus Line offices, the Stamping Office will approve those filings made prior to the 15th of April, 1957, which do not conform to the above provisions, but all new or renewal coverages for policies on a K-3 Form after the 15th of April, 1957, must comply with the above.

It was also brought to the attention of the Committee that filings are being made on Personal Accident business for a 3 year term on a term rule basis. Inasmuch as 3 year policies are not being written by the majority of admitted carriers, it was decided that the Stamping Office should take the premium for the 3 year policy and divide it by 3 to arrive at the annual premium. The filing will not be approved in the event that annual premium reached by the above procedure does not comply with existing formulas.

This bulletin supplements but does not cancel bulletins dated the 8th of July, 1954 and the 9th of August, 1954, copies of which bulletins are included herewith.

*Thomas A. Scadden*

MANAGER

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July 8, 1954

BULLETIN TO ALL MEMBERS:

RE: ACCIDENT AND HEALTH INSURANCE

The Executive Committee has caused an investigation to be made by The Surplus Line Association Accident and Health Committee, acting jointly with the Accident and Health Contact Committee of the Admitted Carriers for the purpose of arriving at a determination of certain facts with respect of which the Insurance Commissioner has requested information. The following facts have been determined by the Committee designated by the Executive Committee for the purpose of investigating such facts:

- (1) Accidental death alone is not written by a majority of admitted carriers in any amount.
  - (a) When the principal sum is less than \$ 30,000 medical reimbursement or weekly indemnity or both may not be added as this combination does not qualify as a Surplus Line.
- (2) Accidental death and dismemberment alone is not written by a majority of admitted carriers in any amount without the subsidiary coverages.
  - (a) When the principal sum is less than \$ 30,000 medical reimbursement or weekly indemnity or both may not be added as this combination does not qualify as a Surplus Line.
- (3) The combination of accidental death, dismemberment, weekly indemnity and medical reimbursement is normally written by a majority of admitted carriers but may be considered as not being written by a majority of admitted carriers for any amount under the following conditions:
  - (a) When the persons insured are over-age - that is, males 65 or over - females 60 or over.
  - (b) Physically impaired persons when their physical condition is one which the admitted market will not write, or more often when the risk has been previously declined by the Admitted Market.

BULLETIN TO ALL MEMBERS - Cont'd

- (c) Housewives, when weekly indemnity is provided.
  - (d) Retired persons, when weekly indemnity is provided.
  - (e) Travel accident policies confined to coverage providing the benefits only when the accident arises out of accidental bodily injury suffered by the assured whilst operating or riding in or on or boarding or alighting from or being struck by anything used as a means of conveyance or transportation.
  - (f) Actors and actresses.
- (4) Coverages being provided to cover a specific thing, such as the loss of hands by a musician, scarred face by an actor or actress, etc., are not written by a majority of admitted carriers.
- (5) Group medical reimbursement known as "catastrophe" insurance; and blanket medical reimbursement as a result of both accident and illness or illness only for individuals; also blanket medical reimbursement for accident only for persons 65 or over; are not written by a majority of admitted carriers.
- (6) Certain specific coverages on individual risks such as declined risks, certain occupations which would include race car drivers, crop dusting pilots, deep sea divers, baseball players, football players, and risks subject to foreign travel. Prohibited risks would include those mentioned under above occupations and acrobats, service personnel, life guards, biologists outside of the United States, professional boxers, caisson workers, workers in ammunition plants, certain chemical workers, animal trainers, collectors of internal revenue dealing with alcoholic beverages, jockeys, telephone lineman, tunnel work of any kind, explorers, offshore fishermen, stunt men, loggers, certain peace officers and quite a few more which are listed in the Classification Schedule published by the Bureau of Accident and Health Underwriters as not insurable.

Members of the Association will be governed in accordance with the foregoing findings of fact in the writing of accident and health insurance in non-admitted insurers.

*Thomas A. Scadden*

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August 9, 1954

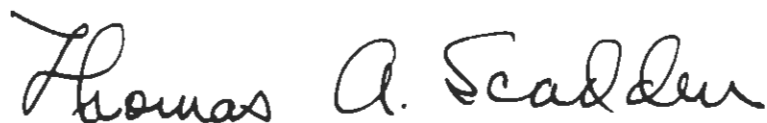
BULLETIN TO ALL MEMBERS:

RE: ACCIDENT AND HEALTH INSURANCE

At the meeting of the Accident and Health Committee held on June 29, 1954, it was decided that the following should be bulletined to all members:

Due to the fact that some members are waiving applications on Travel Accident certificates and K-1 and K-2 certificates, it was the decision of the Committee that a bulletin should be prepared advising all members that the SL-1 form accompanying these three types of filings must set forth the age, occupation and rate classification of the insured.

It will be necessary in the future that the members comply with the above.



MANAGER

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