



THE SURPLUS LINE ASSOCIATION
OF CALIFORNIA

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BULLETIN #498

BULLETIN TO ALL MEMBERS:

Re: Alien Security Review Program
Emergency Regulation #2174

This regulation was filed by the California Department of Insurance with the California Office of Administrative Law on an emergency basis and was effective July 1, 1991 for 120 days. Our bulletin #497 dated August 30, 1991 advises that a public hearing on this "proposal" will be held on October 16, 1991.

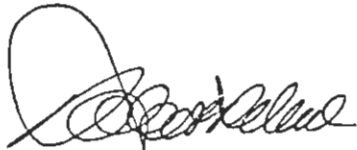
In the interim, the Stamping Office has advised various "contact brokers" of their responsibilities to comply with the ongoing aspect of this regulation. If an alien insurer was used before the effective date of the regulation, the "contact" broker was requested to file certain documents required by the regulation with the Stamping Office no later than September 1, 1991.

Our Association records indicate that currently 284 alien insurers provide coverage to California "consumers" at an estimated premium level of in excess of \$640 million. While 66 alien insurers have provided financial documents to the Stamping Office and the analysis of the data is underway, we are unable at this point to confirm that the data is complete and complies with the regulation. It should be noted that 21 alien insurers have confirmed in writing their intent to withdraw from the California Surplus Lines market - the list of those companies is attached for your review.

In our ongoing discussions with the Department of Insurance and pursuant to the Department of Insurance request, we have provided a list of those insurers who have filed data. The Department recognizes it will take additional time for the Stamping Office to perform an adequate review and financial analysis which will ultimately be provided to the Department of Insurance for their review.

It is our expectation that the Department will shortly also provide you with a status report of this regulation; however, we felt it prudent in the interim to provide you with this update.

Yours truly,

A handwritten signature in cursive script, appearing to read "Robert P. Keul". The signature is written in dark ink and is positioned above the typed name.

Robert P. Keul
Chairman
The Surplus Line Association of California

COMPANIES WHICH HAVE WITHDRAWN

COMPANY:

LOCATION:

ANDREW WEIR INSURANCE COMPANY	UK
AVIATION & GENERAL INSURANCE COMPANY LTD.	UK
AVIABEL CIE. BELGE D'ASSURANCES	BEL
BRITISH FIRE INSURANCE COMPANY LTD.	UK
C. E. HEATH CASUALTY & GENERAL INSURANCE LTD.	AUS
ENGLISH & SCOTTISH MARITIME & GENERAL INSURANCE CO.	UK
GJENSIDIGE NORSK SKADEFORSIKRING	NOR
HANSA MARINE INSURANCE COMPANY (UK) LTD.	UK
IRISH NATIONAL INSURANCE COMPANY PLC	IRE
LA PATERNELLE R. D.	FRA
LA REUNION FRANCAISE, S. A.	FRA
NATIONAL INSURANCE COMPANY OF NEW ZEALAND	NZ
NORWICH UNION FIRE INSURANCE SOCIETY, LTD.	UK
QATAR GENERAL INSURANCE & REINSURANCE COMPANY	QAT
SCAN RE INSURANCE COMPANY LTD.	UK
SKANDIA (UK) INSURANCE COMPANY LTD.	UK
STATE INSURANCE OFFICE OF VICTORIA	
STOREBRAND-NORDEN REINSURANCE COMPANY LTD.	NOR
UNI MUTUAL GENERAL INSURANCE COMPANY	NOR
VESTA (UK) INSURANCE COMPANY LTD	UK
X. L. INSURANCE COMPANY LTD.	BAR