



March 9, 1993

BULLETIN #559

BULLETIN TO ALL MEMBERS.

RE: INCORRECTLY FILLED OUT SL-1 FORM (CONFIDENTIAL REPORT OF SURPLUS LINE PLACEMENT) AND SL-2 FORM (DILIGENT SEARCH REPORT)

We have been requested by the California Department of Insurance to advise all Surplus Line brokers of the following problems with filling out the forms required for all new and renewal placements effective January 1, 1993 and after:

1. On the SL-2 form (Diligent Search Report), questions 7.(B) and 8.(A) are mutually exclusive. Therefore, if 7.(B) is answered yes, 8.(A) should be answered no and vice versa.
2. On the SL-2 form (Diligent Search Report), question 8.(B), **companies listed must show the complete name of the admitted company** (ie: Allstate should be listed as Allstate Indemnity Co. or Allstate Ins. Co. or Allstate Property and Casualty Ins. Co., whichever is the complete name).
3. Both forms must have the **date entered in the space provided.**
4. The SL-1 form (Confidential Report of Surplus Line Placement) must have an **original signature by the surplus line broker.**
5. The SL-2 (Diligent Search Report) form must have an **original signature by the person doing the search.**
6. 1993 renewals that were negotiated and mailed to insured in 1992 and accepted in 1993 must be filed with an SLA-101 form and an SL-1 form (Confidential Report of Surplus Line Placement) but must also be filed with a **statement saying that it was negotiated in 1992 and accepted in 1993** (1993 news and renewals that were negotiated and bound in 1992 can be filed with an SLA-101 and a note stating the policy was negotiated and bound in 1992).

We will provide you additional information as it becomes available.

A.D. Freeman, Jr.
Manager

ADF/imb