



March 18, 1993

BULLETIN #566

**RE: ECONOMIC PROPERTY & CASUALTY INSURANCE COMPANY, LTD.
(BAHAMAS)**

We have been requested by the California Insurance Department, acting in accordance with and pursuant to Section 1765.1 of the Insurance Code, to advise all Surplus Line brokers and Special Lines Surplus Line brokers that effective March 17, 1993, unless and until notified by the Department to the contrary, the above insurer should not be employed for placements of California business. No further new or renewal business may be placed with the company.

This Order is based on a voluntary withdrawal by Economic Property & Casualty Insurance Company, Ltd because of its failure to respond to requests made by the Department of Insurance for "verification of assets, an audited financial statement, and an actuarial opinion. " Also, though the Company agrees not to write any new or accept any renewal business, it will continue to honor and service claims.

Please refer to the attached documentation for further information.

James S. Pugh
Assistant Manager

JSP/imb
Attachments

DEPARTMENT OF INSURANCE
45 FREMONT STREET, 24th FLOOR
SAN FRANCISCO, CA 94105

March 17, 1993

The Surplus Line Association of California
388 Market Street, Suite 1150
San Francisco, CA 94111

**Subject: Economic Property a Casualty Insurance Company. Ltd (Bahamas)
Order Pursuant to California Insurance Code Section 1765.1**

Dear Gentle People:

Please issue a bulletin to your members notifying them that **Economic Property & Casualty Insurance Company, Ltd.** (Bahamas) is unacceptable pursuant to CIC S 1765.1 for placement of new or renewal business.

Please inform your members in the bulletin that this order is based on a voluntary withdrawal by the Company, following the Company's failure to respond to requests by the Department for verification of assets, an audited financial statement, and an actuarial opinion, among other things.

Economic Property & Casualty Insurance Company, Ltd. agrees not to write any new business or accept any renewal business. This company will continue to honor and service claims.

Attached hereto are copies of the Company's correspondence of February 8, 1993 to its "sponsoring Broker" Mercantile Insurance Brokers. Likewise attached is a copy of broker Mercantile's letter of February 8, 1993 to the Department of Insurance.

Staff Counsel
(415) 904-5966

cc: Janice Kerr
Victoria Sidbury
Economic Property & Casualty Insurance Company, Ltd.
Mercantile Insurance Brokers

THE DEPARTMENT OF INSURANCE
311 South Spring St., 10th Flr.
Los Angeles, CA 90013

ATTENTION: ALISSA SMITH

Dear Madam:

RE: ECONOMIC PROPERTY & CASUALTY INSURANCE COMPANY

We have just been informed by Mr. Charles A. Donaldson, President of subject Company, that said Company has voluntarily decided not to write any new business except renewal business effective midnight of February 08, 1993. Said Company will, however, continue to provide amendment to existing policies as long as said amendments do not extend the original terms thereof. Claims will be honored and claims service will be continued on a regular basis.

The reason. given for its voluntary withdraw from writing business in California has something to do with the California Department. or Insurance new regulation & Attached is a copy or the letter faxed to us by Economic Property and Casualty Insurance Company, Limited.

Yours very truly,
SALCEDO DE LOS SANTOS
President

CC: SLA
LONDON CORRESPONDENT BROKERS

8th February, 1993

Attn: S. M. delos Santos

MERCANTILE INSURANCE BROKERS

3552 Green Ave.
P.O. Box 10
Los Alamitos, CA 90720

Gentlemen,

Ref: (California Department of Insurance New Directive)

I reply to your letter with reference to the above, Economic Property & Casualty Insurance Co. Ltd, hereby voluntarily decided not to write any new business or accept any renewal business effective mid-night February 8th 1993.

E.P.C.I. will continue to provide amendment to existing policies as required, so long as said amendments do not extend any provision of said policies beyond its original term. Claims will be honored & claims service will be continued on a regular basis.

Kindly sign and return a copy of this letter showing receipt or same.

Sincerely,
Charles A. Donaldson