

THE SURPLUS LINE ASSOCIATION

OF CALIFORNIA

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April 9, 1958

NO. 67

BULLETIN TO ALL MEMBERS:

RE: Discontinuance of Letters of Declination from Primary Carriers on Assigned Risks covering Excess Automobile Bodily Injury and Property Damage Insurance.

The following letter has just been received from the Department of Insurance:

"ATTENTION: Mr. E. T. King, Chairman
Stamping Office Committee

SUBJECT: Excess Insurance Over Primary
Insurance Written Through the
Assigned Risk Plan
(Your letter of March 19, 1958)

Gentlemen:

The matter discussed in your letter of March 19, 1958, has been considered by Insurance Commissioner F. Britton McConnell, and I have been authorized to write this letter on behalf of the Insurance Commissioner and the Department of Insurance.

You are advised that: when an applicant for motor vehicle liability insurance has made application to the California Assigned Risk Plan, the risk has been assigned to an admitted carrier, such carrier has refused a request to write limits greater than those required to be written by virtue of the assignment, and the applicant desires excess limits be written in a nonadmitted insurer, compliance by the surplus line broker with the procedure hereinafter described will be deemed to be the equivalent of submission to admitted insurers within the meaning of Section 2133 of the California Administrative Code.

Such procedure is: the following statement will be made in writing and signed by the local producer representing the applicant:

April 9, 1958

"When attempting to place this risk I found that the admitted carrier to whom the risk was assigned would only accept primary limits of \$5,000/10,000 Bodily Injury and \$5,000 Property Damage.*

PRODUCER"

(*\$10,000/20,000 Bodily Injury and \$5,000 Property Damage on and after July 1, 1959.)

This statement will be filed with the Surplus Line Association by the surplus line broker concurrently with the filing of a copy of the certificate evidencing the excess coverage. The statement may be placed upon the copy of the certificate by rubber stamp or in longhand, or upon a separate form stapled to the copy of the certificate.

It must be understood responsibility to see that the above procedure is carefully followed will in each case rest upon the surplus line broker.

Yours very truly,

(Signed) JOSEPH D. THOMAS
Chief Assistant
Insurance Commissioner"

It will be necessary for the members to please file with their certificates a statement signed by the producer as required in this letter.



MANAGER

TAS:dg