



August 14, 1995
BULLETIN #713
CLASSIC SYNDICATE, INC.

Effective September 1, 1995, the Classic Syndicate has withdrawn from the surplus lines business in California. Attached is the Department of Insurance's August 11, 1995 letter and the attachments referred to therein.

The Department of Insurance has determined that brokers who choose to replace Classic with another carrier in mid-term, prior to 90 days before expiration, do not have time to make another diligent search. Brokers in such a situation should make their filings by sending the documents with a cover letter explaining the replacement mid-term. This will avoid any unnecessary tagging.

Edgar S. Clark
Executive Director

August 11, 1995
The Surplus Line Association of California
388 Market Street, 11th Floor
San Francisco, CA 94111

Subject: CLASSIC SYNDICATE, INC. (Indiana)

Order Pursuant to California Insurance Code Section 1765.1

Dear Gentle People:

Please issue a bulletin to your members notifying them that CLASSIC SYNDICATE, INC.(Indiana) is unacceptable pursuant to CIC 5 1765.1 for placement of new or renewal business as of September 1, 1995.

This order is based on the withdrawal of the company from the surplus lines business in California. Attached are letters from the company's Vice President Podczerwinski and from the submitting broker Sunderland confirming such withdrawal.

Very truly yours,

Jill A. Jacobi
Senior Staff Counsel

August 11, 1995
Mr. Sandy Clark
Executive Director
The Surplus Line Association, of California
388 Market Street, 11th Floor
San Francisco, California 94111

RE: CLASSIC SYNDICATE, INC. OF THE ILLINOIS INSURANCE EXCHANGE

Dear Mr. Clark:

Please see the attached letter of August 10, 1995 from Classic Syndicate, Inc.

Classic is voluntarily withdrawing from California effective September 01, 1995.

Regards,
SUNDERLAND INSURANCE SERVICES, INC.
William C. Sunderland

August 10, 1995
Mr. William C. Sunderland
Sunderland Insurance Services, Inc. 3021 Citrus Circle., Suite 130 Walnut Creek, CA 94598

RE: Classic Syndicate, Inc.

Dear Mr. Sunderland,

Per my recent telephone conversation with Mr. Dennis Ward of the California Department of Insurance, Classic Syndicate, Inc. will cease writing business in California as of September 1, 1995 under its current section 2174 filing. Please contact the California Insurance Department and the surplus Lines Association with the above information. Attached is a copy of my August 7, 1995 letter to you which further explains our current situation and plans.

If you have any further questions, please do not hesitate to call.

Sincerely,
Charles Podczerwinski Vice President

August 7, 1995

Mr. William C. Sunderland
Sunderland insurance Services, Ind.
3021 citrus circle, Suite 130
Walnut Creek, CA 94598
VIA FACSIMILE

Re: Classic Syndicate, Inc. /Request for Further Information by the California Surplus Lines Association

Dear Mr. Sunderland,

I am in receipt of correspondence between the California Surplus Lines Association, the California Insurance Department, and your office. I apologize for the delay in responding.

As you know, Classic syndicate is part of a holding company group, and is affiliated with another holding company. Both groups of affiliated companies are in the process of developing business plans for presentation to the Florida Department of Insurance, the Indiana Department of Insurance, and the Illinois Insurance Exchange. During the pendency of this process, classic syndicate is experiencing a delay in getting audited financial statements from the firm of Coopers & Lybrand.

The Indiana Department of Insurance is conducting a targeted financial examination as of June 30, 1995 of both Classic Fire & Marine Insurance Company, an Indiana domestic insurance company, and Classic Syndicate, its subsidiary. The Indiana Department has retained Peat Marwick to conduct the financial examination.

Due to the uncertainties inherent in the current situation, I do not know when the company can deliver its audited financial statements for 1994, although Coopers & Lybrand have indicated an ability to deliver an audited financial statement for Classic Syndicate no later than August 31, 1995. In the interim, the company would like to withdraw its application under Section 959 of the California Insurance Code. Please be advised that the company plans to reapply once its business plan is in place, and it has its 1994 audited financial statement as well as the Indiana Department's targeted financial examination, which should give the California Department some comfort as to the company's surplus as of year end 1994 and as of June 30, 1995.

Please contact the California Department and Surplus Lines Association with the above information. If you have any further questions, please do not hesitate to call me.

Sincerely,
Charles Podczerwinski
Vice President