



August 23, 1995

BULLETIN #717

SL-1 AND SL-2 FORMS REVISED MARCH 1995

This bulletin will serve as a reminder to the Membership that the recently revised [SL-1](#) and [SL-2](#) forms provided under cover of SLA Bulletin #693, dated April 12, 1995, must be used for all placements effective September 1, 1995, and thereafter. Please note: All filings received using the old forms with effective dates of September 1, 1995, or later, will be tagged. Attached for your convenience are the latest copies of both the SL-1 and SL-2 Forms. Should you have any questions, please feel free to call Sandy Clark, Jim Pugh, Ilona Bovee or Judith Flowers at 415-434-4900.

Edgar S. Clark
Executive Director

Policy Number:_____ Calif. Premium:_____

CONFIDENTIAL REPORT OF SURPLUS LINE PLACEMENT

Please refer to the instructions on Page 2. This form must be accompanied by a diligent search report and a copy of the declarations page or certificate or binder. (California Insurance Code Section 1763 (a))

1. _____ hereby submits that he/she is:

(A) A duly licensed surplus line broker, license number

or (B) A transactor on the surplus line license of

(Name of Organization)

_____, license

number _____

and (C) that he/she or said organizational licensee was engaged by the insured, or the insured's broker, named herein, to obtain insurance against certain risk as described in this report.

2. RISK DESCRIPTION

(A) Name of Insured _____

(B) Address of Insured _____

(C) Description of the Risk _____

(e.g. Laundromat, Liquor Store, NOT TYPE OF COVERAGE)

(D) Location of the Risk

(Street and Number)

(City) (State) (Zip Code)

(E) Type of Insurance coverage

(Enter Appropriate Code Number-See Codes on Page 2)

3. PLACEMENT DESCRIPTION

List Non-admitted Insurer(s) Underwriting This Policy with % of Premium.

(Include an attachment if additional space is needed or attach a line slip)

If GAP provision applies, please include GAP Exemption Form-Attachment.

NAME OF NONADMITTED INSURER(S) % OF PREMIUM

(Signature of Person Named on Line 1) (Date)

INSTRUCTIONS

WHAT MUST ACCOMPANY THE REPORT: This report must be accompanied by a copy of the declarations page or certificate or binder, and a diligent search report Form SL-2. Note: The surplus line broker submitting this form is responsible to ensure that a diligent search is made among admitted insurers and that the risk meets the conditions for surplus line exportation. (California Insurance Code 1763 (a).)

WHEN TO FILE: This report must be filed by the surplus line broker within 60 days of placing the insurance with a nonadmitted insurer. (California Insurance Code (1763(a).)

WHERE TO FILE: This report must be submitted to The Surplus Line Association of California as designee for the California Insurance Commissioner.

LOWER RATE FILINGS: This report may not be used to file a risk placed with a nonadmitted insurer when such insurance is procured at a lower rate of premium or lower premium than the lowest rate or premium available from an admitted insurer. Please contact the Department of Insurance or The Surplus Line Association of California for information regarding the procedures applicable to such "lower rate" filings.

CODE TYPE OF INSURANCE CODE TYPE OF INSURANCE

050 Auto Liability-Private 510 Aviation

051 Auto Liability-Commercial 550 Errors & Omissions - All others

100 Auto Physical Damage-Private 551 Errors & Omissions - Dir. & off.
 101 Auto Physical Damage-Commercial 600 Malpractice - All Other
 150 Crime 606 Malpractice - Hospitals
 151 Crime-Kidnap & Ransom 650 Miscellaneous
 200 Combined Auto Liability & P.D.-Private 651 Miscellaneous - Glass
 201 Combined Auto Liab & P.D.-Comm 652 Miscellaneous - Boiler & Machinery
 300 Excess Liability (Incl. Umb.) 653 Miscellaneous - Nuclear Risks
 350 Fidelity, Surety & Bonds - Bonds 655 Miscellaneous - Political Risks
 351 Fidelity, Surety & Bonds - Fidelity 700 Accident
 400 Fire -Sgl. Fam. Dwelling, Duplex 701 Accident - Disability Income
 401 Fire -Commercial 702 Accident - Group Health Insurance
 402 Fire - Homeowners 703 Accident - Individual Health Ins.
 403 Fire - Homeowners Multiple Peril 800 Garage Liability
 404 Fire - Farm owners Multiple Peril 980 Excess Workers Compensation
 450 Inland Marine 990 Commercial Property - All Risk
 500 General Liability 994 Commercial Property - Sp. M. Peril
 501 Gen. Liability - Pollution Legal Liability 996 Commercial Property - DIC
 502 General Liability - Product Tampering 997 Commercial Property - Earthquake
 SLA (REV. 3/95)

Policy Number: _____

GAP EXEMPTION FORM

(Attachment to SL-1)

Complete both Sections A and B if this is a layered risk. Complete only Section B if this is not a layered risk.

(A) List all known layers if placed by your brokerage or not.

The primary policy is the first layer.' For additional layers, include an attachment.

Excess of % of Layer with

Layer # Limit of Liability (underlying limits) GAP Insurers

1 \$ \$ %

2 \$ \$ %

3 \$ \$ %

4 \$ \$ %

5 \$ \$ %

6 \$ \$ %

7 \$ \$ %

8 \$ \$ %

9 \$ \$ %

10 \$ \$ %

ME For this type of insurance for this insured:

- a. Total Number of Layers _____
- b. Total Limits of Liability _____ (for all layers combined)
- c. Total % of GA? Insurers _____ % (for all layers combined)
- d. This submission is for layer _____

(B) List GAP Insurers-participating on this layer or underwriting this policy:

GAP Insurer(s) % of Participation This Layer/Policy

(Signature of Person on Line 1 of SL-1) (Date of Signature)

GAP (3/95)

GAP Exemption Form-Requirements

GAP EXEMPTION PLACEMENT CONDITIONS/REQUIREMENTS

California Insurance Code Section 1765.1k

Placement Conditions-

- 1. Multiple insurers are needed to obtain coverage for 100% of the risk.
- 2. Eighty per cent (80%) of the risk is placed with listed or admitted insurers.
- 3. Unlisted insurers do not represent a disproportionate portion of the lower layers of coverage.
- 4. Within thirty (30) days of placement, and annually thereafter, the placing broker must submit to the Commissioner copies of all documentation that the broker relied upon to determine that the financial stability, reputation and integrity of the company was adequate to safeguard the interest of the insured. The documentation should be sent to the California Department of Insurance at the following address:

45 Fremont Street, 24th Floor

San Francisco, CA 94105

Attention: Surplus Line Enforcement Unit

GAP EXEMPTION

Requirements For The Insured:

- 1. The insured must be a sophisticated insurance purchaser.
- 2. The insured must have annual aggregate insurance premiums, excluding workers compensation and health insurance, totalling at least \$100,000.
- 3. The insured cannot be a multiple employer welfare arrangement as defined in

1002 (40) (A) of Title 29 of the United States Code, or any other arrangement among two or more employers that are not under common ownership or control, which is established or maintained for the primary purpose of providing insurance benefits to the employees or two or more employers.

Security Requirements:

1. The nonadmitted insurer must demonstrate financial stability, reputation, and integrity.
2. The nonadmitted insurer must not have been previously objected to, removed from the eligibility list or denied placement on the list.

Coverage Limitation:

1. Unlisted insurers cannot be used if the coverage includes employer-sponsored health insurance or insurance mandated by government.

DILIGENT SEARCH REPORT

(Please Refer to the Instructions on Page 5 of This Form)

_____ hereby submits that he/she is:

(A) Duly licensed under California Department of Insurance license number

or (B) Duly licensed and authorized to act as an endorsee on the organizational license of

_____ (Name of Organization) California Department of Insurance license
number _____;

and (C) that he/she or said organizational licensee was engaged by the insured named herein,
or the insured's broker, to obtain insurance as described in this report.

2. (A) Name of Insured _____

(B) Address of Insured _____
(Street and Number)

(City) (State) (Zip Code)

(C) Description of the Risk

(e.g. Laundromat, liquor store NOT TYPE OF COVERAGE)

(D) Location of the Risk _____
(Street and Number)

(City) (State) (Zip Code)

(E) Type of Insurance coverage_____ (See Codes on Page 6)
(Enter Appropriate Code Number)

SL-2 (REV. 3195)