



November 7, 1996

BULLETIN #783

RE: IDENTIFICATION OF INDIVIDUAL SYNDICATES AT LLOYD'S

Previous bulletins have advised members that they should discuss with their Lloyd's broker(s) obtaining the syndicate numbers for each placement, in the event such numbers are requested in the future by the Department of Insurance (e.g. see Bulletins 765 and 773). Effective January 1, 1997, The Department of Insurance will implement SB 1906 which, among other things, requires the Department to indicate surplus lines eligibility in California on an individual syndicate basis, rather than as "Underwriters at Lloyd's" as has been the case.

Beginning January 1, 1997, a surplus lines broker may only place business with syndicates at Lloyd's if those specific syndicates are listed on the [LESLI list](#). SB 1906 does not apply to Lloyd's placements made before January 1, 1997, even if the effective date is after January 1, 1997. Lloyd's placements made before January 1, 1997 may be made without identifying the individual/specific Lloyd's syndicate (s) on the LESLI list. However, such Lloyd's placements must still comply with existing requirements including those noted in SLA Bulletin 752.

The Department intends to issue a LESLI list showing individual eligible Lloyd's syndicates as soon as practicable, but no later than December 31, 1996.

The Department has instructed us to advise you that effective January 1, 1997, each SL-1 filing that lists Lloyd's as security must also indicate the individual syndicate numbers and each syndicate's participation. Each syndicate's percentage should be determined in the same manner as you would for any situation involving multiple insurers, with the total for all listed security (companies, if any, and participating syndicates) equal to 100%.

There may be some members who do not access Lloyd's directly through a Lloyd's broker. In such a situation, we urge the member(s) to contact the other intermediary immediately and make sure that, effective January 1, 1997, the syndicate number(s) will be available on all your Lloyd's placements.

We recognize that complying with these new requirements may be a difficult transition. The Department of Insurance and we are aware that this is an increase in the detail required in SL-1 filings. However, the statutory language of SB 1906 is clear and these requirements must be met. If any member foresees a problem, in providing the required reporting of individual Lloyd's syndicate's on its SL-1 filings that is beyond their control -- please contact us and explain the problem (be prepared to provide documentation of the problem and your inability to exercise control over it). We will attempt to work with such

members and the Department to help resolve any compliance problems these new requirements may create.

Please feel free to contact me, Ilona Bovee, or Linda Cheng, and we will do all we can to assist.

Edgar S. Clark
Executive Director