



December 11, 1996

BULLETIN #785

RE: POLICY ISSUANCE - AB 2869

Effective January 1, 1997, the California Insurance Code as amended by AB 2869 allows a licensed California surplus lines broker to issue policies, in addition to certificates, provided the authority to so issue is granted by the insurer(s) and notification given by the insurer(s) to the California Department of Insurance. The amendment does not allow the surplus lines broker to act as "Authorized Representative" but does allow issuance and countersignature by the broker.

Each LESLI company must provide the Department of Insurance with a list of those brokers who are authorized to issue policies on its behalf. There is no specific format for this other than the identification of the activity and the name(s) of the licensee(s). The list should be provided as soon as possible. No filing fees are required.

Those brokers who wish to issue policies and who have authority to so issue and countersign, should delete the term "Authorized Representative" from the signature block of the policy and substitute the term "Countersignature".

Please direct any questions to Deanna Zanoni, Linda Cheng, Ilona Bovee or myself.

Edgar S. Clark
Executive Director