



December 30, 1996

BULLETIN #789

Ongoing Filing Requirements for Eligible Surplus Line Insurers in California

The California Department of Insurance ("CDI") has made further amendments to its "Ongoing Filing Requirements for Eligible Surplus Line Insurers in California". Attached is a copy of the revised guide which replaces the one attached to SLA Bulletin # 774.

Major changes to the guide include the following:

1. LESLI insurer may make annual and updated filings directly with the CDI provided the insurer informs its sponsoring broker of the filings. It is further recommended that the sponsoring broker maintains a complete set of all such filings (Page 4, Section II and Page 7, Section IV).
2. Verified copies of foreign insurer's Audited Financial Report and Quarterly Financial Statements are deemed acceptable; however, certified copies are preferred if available (Page 4, Section II, Item 3 and Page 6, Section II, Item 14). A specimen of such verification statement is attached to Exhibit B.
3. Nonadmitted insurer must provide the CDI with a list of surplus brokers authorized by the insurer to issue policies on its behalf (Page 6, Section II, Item 13 and Page 9, Section IV, Item 14).
4. Trust Agreements for alien insurers must be in compliance with the California Insurance Code, reflecting a minimum of \$5.4 million trust balance as well as certain notice and access to records requirements (Page 7, Section IV, Item 4).
5. In the event that the Biographical Affidavits and Report of Examination represent the most current information available and have already been filed with the CDI, the insurer does not need to file them again. However, the insurer is required to provide a verification statement that the most recent version(s) of these documents have been filed previously (Page 5, Section II, Items 11 and 12, and Page 8, Section IV, Item 13). A specimen of such verification statement is attached to Exhibit C.
6. Quarterly or half yearly results of an alien insurer, if available, must be filed (Page 9, Section IV, Item 15).

All changes that may impact a nonadmitted insurer's filings are shaded for the ease of referencing in the attached guide. Should you have any questions regarding the requirements, please call me or John Voltz at (415) 434-4900. Thank you.

Linda Cheng

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