

December 17, 1998 BULLETIN #843

RE: REVISED D-1 and D-2 DISCLOSURE NOTICE FORMS

Attached is the revised <u>D-1</u> (Freestanding Disclosure Statement) and <u>D-2</u> (Mandatory Disclosure Statement) forms which become effective January 1, 1999, as a result of the August 17, 1998 enactment of A.B. 1975 (Brewer).

The language of the D-1 and D-2 forms have been improved by the addition of a paragraph describing to insureds the existence of the List of Eligible Surplus Line Insurers (LESLI). The new paragraph is as follows. "California maintains a list of eligible surplus line insurers approved by the insurance commissioner. Ask your agent or broker if the insurer in on that list."

These forms must be printed or reproduced in 16-point boldface type. The D-1 must be signed by the insured at the time of accepting an application for any insurance policy to be issued by a nonadmitted insurer. The agent, broker or surplus line broker who receives the original signed D-1 from the insured must maintain the original for five years after expiration of the policy and must send copies to all other agents, brokers or surplus line brokers involved in the transaction. Moreover, every policy issued by nonadmitted insurers must contain the freestanding D-2 disclosure statement.

Theodore M. Pierce Executive Director