

# MARKET BULLETIN

REF: Y4095

<b>Title</b>	Further amendment to Mandatory California Disclosure Notices
<b>Purpose</b>	This bulletin advises the market of a minor amendment to the California Notices following the issuance of market bulletin Y4081
<b>Type</b>	Event
<b>From</b>	Giles Taylor, Manager, International Regulatory Affairs Contact details: 020 7327 6677/LITA@lloyds.com
<b>Date</b>	14 December 2007
<b>Deadline</b>	Revised disclosure notice effective 1 January 2008
<b>Related links</b>	<a href="http://www.sla-cal.org/publications/bulletins/1100_series/1143.pdf">http://www.sla-cal.org/publications/bulletins/1100_series/1143.pdf</a>

## Summary

After Lloyd's issued market bulletin Y4081 on 23 November 2007, the California Surplus Lines Association made a minor amendment to Statutory California Disclosure Notice D-1. As a consequence of this, LSW1146b has been revised.

Managing Agents whose syndicates write California surplus lines and exempt insurance should make their underwriters and coverholders aware of this change. The revised D-1 disclosure notice takes effect from 1 January 2008, and should therefore be used for business incepting on or after this date.

No further changes have been made to Statutory California Disclosure Notice D-2 and so underwriters should continue to use wording LSW1147b as detailed in bulletin Y4081 for business incepting on or after 1 January 2008.

## Details

The California Surplus Lines Association (CA SLA) has made a minor amendment to form D-1 (LSW1146b). The opening language has been changed from past tense to future tense.

LSW1146b has been amended to reflect this change.

The revised D-1 disclosure as amended by the CA SLA takes effect from 1 January 2008, and should be used for business incepting on or after this date.

No further changes have been made to California Disclosure Notice D-2 and so underwriters should continue to use wording LSW1147b as detailed in bulletin Y4081 for business incepting on or after 1 January 2008.

Please refer to Appendix 1 to view the revised version of California Disclosure Notice D-1.

The revised California Surplus Lines Association's Bulletin can be found here:

[http://www.sla-cal.org/publications/bulletins/1100\\_series/1143.pdf](http://www.sla-cal.org/publications/bulletins/1100_series/1143.pdf)

You may wish to refer to Lloyd's market bulletin Y4081, Y3453 and Y3524, for background information and guidance on when these wordings should be used.

**Queries**

Lloyd's International Trading Advice

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The information contained in this market bulletin is provided in order to support managing agents in meeting their commitment 'to protect Lloyd's licences and authorisations to conduct insurance business in the UK and overseas'. The information will also help underwriters decide, prior to binding, how a risk can be underwritten in compliance with Lloyd's trading rights in the country concerned.

Giles Taylor  
Manager, International Regulatory Affairs  
International Market Access

## NOTICE

- 1. THE INSURANCE POLICY THAT YOU ARE APPLYING TO PURCHASE IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED “NONADMITTED” OR “SURPLUS LINE” INSURERS.**
  
- 2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT WHICH APPLIES TO CALIFORNIA LICENSED INSURERS.**
  
- 3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.**
  
- 4. CALIFORNIA MAINTAINS A LIST OF ELIGIBLE SURPLUS LINE INSURERS APPROVED BY THE INSURANCE COMMISSIONER. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST, OR VIEW THAT LIST AT THE WEB SITE OF THE CALIFORNIA DEPARTMENT OF INSURANCE:  
[WWW.INSURANCE.CA.GOV](http://WWW.INSURANCE.CA.GOV).**
  
- 5. FOR ADDITIONAL INFORMATION ABOUT THE INSURER YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR “SURPLUS LINE” BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE, AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER: 1-800-927-4357.**

**6. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE POLICY YOU HAVE PURCHASED BE BOUND IMMEDIATELY, EITHER BECAUSE EXISTING COVERAGE WAS GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR YOUR SIGNATURE UNTIL AFTER COVERAGE BECAME EFFECTIVE, YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL COVERAGE, THE PREMIUM WILL BE PRORATED AND ANY BROKER FEE CHARGED FOR THIS INSURANCE WILL BE RETURNED TO YOU.”**

Date: \_\_\_\_\_  
Insured: \_\_\_\_\_

12/07  
LSW1146b