BULLETIN TO ALL MEMBERS

RE: CALIFORNIA AUTOMOBILE FINANCIAL RESPONSIBILITY LAW - PEERLESS BOND - ERRORS & OMISSIONS CONTRACT

As you know, an elaborate procedure was set up in 1908 to enable Surplus Line brokers to provide automobile coverage, written in Lloyd's, which would fully comply with the California Automobile Financial Responsibility Law. The automobile premium volume was substantial for years. For example, in 1968, a total of $1,596,152 and in 1967, $1,552 was exported, most of which was reported under the Peerless bond.

However, writings have dropped drastically during recent years, particularly following curtailment of automobile liability contracts by London, and currently only two offices are reporting any activity, and their combined premium volume during the past year is slightly in excess of $20,000.

It is apparent that continuance of the Peerless bond and of the Errors & Omissions contract will serve no useful purpose and therefore they will not be renewed upon their expiration this year.

John L. Guidery
Manager

JLG: dd