



National Association of Surety Bond Producers
1140 19th Street, NW, Suite 800, Washington, DC 20036-5104
Phone: 202.686.3700
Fax: 202.686.3656
Website: <http://www.nasbp.org>

BY ELECTRONIC TRANSMISSION (investigations@insurance.ca.gov)

May 3, 2016

Kim Johnson-Woods, Division Chief
Investigation Division
California Department of Insurance
9342 Tech Center Drive, Suite 100
Sacramento, CA 95826

Re: Second Inquiry Concerning Status of Direct Surety

Dear Ms. Johnson-Woods:

I am contacting you on behalf of the National Association of Surety Bond Producers (NASBP), a national trade association of companies employing licensed surety bond producers, including licensed resident and non-resident producers placing bonds in the State of California and in all other jurisdictions.

By letter dated February 17, 2016, NASBP contacted you to inquire about the status of a business concern, Direct Surety. For your convenience, attached please find a copy of that letter. NASBP would appreciate an update on what your office has been able to ascertain regarding this business concern.

NASBP appreciates your prompt response to our inquiry. Please feel free to contact me at 202.464.1214 or at mperkins@nasbp.org should you wish to discuss this matter.

Yours sincerely,

Martha L. Perkins
General Counsel

cc: Mark H. McCallum, CEO, NASBP



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February 17, 2016

Kim Johnson-Woods, Division Chief
Investigation Division
California Department of Insurance
9342 Tech Center Drive, Suite 100
Sacramento, CA 95826

Re: Inquiry Concerning Status of Direct Surety

Dear Ms. Johnson-Woods:

I am contacting you on behalf of the National Association of Surety Bond Producers (NASBP), a national trade association of companies employing licensed surety bond producers, including licensed resident and non-resident producers placing bonds in the State of California and in all other jurisdictions.

NASBP has recently had requests from members concerning the status of a business concern, Direct Surety, which is conducting surety business in the State of California and in other jurisdictions; but we are unclear as to whether Direct Surety is acting as a surety producer or as a surety insurer. The contact information for Direct Surety is 1065 E. Hillsdale Blvd. #230, Foster City, CA 94404; phone: 877.512.6506; fax: 866.611.5449; email: info@directsurety.com. The president of Direct Surety is David Druml.

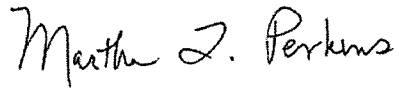
We know from its advertising to the public that Direct Surety represents itself as establishing direct surety relationships with contractors without going through a middleman. For instance, on its website Direct Surety states as follows:

Direct Surety is positioned to be the leading U.S. provider of contract surety bonds enabling contractors to go direct to a surety underwriter rather than through a broker network. . . . The company's primary focus is providing contract surety bonds directly to contractors, eliminating the need for a middleman and promoting a strong relationship directly with a surety underwriter. . . .

NASBP's request is on what grounds and in what capacity is Direct Surety or its officers licensed in the state of California to act as a producer agency or to act as a surety insurer with a certificate of authority.

NASBP appreciates your prompt response to our inquiry. Please feel free to contact me at 202.464.1214 or at mperkins@nasbp.org should you wish to discuss this matter.

Yours sincerely,

A handwritten signature in black ink that reads "Martha L. Perkins". The signature is written in a cursive, flowing style.

Martha L. Perkins
General Counsel

cc: Mark H. McCallum, CEO, NASBP