



December 19, 1996
BULLETIN #788
RE: EXPORT LIST

The Department of Insurance ("DOI") has completed adoption of the Export List. Attached is Bulletin 96-13 dated December 16, 1996, adopting the Export List which should be self-explanatory.

We will shortly issue a Bulletin with an amended Confidential Report of Placement form (SL-1), which will include codes to reflect the coverages/risks appearing on the Export List.

This has been a lengthy and complicated process in which many have participated, and we would like to thank all the individuals and organizations who worked on this. In particular, our thanks go to:

Ms. Carol Fistler, Senior Staff Attorney, DOI;

Mr. David Anderson of Anderson & Murison, Inc.;

Mr. William Newton of Lemac & Associates;

without whose help the List would not have been a reality.

Questions regarding the content of the List should be addressed to Deanna Zanoni, Ilona Bovee, Nadine Watso, or myself.

Questions regarding the SL-1 and/or actual filings - after the form has been distributed - should be addressed to Judy Flowers, or any member of the Data Processing Unit staff. You may telephone us at 415-434-4900.

Edgar S. Clark
Executive Director

**STATE OF CALIFORNIA
DEPARTMENT OF INSURANCE
45 FREMONT STREET
SAN FRANCISCO, CA 94105**

**Bulletin No. 96-13
December 16, 1996**

**TO: All Surplus Line Brokers, Admitted Insurers,
and Other Interested Persons**

SUBJECT: Export List

As of January 1, 1996, Section 1763.1 was added to the Insurance Code. This section provides that the commissioner may by order declare eligible for placement with a nonadmitted insurer and exempt from all the requirements of Section 1763, except the filing of a confidential written report, any type of insurance coverage or risk for which he or she finds after a public hearing that there is not a reasonable or adequate market among admitted insurers.

Earlier in the year, the commissioner began collecting information on whether or not there is a reasonable or adequate market among admitted insurers for certain risks or coverages. The Department reviewed the export lists in other states. We contacted California surplus line brokers and surveyed them as to the risks most placed by them. We received industry input from admitted carriers and through the Surplus Line Association. We also held a public hearing on July 9, 1996 and solicited public comment from all interested parties including surplus line brokers, admitted insurers, trade associations representing admitted insurers, agents and brokers, and consumer groups to provide us with evidence of a lack of a reasonable or adequate market amongst admitted carriers for a particular risk or coverage.

After this process, the Department came up with a proposed export list. We checked the proposed list of risks and coverages with the list of filed risks of admitted carriers and found that there was very little if any crossover.

We circulated the proposed list to receive comment from all interested parties including surplus line brokers, admitted insurers, trade associations representing admitted insurers, agents and brokers, and consumer groups. We also held two public hearings in October on the subject. After the hearings and receiving public comment, the Department revised the proposed export list. The Department now finds that there is not a reasonable or adequate market among admitted insurers for the risks and coverages on the attached export list and formally adopts the attached export list for usage regarding placements.

We also would like to remind you that risks and coverages not

appearing on this list may still be exportable but subject to the full documentation of the search being performed pursuant to Insurance Code Section 1763.

A public hearing will be held annually or more often at the commissioner's discretion regarding the attached export list. The commissioner or his or her designee shall notify all surplus line brokers of any removal from the list.

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Department of Insurance
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CHUCK QUACKENBUSH
Insurance Commissioner

By Dennis Ward
Dennis Ward
Chief, Enforcement

EXPORT LIST

Automobile

Exotic/Classic/Antique Autos With a Value in Excess of
\$100,000

Crime

Excess Crime
Kidnap & Ransom

Fire & Allied Lines

Amusement Parks/Carnivals and Amusement Devices
Commercial DIC/Stand Alone Earthquake
Explosive Manufacturing/Sales/Storage
Homeowners Earthquake-Excess Limits or Deductible Buyback
Individual Insureds With Large Schedules Where the TIV(Total
Insured Values)Are in Excess Of \$500 million
Vacant Buildings
Sawmills
Hay in the Open
Excess Flood

General Liability

Ambulance Service Including Professional Liability
Amusement Parks/Carnivals/Devices
Blasting Contractors
Building Moving
Clinical and Similar Tests of Pharmaceutical, Medical,
Biological and Other Similar Products
Contractors Engaged In Construction of New Tract Homes
And/Or New Condominiums
Demolition
Environmental Impairment Remediation and Pollution Liability
Employment Practices Liability
Explosives Including Manufacturing/Sales/Storage
Fireworks Displays
Patent/Trademark/Copyright Infringement
Limits That Attach In Excess of \$150 Million
Oilfield Contractors
Products/Completed Operations (written on a stand alone
basis)
Products Recall
Professional liability for Architects & Engineers/Condo
coverage only
Professional Liability for Campaign Treasurers
Outfitters & Guides
Short Term Special Events
Security Guard Services
Excess Liability Where Part of Underlying Is Nonadmitted

Inland Marine

Excess Motor Truck Cargo
Any Vessel with a Maximum Rated Speed in Excess of 55 mph
Personal Articles Floaters Written On a Stand Alone Basis
where the value of the schedule is in excess in excess
of \$1,000,000 or contains a single item(s) over

\$100,000.

**All vessels in excess of 30 feet and rated with a maximum
speed of 45 mph**

Disability

International Major Medical

High Limits Disability

Bridge Plan

**Political Risks Including Expropriation, Confiscation, Unfair
Calling**