



AUGUST 20, 2003

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BULLETIN # 1010

RE: EXPORT LIST OPPORTUNITY

The California Department of Insurance (CDI) is planning to hold their annual public hearing on the Export List in late October. The hearing will discuss the coverage and risk categories that can be exported to companies on the List of Eligible Surplus Line Insurers (LESLI) without having to conduct a diligent search of the admitted market.

As you know, Surplus Line Brokers who transact surplus line policies must ensure a diligent search of the admitted market and supervise or complete the SL-2 Form (Diligent Search Report) which describes the diligent search that was conducted. While the diligent search may be performed by the surplus line broker or retail producer, in either case, the surplus line broker is responsible to ensure that a search is made and a copy of the SL-2 form is filed with the SLA within 60 days of the placement of the coverage. However, when executing policies for coverage or risk categories that appear on the Export List (Sec. 1763.1), surplus line brokers are exempt from having to supervise or conduct the diligent search and thus do not need to complete this portion of the SL-2 form nor include this information in their SLA filing.

If you have a suggestion for an addition to the Export List and can substantiate your claim that the added item is not available in the admitted market, the SLA will submit testimony on your behalf to the CDI at the fall hearing. Your requested addition must be accompanied by evidence substantiating that an adequate or reasonable market does not exist among admitted insurance carriers. Specifically, the evidence should provide first-hand written testimony substantiating that the coverage or risk in question is generally unavailable in the admitted market. Another form of evidence would be written declinations from admitted carriers stating that they are unwilling to underwrite policies for a specific coverage or risk. The evidence must be of a compelling nature that gives the CDI assurances that the entire spectrum of California admitted carriers known for writing in the same general category of coverage or risk have been surveyed by the surplus line broker.

If you want the SLA to testify on your behalf, **please forward the information described above to Theodore M. Pierce, Executive Director within 30 days.** Attached is a current copy of the Export List for your review.

Theodore M. Pierce
Executive Director

CALIFORNIA DEPARTMENT OF INSURANCE
EXPORT LIST 2003

Automobile

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

Aviation

Aviation Excess Liability

Crime

Excess Crime

Kidnap and Ransom

Disability

Bridge Plan

High Limits Disability

International Major Medical

Event Coverage

Event Cancellation

Fire & Allied Lines

Amusement Parks/Carnivals and Amusement Devices

Commercial DIC/Stand Alone Earthquake

Disaster Income Protection

Excess Flood

Explosive Manufacturing/Sales/Storage

Hay in the Open

Homeowners Earthquake-Excess Limits or Deductible Buyback

Individual Insureds with Large Schedules Where the TIV (Total Insured Values) Are in Excess of \$500 Million

Sawmills

Vacant Buildings

General Liability

Ambulance Service Including Professional Liability

Amusement Parks / Carnivals / Devices

Blasting Contractors

Building Moving

Contractors Engaged in Construction of New Tract Homes And/or New Condominiums

Clinical and Similar Tests of Pharmaceutical, Medical, Biological and Other Similar Products

Demolition Contractors

Employment Practices Liability

Environmental Impairment Remediation and Pollution Liability

Excess Liability Where Part of Underlying is Nonadmitted

Explosives Including Manufacturing/Sales/Storage

**CALIFORNIA DEPARTMENT OF INSURANCE
EXPORT LIST 2003**

General Liability (continued)

Fireworks Displays
Foster Family (occurrence based only)
Limits that Attach in Excess of \$150 Million
Oilfield Contractors
Outfitters & Guides
Patent/Trademark/Copyright Infringement
Products/Completed Operations (Written on a Stand Alone Basis)
Products Recall
Security Guard Services
Seasonal or Mobile, Concessionaires, Vendors and Fairs, with or without Liquor Liability
Short Term Special Events (excluding hole -in-one coverage)
Tattoo and Body Piercing Shops

Inland Marine

All Vessels in Excess of 30 Feet and Rated with a Maximum Speed of 45 mph
Any Vessel with a Maximum Rated Speed in Excess of 55 mph
Excess Motor Truck Cargo
Personal Articles Floaters Written On a Stand Alone Basis where the value of the Schedule is in Excess of \$1,000,000 or contains a single item (s) over \$100,000

Political

Political Risks Including Expropriation, Confiscation, Unfair Calling

Prize

Prize Indemnification (excluding hole-in-one coverage)

Professional Liability

Architects and Engineers/Condo Coverage Only
Campaign Treasurers
Creditors' Committees
Tattoo and Body Piercing Shops

The Items In bold are headlines only and not export Items In and of themselves.