



SEPTEMBER 29, 2003

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BULLETIN # 1014
RE: EXPORT LIST HEARING

The California Department of Insurance (CDI) has scheduled their annual public hearing on the Export List for Thursday, October 23, 2003, at 10:00 a.m. in San Francisco, CA at 45 Fremont Street, 22nd Floor. 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 (Sec. 1763.1). Enclosed is a copy of the CDI's notice of the public hearing and a copy of the current Export List.

A handwritten signature in black ink that reads 'Theodore M. Pierce'.

Theodore M. Pierce
Executive Director

**CALIFORNIA DEPARTMENT OF INSURANCE
EXPORT LIST HEARING**

NOTICE OF PUBLIC HEARING REGARDING EXPORT LIST

NOTICE IS HERBY GIVEN that the Insurance Commissioner of the State of California will hold a public hearing, at the time and place set forth below, concerning the renewal of the export list in the surplus lines area.

October 23, 2003

10:00 a.m.

Department of Insurance
45 Fremont Street, 22nd Floor
San Francisco, California 94105

THE HEARING ROOM IS ACCESSIBLE TO PERSONS WITH MOBILITY IMPAIRMENTS. IF ACCOMMODATIONS NEED TO BE MADE FOR OTHER DISABILITIES, SUCH AS HEARING IMPAIRMENT, PLEASE PHONE THE CONTACT PERSON LISTED IN THIS NOTICE BY OCTOBER 15 SO ARRANGEMENTS CAN BE MADE.

EXPORT LIST

Pursuant to insurance Code Section 1763.1, 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.

Pursuant to this mandate, the commissioner has previously collected 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 have held annual public hearings and solicited public comment form 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 adopted the attached EXPORT LIST.

RENEWAL

Pursuant to Insurance Code Section 1763.1 a public hearing shall be held annually regarding the export list. The above noticed hearing is being set to take testimony on the export list to see if any items should be added or removed.

In preparing your comments and/or testimony please be aware that items not appearing on this list will still be exportable but subject to the full documentation of the search being performed pursuant to Insurance Code Section 1763.

**CALIFORNIA DEPARTMENT OF INSURANCE
EXPORT LIST HEARING**

ITEMS BEING CONSIDERED

This Department is considering adding hot air balloon liability insurance to the EXPORT LIST. If you are an admitted carrier that writes this coverage or any of the coverages currently on the EXPORT LIST or otherwise have reason to believe that such coverages are available in the admitted market, please present evidence of such in writing or appear at the hearing.

HEARING AND WRITTEN TESTIMONY

As stated before, this hearing is public and interested parties may testify as time permits. The hearing will be structured with time and place priority afforded to those who have signed-up in advance to speak. If you wish to sign-up in advance to speak, submit your written request to the contact person listed below.

PLEASE BE AWARE THAT IN ORDER FOR THE COMMISSIONER TO CONSIDER ADDING A RISK OR COVERAGE TO THE EXPORT LIST, THE COMMISSIONER MUST HAVE EVIDENCE THAT THERE IS NOT AN ADEQUATE OR REASONABLE MARKET FOR THE RISK OR COVERAGE IN THE ADMITTED MARKET. SUBMISSION OF A STATEMENT SIMPLY REQUESTING A RISK OR COVERAGE TO BE ADDED TO THE LIST WITHOUT OTHER SUPPORTING EVIDENCE OF THE LACK OF AN ADEQUATE OR REASONABLE ADMITTED MARKET WILL NOT BE ENOUGH FOR THE COMMISSIONER TO ADD A RISK OR COVERAGE TO THE LIST.

All written testimony, comments, or documents must be sent to the Department of Insurance at the address given below no later than 5:00 p.m. on October 23, 2003. All written testimony received at the hearings will be considered part of the hearing record. The Department of Insurance will not accept any written testimony, comments, or documents which are transmitted to it by facsimile.

Please direct any questions regarding this Notice of Investigatory Hearing, opportunities to testify, and written submissions for the record, to: Carol Frair, Senior Staff Counsel, California Department of Insurance, 45 Fremont Street, 21st Floor, San Francisco, CA 94105, (415) 538-4408.

DATED: September 24, 2003

JOHN GARAMENDI
Insurance Commissioner

by Carol F. Frair, Senior Staff Counsel
(copy of original letter and Carol's signature on pages 6 and 7)

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

CALIFORNIA DEPARTMENT OF INSURANCE EXPORT LIST 2003

General Liability (continued)

Excess Liability Where Part of Underlying is Nonadmitted
 Explosives Including Manufacturing/Sales/Storage
 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.