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EXPORT LIST OPPORTUNITY

The California Department of Insurance (CDI) is planning to hold their annual public hearing on the Export List sometime this fall. 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 type 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

Attachment

CALIFORNIA DEPARTMENT OF INSURANCE

EXPORT LIST

<u>EXPORT LIST ITEM</u>	<u>EXPORT LIST CODE</u>
Automobile	
Exotic/Classic/Antique Autos With Value In Excess of \$100,000	052
Crime	
Excess Crime	152
Kidnap and Ransom	153
Fire & Allied Lines	
Amusement Parks/Carnivals and Amusement Devices	405
Commercial DIC/Stand Alone Earthquake	406
Disaster Income Protection	415
Explosive Manufacturing/Sales/Storage	407
Homeowners Earthquake-Excess Limits or Deductible Buyback	408
Individual Insureds with Large Schedules Where the TIV (Total Insured Values) Are in Excess of \$500 Million	409
Vacant Buildings	410
Sawmills	411
Hay in the Open	412
Excess Flood	413
General Liability	
Ambulance Service Including Professional Liability	561
Amusement Parks/Carnivals/Devices	562
Blasting Contractors	563
Building Moving	564
Clinical and Similar Tests of Pharmaceutical, Medical, Biological and Other Similar Products	565
Contractors Engaged in Construction of New Tract Homes And/or New Condominiums	566
Demolition Contractors	567
Environmental Impairment Remediation and Pollution Liability	568
Employment Practices Liability	569
Explosives Including Manufacturing/Sales/Storage	570
Foster Family (occurrence based only)	588
Fireworks Displays	571
Patent/Trademark/Copyright Infringements	572
Limits that Attach in Excess of \$150 Million	573
Oilfield Contractors	574
Products/Completed Operations (Written on a Stand Alone Basis)	575
Products Recall	576
Outfitters & Guides	579
Short Term Special Events (excluding hole-in-one coverage)	580
Security Guard Services	581
Excess Liability Where Part of Underlying is Nonadmitted	582
Tattoo and Body Piercing Shops	583
Aviation Excess Liability	586

Revision Date: January 2004

<u>EXPORT LIST ITEM</u>	<u>EXPORT LIST CODE</u>
General Liability	
Seasonal or Mobile Fairs Concessionaires and Vendors Including Liquor Liability	587
Hot Air Balloon	589
Professional Liability	
Architects and Engineers/Condo Coverage Only	577
Campaign Treasurers	578
Creditors' Committees	584
Tattoo and Body Piercing Shops	585
Inland Marine	
Excess Motor Truck Cargo	451
Any Vessel with a Maximum Rated Speed in Excess of 55 mph	452
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	453
All Vessels in Excess of 30 Feet and Rated with a Maximum Speed of 45 mph	454
Disability	
International Major Medical	705
High Limits Disability**	706
Bridge Plan*	707
Other	
Political Risks Including Expropriation, Confiscation, Unfair Calling	655
Event Cancellation	656
Prize Indemnification (excluding hole-in-one coverage)	657

**High Limits Disability is coverage that offers benefit amounts over the admitted market maximum issue and participation limits and/or includes occupations which are not eligible through the admitted markets.

*The Bridge Plan covers 65 year old people who must wait a certain period before they can enroll in Medicare. These people either 1) failed to meet the residency requirement of Medicare and must wait 5 years to meet the residency requirement or 2) failed to enroll during the proper Medicare enrollment period and now must wait a brief period before they are eligible to enroll.