



**THE SURPLUS LINE ASSOCIATION  
OF CALIFORNIA**

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October 12, 2012

**BULLETIN #1271**

**RE: EXPORT LIST HEARING**

The California Department of Insurance (CDI) is planning to hold their annual public hearing on the Export List this fall. The date has not yet been determined. The hearing will discuss the coverage and risk categories that can be exported to non-admitted insurance companies without having to conduct a diligent search of the admitted market as described in California Insurance Code Sections 1763 and 1763.1.

Surplus line brokers who make placements of surplus line policies for a California home state insured must: 1.) ensure a diligent search of the admitted market, and 2.) 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 licensed 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 coverage. However, when executing policies for a California home state insured 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 SL-2 form nor include the SL-2 in their SLA filing. The Export List exemption from diligent search requirements is in addition to the new, commercial insured exemption. See California Insurance Code §§ 1760.1 (b) and 1763 (h) (1) to determine compliance with the placement requirements for the new commercial insured exemption.

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 supporting evidence substantiating the lack of an adequate or reasonable admitted market. Specifically, the evidence should provide first hand written testimony substantiating that the coverage or risk in question is generally unavailable in the admitted market. In addition, please provide 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 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 Benjamin J. McKay, Executive Director, SLA. The SLA will issue another bulletin announcing the date, time, and location of the hearing once it is set. Attached is a current copy of the Export List for your review.

Sincerely,

A handwritten signature in black ink that reads "Benjamin J. McKay". The signature is written in a cursive, flowing style.

Benjamin J. McKay, J.D., M.P.A.  
Executive Director

BMcKay  
Attachment

# California Department of Insurance Export List

Export List Item	Export List Code
<b>ACCIDENT/DISABILITY</b>	
BRIDGE PLAN*	707
HIGH LIMITS DISABILITY**	706
INTERNATIONAL MAJOR MEDICAL	705
<b>AUTOMOBILES</b>	
EXOTIC/CLASSIC/ANTIQUÉ AUTOS WITH A VALUE IN EXCESS OF \$100,000	52
<b>AVIATION</b>	
AVIATION EXCESS LIABILITY	586
SHORT TERM MEDIA/ENTERTAINMENT NON-OWNED CONTINGENT AIRCRAFT LIABILITY (FILM/ENTERTAINMENT PRODUCTIONS)	590
<b>CRIME</b>	
EXCESS CRIME	152
KIDNAP & RANSOM	153
<b>FIRE &amp; ALLIED LINES</b>	
AMUSEMENT PARKS/CARNIVALS AND AMUSEMENT DEVICES	405
COMMERCIAL DIC/STAND ALONE EARTHQUAKE	406
DISASTER INCOME PROTECTION	415
EXCESS FLOOD	413
EXPLOSIVE MANUFACTURING/SALES/STORAGE	407
HAY IN THE OPEN	412
HOMEOWNERS EARTHQUAKE/EXCESS LIMITS OR DEDUCTIBLE BUYBACK	408
INDIVIDUAL INSURED WITH LARGE SCHEDULES WHERE THE TIV (TOTAL INSURED VALUES) ARE IN EXCESS OF \$500 MILLION	409
SAWMILLS	411
VACANT BUILDINGS	410
<b>GENERAL LIABILITY</b>	
AMBULANCE SERVICES INCLUDING PROFESSIONAL LIABILITY	561
AMUSEMENT PARKS/CARNIVALS/DEVICES	562
BLASTING CONTRACTORS	563
BUILDING MOVING	564
CLINICAL AND SIMILAR TESTS OF PHARMACEUTICAL, MEDICAL, BIOLOGICAL & OTHER SIMILAR PRODUCTS	565
CONTRACTORS ENGAGED IN CONSTRUCTION OF NEW TRACT HOMES AND/OR NEW CONDOMINIUMS	566
CRANE & RIGGING CONTRACTORS	591
DEMOLITION CONTRACTORS	567
EMPLOYMENT PRACTICES LIABILITY	569
ENVIRONMENTAL IMPAIRMENT REMEDIATION AND POLLUTION LIABILITY	568
EXCESS LIABILITY WHERE PART OF UNDERLYING IS NONADMITTED	582
EXPLOSIVES INCLUDING MANUFACTURING/SALES/STORAGE	570
FIREWORKS DISPLAYS	571
FOSTER FAMILY (OCCURRENCE BASED ONLY)	588
HOT AIR BALLOON	589
LIMITS THAT ATTACH IN EXCESS OF \$150 MILLION	573

# California Department of Insurance Export List

Export List Item Export List Code

## GENERAL LIABILITY

OILFIELD CONTRACTORS	574
OUTFITTERS AND GUIDES	579
PATENT/TRADEMARK/COPYRIGHT INFRINGEMENT	572
PRODUCTS RECALL	576
PRODUCTS/COMPLETED OPERATIONS (WRITTEN ON A STAND ALONE BASIS)	575
SEASONAL OR MOBILE CONCESSIONAIRES, VENDORS AND FAIRS, WITH OR WITHOUT LIQUOR LIABILITY	587
SECURITY GUARD SERVICES	581
SHORT TERM MEDIA/ENTERTAINMENT RAILROAD PROTECTIVE LIABILITY (FILM/ENTERTAINMENT PRODUCTIONS)	592
SHORT TERM SPECIAL EVENTS (EXCLUDING HOLE-IN-ONE)	580
TATTOO AND BODY PIERCING SHOPS	583

## INLAND MARINE

ALL VESSELS IN EXCESS OF 30 FEET AND RATED WITH A MAXIMUM SPEED OF 45 MPH	454
ANY VESSEL WITH A MAXIMUM RATED SPEED IN EXCESS OF 55 MPH	452
EXCESS MOTOR TRUCK CARGO	451
PERSONAL ARTICLES FLOATERS WRITTEN ON A STAND ALONE BASIS WHERE THE VALUE OF THE SCHEDULE IS IN EXCESS OF \$1M OR CONTAINS A SINGLE ITEM(S) OVER \$100,000	453

## MISCELLANEOUS

EVENT CANCELLATION	656
POLITICAL RISKS INCLUDING EXPROPRIATION, CONFISCATION, UNFAIR CALLING	655
PRIZE INDEMNIFICATION (EXCLUDING HOLE-IN-ONE COVERAGE)	657
SHORT TERM MEDIA/ENTERTAINMENT FAILURE TO SURVIVE COVERAGE FOR \$5 MILLION AND OVER (FILM/ENTERTAINMENT PRODUCTIONS)	658

## PROFESSIONAL LIABILITY/ERRORS & OMISSION

ARCHITECTS & ENGINEERS/CONDO COVERAGE ONLY	577
CAMPAIGN TREASURERS	578
CREDITORS' COMMITTEES	584
TATTOO & BODY PIERCING SHOPS E/O	585

\*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.

\*\*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.