



**THE SURPLUS LINE ASSOCIATION  
OF CALIFORNIA**

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**November 27, 2012**

**BULLETIN #1274**

RE: EXPORT LIST HEARING

The California Department of Insurance (CDI) has scheduled the annual public hearing on the Export List for Wednesday, December 19, 2012 at 10:00 a.m. in San Francisco at 45 Fremont Street, 22nd Floor hearing room. The hearing will discuss the coverage and risk categories for which a surplus line placement can be made for a California home state insured without having to conduct a diligent search of the admitted market (Sec. 1763.1). Enclosed is a copy of the CDI notice of public hearing and a copy of the current Export List.

Please note the Department is considering deleting from the list Exotic/Classic/Antique Autos with a Value in Excess of \$100,000. If this item is deleted from the export list, these policies could still be exported. If an item is deleted from the export list, then it may still be exported but the exportation would require the full documentation of the search being performed pursuant to Insurance Code Section 1763.

Sincerely,

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

## NOTICE OF PUBLIC HEARING REGARDING EXPORT LIST

NOTICE IS HEREBY 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.

December 19, 2012  
10:00 a.m.  
Department of Insurance  
45 Fremont Street, 22<sup>nd</sup> 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 DECEMBER 12 SO ARRANGEMENTS CAN BE MADE.

### EXPORT LIST

Pursuant to Insurance Code Section 1763.1, the Commissioner may by order declare permissible for placement for a California home state insured 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 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 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.

The Department is considering deleting from the list Exotic/Classic/Antique Autos with a Value in Excess of \$100,000. If this item is deleted from the export list, these policies could still be exported. If an item is deleted from the export list, then it may still be

exported but the exportation would require the full documentation of the search being performed pursuant to Insurance Code Section 1763.

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.

#### 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 in triplicate (original and two copies) and received by the Department of Insurance at the address given below no later than 5:00 p.m. on December 19, 2012. 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, opportunities to testify, and written submissions for the record, to: Carol Frair, Senior Staff Counsel, California Department of Insurance, 45 Fremont Street, 24th Floor, San Francisco, CA 94105, (415) 538-4408.

DATED: November 27, 2012

DAVE JONES  
Insurance Commissioner

By Carol Frair Carol F. Frair, Senior Staff Counsel

**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/ANTIQUE 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
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 FAIRS, 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
<b>INLAND MARINE</b>	
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
<b>MISCELLANEOUS</b>	
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 FOR \$5 MILLION AND OVER (FILM/ENTERTAINMENT PRODUCTIONS)	658
<b>PROFESSIONAL LIABILITY/ERRORS &amp; OMISSION</b>	
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.