



November 11, 2015

**BULLETIN #1326**

**RE: EXPORT LIST HEARING SCHEDULED FOR DECEMBER 18, 2015**

The California Department of Insurance (CDI) is planning to hold its annual public hearing on the Export List on December 18, 2015, at 10:00 a.m. The hearing will take place at the CDI's San Francisco hearing room, 45 Fremont Street, 22nd Floor. At this hearing, CDI will take testimony on the Export List.

Attached is the CDI's formal hearing notice and a current copy of the Export List for your review.

**To Testify At The Hearing**

If you wish to advocate in person at the CDI hearing for an addition to or deletion from the Export List, please notify the SLA in advance of the hearing. Specifically, to advocate for an addition, you must provide firsthand, written testimony verifying that the coverage 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 the specific coverage or risk. The evidence must convince CDI that the broker has surveyed the entire spectrum of California admitted carriers known for insuring the risk. To advocate for a deletion, you must provide firsthand, written testimony that the coverage is available in the admitted market.

**To Have SLA Testify On Your Behalf**

The SLA will be presenting information at the annual CDI Export List hearing. The SLA may also testify on your behalf at the CDI hearing if so desired. If you wish to suggest an addition to the Export List, and you can demonstrate that the coverage is not available in the admitted market, SLA will testify on your behalf at the CDI hearing. Specifically, you must provide firsthand, written testimony verifying that the coverage 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 the specific coverage or risk. The evidence must convince CDI that the broker has surveyed the entire spectrum of California admitted carriers known for insuring the risk. If you would like to suggest a deletion, you must provide firsthand, written testimony that the coverage is available in the admitted market.

If you wish the SLA to present a request on your behalf in its testimony, then please send any Export List request and substantiating documentation to Benjamin J. McKay, SLA Executive Director, by Friday, December 4, 2015 at [bmckay@slacal.org](mailto:bmckay@slacal.org).

Sincerely,

A handwritten signature in black ink that reads 'Benjamin J. McKay'.

**Benjamin J. McKay, J.D., M.P.A.**  
Executive Director  
Surplus Line Association of California

## **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 18, 2015**

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 11 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.

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 5:00p.m. on December 18, 2015. 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 9, 2015

DAVE JONES  
Insurance Commissioner

By  Carol F. Frair, Senior Staff Counsel

# California Department of Insurance

## Export List Item

### **ACCIDENT/DISABILITY**

BRIDGE PLAN\*  
HIGH LIMITS DISABILITY\*\*  
INTERNATIONAL MAJOR MEDICAL

### **AUTOMOBILES**

EXOTIC/CLASSIC/ANTIQUA AUTOS WITH A VALUE IN EXCESS OF \$100,000

### **AVIATION**

AVIATION EXCESS LIABILITY  
SHORT TERM MEDIA/ENTERTAINMENT NON-OWNED CONTINGENT AIRCRAFT LIABILITY (FILM/ENTERTAINMENT PRODUCTIONS)

### **CRIME**

EXCESS CRIME  
KIDNAP & RANSOM

### **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 INSURED WITH LARGE SCHEDULES WHERE THE TIV(TOTAL INSURED VALUES) ARE IN EXCESS OF \$500 MILLION  
SAWMILLS  
VACANT BUILDINGS

### **GENERAL LIABILITY**

AMBULANCE SERVICES INCLUDING PROFESSIONAL LIABILITY  
AMUSEMENT PARKS/CARNIVALS/DEVICES  
BLASTING CONTRACTORS  
BUILDING MOVING  
CLINICAL AND SIMILAR TESTS OF PHARMACEUTICAL, MEDICAL, BIOLOGICAL & OTHER SIMILAR PRODUCTS  
CONTRACTORS ENGAGED IN CONSTRUCTION OF NEW TRACT HOMES AND/OR NEW CONDOMINIUMS  
CRANE & RIGGING CONTRACTORS  
DEMOLITION CONTRACTORS  
EMPLOYMENT PRACTICES LIABILITY  
ENVIRONMENTAL IMPAIRMENT REMEDIATION AND POLLUTION LIABILITY  
EXCESS LIABILITY WHERE PART OF UNDERLYING IS NONADMITTED  
EXPLOSIVES INCLUDING MANUFACTURING/SALES/STORAGE  
FIREWORKS DISPLAYS  
FOSTER FAMILY (OCCURRENCE BASED ONLY)  
HOT AIR BALLOON  
LIMITS THAT ATTACH IN EXCESS OF \$150 MILLION

# California Department of Insurance

## Export List Item

### **GENERAL LIABILITY**

OILFIELD CONTRACTORS  
OUTFITTERS AND GUIDES  
PATENT/TRADEMARK/COPYRIGHT INFRINGEMENT  
PRODUCTS RECALL  
PRODUCTS/COMPLETED OPERATIONS(WRITTEN ON A STAND ALONE BASIS)  
SEASONAL OR MOBILE FAIRS, CONCESSIONAIRES, VENDORS AND FAIRS, WITH OR WITHOUT LIQUOR LIABILITY  
SECURITY GUARD SERVICES  
SHORT TERM MEDIA/ENTERTAINMENT RAILROAD PROTECTIVE LIABILITY (FILM/ENTERTAINMENT PRODUCTIONS)  
SHORT TERM SPECIAL EVENTS (EXCLUDING HOLE-IN-ONE)  
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 \$1M OR CONTAINS A SINGLE ITEM(S) OVER \$100,000

### **MISCELLANEOUS**

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

### **PROFESSIONAL LIABILITY/ERRORS & OMISSION**

ARCHITECTS & ENGINEERS/CONDO COVERAGE ONLY  
CAMPAIGN TREASURERS  
CREDITORS' COMMITTEES  
PHYSICIAN/MEDICAL GROUP/HOSPITAL BILLING E/O  
TATTOO & BODY PIERCING SHOPS E/O

\*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.