



## The Surplus Line Association of California

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### BULLETIN #972

### 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 general category 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



**CALIFORNIA DEPARTMENT OF INSURANCE**  
**EXPORT LIST 2002**

**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  
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)



**CALIFORNIA DEPARTMENT OF INSURANCE  
EXPORT LIST 2002**

**General Liability (continued)**

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 Hems In bold are headlines only and not export Items In and of themselves.**