

**STATE OF CALIFORNIA  
DEPARTMENT OF INSURANCE  
45 FREMONT STREET  
SAN FRANCISCO, CA 94105**

**Bulletin No. 96-13  
December 16, 1996**

**TO: All Surplus Line Brokers, Admitted Insurers,  
and Other Interested Persons**

**SUBJECT: Export List**

As of January 1, 1996, Section 1763.1 was added to the Insurance Code. This section provides that the commissioner may by order declare eligible for placement 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.

Earlier in the year, the commissioner began collecting 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 held a public hearing on July 9, 1996 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 came up with a proposed export list. We checked the proposed list of risks and coverages with the list of filed risks of admitted carriers and found that there was very little if any crossover.

We circulated the proposed list to receive comment from all interested parties including surplus line brokers, admitted insurers, trade associations representing admitted insurers, agents and brokers, and consumer groups. We also held two public hearings in October on the subject. After the hearings and receiving public comment, the Department revised the proposed export list. The Department now finds that there is not a reasonable or adequate market among admitted insurers for the risks and coverages on the attached export list and formally adopts the attached export list for usage regarding placements.

We also would like to remind you that risks and coverages not

appearing on this list may still be exportable but subject to the full documentation of the search being performed pursuant to Insurance Code Section 1763.

A public hearing will be held annually or more often at the commissioner's discretion regarding the attached export list. The commissioner or his or her designee shall notify all surplus line brokers of any removal from the list.

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CHUCK QUACKENBUSH  
Insurance Commissioner

By Dennis Ward  
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Chief, Enforcement

## **EXPORT LIST**

### **Automobile**

**Exotic/Classic/Antique Autos With a Value in Excess of  
\$100,000**

### **Crime**

**Excess Crime  
Kidnap & Ransom**

### **Fire & Allied Lines**

**Amusement Parks/Carnivals and Amusement Devices  
Commercial DIC/Stand Alone Earthquake  
Explosive Manufacturing/Sales/Storage  
Homeowners Earthquake-Excess Limits or Deductible Buyback  
Individual Insureds With Large Schedules Where the TIV (Total  
Insured Values) Are in Excess Of \$500 million  
Vacant Buildings  
Sawmills  
Hay in the Open  
Excess Flood**

### **General Liability**

**Ambulance Service Including Professional Liability  
Amusement Parks/Carnivals/Devices  
Blasting Contractors  
Building Moving  
Clinical and Similar Tests of Pharmaceutical, Medical,  
Biological and Other Similar Products  
Contractors Engaged In Construction of New Tract Homes  
And/Or New Condominiums  
Demolition  
Environmental Impairment Remediation and Pollution Liability  
Employment Practices Liability  
Explosives Including Manufacturing/Sales/Storage  
Fireworks Displays  
Patent/Trademark/Copyright Infringement  
Limits That Attach In Excess of \$150 Million  
Oilfield Contractors  
Products/Completed Operations (written on a stand alone  
basis)  
Products Recall  
Professional liability for Architects & Engineers/Condo  
coverage only  
Professional Liability for Campaign Treasurers  
Outfitters & Guides  
Short Term Special Events  
Security Guard Services  
Excess Liability Where Part of Underlying Is Nonadmitted**

### **Inland Marine**

**Excess Motor Truck Cargo  
Any Vessel with a Maximum Rated Speed in Excess of 55 mph  
Personal Articles Floaters Written On a Stand Alone Basis  
where the value of the schedule is in excess in excess  
of \$1,000,000 or contains a single item(s) over**

**\$100,000.**

**All vessels in excess of 30 feet and rated with a maximum  
speed of 45 mph**

**Disability**

**International Major Medical**

**High Limits Disability**

**Bridge Plan**

**Political Risks Including Expropriation, Confiscation, Unfair  
Calling**