

File No. IH-99-0008922
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.

November 30, 1999
10:00 a.m.
Department of Insurance
45 Fremont Street, 22nd 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 NOVEMBER 19 SO ARRANGEMENTS CAN BE MADE.

EXPORT LIST

Pursuant to Insurance Code Section 1763.1, 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.

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.

PROPOSED ITEMS TO BE ADDED

We have already received input indicating that aviation excess liability coverage may be unavailable in the admitted market. In addition, coverage for a fairs concessionaire program covering general liability and liquor liability may also be added. If you are an admitted carrier that writes these coverages or otherwise have reason to believe that such coverages are available in the admitted market, please present evidence of such in writing or appear at the hearing.

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 November 30, 1999. 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 of Investigatory Hearing, opportunities to testify, and written submissions for the record, to:

Carol Fistler
Senior Staff Counsel
California Department of Insurance
45 Fremont Street, 21st Floor
San Francisco, CA 94105
(415)538-4408

DATED: October 20, 1999

CHUCK QUACKENBUSH
Insurance Commissioner

By Carol Fistler
Carol Fistler
Senior Staff Counsel

EXPORT LIST

Items With an asterisk (*) have been added this year

Automobile

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

Crime

Excess Crime

Kidnap & Ransom

Disability

Bridge Plan

High Limits Disability

International Major Medical

Event Cancellation*

Fire & Allied Lines

Amusement Parks/Carnivals and Amusement Devices

Commercial DIC/Stand Alone Earthquake

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

Employment Practices Liability

Environmental Impairment Remediation and Pollution Liability

Excess Liability Where Part of Underlying Is Nonadmitted

Explosives Including Manufacturing/Sales/Storage

Fireworks Displays

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

Short Term Special Events

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 in of \$1,000,000 or contains a single item(s) over \$100,000. Professional Liability

Political Risks Including Expropriation, Confiscation, Unfair Calling

Prize Indemnification*

Professional Liability

Architects & Engineers/Condo coverage only

Campaign Treasurers

Creditors' Committees*

Tattoo and Body Piercing Shops*