

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:

August 22, 2018

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 AUGUST 15, 2018 SO ARRANGEMENTS CAN BE MADE.

EXPORT LIST

Pursuant to the prior 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.

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.

Effective January 1, 2018, new language has been added to the Export List statute as a result of AB 1641. Pursuant to the recently amended Insurance Code Section 1763.1, subdivision (a), 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 "that there is not a reasonable or adequate market among admitted insurers or that the type of coverage is for new, innovative products for which a reasonable or adequate market

among admitted insurers has not had time to develop.” (Cal. Ins. Code § 1763.1, subd. (a).)

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.

There is a possibility that there may be a request to add the following product, and/or a variation thereof, to the Export List: Third-party liability and physical damage coverage for unmanned aerial vehicles (i.e., drones) while in flight and not-in-flight.

In addition, there is a possibility that there may be a request to delete or modify the following products currently listed on the Export List: Commercial DIC/Standalone Earthquake, or a modification of the line to only export Commercial DIC/Standalone Earthquake beyond a certain coverage threshold.

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 OR THAT THE TYPE OF COVERAGE IS FOR NEW, INNOVATIVE PRODUCTS FOR WHICH A REASONABLE OR ADEQUATE MARKET AMONG ADMITTED INSURERS HAS NOT HAD TIME TO DEVELOP. 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 OR THAT THE TYPE OF COVERAGE IS FOR NEW, INNOVATIVE PRODUCTS FOR WHICH A REASONABLE OR ADEQUATE MARKET AMONG ADMITTED INSURERS HAS NOT HAD TIME TO DEVELOP 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 August 22, 2018. 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: Audrie Lee, Attorney III, California Department of Insurance, 45 Fremont Street, 24th Floor, San Francisco, CA 94105, (415) 538-4434.

DATED: July 19, 2018

DAVE JONES
Insurance Commissioner

By 
Audrie Lee, Attorney III, CAB

EXPORT LIST 2018

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
OILFIELD CONTRACTORS
OUTFITTERS AND GUIDES
PATENT/TRADEMARK/COPYRIGHT INFRINGEMENT
PRODUCTS RECALL
PRODUCTS/COMPLETED OPERATIONS (WRITTEN ON A STANDALONE 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.