



The Surplus Line  
Association of California

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12667 Alcosta Boulevard  
Suite 450  
San Ramon, CA 94583

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275 Battery Street  
Suite 750  
San Francisco, CA 94111

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P 415.434.4900

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slacal.com

October 11, 2019

## Bulletin #1377

### Export List Hearing Scheduled For November 19, 2019

The California Department of Insurance (CDI) has announced the 2019 Export List hearing will take place at 10:00 a.m. Tuesday, November 19, 2019, at the CDI's San Francisco hearing room on the 22<sup>nd</sup> Floor, 45 Fremont Street, in San Francisco.

The official CDI notice indicates a possibility of a request to add the following products, and/or variations thereof, to the Export List:

- Parametric earthquake
- Pollution package policies (General liability, contractors pollution liability, and professional liability)
- Scaffold operation/business/contractor/rental & sales first party and liability
- Terrorism/sabotage committed for political, religious, or ideological purposes

The notice also indicates there may be requests to delete or modify the following products currently listed on the Export List:

- Bridge plan
- High limits disability
- Deletion of "With Limits > \$10M" from Commercial DIC/Stand Alone Earthquake

The CDI's notice explicitly details that adding a risk or coverage to the export list requires evidence that there is not an adequate or reasonable market for that 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. Submitting a statement simply requesting a coverage be added to the list, without other supporting evidence, will not be enough for the commissioner to add a risk or coverage to the list.

The CDI notice also directs that all written testimony, comments or documents must be sent to the CDI in triplicate (original and two copies) and **received** by Libio Latimer, Attorney III, California Department of Insurance, 45 Fremont St., 24<sup>th</sup> Floor, San Francisco, CA 94105 by no

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later than 5:00 p.m. on November 19, 2019. In addition to written submissions, questions regarding the CDI notice and opportunities to testify can also be directed to Latimer at (415) 538-4420. The CDI will not accept any written testimony, comments or documents transmitted by fax.

Please contact Cliston Brown at the SLA at (415) 434-4900 ext. 1139 if you have any questions.



## **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 19, 2019**

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 NOVEMBER 1, 2019 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 non-admitted 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 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 current export list is attached. 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 products, and/or a variation thereof, to the Export List: Parametric Earthquake; Pollution Package Policies (General Liability, Contractors Pollution Liability and Professional Liability); Scaffold Operation/Business/Contractor/Rental & Sales First Party & Liability, and Terrorism/Sabotage Committed for Political, Religious, or Ideological Purposes.

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: Bridge Plan; High Limits Disability; and deletion of "With limits >\$10M" from Commercial DIC/Stand Alone Earthquake.

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.

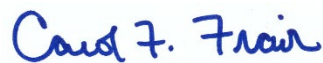
All written testimony, comments, or documents must be sent to the Department of Insurance in triplicate (original and two copies) and received by the Department of Insurance at the address given below no later than 5:00 p.m. on November 19, 2019. All written testimony received at the hearings will be 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: Libio Latimer, Attorney III, California Department of Insurance, 45 Fremont Street, 24th Floor, San Francisco, CA 94105, (415) 538-4420.

\* If the location of the hearing changes, the Department will send a notice regarding the changed location in advance of the hearing.

DATED: October 8, 2019

RICARDO LARA  
Insurance Commissioner



By \_\_\_\_\_  
Carol F. Frair  
Assistant Chief Counsel  
Corporate Affairs Bureau

## EXPORT LIST 2018-2

### ACCIDENT/DISABILITY

BRIDGE PLAN \*

HIGH LIMITS DISABILITY \*\*

INTERNATIONAL MAJOR MEDICAL

### AUTOMOBILES

EXOTIC/CLASSIC/ANTIQUE 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

### DRONE

COMMERCIAL THIRD-PARTY LIABILITY AND OPTIONAL PHYSICAL DAMAGE INSURANCE FOR UNMANNED AERIAL VEHICLES AND SYSTEMS WITH 'EPISODIC FLIGHT COVERAGE.'\*\*\*

### FIRE & ALLIED LINES

AMUSEMENT PARKS/CARNIVALS AND AMUSEMENT DEVICES

COMMERCIAL DIC/STAND ALONE EARTHQUAKE FOR POLICIES WITH COVERAGE LIMITS OVER \$10,000,000

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.

\*\*\* **'Episodic flight coverage'** insures claims involving unmanned aerial vehicles or systems while in flight, with incremental coverage periods up to one year (not annual), and a coverage territory that lacks radius restrictions.