



Division of Insurance

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ORDER NO. R 03-06

SURPLUS LINES PLACEMENT LIST

On April 25, 2003, the director of the Division of Insurance held a hearing pursuant to AS 21.06.180 - 21.06.230 to receive testimony concerning the kinds of insurance for which insureds generally are unable to secure coverage from admitted insurers. Based on this testimony, the director will decide whether to include types of coverage on the surplus lines placement list.

Findings of Fact

1. After consideration of the testimony, the director finds that coverages listed on the attached surplus lines placement list are currently unavailable from the admitted market. The following are the additions to the previous placement list.

- Attorneys professional liability
- Amusement rides – general liability
- Consultants – General and professional liability
- Difference in conditions (DIC)
- Frame construction – builders risk
- Gas field services – General liability
- Homeowners for values of \$2,000,000 or more
- Recreational vehicles dealers – garage and general liability
- Remote guides, lodges or outfitters, regardless of means of access – General liability
- Remote locations – Package policies

2. The director finds that the following coverage is generally available from the admitted market and has removed it from the placement list.

- Commercial automobile liability, regardless of driver age or gross vehicle weight

3. The director finds that there has been no showing that the following coverages are currently unavailable from the admitted market and therefore has removed them from the placement list.

Auto renter's conversion – auto physical damage
Health care organization – compliance E&O
Physician's compliance and billing – professional liability

4. The director finds that the following coverages are generally available to insureds from the admitted market and therefore has not added them to the placement list.

Errors and omissions coverage, except those already listed
Garage liability
Homeowners after a water damage loss
Medical malpractice
Nonprofit agencies, except those already listed
Professional liability
Social service agencies, except those already listed
Taxicabs – automobile coverages

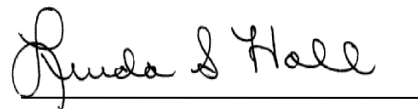
Conclusions of Law

1. The hearing held on April 25, 2003, met the requirements of AS 21.06.180 – 21.06.230 and 3 AAC 25.040.
2. The surplus lines list is amended to include only those kinds of insurance that are currently unavailable from admitted insurers as enumerated in the above Findings of Fact.
3. Under AS 21.34.020(3) and 3 AAC 25.030, producing brokers must use due diligence to determine whether the insurance is available from an admitted insurer. Due diligence will be presumed if the producing broker affirms that the coverage is on this list.
4. A producing broker may apply for an exception under AS 21.34.020(4) when coverage is available in the admitted market.

IT IS ORDERED that the list that follows is the surplus lines placement list to be used until a replacement order is issued. This order replaces Order R02-07, issued November 13, 2002.

This order is effective May 30, 2003.

Dated this 30th day of May, 2003, at Anchorage, Alaska.



Linda S. Hall
Director