



**ORDER NO. R 16-05
SURPLUS LINES PLACEMENT LIST**

On September 22, 2016, in accordance with 3 AAC 25.040, the Division of Insurance hearing officer on behalf of the director held a hearing pursuant to Alaska Statute (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 has decided what types of insurance coverage to include on the surplus lines placement list.

Findings of Fact

1. The director heard verbal testimony to add the cyber liability all lines to the placement list due to inadequate limits offered by standard markets; to add Employment Practices Liability Insurance on a monoline basis to the placement list; and to add personal lines coverage where the named insured includes a trust to the placement list. Cyber liability is currently listed in the Surplus Lines Placement List for general liability and will be amended as noted below. The personal lines coverage with a named insured listed as a trust was not a common issue within the hearing. The director finds, after extensive research of available approved filings in Alaska, the following types of coverage listed below are currently unavailable from the admitted market so these classes of business are added to the Surplus Lines Placement List:

Cyber Liability – All lines except workers' compensation

Employment Practices Liability – Monoline liability, Code 17

2. The director received one written testimony concerning surety bonds for financial institutions. Research showed that the Surety filings in the standard market are numerous for financial institutions and the written testimony did not provide a significant case to add one specific class to the placement list.

Conclusions of Law

1. Regulation 3 AAC 25.040 requires the director, after hearing under AS 21.06.180 – 21.06.230, to issue an order listing the kinds of insurance that may be placed with a nonadmitted insurer that appears on the eligible list published under AS 21.34.050.

2. Under AS 21.34.020(a)(3), producing brokers must make a diligent search of the market 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 the list.
3. A producing broker may apply for an exception under AS 21.34.020(a)(4) when coverage not on the placement list is available in the admitted market.

Order

For the reasons set out above, the director orders that:

1. Cyber Liability – All lines except workers' compensation is added to the placement list.
2. Employment Practices Liability – Monoline Liability, Code 17 is added to the placement list.

The list that follows is the surplus lines placement list to be used until a replacement order is issued.

This order replaces Order R 16-01 issued on January 27, 2016.

This order is effective November 22nd, 2016.


Lori Wing-Heier
Director

Class of Business or Type of Risk	Line of Coverage	Code
Adult entertainment	All lines except workers' compensation	
Aircraft - antique	All lines except workers' compensation	
Aircraft - chartered	All lines except workers' compensation	
Aircraft - ground operations at a fixed base	All lines except workers' compensation	
Aircraft - passenger liability	Excess liability	22 or 17
Aircraft applicators - liability including crop damage and chemical drift	Liability	17
Airport liability	Liability	17
Airport repair operations	Excess liability	17
Alarm companies	General liability	17
Amusement rides	General liability	17
Animal rides, saddle horses, rodeos and horse shows	General liability	17
Apartment(s) in building -- see Buildings		
Apartment buildings - pre-1980, or wood frame, or nonsprinklered	All lines except workers' compensation	
Architects & engineers	E&O	17
Armored car services	All lines except workers' compensation	
Assisted living homes or centers	All lines except workers' compensation	
ATM operators	E&O	17
Attorneys professional liability	Professional liability	11
Auto rental firms - short term	Auto physical damage	21.2
Automobile - commercial	Monoline physical damage	21.2
Aviation parts manufacturing	Monoline products liability	18
Aviation maintenance vehicles	All lines except workers' compensation	
Aviation/aircraft	Excess liability	22 or 17
Balloon - hot air/gas	All lines except workers' compensation	
Bars	Liquor liability	17
Boat manufacturing/repair	General liability	17
Bridges and tunnels	Inland marine	9
Broad Regulatory Protection/Interruption	Professional liability	17, 11
Builder's risk - frame construction	Inland marine	9

Class of Business or Type of Risk	Line of Coverage	Code
Builder's risk - remote locations	Inland marine	9
Building inspectors	Professional liability/E&O	11
Buildings - air-supported dome structures	Fire and allied lines	1, 2.1
Buildings - on pilings	Fire and allied lines	1, 2.1
Buildings - pre-1980	Fire and allied lines	1, 2.1
Buildings - containing apartment(s) with any other occupancy	Property	1, 2.1
Buildings - vacant	Property, general liability	1, 17
Business interruption	Monoline	1, 2.1
Cameras	Inland marine	9
Cannabis related operations (agricultural and sales)	All lines except workers' compensation	
Cargo - see Motor truck cargo		
Churches	Abuse & molestation	17
Classic/antique autos	Auto physical damage	21.1 or 21.2
Coin dealers	Inland marine	9
Coin-operated devices	Inland marine	9
Commercial risks, excluding excess workers' compensation	Excess liability	17
Computer programmers	General liability, professional liability	17, 11
Computer repair/service	General liability	17
Construction management	Professional liability	11
Consultants	General liability, professional liability	17, 11
Contact lenses	Inland marine	9
Contractors of the following types:		
Demolition	Liability	17
Design-build	Professional liability	11
Environmental	Liability	17
Exterior Finish Installation Systems	General liability & excess	17
Fire suppression - including service and sales	Liability	17
General	Liability	17
Pile driving	All lines except workers' compensation	
Residential	Liability	17
Counseling - see Residential counseling services		
CPAs	E&O	17

Class of Business or Type of Risk	Line of Coverage	Code
Crane components manufacturing	General liability	17
Crane inspectors	Professional liability	11
Crane operators [see also Riggers liability below]	General liability & inland marine	17, 9
Crane rental, with or without operators [see also Riggers liability below]	General liability	17
Custodial care - licensed for under 25, which includes:	General liability, abuse & molestation	17
Adult day care centers		
Child day care centers		
Developmentally disabled		
Homes for the aged		
In-home day care		
Public transportation		
Residential care centers		
Cyber Liability	All lines except workers' comp.	
DIC other than earthquake & flood	Inland marine	9
Divers	General liability	17
Docks, piers, and wharves - wood frame	Inland marine	9
Drought	Fire and allied lines	1, 2.1
Earthquake	Monoline (may be combined with flood)	12
Employment practices liability	Monoline liability	17
Energy auditors	Professional liability	11
Engineers	Professional liability	11
Environmental consulting	Professional liability	11
Environmental impairment	Liability	17
Estheticians	Professional liability	11
Excess coverage - commercial, excluding excess workers' compensation	Excess liability	17
Explosion	Monoline liability	17
Explosive manufacturing, storage, or sales	General liability, fire & allied lines	17
Exterminators - pest control	General liability	17
Financial advisors	Professional liability	11
Fine arts	Inland marine	9
Fire extinguisher sales/service	General liability	17
Fire suppression contractors	Professional liability	11
Flood	Monoline (may be combined with quake)	2.3

Class of Business or Type of Risk	Line of Coverage	Code
Food-borne illness	General liability	17
Furs	Inland marine	9
Garage - auto repair (Hazard II)	Liability on garage form	19.4
Garage keepers legal liability	Liability	19.4
Gold mines	Crime	2.1, 33
Greenhouses	Fire and allied lines (wind & hail)	2.1
Guide, lodge, or outfitter - airstrips	All lines except workers' compensation	
Guides, lodges, or outfitters - aircraft hull or liability	Liability & hull	22
Guides, outfitters, or lodges - remote	General liability	17
Habitational (see also Buildings)	Fire and allied lines	1, 2.1
Hanger keepers	Monoline liability	17
Hay in open or barns - when value exceeds \$25,000 / each stack or barn	Fire and allied lines	1, 2.1
Hazardous materials hauling	All lines except workers' compensation	
Heavy equipment repair	General liability & garage	17, 19.4
Helicopters	All lines except workers' compensation	22
Hired & nonowned auto	Monoline	19.4
Home health care	Liability	17
Home inspectors	Professional liability	11
Homeowners - valued at \$2 million or higher	Homeowners	4
Homeowners - with past losses	Homeowners	4
Indoor trampoline parks	General liability	17
In-home bed and breakfast	General liability	17
In-home day care	General liability	17
Internet services	E&O	17
Jewelry	Inland marine	9
Kidnap/ransom	Crime	33
Leased motor homes	Auto physical damage	21.2
Liquor liability	Monoline liability	17
Luxury autos	Auto physical damage	21.1
Managed care	Professional liability/E&O	11
Marine surveyors	General liability, professional liability	17, 11

Class of Business or Type of Risk	Line of Coverage	Code
Media and sports events	Inland marine	9
Medical billing	E&O	11
Medical malpractice	Liability	11
Mental health professionals & counselors	Professional liability, D&O	11
Mining	General liability	17
Mobile home parks	General liability	17
Mold consultants	Liability	17
Mortgage bankers/brokers	E&O, Fiduciary bonds	17, 24
Mortgage protection/impairment	General liability	17
Motor truck cargo - values \$100,000 or more	Inland marine	9
Motor truck cargo - haul road or trans Canada	Inland marine	9
Motor truck cargo - contractors equipment or perishables	Inland marine	9
Music festivals	General liability, inland marine	17, 9
New ventures - less than three years experience	General liability, professional, D&O	17
Nonprofit - financially distressed	Professional liability, D&O	11
Nonprofit - public media	Professional liability, D&O	11
Nursing homes	General liability	17
Oil or gas field services	General liability	17
Oil pipeline and offshore loading facility	Package (GL incl. pollution, property), excess	5.1, 5.2, 17
P&I - monoline	Marine	8
Plastic manufacturers and sales	Fire and allied lines	1,2.1
Police professional liability	Professional liability	11
Police protective liability- false arrest, personal injury	Monoline liability	17
Pollution/contamination	Monoline liability	17
Polyurethane-insulated buildings	Fire and allied lines	1, 2.1
Products and completed operations	Monoline liability	17
Property management	Professional liability	11
Public officials	Professional liability	11
Push cart vendors	General liability, inland marine	17, 9
Racing autos	Auto physical damage	21.2
Railroad protective	Monoline liability	17
Railroads	General liability, fire & allied lines	17, 1, 2.1
Real estate appraisers	E&O	17

Class of Business or Type of Risk	Line of Coverage	Code
Real estate developers	General liability, professional liability/E&O	17, 11
Real estate managers	General liability	17
Remote sites accessible only by air or water	Fire and allied lines, inland marine (BR/COC only), package policy	1, 2.1, 3.4, 5.1, 5.2, 9
Residential counseling services (i.e., alcohol abuse counseling)	General liability, professional liability, D&O	17, 11
Retirement homes	All lines except workers' compensation	
Riggers liability (on hook coverage)	General liability, inland marine	17, 9
RV (incl. ATVs and boats) dealers	Garage, general liability, dealers' physical damage	19.4, 17, 21.2
Sawmills	Fire and allied lines	1, 2.1
School boards	Professional liability	11
Security guards	Monoline liability	17
Segway Tours	General liability	17
Ski-lifts and tows	Monoline liability	17
Snowmobile dealers	Monoline liability	17
Special auto bodies	Auto physical damage	21.1, 21.2
Special events over water	General liability	17
Spectator liability	General liability	17
Sports events - see Media and sports events		
Taverns	Liquor liability	17
Taxicabs	Physical damage only	21.2
Technology/internet E&O - non-profit-charitable organization	E&O	11
Terrorism coverage	Monoline	
Travel agents	Professional liability/E&O	11
Unmanned aircraft (Drones)	General liability	17
Unprotected risks (class 8, 9, or 10) - over \$1 million	Fire and allied lines, inland marine	1, 2.1, 9
Village corporations	Professional liability, D&O	11
Welding shops	General liability, fire & allied lines	17, 1, 2.1
Wood handlers	Fire and allied lines	1, 2.1