

ORDER R99-06

SURPLUS LINES PLACEMENT LIST

On November 12, 1999, 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 testimony, the director finds that the following coverages listed in Order No. R98-10 are now available through the admitted market:

- auto physical damage for taxicabs
- fire and allied lines for small builders risks
- loggers broad form liability
- monoline employment related practices liability
- inland marine coverage for data processing equipment
- inland marine for high values.

2. The director finds that the coverages listed below in this order are currently unavailable from the admitted market.

Conclusions of Law

1. At least once every 12 months, the director, after hearing under AS 21.06.180 - 21.06.230, must 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. 3 AAC 25.040.

2. 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.

3. Nothing herein precludes the producing broker from applying for an exception under AS 21.34.020(4) when coverage is available in the admitted market.

IT IS ORDERED that the following is the surplus lines placement list to be used until a replacement order is issued. This order replaces Order R98-10, issued December 23, 1998.

AUTO PHYSICAL DAMAGE

- Armored car services
- Auto rental firms - short term

- Auto renter's conversion
- Classic/antique autos
- Garage keepers legal liability
- Hazardous materials hauling
- Heavy vehicles - over 10,000 pounds gross vehicle weight
- Leased motor homes
- Long haul trucks
- Luxury autos
- Racing autos
- Special auto bodies

AVIATION AND AIRCRAFT

- Aircraft - antique
- Aircraft - chartered
- Aircraft - excess passenger liability
- Aircraft - fixed base operations
- Aircraft applicators liability including crop damage and chemical drift
- Airport liability
- Airport repair operations (umbrella)
- Aviation maintenance vehicles
- Balloon - hot air/gas
- Excess limits
- Guide, lodge, or outfitter airstrips
- Guides, lodges, and outfitters aircraft hull or liability
- Helicopters
- Monoline:
 - Airport liability
 - Aviation products liability
 - Hangerkeepers liability

BURGLARY, ROBBERY AND HOLD-UP

- Armored car services
- Gold mines

FIDELITY

- Armored car services

FIRE AND ALLIED LINES

- Assisted living homes
- Buildings on pilings
- Drought insurance
- Explosive manufacturing, storage, or sales

- Greenhouses - wind and hail
- Hay in the open or barns - when value exceeds \$25,000 in each stack or barn.
- Monoline:
 - Business interruption
 - Earthquake
 - Flood
- Pile driving contractors
- Plastic manufacturers and sales
- Polyurethane insulated buildings
- Railroads
- Remote - accessible only by air or water
- Sawmills
- Small welding shops
- Unprotected risks - class 8, 9, or 10
- Wood handlers

GENERAL LIABILITY

- Alarm companies
- Animal rides, saddle horses, rodeos and horse shows
- Armored car services
- Assisted living homes
- Computer programmers
- Custodial care - licensed for under 25
 - Adult day care centers
 - Child day care centers
 - Developmentally disabled
 - Residential and day care centers
 - Homes for the aged
- Demolition contractors
- Divers
- Environmental impairment liability
- Explosive manufacturing, storage, or sales
- Exterminators, pest control applicators
- Fire suppression contractors - including service and sales
- Food borne illness
- Guides, outfitters, and lodges - remote (accessible only by air or water)
- Hazardous materials
- In-home bed and breakfast
- In-home day care
- Marine surveyors
- Mining
- Monoline:
 - Explosion
 - Hole-in-one coverage
 - Liquor liability - if liquor exceeds 40% of sales or entertainment

- Police protective liability- false arrest, personal injury
- Pollution/contamination
- Products and completed operations
- Railroad protective
- Security guards (under ten guards)
- Ski-lifts and tows
- Snowmobile dealers
- Special events, tagged fish
- Mortgage protection/impairment
- New ventures - less than three years experience
- Oil field service contractors - premium under \$10,000 with only Alaska operations
- Railroads
- Small welding shops
- Social service agencies, residential counseling services (i.e., alcohol abuse counseling)
- Spectator liability
- Suntan parlors

INLAND MARINE

- Bridges and tunnels
- Builders risk/course of construction, remote (accessible only by air or water)
- Cameras
- Coin dealers
- Coin operated devices
- Contact lenses
- Docks, piers, and wharves - wood frame
- Earthquake or flood
- Fine arts
- Furs
- Hazardous materials
- Jewelry
- Unprotected risks - class 8, 9, or 10

KIDNAP/RANSOM

- Kidnap/ransom

PROFESSIONAL LIABILITY

- Architects and engineers
- ATM errors and omissions
- Assisted living homes
- Computer programmers
- Financial advisors

- Health care organization compliance errors and omissions
- Internet professional liability
- Marine surveyors
- Physician's compliance and billing errors and omissions
- Police professional liability
- Public officials liability
- Real estate appraisers errors and omissions
- School boards
- Social service agencies, residential counseling service (i.e., alcohol abuse counseling)
- Village corporations directors and officers

This order is effective December 14, 1999.

Dated this 14th day of December 1999, at Anchorage, Alaska.

Robert A. Lohr
Director