

ORDER NO. R 00-12

SURPLUS LINES PLACEMENT LIST

On December 7, 2000, 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 the following coverages listed below are currently unavailable from the admitted market.

General liability and fire & allied lines for assisted living centers

General liability for fire extinguisher sales/service

General liability for boat manufacturing/repair

General liability for oil field service of any size

Monoline hire & nonowned auto

Fire & allied lines for apartment buildings valued over \$10,000,000

Director & officers (D&O) for nonprofit public media

D&O for new ventures

D&O for financially distressed nonprofits

General liability for computer repair/service

General liability for nursing homes

General liability for welding shops of any size

Monoline general liability for security guards regardless of number of guards

Commercial auto liability greater than 100/300/50 for drivers under 22

Commercial auto physical damage for driver under 22

2. The director finds that the admitted market availability of the types of coverage that carry over from the prior

surplus lines placement list have not changed.

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 list that follows is the surplus lines placement list to be used until a replacement order is issued. This order replaces Order R99-06, issued December 14, 1999.

This order is effective January 10, 2001.

Dated this 10th day of January 2001, at Anchorage, Alaska.

Robert A. Lohr
Director