



Division of Insurance

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ORDER NO. R 04-01

SURPLUS LINES PLACEMENT LIST

On October 14, 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 has decided what types of insurance coverage to include on the surplus lines placement list.

Findings of Fact

1. The director finds that types of coverage listed on the attached surplus lines placement list are currently unavailable from the admitted market. The following are **additions** to the previous placement list.

Environmental consulting - Professional liability
Construction management - Professional liability
CPAs - Errors & omissions
Fire suppression contractors - Professional liability
Homeowners with prior losses
Medical malpractice
Property management - Professional liability

2. The director finds that the following types of coverage are generally available from the admitted market and has **removed** them from the placement list.

Heavy vehicles - Comprehensive & collision
Hole-in-one coverage - Monoline general liability
Long-haul trucks - Comprehensive & collision
Special events, tagged fish - Monoline general liability
Suntan parlors - General liability

3. The director finds that some types of coverage are generally available from the admitted market and has **narrowed** the following on the placement list.

Bars - from all lines to liquor liability only
Taverns - from all lines to liquor liability only
Unprotected risks - limited to risks over \$1 million

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

Contractors without regard to type of risk or line of coverage
Professional liability without regard to type of risk
Public autos
Used car or consignment dealers

5. The director finds that the following types of coverage are generally not available to insureds from the admitted market and therefore has **not narrowed nor removed** them from the placement list.

Buildings on pilings - Fire
Buildings pre 1980 - Fire
Computer service or repair - General liability
Contractors, residential, more than 4 houses per year - General liability
Custodial care licensed for less than 25: child care, residential, and day care - General liability
Guides and outfitters - General liability
Habitational under \$5 million - Fire
Mining - General liability
New ventures - General liability
Social service agencies, residential counseling services - General liability
Welding shops - General liability, fire

Conclusions of Law

1. The hearing held on October 14, 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 R 03-06 and Addendum to Order R 03-06, issued May 30, 2003 and June 26, 2003, respectively.

This order is effective January 9, 2004.

Dated this 9th day of January, 2004, at Anchorage, Alaska.

A handwritten signature in cursive script that reads "Linda S. Hall". The signature is written in black ink and is positioned above a solid horizontal line.

Linda S. Hall
Director