



Division of Insurance

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ORDER NO. R 02-07

SURPLUS LINES PLACEMENT LIST

On October 15, 2002, 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.

- Adult entertainment, bars, and taverns – all lines
- Buildings (broadened from Apartments) built prior to 1980 – fire and allied lines
- Contractors: environmental, general, pile driving (broadened from fire and allied lines), and residential – liability
- Excess liability for personal or commercial risks
- Habitational (broadened from Apartments) – fire and allied lines
- Hazardous materials and hazardous materials hauling – now includes all lines
- Home health care – liability
- Liquor liability, monoline, regardless of the ratio of liquor to food receipts
- Mold consultants – liability

2. The director finds that the admitted market availability of the types of coverage that carry over from the prior surplus lines placement list has not changed.
3. The director finds that the admitted market availability of various types of coverage is in a state of flux. The division may hold a public hearing more often than annually to determine whether to change the types of insurance listed on the surplus lines placement list.

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

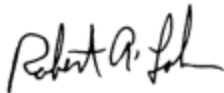
a nonadmitted insurer that appears on the eligible list published under AS 21.34.050.
3 AAC 25.040

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 R02-01, issued January 17, 2002.

This order is effective November 13, 2002.

Dated this 13th day of November, 2002, at Anchorage, Alaska.



Robert A. Lohr
Director