

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

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| IN THE MATTER OF THE 2012 ANNUAL) | |
| PUBLIC HEARING REGARDING) | HEARING OFFICER'S |
| <u>N.J.A.C. 11:1-34</u> , THE SURPLUS LINES) | REPORT |
| INSURANCE EXPORTABLE LIST) | |

The annual hearing on the Surplus Lines Insurance Exportable List was held December 10, 2012 at the offices of the Department of Banking and Insurance (“the Department”) in accordance with N.J.S.A. 17:22-6.43 and N.J.A.C. 11:1-34. N.J.S.A. 17:22-6.43 provides that the Commissioner of Banking and Insurance (“the Commissioner”) may declare generally eligible for export any class or classes of insurance coverage or risk for which, after a hearing, he or she determines that there exists no reasonable or adequate market among authorized carriers in New Jersey. The list of such risks, lines or classes of insurance is known as the Exportable List.

The purpose of this hearing is to receive testimony and public comment from interested parties that support the addition or deletion of items on the current Exportable List. Upon review of the relevant information, the Department will decide which items, if any, should be added to the Exportable List, based upon a conclusion that there does not exist a reasonable or adequate market among authorized carriers in the State of New Jersey for those particular lines, risks or classes of insurance, and which items, if any, should be deleted from the list based upon a conclusion that such a market does exist in New Jersey for those items.

Pending the outcome of the hearing and a determination by the Commissioner, the current Exportable List will remain in effect. If the Commissioner determines that any items on the Exportable List should be added or deleted, an amendment to N.J.A.C. 11:1-34 will be

proposed and published in the New Jersey Register. If an amendment is proposed, it may include more, all, some or none of the classes of insurance set forth on the current list. The Commissioner must be satisfied by the evidence and testimony presented that the best interests of New Jersey's policyholders will be served by the elimination of one or more classes or lines of insurance from the current Exportable List and/or by the addition of one or more classes or lines of insurance to the current Exportable List .

The hearing was conducted following notice of the hearing being published in the New Jersey Register on November 5, 2012 (see 43 N.J.R. 2917(b) and on the Department's website. Mr. Jane Dalli of the New Jersey Surplus Lines Association testified that the Association had no suggestions for new additions to or deletions from the Exportable List. No other parties provided oral testimony at the hearing, nor did the Department receive any written comments.

Conclusion

Based on the Department staff's review of the record testimony and transcript of the public hearing, I recommend that no additions or deletions be made to the Exportable List found in N.J.A.C. 11:1-34 at this time.

January 18, 2013
Date

/s/ DeWayne H. Tolbert
DeWayne H. Tolbert
Hearing Officer

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