

# DILIGENT SEARCH REPORT

1. \_\_\_\_\_ hereby submits that she is: (A) Duly licensed under California Department of Insurance license number \_\_\_\_\_; or **(B) Duly licensed and authorized to act as an endorsee on the organizational license of \_\_\_\_\_, California Department of Insurance license number \_\_\_\_\_**; and **(C) that she or said organizational licensee was engaged by the insured named herein, or the insured's broker, to obtain insurance as described in this report.**
  
2. (A) Name of Insured: \_\_\_\_\_  
 (B) Address of Insured: \_\_\_\_\_  
 (C) Description of Risk: \_\_\_\_\_  
 (D) Location of the Risk: \_\_\_\_\_  
 (E) Type of Insurance Coverage: \_\_\_\_\_
  
3. If Private Passenger Automobile Liability Insurance is identified on line 2(E), complete the following:  
 (A) Does the insured qualify as a "Good Driver" under Section 1861.025 of the California Insurance Code? Check one:  **Yes**  **No** ? **Not Applicable**; (B) Does the coverage that you have placed include, in whole or in part, the limits of coverage provided under the California Automobile Assigned Risk Plan (CAARP)? : Check one:  **Yes**  **No** ? **Not Applicable**; (C) If YES, has this risk been submitted to and found to be ineligible by CAARP? Check one:  **Yes**  **No** ? **Not Applicable** . If your answer is **NO**, then this coverage cannot be placed with a nonadmitted insurer. (See Insurance code Section 1763.5)
  
4. If Health Insurance is identified on line 2(E), does insured qualify as a "Small Employer" under section 10700(x) of the California Insurance Code? Check one:  **Yes**  **No** ? **Not Applicable**
  
5. (A) Was this insurance placed pursuant to Section 125 *et. seq.* of the California Insurance Code governing transactions with risk purchasing groups authorized by the Federal Liability Risk Retention Act of 1986?  **Yes** ? **No**  
 (B) If 5(A) is yes, provide the name and address of the purchasing group of which the insured is a member.  
 \_\_\_\_\_  
 \_\_\_\_\_
  
6. (A) Describe the diligent efforts made to place this coverage with admitted insurers and describe how the search was performed: ADMITTED CARRIERS DECLINED TO WRITE THIS RISK  
 \_\_\_\_\_
  
7. (A) Was the risk described on Section 2 submitted by you or by someone under your supervision to at least (3) insurers that are admitted in California **and** who actually write the type of insurance described on line 2(C) and 2(E)?  **Yes**  **No** (B) If yes, complete the following:

### ADMITTED COMPANIES DECLINING THE RISK

Full Name of Admitted Company	Name of Company Representative and Telephone Number	Employee (E) or Agent (A)	Month, Year of Declination	Declination Code*
		E ( ) A ( )		
		E ( ) A ( )		
		E ( ) A ( )		

8. If 7(A) was answered NO, complete the following: (A) Did you determine that fewer than 3 admitted insurers actually write the type of insurance described on lines 2(C) and 2(E)?  **Not Applicable**; (B) If NO, please explain in detail why the risk was submitted to less than three admitted insurers in California than write this type of insurance. —**Not Applicable**; (C) If YES, please describe how you made this determination. ? **Not Applicable.** BY PHONE AND FAX.

**\* Declination Codes: 1) Company's capacity reached; 2) Underwriting reason; 3) Refused to state; 4) Other**

The undersigned licensee hereby certifies that this report is true and correct, and that this risk is not being placed with a nonadmitted insurer for the sole purpose of securing a rate or premium lower than the lowest rate or premium available from an admitted insurer.

\_\_\_\_\_  
Signature of Licensee Who Performed or Supervised the Search

\_\_\_\_\_  
Date

## INSTRUCTIONS

**Section 6:** Please provide a complete response. Note: the Insurance Commissioner or his designee may require the surplus line broker to conduct a further or additional search among admitted insurers for similar placements in the future. (California Insurance Code Section 1763(b) An incomplete response may unnecessarily result in a request for a further search to be conducted.

**Section 7(B):** To avoid mis-identification among insurers with similar names, please provide the complete name of the admitted insurer as listed in the CDI Official Publication of Admitted Companies.

Insurer group names, such as Cigna Group, Chubb Group, California Ins. Group, Hartford Group, etc., are acceptable if the person performing the search verifies that the representative of the group, who declines the risk, does in fact represent an admitted insurer in the group that actually writes the particular type of insurance being sought.

**IMPORTANT:** Persons who are licensed only as an agent may only submit a risk to admitted insurers that have appointed them as their agent. Agents are not authorized to offer a risk to admitted insurers for which they are not appointed agents. A search which is limited to only those companies that have appointed the agent may not necessarily constitute a diligent search of the admitted market.

**WHAT TO FILE:** This report must be filed as an attachment to the Report of Placement (CDI Form SL-1).

**WHERE TO FILE:** The SL-1 and this report are to be filed by the surplus line broker with The Surplus Line Association of California within 60 days of placement of coverage with nonadmitted insurer(s).

**MULTIPLE LICENSEES CONDUCTING SEARCH:** If two or more licensees conduct a diligent search of admitted insurers, then each licensee must complete a diligent search report (CDI Form SL-2). All such reports should be attached to the SL-1.

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<u>Code</u>	<u>Type of Insurance</u>	<u>Code</u>	<u>Type of Insurance</u>
050	Auto Liability - Private	502	General Liability - Product Tampering
051	Auto Liability - Commercial	510	Aviation
100	Auto Physical Damage - Private	550	Errors & Omissions - All Others
101	Auto Physical Damage - Commercial	551	Errors & Omissions - Dir. & Off.
150	Crime	600	Malpractice - All Other
151	Crime - Kidnap & Ransom	606	Malpractice - Hospitals
200	Combined Auto Liability & P.D. - Private	650	Miscellaneous
201	Combined Auto Liability & P.D. - Comm.	651	Miscellaneous - Glass
300	Excess Liability (Incl. Umb.)	652	Miscellaneous - Boiler & Machinery
350	Fidelity, Surety & Bonds - Bonds	653	Miscellaneous - Nuclear Risks
351	Fidelity, Surety & Bonds - Fidelity	655	Miscellaneous - Political Risks
400	Fire - Sgl. Fam. Dwelling, Duplex	700	Accident
401	Fire - Commercial	701	Accident - Disability Income
402	Fire - Homeowners	702	Accident - Group Health Insurance
403	Fire - Homeowners Multiple Peril	703	Accident - Individual Health Ins.
404	Fire - Farm Owners Multiple Peril	800	Garage Liability
450	Inland Marine	980	Excess Workers Compensation
500	General Liability	990	Commercial Property - All Risk
501	General Liability - Pollution Legal Liability	994	Commercial Property - Sp. M. Peril
		996	Commercial Property - DIC
		997	Commercial Property - Earthquake

## NOTICE

1. THE INSURANCE POLICY THAT YOU ARE APPLYING TO PURCHASE IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED "NON-ADMITTED" OR "SURPLUS LINE" INSURERS.
2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT WHICH APPLIES TO CALIFORNIA LICENSED INSURERS.
3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.
4. CALIFORNIA MAINTAINS A LIST OF ELIGIBLE SURPLUS LINE INSURERS APPROVED BY THE INSURANCE COMMISSIONER. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST.
5. FOR ADDITIONAL INFORMATION ABOUT THE INSURER YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR "SURPLUS LINE" BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER: 1-800-927-4357.

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DATE

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INSURED