

[Texas Stamping Office: Upward Trend Continues for Surplus Lines](#)

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Overall, 2016 ended on a positive note for the U.S. excess and surplus lines insurance industry, according to the Surplus Lines Stamping Office of Texas (SLTX). Nationally, nearly \$26 billion in surplus lines insurance premium was recorded for end-of-year 2016, which is a 3.27 percent rise from 2015. In addition, the amount of filings recorded in 2016 represents a 3.1 percent increase from that of 2015, with about 3.6 million filings in total. SLTX captures insurance data from service offices across the United States. The data includes information on premium and filing totals from 14 offices across the country, which depict the landscape of the excess and surplus lines marketplace across four primary regions. The southern region, which includes Florida, Mississippi and Texas, accounted for the highest amount of surplus lines insurance premium, at approximately \$10.5 billion. This same region also recorded the most filings, with more than 2 million. Mississippi had the largest increase in filings overall, with an 11.28 percent rise from 117,000 filings in 2015 to 130,000 total filings in 2016. Three of the largest surplus lines markets - California, Texas and Florida - all reported increases in premium for 2016, even after mid-year data showed decreases in premium over the first six months of the year. Premium in California increased by 4.6 percent, Florida had a gain of 0.55 percent, and Texas premium increased by 2.06 percent. Texas and Florida showed similar growth in filings, with 5.08 percent and 5.88 percent, respectively, while California reported a decrease in the amount of filings for 2016 by 8.92 percent. New York, the fourth largest market with \$3.7 billion in total 2016 premium, recorded a 1.98 percent increase in premium and a 6.12 percent increase in filings. Pennsylvania and Illinois also recorded more than \$1 billion in premium. Eight other states brought in less than \$1 billion in premium, with seven of them accounting for less than \$500 million each. Of these states, Washington enjoyed a 10.64 percent year over year increase in total premium with a rise from \$762.9 million in 2015 to \$844.1 million in 2016. In addition, filings in Washington grew 7.17 percent in 2016 to approximately 112,000. Bob Hope, executive director of the Surplus Line Association of Washington, stated that his state saw an increase of about \$20 million in property premiums, mostly in difference-in-conditions insurance and standalone flood and

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earthquake areas. Hope said casualty premiums were also up by almost \$60 million, with the largest increases found in errors and omissions, directors and officers, construction, and cyber liability policies. Overall, Pennsylvania reported the highest increase in premium with 30.53 percent, at \$1.2 billion in 2016 premium. In addition to recorded premium numbers, Pennsylvania also finalized a \$3.08 billion enforcement action involving 1,172 additional policies in early 2016. The second largest increase was recorded in Idaho, which experienced a 13.53 percent growth to \$102 million in total premium. Over the course of 2016, 4 states' stamping fees/assessment rates were changed as follows: Idaho's rate from .25 percent to .50 percent, effective Jan. 1, 2016. Texas' rate from .06 percent to .15 percent, effective January 1, 2016. Florida's rate from .175 percent to .15 percent, effective April 1, 2016. Minnesota's rate from .06 percent to .04 percent, effective Oct. 1, 2016. Of the states that implemented new stamping fees, Minnesota was the only to experience a decrease in premium, at 12.1 percent less than 2015. "Even with slight changes reported by all the peer offices," stated Norma Carabajal Essary, SLTX executive director, "the overall message points to a healthy excess and surplus lines industry that continues to maintain a strong presence across the U.S." Source: SLTX