

MINING THE DATA

FLORIDA SURPLUS LINES MARKET OVERVIEW

Mark Shealy

CFO and Incoming

Executive Director, FLSO

August 9, 2023





General E&S Industry Trends



Continued Premium Growth



Rising Premium Rates



Escalating Demand for Coverage and Capacity



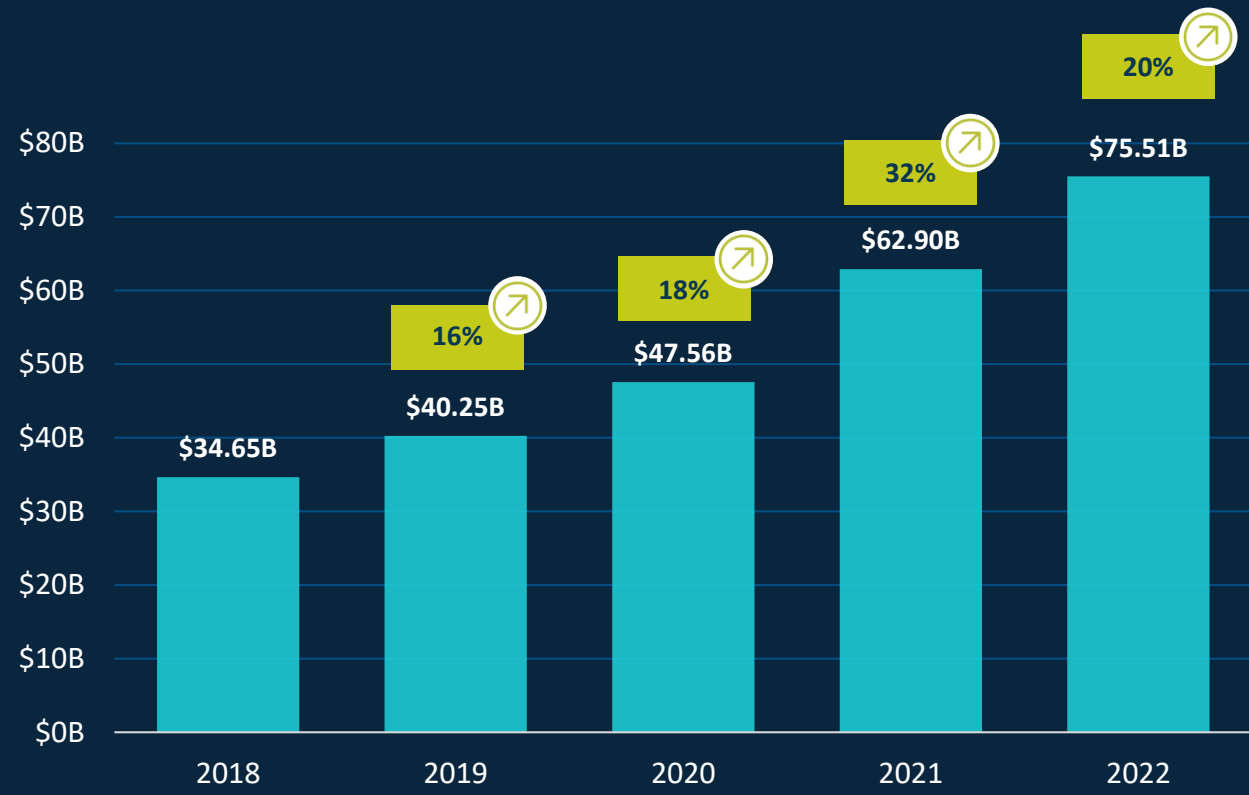
Underwriting Tightens







National E&S Market Statistics

2018-2022



-  National Premium Total
-  YOY Percentage Change in Annual Premium

Source: [SPGlobal.com](https://www.spglobal.com)



E&S Stamping Office Report 2023

January - June



YTD JUNE 30, 2023 RESULTS

State	Premium	Premium Increase/Decrease	Filings	
FL	\$8,654,085,240	↗	\$2,231,138,089	937,669
CA	\$7,826,186,851	↘	(\$181,467,215)	468,601
TX	\$7,206,713,887	↗	\$1,597,915,146	543,739
NY	\$3,872,593,243	↗	\$139,854,691	201,824
IL	\$1,806,563,307	↗	\$173,023,935	90,033
PA	\$1,285,676,903	↗	\$253,890,860	135,059
WA	\$1,077,596,088	↗	\$153,301,666	83,394
NC	\$972,454,626	↗	\$160,150,207	114,026
AZ	\$766,814,027	↗	\$59,793,698	59,220
MN	\$552,293,803	↘	(\$37,167,859)	32,341
NV	\$494,737,360	↗	\$150,456,853	28,794
MS	\$468,485,054	↗	\$49,817,354	96,814
OR	\$456,316,464	↗	\$91,446,135	40,734
UT	\$358,318,520	↗	\$56,368,702	36,341
ID	\$158,654,657	↗	\$46,354,460	14,382
Total	\$35,957,490,031	↗	\$4,944,876,722	2,882,971

Source: Wholesale and Specialty Insurance Association (WSIA)

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E&S Stamping Office Report 2023

January - May



YTD MAY 31, 2023 RESULTS

State	Premium	Premium Increase/Decrease	Filings
CA	\$6,811,337,601	⬇️ (\$11,307,158)	397,244
FL	\$6,619,730,634	⬆️ \$1,654,359,544	771,426
TX	\$5,713,206,112	⬆️ \$1,306,848,998	443,743
NY	\$3,260,274,377	⬆️ \$103,421,981	164,845
IL	\$1,518,234,830	⬆️ \$104,719,095	76,824
PA	\$1,056,319,862	⬆️ \$229,648,080	107,308
WA	\$938,515,416	⬆️ \$191,626,996	69,867
NC	\$689,282,447	⬆️ \$94,788,942	91,625
AZ	\$627,788,777	⬆️ \$73,153,233	49,138
MN	\$419,761,855	⬇️ (\$7,882,737)	25,652
NV	\$377,048,134	⬆️ \$106,046,809	23,240
MS	\$355,634,158	⬆️ \$46,647,423	73,133
UT	\$274,671,774	⬆️ \$51,622,010	30,352
ID	\$115,921,373	⬆️ \$24,847,731	11,746
Total	\$28,777,727,350	⬆️ \$3,968,240,947	2,336,143

Source: Wholesale and Specialty Insurance Association (WSIA)

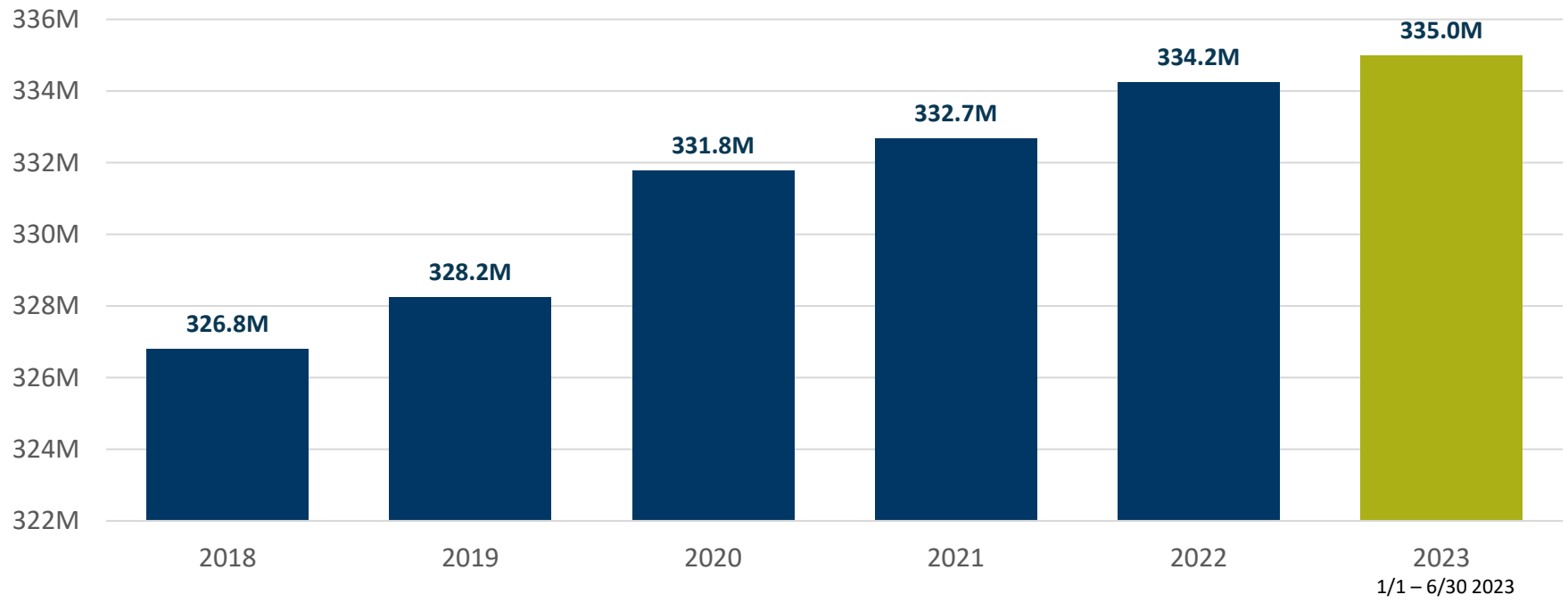


Population & Income Indicators

2018-2023



National Population

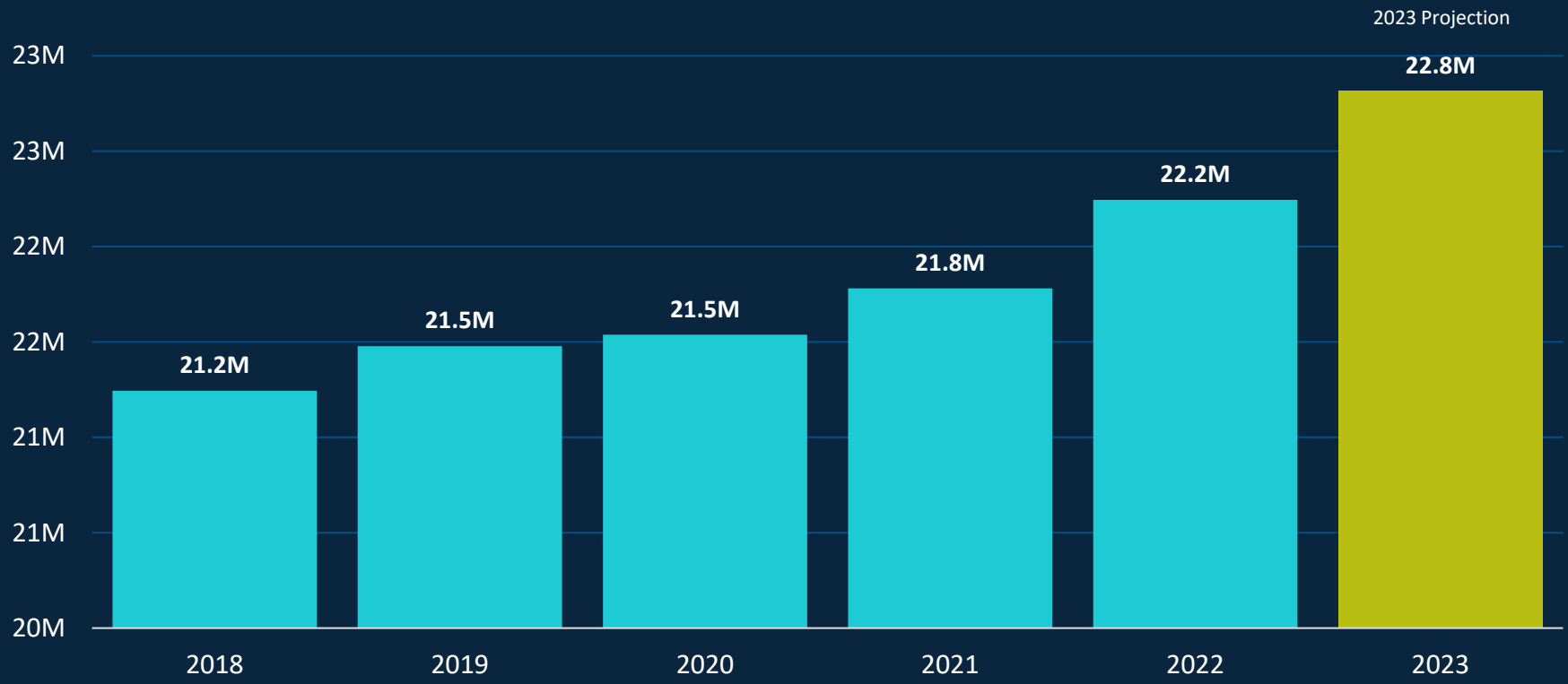


Source: [census.gov](https://www.census.gov)



Florida Population Indicators

2018-2023

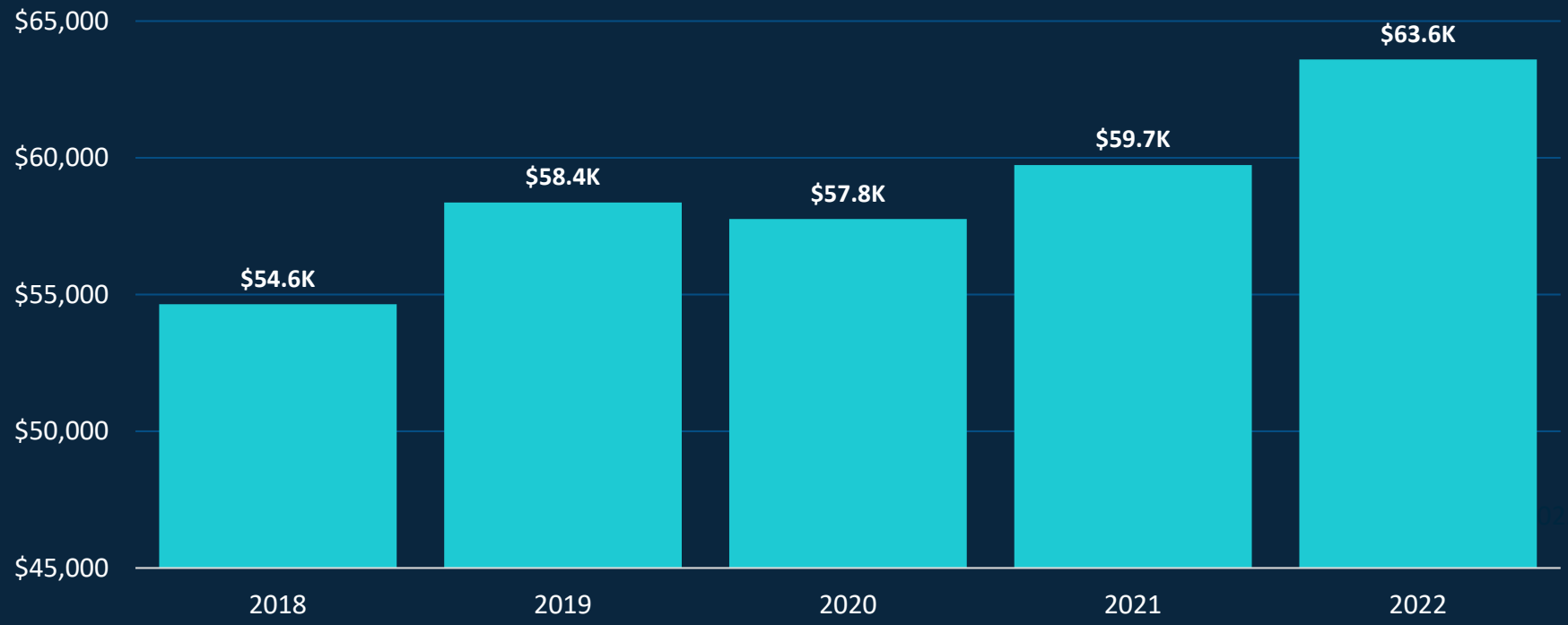


Source: [census.gov](https://www.census.gov)



Florida Income Indicators

2018-2022



Source: [census.gov](https://www.census.gov)

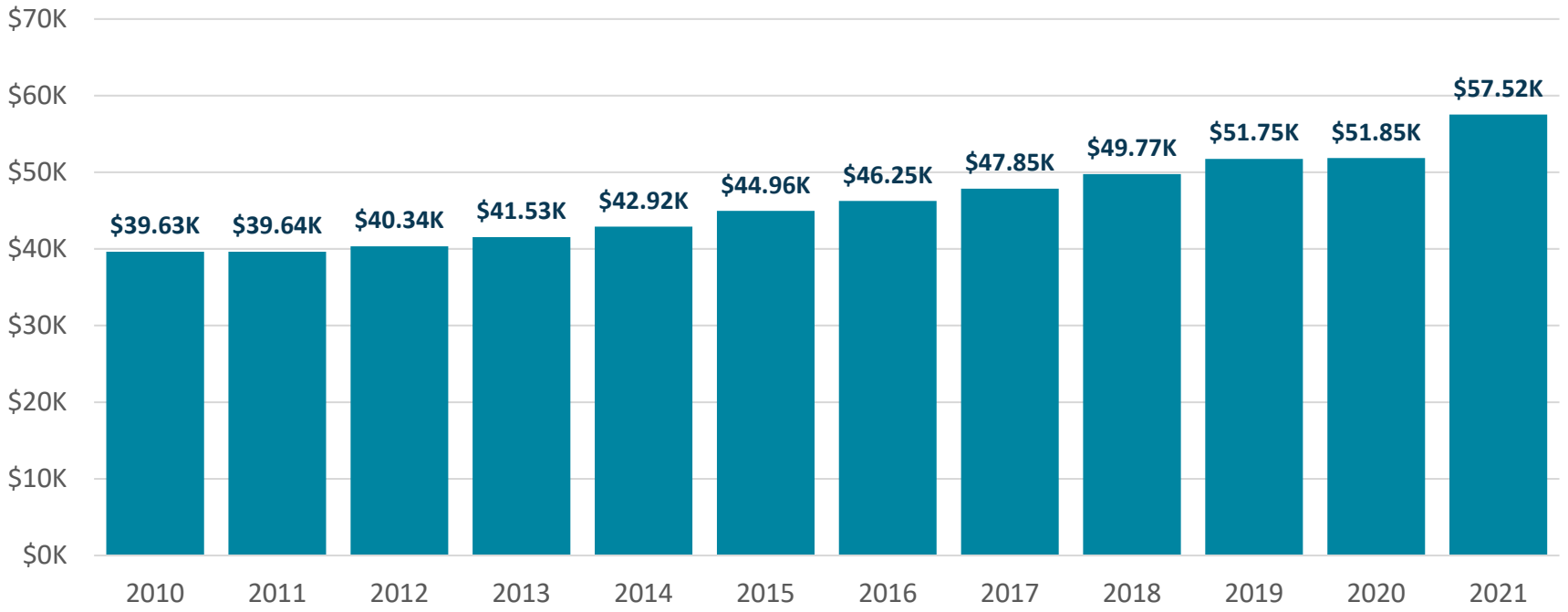


Gross Domestic Product Per Capita

2010 - 2021



Income



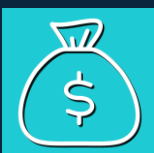
Source: thefloridascorecard.org

MINING THE DATA

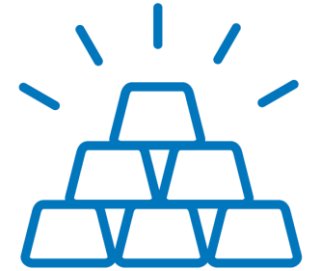
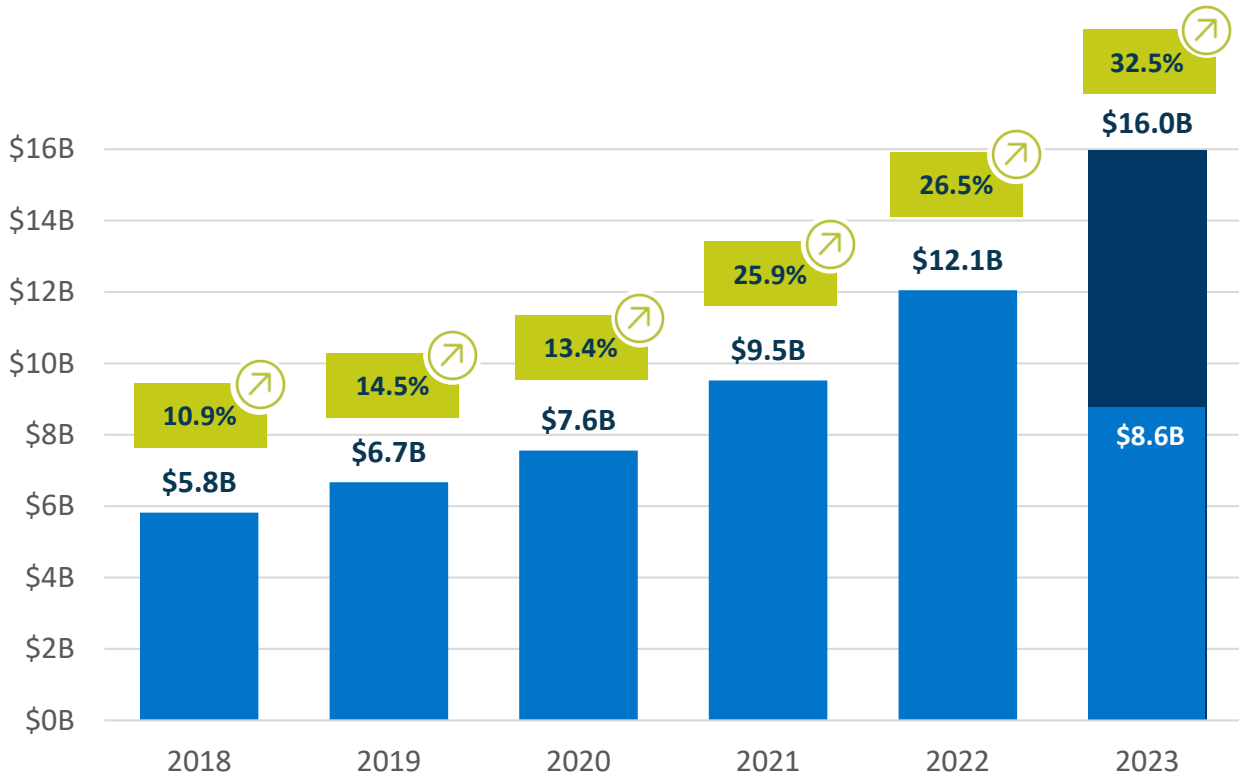
FLORIDA ADMITTED MARKET VS. SURPLUS MARKET




- Total Florida Premium
- Total Florida Policy Count
- New & Renewal Policies
- Agent Data





Total Florida E&S Premium 2018-2023

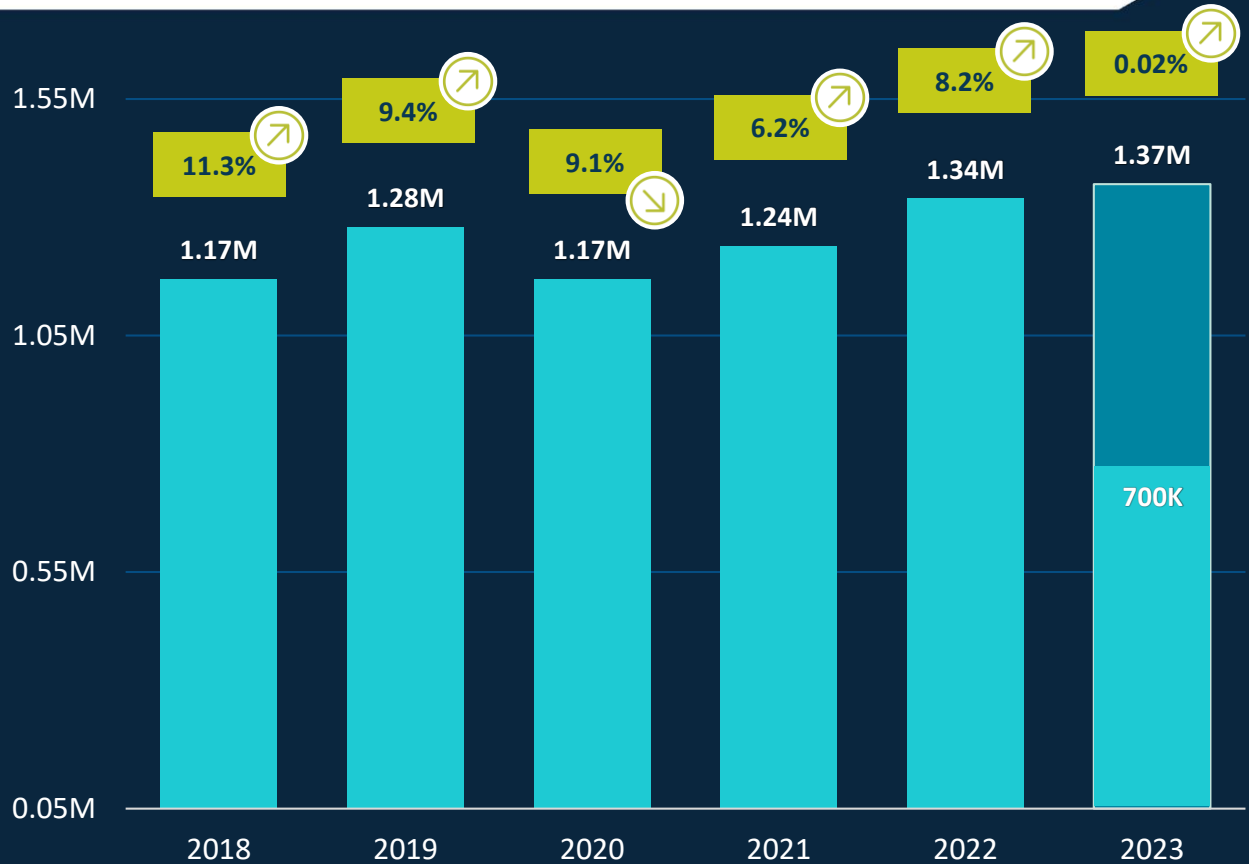





-  Total Annual Premium
-  YOY Percentage Change in Annual Premium
-  Projected Annual Premium

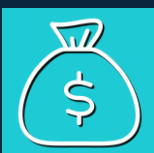


Total Florida E&S Policy Count

2018-2023



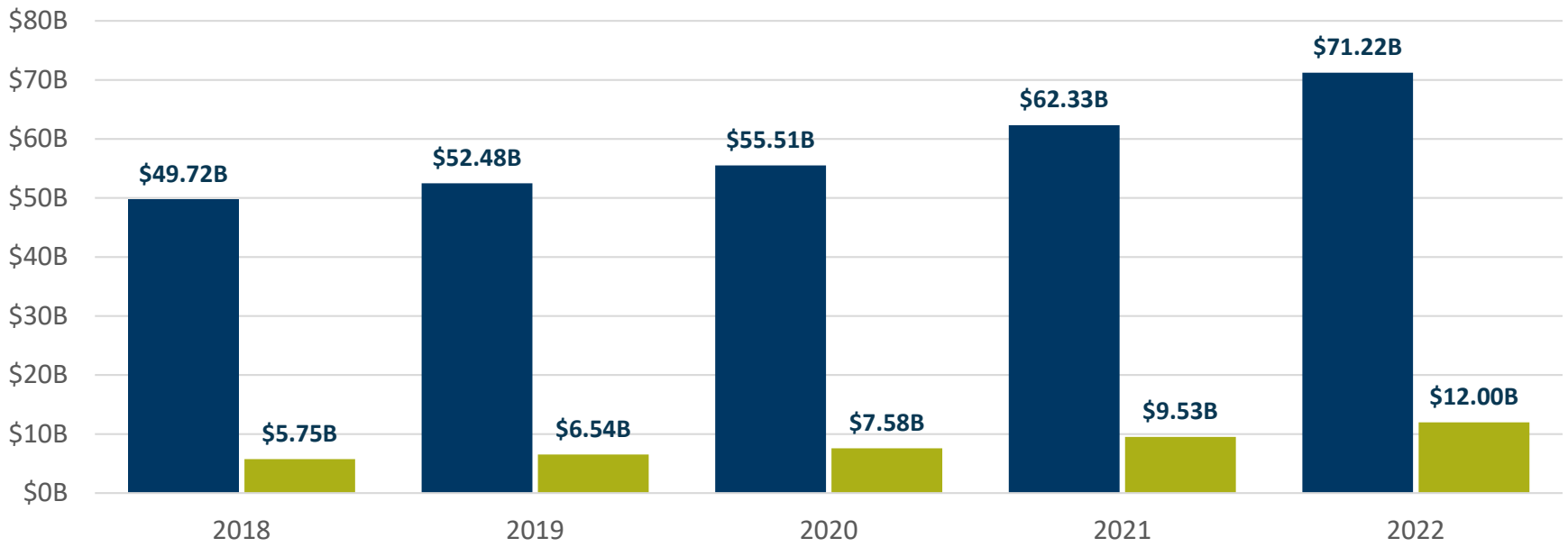
-  Total Florida Policy Count
-  YOY Percentage Change in Policy Count
-  Projected Florida Policy Count



Florida Admitted Market vs. Surplus Lines 2018-2022



TOTAL FLORIDA PREMIUM



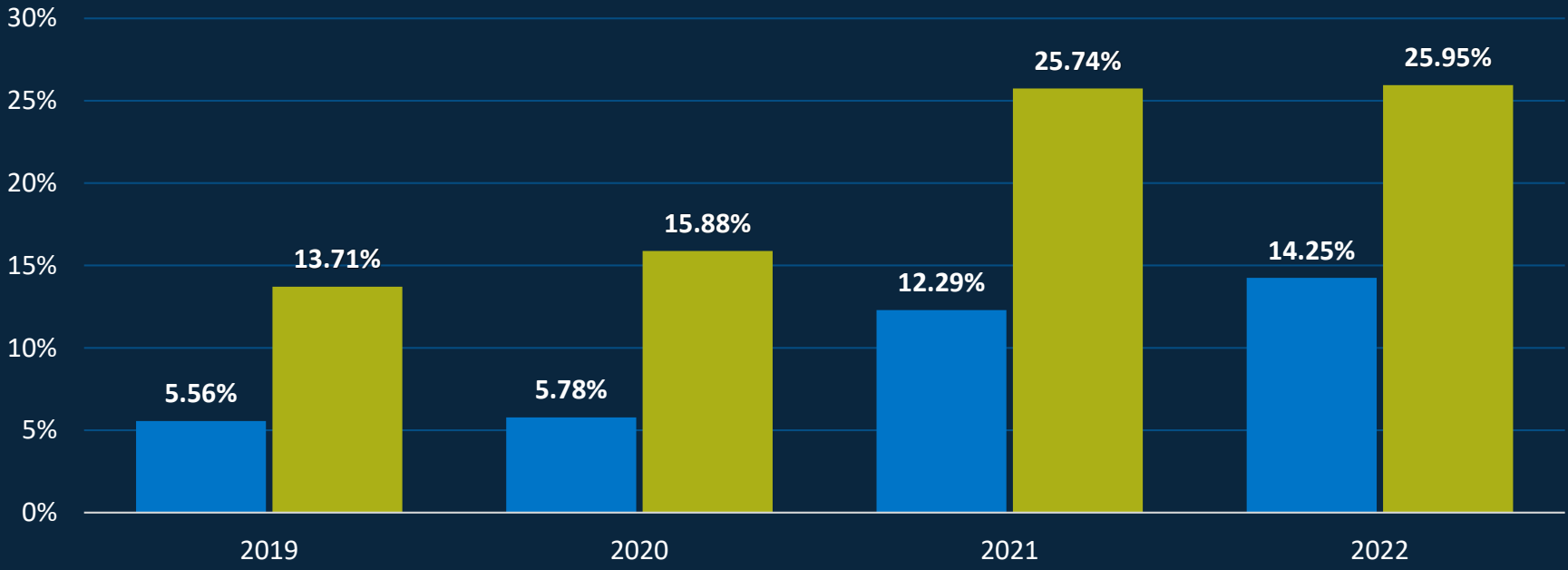


Florida Admitted Market vs. Surplus Lines

2019-2022



YEAR-OVER-YEAR CHANGE



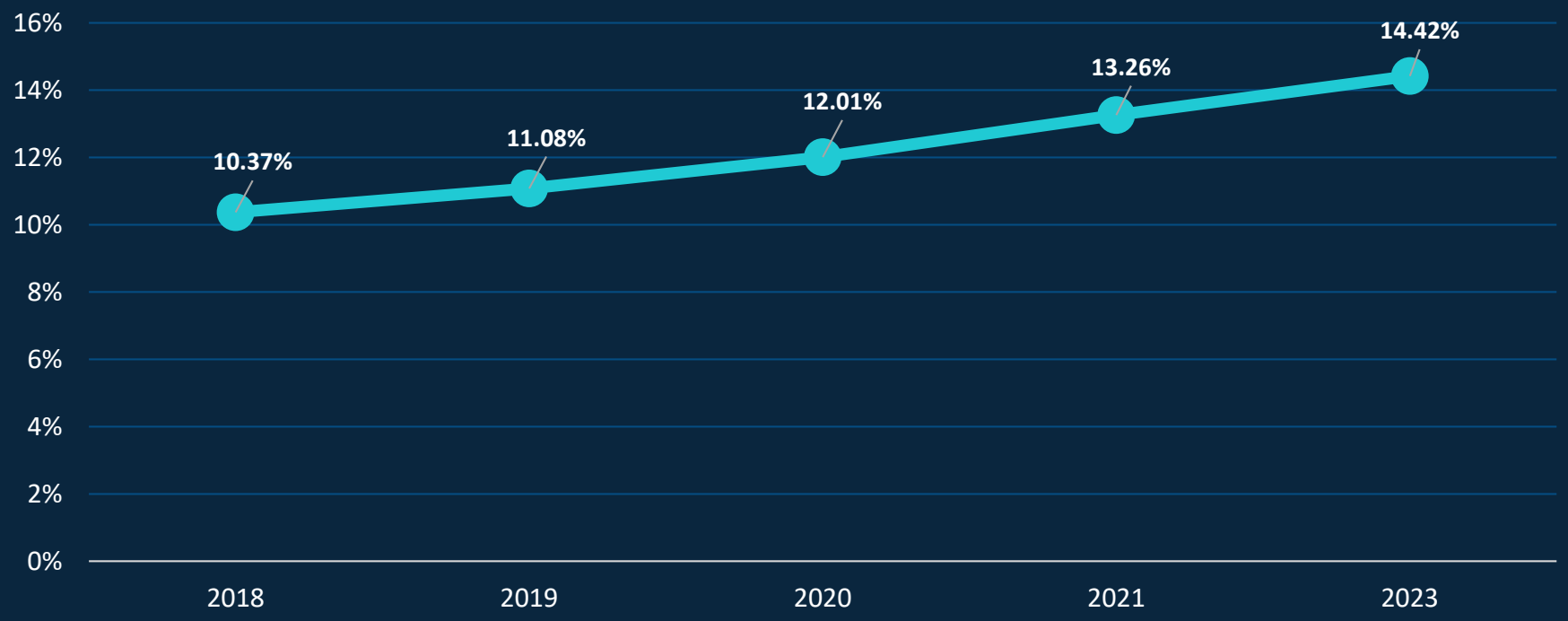
Legend: ● Admitted ● Non-Admitted



Florida Admitted Market vs. Surplus Lines 2018-2022



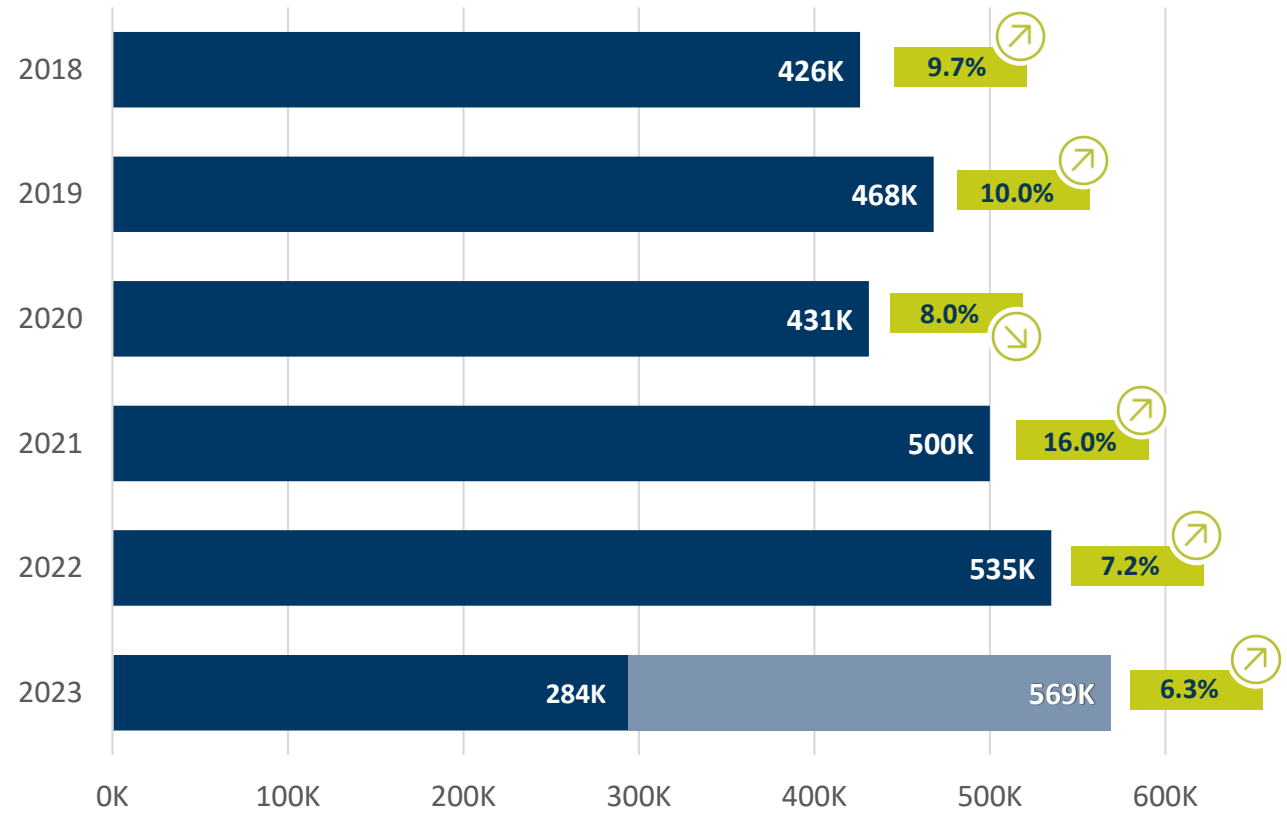
SURPLUS LINES SHARE OF PREMIUM





New E&S Policies

2018-2023

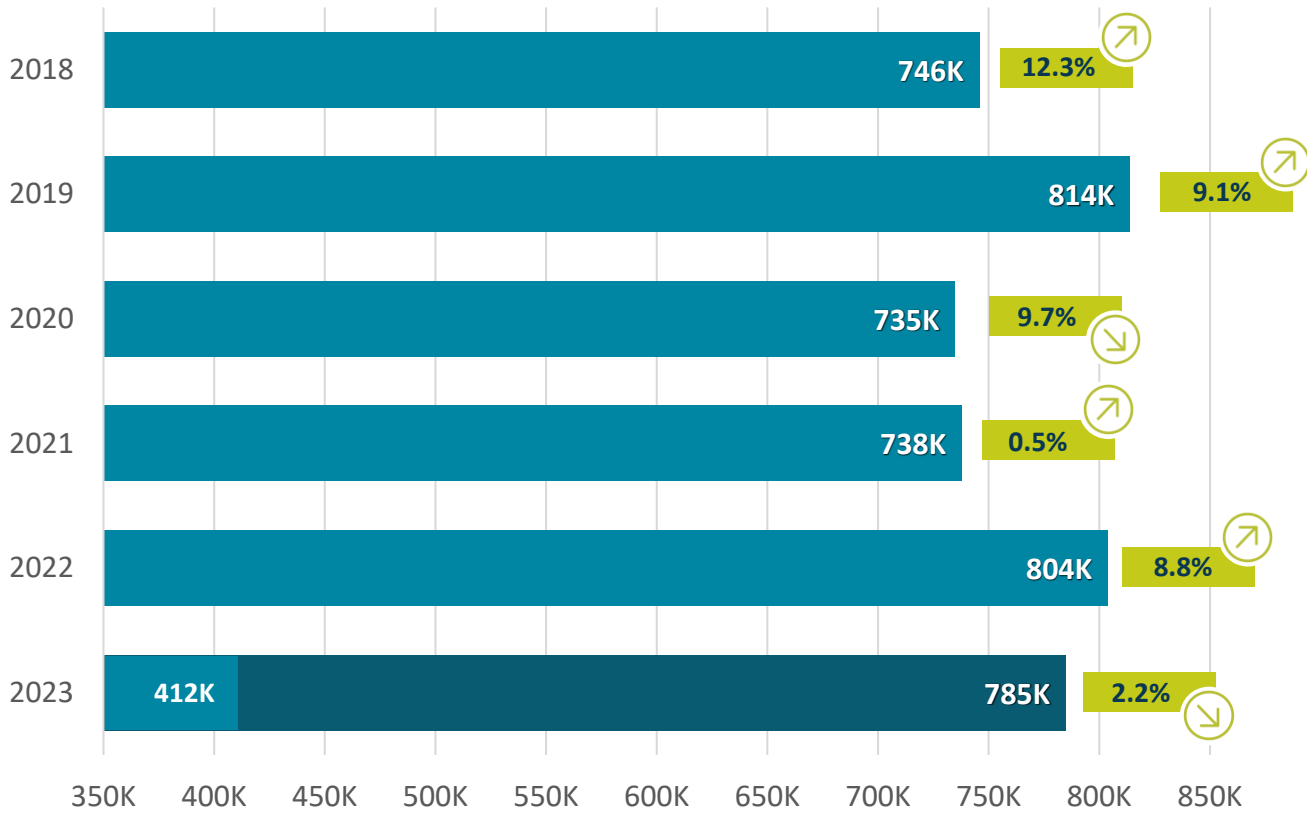


- New Policy Count
- Projected New Policy Count
- YOY Percentage Change in New Business Policies



Renewal E&S Policies

2018-2023



- Renewal Policy Count
- Projected Renewal Policy Count
- YOY Percentage Change in New Business Policies

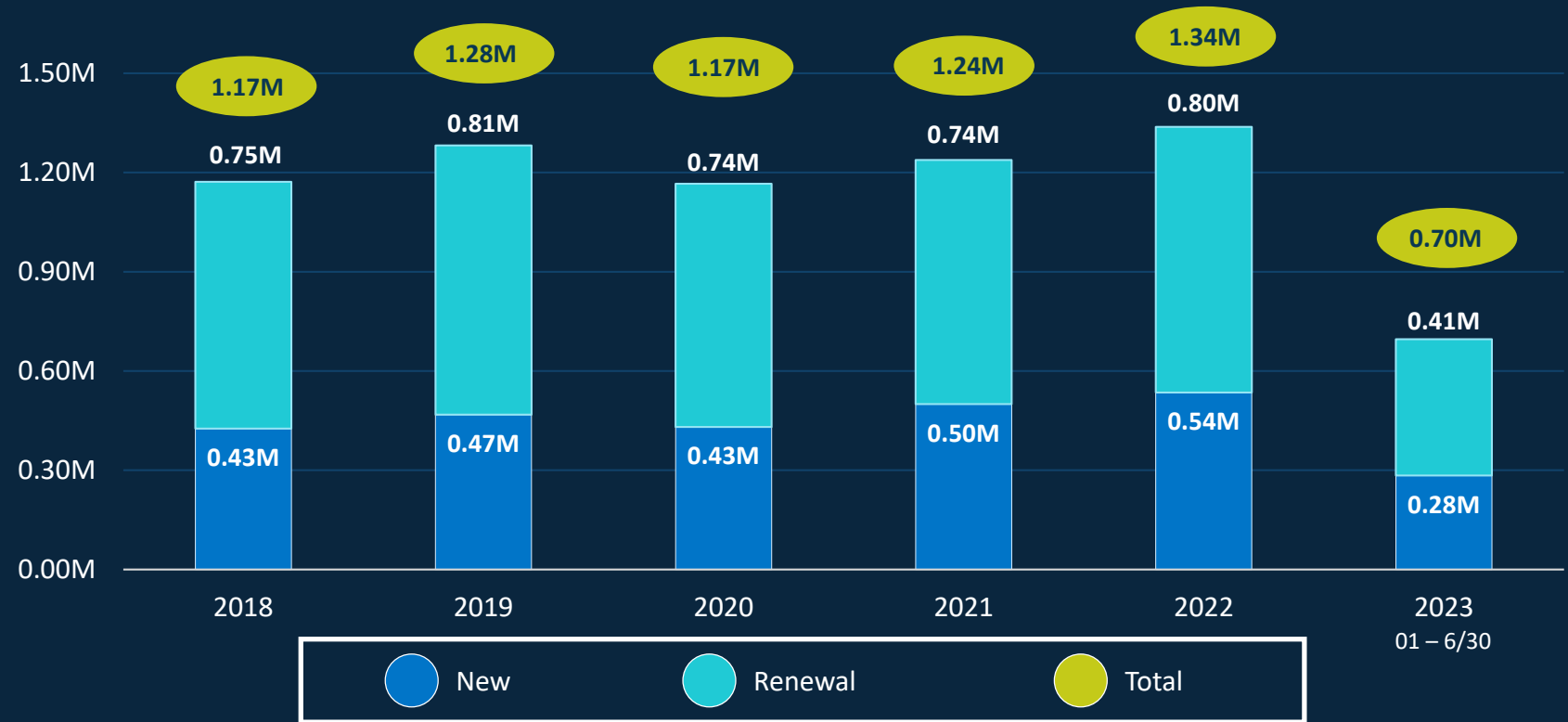


Renewals E&S Policies

2018 - 2023

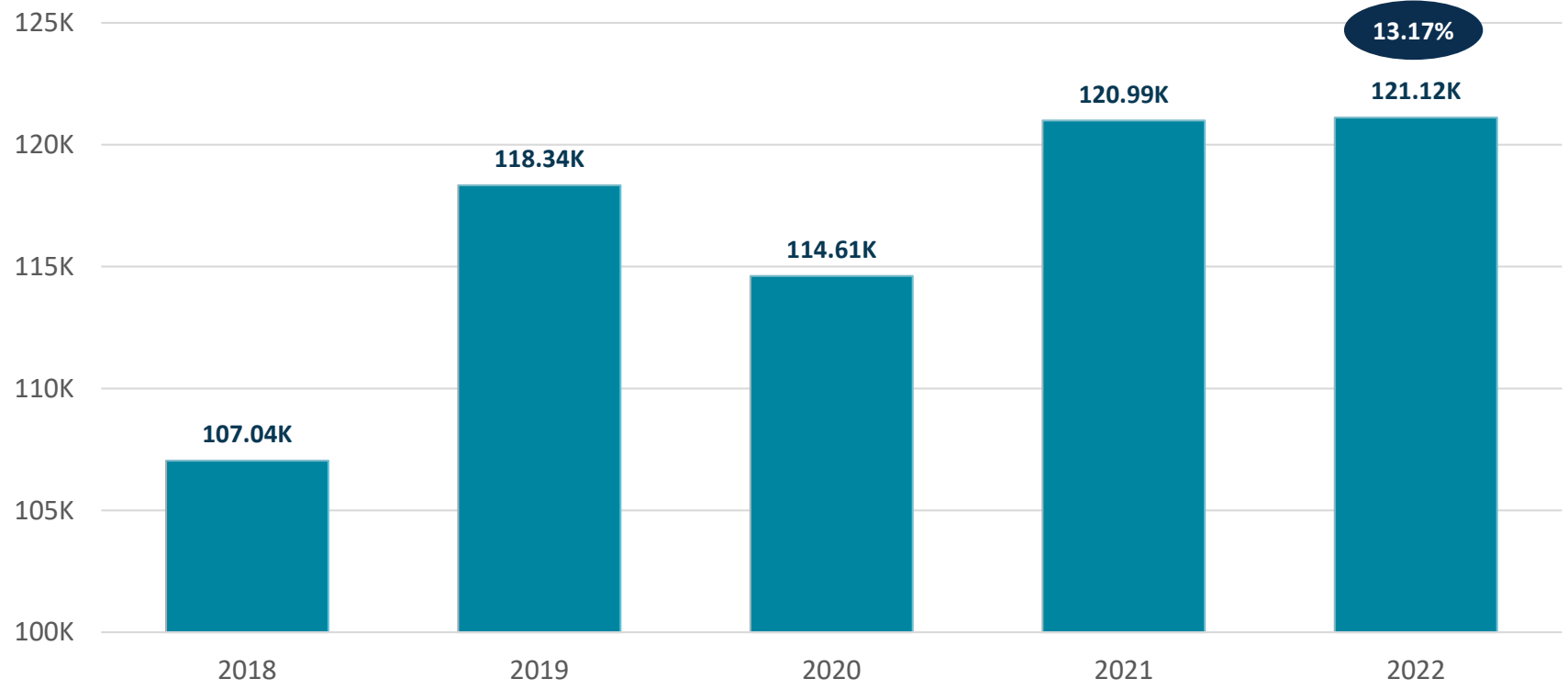


RENEWAL POLICY COUNT vs. TOTAL POLICY COUNT





Cancellations E&S Policies 2018-2023



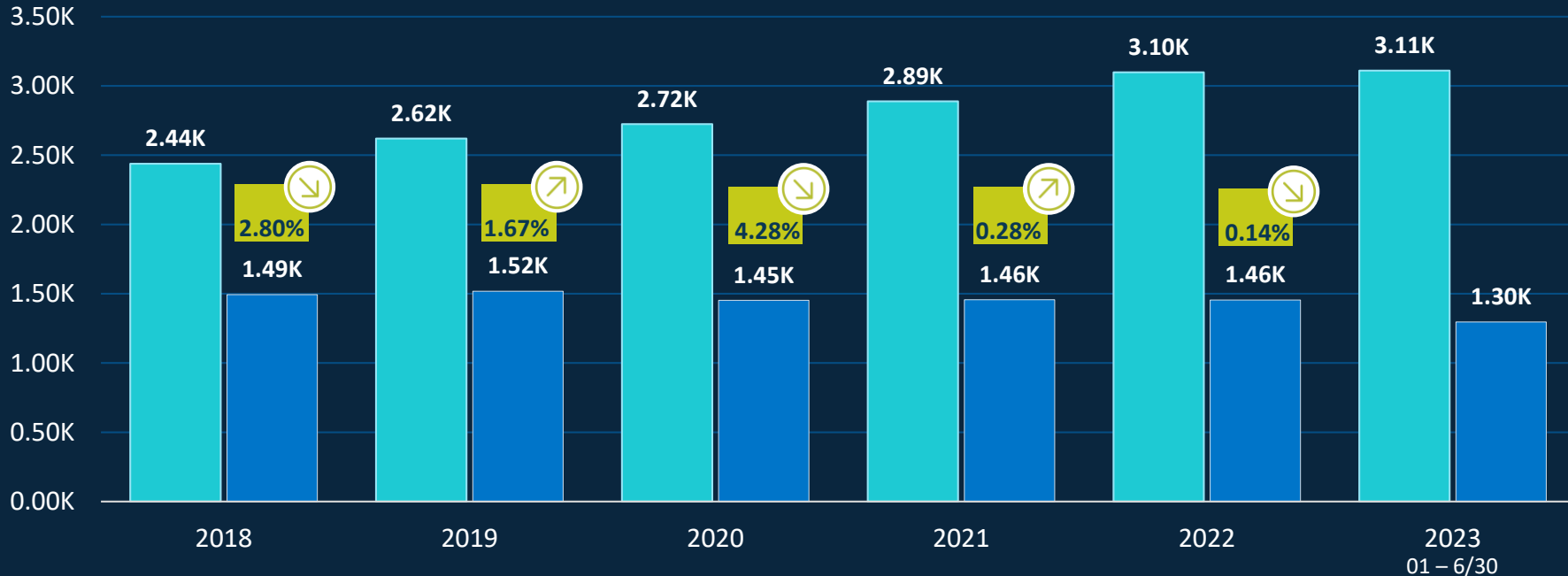


E&S Agent Data

2018-2023



TOTAL AGENTS VS. TOTAL REPORTING AGENTS



Total Reporting Agents



Total Licensed Agents



YOY Percentage Change in Reporting Agents

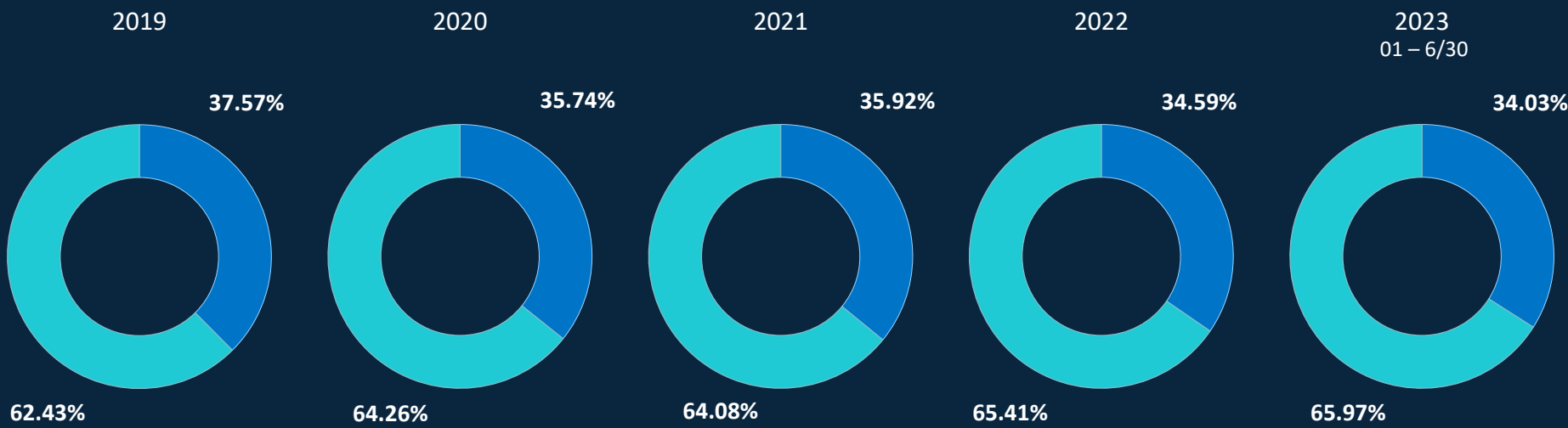


E&S Agent Data

2019-2023



RESIDENT AGENTS VS. NON-RESIDENT AGENTS



MINING THE DATA

INSURER DATA

- Top E&S Insurers by Premium
- New E&S Insurer Data
- New E&S Insurer Coverages





Top E&S Insurers by Premium 2022



2022 RANK	INSURER	PREMIUM	2021 RANK
1	Underwriters at Lloyd's, London	\$2.42B	1
2	National Fire and Marine Insurance Company	\$385.11M	4
3	Lexington Insurance Company	\$347.87M	2
4	Westchester Surplus Lines Insurance Company	\$328.06M	5
5	Scottsdale Insurance Company	\$296.01M	6
6	QBE Specialty Insurance Company	\$280.29M	3
7	Evanston Insurance Company	\$270.11M	7
8	Steadfast Insurance Company	\$228.20M	8
9	AXIS Surplus Insurance Company	\$218.54M	10
10	Trisura Specialty Insurance Company	\$206.06M	25



Top E&S Insurers by Premium

January – June 2023



2023 RANK	INSURER	PREMIUM	2022 RANK
1	Underwriters at Lloyd’s, London	\$1.60B	1
2	National Fire and Marine Insurance Company	\$421.76M	2
3	Lexington Insurance Company	\$230.32M	3
4	Westchester Surplus Lines Insurance Company	\$210.53M	4
5	Landmark American Insurance Company	\$196.60M	13
6	QBE Specialty Insurance Company	\$190.34M	6
7	Steadfast Insurance Company	\$182.60M	8
8	Evanston Insurance Company	\$179.14M	7
9	Scottsdale Insurance Company	\$175.79M	5
10	Mt. Hawley Insurance Company	\$172.10M	14

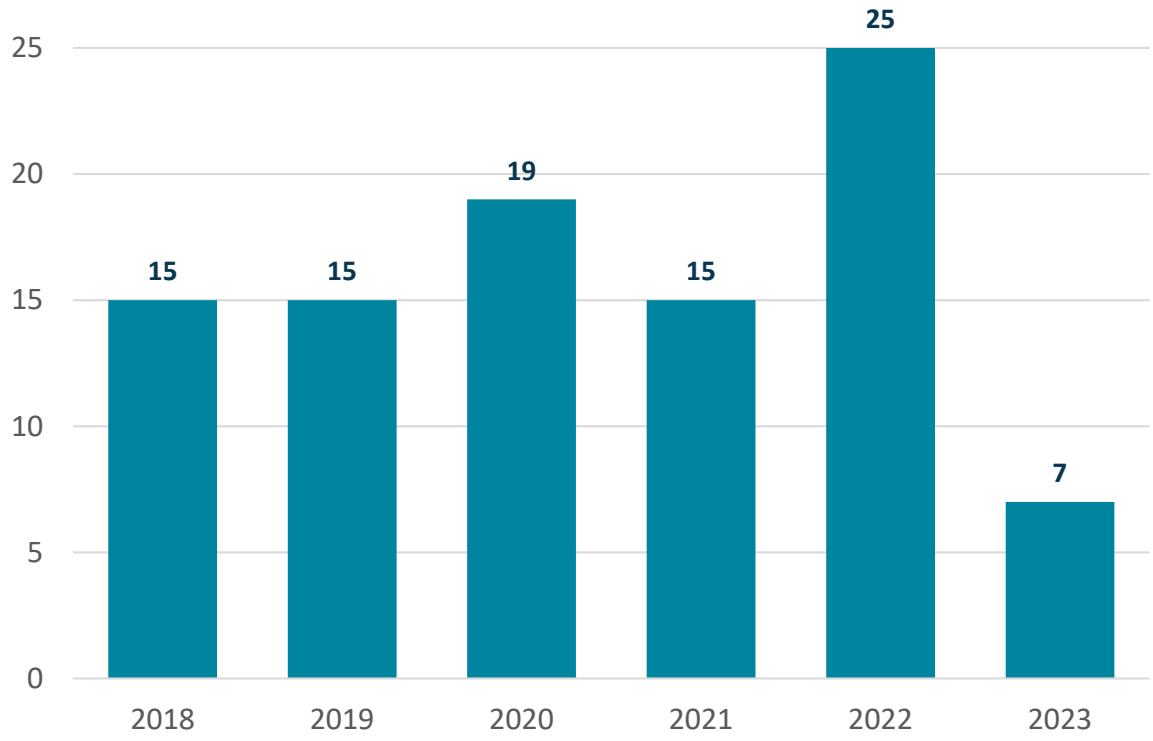


New E&S Insurer Data

2018-2023

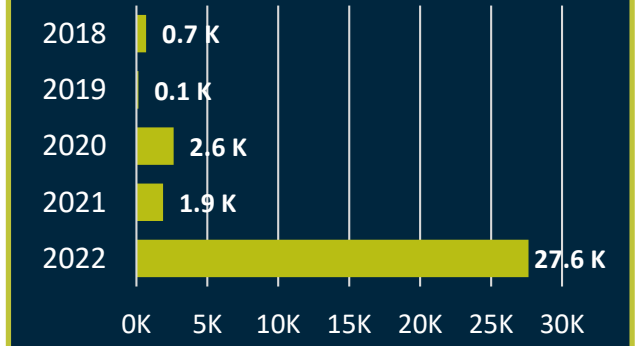


NEW INSURERS BY YEAR



1/1 - 6/30

New Insurer Policy Count

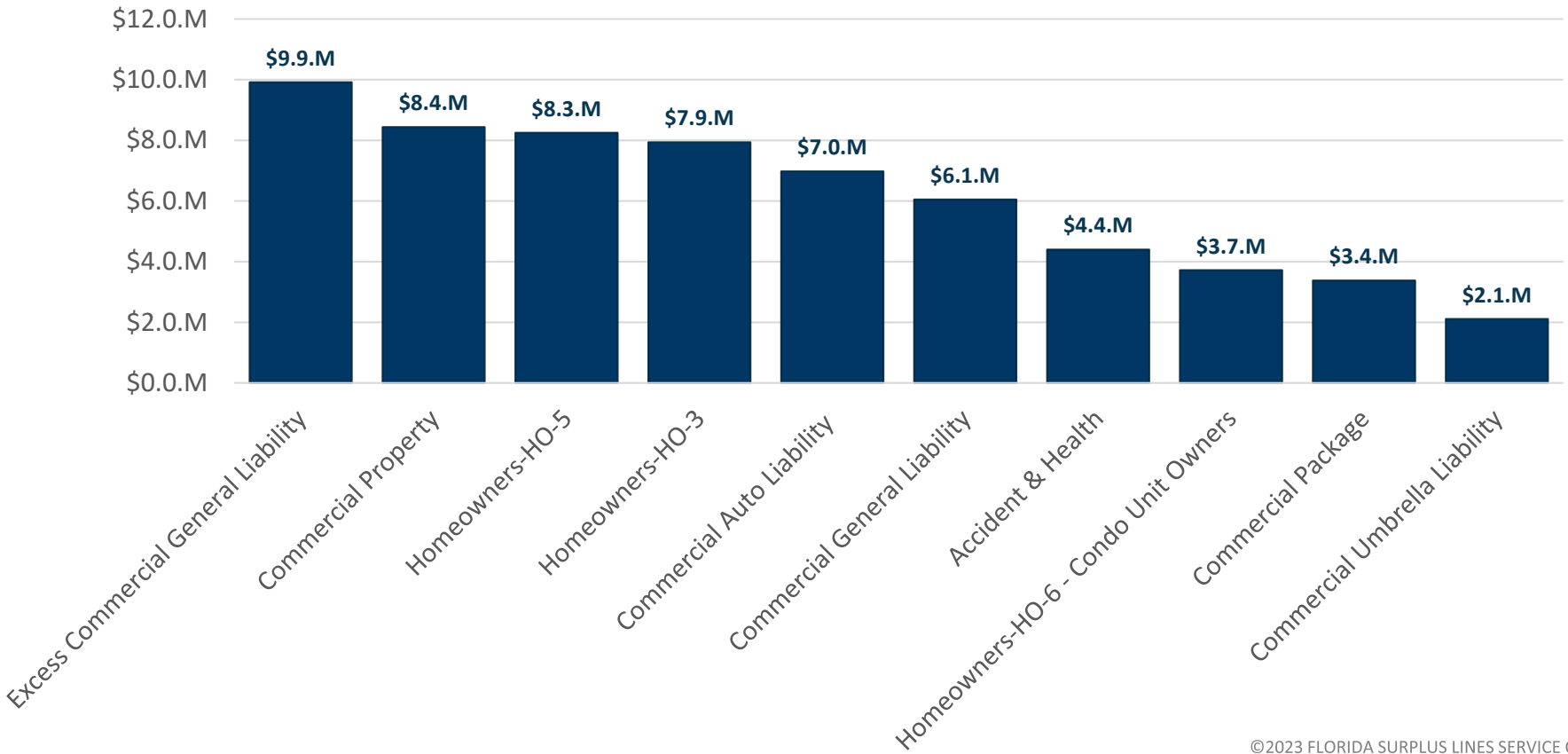


96 Additional Insurers Writing Business Since 2018 as of 2023



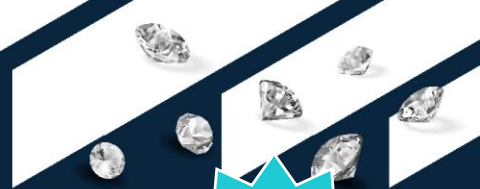
New E&S Insurer Coverages

2022 Florida Top 10 Coverages with Premium Totals



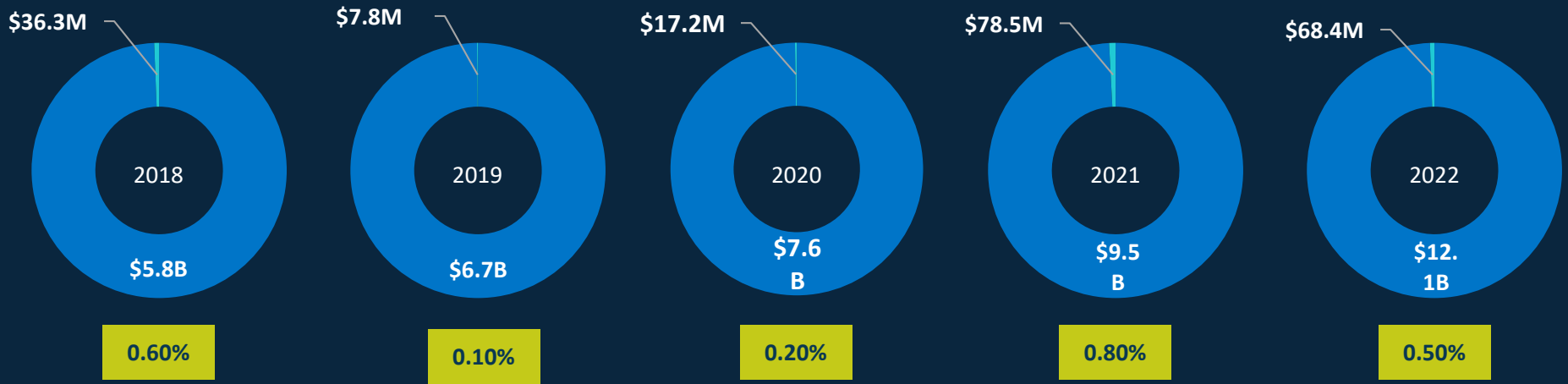


New Florida E&S Insurer Data 2018-2022



25
New Insurers

NEW INSURER ANNUAL PREMIUM VS. TOTAL FLORIDA ANNUAL PREMIUM



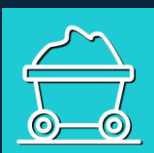
● Total Annual Florida Premium
 ● New Insurer Annual Premium
 ● New Insurer Percentage of Annual Premium

MINING THE DATA

PROPERTY INSURANCE TRENDS | COMMERCIAL

- Commercial Property
- Commercial Package
- Windstorm and/or Hail Coverage
- Flood – Commercial
- Excess Flood – Commercial
- Motor Truck Cargo
- Builders Risk

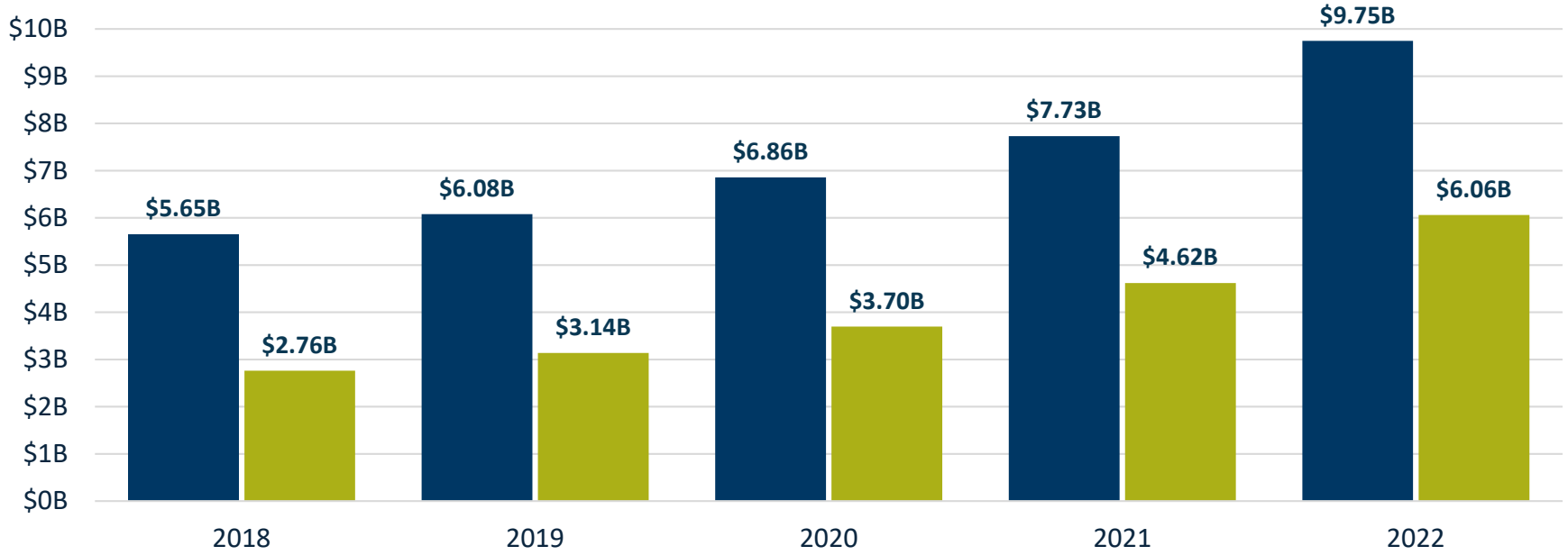




Florida Admitted Market vs. Surplus Lines 2018-2022



FLORIDA COMMERCIAL PROPERTY PREMIUM

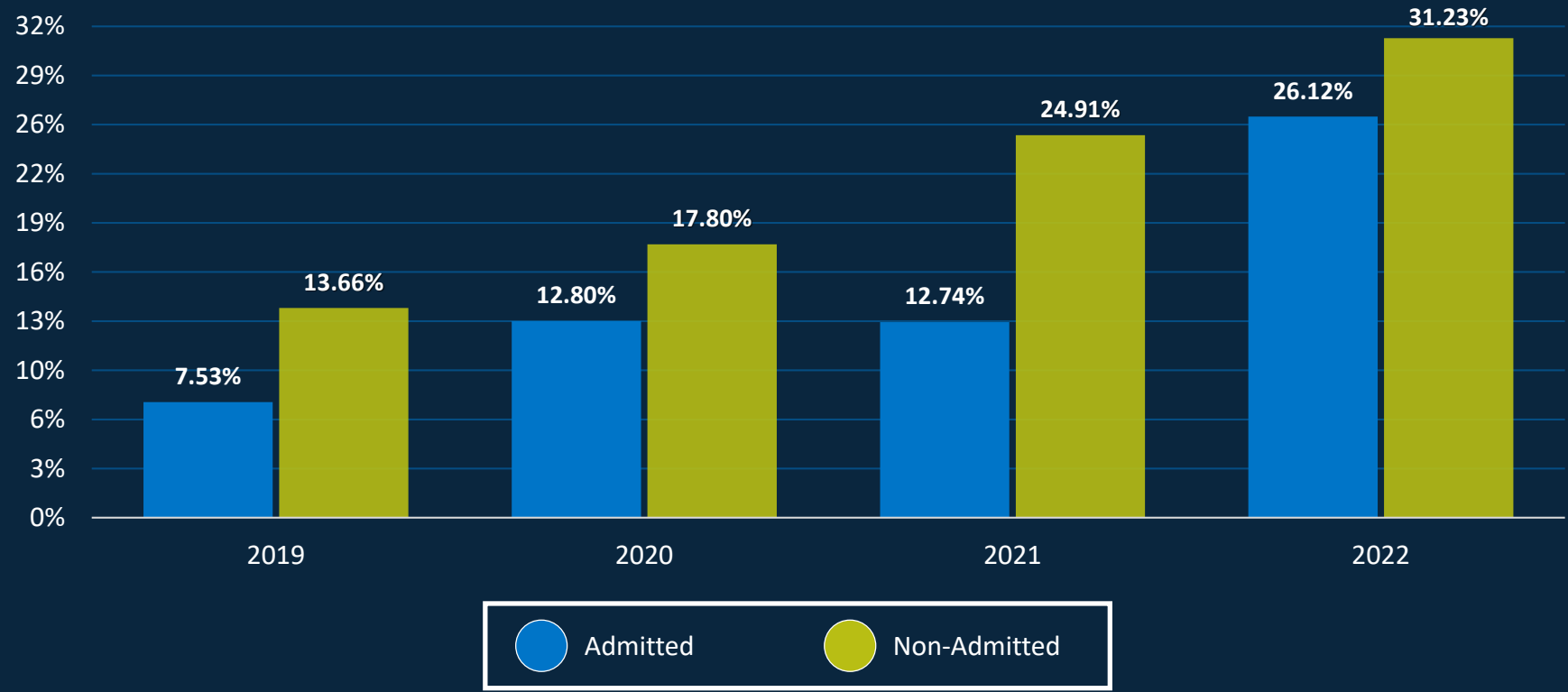




Florida Admitted Market vs. Surplus Lines 2019-2022



YEAR-OVER-YEAR CHANGE – COMMERCIAL PROPERTY

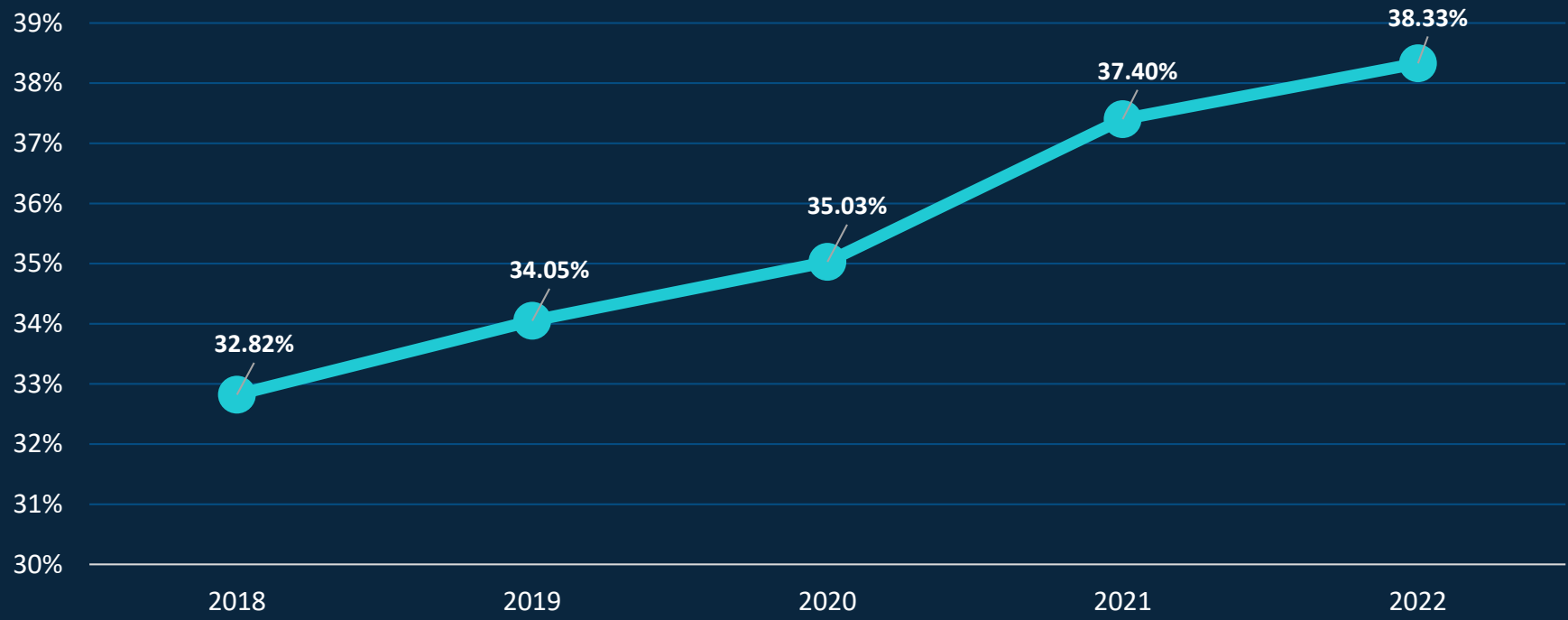




Florida Admitted Market vs. Surplus Lines 2018-2022



SURPLUS LINES SHARE OF COMMERCIAL PROPERTY PREMIUM



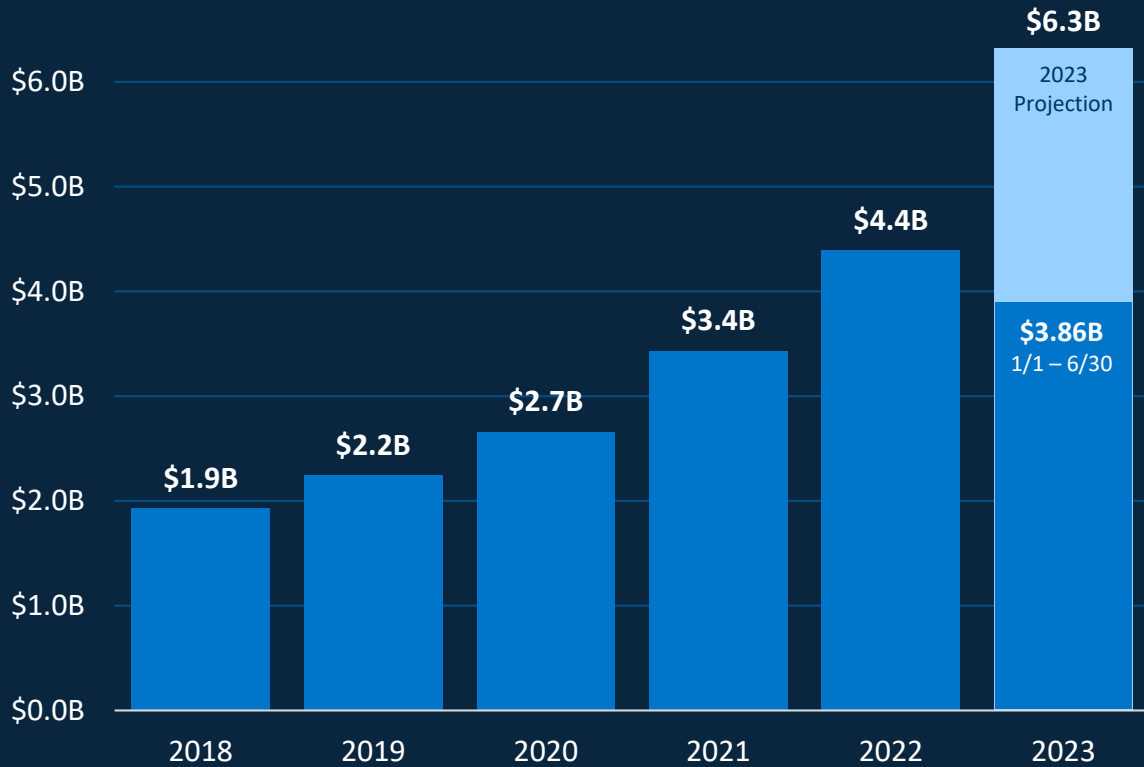


Commercial Property

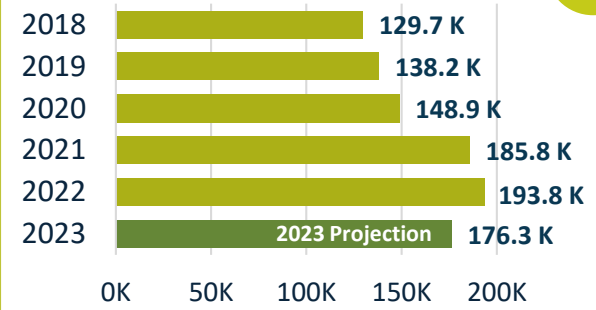
2018-2023



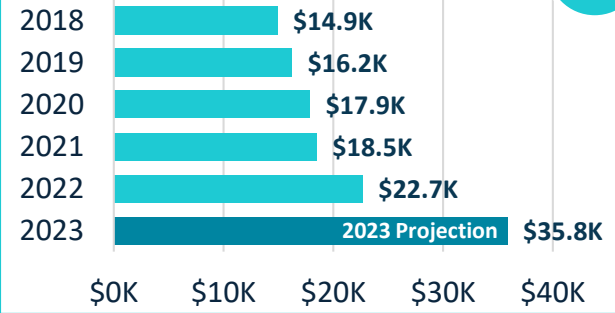
PREMIUM TOTALS



Policy Totals



Average Premium



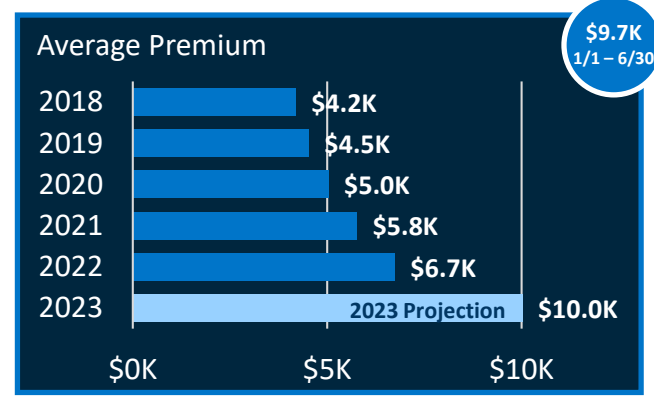
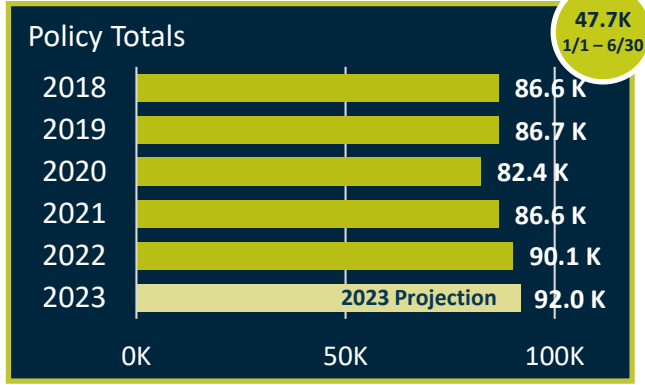
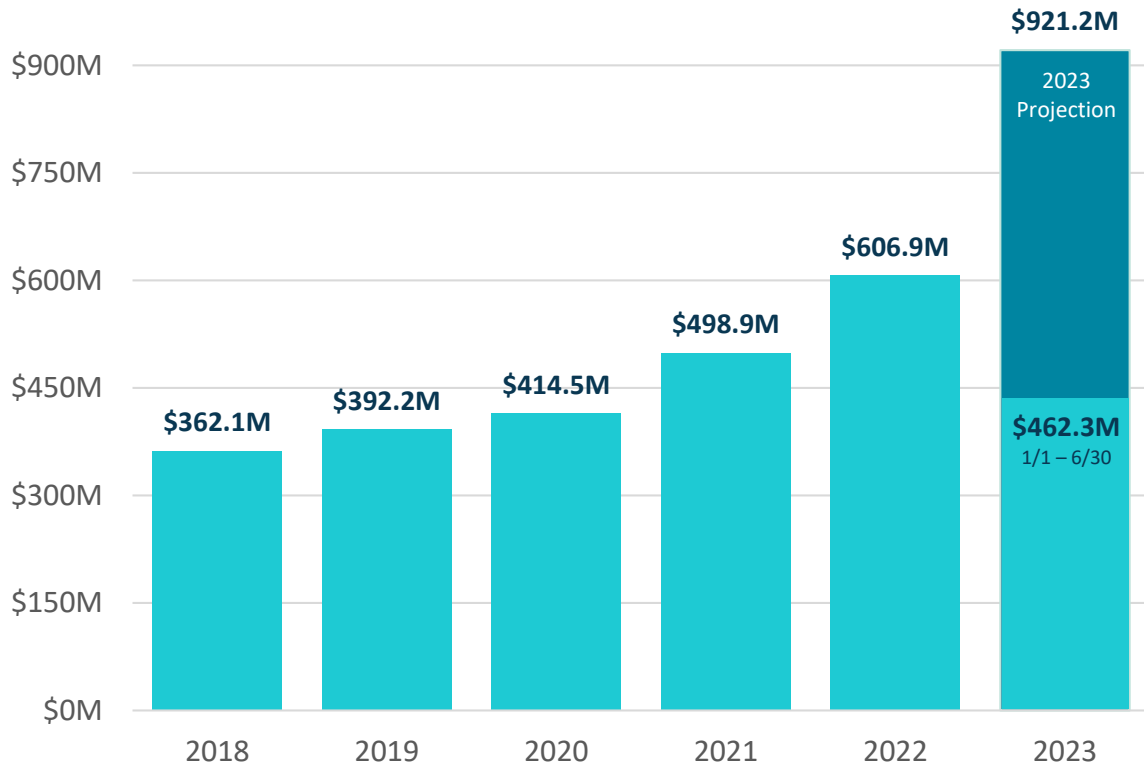


Commercial Package

2018-2023



PREMIUM TOTALS

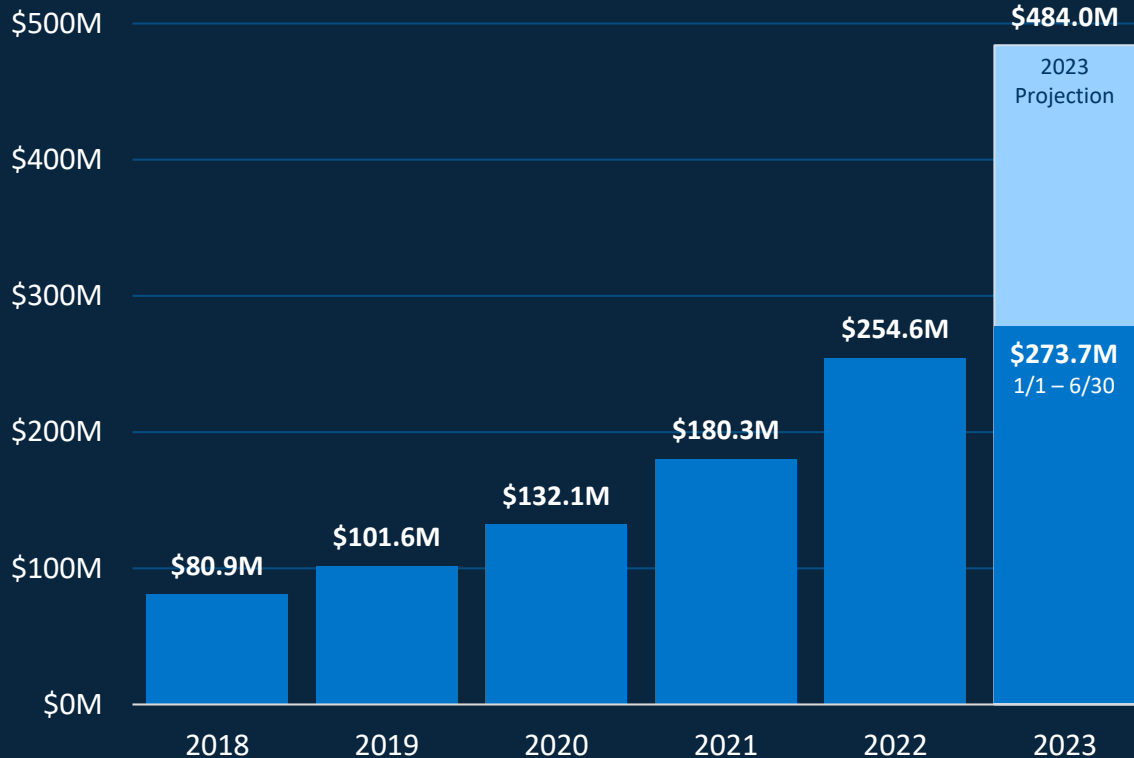




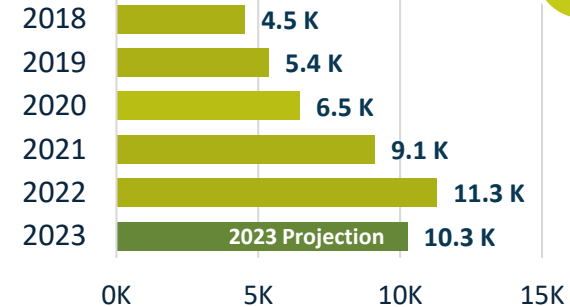
Windstorm and/or Hail Coverage 2018-2023



PREMIUM TOTALS

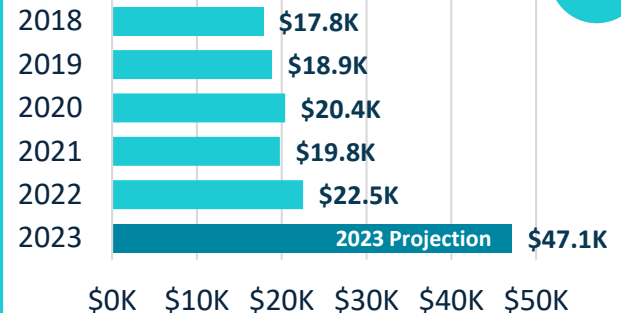


Policy Totals



5.6K
1/1 - 6/30

Average Premium



\$48.8K
1/1 - 6/30

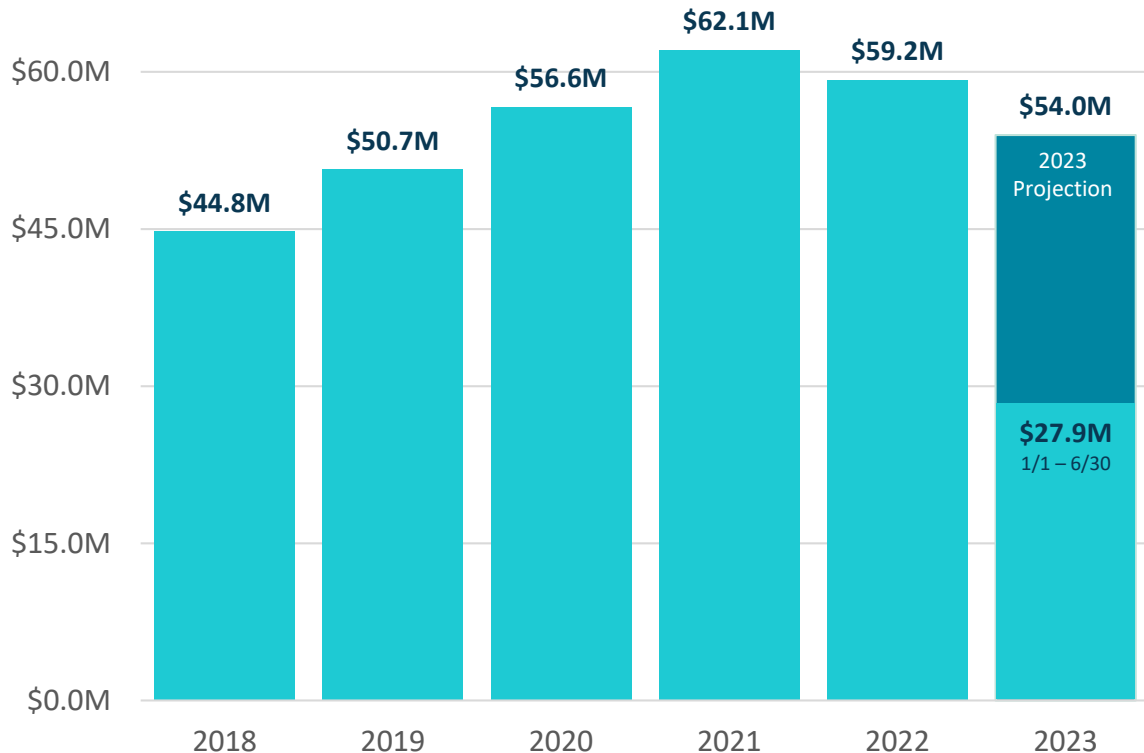


Flood — Commercial

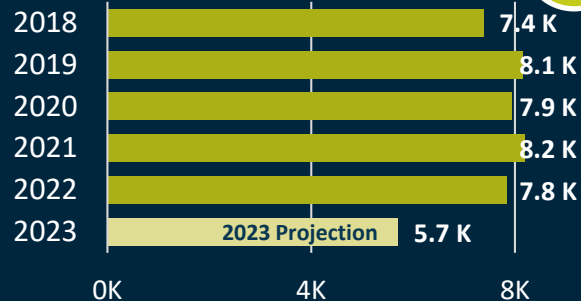
2018-2023



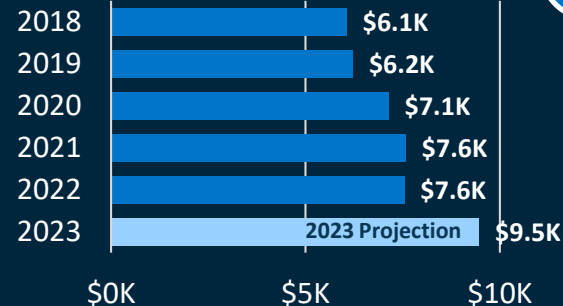
PREMIUM TOTALS



Policy Totals



Average Premium



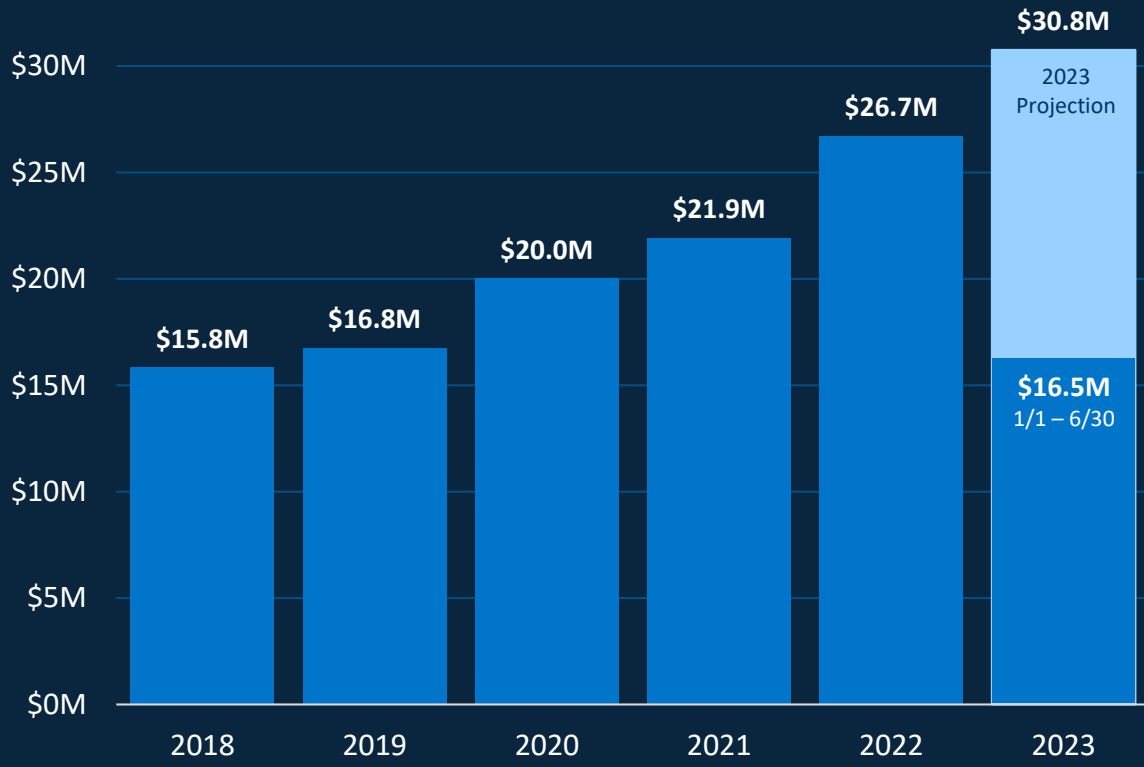


Excess Flood – Commercial

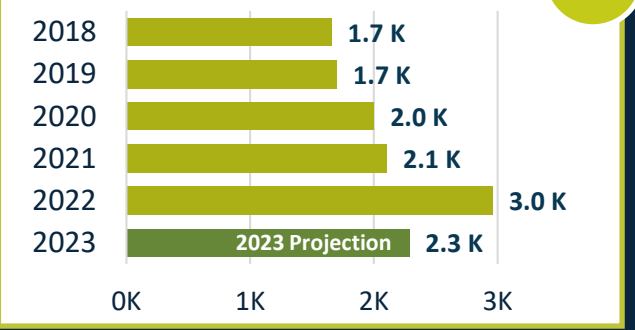
2018-2023



PREMIUM TOTALS

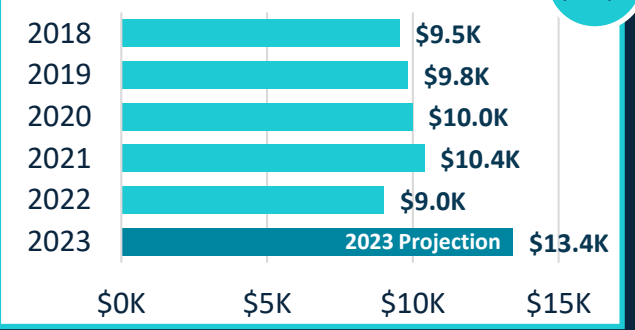


Policy Totals



1.2K
1/1 – 6/30

Average Premium



\$13.7K
1/1 – 6/30

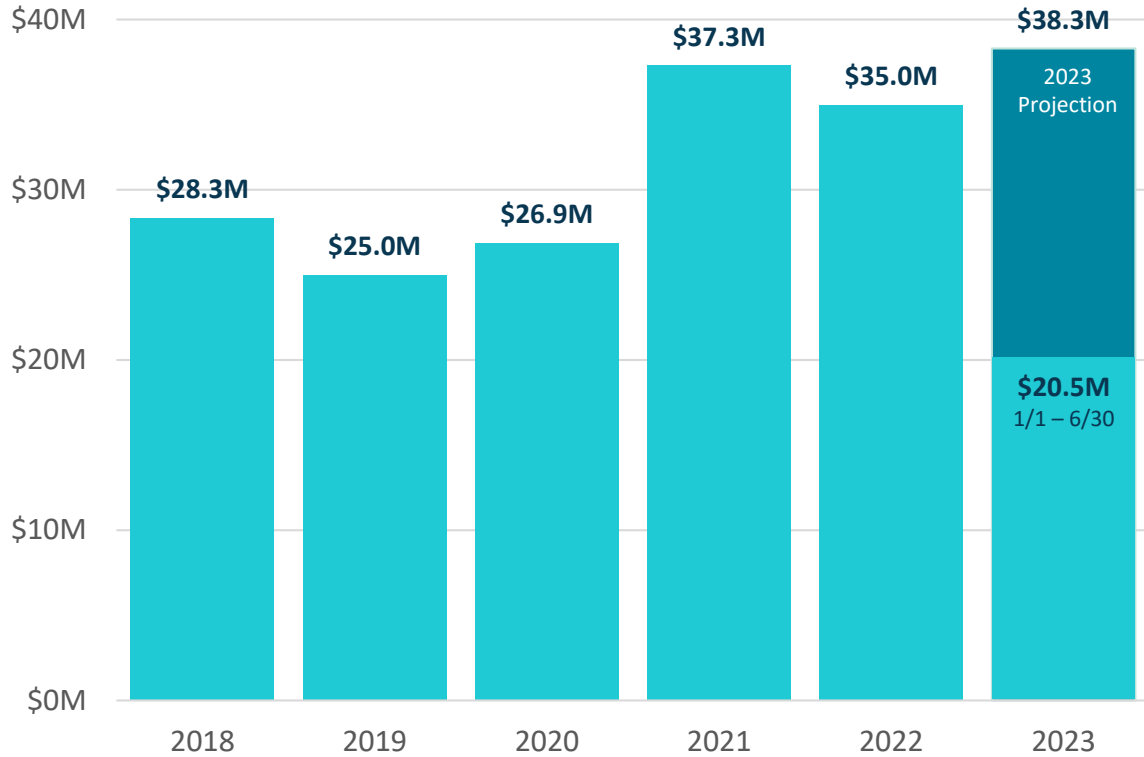


Motor Truck Cargo

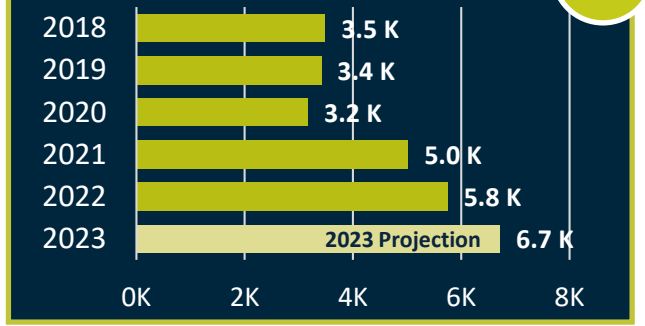
2018-2023



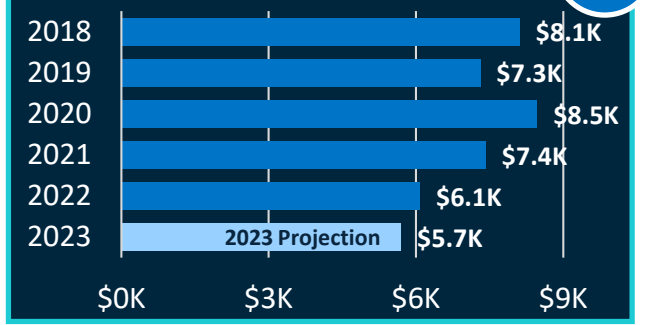
PREMIUM TOTALS



Policy Totals



Average Premium



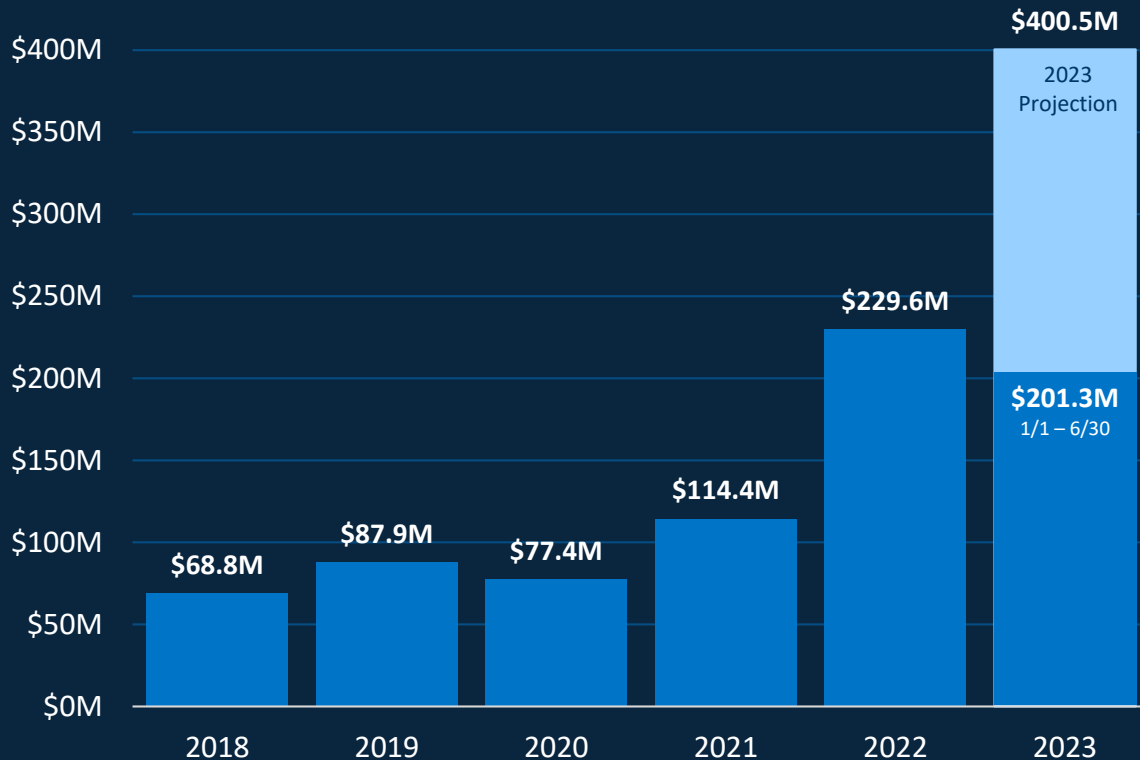


Builders Risk

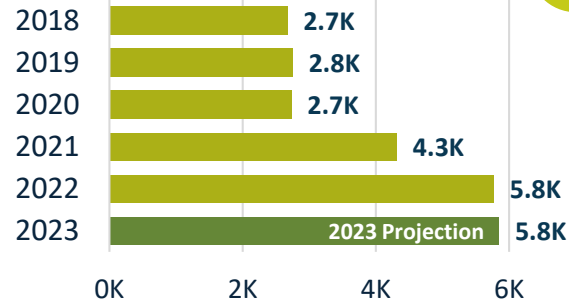
2018-2023



PREMIUM TOTALS

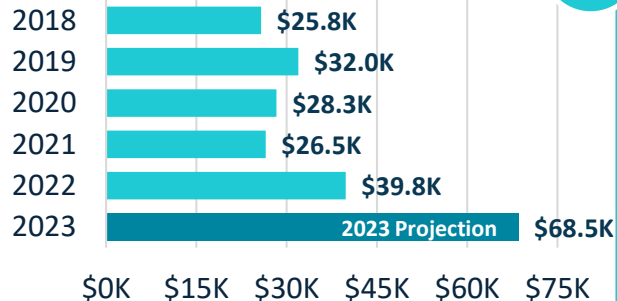


Policy Totals



3.0K
1/1 - 6/30

Average Premium



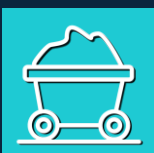
\$67.6K
1/1 - 6/30

MINING THE DATA

LIABILITY INSURANCE TRENDS | COMMERCIAL

- Commercial General Liability
- Excess Commercial General Liability
- Cyber Liability
- Commercial Auto Liability
- Directors & Officers Liability

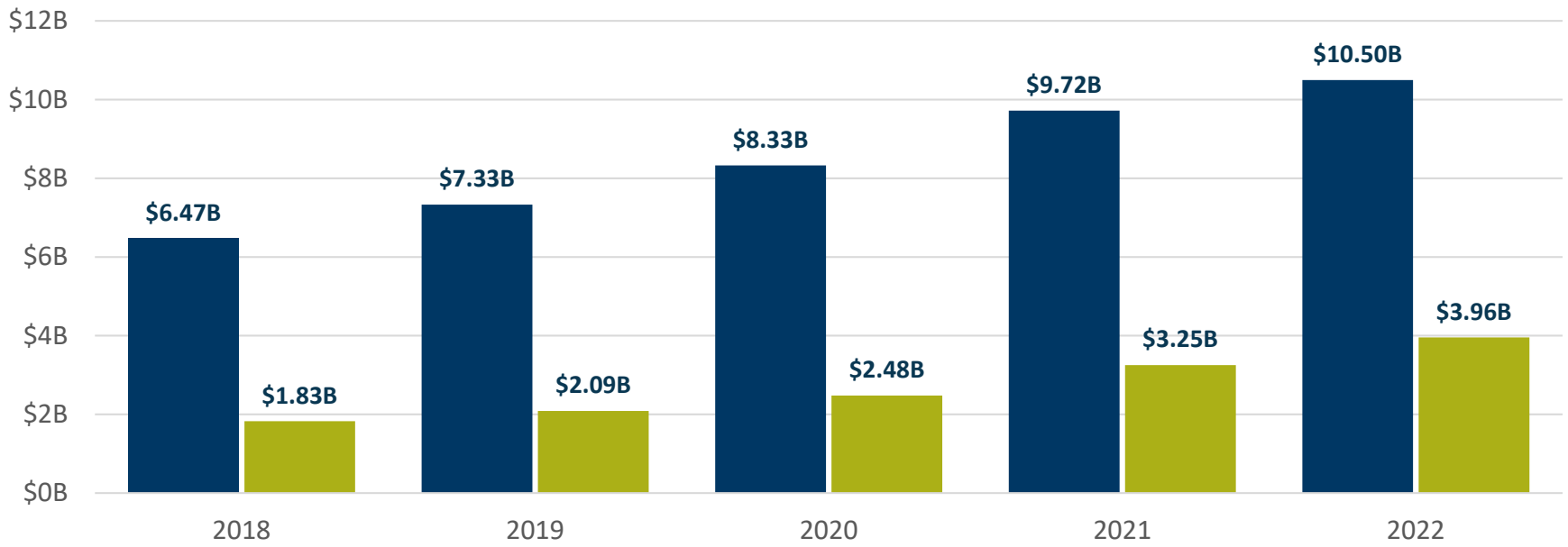




Florida Admitted Market vs. Surplus Lines 2018-2022



FLORIDA COMMERCIAL LIABILITY PREMIUM

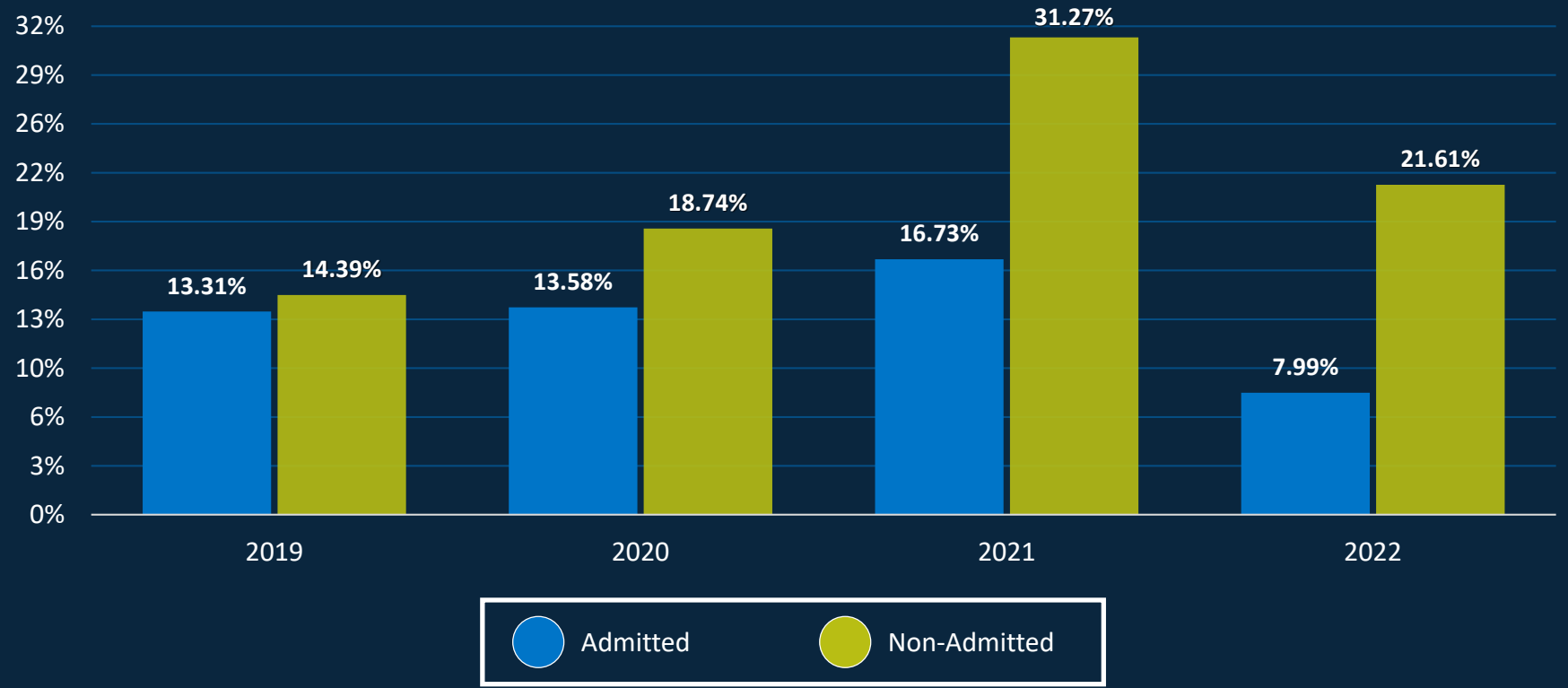




Florida Admitted Market vs. Surplus Lines 2019-2022



YEAR-OVER-YEAR CHANGE – COMMERCIAL LIABILITY



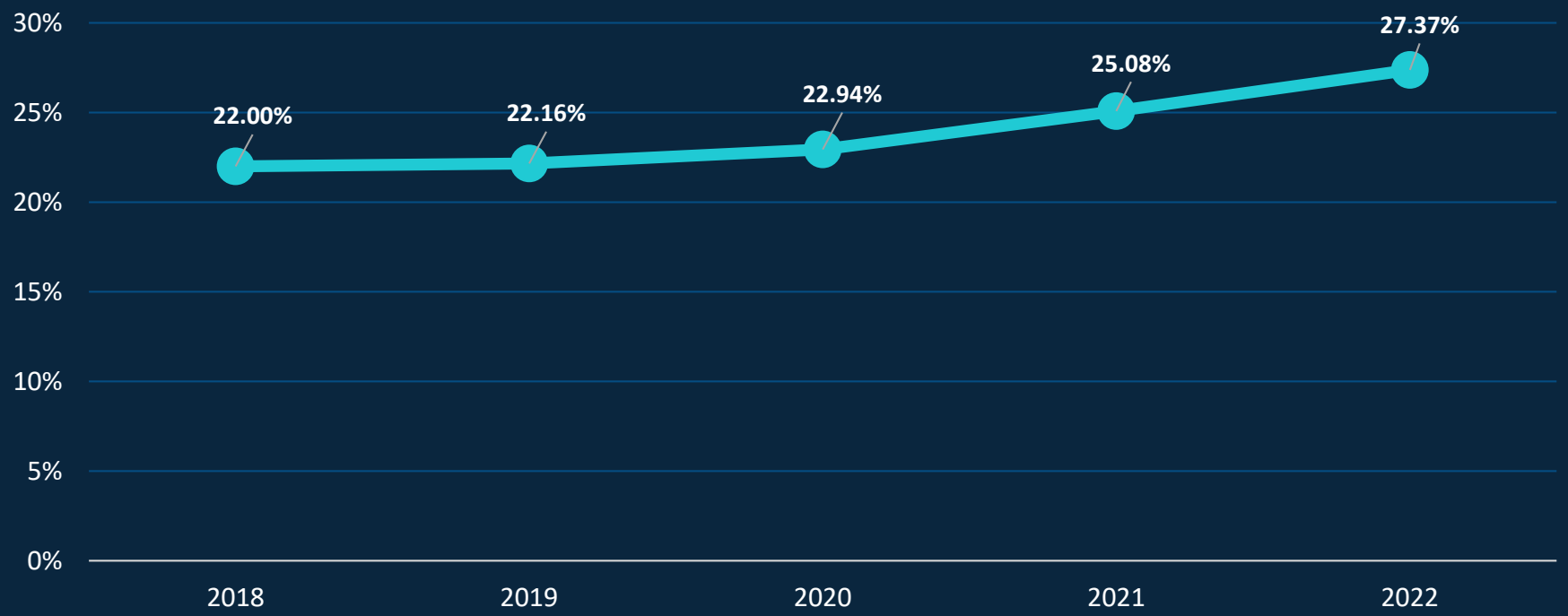


Florida Admitted Market vs. Surplus Lines

2018-2022



SURPLUS LINES SHARE OF COMMERCIAL LIABILITY PREMIUM



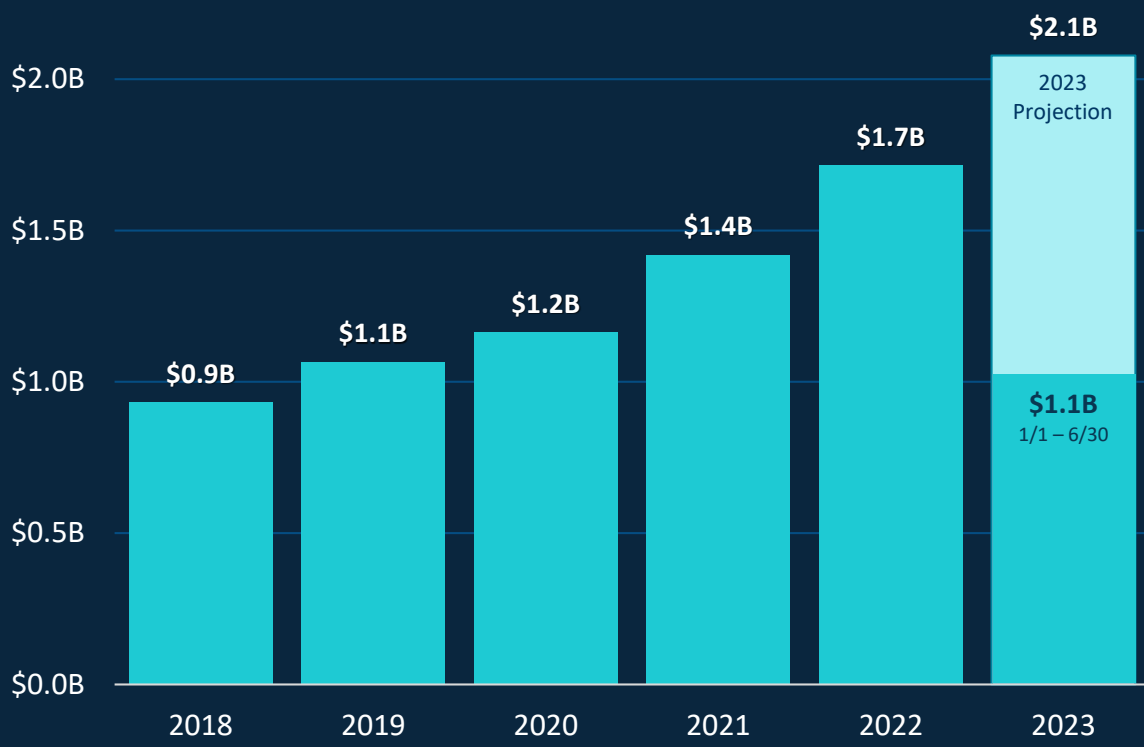


Commercial General Liability

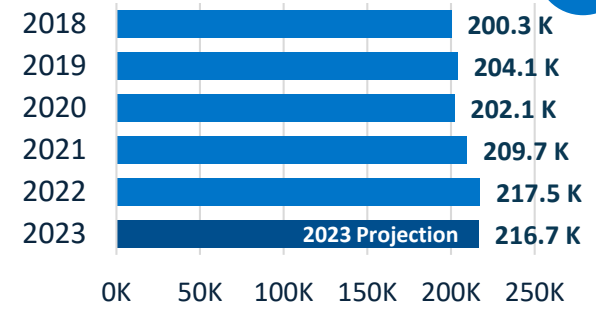
2018-2023



PREMIUM TOTALS

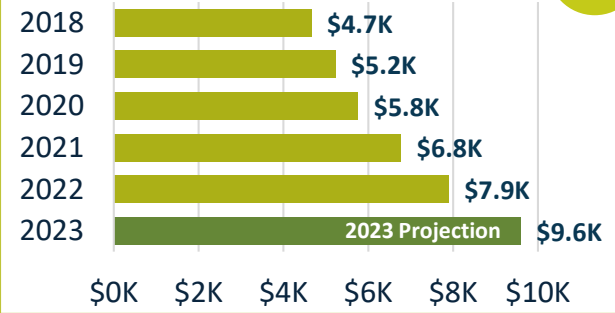


Policy Totals



114.1K
1/1 - 6/30

Average Premium



\$9.7K
1/1 - 6/30

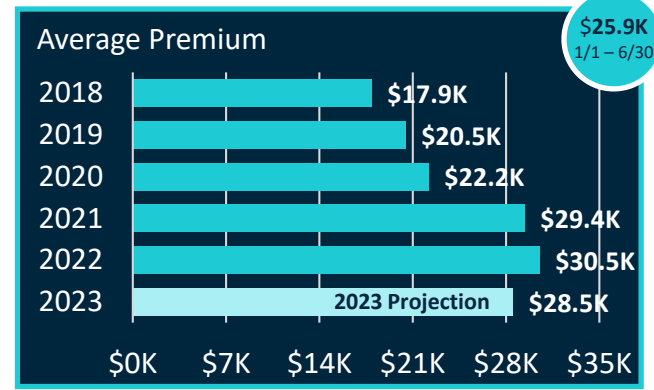
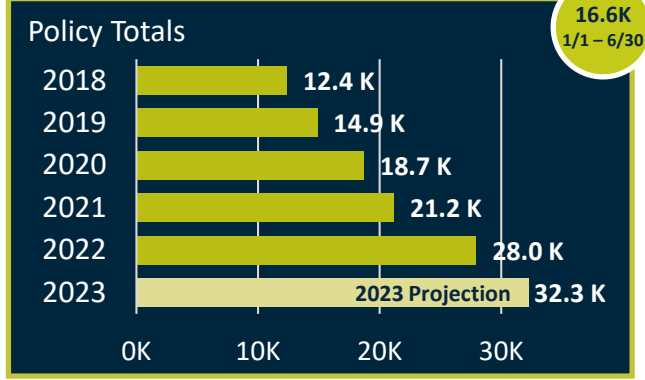
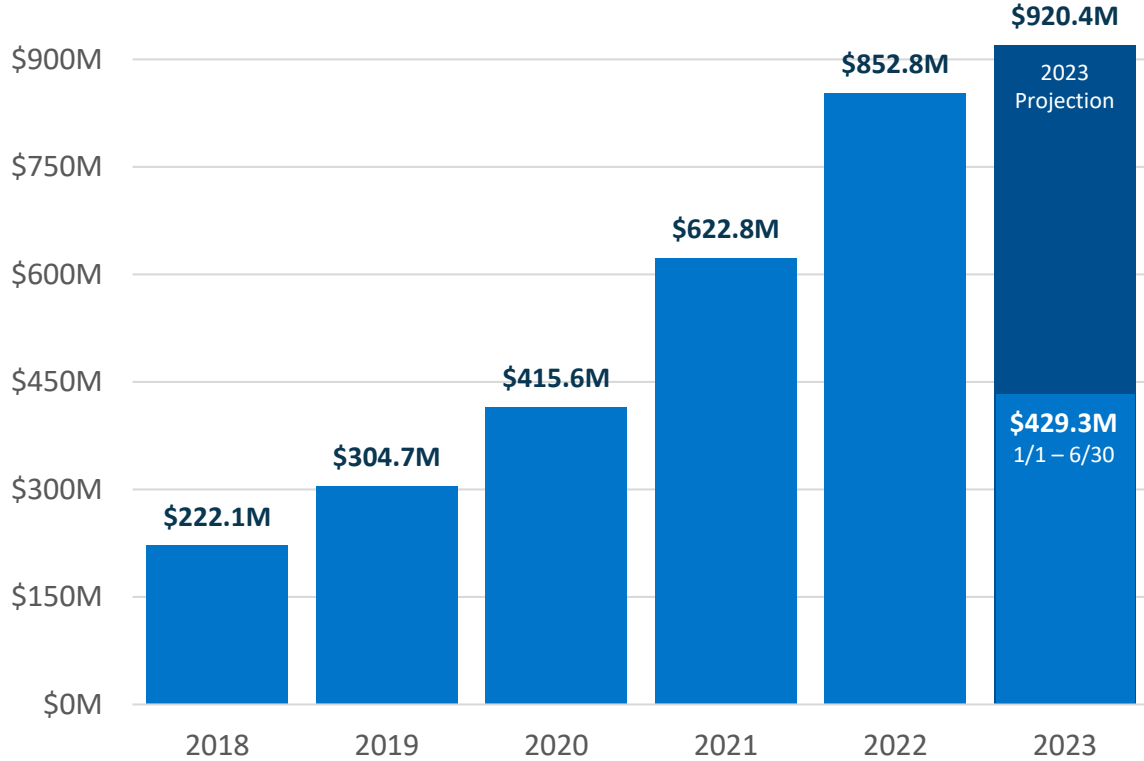


Excess Commercial General Liability

2018-2023



PREMIUM TOTALS



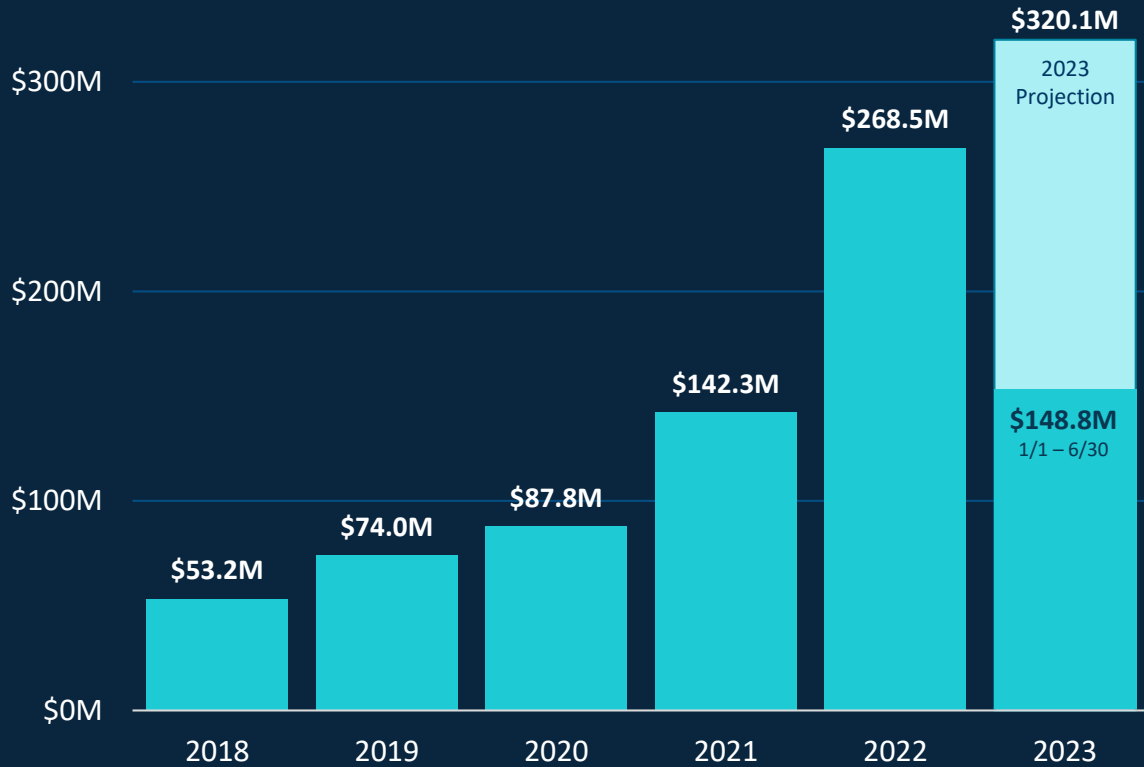


Cyber Liability

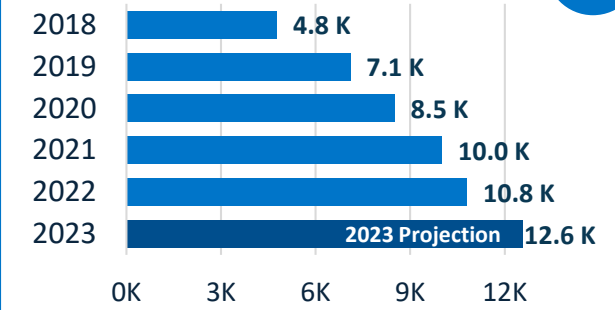
2018-2023



PREMIUM TOTALS

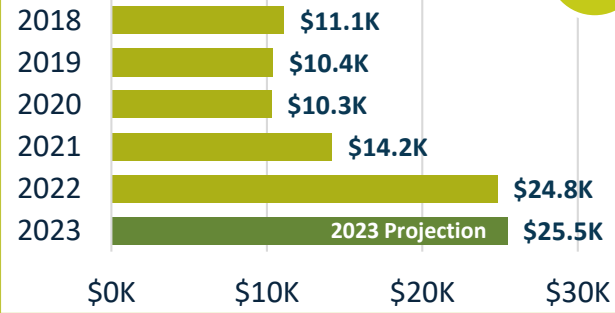


Policy Totals



6.1K
1/1 - 6/30

Average Premium



\$24.3K
1/1 - 6/30

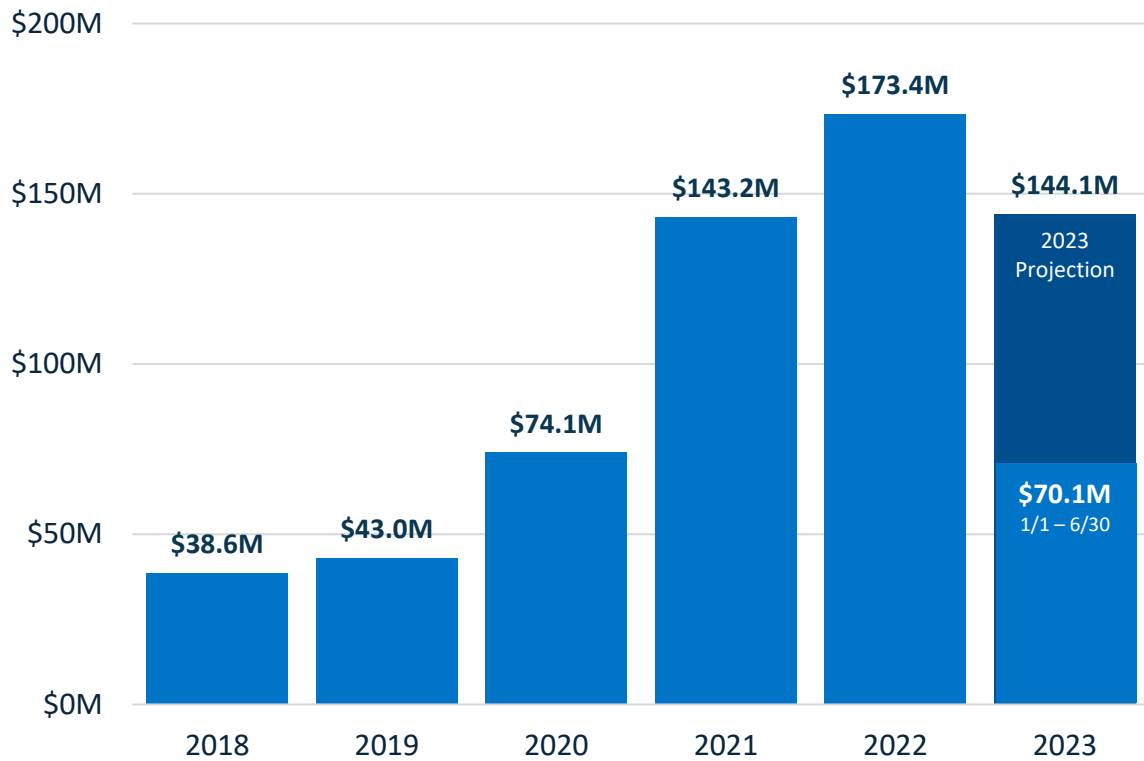


Commercial Auto Liability

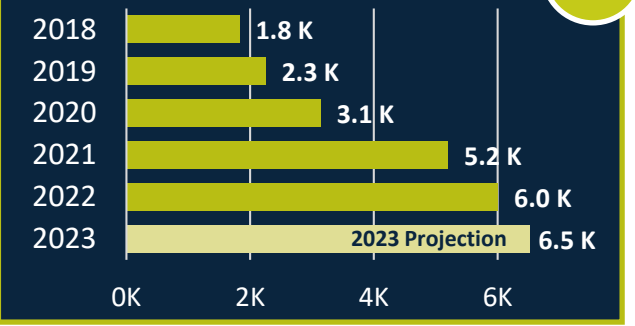
2018-2023



PREMIUM TOTALS

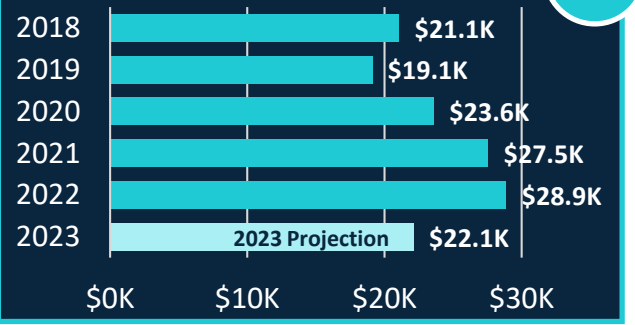


Policy Totals



3.1K
1/1 - 6/30

Average Premium



\$22.8K
1/1 - 6/30

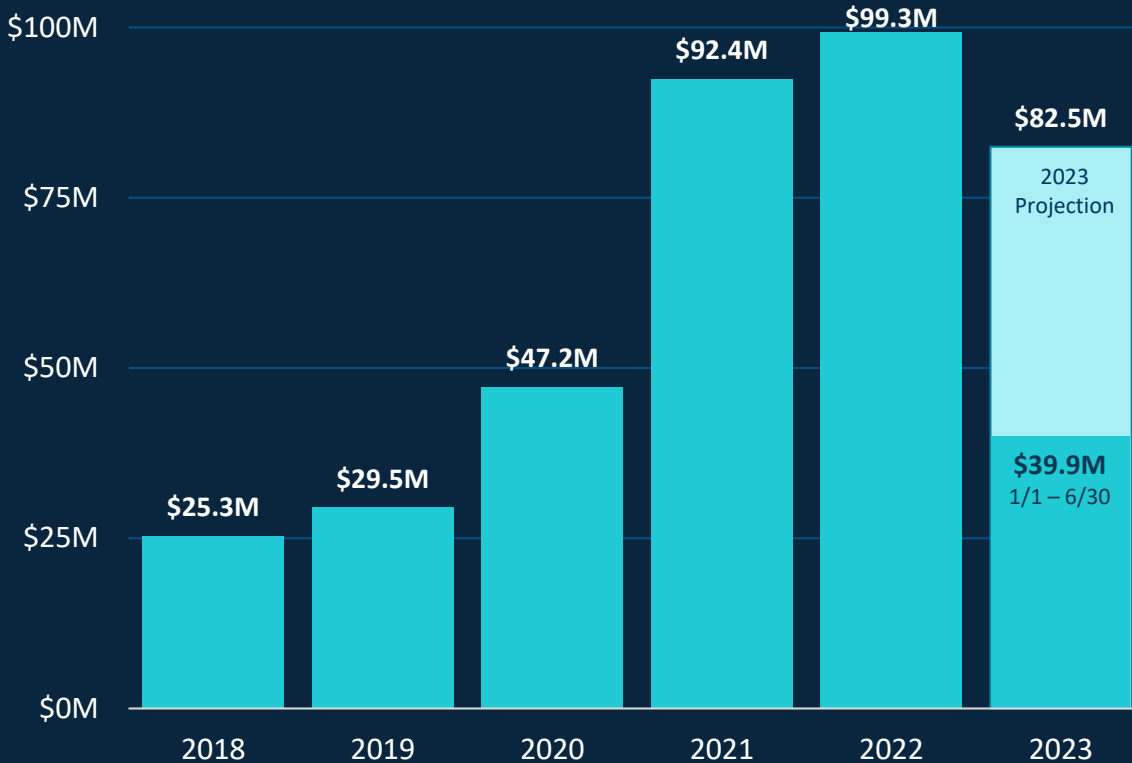


Directors & Officers Liability

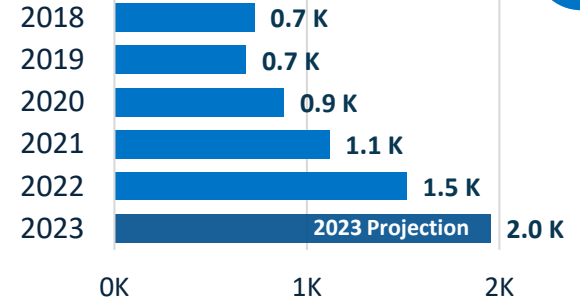
2018-2023



PREMIUM TOTALS

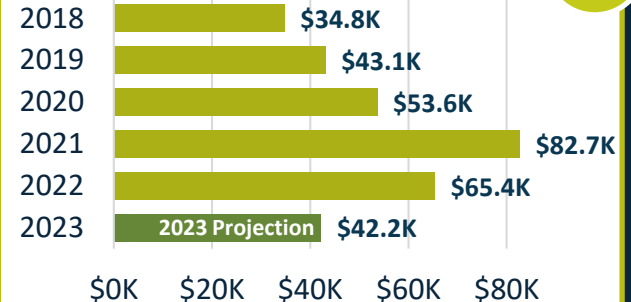


Policy Totals



0.9K
1/1 - 6/30

Average Premium



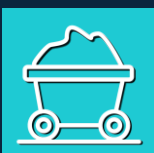
\$44.1K
1/1 - 6/30

MINING THE DATA

INSURANCE TRENDS | RESIDENTIAL

- Homeowners – HO-3
- Homeowners – HO-5
- Condo Unit Owners – HO-6
- Flood – Personal

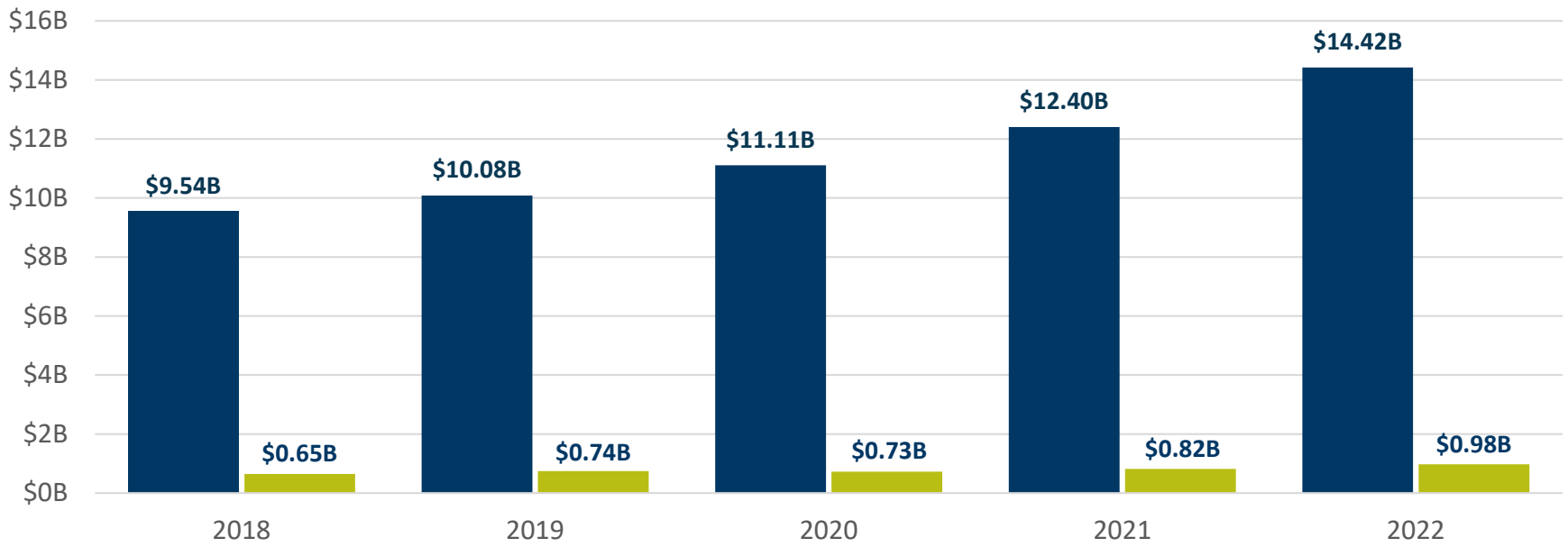




Florida Admitted Market vs. Surplus Lines 2018-2022



FLORIDA HOMEOWNERS PREMIUM

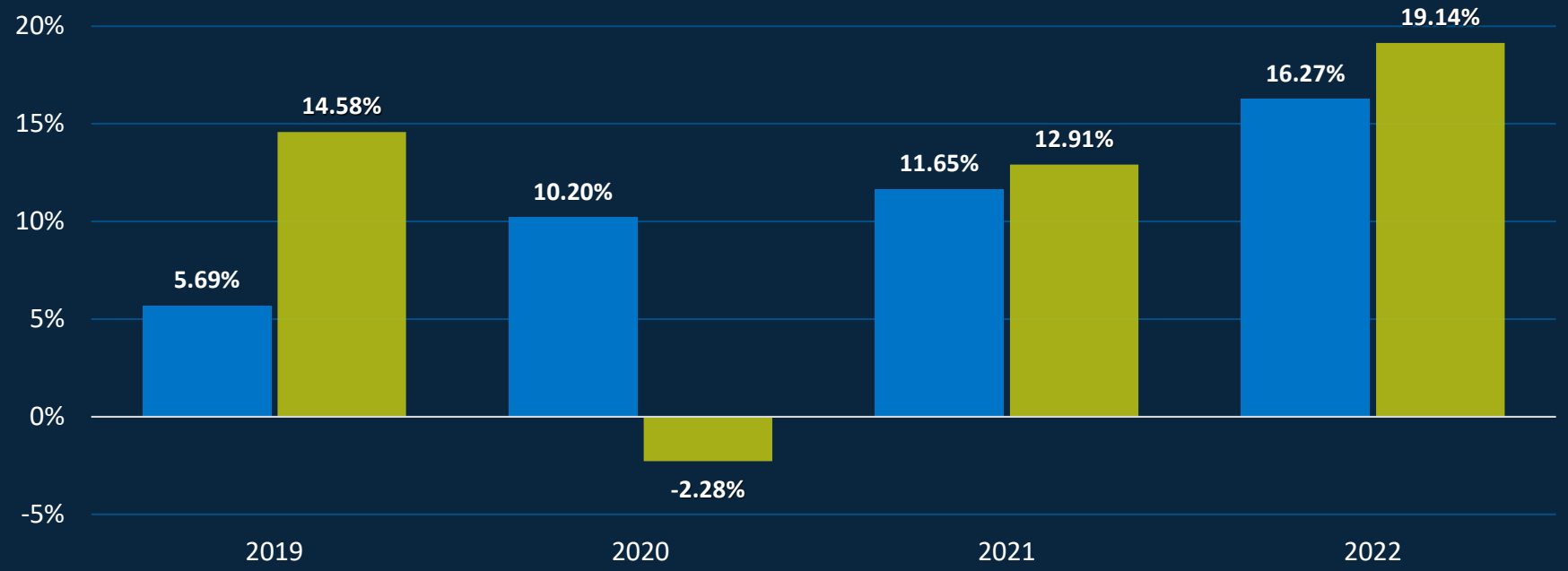




Florida Admitted Market vs. Surplus Lines 2019-2022



YEAR-OVER-YEAR CHANGE - HOMEOWNERS



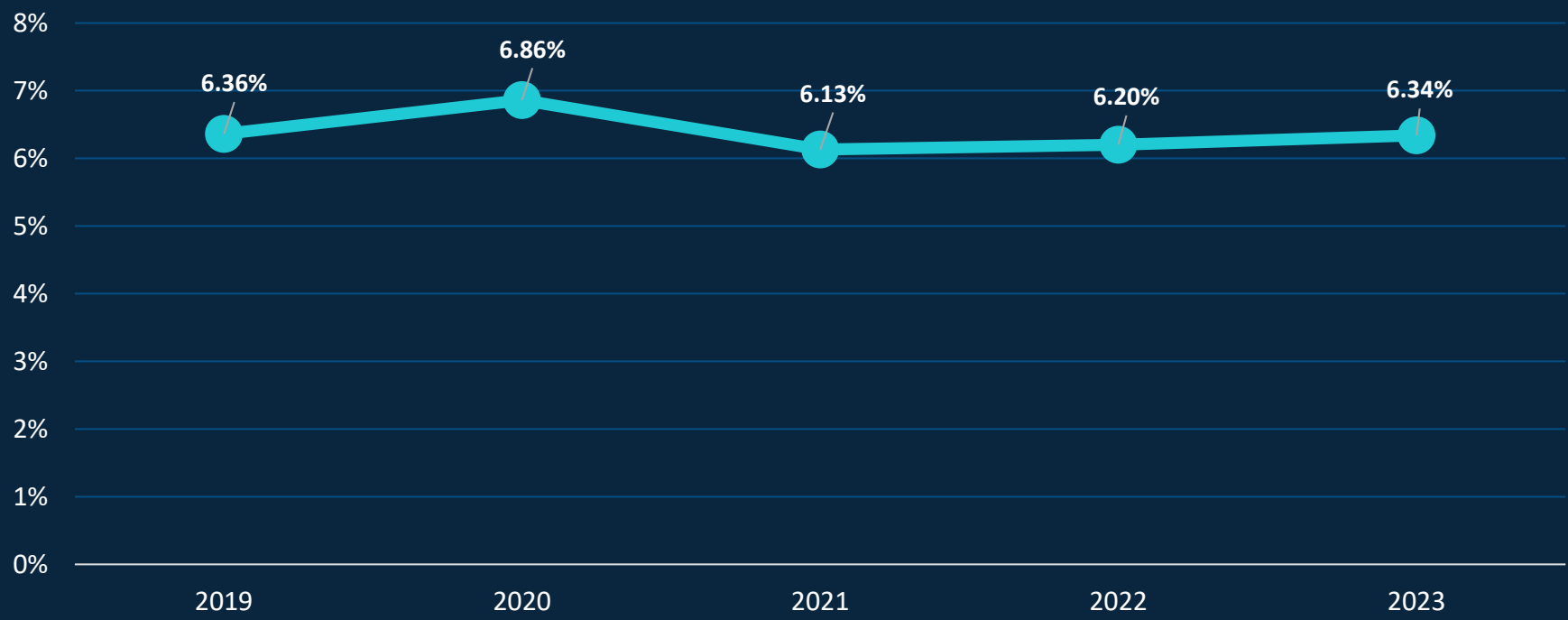
● Admitted ● Non-Admitted



Florida Admitted Market vs. Surplus Lines 2019-2023



SURPLUS LINES SHARE OF HOMEOWNERS PREMIUM



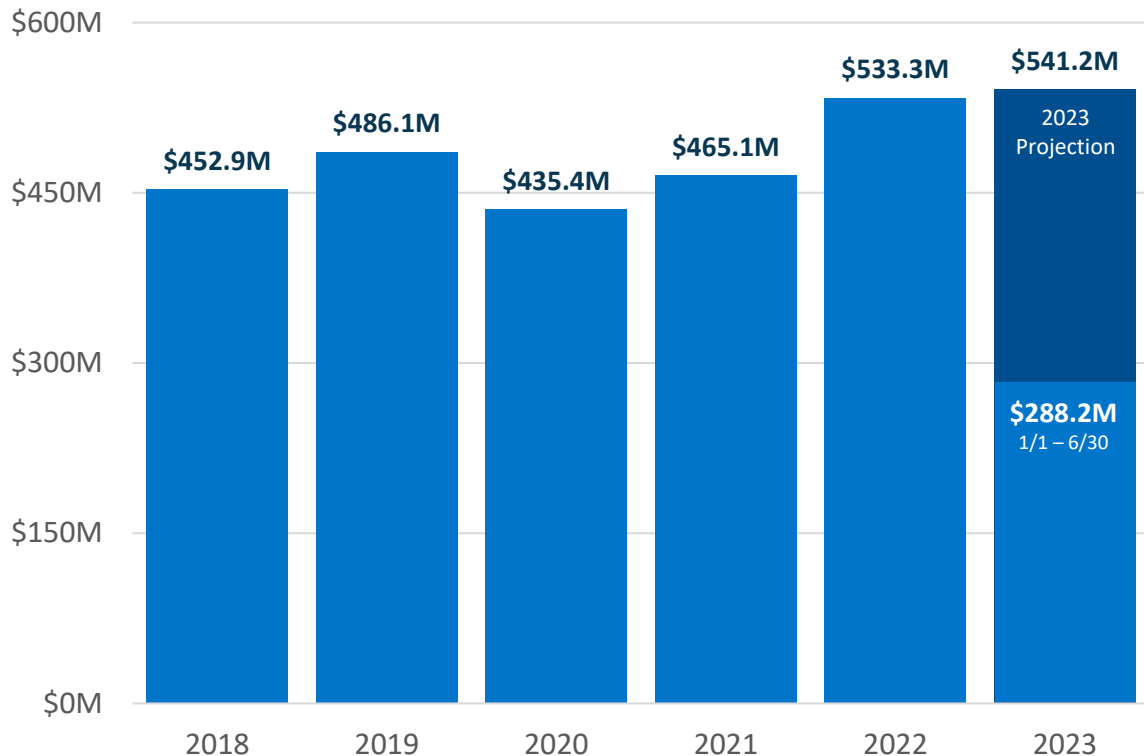


Homeowners – HO-3

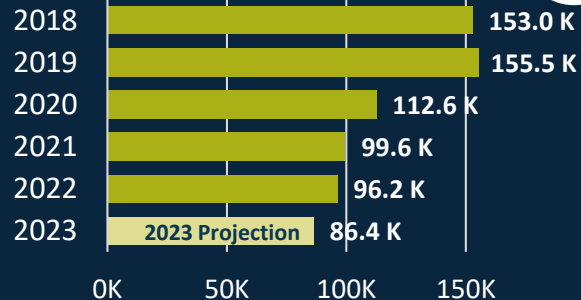
2018-2023



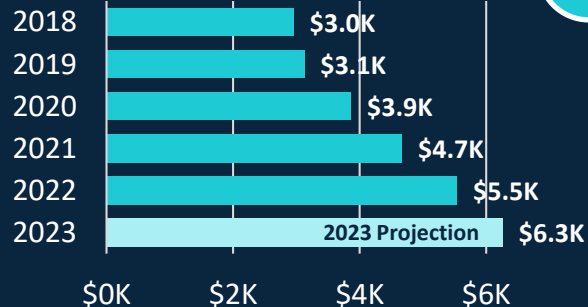
PREMIUM TOTALS



Policy Totals



Average Premium



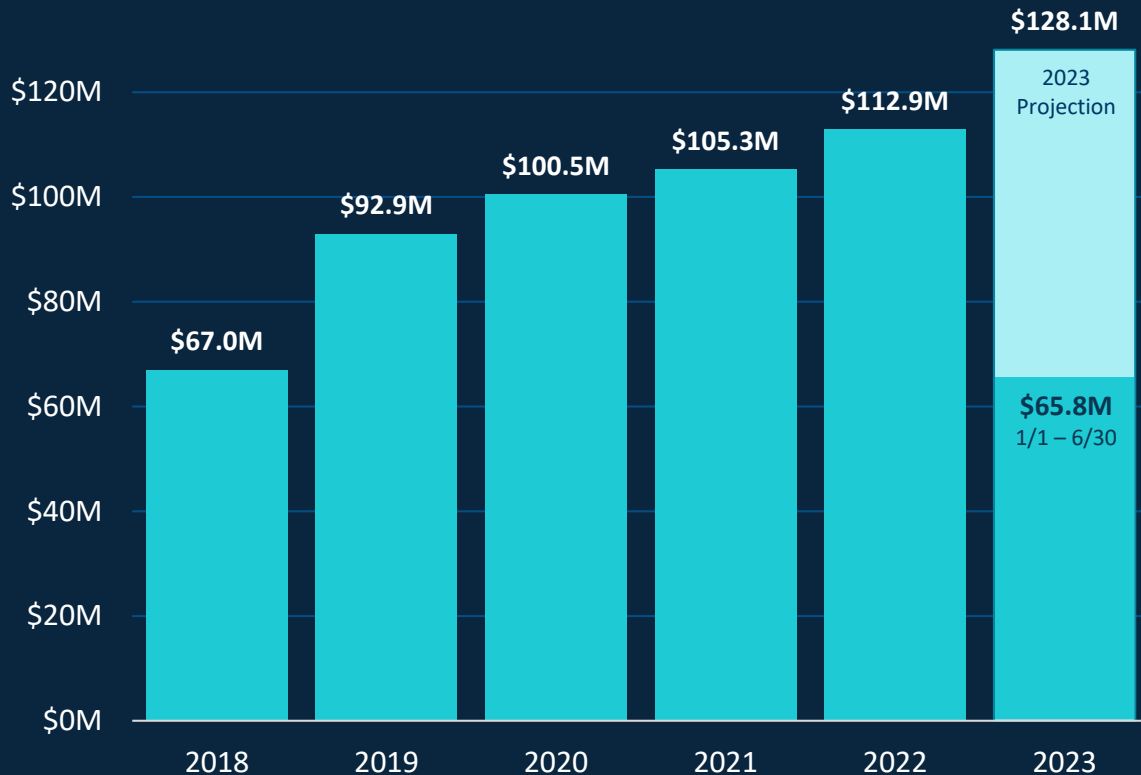


Homeowners – HO-5

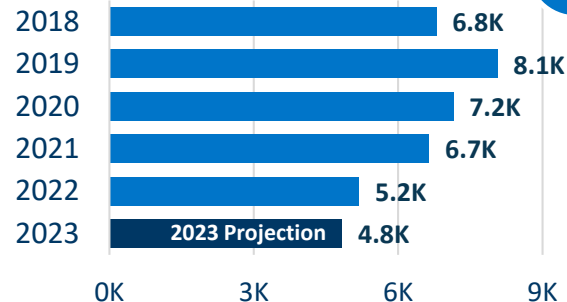
2018-2023



PREMIUM TOTALS

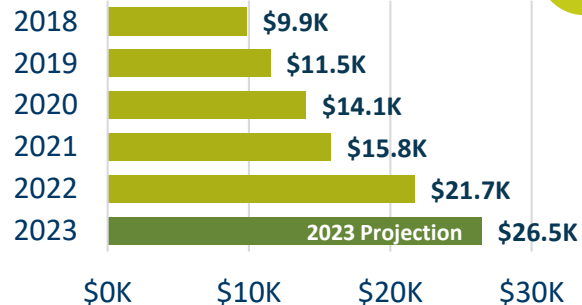


Policy Totals



2.4K
1/1 – 6/30

Average Premium



\$27.0K
1/1 – 6/30

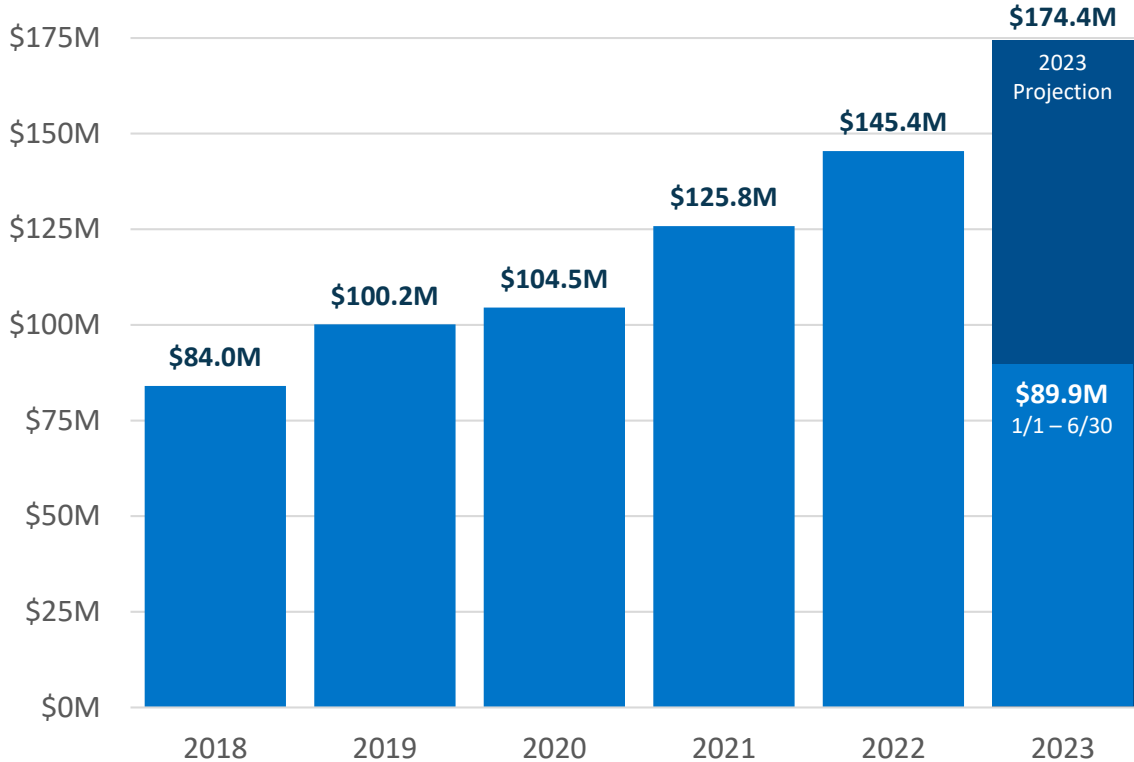


Condo Unit Owners – HO-6

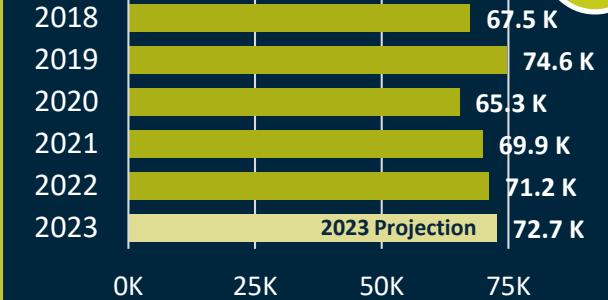
2018-2023



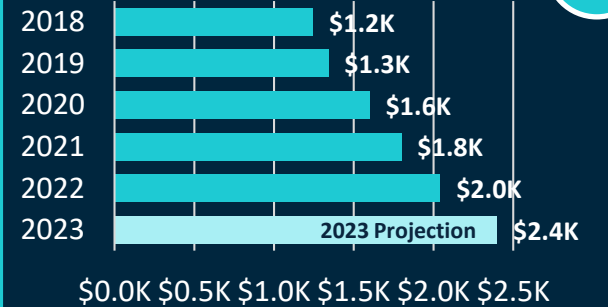
PREMIUM TOTALS



Policy Totals



Average Premium



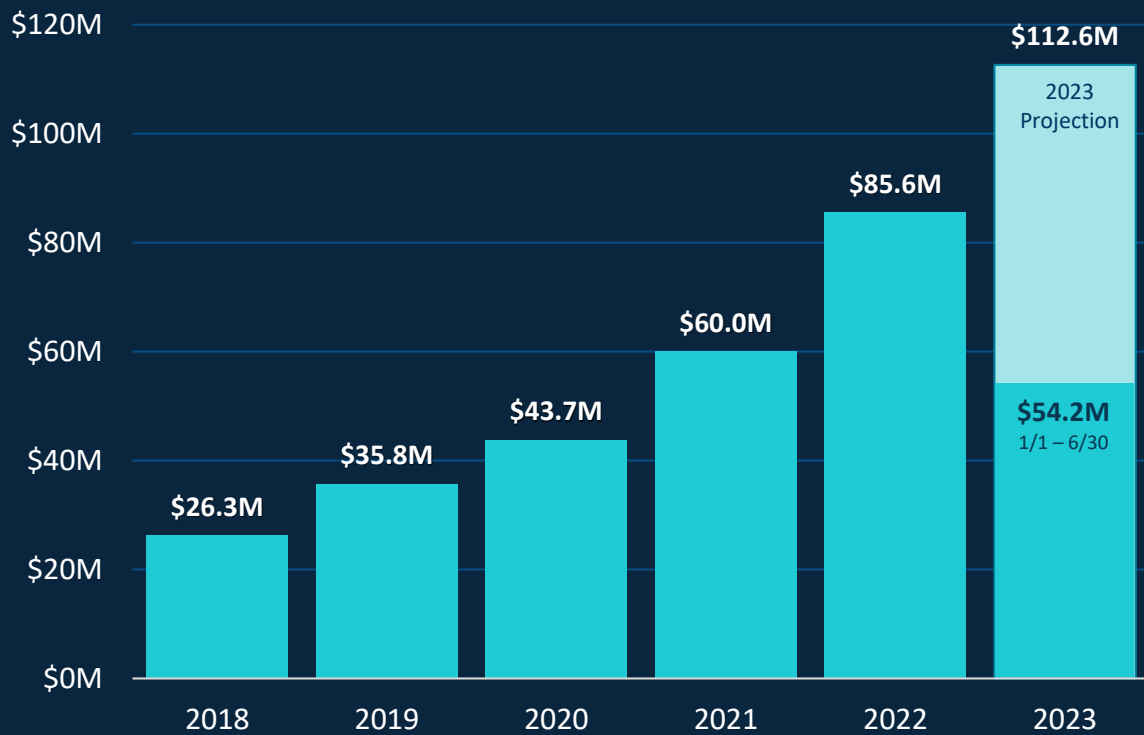


Flood — Personal

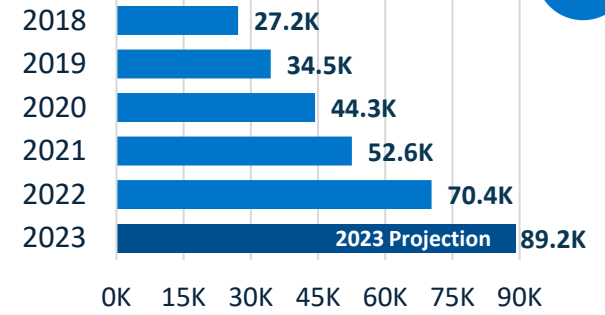
2018-2023



PREMIUM TOTALS

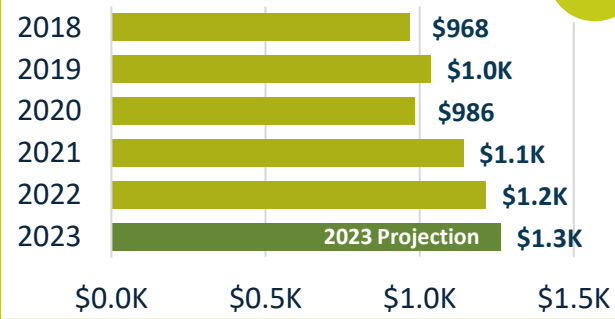


Policy Totals



39.7K
1/1 - 6/30

Average Premium



\$1.4K
1/1 - 6/30

MINING THE DATA

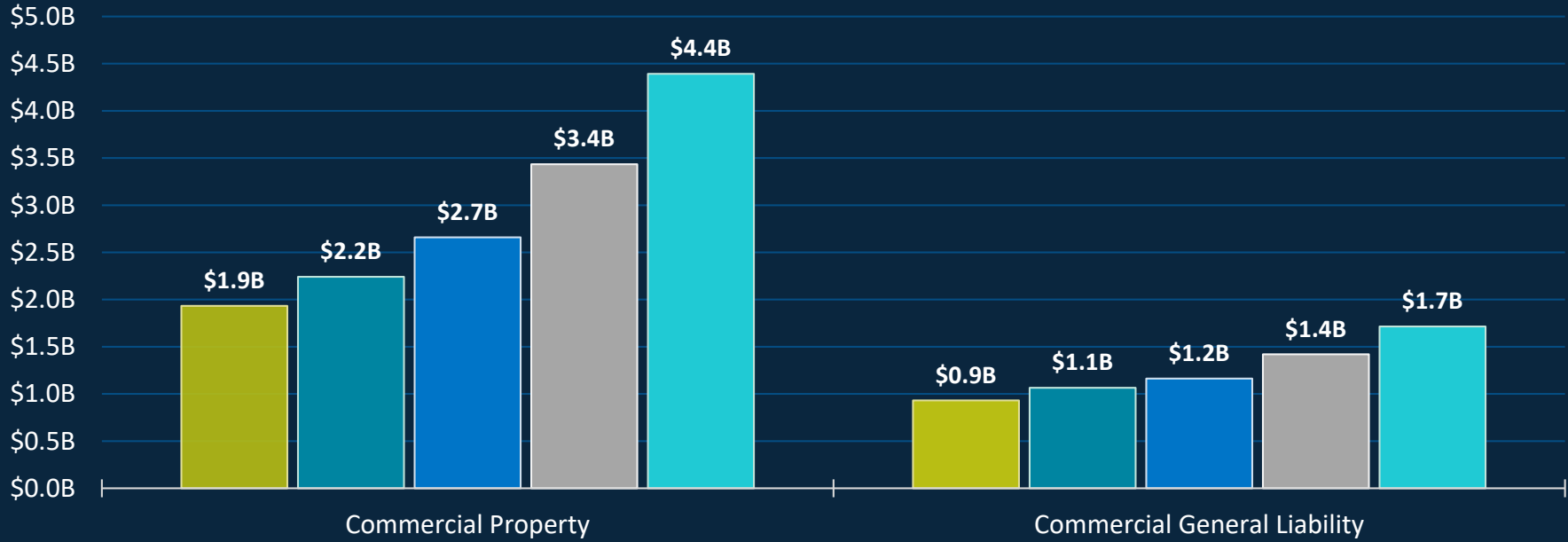
GROWING VS. SHRINKING LINES

- Top 5 Growing Lines
- Top 5 Shrinking Lines





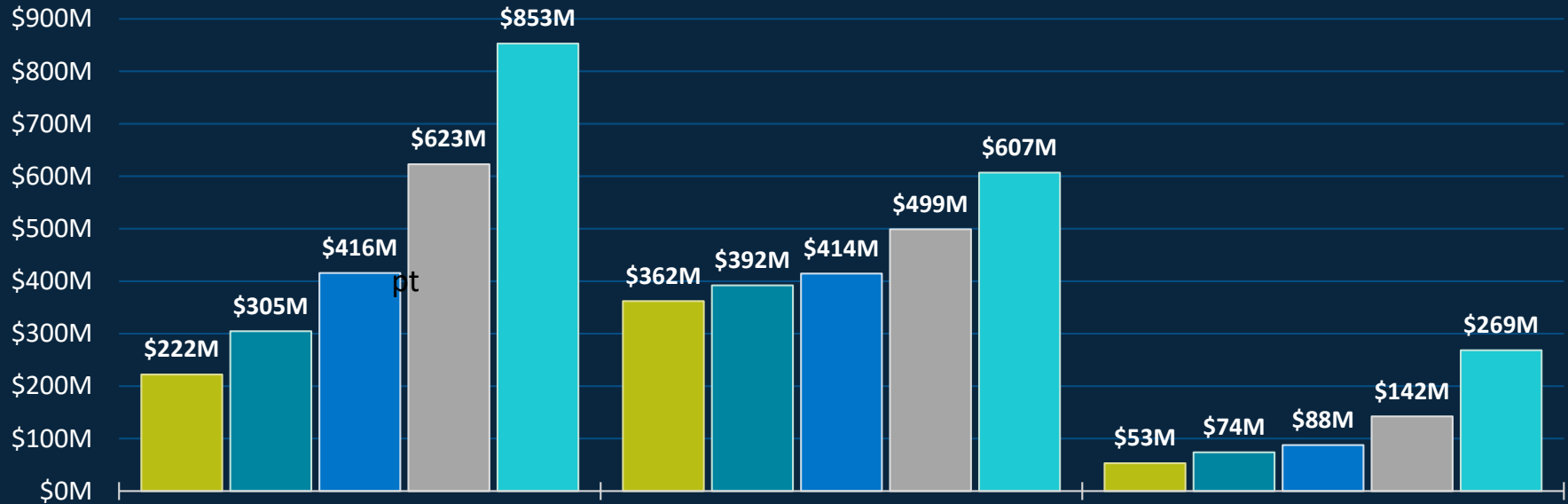
Top 5 Growing Lines 2018-2022





Top 5 Growing Lines

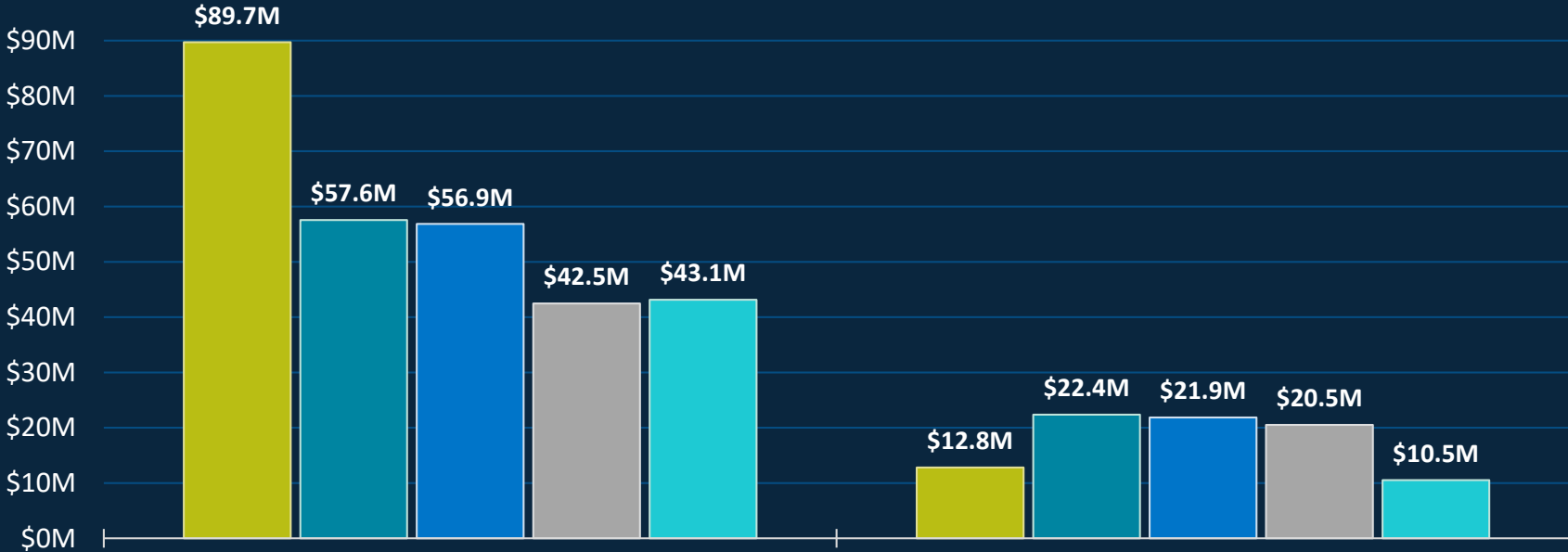
2018-2022





Top 5 Shrinking Lines

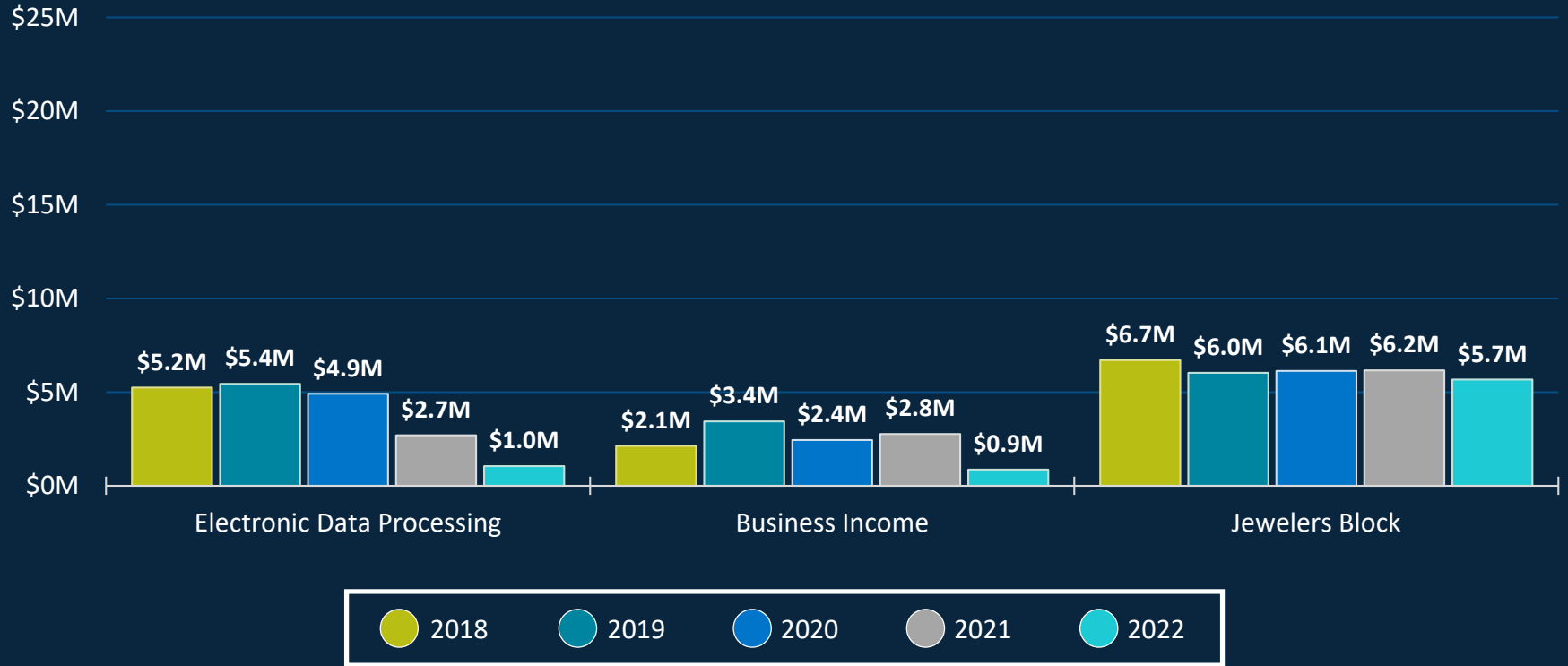
2018-2022





Top 5 Shrinking Lines

2018-2022



MINING THE DATA

E&S AGENT ACTIVITY

- Resident vs. Non-Resident Counts
- Agent Location
- Policy Count Breakout



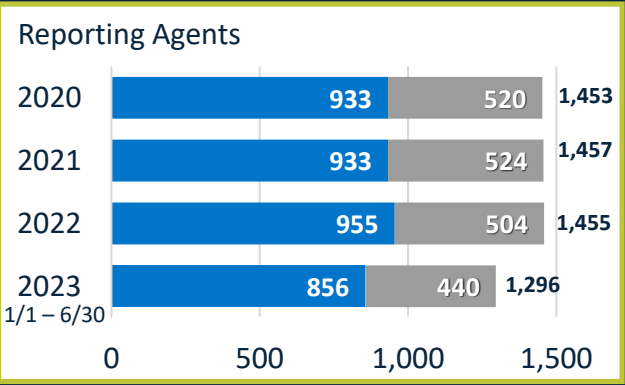
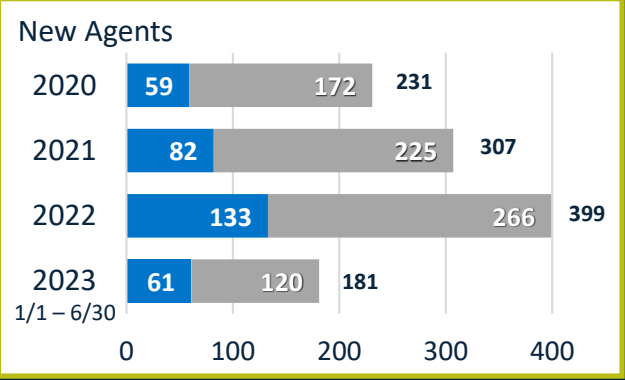
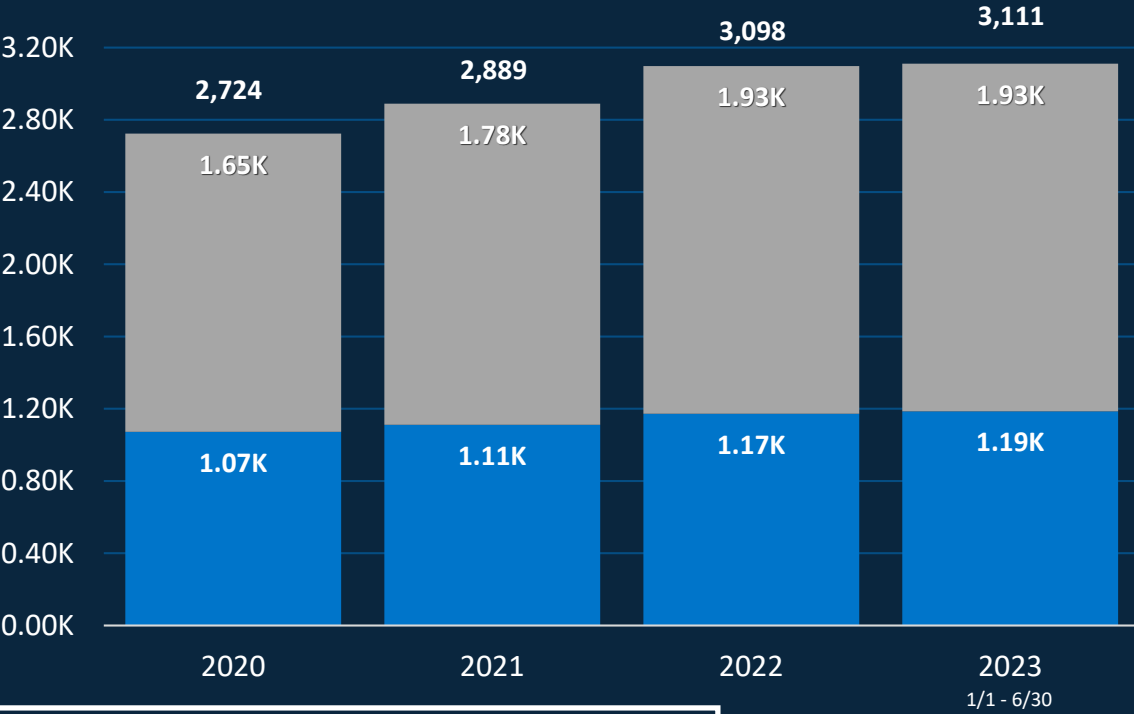


E&S Agent Activity

2020 - 2023



TOTAL AGENTS

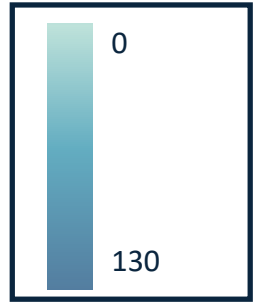
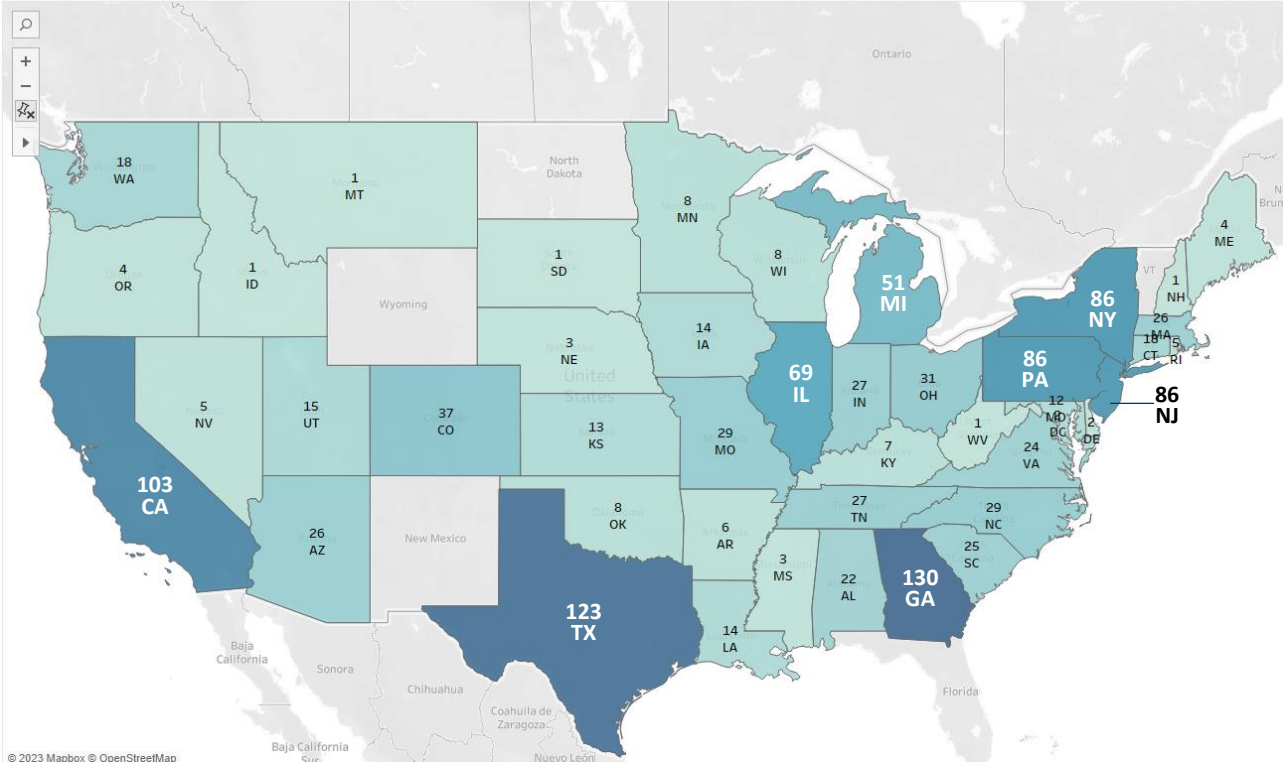




FLSO Reporting E&S Agent Locations 2020 - 2023



Reporting Agent 3 year Heat Map



© 2023 Maabox © OpenStreetMap



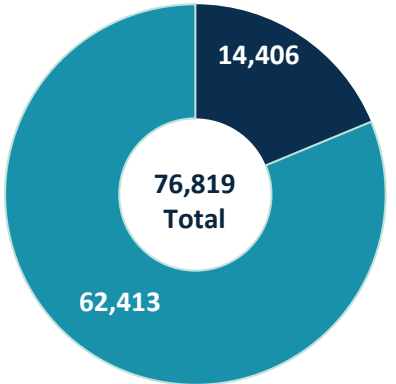
New E&S Agent Policy Count

2020 - 2023

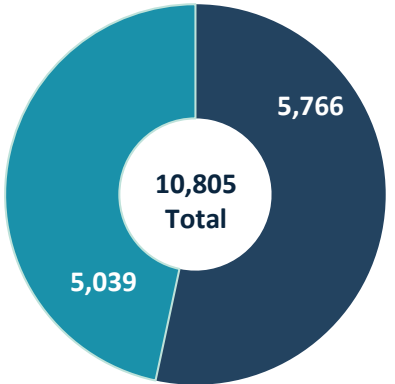


RESIDENT vs. NON-RESIDENT

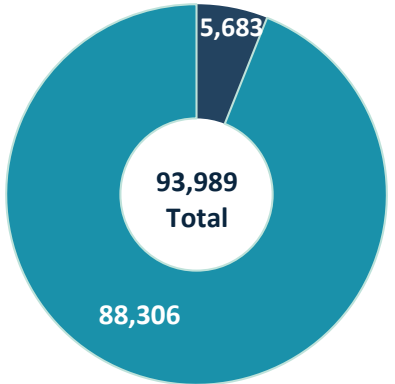
2020



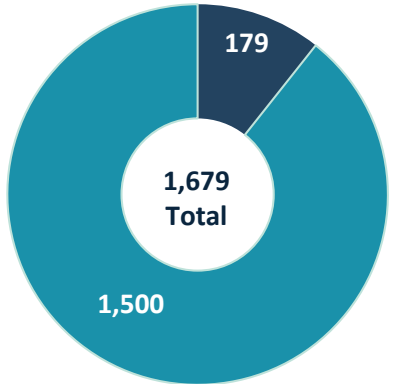
2021



2022



2023
1/1 - 6/30



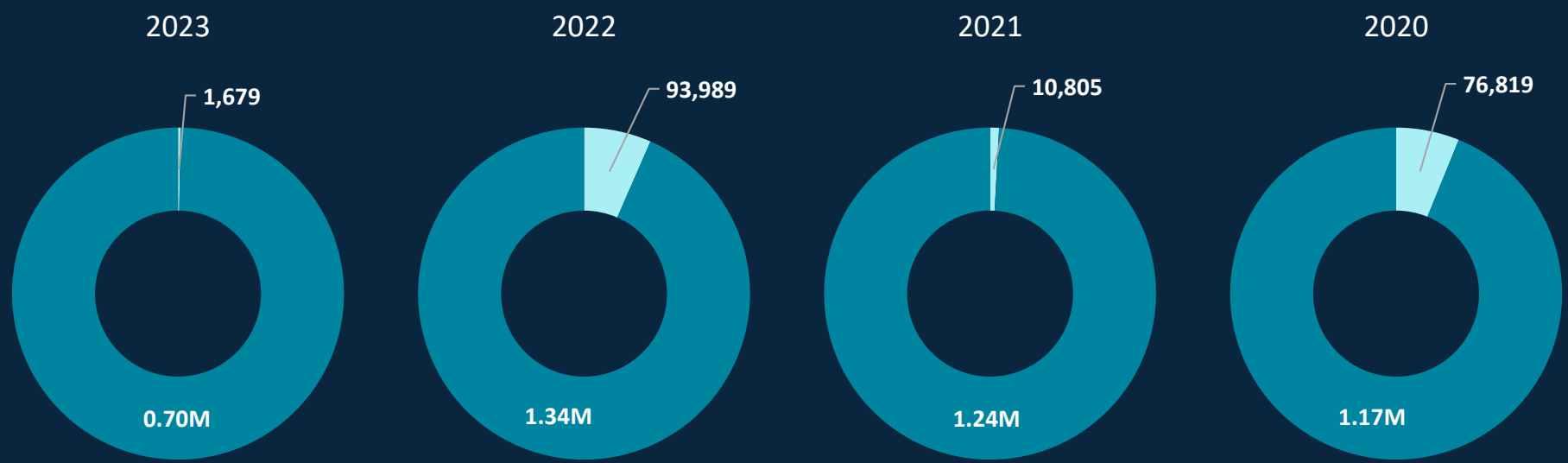


New E&S Agent Policy Count

2020 - 2023



NEW AGENT POLICY COUNT vs. TOTAL AGENT POLICY COUNT



MINING THE DATA

COMPLIANCE STATISTICS

- Production Ledger Review
- Premium Reconciliation
- Compliance Review





Industry Compliance Scores

2022



Production Ledger Review



\$41.6M
Unfiled
Premium



\$2M
Revenue
Recovered



4,565
Unfiled
Transactions



172
Agents with Unfiled
Transactions

Premium Reconciliation



\$313M
Unfiled
Premium



\$12M
Revenue
Recovered



885,080
System Reconciled
Transactions



1,600
Unfiled
Transactions



\$32,962
Manually Reconciled
Transactions



Compliance Review 2022



Compliance Review

Compliance Reviews
423

Policies Reviewed
16,180

Transactions Reviewed
19,240

Industry Compliance Scores



99%
Data
Requirements



97%
Regulatory
Requirements



98%
Financial
Requirements



2022 Average Overall Industry Grade
98%
2021 Average Overall Industry Grade
96%
2020 Average Overall Industry Grade
96%

MINING THE DATA

CUSTOMER SATISFACTION

- Customer Service Satisfaction
- Product Awareness & Usage





CUSTOMER SURVEY RESULTS



Overall Customer Service Satisfaction **97%**

SLIP Satisfaction **98%**

Batch Satisfaction **96%**

TOP 4 PRODUCT AWARENESS & USAGE

	Use	Awareness
Diligent Effort/Disclosure Matrix	67%	87%
Tax Estimator	62%	88%
Agent Procedures Manual	59%	88%
FSLSO.com	55%	88%



Average
Product Usage
53%



Average Product
Awareness
84%

MINING THE DATA

FSLSO – A WINNING TEAM



MISSION:
Facilitate Compliance



VISION:
Lead & Serve Through Innovative Solutions



VALUES:
Efficiency & Effectiveness





FSLSO Executive Team



Georgie Barrett | *Deputy Director Of Operations*
Executive & Operational Services



Bryan Young | *Assistant Director*
Agent & Insurer Services



Tiffany Andersen | *Product & Business Development Manager*
Product & Business Development



Cyrus Yazdanpanah | *Information Technology Manager*
Information Technology Services



Christine Mellon, CPA | *Chief Financial Officer*
Financial Services



Best Companies to Work For Florida Trend



MINING THE DATA

A Trip to the Past and a Path to the Future

- Enlightening Presentations
- Showmanship
- Innovation





Presenting the Data



THE BIG picture

Big-picture thinkers broaden their outlook by striving to learn from every experience. They don't rest on their successes; they learn from them.
John C. Maxwell



GARY PULLEN • Executive Director
August 26, 2021

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Presenting the Data



EST. 1998
FLSO

EXPORTING
information

TAKE NOTE:
Marine insurance is the earliest known form of insurance.



Presenting the Data



**POWER
TO SERVE**

FSLSO

Gary Pullen, Executive Director
August 8, 2019

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The graphic features the text "POWER TO SERVE" in large, bold, blue and yellow letters with a 3D effect. Below this is a white circular logo containing a silhouette of three palm trees. Underneath the logo is the text "FSLSO" in white on a blue background. To the right of the logo, the name "Gary Pullen, Executive Director" and the date "August 8, 2019" are displayed. The background of the graphic shows silhouettes of various superheroes and characters. A small copyright notice "© 2019 Florida Surplus Lines Service Office" is located in the bottom left corner of the graphic.



Presenting the Data



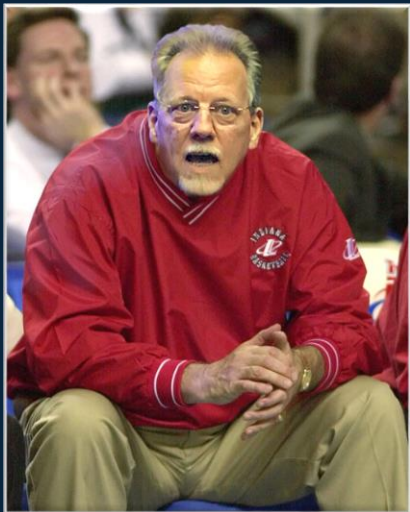
BACK TO THE FUTURE

Gary D. Pullen, Executive Director
August 1, 2018

FLSO
EST. 1996
Florida Surplus Lines Service Office



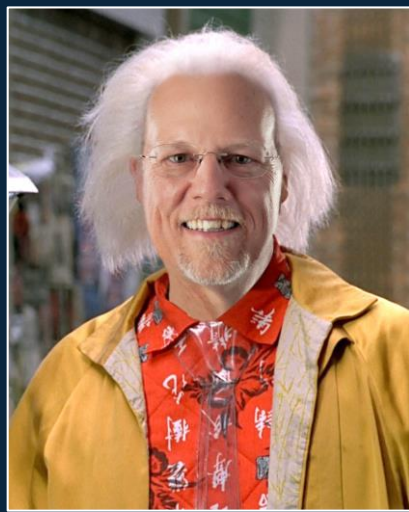
Sensational Speaker



Bob Knight



Steve Jobs



Dr. Emmett Brown



Batman