

SLTX

SURPLUS LINESSM

STAMPING OFFICE OF TEXAS



ANNUAL REPORT 2017



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(800) 681-5848



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Suite 300
Austin, Texas 78746



www.sltx.org



Front L-R: Kyle Bolls, Denisse Orellana, Jennifer Hoff, Norma Essary, Robby Neill, Alex Gonzales (General Counsel), Tara Mitchell. Back L-R: Andrew Fieker, Greg Rubel, Kyle Streetman, Michael Berry, Charles Gillenwater, Lorrie Cheshier. Not pictured: Evelyn Miller.

2017 Board of Directors

Greg Rubel
Chairman

Michael Berry
Vice-Chairman

Robby Neill
Secretary

Jennifer Hoff

Charles Gillenwater

Andrew Fieker

Lorrie Cheshier

Kyle Streetman

Evelyn Miller

SLTX Leadership

Norma C. Essary, CPCU, ARM
Chief Executive Officer

Tara Mitchell, AFE, PMP
Vice President, ITS/CIO

Kyle Bolls
Vice President, Finance/CFO

Denisse Orellana, HRM
Vice President, Human Resources

EXECUTIVE SUMMARY

Norma Carabajal Essary, CPCU, ARM

As another year has come and gone, the Surplus Lines Stamping Office of Texas (SLTX) has recorded new highs and witnessed even more growth in the excess and surplus lines (E&S) market. In 2017, Texas broke its own record with \$5.46 billion in recorded E&S premium, a 6.5% growth over 2016.

In its 30-year history, SLTX has witnessed great change in the specialty insurance arena. The rapid adoption of new technology has demonstrated the need for different types of specialty insurance coverage that could not have been imagined a few decades ago. Overall, we are encouraged by the growth in the market, as well as the prompt development of coverage types such as cyber liability, oil and gas, and flood, which played a large part after the destruction brought on by Hurricane Harvey.

As we move into the next year, SLTX will continue to act as a resource for the state of Texas, which serves as the second-largest E&S market in the United States.

With a renewed focus on internal and external communications, along with an improved online presence, SLTX can affirm itself as an expert in the industry, and we will remain committed to the industry and the state for years to come.



BY THE NUMBERS

2017 Premium

\$5.46B

Policy Filings

1.03M

Liability Premium

\$2.5B

Property Premium

\$1.7B

Texas Tax Revenue

\$265M

Evaluation of Unlicensed Insurers

221

Audited Policies

2,648

Published News Articles

71

Published Legislative Updates

23

Mission: To provide our business partners with meaningful data, analysis, and educational resources to empower their decisions

Core Principles:

- **Integrity.** Ethical and Accountable
- **Communication.** Clear, Consistent, and Collaborative
- **Compliance.** Responsive and Results Oriented
- **Culture of Excellence.** Specialty Focused and Value Driven

Vision: Lead with innovative solutions that enrich the Texas insurance and specialty marketplace

CHAIRMAN'S REPORT

Greg Rubel

In 2017, Texas reported a record-breaking volume of excess and surplus lines (E&S) premium, which demonstrates the market's ability to grow and adapt based on emerging risks. The continued growth is evidence to the fact that consumers are now searching for further options when it comes to their insurance needs, and specialty coverage is often able to fill the gaps.

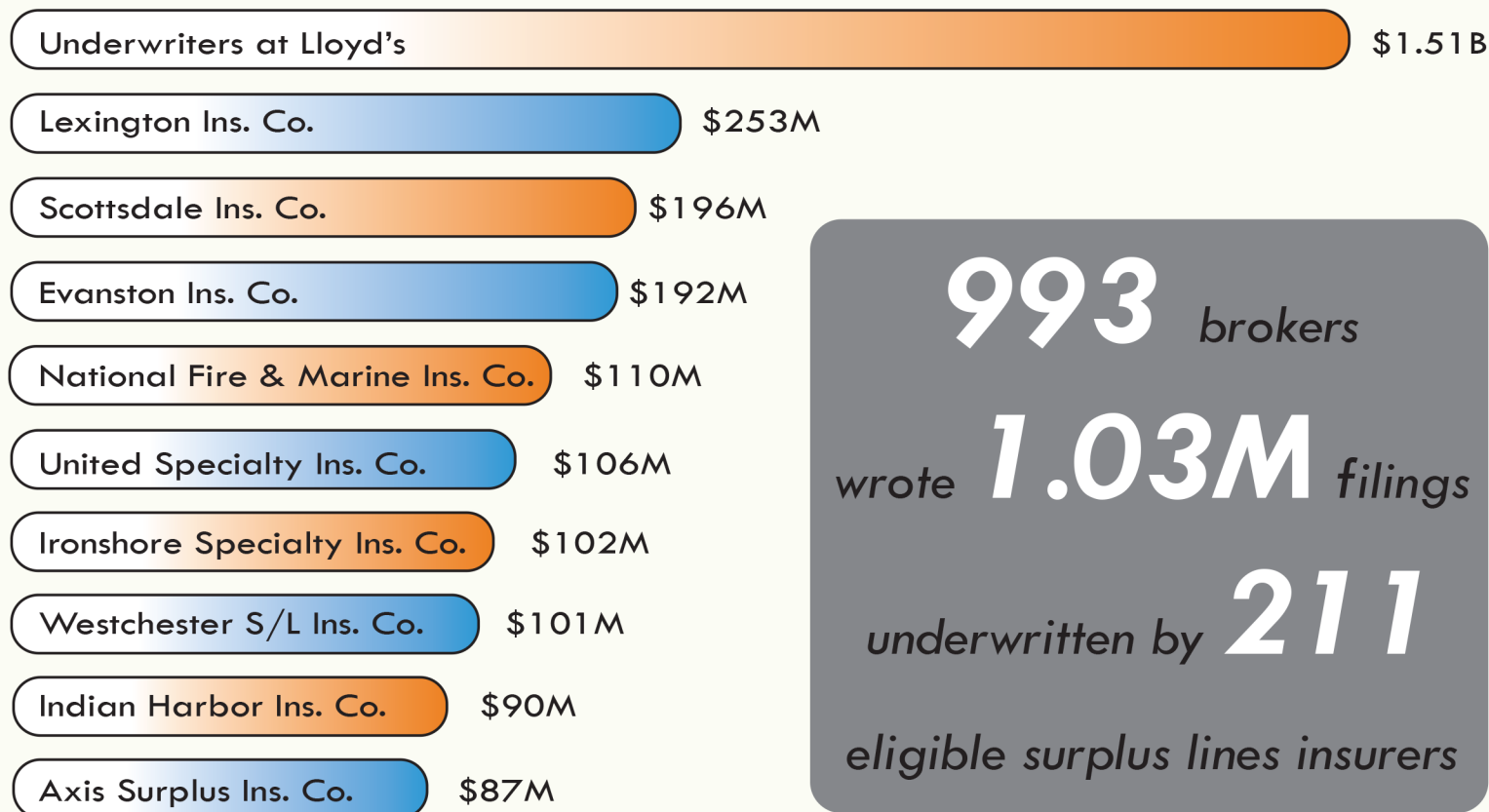
Amidst natural disasters across the US and abroad, including floods, hurricanes, wildfires, and earthquakes, and in an age when events such as data breaches are becoming more common, consumers are finding that surplus lines insurance can cover their more difficult and complex exposures.

For its part, the Surplus Lines Stamping Office of Texas (SLTX) has remained a fixture in the E&S market in Texas for 30 years now. Over this time, SLTX has evolved to become a more technology-based organization with a focus on accuracy and efficiency, in addition to serving as a subject-matter resource and providing exceptional customer service.

I am honored to serve as Chairman of the SLTX Board of Directors, alongside an outstanding Board and leadership team. We are committed to achieving excellence and furthering the growth of this essential market, and I look forward to continued success in the industry.



TOP 10 INSURERS



993 brokers
wrote **1.03M** filings
underwritten by **211**
eligible surplus lines insurers

PROPERTY

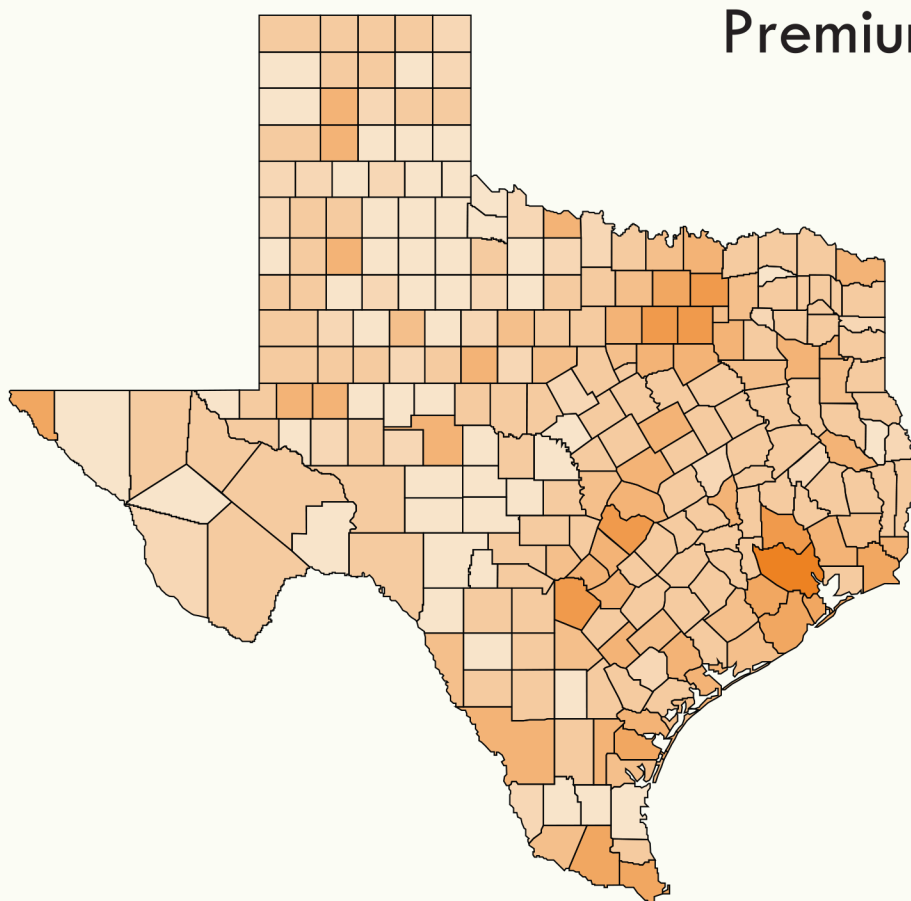
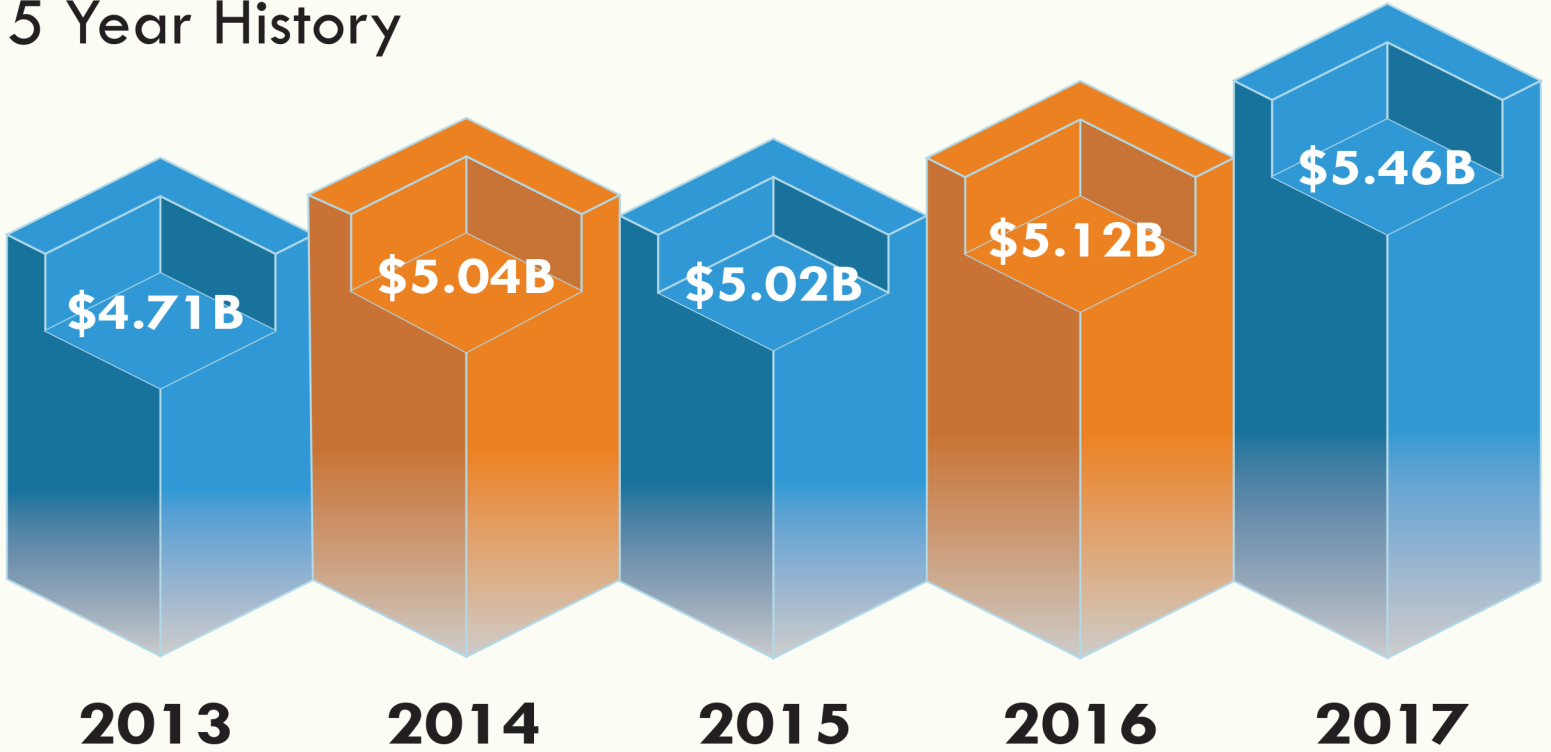
Total premium written for each property line of business and the percentage of premium written by a S/L insurer with an admitted affiliate, as required by 28 TAC 15.101(e)(10)(E)(vi).

*Property includes all risk locations in the state and contains some packaged policies as reported by brokers which liability cannot be split.

LINE OF BUSINESS	PREMIUM	%
Allied Lines	\$63.0M	49%
Boiler & Machinery	-\$78.7K	99%
Difference in Condition	\$4.07M	36%
Earthquake	\$1.76M	71%
Farmowners/Ranchowners	\$2.40M	48%
Fire	\$61.7K	68%
Fire & Allied Lines	\$1.51B	67%
Flood	\$33.1M	36%
Glass	\$5.90K	75%
Homeowners	\$206M	62%
Oil & Gas Property	\$77.7M	32%
Oil & Gas Package*	\$69.7M	13%
Property Package*	\$234M	69%
Special Events	\$49.8K	33%
Terrorism	\$17.1M	21%

PREMIUM GROWTH

5 Year History

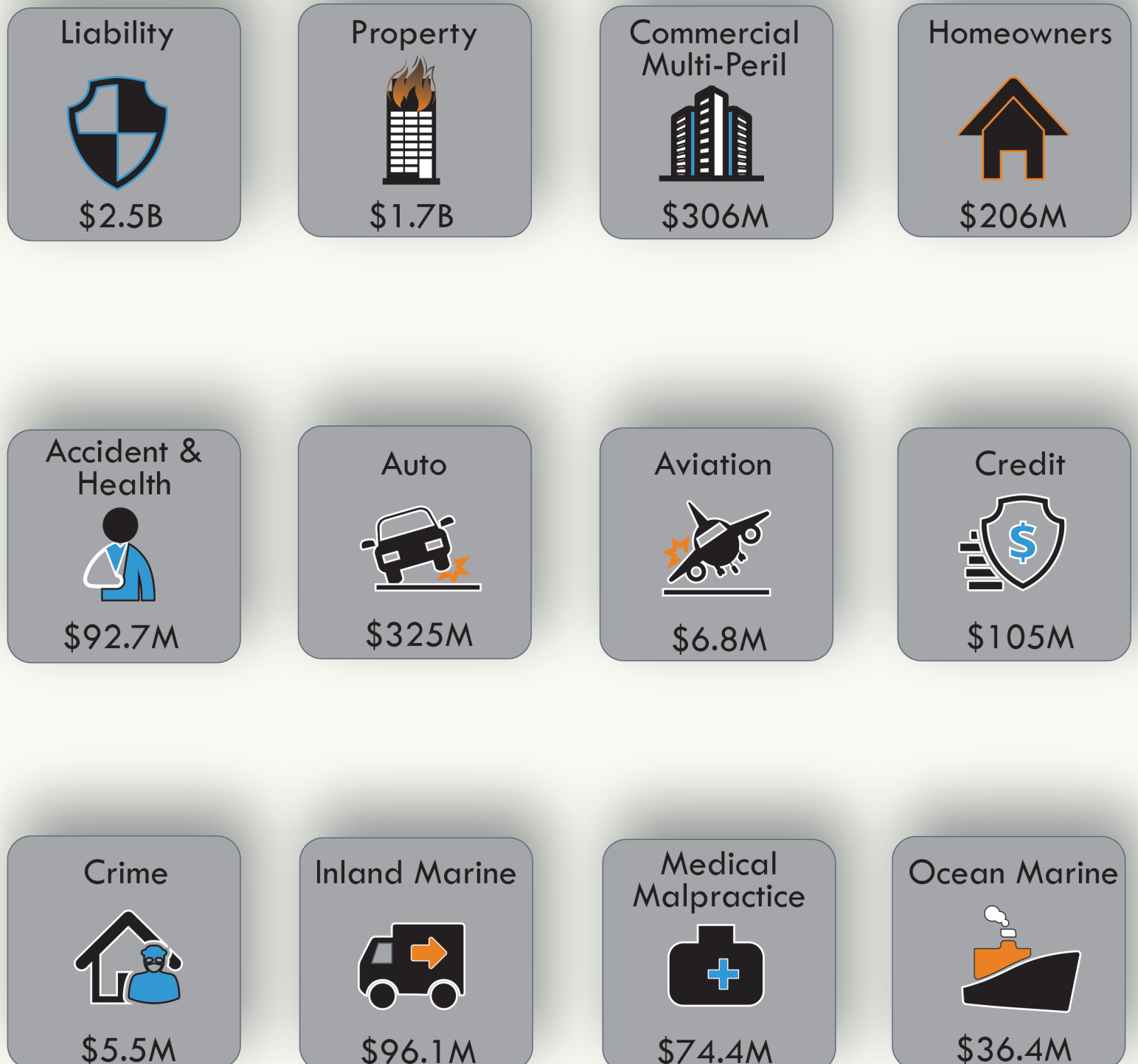


Premium by County

- Harris - \$1.7B
- Dallas - \$962M
- Tarrant - \$302M
- Travis - \$246M
- Bexar - \$231M

LINES OF BUSINESS

2017 recorded premium aggregated by coverage/lines of business.





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SLTX STAFF

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Denisse Orellana, HRM
Vice President, Human Resources

Toby Pick
Operations Manager

Shantell Jackson
Policy Analyst II

Cathy Hull
Policy Analyst II

Nathan Onks
Policy Analyst I

Michael Shanley
Policy Analyst I

Christian Robinson
Policy Analyst I

Gavin Kelleher
Policy Analyst I

Kieran O'Connell
Policy Analyst I

Ming Zhou
Accountant

Cheyenne Herrera
Business Analyst

Dalton Moore
Data Support Analyst

Heather Shannon
Administrative Project Specialist

Maegan DiLoreto
Communications & Training Coordinator

Hollie Pattarozzi
Receptionist