

SLTX SURPLUSSM
LINES
STAMPING OFFICE OF TEXAS

2021 ANNUAL REPORT



STAMPING OFFICE HISTORY

The Surplus Lines Stamping Office of Texas (“Stamping Office”) was created by the 70th Legislature in 1987 to provide oversight with statutory regulation, research, and reporting for the surplus lines market. The Stamping Office encourages and enhances compliance by agents and insurers, and performs functions enumerated in the Texas Insurance Code to assist the Texas Department of Insurance (“TDI”) with functional compliance with the surplus lines insurance laws of the State of Texas.

Annual Reporting Requirements

This report is made pursuant to the [Stamping Office Plan of Operation](#), which requires that an annual summary of operations containing information on transactions, conditions, operations, and investments during the preceding year be made to the Deputy Commissioner of the Financial Regulation Division, or the deputy commissioners designee.

TRANSACTIONS

LINES OF BUSINESS 2021 PREMIUM, AGGREGATED BY COVERAGE



LIABILITY
\$4.05B



MARINE
\$171M



PROPERTY
\$3.04B



CREDIT
\$152M



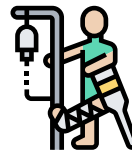
AUTO
\$678M



**MEDICAL
MALPRACTICE**
\$101M



**COMMERCIAL
MULTI-PERIL**
\$607M



**ACCIDENT
& HEALTH**
\$80M

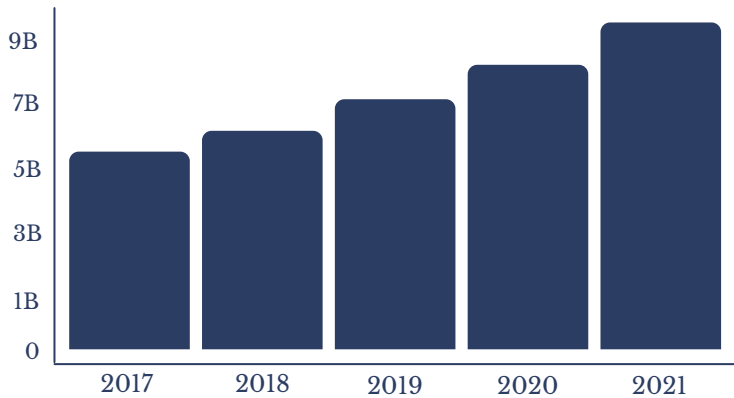


HOMEOWNERS
\$195M

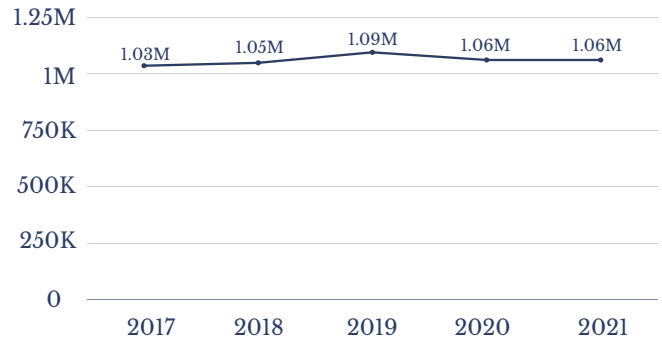
TRANSACTIONS

In 2021, the Stamping Office processed 1,059,939 surplus lines insurance filings and a record \$9,101,554,699 in Texas surplus lines premium, reflecting increases from the prior year of 0.0% and 14.9% respectively.

5 Year Growth

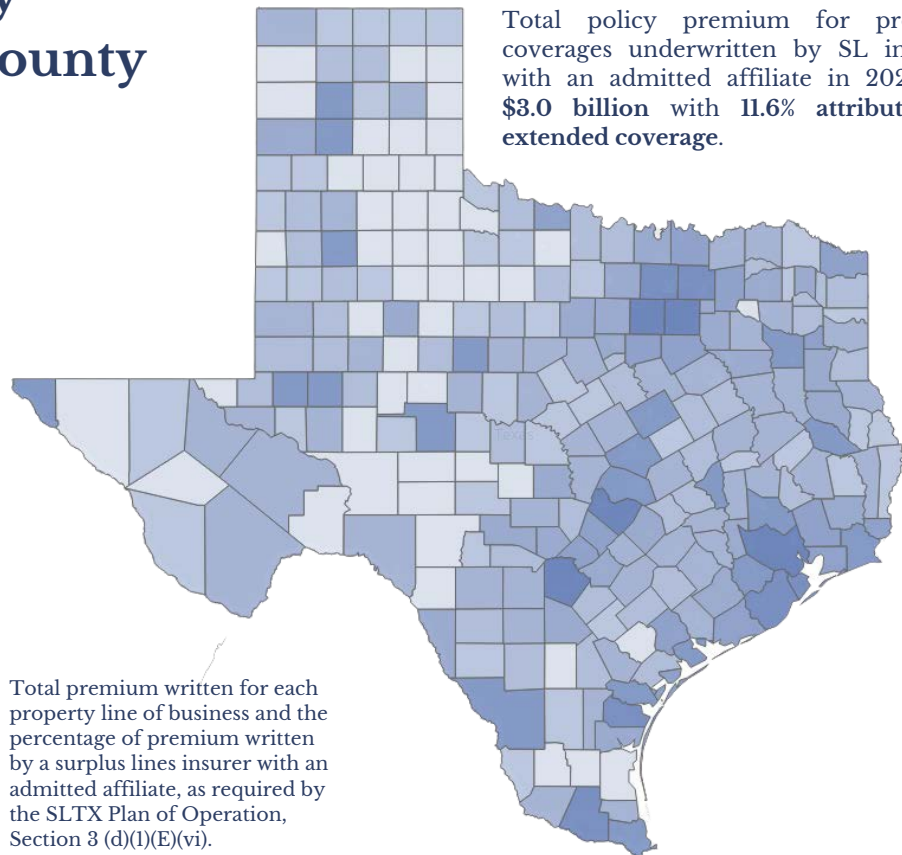
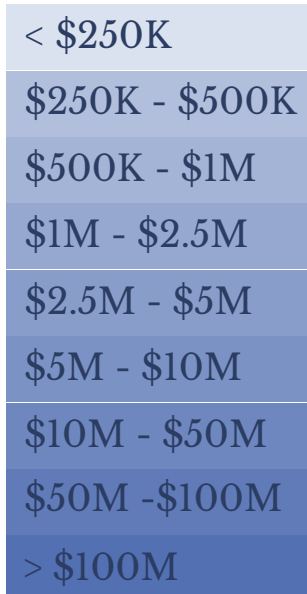


Filings Processed
2016 - 2021



Property Policy Premium by County

- Harris - \$848M
- Dallas - \$455M
- Tarrant - \$153M
- Travis - \$152M
- Bexar - \$147M



Total policy premium for property coverages underwritten by SL insurers with an admitted affiliate in 2021 was **\$3.0 billion** with **11.6%** attributed to extended coverage.

Total premium written for each property line of business and the percentage of premium written by a surplus lines insurer with an admitted affiliate, as required by the SLTX Plan of Operation, Section 3 (d)(1)(E)(vi).

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

OPERATIONS

TOP TEN INSURERS

699K
POLICIES
UNDERWRITTEN BY

223
ELIGIBLE SURPLUS
LINES INSURERS

Underwriters At Lloyd's London	\$1.7B
National Fire & Marine Ins. Co.	\$301M
Evanston Ins. Co.	\$273M
Scottsdale Ins. Co.	\$271M
Westchester S/L Ins. Co.	\$235M
Lexington Ins. Co.	\$231M
Starr Surplus Lines Ins. Co.	\$188M
Trisura Specialty Ins. Co.	\$178M
Crum & Foster Special INS CO	\$169M
Landmark American INS CO	\$168M

TOP TEN BROKERS

RT Specialty, LLC	\$1.2B
CRC Insurance Services	\$1.1B
AON Risk Services Southwest Inc	\$419M
Lockton Companies, LLC	\$408M
AMWins Brokerage of Texas, Inc	\$376M
Marsh USA Inc	\$347M
AMWins Brokerage of Georgia LLC	\$233M
Risk Placement Services, Inc	\$183M
AON Risk Services Northeast, Inc	\$173M
Worldwide Facilities, LLC	\$163M

907
BROKERS REPORTED

1.06M
TOTAL TRANSACTIONS

CONDITIONS

Texas Windstorm Insurance Association

In accordance with the historical requests of the department and the Texas Windstorm Insurance Association, SLTX prepared an annual report to the Texas Windstorm Insurance Association (TWIA) reflecting the extended coverage property premiums written in Texas by all surplus lines insurers. As a result, in the event excessive losses from a future hurricane forced TWIA to impose windstorm participation assessments on its member insurers, adjustments could be made to the assessments of any admitted affiliates of those surplus lines carriers.

FINANCIALS

Investments

SLTX finances remained strong throughout 2021 due to stable operating costs and continued capital investments to the SMART project development. For the year 2021, total revenues exceeded expenses by \$1,611,000, increasing the reserve fund balance by that amount. At December 31, 2021, the Stamping Office's unrestricted, undesignated reserve fund balance was \$28,839,066, an amount \$19,471,521 in excess of the maximum permitted in the Plan of Operation.

SLTX held assets in the form of CDs, corporate bonds, mutual funds and U.S. Treasuries. CDs are laddered Certificates of Deposit issued by various US banks, each for an amount equal to or less than the FDIC-insured threshold of \$250,000, with maturities ranging from 1 month to 3 years. Corporate bonds are investment grade, have coupon rates ranging from 0.75% to 7.00% and maturities ranging from 1 month to 7.5 years. The United State Treasury notes have maturities ranging from 0 to 3 years. Lastly, mutual funds invested in short term treasury and corporate fixed income securities are reported at fair value based upon a matrix or model pricing method.