

The background of the entire page is a black and white photograph of the Texas State Capitol building in Austin. The building's grand facade, featuring classical columns and a large arched entrance, is visible. The iconic dome with the Statue of Liberty on top is prominent in the upper half of the image. A semi-transparent teal overlay covers the top portion of the image, serving as a background for the company logo and title.

SLTX SURPLUSSM
LINES
STAMPING OFFICE OF TEXAS

ANNUAL REPORT 2022



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 2022 PREMIUM, AGGREGATED BY COVERAGE



LIABILITY
\$5.20 BILLION



MARINE
\$269 MILLION



PROPERTY
\$3.86 BILLION



MEDICAL
MALPRACTICE
\$105 MILLION



AUTO
\$767 MILLION



ACCIDENT &
HEALTH
\$84 MILLION



COMMERCIAL
MULTI-PERIL
\$756 MILLION



CREDIT
\$183 MILLION



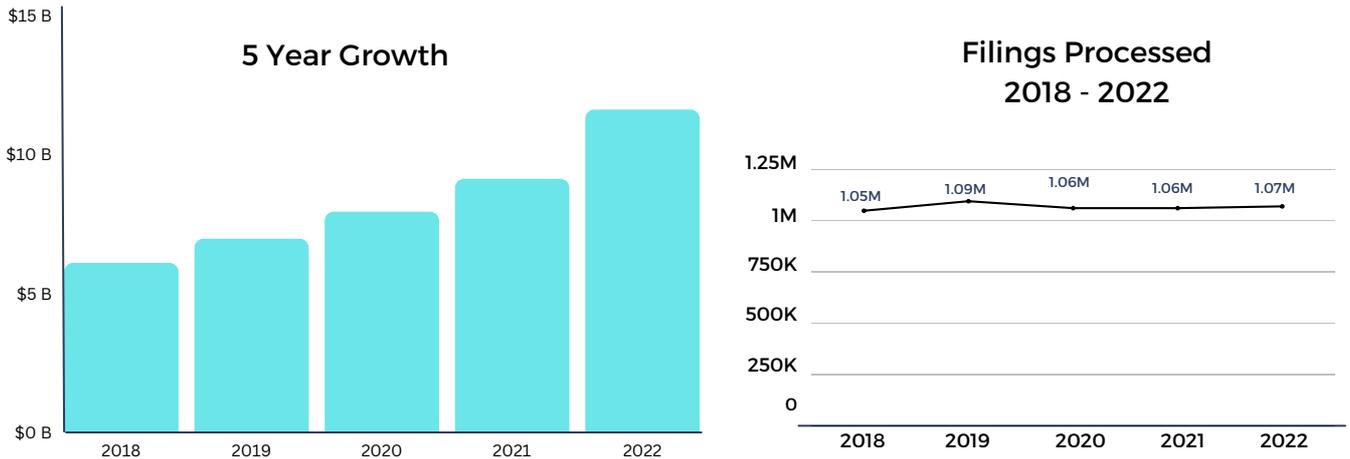
HOMEOWNERS
\$324 MILLION



OTHER
\$35 MILLION

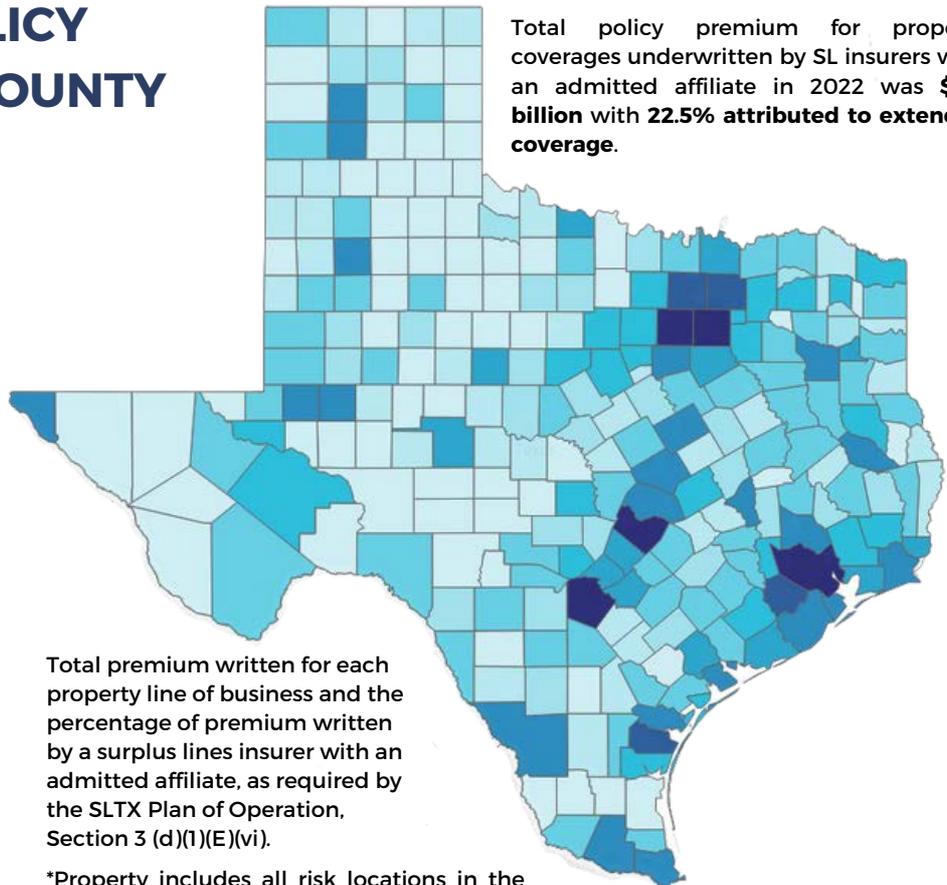
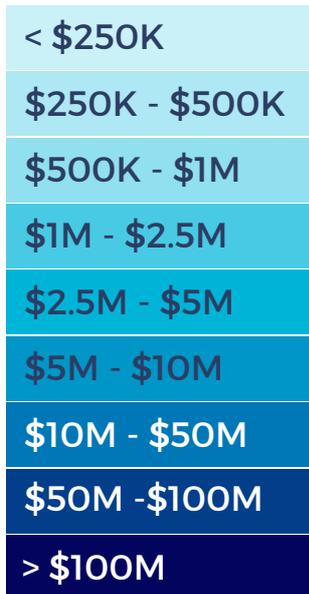
TRANSACTIONS

In 2022, the Stamping Office processed 1,068,709 surplus lines insurance filings and a record \$11,587,658,472 in Texas surplus lines premium, reflecting increases from the prior year of 0.8% and 27.3% respectively.



PROPERTY POLICY PREMIUM BY COUNTY

- Harris - \$974M
- Dallas - \$517M
- Tarrant - \$169M
- Travis - \$158M
- Bexar - \$130M



Total policy premium for property coverages underwritten by SL insurers with an admitted affiliate in 2022 was **\$3.9 billion** with **22.5%** 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

705K
POLICIES
UNDERWRITTEN BY

248
ELIGIBLE SURPLUS LINES
INSURERS

Underwriters At Lloyd's London	\$1.98B
Evanston Ins. Co.	\$363M
National Fire & Marine Ins. Co.	\$351M
Lexington Ins. Co.	\$341M
Scottsdale Ins. Co.	\$307M
Landmark American INS CO	\$271M
Westchester Surplus Lines Ins. Co.	\$260M
Starr Surplus Lines Ins. Co.	\$249M
Trisura Specialty Ins. Co.	\$226M
Crum & Forster Specialty INS CO	\$208M

TOP TEN BROKERS

RSG Specialty, LLC	\$1.72B
CRC Insurance Services, LLC	\$1.54B
AMWins Insurance Brokerage, LLC	\$802M
Marsh USA Inc.	\$661M
Lockton Companies, LLC	\$487M
AON Risk Services Southwest, Inc	\$430M
Risk Placement Services, Inc.	\$289M
AMWins Brokerage of Georgia LLC	\$237M
U.S. Risk, LLC	\$207M
AON Risk Services Northeast, Inc	\$162M

874
BROKERS REPORTED

1.07M
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, excessive losses from a future hurricane forced TWIA to impose windstorm participation assessments on its member insurers, so adjustments could be made to the assessments of any admitted affiliates of those surplus lines carriers.

FINANCIALS

Investments

SLTX finances remained strong throughout 2022 due to stable operating costs, record breaking premium numbers and continued capital investments to the SMART project development. For the year 2022, total revenues exceeded expenses by \$339,050, increasing the reserve fund balance by that amount. On December 31, 2022, the Stamping Office's unrestricted, undesignated reserve fund balance was \$29,178,116, an amount \$20,371,851 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 2 years. Corporate bonds are investment grade, have coupon rates ranging from 0.75% to 7.00% and maturities ranging from 1 month to 6 years. The United States Treasuries 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.

