

SURPLUS LINES

KEEPING FLORIDA IN BUSINESS

The surplus lines insurance market provides coverage for businesses that can't be insured in the traditional market.

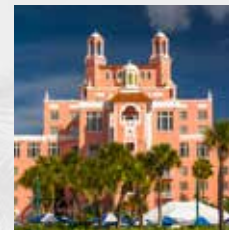
Typically, admitted companies can't or won't write policies for risks that have a high capacity, are unusual, or are distressed.

These risks can include **hospitals, hotels, museums, and other large-scale businesses**. The surplus lines market also provides casualty coverages, such as medical malpractice and commercial general liability.

2018 Total Surplus Lines Premium



↑ 10%
FROM 2017



UNREGULATED INDUSTRY: BUSTING THE MYTH

The surplus lines market is often referred to as “unregulated,” which is a myth. Surplus lines insurance is regulated, just differently than the admitted market. Surplus lines insurance companies are typically admitted in the state in which they are domiciled, and therefore must adhere to all the standard regulatory guidelines as other insurers. The most significant difference is that surplus lines carriers are not subject to the rate and form filings that admitted insurers are. This is by design, however, to allow for them the flexibility that is needed to underwrite high capacity, unusual, and distressed risks adequately.

Surplus lines carriers must also adhere to surplus lines rules and regulations for any state in which they are writing business. For example, per Florida Statute 626.918(2)(c), surplus lines insurance companies must maintain a minimum of \$15 million in capital surplus to be eligible to conduct business.

Surplus lines agents, wholesalers, and brokers also play a significant role in the placement of surplus lines coverages. They, too, are subject to strict licensing and regulatory requirements. Chapter 626 of the Florida Statutes governs the surplus lines industry in Florida.

Nationally, most states have adopted the same or similar laws and regulations for surplus lines insurers and agents to protect the insurance consumer and promote a strong, viable surplus lines marketplace.

84%

of the surplus lines insurance market in Florida is commercial lines coverage. Without surplus lines insurance, some of our most well-known businesses would not be able to procure insurance coverage.

2018 Top 5 Surplus Lines Coverages

	COVERAGE	PREMIUM
1	Commercial Property	\$1,933,152,933
2	Commercial General Liability	\$900,493,287
3	Homeowners-HO-3	\$449,547,858
4	Commercial Package	\$363,308,149
5	Excess Commercial General Liability	\$229,500,509