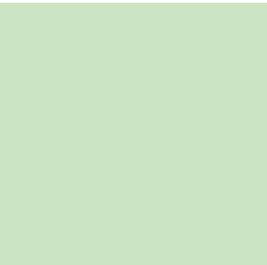
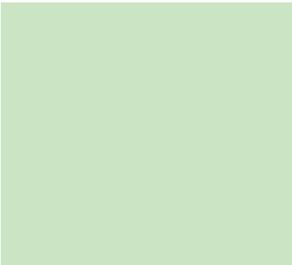


# 2023

ANNUAL REPORT







ELANY is a premier resource for the New York E&S marketplace, providing brokers with the information they need to better serve their clients.

## CONTENTS

Executive Director’s Report.....	4
Chairman’s Report.....	6
Information Resources, and Security Committee Report .....	8
Operations & Procedures Committee Report .....	10
Audit and Finance Committee Report.....	12
Industry Liaison, Legislation .....	14
& Regulation Committee Report	



## Executive Director's Report



### Janet Pane

Executive Director

#### Everything Old is New Again

As ELANY's new Executive Director, I want to begin by thanking the Board of Directors and ELANY's staff for welcoming me to the Association. Since its inception in 1989, ELANY has steadfastly served its members and the excess line community through guidance, education, and advocacy. I am honored to be part of this legacy.

ELANY is not new to me. I served as Board Chair and was an active member of ELANY's Board for fourteen years, prior to my new tenure. During my career I have led compliance, client service, carrier management, operations, and multinational broking units in the large, commercial brokerage space. This experience gives me a unique appreciation for the complexity and importance of the excess line market, as well as its critical counterbalance of regulatory oversight.

I have witnessed the ebb and flow of the insurance market, with capacity highs and lows, broker and insurer expansion and contraction, product innovation, and risk evolution. The excess line market has been a reliable constant in every season, and demand for its value proposition does not wane. Accordingly, my

primary goal is to continue the great work of ELANY in its role as a facilitator for compliance, while modernizing operations and increasing understanding of ELANY and the marketplace it serves.

#### ELANY in Context

It is a world of rapid change, where innovation and risk morph with lightning speed, and a dynamic excess line market provides a necessary release valve for consumers who otherwise cannot procure coverage in the admitted market. Excess line brokers and insurers support public policy and consumer needs by insuring the toughest and most unique risks. By understanding members' constantly evolving needs and appreciating the importance that regulation plays for ultimate consumer protection, ELANY helps provide the education necessary to maintain equilibrium in a shifting landscape. ELANY's role in this continuum was reinforced in 2023, as ELANY was reauthorized by the New York Legislature through July 1, 2029.

The following pages detail ELANY's 2023 accomplishments, and I encourage you to explore each of them. Keep in mind as you read that behind this success



was unprecedented daily demand. ELANY finished calendar year 2023 with the highest premium and transaction count in history, processing 418,000 documents, representing \$7.9 billion of New York Taxable Premium. As they addressed that volume, our staff was simultaneously:

- Piloting enhancements in the broker platform. Feedback from the broker test group is extremely positive, favoring the updated look and feel, ease of use, and intuitive navigation.
- Building community and pursuing member advocacy through new initiatives like “NESS,” the National Excess & Surplus Summit, which brought E&S professionals together to discuss best practices, explore opportunities, and share data.
- Pursuing legislation to ease certain diligent effort requirements where natural market forces make those requirements an unnecessary burden, as well as the ability for more E&S markets to write medical malpractice risks in NY.
- Educating members through 22 ELANY Bulletins over the calendar year, and offering KnowBe4 cybersecurity awareness training to help active members meet regulatory requirements and protect their customers.
- Assisting members with compliance, not only through efficient stamping turnarounds, and member outreach, but also by reviewing and monitoring insurers that write business in the E&S market in New York.

These and other achievements in 2023 are credited to the diligence of ELANY staff. Please join me in thanking them for their continued dedication to our members, particularly in the face of unprecedented filing volume and a noticeable increase in broker questions or training demands to ensure incoming filing quality.

### **Milestones**

Before I close, I want to spotlight my predecessor, Dan Maher, and congratulate him on his retirement. Dan is an industry legend, with 26 years of dedication to ELANY and the excess line community. His knowledge and industry presence will be missed, and we wish him all the best.

I also want to acknowledge the passing of Bob Shapiro, a founding ELANY Board member and former Chairman. Bob gave freely of his time and played a pivotal role in shaping services and policies that benefit wholesale insurance brokers to this day. We will miss him deeply.

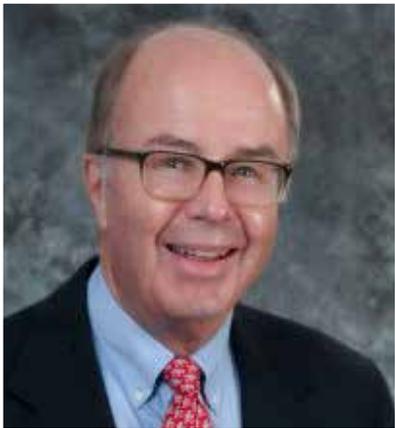
### **Celebrating 35 Years**

I look forward to taking ELANY forward into its 35<sup>th</sup> year of service, focusing on members’ needs, technology enhancements, education, and advocacy as we continue our unique role in the excess line marketplace.





## Chairman's Report



**Eric Keller**  
Chairman

As ELANY celebrates its 35<sup>th</sup> year, I wanted to extend my sincere gratitude and appreciation to Daniel F. Maher for his 26 years of leadership as ELANY's Executive Director. Dan's passion and encyclopedic knowledge of the E&S market in New York State is legendary. He has used that passion and hard work leading a dedicated team that has developed an expansive level of services and resources to support our members. Speaking on behalf of the Board, we wish Dan the best in his well-earned retirement.

Over the last year, my efforts as Chairman have focused on broadening the base of ELANY's audience to reach industry colleagues who are unaware of ELANY's services and resources. We have also sought to expand these services to our members and have worked to make them aware of all the resources that ELANY has to offer.

For example, since 2017, ELANY has offered the KnowBe4 cyber awareness training program to all our active members. KnowBe4 is the world's largest integrated platform for security awareness training. ELANY has facilitated training for over 45,000 employees of more than 228 member firms.

ELANY is in a state of continuous design improvement when it comes to its technology platform. We are driven to improve security and ease of use while reducing the cost burden and membership error ratios. It is with this in mind that ELANY has been developing a new filing portal system (AEROS), which will allow our membership to file policies more efficiently and with more accuracy.

ELANY continues to act as an advocate for the industry and consumers and has a regular presence in Albany supporting legislation that can impact all of us in very meaningful ways, and opposing legislation where passage would be detrimental.



---

**ELANY** has focused on reaching industry colleagues to make them aware of all the resources ELANY has to offer.

---

Another impactful accomplishment was the search for and the hiring of our new Executive Director. ELANY knew how difficult it would be to find a candidate with the skills, qualifications, and experience that Dan Maher had accumulated over his quarter century on the job. The Board established a Search Committee and chose the executive recruiting firm Russell Reynolds and Associates.

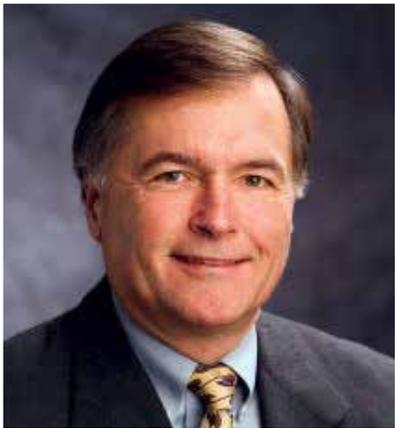
The Committee remotely interviewed, by video, over 40 candidates and from March 2022 through December 2022, the field of candidates was narrowed down and in the end the Board turned to Janet Pane, who had held a seat on the Board for 14 years.

Janet is entirely familiar with scores of Excess Line brokers, carriers, regulators, and legislators, from London to California. Her career exposed her to many aspects of the excess line business and brought her into contact with dozens of Excess Line associations and their staff across the country.

Moreover, all members of the ELANY Board were aware of Janet's fit with ELANY's culture, her work ethic, and her confidence in stepping forward to meet any challenge with a positive result. We believed she could start the job at a full run, and she has already proven that well.



## Information Resources and Security Committee



**Gary Hollederer**

Chair, Information Resources  
and Security Committee

Working with ELANY staff, this Committee is charged with two tasks important to the Membership: monitoring the financial conditions and solvency of unauthorized insurers transacting business in New York, and vetting insurers wishing to write E&S business in New York State.

The process the Committee follows for inclusion on ELANY's voluntary list is more stringent than the statutory requirements to write E&S business in New York. The process entails a thorough financial analysis of each applicant, as well as company management and history.

---

The importance of being **vigilant** regarding an insurer's financial condition cannot be understated.

---

The most important consumer protections for policyholders and claimants are ensuring that insurers can pay claims when they are due. 2023 saw several applications by insurers to be added to ELANY's voluntary published list of excess line insurers. Of those, ELANY added nine (9) insurers in 2023, while removing two (2).

With more premium than ever being written by unauthorized insurers in New York, the importance of being vigilant regarding an insurer's financial condition cannot be understated. ELANY tracks developments that may impact the financial strength of E&S insurers doing business in New York and works with the Department of Financial Services to ensure that carriers meet New York's statutory requirement of \$48 million in capital and surplus, the most stringent standard in the nation.



ELANY ensures that carriers meet New York’s statutory requirement of **\$48 million** in capital and surplus.

As this chart demonstrates, New York’s excess line market is served by financially strong insurers. Note that no E&S insolvency has impacted New York insureds and claimants since 2001.

It is important to note that the work the Committee does is intended to serve consumers, ELANY, and its members. This oversight process is intended to be a complement, not a substitute, for the “due diligence” excess line brokers must exercise in selecting financially stable E&S insurers.

### AM Best Ratings of NY Eligible Surplus Lines Insurers

AM Best			
Rating	# of Co.	2023 NY Premium <sup>1</sup>	% of Premium
A++	20	\$922,378,359	11.7%
A+	56	\$1,758,862,859	22.3%
A	77	\$3,677,859,823	46.6%
A-	55	\$1,438,455,295	18.2%

S&P Rated A or Greater			
Rating	# of Co.	2023 NY Premium <sup>1</sup>	% of Premium
>A	8	\$83,124,534	1.1%
Other	11	\$4,053,381	0.1%
<b>TOTAL</b>		<b>\$7,884,734,251</b>	<b>100%</b>

1. N.Y Taxable Premium

Source: ELANY premium database, AM Best and Standard & Poor’s ratings.

### E&S Insurers Added to ELANY’s Voluntary List

Company Name
Benchmark Specialty Insurance Company
Berkley Prestige Insurance Company
Golden Bear Insurance Company
MS Transverse Specialty Insurance Company
Okalahoma Specialty Insurance Company
Palms Specialty Insurance Company
Point Excess and Surplus Insurance Company
Sierra Specialty Insurance Company <sup>1</sup>
Summit Specialty Insurance Company

1. The Republic Lloyds’ name changed to Sierra Specialty Insurance Company



## Operations & Procedures Committee



### Michael Blackshear

Chair, Operations & Procedures Committee

ELANY continued to invest in operational efficiencies and in member education in 2023. During the year, ELANY deployed new and enhanced software to reduce the workload for brokers and to assist them in meeting their compliance burdens.

ELANY has continued its commitment to membership education, working to meet the educational needs of its members. We have continued our partnership with the WSIA Diversity Foundation to provide diversity, equity, and inclusion resources to active ELANY members who are not WSIA members. We also partnered with the California Surplus Line Association (SLA- CA), on a one-credit continuing education webinar on DE&I.

ELANY has also been working on developing a video based educational curriculum that teaches the basics of how the insurance industry functions and works. This engaging curriculum explains the terminology and concepts of Insurance using real life examples to bring to life the unique and important aspects of the industry. ELANY is working to make the series available in 2024 to all of our members.

ELANY is committed to constantly improving our cybersecurity infrastructure and preparedness. Since 2017, ELANY has funded KnowBe4 cybersecurity awareness training for over 45,000 employees of more than 228 member firms.

---

Since 2017, ELANY has funded **KnowBe4** cybersecurity awareness training for over **45,000** employees of more than **228** member firms.

---



ELANY continued to co-sponsor a summer internship program in partnership with the Insurance Federation of New York for Boys Hope Girls Hope of New York. We at ELANY are proud participants in the internship program and look forward to seeing these bright scholars again in 2024.

ELANY continued to support industry associations with professional educational sponsorships of \$68,975 in 2023.

ELANY is committed to keeping our broker members well informed on all matters that impact the New York E&S market, and we welcome your feedback.





**John Buckley**

Chair, Audit and Finance Committee

**Audit and Finance Committee**

On behalf of our members, ELANY continues to focus on performing its services in a cost-effective manner. ELANY continues to invest in state-of-the-art technology to drive efficiencies into the electronic filing process. The Committee works closely with ELANY management and

staff to manage the Association’s finances. Premiums processed in 2023 increased by \$400 million to \$7.9 billion of NY Taxable Premium and \$8.1 billion of gross premium, while 418,000 documents were filed, an increase of 8.6% year over year.

<b>2023 REVENUES</b>	
Stamping Fees	\$ 12,925,683
Investment Income (loss), net	\$ 1,506,829
<b>TOTAL</b>	<b>\$ 14,432,512</b>
<b>2023 EXPENSES</b>	
Payroll	\$ 4,966,889
Computer Charges	\$ 2,158,737
Rent & Utilities	\$ 665,407
Communications/Education	\$ 242,797
Professional Fees	\$ 477,115
Depreciation	\$ 533,464
Charitable Contributions	\$ 100,000
All Other	\$ 2,807,605
<b>TOTAL Expenses</b>	<b>\$ 11,952,014</b>
<b>FUND BALANCE</b>	<b>\$ 37,949,097</b>



Due to the full year application of the stamping fee reduction to .15% from .17%, stamping fee revenue in 2023 was \$12.93 million, a \$565,000 decrease from 2022. Total expenses were \$11.95 million, a 16% increase over 2022. Payroll, Computer Charges, Rent and Utilities and Professional Fees again represented some of the largest percentage of total expenses.

---

ELANY Fund balance **increased** by \$2.5 million.

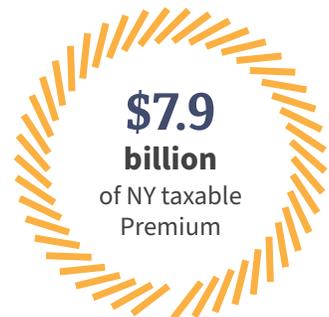
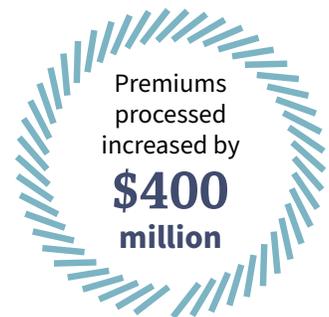
---

ELANY's Fund Balance on December 31, 2023 increased by \$2.5 million to \$37.95 million. ELANY is well positioned financially to meet its current and future obligations to its members.

Audited financial statements are available for review by appointment at ELANY's offices at 120 Wall Street.

ELANY continued its tradition of assisting those in need. In 2023, ELANY supported charities which are aiding the victims of the New York Floods, Maui Wildfires, Hurricane Idalia and the earthquake in Turkey, donating to several organizations including Feeding Westchester Inc., Hawaii's Community Foundation and Volunteer Florida Foundation.

ELANY also continued its support to the Insurance Industry Charitable Foundation and the WSIA Diversity Foundation.





## Industry Liason, Legislation & Regulation Committee



### Joseph Caligiuri

Chair, Industry Liason,  
Legislation & Regulation  
Committee

The past year was another active and successful one for ELANY in advocating for legislative and regulatory changes that positively impact consumers and excess line brokers.

#### ELANY's Statutory Authority

I am pleased to report that with our active participation, legislation was enacted to extend ELANY's statutory authority through July 1, 2029, and to clarify certain legal powers. ELANY's authority must be reauthorized every five years. This legislation permits ELANY to continue its mission of reviewing excess line broker filings and stamping those that meet legal requirements; educating excess line brokers, insurers, and advisors regarding their obligations under state law and regulations; monitoring the financial condition of excess line insurance companies; and advocating on behalf of an effective market that serves consumers' specialty insurance needs.

#### ELANY-Conceived Bills

Two other ELANY-conceived bills passed the New York State Senate, but neither progressed in the Assembly. One would have eliminated the diligent effort requirement for commercial policies placed by retail brokers through unaffiliated wholesalers, while the second would have opened the medical malpractice insurance market for physicians, dentists, and hospitals to excess line placements by eliminating the requirement that the state's residual market mechanism must first decline the risk. ELANY, working closely with allied organizations, will again pursue enactment of these two bills in 2024.

#### Cybersecurity Regulation

We were happy to see the New York Department of Financial Services finalize and adopt an ELANY-proposed revision to its cybersecurity regulation that offers a full exemption for inactive brokers. We sought this exemption for individuals who are no longer acting as brokers



but wish to maintain their license as a credential, such as retirees or those who teach but are no longer brokering business. ELANY formed a broad producer group coalition to pursue this change.

and remittance of premium taxes for policies acquired through independent procurement to “assign” these functions to issuing carriers, and/or third parties such as third-party

---

Legislation was enacted to **extend ELANY’s statutory authority** through July 1, 2029.

---

### **The Resolution**

Nationally, ELANY joined with the Wholesale & Specialty Insurance Association and the American Property Casualty Insurance Association to oppose a proposed National Conference of Insurance Legislators resolution. The resolution would have encouraged states to require non-admitted insurers, that are licensed in any jurisdiction, to annually report to their licensing agency, premium taxes due to other states, irrespective of whether an insurer must report and pay said taxes directly. The resolution also would have urged states to permit insureds who are directly responsible for reporting

administrators or accounting firms. Due to our joint effort, the resolution was revised to only permit the assignment of tax reporting and remittance to third parties such as third-party administrators or accounting firms. Importantly, the resolution explicitly cautions that such assignment will not relieve insureds of their legal responsibilities to report and remit premium taxes. ELANY emphasized to legislators that direct procurement should only be utilized by large, sophisticated insureds and that they should be cautious not to facilitate or encourage use by less knowledgeable consumers.

## Board of Directors

**Eric Keller**  
Chairman

**Michael Blackshear**  
Vice Chairman

**John A. Buckley**  
Treasurer

**Lance Becker**  
Secretary

**Joseph F. Caligiuri**  
Board Member

**Gary A. Holleder**  
Board Member

**Jo Ann Peri**  
Board Member

**Donald Privett**  
Board Member

**Denise Sanchez**  
Board Member

**James Richardson**  
Immediate Past Chairman

## ELANY Staff

**Janet Pane**  
Executive Director

**Tara Cummins**  
Chief Administrative Officer

**Arlana Kemper**  
Director of Business Programs

**Theresa Hetherington**  
Stamping Office Manager

**Jillian Maxwell**  
Human Resources Manager

**Brian Persaud**  
Director of Information Technology

**Howard Greene**  
Director of Government Affairs  
& Strategic Initiatives

**Alex Sarfo**  
Financial Director

**Adriane Bringe**  
Accounting Manager

**John Rosenblatt**  
Communications and  
Marketing Manager

**Beth Pfluger-Torres**  
Assistant Stamping  
Office Manager

**Christine Briglia**  
Executive Assistant

**Cristian Carbajal**  
Stamping Office Supervisor

**Branan Whitehead**  
Assistant Stamping Office Manager

**Fazeda Raghunandan**  
Stamping Office Supervisor

**PC Analyst/Helpdesk**  
Benedict Bardeguez  
Manuel Colon  
Ivan Rodriguez

## Examiners

Jason Alvarez  
Girle Bacani  
Anabel Beato  
Andrew Cardona  
Marisa Chiacu  
David Fani  
Eddie Jackson  
Princess Kida  
Jenny Kyi  
Portia Lipscomb  
Sania Lodhi  
Myrtha Magliulo  
Traci Martin  
Trecia Mignott  
Owen Monahan  
Amanda Morejon  
Maria Oviedo Campos  
Emily Maldonado  
Sharon Ramlochan  
Ruben Ramos  
Niccolo Reid  
Xiomara Torres  
Damien Vittore  
Keith Vittore  
Sean Ware

## Excess Line Association of New York

Committed to Serving the Excess & Surplus Lines Broker Community

120 Wall Street, 24th Floor, New York, New York 10005-3904  
Tel: 646.292.5500 | e-mail: [elany@elany.org](mailto:elany@elany.org) | [www.elany.org](http://www.elany.org)