

The E&S Empire Express



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Record-Setting 2017

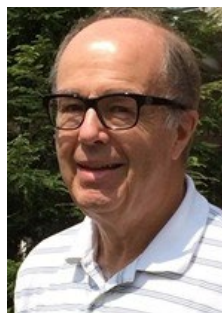
ELANY experienced a banner year in 2017. We processed more than **325,000** transactions representing **\$3.92 Billion** in premium. We ended the year with **830** active member brokers that filed transactions with ELANY. These numbers are records, indicating the dynamic quality and growth of the New York excess line marketplace. Wholesalers placed **87%** of the transactions representing **63%** of the total excess line premium, a strong indication that the market remains driven by complex risks for which retail brokers cannot locate adequate admitted market coverage. The excess line market continues to represent only a small, but vital, portion of the total property-casualty insurance transactions placed in New York.



Janet Pane



David Isenberg



Eric Keller



Nancy Born



Howard Greene

Congrats!

We wish all the best to **Maurice "Moe" Morgenstern**, Deputy Bureau Chief of the Department of Financial Services' Property Bureau, on his retirement. Moe's deep knowledge and experience will be missed, as will his sense of humor.

Congratulations to ELANY Board Chair **Janet Pane** on being named Head of Global Services and Solutions by Willis Towers Watson P.L.C., and congratulations to Willis Towers Watson on a smart decision!

Many thanks to **David Isenberg**, who stepped down from the ELANY Board of Directors after years of invaluable service. Dave has been a strong guiding voice from ELANY's early days and a driving force in its development. He has been replaced on the Board by **Eric Keller** of Buffalo's H. R. Keller & Co., Inc. Welcome Eric!

Nancy Born has been named Chief Administrative Officer by ELANY. Nancy has served the organization with distinction for many years and this promotion is a testament to the enormous value she continues to bring the organization.

Howard Greene has joined ELANY as Director of Strategic Initiatives, adding depth to ELANY's veteran management team. He has been handling broker cybersecurity regulation compliance issues and a variety of other matters for the organization. Welcome Howard!

Cybersecurity Training

ELANY's free cybersecurity awareness training offer for active members has been well-received. As of the end of January, we have or are training more than **6,600** individuals at over **135** member brokerages. The training fulfills the training requirements of the Department of Financial Services cybersecurity regulation and provides our members with an invaluable tool to help protect their clients and business. For those licensees who are subject to the regulation's training requirement, all firm personnel must be trained by March 1st.



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Cybersecurity Web Broadcast

On December 5th, ELANY partnered with **A.M. Best** to bring our members and the public a free web broadcast titled, **"New York's New Cyber Regulation: A Producer's Guide to Compliance."** To date, the broadcast has been viewed by more than 900 people. ELANY members and others are invited to access the replay of the broadcast, either in its entirety or in labeled segments, by [clicking here](#).

Staying In Touch

LinkedIn ELANY has a LinkedIn page! We are regularly posting announcements, Bulletins, items of interest to the excess line community and news about ELANY. We invite you to [follow us on LinkedIn](#).

We have created a new publication, **ELANY Elaborates**, which provides deeper dives into issues of interest to excess line brokers and others. Our first two issues, discussing earned premium and ELANY's financial oversight of foreign insurers, are on our website. Look for more issues as 2018 progresses.

Two new videos have been produced during the past several months to help excess line brokers comply with policy filing requirements. **Excess Line Filing Compliance, Get It Right The First Time** and **Producing Broker's Guide To Completing The Elany Part C affidavit** assist excess line brokers and their producing brokers in making filings with ELANY as simple and hassle-free as possible.



Contributions

ELANY is proud to have contributed almost **\$90,000** to charitable causes in 2017, including assistance for Hurricane Harvey victims in Texas with contributions to food banks in Houston, Galveston and Corpus Christi; Americares and Global Living Foundations for Hurricane Maria aid to Puerto Rico; Keys Area Interdenominational Resources, All Faiths Food Bank, and Second Harvest Food Bank of Central Florida for Hurricane Irma relief, and; the Insurance Industry Charitable Foundation.

Changes to the list of Eligible E&S Insurers

2017 saw a number of additions to the **ELANY list of E&S insurers**: TDC Specialty Insurance Company, Lloyd's Syndicates #2988 and #5886, American National Lloyds Insurance Company, Radnor Specialty Insurance Company, Peleus Insurance Company, General Security Indemnity Company of Arizona, and Independent Specialty Insurance Company. Lloyd's Syndicates #1400 and #2000 were removed from the list. These insurers were reviewed and approved by the ELANY Board of Directors based on objective criteria that are designed to ensure that only demonstrably secure insurers obtain the ELANY imprimatur.

License Renewals

Please remember to renew excess line broker business entity licenses with the Department of Financial Services prior to October 31st. Renewals can be processed online at www.dfs.ny.gov/insurance/licrenewal.htm. Individual excess line broker licenses expire on the licensee's birthday in even numbered years for individuals born in even numbered years, and odd numbered years for those born in odd numbered years.

Premium Tax Statement Filings

All licensed excess line brokers must file a Premium Tax Statement by March 15th even if no business was placed under the license. Filings must be made electronically. Failure to file carries a \$500 penalty. See **ELANY Bulletin 2018-06** for further information.

Legislation

ELANY has an active legislative agenda planned for 2018. We will once again be advocating for two bills that would serve claimants, buyers and excess line brokers well.

The first bill (S423/**A4734-A**) would change New York law to permit insurance coverage of punitive damages and civil penalties. Personal lines and commercial auto would be excluded, no insured would be covered for conduct that was intended to cause the relevant harm,

and coverage would have to be expressly provided for by an insurance policy. Insureds currently go offshore to obtain this coverage and ELANY believes it would serve New York well to instead have this coverage written in a more convenient, regulated market. Of great importance, permitting this coverage would increase the chances that injured parties could collect on punitive damages awards in the relatively rare instances where such awards are made.

The second but equally important bill (**S422/A29**) would remove the requirement that excess line brokers obtain a declination from the state Medical Malpractice Insurance Pool (MMIP), which is New York's residual

market for medical malpractice insurance. Since MMIP is a market of last resort, it does not issue declinations and therefore the excess line market cannot write primary medical malpractice coverage for doctors, dentists and general hospitals. New York's medical malpractice insurance market has few financially strong options and risk retention groups make up a significantly larger share of the New York market than other states where excess line policies are permitted. Allowing financially secure excess line insurers to be an option is good for medical professionals and medical malpractice claimants who need to have awards they can collect, and for brokers that seek to place business with highly rated insurance companies.

CALENDAR

2018

March

Friday–Sunday March 2–March 4	The National Conference of Insurance Legislators (NCOIL) Spring Meeting The Ritz-Carlton Buckhead Atlanta, Georgia
Saturday–Tuesday March 24–March 27	NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS (NAIC) Spring Meeting Hilton Milwaukee City Center/Hyatt Regency Milwaukee/Wisconsin Center Milwaukee, Wisconsin

April

Wednesday–Saturday April 11–April 14	WHOLESALE & SPECIALTY INSURANCE ASSOCIATION (WSIA) 2018 Underwriting & Leadership Summit JW Marriott Phoenix Desert Ridge Phoenix, Arizona
Thursday April 12	INSURANCE CLUB OF BUFFALO Buffalo I-Day Buffalo Niagara Convention Center Buffalo, New York
Wednesday April 25	PROFESSIONAL INSURANCE AGENTS OF NEW YORK (PIANY) Long Island Rap Crest Hollow Country Club Woodbury, New York

Wednesday April 25	CAPITAL DISTRICT INSURANCE COMMUNITY, INC. Albany I-Day Albany Capital Center Albany, NY
May	
Wednesday May 9	ELANY ANNUAL MEMBERS' MEETING Yankee Stadium Bronx, New York
Monday May 14	ELANY ANNUAL LEGISLATIVE RECEPTION Fort Orange Club Albany, New York **OPEN TO THE PUBLIC**
Wednesday–Friday May 30–June 1	NEW YORK INSURANCE ASSOCIATION, INC. (NYIA) Annual Conference The Saratoga Hilton Saratoga Springs, New York
June	
Sunday–Tuesday June 10–June 12	PIANY/PIANJ Joint Annual Conference Harrah's Resort & Casino Atlantic City, New Jersey
July	
Thursday–Sunday July 12–July 15	THE NATIONAL CONFERENCE OF INSURANCE LEGISLATORS (NCOIL) Summer Meeting Little America Hotel Salt Lake City, Utah



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