

# THE **E&S** *Empire Express*

## Eric Keller Elected Chairman of ELANY

The Board of Directors elected Eric P. Keller as the new Chairman of ELANY. Outgoing Chairman James Richardson became the Immediate Past Chairman. Mr. Keller is Retired President - H.R. Keller & Co., Inc.

Mr. Keller became a member of the ELANY Board in 2017. He is a past recipient of the Pioneer Award from the Independent Insurance Agents Association of Western New York and was voted *Employer of the Year* by the Insurance Women of Buffalo in 2005.

Mr. Keller has spent his career in service to his colleagues in the insurance industry. He has served as President of the Insurance Premium Finance Association of New York as well as the Independent Insurance Agents Association of Western New York. Mr. Keller has also sat on the Boards of the IAAC and the



ERIC P. KELLER

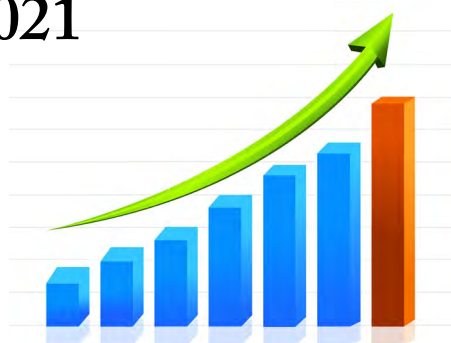
Professional Insurance Wholesalers Association of New York (PIWA).

"I am honored to be the new Chairman of the ELANY Board of Directors. During my term, I look forward to successfully pursuing ELANY's legislative and regulatory agenda on behalf of excess line brokers, their business partners and insureds," said Mr. Keller. "We will continue to build on our world class service, education and resources." ■

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## Transactions and Premiums Set New Records for 2021

Last year saw record highs for both transactions processed by ELANY and New York excess line premiums, with construction and real estate risks leading the way. In 2021, ELANY processed 355,368 policies and endorsements, a 6.4% increase over 2020. Gross premiums jumped to \$6.36 billion, a 25.8% increase from the prior year. More of the same has been the story so far in 2022, with transactions up by 11.4% for the first five months year-over-



year and a corresponding rise in gross premiums of 31%.

For the latest statistics, please visit the [NY Market Data / Summary Report](#) section of our website. ■

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Excess Lines Association of New York  
120 Wall Street, 24th Floor  
New York, NY 10005  
646.292.5500 | [info@elany.org](mailto:info@elany.org)  
[www.elany.org](http://www.elany.org)

# ELANY 2021 Annual Report

ELANY's 2021 Annual Report is now available on the ELANY [website](#). It was presented in video format at this year's Annual Members' Meeting on Wednesday, May 4, 2022.



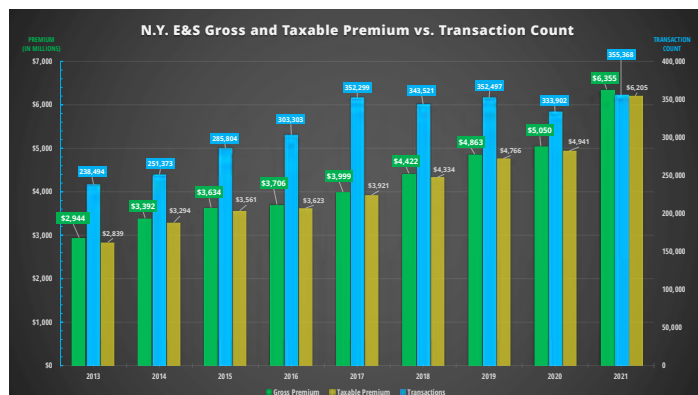
The reports provided by the Committee Chairs of ELANY's Board of Directors committees offer insight into 2021's challenges and how the ELANY team continued to provide and maintain a professional high level of service to members during the height of the pandemic.

Immediate Past Chairman James Richardson emphasized ELANY's commitment to education. Of note, through various collaborations with industry organizations, ELANY is tying together education with Diversity, Equity & Inclusion to attract new and diverse talent to the industry.

In 2021, ELANY released a study, conducted by NovaStance Analytics, that analyzed the \$3.7B New York homeowners insurance market and concluded that the admitted and excess line markets do not compete for homeowners business. The study, entitled: *To Each Their Own: The Role of Excess & Surplus Lines Coverage in the New York State's Homeowners Insurance*

Market can be found on the ELANY [website](#).

Last year was especially active for excess line brokers and insurers. "New York annual premium totals have set a new record high in every consecutive year in the post NRRA era since 2013, when gross premium was \$2.9B," said Dan Maher, Executive Director of ELANY. He noted that broker merger and acquisition activity continued in 2021



at a substantial pace on the retail side but at an even greater pace among wholesale brokers.

On the cybersecurity front, ELANY renewed its very popular [Knowbe4 Cybersecurity Training offer](#), which is free to active members. ELANY also continues to enhance its cybersecurity protections against vulnerabilities. "We have implemented external & internal penetration testing with TrollEye, as well as utilizing huntress, a ransomware detection & prevention agent on all endpoints," said Eric Keller, Chairman of ELANY.

ELANY encourages members and interested parties to view the [Annual Report](#) in its entirety. ■

## ELANY Meets With DFS Superintendent Harris

ELANY was delighted to meet with New York Department of Financial Services Superintendent Adrienne Harris in May to discuss matters of importance to excess line brokers. Superintendent Harris was confirmed by the New York State Senate in January.

The conversation was very productive and positive. We discussed the role of the excess line market and the important purpose it serves, including two ELANY-sponsored market segmentation analyses (*see article on page 3*) statistically demonstrating that the excess line market serves only the risks it was created to serve. ELANY also briefed the Superintendent on both the affidavit reform and diligent effort bills (*see*

*article on page 3*). Superintendent Harris expressed her view that effective regulation must balance the practical impacts on insurers and producers with the benefits to consumers. The Superintendent was also gratified to learn that ELANY has funded cybersecurity awareness training for more than 35,000 excess line brokers and their employees, and that we partnered with the Surplus Line Association of California to present a CE program on Diversity, Equity & Inclusion (*see article on page 5*). She concluded by stressing that she is always willing to discuss matters with ELANY and to consider the needs and concerns of excess line brokers.

We look forward to a constructive relationship with the Superintendent and her staff. ■



SUPERINTENDENT  
HARRIS

# Second Market Segmentation Analysis Released

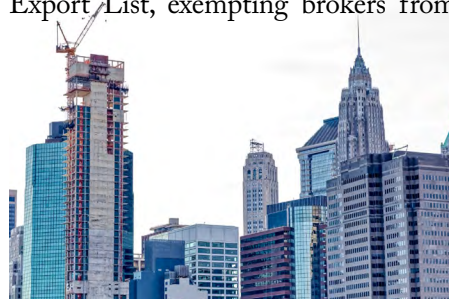
The second in a series of market segmentation analyses was released in March. Entitled, [If You Build It: The Role of Excess & Surplus Lines Coverage in New York State's Construction Insurance Market](#), the study was sponsored by ELANY and conducted by NovaStance Analytics, an independent consultant. Like the first in the series, [To Each Their Own: The Role of Excess & Surplus Lines Coverage in New York State's Homeowners Insurance Market](#), the paper analyzes both ELANY and government data and reaches conclusions based on the empirical evidence. Consistent with the prior report, NovaStance Analytics concludes that the excess line market is serving its intended purpose and not competing with admitted insurers.

The construction industry comprised 16% of total excess line transactions and 30% of premium in 2017, with \$1.3 billion in written premium.

...THE EXCESS LINE MARKET  
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The average premium for excess line construction policies was \$36,627. Excess line insurers wrote 35,851 construction policies.

Almost 90% of construction industry liability coverages are on New York's Export List, exempting brokers from



the diligent effort requirement. Still, over 80% of construction submissions to ELANY provide evidence of declinations by the admitted market even though not required. This demonstrates that despite the Export List, construction risks are usually offered to admitted carriers first and those insurers decline to write the risks.

In addition, 93% of the 2017 excess line premium associated with construction general and excess liability coverages was attributable to construction firms in New York City and the other five counties in its metro area. These areas have a greater concentration of more dangerous, high value and complex high-rise construction. The analysis concludes that, "E&S policies are heavily concentrated in higher risk locations and classes of business more exposed to factors such as greater limits and New York's scaffold law." ■

## ELANY Albany Advocacy

ELANY had an active and successful 2022 legislative session in Albany. We tried a new approach on our diligent effort and affidavit modernization legislation, splitting it into two separate bills, the first focusing on diligent effort reform ([S.8128](#) (Breslin)/[A.9117](#) (Hunter)) and the second on affidavit reform ([S.8127](#) (Breslin)/[A.9088](#) (Hunter)). We conceived and implemented this approach as a way to present legislators with clarity between the two parts of our prior bill.

We are excited to report that the affidavit reform bill has passed both the Senate and Assembly. The legislation, which would reduce the number of declination reporting elements from seven to three, would

remove the name of the insurer representative who declined the risk, their affiliation with the insurer, the date the risk was declined and the reason for the declination. The bill will go to Governor Hochul's desk later this year and we will work to gain her signature. ELANY greatly appreciates the active support of Big I NY, CIBGNY, PIANY, PIWA and WSIA. In addition, we thank the sponsors of the bill in each chamber, Senator Neil Breslin and Assemblymember Pamela Hunter.

The diligent effort reform bill, which would repeal the diligent effort requirement for commercial lines policies placed by wholesalers for an unaffiliated retail broker. The bill was passed by the Senate but did

STATE OF NEW YORK	
8127	
IN SENATE	
January 25, 2022	
Introduced by Sen. BRESLIN -- read twice and ordered printed, and when printed to be committed to the Committee on Insurance	
AN ACT to amend the insurance law, in relation to simplifying the excess line insurance placement affidavit requirements	
<u>The People of the State of New York, represented in Senate and Assembly, do enact as follows:</u>	
1	Section 1. Subparagraph (C) of paragraph 3 of subsection (b) of
2	section 2118 of the insurance law, as amended by chapter 684 of the laws
3	of 1993, is amended to read as follows:
4	(C) Every licensee, or affirming broker, in connection with the place-
5	ment of each risk pursuant to this section <u>not otherwise exempt from the</u>
6	<u>diligent effort requirement</u> , shall record on the affidavit required
7	pursuant to subparagraph (A) of this paragraph the <u>name and national</u>
8	<u>association of insurance commissioners code of each authorized insurer</u>
9	<u>declining a risk</u> and information relied upon that formed the basis of
10	such licensee's or affirming broker's reason to believe that the author-
11	ized insurer might consider writing the type of coverage or class of
12	insurance involved. <u>No additional diligent effort information shall be</u>
13	<u>reported on the affidavit.</u>
14	§ 2. This act shall take effect immediately, provided, however, that
15	the amendments to subparagraph (C) of paragraph 3 of subsection (b) of
16	section 2118 of the insurance law made by section one of this act shall
17	not affect the expiration of such subsection and shall be deemed to
18	expire therewith.
EXPLANATION--Matter in <u>italics</u> (underlined) is new; matter in brackets	
[ ] is old law to be omitted. LBD14285-01-2	

not move in the Assembly. ELANY's medical malpractice excess line reform bill ([S.714](#) (Breslin)/[A.996](#) (Cahill)) passed the Senate and our insurability of punitive damages bill ([A.1813](#) (Dinowitz)) was referred to the Assembly Insurance Committee. ■



# The One and Only Nancy Born Retires

To paraphrase a famous saying, if something happens at ELANY and Nancy Born is not there to see it, did it really happen? For 25 years, Nancy was an institution at ELANY, eventually becoming Chief Administrative Officer and Director of Operations. She did it all and was one of the most influential individuals to ever grace ELANY's offices.

Whether it was handling Department of Financial Services exams, overseeing the stamping office, setting and administering human resources policies, delving into IT issues or riding herd on finances, there was not much happening at ELANY where Nancy was not front and center. At her desk before 7 a.m. every day, Nancy's presence was constant and palpable.

"Over the past 40 years, I have been lucky to work with a tremendous number of colleagues and friends," said ELANY Executive Director Dan Maher. "In the last 25 years, there is no one that I came to rely on more for common sense solutions. Her skill in managing teams and successfully delivering on set goals was unmatched in my experience. I



*Pictured l-r: Lee Orabona; Jim Richardson; Gary Holleder; Joe Calguiri; Kevin McGill; Lance Becker; John Buckley; Janet Pane. Seated l-r: Bob Shapiro, Nancy Born and Dan Maher.*

miss having her here working side by side and I miss her personally as a friend."

Nancy is now spending lots of time with her three young grandchildren, which she assures everyone is more tiring than anything she did at ELANY. However, she is still doing part-time consulting for ELANY, sharing her vast knowledge, know-how and historical insights. Thank you Nancy for everything you have given ELANY and its members! ■

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**- DAN MAHER, EXECUTIVE DIRECTOR, ELANY**

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## Updated Insurer Requirements, New Listed Insurers

January 1, 2022 saw an increase from \$47 million to \$48 million in the minimum surplus to policyholders required of foreign excess line insurers. Under §27.13(b) of New York Regulation 41, the amount increases by \$1 million every three years.

In 2021 and 2022 to date, ELANY has added the following companies to its voluntary [List of E&S Insurers](#):

- Prime Insurance Company
- Agent Alliance Insurance Company
- MSA Insurance Company
- Fortegra Specialty Insurance Company
- Palomar Excess & Surplus Insurance Company
- Republic-Vanguard Insurance Company
- Lloyd's Syndicates #1902, #1971, #2358, #2689 and #4321
- Westfield Specialty Insurance Company
- Lafayette Insurance Company
- Sutton Specialty Insurance Company

Unauthorized insurers on ELANY's List of E&S Insurers undergo a thorough financial analysis by ELANY.

This analysis goes beyond verifying that the insurers meet the minimum standards of eligibility imposed by the Nonadmitted and Reinsurance Reform Act (NRRA). Excess line brokers are relieved from maintaining listed insurer financial records where such records are maintained by ELANY. While other insurers may meet the NRRA minimum requirements and are therefore eligible in New York, ELANY only lists insurers where sufficient information has been provided to determine satisfactory financial stability, the proper mitigation of operating risk and ability to support current and future obligations. ■

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**ELANY'S WEBSITE IS A PREMIER SOURCE**

**FOR THE NEW YORK E&S**

**MARKETPLACE**

**[WWW.ELANY.ORG](http://WWW.ELANY.ORG)**

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# ELANY Joins Forces with SLA of California to Deliver DE&I Webinar

On Tuesday, April 19, 2022, ELANY and the [Surplus Lines Association of California](#) (SLACA) delivered a virtual CE course called: Diversity, Equity and Inclusion You Can Use - A Practical Approach. Vida Thomas, an employment defense litigator and DEI facilitator with Oppenheimer Investigations Group, and Michael Blackshear, Chief Compliance and Privacy Officer for Ryan Specialty Group and a member of the ELANY Board of Directors, shared their insights into diversity, equity and inclusion.

The discussion presented by Mike and Vida was aimed at providing insight into why diversity, equity and inclusion is important in the workplace and how it relates to the insurance industry. They discussed the progress already made, what the data reflects and ways we can all move forward. Mike and Vida spoke about the role of inherent bias and how to avoid it. Additionally, they provided solutions on how to increase diversity within an organization and how to implement steps to maintain compliance with federal, state and local requirements.



VIDA THOMAS, AWI-CH

MICHAEL BLACKSHEAR

Mike Blackshear said, "I truly enjoyed partnering with Vida Thomas on tackling a topic that has been a challenge for our industry for some time. I commend both ELANY and the SLACA in partnering to deliver an important DE&I course for the insurance industry. This was not a one-day event, but a long-term commitment for meaningful, cultural change. Reducing bias in our society, our industry and our organizations is a journey and commitment that should be placed on all of us. A diverse and inclusive society and industry helps us better understand our customer

values and expectations which will improve our ability to deliver quality products and services. It is my hope, as part of the insurance industry's cultural journey and transformation, that differences in race, creed, color, religious beliefs, background, gender identity or sexual orientation are considered an asset by bringing together varied perspectives to better serve our clients and uplift the communities that we live and work in."

The course provided information relevant to all levels of an organization and was a great success with over 270 attendees. ■

## ELANY Welcomes New Examiners

ELANY is pleased to welcome Girlie Bacani and Amanda Morejon as Examiners.

**Amanda Morejon** is a graduate of Metropolitan College of New York and received her BA in Health care Management. After college, Amanda took a position at Middle Village



AMANDA MOREJON

Radiology as a medical receptionist and pursued other careers in accounts receivable and as an import agent at a local airport.

Amanda holds a certification of completion as a phlebotomy technician and lives in Brooklyn, NY.

**Girlie Bacani** graduated from Centro Escolar University in the Philippines and holds a B.S. in Computer Science and Information Systems. After graduation, Girlie began her career in the insurance industry as an assistant underwriter for

property & casualty at Seaboer Eastern Insurance / QBE and later worked as a claims specialist at Banco de Oro Insurance Co. Prior to ELANY, she was a claims examiner for property damage at Country-Wide Insurance Co. in New York City.

She resides in New Jersey with her husband and son. ■



GIRLIE BACANI



# Sister Mary Lanning Celebration of Life Fundraiser

Over 150 people packed the house at the Bankers Club in New York City on June 7, 2022, to honor Sister Mary Lanning. Mary passed away suddenly on March 21, 2021, and the event was a celebration of her life as well as a fundraiser to support the [Insurance Federation of New York](#) (IFNY) Intern Program, partnering with [Boys Hope Girls Hope NY](#) (BHGHNY), a program that was conceived of and run by Mary.

To so many, Sister Mary was synonymous with kindness, service, and love. She became a nun at the age of 17 and spent 13 years of her life at a monastery in the South Bronx. She served as an activist for over 60 years and founded YES!Solutions, Inc., a grassroots neighborhood-to-neighborhood service organization based in Harlem, to aid community members in need who were elderly, poor, homeless, sick or grieving.

In her professional life, Mary acted as a regulatory consultant and compliance advisor to the US commercial insurance and financial sectors for the better part of four decades. She was president of ML&G (Mary Lanning & God) Associates and was known for her unique personal brand of intervention and advocacy. Mary was also the former head of the Insurance Brokers Association of New York (IBANY).

Mary was a driving force for BHGHNY, an international youth development organization which leads young urban teens from disadvantaged family circumstances through a rigorous residential college preparatory education program. With the help of Nick Pearson, immediate past chair of IFNY, and the Board of Directors of IFNY, Mary started the IFNY Intern summer program in 2011. The six-week program introduces the BHGHNY scholars to the New York insurance and financial services sector through company visits where they learn about various types of jobs and responsibilities. The host companies include all sectors of the insurance and financial industry including life, property and casualty, excess line, reinsurance and more.

If you are interested in supporting the IFNY Intern program through a donation, *please make checks payable to Boys Hope Girls Hope NY/Interns* and mail to:

Boys Hope Girls Hope NY | LaSalle Hall | Dev. Office  
367 Clermont Ave. | Brooklyn, NY 11238

*Or, to send via ACH wiring:*

TD Bank 2 Wall St., New York, NY 10005  
Account: Boys Hope Girls Hope of New York/Interns  
Routing #: 026013673 | Account #: 4409850644  
EIN 13-2990982

*(Boys Hope Girls Hope is a 501(c)3 charitable organization.)*







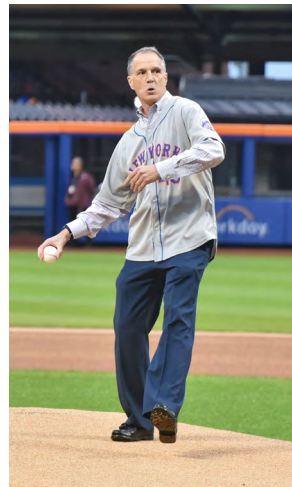


# ELANY 2022 Member Appreciation Day Hits it Out of the Park!

Members, colleagues and friends packed five suites at Citi Field on Monday, May 2, 2022 for ELANY's 2nd Annual Member Appreciation Day. Even though the Mets couldn't pull off a win against the 2021 World Series Champion Atlanta Braves, a good time was had by all who attended.

John Buckley, Treasurer of ELANY, threw out the first pitch and Immediate Past Chairman Jim Richardson was behind the plate to catch it. Right down the middle!

The night was filled with laughter, good food and cheer and we look forward to the next one. ■







## 2022 Annual Members' Meeting

**E**LANY's 34th Annual Members' Meeting was held on Wednesday, May 4, 2022 at ELANY's Conference Center located at 120 Wall Street in New York City, as well as by Zoom.

The meeting kicked off with a video presentation of ELANY's 2021 Annual Report including ELANY's financials, transaction and premium figures for the year, notable achievements and new additions to the list of E&S insurers.

Next, an expert panel of speakers discussed cutting-edge developments in the crypto space as it relates to the E&S market. Huhnsik Chung, a Shareholder at Carlton Fields and CEO of SQrBlock Solutions, moderated the discussion.

The panel included Adam Hoffman, founder of Nimble, a global decentralized insurance company and Raymond Zenklick, founder of Evertas, Inc., a cryptoasset insurance company. Topics included different approaches for insuring crypto assets, capacity issues, unique coverage issues, paying both premiums and claims in crypto, and the importance of excess line brokers in this developing market. The discussion in its entirety can be viewed [here](#).

Finally, Executive Director Dan Maher announced the election of Lance Becker, Joseph Caligiuri and John Buckley to the Board of Directors for three-year terms. Congratulations and thank you for your time and expertise Lance, Joe and John! ■