

An aerial night photograph of the New York City skyline. The Chrysler Building is the central focus, illuminated with its iconic Art Deco spire. The surrounding city is a dense grid of lit-up skyscrapers. In the upper right, the Manhattan Bridge is visible, spanning the East River. A semi-transparent dark blue rectangle is overlaid on the right side of the image, containing the text '2024 ANNUAL REPORT' in white.

2024

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.

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Executive Director's Report

JANET PANE

Chief Executive Officer & Executive Director

Celebrating 35 Years of Service

During 2024, ELANY celebrated 35 years of service to our members. Signature anniversaries are always a moment of pride, and it is rewarding to look back and see the positive effects of ELANY's advocacy, diligence, and educational efforts to facilitate compliance in an ever-changing market. I feel a great sense of pride and purpose when I reflect on the broader role our industry plays in society, and, more specifically, the work ELANY does to promote a robust, solvent, and compliant marketplace in New York. I am honored to serve our members and bring innovation and excellence to this important market.

The excess line market remains an important safety valve, providing access to coverage the admitted market is not writing. The risk landscape over the past ten years continues to show volatility and new products continue to emerge to help address the coverage gap. It is often the E&S market where these product innovations are first

tested, leading to an increase in transactions and premiums over the last decade. We are not seeing the typical cycle where a soft market will generate a downturn in E&S filings, suggesting a lasting shift in the paradigm. In 2024, ELANY processed 473,611 transactions, representing New York premium of \$8.99 billion. This represents an annual increase of 13.3% and 13.96%, respectively. Placing this into the overall US surplus lines perspective, of the 15 stamping and service offices in the United States, New York ranks 4th in both premium volume and transactions, with gross premiums of \$9.1 billion out of an overall \$81.6 billion, representing a 12% increase over 2023 for the 15 states with stamping offices collectively. New York transactions, dominated by construction risks and general liability products, represent 7.2% of the total 6.6 million items reported in the marketplace.

Education and Advocacy

A functional excess line marketplace relies on educated brokers and

underscores the importance of ELANY's commitment to education. In 2024, ELANY issued 27 bulletins covering important updates, attended 28 industry events, and brought members continuing education classes on topics of importance, including our now annual "State of the London Market" webinar, presented in conjunction with the London market. To assist members with NY's evolving cybersecurity regulations, we hosted a continuing education course, and continue to offer our complimentary access to training for qualified members. We saw registrations increase this year with many new members taking advantage of this offering¹.

ELANY is committed to member outreach. We initiated Broker Roundtables in 2024, with a more targeted, data-driven approach focused on individualized areas of broker error, to enhance understanding and transparency around the examination process.

ELANY's 2024 Accomplishments



In 2024, ELANY processed **473,611** transactions, representing New York Premium of **\$8.99 billion**. This represents an annual **increase of 13.3% | 13.96%**, respectively



Of the 15 Stamping Offices in the United States, **New York ranks 4th** based on both premium volume and transactions, with gross premiums of **\$9.1 billion** out of an overall \$81.6 billion, representing **12%** increase over 2023



ELANY issued **27 bulletins**, attended **28 industry events**, and offered members **3 continuing education** classes

Ongoing, collaborative dialogue is an impactful way to facilitate compliance.

ELANY's legislative advocacy continues including ongoing discussions around two new bills authorizing stand-alone business interruption and parametric insurance in the excess line market which were signed into law in 2024. Efforts continue for reforms around diligent effort, medical malpractice, and the codification of IVF expense indemnification.

Technology

Striving to streamline the day-to-day filing experience, ELANY deployed various platform enhancements. Notably, we achieved 100% participation in the AEROS Part A Affidavit rollout, to the great satisfaction of our members. Direct messaging capabilities were deployed for batch re-opens to achieve more consistent communication and instruction for

brokers to correct errors which is yielding faster turnaround on those items. Additional internal efforts included the receipt of licensing data from the state and modernizing resources for ELANY examiners to shore up our service foundations.

Preparing for the Future

In our first year of operation, ELANY processed 34,610 transactions, representing \$4.75 million in New York premium. In 2024, premium and transactions represent a 1,890% and 1,268% increase, respectively, from our inception. This is a testament to the innovation and problem-solving that the excess line market provides consumers.

To keep pace with ongoing changes and demands on the excess line industry, including brokers' significant use of third parties and outsourcing, ELANY requires modern and dynamic resources. To this end, 2024 was a year of reflection and planning for the future. We

facilitated multiple workshops and framework exercises with specialists, asking ourselves: How can we elevate our platforms to meet increased demands? How can we leverage data to enhance member service and advocacy?

At the end of 2024, ELANY laid the foundations to update the elany.org website to provide an improved mobile app experience and to enhance the technology foundations in our broker portal and ELANY's back-office systems. By improving our systems and technology we will enable deeper analysis of our data to assist in identification of pain points for members and ourselves. The dynamic and digital demands of the future also require a focus on talent development and preparing our team to meet the coming demands of our industry, to further ELANY's mission for members, consumers, and the industry at large.

¹Cybersecurity awareness training is offered through KnowBe4, a leading provider of cybersecurity services.



Chairman's Report

MICHAEL BLACKSHEAR

Chairman

with scores of excess line brokers, carriers, regulators, and legislators from London to California. Her work as a retail broker established the foundation for her leadership and she is the right industry practitioner to guide ELANY on our modernization journey.

More risks are flowing into the E&S marketplace due to the complexity of risk driven by artificial intelligence, cyber threats, climate change, social inflation, and political unrest. The U.S. excess and surplus insurance market has experienced a compound annual growth rate of 21% over the past five years. Some market analysts anticipate that the 2025 E&S market will maintain its growth trajectory, but at a more moderate rate with total direct premiums projected to exceed \$120 billion. In 2024, New York non-admitted premiums processed were 13.96% over 2023 figures, while surplus lines transactions were up by 13.3%. AM Best predicts that the tailwinds driving attractive conditions in

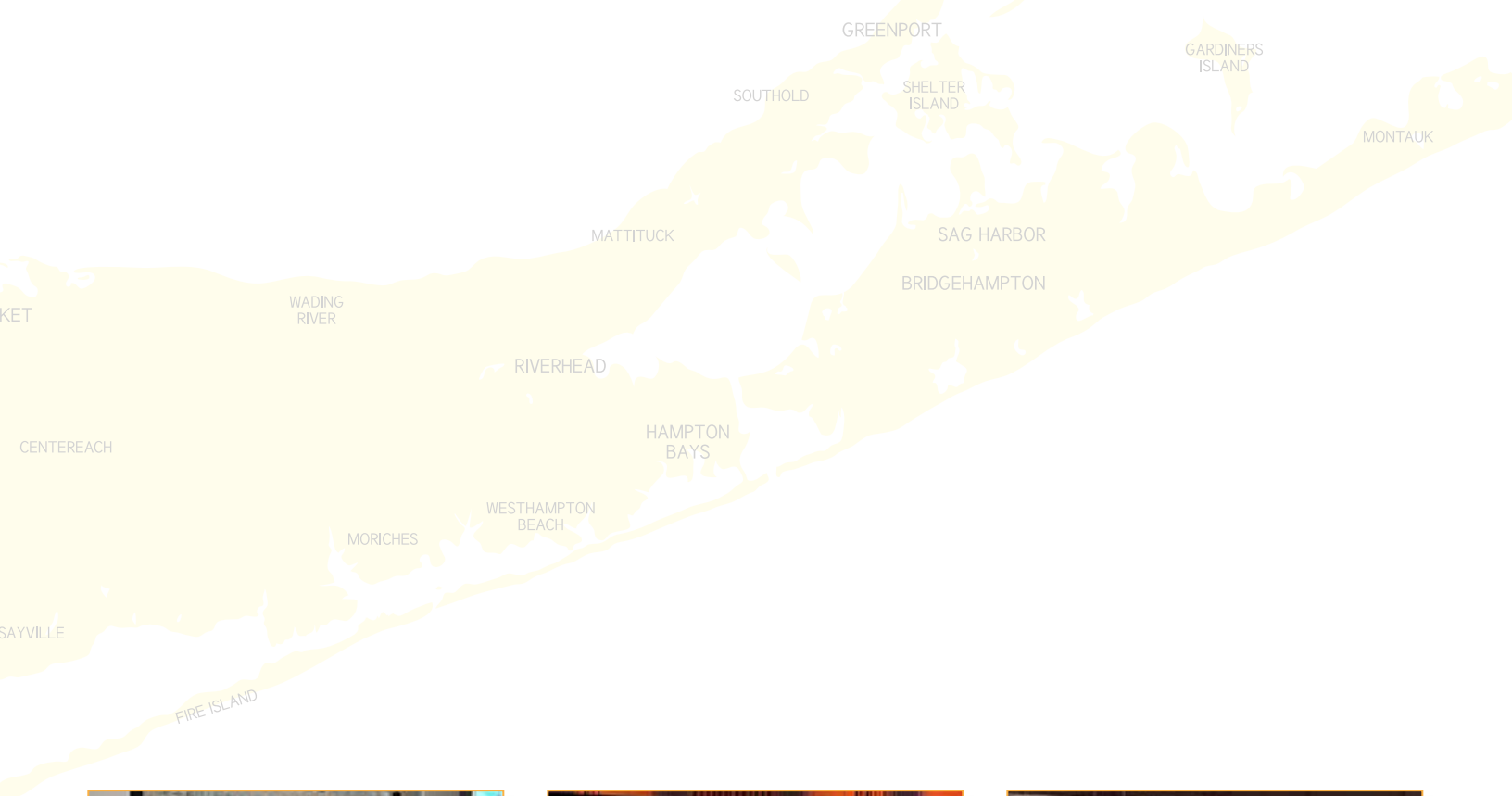
the E&S market will be sustained beyond the short term, creating an environment of opportunities for new players in the E&S marketplace.

ELANY is on a journey to create a modern and efficient set of systems with a generational upgrade to properly manage and prepare for continued E&S growth. This journey includes modernizing ELANY's public website, a back-office system replacement, broker-facing enhancements, a CRM implementation, and tools that will provide automation in market security, accounting, and IT support. ELANY is driven to continuously improve security and ease-of-use while reducing costs and membership error ratios. This will allow our membership to file policies more efficiently, with stronger enhanced controls to protect data, and with greater accuracy.

ELANY continues to actively seek out and broaden the base of ELANY's audience and to engage industry

It is an honor to serve as Chairman of ELANY's Board of Directors. The Association, created by statute in 1988, is tasked with facilitating and encouraging compliance with the excess lines laws of New York State. ELANY's goal is to advocate for smart and reasonable regulations impacting insurance market participants. This balanced approach allows for sensible regulations, protection of consumers, and supports reasonable solvency safeguards for insurance carriers operating in NY's non-admitted marketplace.

I am excited to report that ELANY is in the midst of change, revitalization, and modernization. The New York E&S insurance market is strong and steadily growing. Our new CEO and Executive Director has hit the ground running. Janet Pane, a past chairwoman of ELANY and board member for 14 years, is an industry veteran. She is very familiar with our industry and has built strong relationships through the years



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.

ELANY continues to act as an advocate for the industry 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 to our collective detriment.

ELANY is doing great and exciting things, and I am thrilled to assist with supporting the organization, our CEO, and staff during a time of service-oriented and technological innovation that will benefit our members. I am proud and honored to serve as Chairman of the Board and I am confident that ELANY will continue to provide the guidance, knowledge, information, and resources that you have come to expect from us over the last 35 years.





Information Resources and Security Committee

GARY HOLLEDERER

Chair, Information Resources and Security Committee

In collaboration with ELANY staff, this committee is tasked with two critical responsibilities to its members: monitoring the financial conditions and solvency of unauthorized insurers operating in New York and evaluating insurers seeking to write E&S business in New York State.

ELANY's review of carriers contemplates New York's statutory requirements, including capital and surplus requirements that represent the most stringent standards in the nation. Alien insurers and Lloyd's Syndicates that are listed in the most recent release of the NAIC's Quarterly Listing are eligible to write excess line insurance in New York and active insurers are added to ELANY's systems to allow processing of broker filings. Foreign insurers who wish to write business in the New York E&S market need to follow the application process outlined on our website. Those wishing to be added to ELANY's voluntary list undergo a more comprehensive

financial analysis and review of company management and history.

As excess line premium continues to expand, the necessity of vigilance regarding an insurer's financial condition is paramount. Accordingly, ELANY routinely reviews developments that may impact the financial strength of E&S insurers with whom ELANY members place business.

In 2024, ELANY received and processed thirteen applications from insurers who wished to write excess line insurance in the state. We see this as a positive development as these insurers are providing more capital to cover New Yorker's most difficult risks. In addition, six companies were analyzed and added to ELANY's voluntary list of E&S insurers. Three insurers were delisted, two of which were removed as a result of insurer consolidation.

As illustrated in the accompanying chart, New York's excess line market is supported by financially robust insurers. Financial strength is of critical importance to consumers at the time of loss.

The work undertaken by the committee aims to benefit consumers, ELANY, and its members. This oversight process is designed to complement, rather than replace, the duty of care and due diligence that excess line brokers must exercise in selecting financially stable E&S insurers.

ELANY continues to support consumer protections for policy holders and claimants, helping to review and monitor insurers in the New York E&S market.

E&S Insurers Added to ELANY's Voluntary List in 2024

**Beazley Excess and
Surplus Insurance, Inc.**

**Medical Security
Insurance Company**

**Federated Specialty
Insurance Company**

**Richmond National
Insurance Company**

**Hadron Specialty
Insurance Company**

**Spinnaker Specialty
Insurance Company**

AM Best Ratings of NY Eligible Surplus Lines Insurers

AM Best Rating	# of Co.	2024 NY Premium ¹	% of Premium
A++	22	\$1,051,629,729	11.7%
A+	60	\$3,377,622,078	37.6%
A	80	\$2,867,908,276	31.9%
A-	54	\$1,631,296,034	18.1%
S&P Rated A or Greater ²	8	\$51,273,679	0.6%
Other ³	9	\$5,976,728	0.1%
TOTAL	233	\$8,985,706,524	100%

1. NY Taxable Premium

2. 8 insurers not rated by AM Best are rated A or greater by S&P

3. 6 insurers no longer eligible and 3 insurers not rated by S&P or AM Best

Source: ELANY premium database, AM Best and S&P Global Ratings



Operations & Procedures Committee

JAMES RICHARDSON

Chair, Operations & Procedures Committee



In 2024, ELANY maintained its focus on enhancing operational excellence and member education.

Throughout the year, ELANY implemented new and improved software solutions aimed at alleviating broker workload while assisting them in fulfilling their compliance requirements.

To support these efforts, we launched our “Broker Roundtable” program, providing informal forums for collaborative conversations around technology and education. These discussions improved mutual understanding of the compliance process, broker best practices, as well as technology needs and wants. Member feedback on the outcomes of these dialogues has been positive.

We further supported member learning through three continuing education classes in 2024, including free one-credit webinars on the London market, recent

cybersecurity regulation, and inclusion and belonging. This last effort was done in partnership with the California Surplus Line Association (SLA CA).

ELANY remained committed to continually enhancing our cybersecurity infrastructure and preparedness, while promoting the same diligence for our members, particularly through the KnowBe4 cybersecurity awareness training offering. Since 2017, over 51,000 employees across more than 288 member firms have benefited from this cybersecurity awareness training. ELANY has renewed the program for 2025.

In 2024, ELANY supported organizations that educate, inform, and enhance professionalism in the insurance community. Their efforts augment ELANY’s visibility and reach so we can advise brokers about the proper use of the marketplace, the quality of the excess line market, the

financial security of excess and surplus lines insurers, and how to meet compliance and regulatory requirements.

With future generations in mind, ELANY co-sponsored a summer internship program in collaboration with the Insurance Federation of New York (IFNY) and Boys Hope Girls Hope of New York. We are proud of the young men and women who joined us to learn insurance industry foundations and basic business skills. We look forward to reconnecting with these bright scholars and meeting new ones in 2025.



Since 2017, ELANY has funded
KnowBe4 Cybersecurity Awareness Training
for over **51,000** employees across more than
228 member firms.



Audit and Finance Committee

JOHN BUCKLEY

Chair, Audit and Finance Committee

On behalf of our members, ELANY is focused on performing its services in a cost-effective manner. ELANY continues to invest in state-of-the-art technology as a means 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 2024 increased by just over \$1 billion to \$8.98 billion, while 473,611 documents were filed, an increase of 13.3% year-over-year.

In 2024, stamping fee revenue was \$14.4 million, a \$1.5 million increase over 2023. Total expenses were \$14.6 million, a 22% increase over 2023. Payroll, computer charges, rent, and communications/education continue to represent some of the largest percentages of total expenses. ELANY's fund balance, at December 31, 2024, increased by \$1.675 million to \$39.6 million.

ELANY is well-positioned financially to meet its current and future obligations to its members. Audited financials are available for review by appointment at ELANY's offices at 120 Wall Street.

In 2024, ELANY continued its tradition of assisting those in need. In addition to its annual charitable contributions to the WSIA Diversity Foundation and the Insurance Industry Charitable Foundation, ELANY made multiple donations to support those affected by Hurricanes Milton, Helene, and Beryl, and to those affected by New Mexico wildfires and severe weather in Texas.

Please refer to ELANY's website for additional details and information, www.elany.org.

QUEENS

2024 REVENUES

Stamping Fees	\$ 14,388,722
Investment Income (loss), net	\$ 1,883,013
TOTAL REVENUE	\$ 16,271,735

2024 EXPENSES

Payroll	\$ 6,004,183
Computer Charges	\$ 2,562,486
Rent & Utilities	\$ 708,081
Communications/Education	\$ 307,937
Professional Fees	\$ 938,411
Depreciation	\$ 491,597
Charitable Contributions	\$ 97,500
All Other	\$ 3,486,916
TOTAL EXPENSES	\$ 14,597,111

FUND BALANCE**\$ 39,623,721**



Industry Liaison, Legislation & Regulation Committee

JOSEPH CALIGIURI

Chair, Industry Liaison, Legislation & Regulation Committee

2024 was another active and significant year for excess line brokers in Albany where several bills of importance were enacted.

ELANY's diligent effort and excess line medical malpractice reform bills passed the Senate, but were not considered by the Assembly. The former would have eliminated the diligent effort requirement for commercial policies placed by retail brokers through unaffiliated wholesalers, while the later 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. We expect to revisit both these bills in 2025 with a fresh eye.

At the behest of the New York State Department of Financial Services (DFS), bills were enacted that authorize business interruption insurance and parametric insurance. The business interruption legislation eliminates the physical damage

trigger requirement for workplace violence insurance where a perpetrator is on the premises, but does not cause physical damage, or where the interruption is due to a government order, while the parametric bill permits parametric coverage, but with specified disclosures, which in the case of excess line placements, excess line brokers must provide. While ELANY commends the DFS and legislature for their intent on both bills, we opened discussions with them regarding potential improvements that we believe are vital to achieving each law's goals.

The enacted budget bill created a new Insurance Law Section 3462 to govern affordable housing underwriting and rating. The DFS released Circular Letter No. 6 (2024) to implement the requirements, which prohibits insurers from inquiring about an application, canceling/refusing to issue/nonrenewing/increasing premium, or excluding/limiting/restricting/reducing coverage based on affordable housing factors as

specified in the statute and circular letter. The circular letter explicitly applies the statute's requirements to excess line insurers. ELANY issued Bulletin 2024-17 summarizing the requirements.

While not enacted, legislation was introduced in the Senate at the end of session to permit insurance that indemnifies intended parents for expenses paid in relation to an in-vitro fertilization treatment that does not result in the birth of a child. Excess line brokers would have been permitted to place such coverage. We expect the legislation to be considered again in 2025.

ELANY will be fully engaged in 2025 advocating on behalf of all resident and non-resident excess line brokers and the consumers they serve.

ELANY will be fully engaged in 2025
advocating on behalf of excess line
brokers and the consumers they serve.





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Excess Line Association of New York

Committed to Serving the Excess & Surplus Lines Broker Community

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