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Contact:

John Meetz

Wholesale & Specialty Insurance Association (WSIA), Director of Government Relations
816.799.0863 | john@wsia.org



Stamping Office Premium and Transaction Report - Midyear 2023



Kansas City, MO – Surplus lines premium reached nearly \$36 billion, and premium bearing transactions neared 2.9 million through the first six months of 2023, according to the 2023 Midyear Report of the U.S. Surplus Lines Service and Stamping Offices. Premium increased 15.9% and transactions 2.6% over results reported through the same period in 2022. These results follow last year’s record-breaking premium of \$31 billion and growth of 32.4%.



As part of the 2023 Midyear Report, the offices are pleased to release data broken down by lines of business for the first time. Comparing 2022 and 2021 surplus lines market data, this report identifies key lines of business including auto liability, auto physical damage, disability/A&H, inland marine, liability (non-professional), multi-peril, professional liability, property, and residential/homeowners/other personal property. The stamping offices collaborated to map each state’s coverage codes into these ten lines of business, providing a composite across the 15 states, representing the only source of surplus lines premium by line of business of its kind. Moving forward, this report is intended to provide a more granular tool to analyze and identify market trends by aggregate product line, offering all constituents useful information to better serve their clients. Download an Excel version of the 2022 and 2021 stamping office data by line of business here.



Line of business data also provides a valuable indicator of the types of business driving the E&S market, with commercial liability and commercial property coverage comprising the bulk of the market. While some states are seeing increases in personal lines coverages such as homeowners and disability policies, those lines continue to constitute only a small portion of the overall E&S market.



So far in 2023, Illinois saw premium growth moderate to 10.6% after year over year growth of 23% in 2022. "Property coverage continues to be a very strong driver of premium growth in Illinois," said David Ocasek, Chief Executive Officer of the Surplus Line Association of Illinois. "The umbrella/excess liability category and commercial auto liability are also seeing solid growth. However, after spiking in 2022, cyber liability has moderated in the first half of this year with a 15% drop in premium."



Mark Shealy, Chief Financial Officer of the Florida Surplus Lines Service Office, noted Florida continues to see a surge in premium volumes, with an increase of 34.7%, while transaction counts show steady upward movement in the low single digits. “We do not expect any change in these results in the near term,” Shealy said. “Most of this shift is driven by the commercial property market, which continues to experience price hardening and a reduction in policy counts. The change is also supported, to a lesser extent, by the hardening of the commercial general liability.” Mark also made note of a softening cyber market, adding, “The cyber line seems to have softened to the point that increases in premium are now exceeded by the policy count growth.”

While California has seen record growth in recent years, 77% from 2019 to 2022, the first half of 2023 showed signs that some lines are showing slower growth and reducing CA premium overall from the first half of 2022. “General liability is down 8% from last year and makes up 25% of the policies while cyber, commercial difference in conditions, and multiperil homeowners are up nearly 50% in total premium,” said Ben McKay, Chief Executive Officer and Executive Director of the Surplus Line Association of California. “Our experience in the first half of 2023 might indicate a softening of certain liability coverages, or we could be seeing a short term aberration. California property lines clearly continue to experience a hard market.”

David Ocasek summed up the report by saying, “The massive growth we saw across the country in the wake of the pandemic might be behind us, but the report demonstrates that the E&S market continues a strong trajectory and will be there to meet the needs of Americans seeking unique insurance solutions. These biannual reports, and the new composite breaking down each state’s premium by line of business, are critical resources for the E&S community, policymakers, and the general public. We hope to continue providing and expanding upon these reports in the future.”

Stamping office states accounted for 64% of all U.S. surplus lines premium volume in 2022, providing a valuable indicator of the state of the total U.S. surplus lines market. State stamping and service offices are nongovernmental entities that play a vital role in the surplus lines industry by facilitating compliance with surplus lines insurance regulations and tax filings as well as additional services for their respective memberships. [A full list of stamping office contact information can be found here.](#)

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