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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 - 2024 Midyear Report

The U.S. Surplus Lines Service and Stamping Offices have released their 2024 Midyear Report, revealing that surplus lines premium reached $39.5 billion from the 3.2 million items filed so far in 2024. These figures reflect a 10.1% increase in premium and a 10.8% rise in items compared to the same period in 2023. This follows 2023's strong results with premium of $35.9 billion representing growth of 15.9% as reported in the 2023 Midyear Report.

The 2024 Midyear Report builds on the 2023 Annual Report and organizes the stamping office data by line of business, broken down by both premium and items filed. The report presents a comparative analysis of the 2024 and 2023 surplus lines market, highlighting nine key lines of business: auto liability, auto physical damage, disability/A&H, inland marine, liability (non-professional), multi-peril, professional liability, property, and residential/homeowners/other personal property. In collaboration with stamping offices in 15 states, the report maps each state's coverage codes into these nine lines of business, providing a unique and reliable source of surplus lines premium and transaction data. The 2024 and 2023 stamping office data by line of business is available for download here.

Line of business data serves as a valuable indicator of the types of business driving the E&S market, with commercial liability and commercial property coverage continuing to dominate. As highlighted in the 2023 Annual Report, some states have seen a rise in personal lines coverages over the last eighteen months. While personal lines policies continue to represent a very small proportion of the overall E&S market, with premiums for residential, homeowners and other personal property coverages comprising just 4.6% of year-to-date 2024 premium, the reported growth is largely attributable to admitted insurers withdrawing from specific markets and underscores the essential role of the surplus lines industry as a solution where the standard market's appetite evolves.

"The significant growth in California at the start of the year is primarily driven by an influx of new policies in the real estate, personal lines/homeowners, hospitality, and wholesale industries," said Ben McKay, CEO and Executive Director of the Surplus Lines Association of California. "It's important to note that, except for personal lines/homeowners, the premium for policies in these industries and others shows moderate to flat growth."

Overall, California's surplus lines market remains healthy, with a moderate premium growth of 7%. California has long reported its data to WSIA based upon the premium and items submitted within the respective reporting period, while California website reports are currently based upon premium and items processed by stamping office personnel. California will soon update its website reporting to the submission basis.

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Executive Director of the Surplus Lines Association of Oregon, Roger Helbling, noted that Oregon's numbers are consistent with typical years, despite some market strain from wildfire risk. "Q1 and Q2 are generally slower quarters for Oregon and this year is no different," Helbing said. "Our overall premium increased a modest 4.4% and our transactions increased 3.4% when comparing the first six months of 2023 and 2024. Liability and professional lines coverage remain fairly stable."

Maria Muzea, Executive Director of the Nevada Surplus Lines Association, highlighted similar wildfire challenges. "Wildfire risk in Nevada has impacted the availability and affordability of personal home insurance. This has led to mid-year premium and policy growth of 31% and 19%, respectively, in residential, homeowners and other personal property coverages placed in the Nevada surplus lines market. As insurance companies contend with the frequency of severe weather events, consumers may continue to seek solutions in the surplus lines market."

Florida saw continued premium growth of 12.3% year over year, with transaction counts remaining steady at 8.6%, according to Mark Shealy, Executive Director of the Florida Surplus Lines Service Office. "Commercial property continues to be a main driver of the market's overall growth, with its premium increasing 10.3% and items increasing 24.2%," he said.

David Ocasek, CEO of the Surplus Line Association of Illinois, highlighted the significant development of the state's E&S market in recent years. "Property coverages in Illinois continued to drive premium growth in the first half of 2024. Other lines, such as cyber, commercial general liability, E&O, and commercial auto liability, also saw significant increases," he said. "Zooming out, our premium volume has more than doubled in the last five years, coupled with a 25% increase in transactions. The numbers clearly show how the surplus lines market steps up to provide needed coverage for the risks that the admitted side is backing away from."

The New York E&S market has maintained moderate growth through the first half of 2024, with premium and item growth of 8.3% and 10.1%, respectively according to Janet Pane, Executive Director at the Excess Line Association of New York. "In the first two quarters of this year, premium growth was driven largely by commercial auto liability and auto physical damage as insurers strove to achieve rate adequacy to offset the higher cost of claims, followed by excess liability non-professional, liability non-professional for manufacturers and contractors," Pane said. "The New York E&S market remains robust and adaptable, ready to swiftly address consumer protection gaps left by capacity declines in the admitted 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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