

Excess Line Association of New York

2025

ANNUAL REPORT



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Excess Line Association of New York

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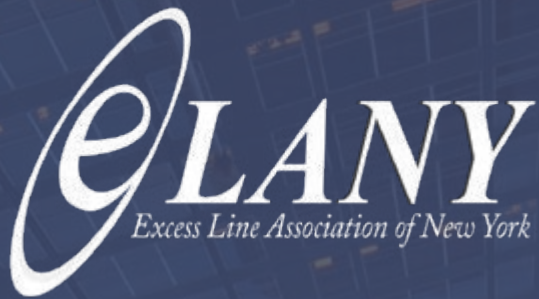
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CHIEF EXECUTIVE OFFICER'S REPORT

JANET PANE

CHIEF EXECUTIVE
OFFICER & EXECUTIVE
DIRECTOR



It is an exciting time to be at ELANY and work side by side with our members and other industry participants across the excess and surplus (E&S) line insurance market. The insurance sector has always been a barometer for societal change, measuring evolving risks and challenges, illustrating how adapting to new realities is crucial for both business and consumers. Our industry drives innovation, and effective regulation is no longer solely about compliance with existing paradigms. Our work with legislators and regulators is becoming a critical component of market stability, consumer protection, and market fairness. Alignment is essential to keep insurance accessible and affordable.

MARKET SUMMARY

The E&S market across the U.S. is moving into a more mature phase after years of record-breaking expansion, as the sector has evolved from a niche alternative market into a dynamic, solution-driven engine of the commercial insurance world. S&P Global Market Intelligence reported that 2025 written E&S premium surpassed \$100 billion for the first time, driven by an increasingly volatile world that demands innovative, customized coverage.

Admitted markets are displaying strict underwriting discipline, leveraging data, analytics and new technology to improve risk identification and determine loss cost adjustments with more efficiency. The migration of risks to the E&S market is driven by a combination of the retraction on the admitted side of the market, who are taking smaller lines or declining risks all together, and the “freedom of rate and form” that allows E&S professionals to be responsive, crafting unique solutions to meet consumers’ needs.

Underwriters are dealing with claim frequency and severity that are record-breaking, and those trends continue to be affected by catastrophes, emerging and complex risks, and the overall litigation climate driving nuclear verdicts and keeping primary and excess liability insurance rates hard even as other lines are softening. Commercial auto liability policies were the fastest growing major line of business, with rising litigation costs pushing standard auto fleets into the E&S market.

The New York excess line market has evolved over the past ten years into a vital companion to the admitted market with a focus on high hazard, coastal, or high value properties that the standard market does not cover. In addition to commercial auto, we see the E&S market stepping in to cover habitational/hospitality, real estate, and construction risks where the freedom to craft coverage and to price the risk appropriately ensures that premiums are accurately priced against future loss costs.

New York has the most stringent capital and surplus requirements for E&S insurers in the nation with a minimum policy holder surplus of \$49 million. In New York, 99% of the \$10.258 billion E&S premium written in

2025 was by an insurer with an A- rating or higher. We saw a 14.9% increase in transaction volume in 2025 with 544,182 documents filed with ELANY. The E&S market is proving its value by providing insurance protections to consumers and commercial enterprises with tough to place risks.

DATA & TECHNOLOGY TRANSFORMATION

ELANY and a coalition of industry partners advocated for the simplification of coverage codes and are pleased to report the New York State Department of Financial Services set forth a consolidated list of excess line coverage codes in 2025. Effective January 1, 2026, ELANY implemented the simplified coding system to improve filing accuracy. Key updates include:

- Consolidated Coverage Codes: A “unified code” approach now covers a wider range of risks, reducing broker errors during the filing process.
- NAICS Alignment: Industry codes are now aligned with 4-digit North American Industry Classification System (NAICS) sectors, allowing for better tracking of specific risk types.

ELANY has continued Broker Technology Roundtables discussing changes that will better support our members. In 2025, ELANY kicked off a program of modernizing our systems to provide the nimbleness needed to keep pace with increased submission volumes and changing demands of the insurance industry. Key highlights when complete will include:

- A broker portal with document intelligence to reduce rekeying and aid in coverage code selection reducing effort and broker filing errors.
- An examination system designed to provide faster turnarounds of quality filings.
- A modern approach to data and analytics for dynamic and real-time reporting and industry insights.
- A carrier portal to collect relevant documentation for approvals of new E&S insurers in the NY market and continued financial / regulatory due diligence.
- A new ELANY website — completed in 2025 - that will evolve in line with the new systems.

As we look forward, we continue to focus on three priorities:

- Operational excellence to support compliance with consistent and efficient service.
- Legislative and regulatory advocacy aimed at modernization and consumer protection.
- Engagement and education to keep our stakeholders informed, prepared, and positioned for what’s next.

LOOKING AHEAD

Looking ahead, we see liability related to the use of AI and rising cyber attacks as primary disruptors for the market in 2026 and beyond, which calls for renewed collaboration between federal and state regulators to foster responsible innovation practices and governance frameworks to maintain a stable, fair and competitive insurance market.

ELANY is proud to support the next generation of insurance professionals through ongoing education, sponsorships, internships, and summer programming. Our partnerships with [WSIA](#), [IFNY](#), and [Boys Hope Girls Hope of New York](#) (Hope Ignites) support the development of talent pipelines and help expose them to the tremendous opportunities for professionals to become deep experts in complex and emerging risks.

On behalf of our board, leadership, and staff, thank you for your trust and partnership. We remain committed to supporting the New York excess line community with the services and stewardship you deserve.

Sincerely,

Janet Pane

Chief Executive Officer and Executive Director

CHAIRMAN'S REPORT

MICHAEL BLACKSHEAR
CHAIRMAN



It is a privilege to serve as Chairman of ELANY's Board of Directors and to support the organization's mission and ongoing evolution.

ELANY remains a strong advocate for balanced, practical regulation affecting insurance market participants in New York State. This approach promotes consumer protection while maintaining appropriate solvency safeguards for carriers operating in the state's non-admitted marketplace.

The excess and surplus line market continues to evolve. In 2025, WSIA reported surplus line premium volume across the fifteen stamping office states reaching \$90.4 billion, representing a 7.8% increase over 2024. For 2025, New York taxable premium totaled \$10,258,600 a 14.2% year-over-year increase, with transactions up by 14.9%. While favorable conditions for E&S writers remain, recent AM Best reporting indicates early signs of moderation, including selective rate softening in classes such as commercial property.

Last year, I noted that ELANY was undergoing significant change, revitalization, and modernization. I am pleased to report that this transformation continued in 2025 with the launch of a multi-year technology initiative designed to support sustained market growth and the evolving needs of our brokerage community. This generational modernization includes a redesigned public website, replacement of core back-office systems, broker-facing enhancements, CRM implementation, and expanded automation across market security, accounting, and IT support functions. These investments strengthen data protection, improve accuracy, reduce operational burden, and enhance the overall member experience.

ELANY also continues to broaden its reach by engaging industry participants who may be less familiar with the organization's services and resources, while expanding and promoting offerings available to our existing membership.

As an active industry advocate, ELANY maintains a consistent presence in Albany, supporting legislation that benefits the market and opposing proposals that could adversely affect our members.

ELANY is well positioned for the future and I am proud to support the organization, our CEO, and staff during this period of service-focused and technological advancement. I am honored to serve as Chairman and confident that ELANY will continue to deliver the guidance, expertise, and resources our members have relied upon for more than 36 years.



INFORMATION RESOURCES AND SECURITY COMMITTEE REPORT

LANCE BECKER

CHAIR



The foundation of the state insurance regulatory system is the protection of insureds and legitimate claimants to receive payment on claims when due. Each state monitors and oversees the financial condition of licensed insurers in that state and provides guaranty or security funds to protect consumers should an insurer become insolvent. For the E&S industry, the duty is on the excess line broker to use due care in the selection of financially secure insurers. There are

no guaranty or security funds to protect consumers in the event of an E&S insurer insolvency. The work of this ELANY Committee is therefore vital in supporting excess line brokers by providing an extra layer of evaluation, oversight, monitoring, and review.

Working in collaboration with the ELANY staff, the Information, Resource and Security Committee is charged with several critical responsibilities:

- Verifying the legitimacy of any new insurer entering the E&S market in NY.
- Confirming that each new insurer meets the minimum requirements for eligibility to write NY E&S risks.
- Evaluating the financial condition of any insurer which seeks to be added to ELANY's voluntary list of E&S insurers.
- Monitoring the financial strength and condition of insurers writing excess line business in NY on a continuous basis.

This work and the safeguards it provides lends confidence to the functions and well-being of the NY E&S marketplace.

Alien insurers and Lloyd's syndicates become eligible to write NY E&S risks when they are published on the Quarterly Listing of Alien Insurers by the NAIC's International Insurers Department (IID). When an alien insurer listed by the IID determines it will write any NY risk, ELANY will take steps necessary to add the insurer to its processing system. This works most efficiently when the broker involved or insurer provides ELANY a short lead time to accomplish the necessary changes.

Foreign insurers seeking to write NY E&S risks for the first time should also contact ELANY in advance so that ELANY can verify that the insurer meets the minimum standards of eligibility and then make appropriate adjustments to its processing system.

Those insurers wishing to be added to ELANY's voluntary list of E&S insurers undergo a more rigorous and comprehensive financial analysis and review of company management and history and meet financial standards which exceed the minimum requirements for eligibility. These objective standards and analytics include, but are not limited to, a review of historical underwriting and investment results, overall profitability, group capital, debt service, liquidity, reinsurance quality and structure, risk-based capital ratios and the stress testing of

reserves. Excess line brokers are relieved from the duty to maintain certain insurer financial records when ELANY maintains them. ELANY maintains such records for insurers which appear on ELANY's voluntary list of E&S insurers.

In 2025, ELANY continued to receive and review applications for eligibility. Nine foreign and two alien insurers were found to meet the minimum eligibility standards and were added to ELANY's processing systems.

As excess line premium continues to grow, awareness of each eligible insurer's financial condition remains essential. ELANY routinely monitors the marketplace for developments that may impact the financial strength of E&S insurers writing risks in NY.

As illustrated in the accompanying chart, this marketplace continues to be served by financially robust insurers. In 2025, 99% of the written premium was written by insurers with a rating of A- or better and 96.3 % of eligible insurers were rated A- or better.

The work undertaken by this committee is for the benefit of consumers, ELANY's members and for the reputation of the E&S marketplace. The oversight process is designed to complement and assist the excess line brokers in meeting the duty of due care in selecting only insurers which are financially secure when placing E&S risks.

AM Best Ratings of NY Eligible Excess Line Insurers for Year 2025

Rating	Number of Companies	Premium Amount ¹	Percent of Premium
A++	21	\$1,084,937,321	10.58%
A+	71	\$4,294,567,869	41.86%
A	78	\$ 2,729,413,281	26.61%
A-	54	\$ 2,102,503,288	20.49%
B++	1	\$ 435,000	0.00%
S&P Rated A or Greater ²	7	\$ 46,356,708	0.45%
Other ³	8	\$ 712,665	0.01%
TOTAL	240	\$ 10,258,926,132	100%

1. NY Taxable Premium

2. These entities are not rated by AM Best

3. Of these 8 other insurers, 4 were delisted in 2025 and may no longer write excess line insurance in NY; 4 are not rated by either S&P or AM Best but may write excess line insurance in NY

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

E&S Insurers Added to ELANY'S Foreign Voluntary List in 2025

Ategrity Specialty Insurance Company
 Berkley Luxury Insurance Company
 BHHC Special Risks Insurance Company
 Dellwood Specialty Insurance Company
 Housing Specialty Insurance Company, Inc.

Marbleshore Specialty Insurance Company
 Travelers Specialty Insurance Company
 Professional Security Insurance Company
 Scottsdale Surplus Lines Insurance Co.

OPERATIONS & PROCEDURES COMMITTEE REPORT

JAMES RICHARDSON
CHAIR



In 2025, ELANY continued its focus on operational excellence in support of members and technological advances to keep pace with rapid changes in technology, cyber risks, and AI utilization.

Additionally, ELANY continues to support organizations that promote professionalism, education, and career development in the insurance sector. These partnerships strengthen ELANY's ability to advise brokers on how to comply with regulatory

obligations, train on what products may be written in the marketplace, and help develop the specialized expertise of the excess line market.

ELANY is adapting technology to keep up with growing submission volumes, cyber risks, and shifting industry expectations. It is anticipated that these activities will be completed in 2027 and will enhance the member experience and enable ELANY efficiencies.

In 2025 we achieved two technology milestones:

- An updated elany.org website providing a more modern user experience that enables ELANY to more quickly bring additional information and insights to our members and the industry at large.
- A modern approach to data and analytics, creating the foundation for dynamic real-time reporting and industry insights.

2025 was a record year of filings for ELANY to review and stamp. Erroneous filings (suspended, late or reopened for error) increased along with the growth, impacting ELANY's ability to return filings as quickly as desired. ELANY had opportunities to share specific details with brokers and is incorporating lessons learned from these roundtables into a 2026 plan of communication to enhance training for all brokers.

The most common filing error in 2025 was the misuse of coverage codes. After a long effort, in conjunction with industry partners, ELANY's advocacy for simplified coverage codes was successful. These new coverage codes were implemented in late 2025, along with a change in industry code selection to support reporting by industry, and a reduction of errors was seen immediately.

ELANY remains committed to cybersecurity vigilance to protect brokers' and ELANY's data. For members, the tangible change was adding multi-factor authentication (MFA) across ELANY's systems. In addition, ELANY encouraged the same cybersecurity due diligence for members by highlighting DFS Regulation 500 updates and offering free cybersecurity awareness training via a leading third-party provider (57,000 trainees across 290 member firms since 2017).

Regular communication and education support a functional excess line marketplace. Accordingly, ELANY increased its meetings with broker-specific agendas, providing forums for productive, collaborative conversations around the compliance process, best practices, and



technology. We expanded the number of continuing education opportunities for members, including co-hosting with industry leaders to broaden our reach and promote a unified vision. These sessions included information on the London market, NY cybersecurity regulations, reinsurance, the E&S perspective, and the importance of workplace diversity.

With future generations in mind, ELANY once again co-sponsored summer internships with the Insurance Federation of New York (IFNY) and Hope Ignites (Boys Hope Girls Hope of New York), as well as Wholesaler & Specialty Insurance Association (WSIA). We welcomed college students from Howard University as part of their Financial Services, Insurance and Risk Management Symposium (FIRM) for a lively discussion about insurance. We are proud of the young men and women we met and hope to work alongside them one day.

As the excess line industry and regulation evolve, ELANY is focused on aligning our operations to a modern marketplace while retaining our operational and compliance excellence.



AUDIT AND FINANCE COMMITTEE REPORT

DENISE SANCHEZ

CHAIR



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 increased 14.2% from \$8.98 billion in 2024 to \$10.25 billion in 2025. A total of 544,182 documents were filed, an increase of 14.9% from 2024.

In 2025, stamping fee revenue was \$16.4 million, a \$2 million increase over 2024. Total expenses were \$18.8 million, a 29% increase over 2024 due to planned technology investment and related modernization of our systems. Payroll, Computer Charges, Rent and Communications/ Education continue to represent some of the largest percentage of total expenses. ELANY’s Fund Balance at December 31, 2025, decreased by \$784 thousand to \$38.8 million.

In 2025, ELANY continued its tradition of assisting those in need. In addition to its regular annual charitable contributions to the WSIA Diversity Foundation and the Insurance Industry Charitable Foundation, ELANY made multiple donations to support those affected by Hurricane Melissa, California wildfires, severe flooding in Texas, and historic flooding in Washington state.

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.

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

2025 Revenues

Stamping Fees	\$ 16,393,600
Investment Income (loss), net	\$ 1,615,305
Total Revenue	\$ 18,008,905

2025 Expenses

Payroll	\$ 7,860,400
Computer Charges	\$ 4,494,320
Rent & Utilities	\$ 658,432
Communications/Education	\$ 344,870
Professional Fees	\$ 1,023,701
Depreciation	\$ 383,115
Charitable Contributions	\$ 100,000
All Other	\$ 3,928,463
Total Expenses	\$ 18,793,301
Fund Balance	\$ 38,839,325



SUMMARY

NEW YORK TAXABLE PREMIUM



\$10.2B New & Renewal
\$11M Endorsement

TRANSACTIONS



544K Total
393K New & Renewal
151K Endorsement

EXPORT LIST

\$2.2B
Premium
 22% of Total

\$2.3B New & Renewal

-\$111M Endorsement

102K
Transactions
 19% of Total

72.8K New & Renewal

29.3K Endorsement

EXEMPT COMMERCIAL PURCHASERS

\$1.2B
Premium
 11% of Total

\$1.1M New & Renewal

\$41M Endorsement

6.7K
Transactions
 1% of Total

3.5K New & Renewal

3.2K Endorsement

MAJOR COVERAGES

1. Primary GL & Other BI/PD

\$2.8B Premium

2. Primary Property Coverages

\$2.4B Premium

3. Excess Liability & Umbrella & Medical Malpractice Excess

\$2.1B Premium

4. E&O, D&O

\$760M Premium

5. Commercial Multiperil

\$487M Premium

6. Excess of Loss Property Coverages

\$446M Premium

PURCHASING GROUPS

\$150M
Premium
 1% of Total

\$154M New & Renewal

\$ -4M Endorsement

46K
Transactions
 8% of Total

42K New & Renewal

3.5K Endorsement

REOPENED TRANSACTIONS



19%
 Required
 Corrections

SUSPENDED TRANSACTIONS



4K
 1% of Total
 Transactions

INDUSTRY LIAISON LEGISLATION & REGULATION COMMITTEE REPORT

JOSEPH CALIGIURI
CHAIR



In 2025, ELANY further advanced our mission to ensure for our members and consumers that the laws of New York protect the overall health of the state's insurance marketplace. We continuously work to make the insurance laws affecting the excess line market serve this purpose without creating unintended consequences. Seeking to alleviate the buy-side pressures on consumers and brokers, ELANY's 2025 efforts focused on the administrative barriers to the flow of business that properly belongs in the excess line market.

ELANY's Medical Malpractice Declination Reform bill (S4964 Bailey / A1521 Weprin) passed in the Senate but did not move in the Assembly. The proposed legislation would eliminate the requirement that one of three admitted market declinations be from the residual market (the Medical Malpractice Insurance Pool) prior to placing excess line medical malpractice insurance for doctors, dentists, and general hospitals. The existing law pushes a higher percentage of placements into risk retention groups than in states without such a rule. Such business could otherwise be written with excess line insurers that are subject to solvency minimums and other New York laws. ELANY has been further educating Assembly staff on the dynamics of the medical professional liability marketplace and the role of the excess line market which we hope will lead to more progress in 2026.

Our Diligent Effort Reform bill (S5310 Bailey / A6060 Hunter) likewise passed in the Senate but was not considered in the Assembly. The proposed law would eliminate the diligent effort requirement for commercial line placements where a retailer relied on an unaffiliated wholesale excess line broker to make the placement. The bill is being put forth again in 2026, and we have garnered the support of other major industry trade associations.

We also drafted a new bill to modify the defined types of permissible insurance under Section 1113(a) of the Insurance Law. Among other items, the bill would modify coverage for business interruption insurance for violence or threatened acts of violence when the perpetrator is not on the premises. Additionally, it creates a new definition for representations and warranties insurance and tax liability insurance. We expect to introduce the bill in 2026.

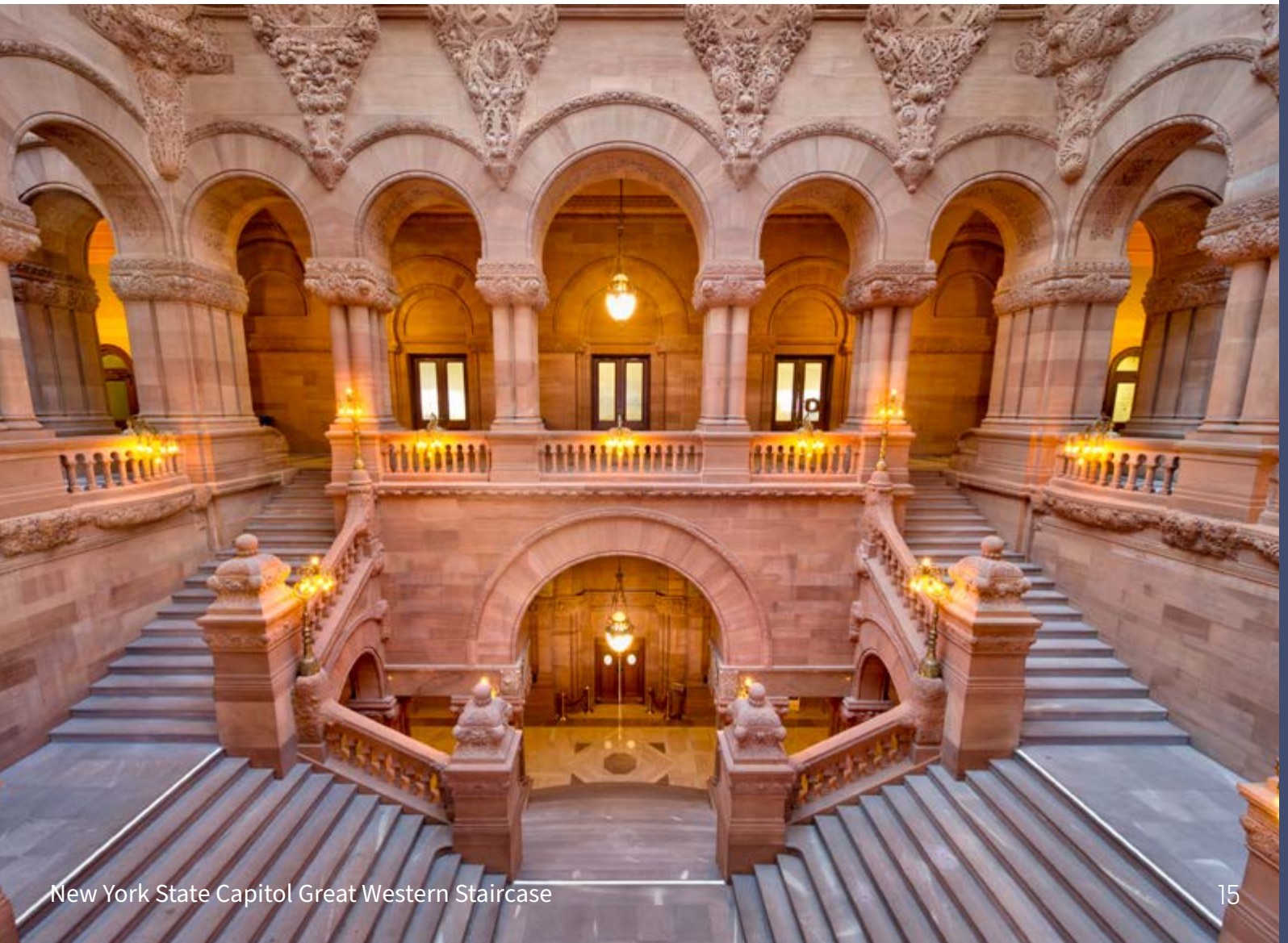
Governor Hochul signed into law a bill (Senate Bill S698, Kreuger / A3795 Weprin), which expressly provided for credit insurance that indemnifies intended parents for medical and certain other expenses they incur when the intended parent(s) or a surrogate gestational parent receives in-vitro fertilization or intrauterine insemination treatment that fails to result in the birth of a child. This change codified the permissibility of first party coverage.



2025 also saw the passage of bill (S8408 Kreuger / A8804 Bores) that expressly provides the Department of Financial Services increased powers to impose civil penalties, double penalties (where a consumer is harmed), and orders of restitution upon unlicensed persons engaged in activity for which a license or other authorization from the Superintendent is required under the banking law or financial services law. The law is applicable to excess line brokers.

In our ramp-up to 2026, ELANY attended the New York Senate’s joint committee hearing that sought to identify the causes of reported increases in premiums and other obstacles to insuring new and existing, single and multi-family homes, including those occupied by homeowners and renters. We also responded to a data call on the same topic. The joint committee’s work resulted in various pieces of legislation from the Senate, Assembly, and Governor. ELANY will continue to monitor and respond to such bills in 2026 to ensure that any proposed application of such bills to the excess line market is reasonable and based on an accurate understanding of the E&S market’s role and related practical considerations.

The excess line market serves as a critical release valve for the pressures of availability and affordability. As we look forward to the 2026 portion of this session, we support the legislature and Governor’s overarching goals of increasing the affordability and availability of insurance for New Yorkers. This includes the State’s efforts to reduce the bloating of claims experience as a result of fraud, litigation abuse, social inflation, as well as other rising claim costs. In doing so, ELANY will continue its work to ensure that the proposed approaches do not create unwarranted costs for brokers or insurers, nor encroach on the excess line market’s freedom of rate and form, which allows E&S insurers to step in when admitted carriers do not.





Excess Line Association of New York

Serving the Excess & Surplus Broker Community

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