

# Licensed (Admitted P&C Market)

VS

# Surplus Lines (Specialty Excess Market)

**Definition** An insurance company licensed to do business in the State of Texas. Examples below:



An insurance company licensed outside the State of Texas. Examples below:



**Purpose** Insurance for specified perils/risks available in the standard market

- Specialty insurance for high risk, increased capacity, & new/emerging markets
- Provides coverage where admitted market cannot

**Policy Forms** Prior approval required by Texas Department of Insurance (TDI)

Not required due to specialized need

**Custom Policies** Available

Available

**Coverage Types**

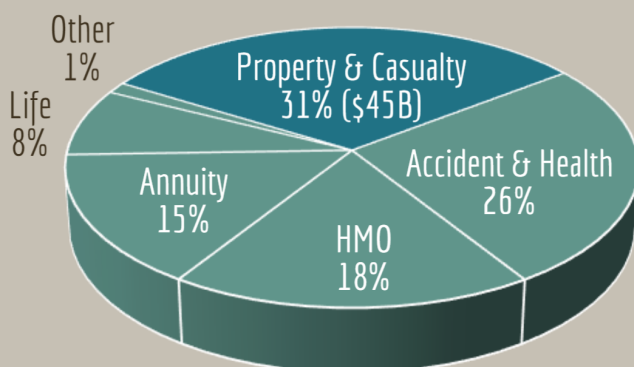


**Insurer Solvency Requirements** \$5M in Net Worth

- \$15M for Foreign (US based companies)
- \$45M for Alien (non-US based companies)

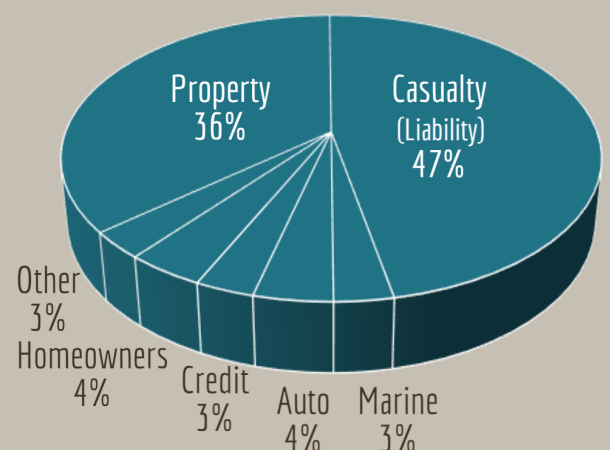
**2015 Texas Premium**

**\$144B**

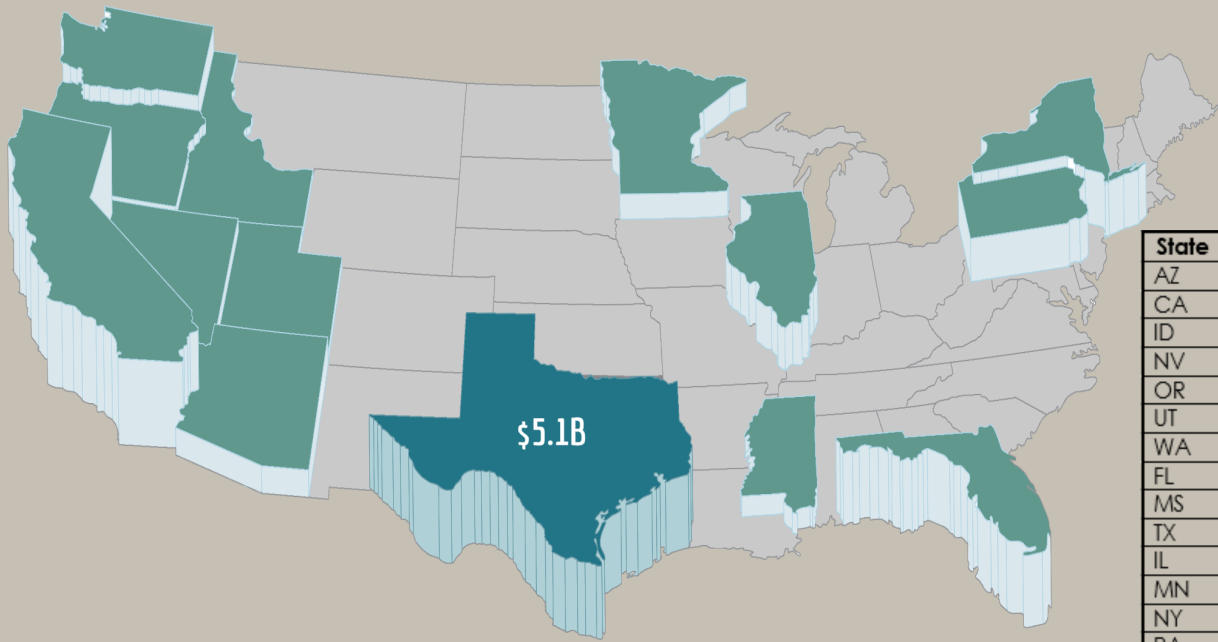


**\$5.02B**

Surplus Lines insurance represents 11% of the total Texas P&C market

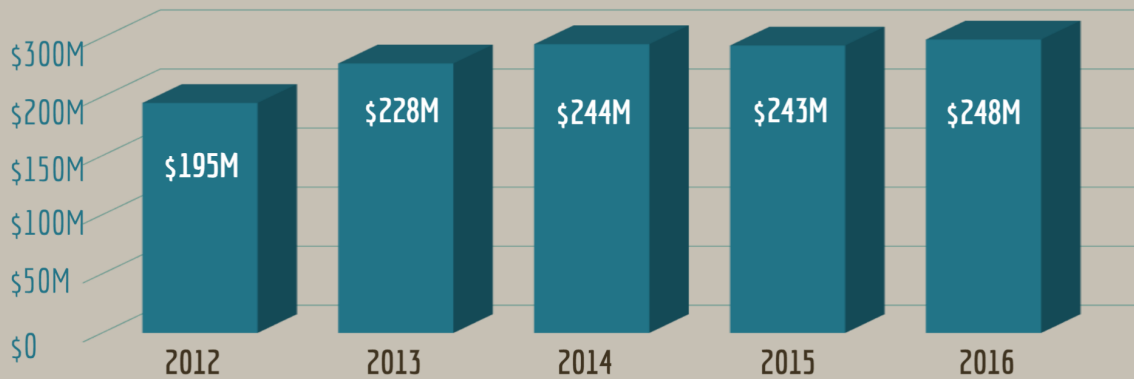


# 2016 US Surplus Lines Premium



State	Premium
AZ	\$479M
CA	\$6.4B
ID	\$102M
NV	\$274M
OR	\$328M
UT	\$228M
WA	\$844M
FL	\$5.0B
MS	\$386M
TX	\$5.1B
IL	\$1.4B
MN	\$436M
NY	\$3.7B
PA	\$1.2B
<b>Total</b>	<b>\$25.9B</b>

## Texas Surplus Lines Tax Revenue



### Licensed

(Admitted P&C Market)

#### Texas Statute

- Texas Insurance Code Chapters 822 & 861
- Licensed to sell insurance in Texas
- Evaluated by TDI

VS

### Surplus Lines

(Specialty Excess Market)

- Texas Insurance Code Chapter 981
- Eligible & registered in Texas
- Oversight by SLTX

#### Texas

#### Guaranty Fund

\$300K per claim

None - solvency requirements are higher