



## Membership Demographic Profile

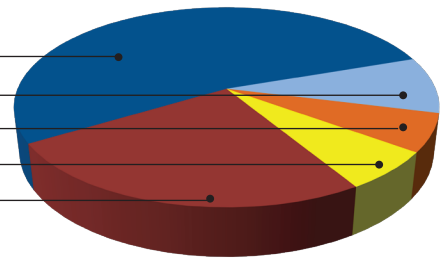
In 2015, all NAPSLO member firms were asked to complete a limited number of demographic questions in an effort to (1) update each member firm’s profile and (2) enhance NAPSLO’s messaging about its membership and the importance of the surplus lines industry. NAPSLO does not release any individual or firm profile information to any NAPSLO member or other third party. Only general and aggregated membership profile information is distributed in connection with descriptions of NAPSLO and the membership it represents.

The following summarizes our NAPSLO demographic based upon data collected from 385 members, representing 53% of all NAPSLO members, through May 2016. It also illustrates NAPSLO’s intended use of the profile information collected by membership category. In summary, and as of June 1, 2016:

### NAPSLO Members in Summary

NAPSLO’s membership of 720 firms is comprised of the following:

Wholesale Brokers	370
Companies	64
Underwriting Managers	44
Insurance Associates	42
Non-Insurance Associates	200



Member Type	DWP	Total Employees	% U.S. Business	% Nonadmitted	% P/C
Wholesale Brokers	\$39.7B	17,473	99%	55%	86%
Companies	\$25.8B	22,403	96%	64%	89%
Underwriting Managers	\$4.7B	1,182	97%	85%	93%
Insurance Associates	\$1.6B	2,722	59%	>99%	69%
Non-Insurance Associates		5,925	88%		

This information is important to NAPSLO’s ability to accurately message the value of the wholesale distribution system and the surplus lines industry on behalf of its members. This message and these demographics are used in NAPSLO’s legislative advocacy work, in career awareness activities and in a variety of communications.

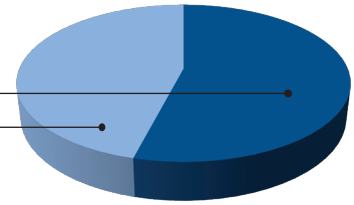
While this summary is informative, a more complete set of demographic information for all members will ensure a more complete and accurate membership profile.

## Wholesale Brokers

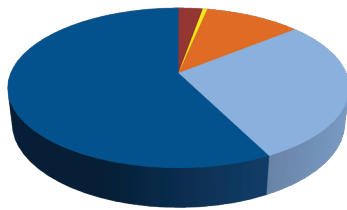
215 Wholesale Brokers, representing 58% of NAPSLO's 370 Wholesale Broker members, reported the following:

- Business is 99% U.S. and 1% non-U.S.
- Business is 86% property/casualty and 14% other lines of business
- 17,473 employees, an average of 81 employees per firm
- \$39.7B in Direct Written Premium (DWP)

Nonadmitted	\$22.0B (55%)
Admitted	\$17.7B (45%)



- Sources of \$39.7B in DWP:

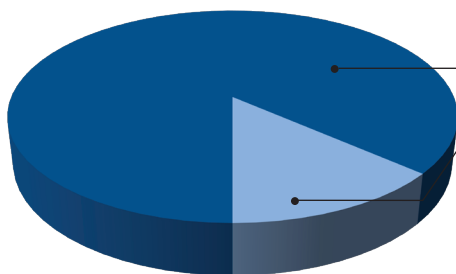


Wholesale Premium Brokered	\$22.4B (56%)
Wholesale Premium Placed Under Binding Authority	\$11.4B (29%)
Reinsurance Brokered/Other Services	\$4.2B (11%)
Retail Premium Placed Under Binding Authority	\$1.68B (4%)
Retail Premium Brokered	\$135M (<1%)

Direct Written Premium Category	# of Firms	% of Total	Category Totals	% of Total
\$0 to \$10 Million	44	20.5%	\$269,023,429	0.7%
\$10 to \$25 Million	62	28.8%	1,038,709,009	2.6%
\$25 to \$50 Million	43	20.0%	1,536,469,102	3.9%
\$50 to \$100 Million	26	12.1%	1,742,793,394	4.4%
\$100 to \$500 Million	29	13.5%	6,377,937,367	16.1%
\$500 to \$1 Billion	3	1.4%	2,066,000,000	5.2%
Over \$1 Billion	8	3.7%	26,674,711,000	67.2%
	<u>215</u>	<u>100.0%</u>	<u>\$39,705,643,301</u>	<u>100.0%</u>

Employee Count	# of Firms	% of Total	Category Totals	% of Total
10 or less	35	16.3%	214	1.2%
11 to 50	122	56.7%	2,419	13.8%
51 to 100	17	7.9%	957	5.5%
More than 100	41	19.1%	13,883	79.5%
	<u>215</u>	<u>100.0%</u>	<u>17,473</u>	<u>100.0%</u>

NAPSLO Wholesale Broker members are placing an estimated **\$35.3B** in surplus lines premium, which represents **88%** of the U.S. surplus lines market, based upon 2013 direct written surplus lines premium reported by A.M. Best.



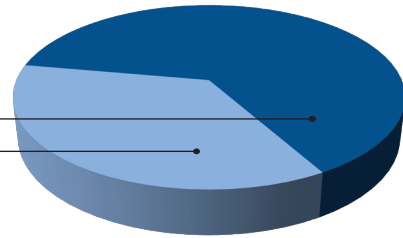
NAPSLO Member Wholesale Brokers	\$35.3B (88%)
Other	\$ 4.9B (12%)
<b>Total 2014 surplus lines premium</b>	<b>\$40.2B (100%)</b>

## Companies

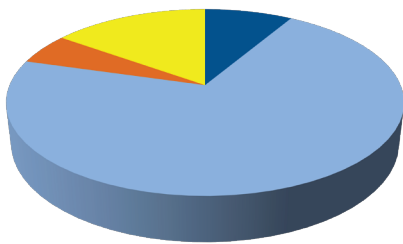
35 Companies, representing 55% of NAPSLO's 64 Company members reported the following:

- Business is 96% U.S. and 4% non-U.S.
- Business is 89% property/casualty and 11% other lines of business
- 20,403 employees, an average of 583 employees per firm
- \$62.1B in capital and surplus
- \$25.8B in DWP

Nonadmitted	\$16.6B (64%)
Admitted	\$19.2B (36%)



- Sources of \$25.8B in DWP\*:



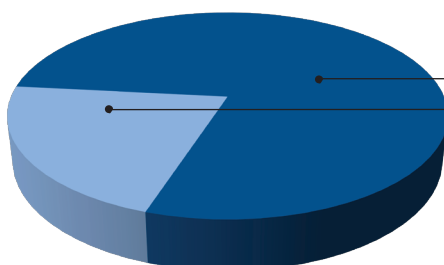
Affiliated Wholesalers	\$2.2B (8%)
Unaffiliated Wholesalers	\$18.3B (71%)
Affiliated Retailers	\$1.4B (6%)
Unaffiliated Retailers	\$3.9B (15%)

\* The Company DWP sources have been extrapolated from 34 of the 35 company responses, because one company did not provide the underlying sources of a significant amount of DWP.

Direct Written Premium Category	# of Firms	% of Total	Category Totals	% of Total
\$0 to \$100 Million	4	11.4%	\$184,675,465	0.7%
\$100 to \$250 Million	10	28.6%	1,676,444,744	6.5%
\$250 to \$1 Billion	13	37.1%	6,493,608,282	25.2%
\$1 to \$2 Billion	4	11.4%	4,930,883,203	19.1%
\$500 to \$1 More than \$2 Billion	4	11.4%	12,489,212,146	48.5%
	35	100.0%	\$25,774,823,840	100.0%

Employee Count	# of Firms	% of Total	Category Totals	% of Total
Less than 100	7	20.0%	413	2.0%
100 to 200	8	22.9%	1,048	5.1%
201 to 300	6	17.1%	1,474	7.2%
301 to 400	4	11.4%	1,177	5.8%
401 to 500	1	2.9%	500	2.5%
501 to 1,000	3	8.6%	2,557	12.5%
More than 1,000	6	17.1%	13,234	64.9%
	35	100.0%	20,403	100.0%

NAPSLO Company members are placing an estimated **\$28.0B** in surplus lines premium, which represents **70%** of the U.S. surplus lines market, based upon 2013 direct written surplus lines premium reported by A.M. Best.



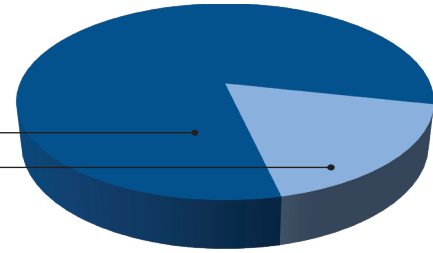
NAPSLO Company Members	\$28.0B (70%)
Other	\$12.2B (30%)
<b>Total 2014 surplus lines premium</b>	<b>\$40.2B (100%)</b>

## Underwriting Managers

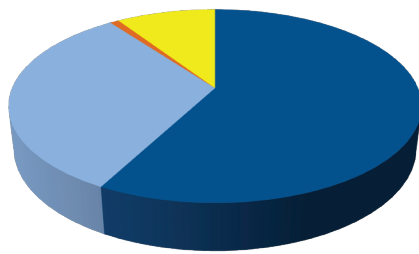
28 Underwriting Managers, representing 64% of NAPSLO's 44 Underwriting Manager members reported the following:

- Business is 97% U.S.
- Business is 93% property/casualty and 7% other lines of business
- 1,182 employees, an average of 42 per firm
- \$4.7B in DWP

Nonadmitted	\$4.0B (85%)
Admitted	\$683M (15%)



- Sources of \$4.7B in DWP:



■ Affiliated Wholesalers	\$2.7B (58%)
■ Unaffiliated Wholesalers	\$1.5B (32%)
■ Affiliated Retailers	\$38.7M (1%)
■ Unaffiliated Retailers	\$434M (9%)

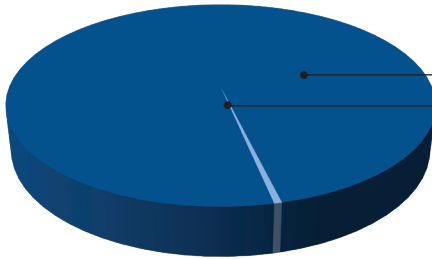
Direct Written Premium Category	# of Firms	% of Total	Category Totals	% of Total
\$0 to \$10 Million	5	17.9%	\$30,689,000	0.7%
\$10 to \$50 Million	11	39.3%	296,936,856	6.3%
\$50 to \$100 Million	5	17.9%	328,249,369	7.0%
\$100 to \$200 Million	2	7.1%	351,000,000	7.5%
Over \$200 Million	5	17.9%	3,679,960,501	78.5%
	<u>28</u>	<u>100.0%</u>	<u>\$4,686,835,726</u>	<u>100.0%</u>

Employee Count	# of Firms	% of Total	Category Totals	% of Total
10 or less	5	17.9%	38	3.2%
11 to 50	15	53.6%	297	25.1%
51 to 100	2	7.1%	202	17.1%
More than 100	6	21.4%	645	54.6%
	<u>28</u>	<u>100.0%</u>	<u>1,182</u>	<u>100.0%</u>

## Insurance Associates

20 Insurance Associates, representing 48% of NAPSLO's 42 Syndicate, Reinsurer or London Broker Associate members, reported the following:

- Business is 59% U.S. and 69% non-U.S.
- Business is 69% property/casualty and 31% other lines of business
- 2,722 employees, an average of 136 employees per company
- \$1.6B in DWP



Nonadmitted	\$1.6B (>99%)
Admitted	\$8.2M (<1%)

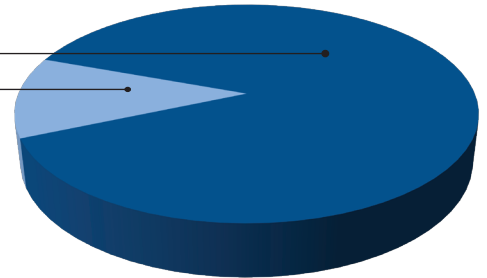
## Non-Insurance Associates

87 Non-Insurance Associates, representing 44% of NAPSLO's 200 Non-Insurance Associate members reported the following:

- Business is 88% U.S. and 12% non-U.S.

U.S. business

Non-U.S. business



- 5,925 employees, an average of 68 employees per company\*

\* It is important to note that Non-Insurance Associate employee figures are skewed by the business and headcount of large law firms, consulting firms and other companies included herein, only a portion of which are likely focused on providing services to the surplus lines industry.



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