

A Case Study on Premium Reconciliation in Surplus Lines

Part 2: Early Results from SLIP+ States Reinforce the Pattern

Florida's success with Premium Reconciliation is driven by the data-matching capabilities of the SLIP+ platform, which is used for surplus lines reporting by brokers, independently procured coverage filers, and insurers.

As additional states adopt the SLIP+ platform, they gain the ability to implement programs that independently verify surplus lines reporting. This expansion provides an opportunity to evaluate whether Florida's experience reflects a unique regulatory environment or a broader structural reality within the surplus lines marketplace.

Unlike admitted insurance markets, surplus lines transactions rely heavily on broker-reported data. In many jurisdictions, these filings are accepted as-is, without automated cross-checks against insurer submissions or comparisons to other data sources.

Florida is an exception, while most states are not.

However, early results from other states implementing SLIP+ reconciliation programs suggest that Florida's experience is not unique. Preliminary findings from Colorado, Georgia, Oklahoma, South Dakota, Tennessee, and Wyoming have already identified more than **\$607 million** in unreported premium and over **\$18 million** in recovered tax revenue.

These programs span a range of implementation timelines, from Florida's program established in 2000 to more recent adoptions between 2022 and 2025. When combined with Florida's long-term total of **\$2.7 billion** in unreported premium, the overall amount identified across SLIP+ states exceeds **\$3.14 billion**, with more than **\$122 million** in recovered tax revenue.

These results point to systemic underreporting that might otherwise remain undetected.

While larger surplus lines markets identify higher amounts of unreported premium proportional to their volume, smaller markets still realize meaningful benefits from reconciliation programs. Across all SLIP+ states, unreported premium and associated tax revenue have been identified, regardless of market size.

Importantly, these discrepancies were identified in states with otherwise strong reporting compliance. This reinforces a key point: surplus lines reporting gaps are not primarily the result of intent. They are driven by how reporting is structured.

Timing differences between broker and insurer reporting are expected and accounted for within reconciliation systems. However, discrepancies that persist well beyond normal reporting timelines indicate unreported or misreported premium rather than temporary delays.

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Taken together, these results show that underreporting is not isolated to high-volume states like Florida. It emerges consistently wherever reconciliation is introduced,

suggesting that states may be overlooking meaningful revenue simply because they lack the mechanisms to detect it.

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This analysis is based on data from the Florida Surplus Lines Service Office (FSLSO) and the SLIP+ platform. FSLSO is Florida's statutory surplus lines service office, responsible for supporting compliance, reporting, and data integrity within the surplus lines marketplace. SLIP+ is a multi-state filing and reporting platform that facilitates surplus lines transactions, tax reporting, and premium reconciliation for participating jurisdictions.

For more information about this analysis or premium reconciliation programs, please contact:
Florida Surplus Lines Service Office (FSLSO) | publicinfo@fslso.com | www.fslso.com | www.slipplus.com