



**Texas Department
of Insurance**

**Quarterly Legislative Report
on Market Conditions**

*4th Quarter
2002*

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The Texas Department of Insurance (TDI) publishes this report pursuant to *Texas Insurance Code* Article 5.13-2 Section 5 which requires that the TDI issue to the Governor, Lieutenant Governor, and Speaker of the House of Representatives a *Quarterly Legislative Report on Market Conditions* reflecting changes in losses, premiums, market share, and complaints for certain lines of insurance.

This report includes information on the following lines of insurance: General Liability, Commercial Fire & Allied Lines, Product Liability, Commercial Multiple Peril, Private Passenger Auto, Homeowners Multiple Peril, Workers' Compensation, Boiler & Machinery, Commercial Crime, Commercial Glass, Medical Professional Liability, and Miscellaneous Professional Liability.

Data were reported for each calendar year quarter. *The Quarterly Legislative Report on Market Conditions* exhibits market share based on the sum of the most recent four quarters as well as the percent change from the four quarters ending one year prior. In addition, the report provides a comparison of the current quarter with the same quarter one year prior.

Terms

Number of Policies Written: Each insurance company reported the number of Texas new and renewal policies issued during the quarter. The policies were adjusted to an annual basis. For example, a six month policy was reported as 0.5 policies.

Premiums on Policies Written: This report captures the Texas portion of direct premiums written in the designated quarter without adjustments for cancellations or endorsements and, therefore, it may not match the written premiums figures in the statutory Annual Statement.

Direct Written Premium: Written premium is the Texas portion of the statutory Annual Statement report of written premiums.

Direct Losses Paid: Direct losses paid represent payments made during the quarter regardless of when the policy was written or when the accident occurred. Loss adjustment expenses (LAE) are not included.

Earned to Incurred Loss Ratio: This loss ratio is developed by dividing direct incurred losses by earned premiums. Both figures come from the statutory Annual Statement. Loss adjustment expenses (LAE) are not included.

Number of Groups: Companies that are owned/controlled by one entity are considered a group. Unaffiliated companies are those that are not associated with any other insurance company. The number of groups referred to in this report is the number of groups plus the number of unaffiliated companies.

Market Share: This figure represents an insurer's share, expressed as a percentage, of the industry total for premiums written for the sum of the most recent four quarters.

Products and Completed Operations Insurance or **Product Liability** provides coverage for a manufacturer or contractor for claims after a manufactured product has been sold and/or a claim results from an operation which the manufacturer has completed. Products Liability also includes coverage for a contractor's or manufacturer's liability for injuries or property damage suffered by third parties as the result of the contractor or manufacturer completing an operation.

General Liability provides coverage for an insured when negligent acts and/or omissions result in bodily injury and/or property damage on the premises of a business or when someone is injured in the general operation of a business.

Commercial Fire & Allied Lines has two coverages - Standard Fire Policy and Extended Coverage Endorsements for businesses. A Standard Fire Policy insures commercial properties against fire and lightning. The Extended Coverage Endorsement covers numerous direct and indirect risks such as windstorm, hail, explosions, smoke damage, vandalism, and water damage.

Commercial Multiple Peril policies generally provide coverage for businesses in four areas: property; liability; crime; and boiler and machinery.

Private Passenger Auto coverages include liability, PIP, uninsured motorist and physical damage. This report separates experience into rate-regulated and non-rate-regulated (County Mutual) companies.

Homeowners Multiple Peril provides coverage against the insured's property being destroyed or damaged by various perils and coverage for liability exposure of the insured. This report separates experience into rate-regulated and non-rate-regulated (Lloyds and Reciprocal) companies.

Workers' Compensation offers coverage providing four types of benefits (medical care, death, disability, rehabilitation) for employee job-related injuries or diseases as a matter of right (without regard to fault.)

Lines of Insurance

Boiler & Machinery provides protection against the sudden and accidental breakdown or explosion of boilers, machinery, and electrical equipment. Coverage is provided on damage to the equipment, expediting expenses, damage to the property of others and can be extended to cover losses resulting from the interruption of business.

Commercial Crime provides coverage against loss of property caused by burglary, theft, and/or employee dishonesty. This may include losses inside or outside the premises, losses from counterfeit paper currency, and depositors forgery.

Commercial Glass provides coverage on commercial plate glass, lettering, frames and ornamentation.

Medical Professional Liability provides insurance against losses due to claims for damages alleging malpractice by physicians, surgeons, hospitals or other health care providers in the exercise of their professions.

Miscellaneous Professional Liability provides insurance on professional practitioners that will defend suits instituted against them for malpractice or errors and omissions and/or pay any damages, subject to policy limits. In compliance with applicable statutes, the following have been excluded from miscellaneous professional liability: architects, beauticians/barbers, lawyers, medical laboratory personnel, psychologists, real estate agents, surveyors, and x-ray lab personnel.

Summary of Four Quarters

CUMULATIVE TOTALS FOR FOUR QUARTERS ENDING DECEMBER 2002

	Number Of Groups/Companies	Number Of Policies Written	Premiums On Policies Written	Direct Written Premiums	Direct Losses Paid
PRODUCT LIABILITY	62 / 164	46,432	\$138,294,326	\$113,999,851	\$153,628,973
GENERAL LIABILITY - OTHER	133 / 323	788,696 ⁺	\$1,431,335,372	\$1,529,385,441	\$987,836,579
COMMERCIAL FIRE & ALLIED	80 / 195	161,168	\$555,407,408	\$640,677,942	\$303,850,796
COMMERCIAL MULTIPLE PERIL	85 / 238	315,985	\$1,222,012,937	\$1,283,575,608	\$733,162,468
PRIVATE PASSENGER AUTO					
VOLUNTARY (VOL) LIABILITY	67 / 207	13,530,208	\$6,431,976,530	\$5,898,504,170	\$3,964,391,161
ASSIGNED RISK LIABILITY	19 / 21	74,963	\$43,807,871	\$32,265,076	\$19,683,417
PHYSICAL DAMAGE	68 / 197	9,535,206	\$4,993,017,190	\$4,539,434,061	\$2,959,387,263
TOTAL PPA	70 / 212	23,140,377 ⁺⁺	\$11,468,801,591	\$10,470,203,307	\$6,943,461,841
HOMEOWNERS MULTIPLE PERIL	62 / 129	4,209,028	\$4,731,840,032	\$4,174,095,550	\$3,920,575,740
WORKERS' COMPENSATION					
VOL PREMIUMS < \$5,000		86,423	\$140,923,706	**	**
VOL PREMIUMS \$5,000 - \$100,000		54,622	\$1,110,511,550	**	**
VOL PREMIUMS > \$100,000		5,145	\$1,563,114,237	**	**
TOTAL VOLUNTARY	99 / 256	146,190	\$2,814,549,493	\$2,551,219,824	\$1,480,841,270
RESIDUAL MARKET ^{***}	4 / 4	579	\$32,949,993	\$29,864,995	\$37,319,099
TOTAL WC	99 / 259	146,769	\$2,847,499,486	\$2,581,084,819	\$1,518,160,369
BOILER & MACHINERY	35 / 94	21,669	\$89,270,606	\$82,169,669	\$25,152,996
COMMERCIAL CRIME	39 / 73	7,222	\$6,907,890	\$7,651,300	\$779,751
COMMERCIAL GLASS	15 / 22	868	\$483,805	\$327,740	(\$153,840)
PROFESSIONAL LIABILITY	36 / 51	44,306	\$457,507,295	\$485,161,758	\$302,285,626
MISC. PROFESSIONAL LIABILITY	34 / 70	26,920	\$173,915,241	\$175,717,935	\$110,485,773

⁺ The General Electric Group wrote 60,223 small premium pre-paid legal policies that were excluded from the above table.

⁺⁺ Policies that included both Voluntary Liability and Physical Damage coverage reported a policy in each category.

^{**} Companies were not required to report the Direct Losses Paid by policy size.

^{***} Policies reported in this category were written under the START program by the Texas Mutual Insurance Company.

NUMBER OF GROUPS / COMPANIES WRITING POLICIES PER QUARTER

Line of Business	First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
	2001	2002	2001	2002	2001	2002	2001	2002
Product Liability	63 / 162	58 / 146	62 / 153	57 / 131	63 / 139	56 / 125	62 / 148	54 / 125
General Liability	133 / 312	121 / 301	135 / 318	119 / 285	128 / 306	117 / 274	129 / 310	123 / 295
Commercial Fire & Allied	79 / 185	72 / 159	76 / 190	69 / 155	73 / 173	69 / 148	74 / 166	70 / 154
Commercial Multiple Peril	89 / 233	80 / 211	85 / 226	76 / 197	82 / 218	76 / 187	81 / 207	77 / 207
Private Passenger Auto	76 / 211	69 / 200	75 / 206	66 / 191	74 / 204	65 / 185	69 / 195	67 / 189
Homeowners Multiple Peril	62 / 111	60 / 103	62 / 106	67 / 100	61 / 105	59 / 97	61 / 102	60 / 90
Workers' Compensation	98 / 247	83 / 223	94 / 242	82 / 216	93 / 241	81 / 212	86 / 230	87 / 215
Boiler & Machinery	33 / 73	28 / 69	29 / 72	29 / 72	32 / 68	34 / 66	33 / 77	30 / 75
Commercial Crime	39 / 77	35 / 65	40 / 68	29 / 59	37 / 65	33 / 59	33 / 59	34 / 59
Commercial Glass	22 / 35	18 / 26	19 / 29	15 / 22	18 / 29	15 / 21	17 / 26	16 / 23
Medical Professional Liability	32 / 50	36 / 47	33 / 49	29 / 41	30 / 45	33 / 40	31 / 43	34 / 44
Misc. Professional Liability	36 / 75	31 / 73	34 / 73	31 / 68	31 / 71	28 / 63	32 / 71	33 / 67

Product Liability

There were 62 groups, 164 companies, that had direct written premium for Product Liability in the fourth quarter of 2002, as compared to 63 groups, 180 companies, in the fourth quarter of 2001.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the fourth quarter of 2002 to direct written premium in the fourth quarter of 2001 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRODUCT LIABILITY

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 4th Quarter 2002	% Change 4th Quarter 2001 to 2002	4 Quarters Ending 4th Qtr 2002	% Change 4 Qtrs Ending 2001 to 2002
1	Zurich Insurance Group	18.35%	\$4,443,603	(24.92%)	\$20,923,089	27.04%
2	Great American E&S Insurance Co	14.52%	\$4,179,057	14.47%	\$16,554,454	36.77%
3	St. Paul Group	13.58%	\$5,152,647	55.23%	\$15,478,030	40.38%
4	Liberty Mutual Group	7.18%	\$1,099,337	(44.39%)	\$8,186,809	21.92%
5	Chubb & Son Inc.	6.07%	\$1,664,553	27.05%	\$6,918,576	41.37%
6	Hartford Fire & Casualty Group	5.12%	\$1,358,254	109.60%	\$5,831,928	83.21%
7	XL America	3.59%	\$772,560	76.38%	\$4,095,689	126.96%
8	Federated Mutual	3.56%	\$784,307	6.65%	\$4,052,867	23.84%
9	National American Insurance Company	3.33%	\$920,647	(20.53%)	\$3,800,148	(16.26%)
10	Sentry Insurance Group	2.76%	\$752,071	(13.72%)	\$3,152,035	(10.19%)
11	Royal & Sun Alliance USA	2.75%	\$1,060,884	(38.22%)	\$3,139,608	13.41%
12	United Fire & Casualty Group	2.50%	\$607,578	30.74%	\$2,848,191	29.85%
13	Medmark Insurance Group	2.41%	\$142,865	(83.70%)	\$2,753,033	0.11%
14	Fairfax Financial	2.25%	\$459,728	94.13%	\$2,560,124	64.34%
15	Allianz Insurance Group	2.15%	\$407,671	(76.34%)	\$2,453,202	(40.47%)
16	Travelers Property Casualty Corp Group	1.86%	\$934,036	36.79%	\$2,118,071	32.82%
17	CNA Insurance Group	1.71%	\$150,382	(29.55%)	\$1,946,605	451.94%
18	Dallas General Group	1.69%	\$514,106	35.66%	\$1,924,317	59.68%
19	Old Republic Group	1.63%	\$522,915	(36.47%)	\$1,860,173	(13.88%)
20	UNITRIN Group	1.61%	\$358,162	(4.76%)	\$1,838,281	13.74%
21	Hannover Group	1.55%	\$1,767,716	*	\$1,771,426	*
22	ACE Ltd.	1.32%	\$291,300	(96.05%)	\$1,502,019	(83.19%)
23	Central Mutual Insurance Company of Ohio	1.08%	\$380,615	83.10%	\$1,230,448	26.52%
24	EMC Insurance Company	0.91%	\$230,597	(5.70%)	\$1,039,615	8.12%
25	RLI Insurance Group	0.82%	\$224,198	*	\$936,767	270.02%

Top 25 Groups Total	**104.31%	\$29,179,789	(17.44%)	\$118,915,505	21.28%
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Total Market	100.00%	\$39,509,606	(37.98%)	\$113,999,851	(17.26%)
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* Premiums from prior reporting period were \$0, less than \$0, or negligible.

**Policy cancellations (negative premium written) resulted in a percentage greater than 100% for the Top Groups

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 1997	\$28,665,155	\$23,792,071	\$25,384,125
1st qtr 1998	\$30,305,951	\$31,150,080	\$12,516,980
2nd qtr 1998	\$22,772,526	\$24,229,677	\$16,493,164
3rd qtr 1998	\$18,370,183	\$12,259,609	\$29,891,014
4th qtr 1998	\$17,829,084	\$18,806,453	\$24,506,989
1st qtr 1999	\$19,542,821	\$19,151,191	\$16,999,724
2nd qtr 1999	\$21,001,448	\$18,282,562	\$25,948,053
3rd qtr 1999	\$17,001,577	\$16,077,300	\$17,020,093
4th qtr 1999	\$16,676,696	\$14,939,147	\$42,175,911
1st qtr 2000	\$21,631,763	\$20,070,742	\$29,175,725
2nd qtr 2000	\$24,863,722	\$22,270,834	\$36,375,856
3rd qtr 2000	\$23,008,942	\$19,604,388	\$17,808,941
4th qtr 2000	\$22,090,031	\$19,147,733	\$22,275,731
1st qtr 2001	\$29,320,488	\$22,845,690	\$22,799,038
2nd qtr 2001	\$25,674,740	\$26,892,822	\$18,451,817
3rd qtr 2001	\$29,104,072	\$24,349,666	\$23,598,451
4th qtr 2001	\$49,553,240	\$63,700,948	\$50,787,344
1st qtr 2002	\$25,812,727	\$10,368,960	\$24,090,363
2nd qtr 2002	\$25,107,579	\$30,554,591	\$14,348,364
3rd qtr 2002	\$32,987,561	\$33,566,694	\$42,898,905
4th qtr 2002	\$54,386,459	\$39,509,606	\$72,291,341

EARNED TO INCURRED LOSS RATIO BY YEAR

Based on Annual Statement data from NAIC: incurred losses (LAE excluded) / earned premium

Year	Loss Ratio
1991	83.2%
1992	122.7%
1993	164.5%
1994	152.1%
1995	113.4%
1996	178.0%
1997	60.4%
1998	90.4%
1999	68.3%
2000	104.4%
2001	201.3%
2002	275.2%

General Liability

There were 133 groups, 323 companies, that had direct written premium for General Liability in the fourth quarter of 2002, as compared to 135 groups, 357 companies, in the fourth quarter of 2001.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the fourth quarter of 2002 to direct written premium in the fourth quarter of 2001 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR GENERAL LIABILITY

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 4th Quarter 2002	% Change 4th Quarter 2001 to 2002	4 Quarters Ending 4th Qtr 2002	% Change 4 Qtrs Ending 2001 to 2002
1	American International Group	18.16%	\$55,213,319	(20.68%)	\$277,707,578	17.45%
2	Zurich Insurance Group	9.45%	\$37,843,139	(3.25%)	\$144,548,336	39.34%
3	ACE Ltd.	8.36%	\$27,189,200	28.90%	\$127,785,420	29.34%
4	Great American E&S Insurance Co	6.27%	\$32,657,186	18.84%	\$95,836,274	37.90%
5	Travelers Property Casualty Corp Group	4.14%	\$19,563,046	16.44%	\$63,376,020	5.49%
6	St. Paul Group	4.03%	\$17,829,687	28.63%	\$61,697,586	31.49%
7	CNA Insurance Group	3.67%	\$15,850,905	20.13%	\$56,126,688	26.58%
8	Royal & Sun Alliance USA	3.47%	\$13,887,813	(36.64%)	\$53,035,183	5.20%
9	Lumbermens Mutual Casualty Group	3.37%	\$9,155,732	(7.52%)	\$51,492,984	34.78%
10	Hartford Fire & Casualty Group	3.07%	\$14,294,623	34.27%	\$46,898,353	58.63%
11	Chubb & Son Inc.	2.63%	\$9,452,496	14.29%	\$40,252,083	11.71%
12	XL America	2.29%	\$4,746,255	376.78%	\$34,952,286	171.09%
13	Liberty Mutual Group	2.17%	\$7,198,063	18.10%	\$33,129,932	12.22%
14	Kingsway Group	1.74%	\$11,040,953	*	\$26,617,668	*
15	Allianz Insurance Group	1.71%	\$5,747,783	27.44%	\$26,099,807	(22.52%)
16	State Farm IL	1.64%	\$5,517,471	4.46%	\$25,050,949	7.87%
17	UNITRIN Group	1.47%	\$2,190,212	(74.40%)	\$22,513,913	(8.58%)
18	Fairfax Financial	1.24%	\$3,695,802	(68.05%)	\$18,972,580	(38.50%)
19	Texas Lawyers Insurance Exchange	1.22%	\$4,642,373	71.63%	\$18,631,005	26.46%
20	United Fire & Casualty Group	1.00%	\$3,423,724	27.69%	\$15,282,144	30.76%
21	Old Republic Group	0.97%	\$3,261,718	(29.45%)	\$14,868,319	(4.41%)
22	National American Insurance Company	0.96%	\$3,258,451	(8.68%)	\$14,726,934	(3.54%)
23	Federated Mutual	0.87%	\$2,647,873	13.61%	\$13,370,770	13.63%
24	EMC Insurance Company	0.82%	\$2,832,132	22.64%	\$12,562,437	6.57%
25	Hannover Group	0.76%	\$1,160,281	*	\$11,609,582	138.73%

Top 25 Groups Total	85.47%	\$314,300,237	2.33%	\$1,307,144,831	23.96%
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Total Market	100.00%	\$371,335,756	2.89%	\$1,529,385,441	19.99%
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* Premiums from prior reporting period were \$0, less than \$0, or negligible.

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 1997	\$239,217,274	\$232,936,693	\$154,278,350
1st qtr 1998	\$210,915,913	\$202,459,275	\$144,243,276
2nd qtr 1998	\$284,842,750	\$270,114,359	\$160,084,077
3rd qtr 1998	\$242,297,791	\$290,698,189	\$169,439,120
4th qtr 1998	\$218,876,381	\$201,348,307	\$168,009,779
1st qtr 1999	\$198,897,883	\$208,534,860	\$186,662,320
2nd qtr 1999	\$189,418,170	\$241,953,257	\$165,005,082
3rd qtr 1999	\$198,994,737	\$326,261,926	\$204,622,227
4th qtr 1999	\$302,336,709	\$235,083,506	\$195,064,133
1st qtr 2000	\$197,334,268	\$265,422,016	\$149,145,225
2nd qtr 2000	\$216,413,256	\$232,382,943	\$207,287,930
3rd qtr 2000	\$236,439,379	\$253,095,910	\$139,279,827
4th qtr 2000	\$256,405,425	\$404,183,305	\$277,383,640
1st qtr 2001	\$255,026,997	\$282,422,588	\$279,102,702
2nd qtr 2001	\$318,131,947	\$373,227,828	\$172,787,203
3rd qtr 2001	\$228,527,561	\$258,073,934	\$195,733,705
4th qtr 2001	\$235,739,335	\$360,898,116	\$63,102,021
1st qtr 2002	\$449,177,034	\$460,698,437	\$225,544,706
2nd qtr 2002	\$392,164,368	\$346,705,037	\$245,120,681
3rd qtr 2002	\$293,763,572	\$350,646,211	\$223,379,934
4th qtr 2002	\$296,230,398	\$371,335,756	\$293,791,258

EARNED TO INCURRED LOSS RATIO BY YEAR

Based on Annual Statement data from NAIC: incurred losses (LAE excluded) / earned premium

<u>Year</u>	<u>Loss Ratio</u>
1991	91.3%
1992	102.9%
1993	102.8%
1994	64.8%
1995	96.7%
1996	99.0%
1997	51.8%
1998	58.6%
1999	63.8%
2000	74.1%
2001	74.4%
2002	114.5%

Commercial Fire & Allied

There were 80 groups, 195 companies, that had direct written premium for Commercial Fire & Allied in the fourth quarter of 2002, as compared to 82 groups, 206 companies, in the fourth quarter of 2001.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the fourth quarter of 2002 to direct written premium in the fourth quarter of 2001 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR COMMERCIAL FIRE & ALLIED

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 4th Quarter 2002	% Change 4th Quarter 2001 to 2002	4 Quarters Ending 4th Qtr 2002	% Change 4 Qtrs Ending 2001 to 2002
1	FM Global Group	16.59%	\$33,280,732	115.85%	\$106,308,379	89.90%
2	Travelers Property Casualty Corp Group	11.28%	\$17,498,601	14.76%	\$72,283,412	23.64%
3	Zurich Insurance Group	8.57%	\$7,428,268	(34.24%)	\$54,899,986	77.50%
4	Allianz Insurance Group	8.11%	\$17,488,129	34.48%	\$51,934,957	45.42%
5	St. Paul Group	5.79%	\$10,164,723	33.28%	\$37,124,545	98.01%
6	Royal & Sun Alliance USA	4.88%	\$8,917,639	(61.95%)	\$31,277,513	(14.07%)
7	Texas Windstorm Insurance Association	3.76%	\$6,994,547	57.26%	\$24,116,868	31.67%
8	UNITRIN Group	3.64%	\$5,276,934	12.06%	\$23,334,772	21.75%
9	American International Group	3.30%	\$4,503,341	(48.94%)	\$21,172,050	29.86%
10	CNA Insurance Group	2.97%	\$4,409,808	(50.90%)	\$19,037,683	(7.92%)
11	Hartford Fire & Casualty Group	2.73%	\$2,372,171	150.32%	\$17,506,458	141.39%
12	XL America	2.67%	\$14,516,414	*	\$17,075,364	778.23%
13	United Fire & Casualty Group	2.33%	\$3,876,424	31.36%	\$14,942,048	43.94%
14	AXA Insurance Group	2.11%	\$5,714,092	*	\$13,504,365	*
15	GE Global Group	1.76%	\$2,645,900	*	\$11,283,347	43.99%
16	Fairfax Financial	1.67%	\$3,582,703	13.59%	\$10,729,495	46.69%
17	Kingsway Group	1.55%	\$3,445,385	*	\$9,915,770	*
18	Everest Reinsurance Holding Inc	1.45%	\$0	*	\$9,261,661	*
19	Federated Mutual	1.44%	\$2,026,208	10.74%	\$9,202,645	22.27%
20	Liberty Mutual Group	1.02%	\$3,697,042	278.72%	\$6,530,767	104.89%
21	Safeco Insurance Group	1.01%	\$1,774,504	11.80%	\$6,495,382	(2.06%)
22	EMC Insurance Company	0.93%	\$1,269,146	11.56%	\$5,933,217	15.72%
23	Sentry Insurance Group	0.91%	\$1,598,178	27.86%	\$5,859,503	19.48%
24	Texas Farm Bureau Mutual	0.76%	\$1,300,831	22.82%	\$4,885,457	18.57%
25	Great American E&S Insurance Co	0.76%	\$146,575	(51.55%)	\$4,881,402	2.25%

Top 25 Groups Total	92.01%	\$163,928,295	30.23%	\$589,497,046	54.36%
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Total Market	100.00%	\$175,544,341	28.82%	\$640,677,942	49.79%
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* Premiums from prior reporting period were \$0, less than \$0, or negligible.

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 1997	\$107,617,754	\$91,328,917	\$38,357,499
1st qtr 1998	\$68,907,273	\$66,601,703	\$35,359,774
2nd qtr 1998	\$74,389,829	\$76,974,177	\$49,081,540
3rd qtr 1998	\$77,094,976	\$79,063,229	\$42,188,779
4th qtr 1998	\$70,381,513	\$67,742,113	\$39,909,630
1st qtr 1999	\$71,320,972	\$68,350,829	\$33,802,576
2nd qtr 1999	\$77,274,152	\$78,487,919	\$39,140,917
3rd qtr 1999	\$70,060,718	\$74,379,518	\$54,354,899
4th qtr 1999	\$73,126,681	\$77,149,382	\$82,832,214
1st qtr 2000	\$60,367,305	\$65,714,031	\$30,457,236
2nd qtr 2000	\$72,570,831	\$81,310,228	\$73,567,014
3rd qtr 2000	\$80,712,117	\$85,253,815	\$59,757,514
4th qtr 2000	\$98,236,961	\$109,394,459	\$113,958,620
1st qtr 2001	\$92,863,589	\$92,099,454	\$41,677,493
2nd qtr 2001	\$98,078,697	\$101,065,593	\$58,283,160
3rd qtr 2001	\$92,741,263	\$98,276,060	\$244,258,829
4th qtr 2001	\$110,652,458	\$136,274,047	\$106,360,613
1st qtr 2002	\$121,765,027	\$144,529,151	\$87,595,818
2nd qtr 2002	\$142,072,436	\$147,304,541	\$101,597,550
3rd qtr 2002	\$142,288,616	\$173,299,909	\$50,900,077
4th qtr 2002	\$149,281,329	\$175,544,341	\$63,757,351

EARNED TO INCURRED LOSS RATIO BY YEAR

**Based on Annual Statement data from NAIC: incurred losses (LAE excluded) / earned premium
(includes personal Fire & Allied lines)**

<u>Year</u>	<u>Loss Ratio</u>
1991	67.1%
1992	84.3%
1993	58.4%
1994	69.6%
1995	97.1%
1996	49.9%
1997	38.3%
1998	57.4%
1999	53.1%
2000	81.9%
2001	107.7%
2002	55.8%

Commercial Multiple Peril

There were 85 groups, 238 companies, that had direct written premium for Commercial Multiple Peril in the fourth quarter of 2002, as compared to 87 groups, 239 companies, in the fourth quarter of 2001.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the fourth quarter of 2002 to direct written premium in the fourth quarter of 2001 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR COMMERCIAL MULTIPLE PERIL

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 4th Quarter 2002	% Change 4th Quarter 2001 to 2002	4 Quarters Ending 4th Qtr 2002	% Change 4 Qtrs Ending 2001 to 2002
1	Zurich Insurance Group	14.17%	\$44,734,247	18.50%	\$181,839,852	19.94%
2	Travelers Property Casualty Corp Group	10.18%	\$39,212,936	25.13%	\$130,655,811	14.11%
3	CNA Insurance Group	8.53%	\$28,342,988	(4.26%)	\$109,524,044	(1.35%)
4	Hartford Fire & Casualty Group	6.66%	\$22,149,055	24.27%	\$85,461,224	21.99%
5	Chubb & Son Inc.	5.58%	\$17,993,814	28.05%	\$71,562,889	48.26%
6	State Farm IL	4.86%	\$14,431,449	5.20%	\$62,362,680	4.39%
7	Safeco Insurance Group	3.58%	\$11,989,102	12.13%	\$45,921,235	4.06%
8	Liberty Mutual Group	2.76%	\$6,917,512	(60.43%)	\$35,485,140	(0.10%)
9	Credit Suisse Group	2.55%	\$8,435,134	3.42%	\$32,785,343	14.41%
10	Allianz Insurance Group	2.30%	\$8,491,539	(41.49%)	\$29,551,912	(27.37%)
11	Guideone Insurance Group	2.22%	\$7,193,865	49.31%	\$28,497,070	48.94%
12	Church Mutual Insurance Company	2.22%	\$6,891,312	50.38%	\$28,478,183	44.06%
13	White Mountains Group	2.17%	\$7,257,660	(18.46%)	\$27,855,130	(37.96%)
14	Allstate Insurance Group	2.10%	\$7,103,520	16.26%	\$26,916,854	15.59%
15	St. Paul Group	2.06%	\$7,666,752	(13.87%)	\$26,479,767	9.84%
16	W.R. Berkley Corporation	2.06%	\$6,947,269	38.10%	\$26,445,693	37.33%
17	Old Republic Group	1.88%	\$6,800,682	0.93%	\$24,141,290	6.29%
18	Royal & Sun Alliance USA	1.74%	\$3,078,419	(81.09%)	\$22,350,001	(20.93%)
19	American International Group	1.69%	\$5,833,491	59.89%	\$21,741,967	43.95%
20	Lumbermens Mutual Casualty Group	1.69%	\$4,779,186	(31.62%)	\$21,651,024	(13.56%)
21	Maguire Corporation Group	1.67%	\$8,994,629	56.27%	\$21,460,175	62.70%
22	Ohio Casualty Group	1.53%	\$5,338,456	25.32%	\$19,702,425	24.16%
23	Central Mutual Ins Co OH	1.51%	\$5,053,559	42.29%	\$19,413,311	42.95%
24	ACE Ltd.	1.32%	\$7,652,302	178.81%	\$16,990,798	122.87%
25	Hannover Group	1.26%	\$3,629,414	*	\$16,173,711	77.88%

Top 25 Groups Total	88.30%	\$296,918,292	4.76%	\$1,133,447,529	12.77%
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Total Market	100.00%	\$343,217,776	6.64%	\$1,283,575,608	9.76%
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* Premiums from prior reporting period were \$0, less than \$0, or negligible.

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 1997	\$264,003,023	\$227,796,168	\$122,000,210
1st qtr 1998	\$222,600,898	\$231,461,613	\$118,739,450
2nd qtr 1998	\$223,828,260	\$239,364,858	\$137,485,345
3rd qtr 1998	\$222,287,379	\$233,466,396	\$127,403,913
4th qtr 1998	\$222,420,875	\$235,980,204	\$125,083,469
1st qtr 1999	\$215,552,459	\$229,247,463	\$118,479,566
2nd qtr 1999	\$216,168,054	\$227,464,958	\$169,300,495
3rd qtr 1999	\$218,128,260	\$226,721,250	\$147,914,389
4th qtr 1999	\$223,556,331	\$241,176,043	\$147,201,261
1st qtr 2000	\$221,592,156	\$238,501,246	\$141,927,253
2nd qtr 2000	\$234,589,678	\$239,375,265	\$214,498,664
3rd qtr 2000	\$231,760,927	\$266,860,771	\$201,776,374
4th qtr 2000	\$258,005,253	\$269,671,752	\$203,011,991
1st qtr 2001	\$257,145,796	\$276,716,048	\$175,708,002
2nd qtr 2001	\$257,191,069	\$282,196,084	\$194,699,912
3rd qtr 2001	\$272,821,007	\$288,700,461	\$247,575,515
4th qtr 2001	\$279,841,512	\$321,838,153	\$219,965,921
1st qtr 2002	\$294,721,061	\$330,504,083	\$175,072,730
2nd qtr 2002	\$298,739,904	\$277,160,208	\$182,769,240
3rd qtr 2002	\$302,860,146	\$332,693,541	\$215,367,089
4th qtr 2002	\$325,691,823	\$343,217,776	\$159,953,409

EARNED TO INCURRED LOSS RATIO BY YEAR

Based on Annual Statement data from NAIC: incurred losses (LAE excluded) / earned premium

<u>Year</u>	<u>Loss Ratio</u>
1991	75.3%
1992	88.4%
1993	77.8%
1994	61.8%
1995	97.5%
1996	59.0%
1997	54.1%
1998	51.2%
1999	67.1%
2000	89.8%
2001	85.6%
2002	59.8%

Private Passenger Auto (All Companies, All Coverages)

There were 70 groups, 212 companies, that had direct written premium for Private Passenger Auto in the fourth quarter of 2002, as compared to 69 groups, 217 companies, in the fourth quarter of 2001.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the fourth quarter of 2002 to direct written premium in the fourth quarter of 2001 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRIVATE PASSENGER AUTO

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 4th Quarter 2002	% Change 4th Quarter 2001 to 2002	4 Quarters Ending 4th Qtr 2002	% Change 4 Qtrs Ending 2001 to 2002
1	State Farm IL	23.57%	\$603,261,299	10.35%	\$2,467,919,538	11.90%
2	Allstate Insurance Group	16.40%	\$401,065,479	(0.29%)	\$1,717,272,363	9.90%
3	Zurich Insurance Group	12.59%	\$307,804,484	3.19%	\$1,317,796,829	9.21%
4	Progressive Group	7.19%	\$206,375,311	65.01%	\$752,553,618	54.25%
5	United Services Automobile Assoc. Group	6.42%	\$164,825,641	15.46%	\$672,582,520	15.28%
6	Nationwide Corporation	3.91%	\$88,245,400	(6.06%)	\$409,745,623	27.21%
7	Berkshire-Hathaway (GEICO)	3.26%	\$85,819,509	13.38%	\$340,937,757	5.51%
8	Southern Farm Bureau Casualty	3.01%	\$88,641,588	38.58%	\$315,032,670	32.60%
9	Old American Co. Mutual Fire Ins. Co.	2.92%	\$85,049,994	94.14%	\$305,516,673	65.99%
10	Home State Insurance Group	2.39%	\$60,326,235	25.23%	\$250,362,047	14.52%
11	Texas State National Group	1.98%	\$40,079,192	(50.98%)	\$207,177,466	(37.81%)
12	Travelers Property Casualty Corp Group	1.57%	\$38,412,742	1.18%	\$164,619,289	6.71%
13	Safeco Insurance Group	1.55%	\$49,643,802	76.66%	\$162,257,706	46.17%
14	UNITRIN Group	1.45%	\$28,116,632	(32.49%)	\$151,619,751	(12.68%)
15	Liberty Mutual Group	0.98%	\$24,075,009	13.55%	\$102,201,693	8.95%
16	Credit Suisse Group	0.92%	\$24,094,267	6.88%	\$96,095,385	18.68%
17	Hartford Fire & Casualty Group	0.78%	\$18,947,189	(12.90%)	\$81,979,759	(9.69%)
18	Sentry Insurance Group	0.63%	\$14,785,605	0.26%	\$66,036,769	1.65%
19	Mercury General Group	0.62%	\$17,414,408	59.86%	\$64,404,162	47.99%
20	Titus Group	0.61%	\$18,984,461	53.29%	\$63,395,492	6.63%
21	American National Financial Group	0.57%	\$11,034,397	(23.43%)	\$60,120,355	4.46%
22	Germania Insurance Group	0.54%	\$11,961,383	5.47%	\$56,037,420	26.11%
23	Metropolitan Group	0.51%	\$12,935,327	1.99%	\$53,582,392	6.01%
24	CNA Insurance Group	0.47%	\$11,897,400	(3.65%)	\$49,250,257	(10.95%)
25	Prudential of America	0.47%	\$11,302,527	(11.62%)	\$49,083,308	(5.52%)

Top 25 Groups Total	95.30%	\$2,425,099,281	10.37%	\$9,977,580,842	13.42%
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Total Market	100.00%	\$2,457,170,529	5.89%	\$10,470,203,307	12.31%
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QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 1997	\$2,216,786,301	\$1,968,187,976	\$1,234,058,511
1st qtr 1998	\$2,367,289,515	\$2,213,506,518	\$1,278,521,972
2nd qtr 1998	\$2,180,640,043	\$2,019,446,805	\$1,275,568,012
3rd qtr 1998	\$2,318,019,920	\$2,124,228,337	\$1,273,942,149
4th qtr 1998	\$2,151,157,497	\$1,983,338,736	\$1,389,965,891
1st qtr 1999	\$2,320,518,475	\$2,136,424,353	\$1,327,541,349
2nd qtr 1999	\$2,188,958,364	\$2,028,787,943	\$1,436,070,422
3rd qtr 1999	\$2,310,778,314	\$2,108,258,416	\$1,406,017,588
4th qtr 1999	\$2,182,308,863	\$1,984,324,294	\$1,440,876,134
1st qtr 2000	\$2,287,114,585	\$2,161,022,529	\$1,516,565,809
2nd qtr 2000	\$2,214,040,576	\$2,067,800,565	\$1,727,433,045
3rd qtr 2000	\$2,346,352,009	\$2,217,093,042	\$1,446,692,136
4th qtr 2000	\$2,133,476,469	\$1,926,579,984	\$1,649,277,676
1st qtr 2001	\$2,479,776,275	\$2,364,978,653	\$1,608,864,432
2nd qtr 2001	\$2,381,884,799	\$2,218,599,142	\$1,764,471,091
3rd qtr 2001	\$2,601,335,227	\$2,418,790,333	\$1,904,688,875
4th qtr 2001	\$2,448,928,343	\$2,320,483,155	\$1,687,667,681
1st qtr 2002	\$2,868,833,850	\$2,672,814,060	\$1,679,834,023
2nd qtr 2002	\$2,825,505,496	\$2,591,123,687	\$1,896,294,072
3rd qtr 2002	\$3,001,045,878	\$2,749,095,031	\$1,679,170,055
4th qtr 2002	\$2,773,416,367	\$2,457,170,529	\$1,688,163,691

EARNED TO INCURRED LOSS RATIO BY YEAR

Based on Annual Statement data from NAIC: incurred losses (LAE excluded) / earned premium

<u>Year</u>	<u>Loss Ratio</u>
1991	74.8%
1992	72.8%
1993	70.0%
1994	70.9%
1995	72.3%
1996	62.9%
1997	58.7%
1998	60.8%
1999	66.6%
2000	74.9%
2001	78.2%
2002	66.8%

Private Passenger Auto (All Rate-Regulated Companies)

There were 64 groups, 189 rate-regulated companies, that had direct written premium for Private Passenger Auto in the fourth quarter of 2002, as compared to 63 groups, 194 companies, in the fourth quarter of 2001.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the fourth quarter of 2002 to direct written premium in the fourth quarter of 2001 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRIVATE PASSENGER AUTO

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 4th Quarter 2002	% Change 4th Quarter 2001 to 2002	4 Quarters Ending 4th Qtr 2002	% Change 4 Qtrs Ending 2001 to 2002
1	State Farm IL	35.07%	\$570,795,570	7.60%	\$2,353,450,694	9.68%
2	Allstate Insurance Group	16.99%	\$251,478,831	(11.14%)	\$1,139,750,586	(2.75%)
3	Zurich Insurance Group	12.04%	\$176,166,927	(18.80%)	\$808,037,722	(14.76%)
4	United Services Automobile Assoc. Group	5.55%	\$74,763,333	(38.65%)	\$372,263,195	(26.26%)
5	Berkshire-Hathaway (GEICO)	5.08%	\$85,819,509	13.38%	\$340,937,757	5.51%
6	Southern Farm Bureau Casualty	4.12%	\$73,624,419	19.75%	\$276,723,334	20.70%
7	Nationwide Corporation	3.26%	\$51,908,161	(16.37%)	\$218,743,466	(10.41%)
8	Travelers Property Casualty Corp Group	2.45%	\$38,412,742	1.18%	\$164,619,289	6.71%
9	Safeco Insurance Group	2.42%	\$49,643,802	76.66%	\$162,257,706	46.17%
10	Liberty Mutual Group	1.37%	\$21,752,794	18.65%	\$91,969,974	14.56%
11	Hartford Fire & Casualty Group	1.22%	\$18,947,189	(12.90%)	\$81,979,759	(9.69%)
12	Germania Insurance Group	0.84%	\$11,961,383	5.47%	\$56,037,420	26.11%
13	UNITRIN Group	0.82%	\$5,091,429	(68.73%)	\$55,356,872	(27.67%)
14	Metropolitan Group	0.80%	\$12,935,327	1.99%	\$53,582,392	6.01%
15	CNA Insurance Group	0.73%	\$11,897,400	(3.65%)	\$49,250,257	(10.95%)
16	Prudential of America	0.73%	\$11,302,527	(11.62%)	\$49,083,308	(5.52%)
17	Amica Mutual Group	0.69%	\$10,888,161	30.16%	\$46,000,661	30.60%
18	Interins Exchange of the Automobile Club	0.55%	\$9,362,534	40.22%	\$36,793,024	78.58%
19	Chubb & Son Inc.	0.51%	\$8,767,955	26.18%	\$34,202,837	19.53%
20	Agricultural Workers Insurance Group	0.47%	\$7,395,675	12.03%	\$31,498,010	13.48%
21	American National Financial Group	0.35%	\$1,396,888	(84.74%)	\$23,547,976	(40.87%)
22	Beacon Insurance Group	0.34%	\$3,013,362	(59.28%)	\$23,062,381	(26.70%)
23	Hochheim Prairie Group	0.34%	\$4,939,130	(11.50%)	\$23,056,106	4.33%
24	Lumbermens Mutual Casualty Group	0.30%	\$5,354,579	81.25%	\$20,382,299	14.48%
25	Allmerica Financial Corporation	0.28%	\$3,639,792	(15.27%)	\$19,007,542	(1.73%)

Top 25 Groups Total	97.34%	\$1,521,259,419	(3.79%)	\$6,531,594,567	0.10%
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Total Market	100.00%	\$1,482,342,764	(9.40%)	\$6,709,971,599	(0.51%)
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QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 1997	\$1,512,331,077	\$1,415,163,554	\$901,766,944
1st qtr 1998	\$1,634,669,231	\$1,557,486,104	\$920,931,252
2nd qtr 1998	\$1,505,509,505	\$1,438,660,117	\$923,619,770
3rd qtr 1998	\$1,622,657,907	\$1,537,472,267	\$924,818,298
4th qtr 1998	\$1,535,905,483	\$1,452,500,112	\$1,021,333,168
1st qtr 1999	\$1,611,517,598	\$1,531,201,343	\$986,662,418
2nd qtr 1999	\$1,549,030,969	\$1,465,668,093	\$1,058,267,920
3rd qtr 1999	\$1,654,500,947	\$1,566,084,096	\$1,028,004,498
4th qtr 1999	\$1,582,229,889	\$1,479,746,240	\$1,067,991,532
1st qtr 2000	\$1,647,551,794	\$1,573,620,775	\$1,145,517,607
2nd qtr 2000	\$1,593,613,164	\$1,524,585,720	\$1,298,712,750
3rd qtr 2000	\$1,724,969,778	\$1,654,841,965	\$1,058,585,157
4th qtr 2000	\$1,556,526,868	\$1,442,640,173	\$1,260,189,254
1st qtr 2001	\$1,805,529,259	\$1,741,071,546	\$1,258,573,228
2nd qtr 2001	\$1,691,937,548	\$1,613,010,293	\$1,357,454,971
3rd qtr 2001	\$1,820,036,784	\$1,753,988,077	\$1,531,197,749
4th qtr 2001	\$1,668,668,495	\$1,636,210,953	\$1,141,954,488
1st qtr 2002	\$1,736,769,104	\$1,779,217,672	\$1,240,702,443
2nd qtr 2002	\$1,672,411,050	\$1,699,616,391	\$1,406,069,637
3rd qtr 2002	\$1,759,192,706	\$1,748,794,772	\$1,162,255,945
4th qtr 2002	\$1,578,375,146	\$1,482,342,764	\$1,138,619,756

Private Passenger Auto (All Non-Rate-Regulated Companies)

There were 22 groups, 23 non-rate-regulated (County Mutual) companies, that had direct written premium for Private Passenger Auto in the fourth quarter of 2002, as compared to 22 groups, 23 companies, in the fourth quarter of 2001.

The table below represents the top groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the fourth quarter of 2002 to direct written premium in the fourth quarter of 2001 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRIVATE PASSENGER AUTO

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 4th Quarter 2002	% Change 4th Quarter 2001 to 2002	4 Quarters Ending 4th Qtr 2002	% Change 4 Qtrs Ending 2001 to 2002
1	Progressive Group	20.01%	\$206,375,311	65.01%	\$752,553,618	54.25%
2	Allstate Insurance Group	15.36%	\$149,586,648	25.47%	\$577,521,777	47.85%
3	Zurich Insurance Group	13.56%	\$131,637,557	61.84%	\$509,759,107	97.09%
4	Old American Co. Mutual Fire Ins. Co.	8.12%	\$85,049,994	94.14%	\$305,516,673	65.99%
5	United Services Automobile Assoc. Group	7.99%	\$90,062,308	331.24%	\$300,319,325	282.21%
6	Home State Insurance Group	6.66%	\$60,326,235	25.23%	\$250,362,047	14.52%
7	Texas State National Group	5.51%	\$40,079,192	(50.98%)	\$207,177,466	(37.81%)
8	Nationwide Corporation	5.08%	\$36,337,239	13.99%	\$191,002,157	145.07%
9	State Farm IL	3.04%	\$32,465,729	100.30%	\$114,468,844	91.16%
10	UNITRIN Group	2.56%	\$23,025,203	(9.21%)	\$96,262,879	(0.86%)
11	Credit Suisse Group	2.56%	\$24,092,656	6.95%	\$96,090,150	18.67%
12	Sentry Insurance Group	1.70%	\$14,478,388	1.92%	\$64,091,488	2.47%
13	Titus Group	1.69%	\$18,984,461	53.29%	\$63,395,492	6.63%
14	Mercury General Group	1.47%	\$16,520,498	60.16%	\$55,462,127	52.65%
15	Safeway Insurance Group	1.21%	\$7,838,719	5.60%	\$45,631,040	(5.22%)
16	Southern Farm Bureau Casualty	1.02%	\$15,017,169	504.45%	\$38,309,336	361.34%
17	American National Financial Group	0.97%	\$9,637,509	83.35%	\$36,572,379	106.27%
18	Great American E&S Insurance Co	0.65%	\$3,910,484	(52.67%)	\$24,525,517	(30.67%)
19	Liberty Mutual Group	0.27%	\$2,322,215	(19.08%)	\$10,231,719	(24.36%)
20	Allianz Insurance Group	0.25%	\$2,133,351	(26.52%)	\$9,342,694	(8.66%)
21	Royal & Sun Alliance USA	0.22%	\$1,507,613	(40.78%)	\$8,363,125	(19.70%)
22	Interins Exchange of the Automobile Club	0.09%	\$3,439,286	663.74%	\$3,272,748	(64.05%)
Top Groups Total		100.00%	\$974,827,765	42.46%	\$3,760,231,708	45.83%
Total Market		100.00%	\$974,827,765	42.46%	\$3,760,231,708	45.83%

Note: A list of groups and corresponding County Mutual Companies can be found on page 61 of this report.

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 1997	\$704,455,224	\$553,024,422	\$332,291,567
1st qtr 1998	\$732,620,284	\$656,020,414	\$357,590,720
2nd qtr 1998	\$675,130,538	\$580,786,688	\$351,948,242
3rd qtr 1998	\$695,362,013	\$586,756,070	\$349,123,851
4th qtr 1998	\$615,252,014	\$530,838,624	\$368,632,723
1st qtr 1999	\$709,000,877	\$605,223,010	\$340,878,931
2nd qtr 1999	\$639,927,395	\$563,119,850	\$377,802,502
3rd qtr 1999	\$656,277,367	\$542,174,320	\$378,013,090
4th qtr 1999	\$600,078,974	\$504,578,054	\$372,884,602
1st qtr 2000	\$639,562,791	\$587,401,754	\$371,048,202
2nd qtr 2000	\$620,427,412	\$543,214,845	\$428,720,295
3rd qtr 2000	\$621,382,231	\$562,251,077	\$388,106,979
4th qtr 2000	\$576,949,601	\$483,939,811	\$389,088,422
1st qtr 2001	\$674,247,016	\$623,907,107	\$350,291,204
2nd qtr 2001	\$689,947,251	\$605,588,849	\$407,016,120
3rd qtr 2001	\$781,298,443	\$664,802,256	\$373,491,126
4th qtr 2001	\$780,259,848	\$684,272,202	\$545,713,193
1st qtr 2002	\$1,132,064,746	\$893,596,388	\$439,131,580
2nd qtr 2002	\$1,153,094,446	\$891,507,296	\$490,224,435
3rd qtr 2002	\$1,241,853,172	\$1,000,300,259	\$516,914,110
4th qtr 2002	\$1,195,041,221	\$974,827,765	\$549,543,935

Private Passenger Auto (All Voluntary Liability)

There were 67 groups, 207 companies, that had voluntary liability (no assigned risk nor physical damage) direct written premium for Private Passenger Auto in the fourth quarter of 2002, as compared to 67 groups, 213 companies, in the fourth quarter of 2001.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the fourth quarter of 2002 to direct written premium in the fourth quarter of 2001 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRIVATE PASSENGER AUTO

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 4th Quarter 2002	% Change 4th Quarter 2001 to 2002	4 Quarters Ending 4th Qtr 2002	% Change 4 Qtrs Ending 2001 to 2002
1	State Farm IL	23.46%	\$337,918,491	11.85%	\$1,383,930,153	12.49%
2	Allstate Insurance Group	15.99%	\$223,768,615	0.81%	\$943,005,677	7.36%
3	Zurich Insurance Group	12.54%	\$168,358,511	(0.24%)	\$739,723,725	6.23%
4	Progressive Group	6.78%	\$109,589,055	64.34%	\$399,845,799	53.00%
5	United Services Automobile Assoc. Group	6.39%	\$94,002,798	19.75%	\$376,924,597	16.94%
6	Nationwide Corporation	4.36%	\$63,810,005	2.26%	\$257,024,414	28.21%
7	Berkshire-Hathaway (GEICO)	3.31%	\$48,969,901	11.98%	\$195,234,802	3.79%
8	Old American Co. Mutual Fire Ins. Co.	3.12%	\$50,635,442	95.06%	\$184,185,384	74.13%
9	Southern Farm Bureau Casualty	2.84%	\$47,122,877	37.61%	\$167,798,154	30.36%
10	Home State Insurance Group	2.63%	\$37,407,701	22.09%	\$155,109,782	12.93%
11	Texas State National Group	2.42%	\$29,240,127	(42.72%)	\$142,724,347	(31.34%)
12	Travelers Property Casualty Corp Group	1.59%	\$21,670,778	0.15%	\$93,491,408	5.17%
13	Safeco Insurance Group	1.54%	\$27,752,900	76.67%	\$90,785,930	45.82%
14	UNITRIN Group	1.37%	\$15,166,858	(32.85%)	\$81,074,374	(15.69%)
15	Liberty Mutual Group	0.93%	\$12,793,776	10.04%	\$54,574,883	4.77%
16	Credit Suisse Group	0.92%	\$14,111,960	33.71%	\$54,371,177	31.41%
17	Hartford Fire & Casualty Group	0.83%	\$11,264,971	(12.89%)	\$48,711,204	(10.46%)
18	Sentry Insurance Group	0.73%	\$9,840,254	3.29%	\$42,769,898	5.53%
19	Mercury General Group	0.60%	\$9,598,067	53.67%	\$35,611,844	37.85%
20	American National Financial Group	0.60%	\$6,587,729	(20.69%)	\$35,290,047	5.89%
21	Germania Insurance Group	0.53%	\$6,641,898	4.72%	\$31,272,327	23.89%
22	Safeway Insurance Group	0.51%	\$5,378,074	3.24%	\$29,940,114	(4.19%)
23	Metropolitan Group	0.50%	\$7,078,961	(0.98%)	\$29,696,550	3.24%
24	Prudential of America	0.49%	\$6,543,685	(14.67%)	\$28,807,802	(8.29%)
25	CNA Insurance Group	0.47%	\$7,224,264	4.82%	\$27,872,255	(11.09%)

Top 25 Groups Total	95.44%	\$1,372,477,698	10.82%	\$5,629,776,647	12.60%
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Total Market	100.00%	\$1,364,681,127	4.55%	\$5,898,504,170	11.71%
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QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 1997	\$1,476,266,002	\$1,305,940,027	\$776,051,574
1st qtr 1998	\$1,555,172,996	\$1,447,564,923	\$772,358,975
2nd qtr 1998	\$1,382,075,917	\$1,270,949,424	\$764,262,073
3rd qtr 1998	\$1,447,147,521	\$1,318,618,910	\$764,520,919
4th qtr 1998	\$1,330,046,794	\$1,221,483,877	\$812,576,838
1st qtr 1999	\$1,441,718,954	\$1,318,619,390	\$785,832,104
2nd qtr 1999	\$1,305,348,332	\$1,200,611,616	\$810,887,691
3rd qtr 1999	\$1,338,375,394	\$1,215,078,834	\$831,240,896
4th qtr 1999	\$1,272,444,029	\$1,150,496,913	\$863,590,455
1st qtr 2000	\$1,326,706,485	\$1,252,524,313	\$873,001,219
2nd qtr 2000	\$1,269,992,298	\$1,185,965,899	\$844,730,507
3rd qtr 2000	\$1,342,229,296	\$1,272,459,508	\$836,868,067
4th qtr 2000	\$1,211,356,514	\$1,093,856,843	\$958,476,760
1st qtr 2001	\$1,422,421,450	\$1,354,714,123	\$914,127,105
2nd qtr 2001	\$1,352,189,807	\$1,258,371,277	\$906,258,206
3rd qtr 2001	\$1,459,719,337	\$1,361,690,166	\$840,171,110
4th qtr 2001	\$1,379,295,208	\$1,305,335,597	\$970,029,517
1st qtr 2002	\$1,606,318,038	\$1,513,140,256	\$981,906,602
2nd qtr 2002	\$1,590,558,659	\$1,474,062,620	\$1,070,390,058
3rd qtr 2002	\$1,680,894,368	\$1,546,620,167	\$962,685,922
4th qtr 2002	\$1,554,205,465	\$1,364,681,127	\$949,408,579

Private Passenger Auto (Voluntary Liability Rate-Regulated Companies)

There were 61 groups, 185 rate-regulated companies, that had voluntary liability (no assigned risk nor physical damage) direct written premium for Private Passenger Auto in the fourth quarter of 2002, as compared to 61 groups, 190 companies, in the fourth quarter of 2001.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the fourth quarter of 2002 to direct written premium in the fourth quarter of 2001 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRIVATE PASSENGER AUTO

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 4th Quarter 2002	% Change 4th Quarter 2001 to 2002	4 Quarters Ending 4th Qtr 2002	% Change 4 Qtrs Ending 2001 to 2002
1	State Farm IL	35.10%	\$319,203,285	9.06%	\$1,317,145,231	10.22%
2	Allstate Insurance Group	16.76%	\$143,709,279	(8.55%)	\$629,062,264	(5.17%)
3	Zurich Insurance Group	12.12%	\$94,485,533	(24.40%)	\$454,816,566	(17.73%)
4	United Services Automobile Assoc. Group	5.46%	\$41,765,587	(36.79%)	\$205,002,937	(25.56%)
5	Berkshire-Hathaway (GEICO)	5.20%	\$48,969,901	11.98%	\$195,234,802	3.79%
6	Southern Farm Bureau Casualty	3.93%	\$39,228,074	19.41%	\$147,368,996	18.71%
7	Nationwide Corporation	3.42%	\$29,729,967	(19.22%)	\$128,280,620	(12.34%)
8	Travelers Property Casualty Corp Group	2.49%	\$21,670,778	0.15%	\$93,491,408	5.17%
9	Safeco Insurance Group	2.42%	\$27,752,900	76.67%	\$90,785,930	45.82%
10	Liberty Mutual Group	1.31%	\$11,522,464	14.69%	\$49,025,818	10.26%
11	Hartford Fire & Casualty Group	1.30%	\$11,264,971	(12.89%)	\$48,711,204	(10.46%)
12	Germania Insurance Group	0.83%	\$6,641,898	4.72%	\$31,272,327	23.89%
13	UNITRIN Group	0.81%	\$2,846,454	(68.83%)	\$30,298,577	(29.81%)
14	Metropolitan Group	0.79%	\$7,078,961	(0.98%)	\$29,696,550	3.24%
15	Prudential of America	0.77%	\$6,543,685	(14.67%)	\$28,807,802	(8.29%)
16	CNA Insurance Group	0.74%	\$7,224,264	4.82%	\$27,872,255	(11.09%)
17	Amica Mutual Group	0.74%	\$6,530,058	29.39%	\$27,777,683	29.33%
18	Interins Exchange of the Automobile Club	0.55%	\$4,886,016	25.88%	\$20,499,571	68.67%
19	Chubb & Son Inc.	0.53%	\$5,106,693	35.00%	\$19,996,369	20.05%
20	Agricultural Workers Insurance Group	0.44%	\$3,843,569	11.24%	\$16,583,205	11.49%
21	American National Financial Group	0.37%	\$790,830	(85.07%)	\$13,751,819	(40.74%)
22	Hochheim Prairie Group	0.33%	\$2,666,323	(13.46%)	\$12,506,750	1.83%
23	Beacon Insurance Group	0.33%	\$1,811,119	(53.87%)	\$12,278,101	(28.00%)
24	Lumbermens Mutual Casualty Group	0.32%	\$3,245,683	95.34%	\$11,905,666	14.95%
25	Allmerica Financial Corporation	0.28%	\$2,044,995	(15.35%)	\$10,675,532	(2.96%)

Top 25 Groups Total	97.34%	\$850,563,287	(3.82%)	\$3,652,847,983	(1.12%)
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Total Market	100.00%	\$801,019,094	(12.48%)	\$3,752,512,798	(1.65%)
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QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 1997	\$1,018,492,824	\$948,239,907	\$563,109,351
1st qtr 1998	\$1,086,069,966	\$1,030,078,349	\$554,722,335
2nd qtr 1998	\$957,481,520	\$909,828,715	\$548,632,317
3rd qtr 1998	\$1,014,297,312	\$957,618,127	\$547,404,680
4th qtr 1998	\$953,460,466	\$897,995,503	\$596,370,189
1st qtr 1999	\$998,173,986	\$945,299,913	\$575,806,421
2nd qtr 1999	\$920,566,067	\$865,996,287	\$584,648,447
3rd qtr 1999	\$962,402,171	\$906,013,012	\$600,847,201
4th qtr 1999	\$915,065,420	\$850,700,349	\$630,063,457
1st qtr 2000	\$947,873,011	\$903,829,265	\$650,981,096
2nd qtr 2000	\$911,719,387	\$869,434,038	\$612,643,847
3rd qtr 2000	\$983,300,253	\$939,424,175	\$603,620,069
4th qtr 2000	\$876,288,874	\$821,037,512	\$729,822,469
1st qtr 2001	\$1,031,833,276	\$993,605,295	\$723,376,670
2nd qtr 2001	\$960,927,886	\$915,522,168	\$686,459,498
3rd qtr 2001	\$1,028,165,690	\$991,220,645	\$704,801,926
4th qtr 2001	\$936,644,923	\$915,192,460	\$609,687,658
1st qtr 2002	\$962,721,320	\$1,004,128,970	\$731,791,951
2nd qtr 2002	\$933,756,261	\$968,489,605	\$807,186,698
3rd qtr 2002	\$977,634,358	\$978,875,129	\$673,499,993
4th qtr 2002	\$879,326,359	\$801,019,094	\$645,421,128

Private Passenger Auto (Voluntary Liability Non-Rate-Regulated Companies)

There were 22 groups, 23 non-rate-regulated (County Mutual) companies, that had voluntary liability (no assigned risk nor physical damage) direct written premium for Private Passenger Auto in the fourth quarter of 2002, as compared to 22 groups, 23 companies, in the fourth quarter of 2001.

The table below represents the top groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the fourth quarter of 2002 to direct written premium in the fourth quarter of 2001 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRIVATE PASSENGER AUTO

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 4th Quarter 2002	% Change 4th Quarter 2001 to 2002	4 Quarters Ending 4th Qtr 2002	% Change 4 Qtrs Ending 2001 to 2002
1	Progressive Group	18.63%	\$109,589,055	64.34%	\$399,845,799	53.00%
2	Allstate Insurance Group	14.63%	\$80,059,336	23.52%	\$313,943,413	46.07%
3	Zurich Insurance Group	13.28%	\$73,872,978	68.74%	\$284,907,159	98.55%
4	Old American Co. Mutual Fire Ins. Co.	8.58%	\$50,635,442	95.06%	\$184,185,384	74.13%
5	United Services Automobile Assoc. Group	8.01%	\$52,237,211	320.39%	\$171,921,660	266.35%
6	Home State Insurance Group	7.23%	\$37,407,701	22.09%	\$155,109,782	12.93%
7	Texas State National Group	6.65%	\$29,240,127	(42.72%)	\$142,724,347	(31.34%)
8	Nationwide Corporation	6.00%	\$34,080,038	33.16%	\$128,743,794	137.83%
9	State Farm IL	3.11%	\$18,715,206	98.40%	\$66,784,922	89.44%
10	Credit Suisse Group	2.53%	\$14,110,349	33.71%	\$54,369,065	31.37%
11	UNITRIN Group	2.37%	\$12,320,404	(8.43%)	\$50,775,797	(4.18%)
12	Sentry Insurance Group	1.94%	\$9,655,685	5.02%	\$41,590,697	6.54%
13	Mercury General Group	1.43%	\$9,098,703	53.33%	\$30,729,517	40.57%
14	Safeway Insurance Group	1.40%	\$5,378,074	3.24%	\$29,940,114	(4.19%)
15	American National Financial Group	1.00%	\$5,796,899	92.66%	\$21,538,228	112.78%
16	Southern Farm Bureau Casualty	0.95%	\$7,894,803	467.49%	\$20,429,158	346.34%
17	Titus Group	0.69%	\$5,678,687	279.12%	\$14,858,829	71.69%
18	Great American E&S Insurance Co	0.62%	\$2,083,282	(51.40%)	\$13,364,073	(31.74%)
19	Royal & Sun Alliance USA	0.35%	\$1,382,680	(31.83%)	\$7,409,430	(9.85%)
20	Liberty Mutual Group	0.26%	\$1,271,312	(19.57%)	\$5,549,065	(27.22%)
21	Allianz Insurance Group	0.25%	\$1,225,815	(28.17%)	\$5,406,152	(9.45%)
22	Interins Exchange of the Automobile Club	0.09%	\$1,928,246	*	\$1,864,987	(70.12%)
Top Groups Total		100.00%	\$563,662,033	44.48%	\$2,145,991,372	46.53%
Total Market		100.00%	\$563,662,033	44.48%	\$2,145,991,372	46.53%

* Premiums from prior reporting period were \$0, less than \$0, or negligible.

Note: A list of groups and corresponding County Mutual Companies can be found on page 61 of this report.

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 1997	\$457,773,178	\$357,700,120	\$212,942,223
1st qtr 1998	\$469,103,030	\$417,486,574	\$217,636,640
2nd qtr 1998	\$424,594,397	\$361,120,709	\$215,629,756
3rd qtr 1998	\$432,850,209	\$361,000,783	\$217,116,239
4th qtr 1998	\$376,586,328	\$323,488,374	\$216,206,649
1st qtr 1999	\$443,544,968	\$373,319,477	\$210,025,683
2nd qtr 1999	\$384,782,265	\$334,615,329	\$226,239,244
3rd qtr 1999	\$375,973,223	\$309,065,822	\$230,393,695
4th qtr 1999	\$357,378,609	\$299,796,564	\$233,526,998
1st qtr 2000	\$378,833,474	\$348,695,048	\$222,020,123
2nd qtr 2000	\$358,272,911	\$316,531,861	\$232,086,660
3rd qtr 2000	\$358,929,043	\$333,035,333	\$233,247,998
4th qtr 2000	\$335,067,640	\$272,819,331	\$228,654,291
1st qtr 2001	\$390,588,174	\$361,108,828	\$190,750,435
2nd qtr 2001	\$391,261,921	\$342,849,109	\$219,798,708
3rd qtr 2001	\$431,553,647	\$370,469,521	\$135,369,184
4th qtr 2001	\$442,650,285	\$390,143,137	\$360,341,859
1st qtr 2002	\$643,596,718	\$509,011,286	\$250,114,651
2nd qtr 2002	\$656,802,398	\$505,573,015	\$263,203,360
3rd qtr 2002	\$703,260,010	\$567,745,038	\$289,185,929
4th qtr 2002	\$674,879,106	\$563,662,033	\$303,987,451

Private Passenger Auto (All Assigned Risk)

There were 19 groups, 21 companies, that had assigned risk (no voluntary liability nor physical damage) direct written premium for Private Passenger Auto in the fourth quarter of 2002, as compared to 20 groups, 21 companies, in the fourth quarter of 2001.

The table below represents the top groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the fourth quarter of 2002 to direct written premium in the fourth quarter of 2001 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRIVATE PASSENGER AUTO

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 4th Quarter 2002	% Change 4th Quarter 2001 to 2002	4 Quarters Ending 4th Qtr 2002	% Change 4 Qtrs Ending 2001 to 2002
1	State Farm IL	33.93%	\$2,966,587	58.20%	\$10,945,955	53.51%
2	GE Global Group	14.31%	\$1,593,453	137.82%	\$4,616,682	92.45%
3	Allstate Insurance Group	13.98%	\$508,756	(22.72%)	\$4,510,854	44.29%
4	Zurich Insurance Group	12.86%	\$1,243,615	118.86%	\$4,149,623	53.52%
5	Southern Farm Bureau Casualty	5.70%	\$493,110	41.16%	\$1,839,623	25.46%
6	American International Group	5.53%	\$448,992	75.18%	\$1,782,879	132.73%
7	Berkshire-Hathaway (GEICO)	3.58%	\$249,432	48.90%	\$1,155,316	36.33%
8	Nationwide Corporation	3.05%	\$304,632	37.42%	\$983,337	22.73%
9	Travelers Property Casualty Corp Group	2.37%	\$219,003	158.10%	\$764,682	104.52%
10	UNITRIN Group	1.97%	\$26,989	(83.61%)	\$634,092	12.30%
11	Safeco Insurance Group	1.66%	\$148,191	35.92%	\$534,109	34.57%
12	Liberty Mutual Group	0.80%	\$65,397	89.53%	\$256,659	55.50%
13	Mercury General Group	0.14%	\$14,697	140.26%	\$43,763	24.45%
14	Service Life Group	0.05%	\$4,852	85.62%	\$15,311	(60.29%)
15	Great American E&S Insurance Co	0.04%	(\$186)	(104.20%)	\$14,047	(96.53%)
16	Eagle Insurance Group	0.02%	\$23	(99.99%)	\$7,563	(99.42%)
17	American Express Group	0.02%	\$1,229	(55.20%)	\$7,198	162.41%
18	Lumbermens Mutual Casualty Group	0.01%	\$0	(100.00%)	\$1,883	(98.07%)
19	Southland Lloyds Insurance Company	0.00%	\$1,022	*	\$1,588	*
20	Hartford Fire & Casualty Group	0.00%	\$84	101.56%	\$53	(98.82%)
21	WR Berkley Corporation	0.00%	\$0	*	(\$141)	(127.87%)

Top Groups Total	100.00%	\$8,289,878	48.45%	\$32,265,076	39.89%
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Total Market	100.00%	\$8,289,878	48.45%	\$32,265,076	39.89%
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* Premiums from prior reporting period were \$0, less than \$0, or negligible.

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 1997	\$15,600,099	\$8,667,694	\$22,468,763
1st qtr 1998	\$14,921,030	\$11,487,913	\$15,833,804
2nd qtr 1998	\$12,491,004	\$9,174,025	\$14,609,996
3rd qtr 1998	\$10,015,632	\$5,511,144	\$11,385,129
4th qtr 1998	\$7,111,160	\$4,372,103	\$9,925,712
1st qtr 1999	\$6,709,493	\$5,404,154	\$8,247,472
2nd qtr 1999	\$8,384,997	\$6,041,007	\$6,569,934
3rd qtr 1999	\$7,007,292	\$4,650,001	\$6,895,534
4th qtr 1999	\$5,842,435	\$3,738,536	\$5,706,459
1st qtr 2000	\$6,643,310	\$4,965,888	\$5,598,735
2nd qtr 2000	\$6,875,267	\$5,010,033	\$5,602,266
3rd qtr 2000	\$6,680,445	\$4,602,957	\$4,833,817
4th qtr 2000	\$6,304,544	\$4,120,840	\$4,171,526
1st qtr 2001	\$7,500,341	\$5,449,953	\$5,114,494
2nd qtr 2001	\$7,707,585	\$6,720,769	\$5,138,512
3rd qtr 2001	\$7,973,791	\$5,309,138	\$4,480,938
4th qtr 2001	\$8,829,104	\$5,584,345	\$4,363,346
1st qtr 2002	\$9,794,574	\$7,502,321	\$4,586,255
2nd qtr 2002	\$10,741,534	\$8,026,375	\$4,805,222
3rd qtr 2002	\$11,502,967	\$8,446,502	\$4,706,617
4th qtr 2002	\$11,768,796	\$8,289,878	\$5,585,323

Private Passenger Auto (All Physical Damage)

There were 83 groups, 198 companies, that had physical damage (no voluntary liability nor assigned risk) direct written premium for Private Passenger Auto in the fourth quarter of 2002, as compared to 82 groups, 203 companies, in the fourth quarter of 2001.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the fourth quarter of 2002 to direct written premium in the fourth quarter of 2001 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRIVATE PASSENGER AUTO

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 4th Quarter 2002	% Change 4th Quarter 2001 to 2002	4 Quarters Ending 4th Qtr 2002	% Change 4 Qtrs Ending 2001 to 2002
1	State Farm IL	23.64%	\$262,376,221	8.11%	\$1,073,043,430	10.83%
2	Allstate Insurance Group	16.96%	\$176,788,108	(1.57%)	\$769,755,832	13.00%
3	Zurich Insurance Group	12.64%	\$138,202,358	7.16%	\$573,923,481	13.07%
4	Progressive Group	7.77%	\$96,786,256	65.78%	\$352,707,819	55.69%
5	United Services Automobile Assoc. Group	6.51%	\$70,822,843	10.23%	\$295,657,923	13.23%
6	Nationwide Corporation	3.34%	\$24,130,763	(22.96%)	\$151,737,872	25.59%
7	Southern Farm Bureau Casualty	3.20%	\$41,025,601	39.68%	\$145,394,893	35.39%
8	Berkshire-Hathaway (GEICO)	3.18%	\$36,600,176	15.11%	\$144,547,639	7.72%
9	Old American Co. Mutual Fire Ins. Co.	2.67%	\$34,414,552	92.80%	\$121,331,289	54.98%
10	Home State Insurance Group	2.10%	\$22,918,534	30.70%	\$95,252,265	17.22%
11	Safeco Insurance Group	1.56%	\$21,742,711	77.00%	\$70,937,667	46.71%
12	Travelers Property Casualty Corp Group	1.55%	\$16,522,961	1.72%	\$70,363,199	8.26%
13	UNITRIN Group	1.54%	\$12,922,785	(31.61%)	\$69,911,285	(9.10%)
14	Texas State National Group	1.42%	\$10,839,065	(64.71%)	\$64,453,119	(48.54%)
15	Titus Group	1.07%	\$13,305,774	22.22%	\$48,536,663	(4.46%)
16	Liberty Mutual Group	1.04%	\$11,215,836	17.55%	\$47,370,151	14.00%
17	Credit Suisse Group	0.92%	\$9,982,307	(16.73%)	\$41,724,208	5.37%
18	Hartford Fire & Casualty Group	0.73%	\$7,682,134	(12.96%)	\$33,268,502	(8.52%)
19	Mercury General Group	0.63%	\$7,801,644	68.10%	\$28,748,555	62.90%
20	American National Financial Group	0.55%	\$4,446,668	(27.16%)	\$24,830,308	2.50%
21	Germania Insurance Group	0.55%	\$5,319,485	6.43%	\$24,765,093	29.02%
22	Metropolitan Group	0.53%	\$5,856,366	5.83%	\$23,885,842	9.67%
23	Sentry Insurance Group	0.51%	\$4,945,351	(5.26%)	\$23,266,871	(4.78%)
24	CNA Insurance Group	0.47%	\$4,673,136	(14.34%)	\$21,378,002	(10.76%)
25	Prudential of America	0.45%	\$4,758,842	(7.07%)	\$20,275,506	(1.27%)

Top 25 Groups Total	95.54%	\$1,046,080,477	9.17%	\$4,337,067,414	14.07%
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Total Market	100.00%	\$1,084,199,524	7.39%	\$4,539,434,061	12.93%
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QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 1997	\$724,920,200	\$653,580,255	\$435,538,174
1st qtr 1998	\$797,195,489	\$754,453,682	\$490,329,193
2nd qtr 1998	\$786,073,122	\$739,323,356	\$496,695,943
3rd qtr 1998	\$860,856,767	\$800,098,283	\$498,036,101
4th qtr 1998	\$813,999,543	\$757,482,756	\$567,463,341
1st qtr 1999	\$872,090,028	\$812,400,809	\$533,461,773
2nd qtr 1999	\$875,225,035	\$822,135,320	\$618,612,797
3rd qtr 1999	\$965,395,628	\$888,529,581	\$567,881,158
4th qtr 1999	\$904,022,399	\$830,088,845	\$571,579,220
1st qtr 2000	\$953,764,790	\$903,532,328	\$637,965,855
2nd qtr 2000	\$937,173,011	\$876,824,633	\$877,100,272
3rd qtr 2000	\$997,442,268	\$940,030,577	\$604,990,252
4th qtr 2000	\$915,815,411	\$828,602,301	\$686,629,390
1st qtr 2001	\$1,049,854,484	\$1,004,814,577	\$689,622,833
2nd qtr 2001	\$1,021,987,407	\$953,507,096	\$853,074,373
3rd qtr 2001	\$1,133,642,099	\$1,051,791,029	\$1,060,036,827
4th qtr 2001	\$1,060,804,031	\$1,009,563,213	\$713,274,818
1st qtr 2002	\$1,252,721,238	\$1,152,171,483	\$693,341,166
2nd qtr 2002	\$1,224,205,303	\$1,109,034,692	\$821,098,792
3rd qtr 2002	\$1,308,648,543	\$1,194,028,362	\$711,777,516
4th qtr 2002	\$1,207,442,106	\$1,084,199,524	\$733,169,789

Private Passenger Auto (Physical Damage Rate-Regulated Companies)

There were 61 groups, 175 rate-regulated companies, that had physical damage (no voluntary liability nor assigned risk) direct written premium for Private Passenger Auto in the fourth quarter of 2002, as compared to 63 groups, 194 companies, in the fourth quarter of 2001.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the fourth quarter of 2002 to direct written premium in the fourth quarter of 2001 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRIVATE PASSENGER AUTO

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 4th Quarter 2002	% Change 4th Quarter 2001 to 2002	4 Quarters Ending 4th Qtr 2002	% Change 4 Qtrs Ending 2001 to 2002
1	State Farm IL	35.05%	\$248,625,698	5.39%	\$1,025,359,508	8.67%
2	Allstate Insurance Group	17.30%	\$107,260,796	(14.33%)	\$506,177,468	0.14%
3	Zurich Insurance Group	11.93%	\$80,437,779	(12.00%)	\$349,071,533	(11.05%)
4	United Services Automobile Assoc. Group	5.72%	\$32,997,746	(40.85%)	\$167,260,258	(27.11%)
5	Berkshire-Hathaway (GEICO)	4.94%	\$36,600,176	15.11%	\$144,547,639	7.72%
6	Southern Farm Bureau Casualty	4.36%	\$33,903,235	19.89%	\$127,514,715	23.00%
7	Nationwide Corporation	3.06%	\$21,873,562	(12.64%)	\$89,479,509	(7.77%)
8	Safeco Insurance Group	2.43%	\$21,742,711	77.00%	\$70,937,667	46.71%
9	Travelers Property Casualty Corp Group	2.41%	\$16,522,961	1.72%	\$70,363,199	8.26%
10	Liberty Mutual Group	1.46%	\$10,164,933	23.17%	\$42,687,497	19.74%
11	Hartford Fire & Casualty Group	1.14%	\$7,682,134	(12.96%)	\$33,268,502	(8.52%)
12	Germania Insurance Group	0.85%	\$5,319,485	6.43%	\$24,765,093	29.02%
13	UNITRIN Group	0.83%	\$2,217,986	(68.26%)	\$24,424,203	(25.53%)
14	Metropolitan Group	0.82%	\$5,856,366	5.83%	\$23,885,842	9.67%
15	CNA Insurance Group	0.73%	\$4,673,136	(14.34%)	\$21,378,002	(10.76%)
16	Prudential of America	0.69%	\$4,758,842	(7.07%)	\$20,275,506	(1.27%)
17	Amica Mutual Group	0.62%	\$4,358,103	31.33%	\$18,222,978	32.59%
18	Interins Exchange of the Automobile Club	0.56%	\$4,476,518	60.12%	\$16,293,453	92.84%
19	Agricultural Workers Insurance Group	0.51%	\$3,552,106	12.91%	\$14,914,805	15.77%
20	Chubb & Son Inc.	0.49%	\$3,661,262	15.65%	\$14,206,468	23.32%
21	Beacon Insurance Group	0.37%	\$1,202,243	(65.40%)	\$10,784,280	(25.17%)
22	Hochheim Prairie Group	0.36%	\$2,272,807	(9.10%)	\$10,549,356	7.46%
23	American National Financial Group	0.33%	\$606,058	(84.29%)	\$9,796,157	(41.04%)
24	Lumbermens Mutual Casualty Group	0.29%	\$2,108,896	66.52%	\$8,474,750	15.32%
25	Horace Mann Group	0.29%	\$1,572,481	(30.87%)	\$8,468,436	(9.49%)

Top 25 Groups Total	97.54%	\$664,448,020	(4.11%)	\$2,853,106,824	1.41%
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Total Market	100.00%	\$673,033,792	(5.93%)	\$2,925,193,725	0.67%
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QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 1997	\$478,238,154	\$458,255,953	\$316,188,830
1st qtr 1998	\$533,678,235	\$515,919,842	\$350,375,113
2nd qtr 1998	\$535,536,981	\$519,657,377	\$360,377,457
3rd qtr 1998	\$598,344,963	\$574,342,996	\$366,028,489
4th qtr 1998	\$575,333,857	\$550,132,506	\$415,037,267
1st qtr 1999	\$606,634,119	\$580,497,276	\$402,608,525
2nd qtr 1999	\$620,079,905	\$593,630,799	\$467,049,539
3rd qtr 1999	\$685,091,484	\$655,421,083	\$420,261,763
4th qtr 1999	\$661,322,034	\$625,307,355	\$432,221,616
1st qtr 2000	\$693,035,473	\$664,825,622	\$488,937,776
2nd qtr 2000	\$675,018,510	\$650,141,649	\$680,466,637
3rd qtr 2000	\$734,989,080	\$710,814,833	\$450,131,271
4th qtr 2000	\$673,933,450	\$617,481,821	\$526,195,259
1st qtr 2001	\$766,195,642	\$742,016,298	\$530,082,064
2nd qtr 2001	\$723,302,077	\$690,767,356	\$665,856,961
3rd qtr 2001	\$783,897,303	\$757,458,294	\$821,914,885
4th qtr 2001	\$723,194,468	\$715,434,148	\$527,903,484
1st qtr 2002	\$764,253,210	\$767,586,381	\$504,324,237
2nd qtr 2002	\$727,913,255	\$723,100,411	\$594,077,717
3rd qtr 2002	\$770,055,381	\$761,473,141	\$484,049,335
4th qtr 2002	\$687,279,991	\$673,033,792	\$487,613,305

Private Passenger Auto (Physical Damage Non-Rate-Regulated Companies)

There were 22 groups, 23 non-rate-regulated (County Mutual) companies, that had physical damage (no voluntary liability nor assigned risk) direct written premium for Private Passenger Auto in the fourth quarter of 2002, as compared to 22 groups, 23 companies, in the fourth quarter of 2001.

The table below represents the top groups based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the fourth quarter of 2002 to direct written premium in the fourth quarter of 2001 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRIVATE PASSENGER AUTO

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 4th Quarter 2002	% Change 4th Quarter 2001 to 2002	4 Quarters Ending 4th Qtr 2002	% Change 4 Qtrs Ending 2001 to 2002
1	Progressive Group	21.85%	\$96,786,256	65.78%	\$352,707,819	55.69%
2	Allstate Insurance Group	16.33%	\$69,527,312	27.80%	\$263,578,364	50.02%
3	Zurich Insurance Group	13.93%	\$57,764,579	53.79%	\$224,851,948	95.27%
4	United Services Automobile Assoc. Group	7.95%	\$37,825,097	347.17%	\$128,397,665	305.74%
5	Old American Co. Mutual Fire Ins. Co.	7.52%	\$34,414,552	92.80%	\$121,331,289	54.98%
6	Home State Insurance Group	5.90%	\$22,918,534	30.70%	\$95,252,265	17.22%
7	Texas State National Group	3.99%	\$10,839,065	(64.71%)	\$64,453,119	(48.54%)
8	Nationwide Corporation	3.86%	\$2,257,201	(64.08%)	\$62,258,363	161.54%
9	Titus Group	3.01%	\$13,305,774	22.22%	\$48,536,663	(4.46%)
10	State Farm IL	2.95%	\$13,750,523	102.95%	\$47,683,922	93.61%
11	UNITRIN Group	2.82%	\$10,704,799	(10.10%)	\$45,487,082	3.13%
12	Credit Suisse Group	2.58%	\$9,982,307	(16.63%)	\$41,721,085	5.39%
13	Mercury General Group	1.53%	\$7,421,795	69.40%	\$24,732,610	70.88%
14	Sentry Insurance Group	1.39%	\$4,822,703	(3.75%)	\$22,500,791	(4.30%)
15	Southern Farm Bureau Casualty	1.11%	\$7,122,366	551.50%	\$17,880,178	379.76%
16	Safeway Insurance Group	0.97%	\$2,460,645	11.13%	\$15,690,926	(7.14%)
17	American National Financial Group	0.93%	\$3,840,610	70.88%	\$15,034,151	97.61%
18	Great American E&S Insurance Co	0.69%	\$1,827,202	(54.03%)	\$11,161,444	(29.34%)
19	Liberty Mutual Group	0.29%	\$1,050,903	(18.47%)	\$4,682,654	(20.67%)
20	Allianz Insurance Group	0.24%	\$907,536	(24.16%)	\$3,936,542	(7.56%)
21	Interins Exchange of the Automobile Club	0.09%	\$1,511,040	385.94%	\$1,407,761	(50.82%)
22	Royal & Sun Alliance USA	0.06%	\$124,933	(75.84%)	\$953,695	(56.57%)
Top Groups Total		100.00%	\$411,165,732	39.79%	\$1,614,240,336	44.90%
Total Market		100.00%	\$411,165,732	39.79%	\$1,614,240,336	44.90%

Note: A list of groups and corresponding County Mutual Companies can be found on page 61 of this report.

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 1997	\$246,682,046	\$195,324,302	\$119,349,344
1st qtr 1998	\$263,517,254	\$238,533,840	\$139,954,080
2nd qtr 1998	\$250,536,141	\$219,665,979	\$136,318,486
3rd qtr 1998	\$262,511,804	\$225,755,287	\$132,007,612
4th qtr 1998	\$238,665,686	\$207,350,250	\$152,426,074
1st qtr 1999	\$265,455,909	\$231,903,533	\$130,853,248
2nd qtr 1999	\$255,145,130	\$228,504,521	\$151,563,258
3rd qtr 1999	\$280,304,144	\$233,108,498	\$147,619,395
4th qtr 1999	\$242,700,365	\$204,781,490	\$139,357,604
1st qtr 2000	\$260,729,317	\$238,706,706	\$149,028,079
2nd qtr 2000	\$262,154,501	\$226,682,984	\$196,633,635
3rd qtr 2000	\$262,453,188	\$229,215,744	\$154,858,981
4th qtr 2000	\$241,881,961	\$211,120,480	\$160,434,131
1st qtr 2001	\$283,658,842	\$262,798,279	\$159,540,769
2nd qtr 2001	\$298,685,330	\$262,739,740	\$187,217,412
3rd qtr 2001	\$349,744,796	\$294,332,735	\$238,121,942
4th qtr 2001	\$337,609,563	\$294,129,065	\$185,371,334
1st qtr 2002	\$488,468,028	\$384,585,102	\$189,016,929
2nd qtr 2002	\$496,292,048	\$385,934,281	\$227,021,075
3rd qtr 2002	\$538,593,162	\$432,555,221	\$227,728,181
4th qtr 2002	\$520,162,115	\$411,165,732	\$245,556,484

Homeowners Multiple Peril (All Companies)

There were 64 groups, 120 companies, that had premiums on policies written for Homeowners Multiple Peril (includes renters' insurance) in the fourth quarter of 2002, as compared to 62 groups, 129 companies, in the fourth quarter of 2001.

The table below represents the top 25 groups for premiums on policies written based on a sum of the most recent four quarters. Also included is a comparison of premiums on policies written in the fourth quarter of 2002 to premiums on policies written in the fourth quarter of 2001 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR HOMEOWNERS MULTIPLE PERIL

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 4th Quarter 2002	% Change 4th Quarter 2001 to 2002	4 Quarters Ending 4th Qtr 2002	% Change 4 Qtrs Ending 2001 to 2002
1	State Farm IL	29.47%	\$257,093,139	8.15%	\$1,229,920,630	25.34%
2	Allstate Insurance Group	17.84%	\$168,335,836	12.43%	\$744,802,666	30.28%
3	Zurich Insurance Group	12.37%	\$8,041,423	(94.37%)	\$516,506,413	(9.97%)
4	United Services Automobile Assoc. Group	6.43%	\$65,844,256	24.54%	\$268,459,412	19.23%
5	Travelers Property Casualty Corp Group	4.70%	\$48,748,215	35.30%	\$196,129,397	37.10%
6	Vesta Insurance Group	4.51%	\$56,236,470	*	\$188,049,236	*
7	Nationwide Corporation	3.51%	\$39,622,108	42.58%	\$146,637,638	51.86%
8	Chubb & Son Inc.	2.58%	\$28,809,295	61.69%	\$107,738,503	61.03%
9	Texas Farm Bureau Mutual	1.86%	\$15,839,435	9.07%	\$77,637,875	44.86%
10	Safeco Insurance Group	1.53%	\$12,724,133	(8.84%)	\$63,754,187	6.11%
11	Liberty Mutual Group	1.17%	\$11,489,000	35.58%	\$48,783,599	24.53%
12	Hartford Fire & Casualty Group	1.16%	\$12,328,313	40.14%	\$48,263,701	35.66%
13	American National Financial Group	1.11%	\$10,684,739	24.30%	\$46,260,050	46.16%
14	Credit Suisse Group	1.06%	\$11,535,892	52.25%	\$44,412,100	46.41%
15	Service Life Group	1.02%	\$10,730,175	52.38%	\$42,435,842	75.82%
16	Amica Mutual Group	0.91%	\$9,539,765	63.41%	\$38,180,593	63.17%
17	CNA Insurance Group	0.84%	\$7,282,739	0.71%	\$35,256,329	12.11%
18	Allianz Insurance Group	0.84%	\$8,777,508	7.51%	\$35,162,423	17.96%
19	Titus Group	0.75%	\$7,819,074	0.54%	\$31,292,710	3.30%
20	UNITRIN Group	0.70%	\$6,587,761	4.54%	\$29,418,655	13.62%
21	Metropolitan Group	0.59%	\$5,852,632	13.66%	\$24,539,267	24.49%
22	NLASCO	0.49%	\$8,287,434	383.72%	\$20,602,675	207.86%
23	Colonial Savings Group	0.49%	\$6,956,336	157.82%	\$20,473,072	94.79%
24	Lumbermens Mutual Casualty Group	0.43%	\$4,334,385	89.08%	\$18,106,754	36.59%
25	Central Mutual Insurance Company of Ohio	0.38%	\$3,490,065	22.84%	\$15,723,728	40.08%

Top 25 Groups Total	96.75%	\$826,990,128	5.47%	\$4,038,547,455	28.59%
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Total Market	100.00%	\$866,207,429	6.89%	\$4,174,095,550	28.48%
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* Premiums from prior reporting period were \$0, less than \$0, or negligible.

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 1997	\$651,833,039	\$601,867,911	\$233,428,098
1st qtr 1998	\$631,953,651	\$591,847,224	\$298,976,673
2nd qtr 1998	\$789,457,650	\$737,239,749	\$312,874,276
3rd qtr 1998	\$827,111,261	\$765,484,095	\$294,538,628
4th qtr 1998	\$705,868,946	\$643,592,725	\$293,922,541
1st qtr 1999	\$680,553,967	\$625,536,282	\$279,072,534
2nd qtr 1999	\$816,031,690	\$762,669,194	\$392,679,247
3rd qtr 1999	\$831,338,777	\$761,920,774	\$402,191,584
4th qtr 1999	\$704,815,768	\$646,548,027	\$301,052,515
1st qtr 2000	\$684,609,138	\$640,313,516	\$402,393,296
2nd qtr 2000	\$849,579,161	\$799,170,784	\$918,697,064
3rd qtr 2000	\$865,804,664	\$797,928,612	\$505,688,391
4th qtr 2000	\$681,582,526	\$672,546,755	\$438,819,100
1st qtr 2001	\$739,357,732	\$691,787,463	\$503,586,791
2nd qtr 2001	\$929,634,302	\$863,989,491	\$834,551,881
3rd qtr 2001	\$972,458,027	\$882,812,387	\$823,438,558
4th qtr 2001	\$841,023,405	\$810,336,096	\$801,350,605
1st qtr 2002	\$1,014,695,847	\$937,862,631	\$877,653,109
2nd qtr 2002	\$1,332,392,207	\$1,199,465,123	\$1,230,023,431
3rd qtr 2002	\$1,315,122,445	\$1,170,560,367	\$1,032,308,999
4th qtr 2002	\$1,069,629,533	\$866,207,429	\$780,590,201

EARNED TO INCURRED LOSS RATIO BY YEAR

Based on Annual Statement data from NAIC: incurred losses (LAE excluded) / earned premium

<u>Year</u>	<u>Loss Ratio</u>
1991	67.2%
1992	107.6%
1993	66.1%
1994	73.3%
1995	92.6%
1996	59.4%
1997	45.3%
1998	45.4%
1999	50.7%
2000	82.4%
2001	115.4%
2002	108.7%

Homeowners Multiple Peril (Rate-Regulated Companies)

There were 35 groups, 69 rate-regulated (no Lloyds or Reciprocal) companies, that had direct written premium for Homeowners Multiple Peril in the fourth quarter of 2002, as compared to 38 groups, 80 companies, in the fourth quarter of 2001.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the fourth quarter of 2002 to direct written premium in the fourth quarter of 2001 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR HOMEOWNERS MULTIPLE PERIL

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 4th Quarter 2002	% Change 4th Quarter 2001 to 2002	4 Quarters Ending 4th Qtr 2002	% Change 4 Qtrs Ending 2001 to 2002
1	Allstate Insurance Group	32.03%	\$5,590,968	(0.17%)	\$23,348,353	(37.96%)
2	Beacon Insurance Group	14.73%	(\$295,363)	(107.18%)	\$10,735,934	(44.28%)
3	State Farm IL	11.73%	\$2,000,230	5.84%	\$8,549,249	4.25%
4	Zurich Insurance Group	10.43%	\$690,439	(84.22%)	\$7,606,755	(65.78%)
5	Farmers Mutual Protection Assoc. Group	6.02%	\$1,249,030	105.55%	\$4,387,774	111.82%
6	Germania Insurance Group	6.00%	\$1,056,349	8.62%	\$4,373,082	14.92%
7	Travelers Property Casualty Corp Group	4.77%	\$691,382	(36.89%)	\$3,478,244	(33.39%)
8	American International Group	2.87%	\$567,711	*	\$2,091,050	*
9	American National Financial Group	2.07%	\$52,485	(94.12%)	\$1,506,441	(62.01%)
10	Nationwide Corporation	1.81%	\$144,599	(57.99%)	\$1,321,514	(41.50%)
11	Sentry Insurance Group	1.62%	\$253,848	3.95%	\$1,178,816	(0.52%)
12	Prudential of America	1.61%	\$299,523	5.57%	\$1,175,099	(3.95%)
13	Fortis Group	1.45%	\$219,253	(17.05%)	\$1,055,258	55.52%
14	Ohio Casualty Group	0.88%	\$114,099	(20.06%)	\$643,204	(0.99%)
15	GMAC Insurance Holding	0.78%	\$170,594	(17.36%)	\$565,348	(19.37%)
16	American Express Group	0.52%	\$17,837	(4.76%)	\$380,865	(7.31%)
17	Church Mutual Insurance Company	0.48%	\$107,134	47.93%	\$351,356	32.23%
18	EMC Insurance Company	0.35%	\$49,760	(15.38%)	\$255,413	(12.54%)
19	Reliant American Insurance Company	0.27%	\$193,512	*	\$193,512	*
20	Federated Mutual	0.25%	(\$4,980)	(103.03%)	\$182,569	(72.68%)
21	CNA Insurance Group	0.13%	(\$12,303)	(130.65%)	\$92,346	(58.62%)
22	Millea Holdings Inc	0.11%	\$18,094	(7.41%)	\$78,127	(9.59%)
23	Optimum Group Inc.	0.10%	(\$1,440)	*	\$69,830	(27.84%)
24	Guideone Insurance Group	0.06%	(\$1,614)	(100.23%)	\$46,476	(98.71%)
25	Utica National Insurance Group	0.04%	\$6,802	(23.27%)	\$31,149	(39.27%)

Top 25 Groups Total **101.09% \$13,177,949 (40.45%) \$73,697,764 (35.85%)

Total Market 100.00% \$13,147,676 (41.23%) \$72,900,676 (58.51%)

* Premiums from prior reporting period were \$0, less than \$0, or negligible.

**Policy cancellations (negative premium written) resulted in a percentage greater than 100% for the Top Groups

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 1997	\$120,850,580	\$103,885,946	\$65,243,600
1st qtr 1998	\$109,261,495	\$98,668,603	\$81,174,250
2nd qtr 1998	\$131,977,520	\$117,345,049	\$76,391,087
3rd qtr 1998	\$133,729,938	\$120,361,563	\$63,162,598
4th qtr 1998	\$98,101,087	\$83,424,829	\$59,422,695
1st qtr 1999	\$84,949,921	\$73,805,317	\$51,869,196
2nd qtr 1999	\$97,400,409	\$88,354,725	\$61,295,179
3rd qtr 1999	\$97,759,048	\$85,844,032	\$58,705,527
4th qtr 1999	\$76,937,349	\$69,149,917	\$39,799,794
1st qtr 2000	\$75,077,475	\$67,295,236	\$49,933,856
2nd qtr 2000	\$89,273,573	\$80,689,909	\$94,497,203
3rd qtr 2000	\$78,205,016	\$69,816,666	\$51,784,197
4th qtr 2000	\$56,157,895	\$51,145,700	\$49,347,526
1st qtr 2001	\$57,078,365	\$53,306,555	\$47,918,477
2nd qtr 2001	\$61,952,810	\$55,300,907	\$66,850,430
3rd qtr 2001	\$53,005,655	\$44,743,920	\$63,960,360
4th qtr 2001	\$25,415,468	\$22,371,626	\$54,611,962
1st qtr 2002	\$23,293,200	\$19,441,069	\$48,778,018
2nd qtr 2002	\$27,356,362	\$20,979,080	\$58,664,734
3rd qtr 2002	\$27,822,660	\$19,332,851	\$42,424,263
4th qtr 2002	\$16,273,848	\$13,147,676	\$31,729,519

Homeowners Multiple Peril (Non-Rate-Regulated Companies)

There were 48 groups, 52 non-rate-regulated (Lloyds and Reciprocal) companies, that had direct written premium for Homeowners Multiple Peril in the fourth quarter of 2002, as compared to 45 groups, 49 companies, in the fourth quarter of 2001.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the fourth quarter of 2002 to direct written premium in the fourth quarter of 2001 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR HOMEOWNERS MULTIPLE PERIL

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 4th Quarter 2002	% Change 4th Quarter 2001 to 2002	4 Quarters Ending 4th Qtr 2002	% Change 4 Qtrs Ending 2001 to 2002
1	State Farm IL	29.78%	\$255,092,909	8.17%	\$1,221,371,381	25.52%
2	Allstate Insurance Group	17.59%	\$162,744,868	12.92%	\$721,454,313	35.09%
3	Zurich Insurance Group	12.41%	\$7,350,984	(94.69%)	\$508,899,658	(7.72%)
4	United Services Automobile Assoc. Group	6.57%	\$65,854,688	22.39%	\$269,256,825	60.77%
5	Travelers Property Casualty Corp Group	4.70%	\$48,056,833	37.56%	\$192,651,153	39.77%
6	Vesta Insurance Group	4.59%	\$56,236,470	*	\$188,049,236	*
7	Nationwide Corporation	3.54%	\$39,477,509	43.84%	\$145,316,124	54.09%
8	Chubb & Son Inc.	2.63%	\$28,808,004	61.69%	\$107,733,816	61.18%
9	Texas Farm Bureau Mutual	1.89%	\$15,839,435	9.07%	\$77,637,875	44.86%
10	Safeco Insurance Group	1.55%	\$12,724,133	(8.83%)	\$63,754,187	6.11%
11	Liberty Mutual Group	1.19%	\$11,489,718	35.39%	\$48,793,314	23.72%
12	Hartford Fire & Casualty Group	1.18%	\$12,328,618	40.13%	\$48,265,003	35.66%
13	American National Financial Group	1.09%	\$10,632,254	38.03%	\$44,753,609	61.65%
14	Credit Suisse Group	1.08%	\$11,535,892	52.25%	\$44,412,100	46.41%
15	Service Life Group	1.03%	\$10,730,175	52.38%	\$42,435,842	75.82%
16	Amica Mutual Group	0.93%	\$9,539,765	63.41%	\$38,180,593	63.17%
17	CNA Insurance Group	0.86%	\$7,295,042	1.45%	\$35,163,983	12.62%
18	Allianz Insurance Group	0.86%	\$8,769,863	22.50%	\$35,152,082	29.87%
19	Titus Group	0.76%	\$7,819,074	0.54%	\$31,292,710	3.30%
20	UNITRIN Group	0.72%	\$6,587,761	4.47%	\$29,420,084	12.97%
21	Metropolitan Group	0.60%	\$5,852,632	13.66%	\$24,539,267	24.49%
22	NLASCO	0.50%	\$8,287,434	383.72%	\$20,602,675	207.86%
23	Colonial Savings Group	0.50%	\$6,956,336	157.82%	\$20,473,072	94.79%
24	Lumbermens Mutual Casualty Group	0.44%	\$4,334,385	89.08%	\$18,106,754	36.59%
25	Central Mutual Insurance Company of Ohio	0.38%	\$3,490,065	22.84%	\$15,723,728	40.08%

Top 25 Groups Total	97.37%	\$817,834,847	6.24%	\$3,993,439,384	33.08%
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Total Market	100.00%	\$853,059,753	8.26%	\$4,101,194,874	33.45%
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* Premiums from prior reporting period were \$0, less than \$0, or negligible.

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 1997	\$530,982,459	\$497,981,965	\$168,184,498
1st qtr 1998	\$522,692,156	\$493,178,621	\$217,802,423
2nd qtr 1998	\$657,480,130	\$619,894,700	\$236,483,189
3rd qtr 1998	\$693,381,323	\$645,122,532	\$231,376,030
4th qtr 1998	\$607,767,859	\$560,167,896	\$234,499,846
1st qtr 1999	\$595,604,046	\$551,730,965	\$227,203,338
2nd qtr 1999	\$718,631,281	\$674,314,469	\$331,384,068
3rd qtr 1999	\$733,579,729	\$676,076,742	\$343,486,057
4th qtr 1999	\$627,878,419	\$577,398,110	\$261,252,721
1st qtr 2000	\$609,531,663	\$573,018,280	\$352,459,440
2nd qtr 2000	\$760,305,588	\$718,480,875	\$824,199,861
3rd qtr 2000	\$787,599,648	\$728,111,946	\$453,904,194
4th qtr 2000	\$625,424,631	\$621,401,055	\$389,471,574
1st qtr 2001	\$682,279,367	\$638,480,908	\$455,668,314
2nd qtr 2001	\$867,681,492	\$808,688,584	\$767,701,451
3rd qtr 2001	\$919,452,372	\$838,068,467	\$759,478,198
4th qtr 2001	\$815,607,937	\$787,964,470	\$746,738,643
1st qtr 2002	\$991,402,647	\$918,421,562	\$828,875,091
2nd qtr 2002	\$1,305,035,845	\$1,178,486,043	\$1,171,358,697
3rd qtr 2002	\$1,287,299,785	\$1,151,227,516	\$989,884,736
4th qtr 2002	\$1,053,355,685	\$853,059,753	\$748,860,682

Workers' Compensation (All Companies)

There were 99 groups, 259 companies, that had direct written premium for Workers' Compensation in the fourth quarter of 2002, as compared to 99 groups, 264 companies, in the fourth quarter of 2001.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the fourth quarter of 2002 to direct written premium in the fourth quarter of 2001 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR WORKERS' COMPENSATION

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 4th Quarter 2002	% Change 4th Quarter 2001 to 2002	4 Quarters Ending 4th Qtr 2002	% Change 4 Qtrs Ending 2001 to 2002
1	Texas Mutual Insurance Company	23.60%	\$170,657,665	39.61%	\$609,064,151	44.44%
2	American International Group	8.88%	\$61,590,662	59.16%	\$229,130,259	54.79%
3	Zurich Insurance Group	8.39%	\$50,570,423	38.59%	\$216,479,750	11.08%
4	Liberty Mutual Group	8.31%	\$57,443,320	46.24%	\$214,362,928	21.48%
5	CNA Insurance Group	5.19%	\$31,378,123	(19.28%)	\$134,026,938	(19.47%)
6	Hartford Fire & Casualty Group	4.33%	\$22,252,527	(18.12%)	\$111,836,771	23.55%
7	Lumbermens Mutual Casualty Group	3.74%	\$17,009,751	(35.66%)	\$96,525,531	(18.32%)
8	Royal & Sun Alliance USA	3.25%	\$21,891,303	(38.76%)	\$83,917,514	(20.19%)
9	ACE Ltd.	2.90%	\$24,759,677	7.94%	\$74,787,244	34.55%
10	Travelers Property Casualty Corp Group	2.84%	\$25,457,286	190.05%	\$73,308,334	47.37%
11	St. Paul Group	2.59%	\$20,978,837	34.53%	\$66,930,293	10.78%
12	Service Life Group	2.54%	\$12,041,346	37.42%	\$65,579,845	57.16%
13	Old Republic Group	1.90%	\$12,569,156	10.37%	\$48,950,058	8.94%
14	Amerisure Company	1.44%	\$9,533,724	(86.46%)	\$37,138,169	(57.90%)
15	Chubb & Son Inc.	1.35%	\$7,411,041	(2.49%)	\$34,866,221	23.19%
16	Zenith National Insurance Group	1.02%	\$6,946,569	12.12%	\$26,359,990	16.81%
17	UNITRIN Group	0.90%	\$434,205	(94.08%)	\$23,330,019	(20.78%)
18	Fairfax Financial	0.81%	\$6,281,395	2.96%	\$20,868,673	(28.94%)
19	Sentry Insurance Group	0.77%	\$5,092,322	36.08%	\$19,971,252	(6.11%)
20	Federated Mutual	0.76%	\$3,901,806	20.46%	\$19,715,740	21.69%
21	Atlantic American	0.73%	\$3,135,678	(36.96%)	\$18,735,255	(34.65%)
22	Arch Ins Grp	0.69%	\$2,196,914	(67.33%)	\$17,739,192	115.38%
23	Credit Suisse Group	0.66%	\$3,468,377	(1.07%)	\$17,105,893	17.87%
24	Amcomp Group	0.65%	\$2,777,322	31.56%	\$16,671,493	56.31%
25	Argonaut Group	0.63%	\$1,703,729	42.24%	\$16,270,807	6.08%

Top 25 Groups Total	88.86%	\$581,483,158	4.67%	\$2,293,672,320	15.46%
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Total Market	100.00%	\$651,709,895	2.71%	\$2,581,084,819	5.54%
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QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 1997	\$400,005,300	\$414,469,778	\$265,653,588
1st qtr 1998	\$557,857,165	\$467,054,988	\$262,452,116
2nd qtr 1998	\$478,778,704	\$443,346,159	\$282,539,057
3rd qtr 1998	\$435,518,600	\$485,858,077	\$275,048,344
4th qtr 1998	\$370,192,580	\$397,415,576	\$312,651,143
1st qtr 1999	\$570,639,450	\$466,533,036	\$295,462,569
2nd qtr 1999	\$454,594,676	\$396,153,914	\$311,868,753
3rd qtr 1999	\$428,128,411	\$463,036,006	\$345,982,634
4th qtr 1999	\$427,037,725	\$411,558,142	\$331,789,221
1st qtr 2000	\$516,894,756	\$528,020,151	\$345,311,192
2nd qtr 2000	\$505,361,686	\$478,347,000	\$343,362,455
3rd qtr 2000	\$510,640,302	\$521,503,663	\$357,931,520
4th qtr 2000	\$536,927,546	\$498,835,430	\$401,934,512
1st qtr 2001	\$667,386,665	\$627,473,225	\$424,623,557
2nd qtr 2001	\$635,546,771	\$564,194,893	\$345,330,892
3rd qtr 2001	\$597,455,635	\$619,493,592	\$355,384,435
4th qtr 2001	\$617,545,100	\$634,497,498	\$308,549,397
1st qtr 2002	\$768,044,281	\$708,007,441	\$366,225,328
2nd qtr 2002	\$637,425,256	\$607,898,696	\$385,529,414
3rd qtr 2002	\$761,779,998	\$613,468,787	\$333,914,604
4th qtr 2002	\$680,249,951	\$651,709,895	\$432,491,023

EARNED TO INCURRED LOSS RATIO BY YEAR

Based on Annual Statement data from NAIC: incurred losses (LAE excluded) / earned premium

<u>Year</u>	<u>Loss Ratio</u>
1991	79.6%
1992	71.5%
1993	63.3%
1994	38.7%
1995	61.3%
1996	68.5%
1997	72.9%
1998	70.7%
1999	79.5%
2000	78.3%
2001	89.2%
2002	74.2%

Workers' Compensation (Voluntary Market)

There were 99 groups, 256 companies, that had voluntary direct written premium for Workers' Compensation in the fourth quarter of 2002, as compared to 99 groups, 263 companies, in the fourth quarter of 2001.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the fourth quarter of 2002 to direct written premium in the fourth quarter of 2001 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR WORKERS' COMPENSATION

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 4th Quarter 2002	% Change 4th Quarter 2001 to 2002	4 Quarters Ending 4th Qtr 2002	% Change 4 Qtrs Ending 2001 to 2002
1	Texas Mutual Insurance Company	22.72%	\$164,059,963	45.19%	\$579,589,005	49.63%
2	American International Group	8.98%	\$61,504,541	58.93%	\$229,044,138	54.73%
3	Zurich Insurance Group	8.49%	\$50,570,423	38.59%	\$216,513,362	11.10%
4	Liberty Mutual Group	8.40%	\$57,443,320	46.24%	\$214,362,928	21.48%
5	CNA Insurance Group	5.25%	\$31,378,123	(19.28%)	\$134,026,938	(19.47%)
6	Hartford Fire & Casualty Group	4.38%	\$22,252,527	(18.12%)	\$111,836,771	23.55%
7	Lumbermens Mutual Casualty Group	3.78%	\$17,009,751	(35.66%)	\$96,525,531	(18.32%)
8	Royal & Sun Alliance USA	3.29%	\$21,891,303	(38.76%)	\$83,917,514	(20.19%)
9	ACE Ltd.	2.93%	\$24,759,677	7.94%	\$74,787,244	34.55%
10	Travelers Property Casualty Corp Group	2.87%	\$25,457,286	190.05%	\$73,299,350	47.35%
11	St. Paul Group	2.62%	\$20,978,837	34.53%	\$66,930,293	10.78%
12	Service Life Group	2.56%	\$12,044,765	38.96%	\$65,382,589	57.05%
13	Old Republic Group	1.92%	\$12,569,156	10.37%	\$48,950,058	8.94%
14	Amerisure Company	1.46%	\$9,533,724	(86.46%)	\$37,138,169	(57.90%)
15	Chubb & Son Inc.	1.37%	\$7,411,041	(2.49%)	\$34,866,221	23.19%
16	Zenith National Insurance Group	1.03%	\$6,946,569	12.12%	\$26,359,990	16.81%
17	UNITRIN Group	0.91%	\$434,205	(94.08%)	\$23,330,019	(20.78%)
18	Fairfax Financial	0.82%	\$6,281,395	2.96%	\$20,868,673	(28.94%)
19	Sentry Insurance Group	0.78%	\$5,092,322	36.08%	\$19,971,252	(6.11%)
20	Federated Mutual	0.77%	\$3,901,806	20.46%	\$19,715,740	21.69%
21	Atlantic American	0.73%	\$3,135,678	(36.96%)	\$18,735,255	(34.65%)
22	Arch Ins Grp	0.70%	\$2,196,914	(67.33%)	\$17,739,192	115.38%
23	Credit Suisse Group	0.67%	\$3,468,377	(1.07%)	\$17,105,893	17.87%
24	Amcomp Group	0.65%	\$2,777,322	31.56%	\$16,671,493	56.31%
25	Argonaut Group	0.64%	\$1,703,729	42.24%	\$16,270,807	6.08%

Top 25 Groups Total	88.74%	\$574,802,754	5.24%	\$2,263,938,425	15.97%
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Total Market	100.00%	\$644,898,391	3.16%	\$2,551,219,824	5.81%
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QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 1997	\$397,952,485	\$420,604,994	\$250,380,511
1st qtr 1998	\$556,266,030	\$465,501,888	\$246,760,536
2nd qtr 1998	\$477,501,777	\$442,954,870	\$267,500,956
3rd qtr 1998	\$434,267,316	\$484,423,364	\$259,934,181
4th qtr 1998	\$369,355,592	\$396,584,847	\$299,920,299
1st qtr 1999	\$569,077,654	\$464,808,763	\$287,558,101
2nd qtr 1999	\$452,971,565	\$394,383,247	\$301,623,599
3rd qtr 1999	\$425,958,566	\$460,970,748	\$337,164,883
4th qtr 1999	\$423,333,897	\$409,633,529	\$321,851,381
1st qtr 2000	\$513,391,542	\$525,877,539	\$337,383,478
2nd qtr 2000	\$501,354,578	\$475,604,283	\$334,849,482
3rd qtr 2000	\$505,803,790	\$516,560,373	\$348,866,375
4th qtr 2000	\$532,210,760	\$493,985,273	\$392,480,934
1st qtr 2001	\$657,190,587	\$618,832,510	\$415,126,742
2nd qtr 2001	\$625,096,723	\$553,257,708	\$335,333,000
3rd qtr 2001	\$589,604,135	\$613,986,964	\$345,242,399
4th qtr 2001	\$607,546,853	\$625,167,853	\$302,389,408
1st qtr 2002	\$756,668,020	\$698,242,878	\$356,803,688
2nd qtr 2002	\$630,083,340	\$600,654,771	\$375,966,560
3rd qtr 2002	\$755,284,146	\$607,423,784	\$324,696,510
4th qtr 2002	\$672,513,987	\$644,898,391	\$423,374,512

Workers' Compensation (Residual Market)

Workers' Compensation assigned risk policies could no longer be written after 12/31/93. As business runs off, all experience reported here will be that of the START program (Residual Market) reported by the Texas Mutual Insurance Company (formerly the Texas Workers Compensation Fund).

For the four quarters ending with the fourth quarter of 2002, the START program reported \$29,475,146 in direct premiums written. This accounted for 98.69% of all Residual Market experience reported and was a decrease of (14.12%) over the same period one year prior. Of this amount \$6,597,702 was written in the fourth quarter of 2002 which was a (28.56%) decrease from the fourth quarter of 2001.

The balance of all Workers' Compensation (page 40) minus the Voluntary Market (page 42) minus Residual Market experience reported above is due to runoff business, including retro adjustments and policy audits, reported on policies written prior to and including 12/31/93.

The table below includes data for all groups, including the Texas Mutual Insurance Company. The table on the following page contains data solely for the Texas Mutual Insurance Company. This table is included to better illustrate the experience of the START program.

QUARTERLY EXPERIENCE **All Groups**

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 1997	\$2,052,815	(\$6,135,216)	\$15,273,077
1st qtr 1998	\$1,591,135	\$1,553,100	\$15,691,580
2nd qtr 1998	\$1,276,927	\$391,289	\$15,038,101
3rd qtr 1998	\$1,251,284	\$1,434,713	\$15,114,163
4th qtr 1998	\$836,988	\$830,729	\$12,730,844
1st qtr 1999	\$1,561,796	\$1,724,273	\$7,904,468
2nd qtr 1999	\$1,623,111	\$1,770,667	\$10,245,154
3rd qtr 1999	\$2,169,845	\$2,065,258	\$8,817,751
4th qtr 1999	\$3,703,828	\$1,924,613	\$9,937,840
1st qtr 2000	\$3,503,214	\$2,142,612	\$7,927,714
2nd qtr 2000	\$4,007,108	\$2,742,717	\$8,512,973
3rd qtr 2000	\$4,836,512	\$4,943,290	\$9,065,145
4th qtr 2000	\$4,716,786	\$4,850,157	\$9,453,578
1st qtr 2001	\$10,196,078	\$8,640,715	\$9,496,815
2nd qtr 2001	\$10,450,048	\$10,937,185	\$9,997,892
3rd qtr 2001	\$7,851,500	\$5,506,628	\$10,142,036
4th qtr 2001	\$9,998,247	\$9,329,645	\$6,159,989
1st qtr 2002	\$11,376,261	\$9,764,563	\$9,421,640
2nd qtr 2002	\$7,341,916	\$7,243,925	\$9,562,854
3rd qtr 2002	\$6,495,852	\$6,045,003	\$9,218,094
4th qtr 2002	\$7,735,964	\$6,811,504	\$9,116,511

QUARTERLY EXPERIENCE
Texas Mutual Insurance Company

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 1997	\$2,052,815	(\$6,127,062)	\$1,904,944
1st qtr 1998	\$1,591,135	\$1,440,596	\$1,607,940
2nd qtr 1998	\$1,276,927	\$433,992	\$1,465,267
3rd qtr 1998	\$1,251,284	\$1,371,071	\$1,663,833
4th qtr 1998	\$836,988	\$596,807	\$1,440,169
1st qtr 1999	\$1,561,796	\$1,972,223	\$1,332,155
2nd qtr 1999	\$1,623,111	\$1,876,459	\$1,130,990
3rd qtr 1999	\$2,169,845	\$2,068,199	\$1,028,397
4th qtr 1999	\$3,703,828	\$1,914,890	\$1,046,307
1st qtr 2000	\$3,503,214	\$2,142,612	\$848,612
2nd qtr 2000	\$4,007,108	\$2,747,725	\$982,492
3rd qtr 2000	\$4,836,512	\$4,967,684	\$1,169,864
4th qtr 2000	\$4,716,786	\$4,806,301	\$1,217,504
1st qtr 2001	\$10,196,078	\$8,640,715	\$1,479,063
2nd qtr 2001	\$10,450,048	\$10,937,185	\$2,001,118
3rd qtr 2001	\$7,851,500	\$5,506,628	\$1,844,449
4th qtr 2001	\$9,998,247	\$9,235,306	\$2,346,245
1st qtr 2002	\$11,376,261	\$9,737,212	\$2,079,484
2nd qtr 2002	\$7,341,916	\$7,147,894	\$1,622,476
3rd qtr 2002	\$6,495,852	\$5,992,338	\$2,084,985
4th qtr 2002	\$7,735,964	\$6,597,702	\$2,093,003

Workers' Compensation (Deductible Plans)

There were 99 groups, 256 companies which wrote voluntary policies for Workers' Compensation in the fourth quarter of 2002, as compared to 99 groups, 263 companies in the fourth quarter of 2001.

The data contained in the following table represents direct policies written as new or renewal policies in the fourth quarter of 2002. The policies are adjusted to an annual basis (a six month policy is reported as 0.5). The premiums on direct policies written are total premiums (estimated if initial premium collected was a deposit or first installment premium).

It should be noted that the Total Premiums on Direct Policies Written After Deductible Credit as shown in the table on the following page will not equal the Total Direct Premiums Written on page 42. As referenced on page 2 of this report, Premiums on Policies Written captures the Direct Premiums Written in the designated quarter without adjustments for cancellations or endorsements and, therefore, may not match the written premium figures in the statutory Annual Statement. In contrast, Direct Premiums Written are reported using the same methods/rules used in completing the statutory Annual Statement.

The Premiums on Direct Policies Written are presented before any credits are given for the purchase of deductible plans, and, in the following column, after the credit has been given for the applicable deductible plan. This is presented in order to illustrate the effect deductible plans have on insureds' premiums. The final section of the table contains data which illustrate the volume of Workers' Compensation insurance written on policies which do not include a deductible plan.

WORKERS' COMPENSATION DEDUCTIBLE PLANS

	Policies Written 4th Qtr 2002	Premium on Direct Policies Written Prior to Deductible Credit	Premium on Direct Policies Written After Deductible Credit	Percent of Reduction in Premiums
Per Accident Deductible Plan				
Premium of \$5,000 - \$9,999	18	\$130,510	\$117,212	10.19%
Premium of \$10,000 - \$24,999	29	\$512,039	\$458,700	10.42%
Premium of \$25,000 - \$49,999	16	\$613,113	\$494,780	19.30%
Premium of \$50,000 - \$74,999	7	\$428,275	\$371,633	13.23%
Premium of \$75,000 - \$100,000	4	\$364,158	\$267,435	26.56%
Total 'Per Accident' Plan	74	\$2,048,095	\$1,709,760	16.52%
Aggregate Deductible Plan				
Premium of \$5,000 - \$9,999	11	\$84,902	\$73,404	13.54%
Premium of \$10,000 - \$24,999	15	\$245,727	\$204,079	16.95%
Premium of \$25,000 - \$49,999	15	\$528,461	\$450,110	14.83%
Premium of \$50,000 - \$74,999	6	\$370,775	\$306,336	17.38%
Premium of \$75,000 - \$100,000	5	\$464,909	\$386,608	16.84%
Total 'Aggregate' Plan	52	\$1,694,774	\$1,420,537	16.18%
Per Accident/Aggregate Combination Deductible Plan				
Premium of \$5,000 - \$9,999	1	\$9,779	\$9,109	6.85%
Premium of \$10,000 - \$24,999	10	\$169,644	\$148,766	12.31%
Premium of \$25,000 - \$49,999	5	\$217,667	\$131,690	39.50%
Premium of \$50,000 - \$74,999	3	\$188,926	\$164,859	12.74%
Premium of \$75,000 - \$100,000	1	\$80,243	\$74,465	7.20%
Total 'Combination' Plan	20	\$666,259	\$528,889	20.62%
Negotiated Deductible Plan				
Premium Up To \$100,000	576	\$10,273,686	\$5,049,840	50.85%
Premium of \$100,001 - \$150,000	106	\$13,610,845	\$5,363,233	60.60%
Premium of \$150,001 - \$250,000	87	\$17,229,397	\$8,674,826	49.65%
Premium of \$250,001 - \$350,000	59	\$17,702,437	\$7,432,179	58.02%
Premium of \$350,001 - \$500,000	53	\$22,490,088	\$9,765,197	56.58%
Premium of \$500,001 - \$750,000	57	\$35,726,711	\$13,055,847	63.46%
Premium of \$750,001 - \$1,000,000	17	\$15,197,919	\$4,150,870	72.69%
Premium of \$1,000,001 - \$2,500,000	53	\$87,419,258	\$27,762,152	68.24%
Premium of \$2,500,001 - \$5,000,000	31	\$104,735,418	\$32,043,433	69.41%
Premium of \$5,000,001 and above	12	\$122,714,908	\$32,140,690	73.81%
Total 'Negotiated' Plan	1,051	\$447,100,667	\$145,438,267	67.47%
No Deductible Plan				
Premium Less Than \$5,000	19,143	\$31,923,468	\$31,923,468	0.00%
Premium of \$5,000 - \$9,999	4,926	\$35,210,357	\$35,210,357	0.00%
Premium of \$10,000 - \$24,999	4,025	\$63,654,228	\$63,654,228	0.00%
Premium of \$25,000 - \$49,999	1,803	\$62,837,289	\$62,837,289	0.00%
Premium of \$50,000 - \$74,999	738	\$44,949,815	\$44,949,815	0.00%
Premium of \$75,000 - \$100,000	375	\$32,293,410	\$32,293,410	0.00%
Premium Greater Than \$100,000	1,006	\$252,547,967	\$252,547,967	0.00%
Total 'No Deductible' Plan	32,016	\$523,416,534	\$523,416,534	0.00%
TOTAL	33,213	\$974,926,329	\$672,513,987	31.02%

Boiler & Machinery

There were 35 groups, 94 companies, that had direct written premium for Boiler & Machinery in the fourth quarter of 2002, as compared to 34 groups, 90 companies, in the fourth quarter of 2001.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the fourth quarter of 2002 to direct written premium in the fourth quarter of 2001 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR BOILER & MACHINERY

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 4th Quarter 2002	% Change 4th Quarter 2001 to 2002	4 Quarters Ending 4th Qtr 2002	% Change 4 Qtrs Ending 2001 to 2002
1	FM Global Group	33.05%	\$6,782,507	48.41%	\$27,154,313	108.61%
2	American International Group	17.79%	\$2,473,946	(14.06%)	\$14,618,579	50.00%
3	Travelers Property Casualty Corp Group	15.63%	\$3,022,240	17.18%	\$12,842,476	41.02%
4	Chubb & Son Inc.	8.80%	\$1,413,630	23.52%	\$7,234,902	75.33%
5	CNA Insurance Group	7.07%	\$1,458,812	(34.06%)	\$5,810,667	3.19%
6	Zurich Insurance Group	6.69%	\$1,041,121	7.16%	\$5,498,913	43.17%
7	Allianz Insurance Group	2.35%	\$655,305	74.01%	\$1,927,943	108.80%
8	GE Global Group	2.31%	\$170,187	27.33%	\$1,898,504	(28.04%)
9	St. Paul Group	1.82%	\$419,983	(19.44%)	\$1,492,941	16.28%
10	Federated Mutualual	1.10%	\$203,289	6.27%	\$901,071	45.89%
11	Allstate Insurance Group	0.40%	\$85,266	15.62%	\$325,306	12.36%
12	Royal & Sun Alliance USA	0.34%	\$125	(99.89%)	\$276,594	32.89%
13	Liberty Mutual Group	0.31%	\$57,455	336.28%	\$256,980	65.97%
14	Safeco Insurance Group	0.30%	\$115,064	547.52%	\$246,069	97.95%
15	Millea Holdings Inc	0.29%	\$109,778	(11.85%)	\$236,733	8.81%
16	Triangle Insurance Company Inc.	0.27%	\$2,141	*	\$219,538	*
17	United Fire & Casualty Group	0.20%	\$49,734	71.85%	\$163,013	149.02%
18	Fairfax Financial	0.20%	\$63,457	47.91%	\$162,790	(16.03%)
19	Gerling Global Re Group	0.13%	\$0	*	\$107,058	*
20	Hartford Fire & Casualty Group	0.12%	\$26,334	(20.13%)	\$94,526	17.13%
21	Sentry Ins Group	0.10%	(\$518)	(101.44%)	\$82,771	(46.55%)
22	National American Insurance Company	0.10%	\$22,001	11.26%	\$78,779	1.76%
23	Bancinsure Inc	0.09%	\$20,120	43.27%	\$76,935	22.32%
24	EMC Insurance Company	0.09%	\$71,742	*	\$75,001	*
25	ACE Ltd.	0.07%	\$26,994	552.98%	\$60,929	690.28%

Top 25 Groups Total	99.60%	\$18,290,713	13.85%	\$81,843,331	55.74%
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Total Market	100.00%	\$18,433,282	13.98%	\$82,169,669	55.49%
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* Premiums from prior reporting period were \$0, less than \$0, or negligible.

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 1997	\$16,282,971	\$12,296,349	\$9,237,517
1st qtr 1998	\$8,896,257	\$7,931,500	\$3,685,255
2nd qtr 1998	\$10,047,430	\$11,019,793	\$2,794,826
3rd qtr 1998	\$11,531,122	\$9,697,962	\$5,615,512
4th qtr 1998	\$10,471,900	\$13,372,498	\$4,468,434
1st qtr 1999	\$10,225,174	\$6,885,262	\$4,521,389
2nd qtr 1999	\$5,499,763	\$8,003,887	\$6,693,625
3rd qtr 1999	\$5,998,330	\$8,429,018	\$13,747,315
4th qtr 1999	\$5,739,554	\$11,594,584	\$26,973,664
1st qtr 2000	\$6,824,984	\$7,104,170	\$7,608,679
2nd qtr 2000	\$7,621,282	\$9,008,884	\$3,444,292
3rd qtr 2000	\$9,496,878	\$11,092,448	\$8,553,001
4th qtr 2000	\$11,021,834	\$14,813,929	\$15,462,968
1st qtr 2001	\$9,322,472	\$10,668,808	\$6,262,083
2nd qtr 2001	\$11,069,306	\$13,060,159	\$2,488,479
3rd qtr 2001	\$11,525,949	\$12,945,869	\$4,346,902
4th qtr 2001	\$13,681,067	\$16,172,430	\$1,178,246
1st qtr 2002	\$14,135,435	\$18,237,147	\$3,762,748
2nd qtr 2002	\$23,340,551	\$21,437,169	\$3,650,728
3rd qtr 2002	\$18,658,119	\$24,062,071	\$10,173,007
4th qtr 2002	\$33,136,501	\$18,433,282	\$7,566,513

EARNED TO INCURRED LOSS RATIO BY YEAR

Based on Annual Statement data from NAIC: incurred losses (LAE excluded) / earned premium

<u>Year</u>	<u>Loss Ratio</u>
1991	124.5%
1992	13.0%
1993	79.5%
1994	39.9%
1995	43.4%
1996	71.1%
1997	74.2%
1998	39.2%
1999	186.8%
2000	53.4%
2001	66.9%
2002	12.3%

Commercial Crime

There were 39 groups, 73 companies, that had direct written premium for Commercial Crime in the fourth quarter of 2002, as compared to 39 groups, 87 companies, in the fourth quarter of 2001.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the fourth quarter of 2002 to direct written premium in the fourth quarter of 2001 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR COMMERCIAL CRIME

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 4th Quarter 2002	% Change 4th Quarter 2001 to 2002	4 Quarters Ending 4th Qtr 2002	% Change 4 Qtrs Ending 2001 to 2002
1	Chubb & Son Inc.	27.44%	\$249,511	(77.10%)	\$2,099,862	(31.16%)
2	Zurich Insurance Group	21.22%	\$479,618	63.20%	\$1,623,298	56.66%
3	Travelers Property Casualty Corp Group	14.12%	\$364,156	89.99%	\$1,080,429	45.35%
4	American International Group	8.22%	\$110,795	28.53%	\$629,137	(6.80%)
5	Hartford Fire & Casualty Group	4.99%	\$81,276	2.00%	\$382,150	7.37%
6	CNA Insurance Group	4.84%	\$101,814	(9.72%)	\$370,287	(9.94%)
7	St. Paul Group	4.74%	\$139,842	(28.92%)	\$362,657	(28.30%)
8	Federated Mutual	2.43%	\$26,960	(40.43%)	\$185,671	(11.50%)
9	Royal & Sun Alliance USA	2.26%	\$35,323	(51.61%)	\$172,656	77.02%
10	United Fire & Casualty Group	1.48%	\$26,472	14.83%	\$113,075	33.23%
11	Liberty Mutual Group	1.41%	\$30,496	(1.44%)	\$107,584	(10.35%)
12	Sentry Insurance Group	1.38%	\$24,986	4.55%	\$105,295	21.14%
13	UNITRIN Group	1.03%	\$14,715	(42.83%)	\$78,841	(25.32%)
14	Lumbermens Mutual Casualty Group	0.73%	\$15,800	(39.83%)	\$55,751	(31.31%)
15	RLI Insurance Group	0.60%	\$14,669	*	\$45,645	*
16	Great American E&S Insurance Co	0.50%	\$663	(95.16%)	\$37,875	(69.88%)
17	EMC Insurance Company	0.34%	\$5,705	81.05%	\$26,157	48.22%
18	Federated Rural Electric Insurance Corp	0.33%	\$3,478	*	\$25,548	598.03%
19	Daimler Chrysler Group	0.29%	\$0	(100.00%)	\$22,520	(35.81%)
20	Atlantic American	0.24%	\$7,342	*	\$18,072	884.31%
21	Central Mutual Insurance Company of Ohio	0.18%	(\$1,255)	(329.01%)	\$13,474	*
22	ACE Ltd.	0.15%	\$9,668	*	\$11,278	*
23	National American Insurance Company	0.13%	\$7,107	(3.78%)	\$9,794	(74.74%)
24	FM Global Group	0.13%	(\$438)	(102.58%)	\$9,611	(88.43%)
25	Benchmark Insurance Company	0.12%	\$4,188	(63.92%)	\$9,334	(47.08%)

Top 25 Groups Total	99.28%	\$1,752,891	(25.53%)	\$7,596,001	(3.70%)
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Total Market	100.00%	\$1,782,790	(28.42%)	\$7,651,300	(9.27%)
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* Premiums from prior reporting period were \$0, less than \$0, or negligible.

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 1997	\$2,992,214	\$2,659,011	\$887,154
1st qtr 1998	\$2,494,468	\$2,609,493	\$1,503,650
2nd qtr 1998	\$2,689,070	\$2,755,087	\$496,520
3rd qtr 1998	\$3,196,591	\$3,372,786	\$523,331
4th qtr 1998	\$3,275,081	\$3,706,197	\$1,205,416
1st qtr 1999	\$2,305,794	\$2,607,287	\$247,406
2nd qtr 1999	\$1,407,701	\$2,919,957	\$1,153,393
3rd qtr 1999	\$1,913,296	\$2,375,385	\$826,469
4th qtr 1999	\$1,453,101	\$3,093,898	\$847,735
1st qtr 2000	\$2,298,539	\$2,395,113	\$144,981
2nd qtr 2000	\$2,764,361	\$2,835,158	\$503,188
3rd qtr 2000	\$2,447,445	\$2,665,016	\$443,652
4th qtr 2000	\$2,932,337	\$3,189,332	(\$55,027)
1st qtr 2001	\$2,645,328	\$1,940,058	\$216,427
2nd qtr 2001	\$2,958,524	\$2,118,598	\$214,678
3rd qtr 2001	\$1,948,083	\$1,883,478	\$392,359
4th qtr 2001	\$2,550,031	\$2,490,497	\$3,137,605
1st qtr 2002	\$2,403,953	\$2,309,009	(\$134,651)
2nd qtr 2002	\$1,546,219	\$2,030,210	\$280,434
3rd qtr 2002	\$1,341,198	\$1,529,291	\$214,282
4th qtr 2002	\$1,616,520	\$1,782,790	\$419,686

EARNED TO INCURRED LOSS RATIO BY YEAR

Based on Annual Statement data from NAIC: incurred losses (LAE excluded) / earned premium

<u>Year</u>	<u>Loss Ratio</u>
1991	29.7%
1992	24.6%
1993	18.5%
1994	22.5%
1995	16.1%
1996	19.4%
1997	13.2%
1998	13.3%
1999	19.6%
2000	21.2%
2001	34.7%
2002	16.3%

Commercial Glass

There were 15 groups, 22 companies, that had direct written premium for Commercial Glass in the fourth quarter of 2002, as compared to 17 groups, 32 companies, in the fourth quarter of 2001.

The table below represents the top groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the fourth quarter of 2002 to direct written premium in the fourth quarter of 2001 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR COMMERCIAL GLASS

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 4th Quarter 2002	% Change 4th Quarter 2001 to 2002	4 Quarters Ending 4th Qtr 2002	% Change 4 Qtrs Ending 2001 to 2002
1	UNITRIN Group	32.81%	\$23,084	2.90%	\$107,516	6.60%
2	Zurich Insurance Group	23.25%	\$24,230	10.15%	\$76,186	28.43%
3	United Fire & Casualty Group	11.56%	\$12,445	38.94%	\$37,886	12.39%
4	Sentry Insurance Group	8.85%	\$7,890	24.96%	\$28,991	25.90%
5	Ohio Casualty Group	7.49%	\$6,665	16.36%	\$24,544	(4.58%)
6	EMC Insurance Company	5.43%	\$4,521	36.13%	\$17,807	5.25%
7	Federated Mutual	2.66%	\$1,645	*	\$8,711	5.73%
8	Travelers Property Casualty Corp Group	2.49%	\$4,201	207.77%	\$8,160	93.78%
9	St. Paul Group	1.64%	\$475	(86.37%)	\$5,382	(52.20%)
10	Safeco Insurance Group	1.25%	\$1,094	(26.43%)	\$4,085	(43.47%)
11	Beacon Insurance Group	1.00%	\$1,004	*	\$3,271	22.97%
12	ACE Ltd.	0.65%	\$141	683.33%	\$2,142	(93.11%)
13	State Farm IL	0.37%	\$193	1.05%	\$1,226	17.32%
14	Hartford Fire & Casualty Group	0.30%	\$238	48.75%	\$988	7.63%
15	Royal & Sun Alliance USA	0.13%	\$0	(100.00%)	\$418	(82.04%)
16	Utica National Insurance Group	0.07%	\$103	*	\$236	807.69%
17	Mercury General Group	0.06%	\$0	*	\$200	*
18	Swiss Re Group	0.03%	\$0	*	\$95	*

Top Groups Total	**100.03%	\$87,929	14.28%	\$327,844	(0.22%)
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Total Market	100.00%	\$87,929	14.70%	\$327,740	(2.79%)
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* Premiums from prior reporting period were \$0, less than \$0, or negligible.

**Policy cancellations (negative premium written) resulted in a percentage greater than 100% for the Top 25 Groups

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 1997	\$178,081	\$127,958	\$78,633
1st qtr 1998	\$152,653	\$131,204	\$30,881
2nd qtr 1998	\$156,004	\$122,852	\$12,492
3rd qtr 1998	\$137,403	\$121,708	\$31,776
4th qtr 1998	\$126,047	\$110,220	\$22,533
1st qtr 1999	\$130,797	\$99,480	\$24,088
2nd qtr 1999	\$126,187	\$96,525	\$97,073
3rd qtr 1999	\$132,087	\$92,232	\$13,833
4th qtr 1999	\$120,348	\$86,001	\$30,482
1st qtr 2000	\$127,941	\$87,786	\$29,669
2nd qtr 2000	\$128,064	\$103,528	\$225,475
3rd qtr 2000	\$154,216	\$116,377	\$22,938
4th qtr 2000	\$106,321	\$77,656	\$10,619
1st qtr 2001	\$101,722	\$75,433	\$13,403
2nd qtr 2001	\$152,748	\$114,752	\$14,740
3rd qtr 2001	\$97,993	\$70,296	\$9,134
4th qtr 2001	\$94,672	\$76,658	\$14,463
1st qtr 2002	\$125,940	\$85,995	\$10,470
2nd qtr 2002	\$132,904	\$84,391	(\$191,664)
3rd qtr 2002	\$106,180	\$69,425	\$9,409
4th qtr 2002	\$118,781	\$87,929	\$17,945

EARNED TO INCURRED LOSS RATIO BY YEAR

Based on Annual Statement data from NAIC: incurred losses (LAE excluded) / earned premium

<u>Year</u>	<u>Loss Ratio</u>
1991	36.9%
1992	8.0%
1993	25.2%
1994	17.4%
1995	32.9%
1996	23.7%
1997	31.2%*
1998	56.3%
1999	60.9%
2000	98.9%
2001	155.0%
2002	63.6%

* Beginning 1997, Commercial Glass is reported under Allied Lines on the Annual Statement; therefore, the Loss Ratios for this and subsequent years represents all coverages reported under Allied Lines.

Medical Professional Liability

There were 36 groups, 51 companies, that had direct written premium for Medical Professional Liability (includes regulated and non-rate-regulated companies) in the fourth quarter of 2002, as compared to 33 groups, 50 companies, in the fourth quarter of 2001.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the fourth quarter of 2002 to direct written premium in the fourth quarter of 2001 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR MEDICAL PROFESSIONAL LIABILITY

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 4th Quarter 2002	% Change 4th Quarter 2001 to 2002	4 Quarters Ending 4th Qtr 2002	% Change 4 Qtrs Ending 2001 to 2002
1	Health Care Indemnity Inc.	22.93%	(\$4,136,380)	*	\$111,224,733	17.14%
2	GE Global Group	20.62%	\$28,913,898	150.41%	\$100,034,897	62.99%
3	Texas Medical Liab. Underwriting Assoc.	10.24%	\$15,713,364	129.11%	\$49,704,396	424.43%
4	American Physicians Ins. Exchange	6.84%	\$6,601,539	112.18%	\$33,184,383	91.34%
5	Allianz Insurance Group	5.41%	\$5,743,798	40.50%	\$26,240,492	3.11%
6	Doctors Company Group	4.21%	\$2,235,400	112.53%	\$20,443,009	45.32%
7	Everest Reinsurance Holding Inc	3.95%	\$1,759,652	*	\$19,178,906	*
8	FPIC Insurance Group Inc.	3.75%	\$1,470,618	(84.18%)	\$18,203,746	(30.83%)
9	Hannover Group	2.63%	\$1,995,523	*	\$12,759,909	60.31%
10	Zurich Insurance Group	2.58%	\$2,668,623	29.91%	\$12,522,932	127.59%
11	St. Paul Group	2.35%	\$1,985,446	(47.61%)	\$11,410,297	(41.74%)
12	Medical International Ins. Exchange Group	1.72%	(\$197,620)	(108.65%)	\$8,366,137	(56.53%)
13	ProAssurance Corp Grp	1.60%	\$1,804,708	(39.95%)	\$7,761,419	12.68%
14	Bancinsure Inc	1.56%	\$2,448,589	(0.15%)	\$7,578,290	81.80%
15	Texas Hospital Insurance Exchange	1.51%	\$1,389,586	14.87%	\$7,304,174	48.61%
16	Fairfax Financial	1.37%	\$751,985	(45.56%)	\$6,638,489	31.34%
17	American International Group	0.94%	\$1,930,098	60.53%	\$4,566,392	145.30%
18	Preferred Professional Insurance Company	0.89%	\$832,633	519.54%	\$4,318,779	138.02%
19	NCMIC Grp	0.75%	\$782,504	15.90%	\$3,651,703	17.34%
20	ACE Ltd.	0.74%	\$537,390	(3.59%)	\$3,587,353	68.78%
21	American Healthcare Specialty	0.67%	\$45,520	(98.45%)	\$3,236,655	(75.93%)
22	CNA Insurance Group	0.59%	\$473,398	(26.97%)	\$2,870,342	(69.38%)
23	Podiatry Insurance Co. of America RRG	0.59%	\$305,253	10.83%	\$2,851,498	18.99%
24	Texas Medical Insurance Company	0.56%	\$797,982	10.94%	\$2,735,466	43.10%
25	Ohio Casualty Group	0.45%	\$2,177,208	*	\$2,177,208	*

Top 25 Groups Total	99.46%	\$79,030,715	32.76%	\$482,551,605	34.66%
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Total Market	100.00%	\$79,470,653	39.89%	\$485,161,758	28.39%
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* Premiums from prior reporting period were \$0, less than \$0, or negligible.

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 1997	\$40,887,870	\$38,739,726	\$39,743,157
1st qtr 1998	\$140,239,837	\$152,219,574	\$59,734,296
2nd qtr 1998	\$39,867,221	\$46,328,066	\$45,995,696
3rd qtr 1998	\$63,699,946	\$65,433,921	\$72,182,018
4th qtr 1998	\$44,926,900	\$49,931,661	\$65,687,566
1st qtr 1999	\$143,714,378	\$153,831,660	\$45,490,283
2nd qtr 1999	\$35,833,747	\$35,442,419	\$102,810,102
3rd qtr 1999	\$74,001,990	\$69,189,438	\$50,252,064
4th qtr 1999	\$41,930,065	\$40,483,584	\$79,374,396
1st qtr 2000	\$137,093,402	\$139,488,404	\$96,644,607
2nd qtr 2000	\$42,351,811	\$44,844,296	\$107,273,832
3rd qtr 2000	\$65,378,912	\$68,942,814	\$69,209,753
4th qtr 2000	\$52,031,103	\$48,828,768	\$113,524,381
1st qtr 2001	\$152,152,204	\$167,131,473	\$83,573,570
2nd qtr 2001	\$54,416,843	\$65,578,948	\$75,456,511
3rd qtr 2001	\$94,994,593	\$88,354,507	\$79,548,188
4th qtr 2001	\$55,994,442	\$56,808,234	\$81,626,254
1st qtr 2002	\$187,765,477	\$194,494,874	\$61,414,577
2nd qtr 2002	\$66,087,372	\$78,286,136	\$79,470,717
3rd qtr 2002	\$117,743,019	\$132,910,095	\$65,631,228
4th qtr 2002	\$85,911,427	\$79,470,653	\$95,769,104

EARNED TO INCURRED LOSS RATIO BY YEAR

Based on Annual Statement data from NAIC: incurred losses (LAE excluded) / earned premium

Year	Loss Ratio
1991	113.6%
1992	105.9%
1993	102.5%
1994	92.0%
1995	87.7%
1996	80.1%
1997	69.2%
1998	90.5%
1999	98.1%
2000	98.3%
2001	91.2%
2002	79.1%

Miscellaneous Professional Liability

There were 34 groups, 70 companies, that had direct written premium for Miscellaneous Professional Liability in the fourth quarter of 2002, as compared to 32 groups, 73 companies, in the fourth quarter of 2001.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the fourth quarter of 2002 to direct written premium in the fourth quarter of 2001 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR MISC. PROFESSIONAL LIABILITY

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 4th Quarter 2002	% Change 4th Quarter 2001 to 2002	4 Quarters Ending 4th Qtr 2002	% Change 4 Qtrs Ending 2001 to 2002
1	Chubb & Son Inc.	47.66%	\$17,430,675	0.05%	\$83,740,192	8.93%
2	St. Paul Group	14.71%	\$8,015,540	18.19%	\$25,844,315	21.02%
3	RLI Insurance Group	5.52%	\$1,981,559	35.66%	\$9,693,333	120.78%
4	HCC Insurance Holdings Group	5.00%	\$2,610,322	*	\$8,783,062	*
5	Lumbermens Mutual Casualty Group	4.96%	\$2,430,902	101.33%	\$8,714,937	79.09%
6	ACE Ltd.	4.37%	\$1,513,709	(19.16%)	\$7,685,441	145.09%
7	Allianz Insurance Group	3.80%	\$1,729,636	(84.60%)	\$6,669,815	(53.49%)
8	Berkshire-Hathaway (GEICO)	3.29%	\$1,859,049	17.50%	\$5,781,871	21.49%
9	GE Global Group	2.61%	\$410,956	(43.65%)	\$4,582,189	(28.97%)
10	Nationwide Corporation	2.32%	\$398,778	(59.42%)	\$4,083,240	14.58%
11	Safeco Insurance Group	1.08%	\$374,592	(31.28%)	\$1,901,205	(14.91%)
12	Travelers Property Casualty Corp Group	1.02%	\$312,371	(62.39%)	\$1,791,263	(10.68%)
13	Markel Corporation Group	0.93%	\$365,650	268.41%	\$1,629,977	34.84%
14	American Re Group	0.42%	\$25,246	(89.50%)	\$732,613	31.83%
15	Utica National Insurance Group	0.39%	\$301,691	49.55%	\$687,427	33.14%
16	Old Republic Group	0.37%	\$204,065	(30.45%)	\$658,824	(45.94%)
17	Union Labor Group	0.31%	\$161,680	*	\$542,811	219.99%
18	American Healthcare Specialty	0.30%	\$6,178	*	\$534,542	*
19	Zurich Insurance Group	0.16%	\$63,071	6.80%	\$285,260	21.71%
20	Allmerica Financial Corporation	0.11%	\$0	(100.00%)	\$201,369	(67.25%)
21	United National Group	0.11%	\$20,250	*	\$188,129	*
22	Hartford Fire & Casualty Group	0.10%	\$81,719	*	\$170,239	76.82%
23	Texas Medical Insurance Company	0.09%	\$89,902	30.61%	\$161,349	5.38%
24	Fairfax Financial	0.09%	(\$3,944)	(104.12%)	\$159,774	(58.02%)
25	Triangle Insurance Company Inc.	0.08%	(\$1,133)	(102.30%)	\$132,100	(39.40%)

Top 25 Groups Total	99.79%	\$40,382,464	(12.40%)	\$175,355,277	17.42%
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Total Market	100.00%	\$40,468,853	(15.28%)	\$175,717,935	(1.53%)
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* Premiums from prior reporting period were \$0, less than \$0, or negligible.

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 1997	\$33,119,109	\$31,800,346	\$9,039,612
1st qtr 1998	\$27,705,025	\$26,154,794	\$9,246,158
2nd qtr 1998	\$33,711,307	\$31,193,925	\$4,729,190
3rd qtr 1998	\$46,612,471	\$35,971,950	\$5,595,642
4th qtr 1998	\$35,907,691	\$36,056,575	\$13,397,168
1st qtr 1999	\$27,749,694	\$27,841,362	\$6,070,417
2nd qtr 1999	\$34,283,279	\$32,201,481	\$5,840,753
3rd qtr 1999	\$39,816,439	\$35,085,917	\$10,638,238
4th qtr 1999	\$33,294,548	\$31,278,739	\$13,470,874
1st qtr 2000	\$28,787,985	\$32,539,979	\$15,208,574
2nd qtr 2000	\$34,839,821	\$35,060,607	\$9,638,111
3rd qtr 2000	\$40,383,080	\$29,206,486	\$25,472,831
4th qtr 2000	\$35,972,379	\$34,102,932	\$30,697,566
1st qtr 2001	\$33,317,718	\$35,426,450	\$18,503,137
2nd qtr 2001	\$27,379,296	\$59,910,926	\$13,146,912
3rd qtr 2001	\$32,672,023	\$35,346,828	\$14,591,556
4th qtr 2001	\$46,744,141	\$47,766,265	\$25,510,077
1st qtr 2002	\$44,193,075	\$38,539,396	\$21,611,170
2nd qtr 2002	\$45,639,859	\$50,579,721	\$31,951,912
3rd qtr 2002	\$44,287,561	\$46,129,965	\$32,132,723
4th qtr 2002	\$39,794,746	\$40,468,853	\$24,789,968

EARNED TO INCURRED LOSS RATIO BY YEAR

Based on Annual Statement data from NAIC: incurred losses (LAE excluded) / earned premium

Year	Loss Ratio *
1991	91.3%
1992	102.9%
1993	102.8%
1994	64.8%
1995	96.7%
1996	99.0%
1997	51.8%
1998	58.6%
1999	63.8%
2000	74.1%
2001	74.4%
2002	114.5%

* *Miscellaneous Professional Liability is reported under General Liability on the Annual Statement; therefore, the Loss Ratios represent all coverages reported under General Liability.*

Complaint Data

The following chart presents a comparison of written complaints received and closed by TDI in the fourth quarter of 2002 and the fourth quarter of 2001. Also included are the number of direct policies written and the percent of complaints per policy for each line of business.

Line of Business	4TH QUARTER 2002			4TH QUARTER 2001		
	Number of Complaints	Number of Policies Written	Percent of Complaints per Policy	Number of Complaints	Number of Policies Written	Percent of Complaints per Policy
Product Liability	0	11,759	**	2	12,858	0.01555%
General Liability - Other ⁺	44	200,477	0.02195%	70	200,471	0.03492%
Fire & Allied Lines	20	36,701	0.05449%	29	39,727	0.07300%
Commercial Multiple Peril	15	75,335	0.01991%	17	74,479	0.02283%
Private Passenger Auto ⁺⁺	2,756	6,075,095	0.04537%	2,528	5,302,207	0.04768%
Homeowners	1,510	949,981	0.15895%	1,059	882,459	0.12001%
Workers' Compensation ⁺⁺⁺	33	33,341	0.09898%	54	35,234	0.15326%
Boiler & Machinery	**	**	**	**	**	**
Commercial Crime	**	**	**	**	**	**
Commercial Glass	**	**	**	**	**	**
Medical Professional Liability	9	11,209	0.08029%	8	7,101	0.11266%
Misc. Professional Liability	3	5,185	0.05786%	5	8,977	0.05570%

⁺ The General Electric Group wrote 13,820 small premium pre-paid legal policies in the 4th quarter of 2002 and 16,839 policies in the 4th quarter of 2001 that were excluded from the above table.

⁺⁺ Policies that included both Voluntary Liability and Physical Damage coverage reported a policy count in each category.

⁺⁺⁺ Complaints generally relate to rates, class codes, and experience modifiers. Complaints regarding adjusting and benefits are processed by the Texas Workers' Compensation Commission and are not reflected in this report.

** Complaints are not tracked for this line of business.

The number of complaints attributable to any one insurer was not significant, except for Private Passenger Auto and Homeowners. The complaint data for the top 25 groups (ranking based on number of policies written in the fourth quarter of 2002) for these two lines of insurance are presented on the next two pages.

**PRIVATE PASSENGER AUTO
FOURTH QUARTER DATA
LISTED BY PERCENT OF COMPLAINTS PER POLICY**

2002 Policies Written Rank	Group Name	4TH QUARTER 2002			4TH QUARTER 2001		
		Number of Complaints	Number of Policies Written	Percent of Complaints per Policy	Number of Complaints	Number of Policies Written	Percent of Complaints per Policy
10	Texas State National Group	224	112,561	0.19900%	244	4,310	5.66125%
6	Old American County Mutual Fire Ins. Co	281	154,206	0.18222%	143	93,994	0.15214%
15	Unitrin Group	57	32,582	0.17494%	75	104,167	0.07200%
19	Mercury General Group	37	22,886	0.16167%	25	18,866	0.13251%
8	Nationwide Corp	166	125,788	0.13197%	102	125,706	0.08114%
11	Home State Insurance Group	109	82,950	0.13140%	169	85,363	0.19798%
23	Interins Exchange of The Automobile Club	22	18,191	0.12094%	43	8,704	0.49403%
21	Universal Insurance Exchange	21	20,319	0.10335%	13	18,695	0.06954%
17	Liberty Mutual Group	28	28,324	0.09886%	32	33,375	0.09588%
14	Credit Suisse Group	33	35,342	0.09337%	25	42,149	0.05931%
13	Travelers Property Casualty Corp Group	47	54,464	0.08630%	37	60,240	0.06142%
20	Safeway Insurance Group	18	21,512	0.08367%	22	16,656	0.13208%
18	Hartford Fire & Casualty Group	22	27,413	0.08025%	37	35,261	0.10493%
4	Allstate Insurance Group	398	508,148	0.07832%	326	576,342	0.05656%
25	Prudential of America	12	17,317	0.06930%	21	23,073	0.09102%
24	CNA Insurance Group	12	17,832	0.06729%	26	16,668	0.15599%
22	Germania Insurance Group	9	19,768	0.04553%	9	18,898	0.04762%
9	Berkshire Hathaway	53	119,175	0.04447%	51	108,080	0.04719%
12	Safeco Insurance Group	26	61,525	0.04226%	23	36,368	0.06324%
3	Zurich Insurance Group	354	853,674	0.04147%	272	868,851	0.03131%
5	United Services Automobile Assn Group	76	189,935	0.04001%	67	191,599	0.03497%
16	Titus Group	7	29,688	0.02358%	25	24,578	0.10172%
7	Southern Farm Bureau Casualty	25	146,118	0.01711%	21	120,157	0.01748%
2	State Farm IL	162	1,365,983	0.01186%	164	1,357,611	0.01208%
1	Progressive Group	169	1,836,313	0.00920%	150	1,061,881	0.01413%
	(All other licensed insurers)	388	173,081	0.23111%	406	250,615	0.16200%
	(No company identified)*	0					
TOTALS		2,756	6,075,095	0.04537%	2,528	5,302,207	0.04768%

* Generally includes complaints where either: (a) no company was identified by complainant, (b) company was non-admitted (surplus lines), or (c) complaint was against an agent.

Complaint Data

HOMEOWNERS FOURTH QUARTER DATA LISTED BY PERCENT OF COMPLAINTS PER POLICY

2002 Policies Written Rank	Group Name	4TH QUARTER 2002			4TH QUARTER 2001		
		Number of Complaints	Number of Policies Written	Percent of Complaints per Policy	Number of Complaints	Number of Policies Written	Percent of Complaints per Policy
23	Prudential of America	9	373	2.41287%	2	803	0.24907%
22	Germania Insurance Group	14	1,401	0.99929%	7	1,730	0.40462%
3	Zurich Insurance Group	459	71,287	0.64388%	286	107,944	0.26495%
21	Farmers Mutual Protections Assoc. Group	9	1,627	0.55317%	12	882	1.36054%
20	Horace Mann Group	11	2,700	0.40741%	3	2,993	0.10023%
19	Metropolitan Group	18	4,595	0.39173%	5	6,118	0.08173%
18	Beacon Insurance Group	10	5,059	0.19767%	7	6,913	0.10126%
17	Unitrin Group	10	5,353	0.18681%	5	6,544	0.07641%
8	Nationwide Corp	51	34,058	0.14974%	41	33,353	0.12293%
6	Travelers Property Casualty Corp Group	69	47,052	0.14665%	49	45,598	0.10746%
2	Allstate Insurance Group	257	180,750	0.14219%	218	181,800	0.11991%
14	Hartford Fire & Casualty Group	13	9,457	0.13746%	14	10,225	0.13692%
13	Service Life Group	14	11,009	0.12717%	8	10,702	0.07475%
16	Chubb & Son Inc.	8	6,303	0.12692%	5	6,214	0.08046%
12	NLASCO	14	11,117	0.12593%	6	2,982	0.20121%
9	Safeco Insurance Group	14	12,312	0.11371%	17	13,626	0.12476%
10	Colonial Savings Group	13	11,494	0.11310%	6	5,071	0.11832%
4	Vesta Insurance Group	66	61,735	0.10691%	8	851	0.94007%
11	Liberty Mutual Group	12	11,362	0.10562%	12	10,564	0.11359%
15	Amica Mutual Group	8	8,010	0.09988%	2	5,995	0.03336%
1	State Farm IL	145	268,896	0.05392%	114	282,012	0.04042%
5	United Services Automobile Assoc. Group	31	60,535	0.05121%	30	59,760	0.05020%
7	American National Financial Group	10	36,667	0.02727%	10	507	1.97239%
24	Capitol County Group	10	0	0.00000%	9	0	0.00000%
25	Hochheim Prairie Group	9	0	0.00000%	9	0	0.00000%
	(All other licensed insurers)	224	86,829	0.10826%	174	79,272	0.09209%
	(No company identified)*	2			0		

TOTALS

1,510

949,981

0.15895%

1,059

882,459

0.12001%

* Generally includes complaints where either: (a) no company was identified by complainant, (b) company was non-admitted (surplus lines), or (c) complaint was against an agent.

County Mutual Companies

NAMES OF GROUPS AND CORRESPONDING COUNTY MUTUAL COMPANIES

GROUPS

COUNTY MUTUAL COMPANIES

Allianz Insurance Group	Fireman's Fund County Mutual Insurance Company
Allstate Insurance Group	Allstate County Mutual Insurance Company
American National Financial Group	American National County Mutual Insurance Company
Capitol County Group	Capitol County Mutual Fire Insurance Company
Credit Suisse Group	Southern County Mutual Insurance Company
Fairfax Financial	Industrial County Mutual Insurance Company
Liberty Mutual Group	Gainsco County Mutual Insurance Company
Great American E&S Insurance Company	Great Texas County Mutual Insurance Company
Home State County Mutual Insurance Company	Home State County Mutual Insurance Company
Mercury General Group	Mercury County Mutual Insurance Company
Nationwide Corporation	Colonial County Mutual Insurance Company
Old American County Mutual Fire Insurance Company	Old American County Mutual Fire Insurance Company
Progressive Group	Progressive County Mutual Insurance Company
Royal & Sun Alliance USA	Viking County Mutual Insurance Company
Safeway Insurance Group	Oak Brook County Mutual Insurance Company
Sentry Insurance Group	Dairyland County Mutual Insurance Company of Texas
Southern Farm Bureau Casualty	Farm Bureau County Mutual Insurance Company
State Farm IL	State Farm County Mutual Insurance Company
Texas State National Group	State & County Mutual Fire Insurance Company
Titus Group	Consumers County Mutual Insurance Company
USAA Group	USAA County Mutual Insurance Company
UNITRIN Group	Charter County Mutual Insurance Company
Zurich Insurance Group	Foremost County Mutual Insurance Company
Zurich Insurance Group	Farmers Texas County Mutual Insurance Company

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