



**Texas Department  
of Insurance**

**Quarterly Legislative Report  
on Market Conditions**

*1st Quarter  
2006*

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**T**he 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*

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**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*

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**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 2006

	Number Of Groups/Companies	Number Of Policies Written	Premiums On Policies Written	Direct Written Premiums	Direct Losses Paid
PRODUCT LIABILITY	59 / 154	44,837	\$210,478,015	\$163,109,351	\$122,798,185
GENERAL LIABILITY - OTHER	136 / 312	880,028 <sup>+</sup>	\$1,704,706,680	\$1,779,970,639	\$918,155,181
COMMERCIAL FIRE & ALLIED	79 / 172	147,807	\$547,468,256	\$666,070,179	\$513,118,399
COMMERCIAL MULTIPLE PERIL	80 / 194	343,480	\$1,435,643,765	\$1,505,336,073	\$753,812,597
PRIVATE PASSENGER AUTO					
VOLUNTARY (VOL) LIABILITY	62 / 164	11,531,826	\$6,871,382,790	\$6,426,955,987	\$4,008,603,382
ASSIGNED RISK LIABILITY	15 / 17	36,108	\$23,747,231	\$14,268,137	\$12,672,261
PHYSICAL DAMAGE	60 / 162	8,716,810	\$5,278,159,424	\$5,027,301,946	\$2,866,955,518
TOTAL PPA	64 / 171	20,284,744 <sup>++</sup>	\$12,173,289,445	\$11,468,526,070	\$6,888,231,161
HOMEOWNERS MULTIPLE PERIL	65 / 98	4,844,980	\$5,027,252,753	\$4,594,127,427	\$2,594,574,091
WORKERS' COMPENSATION					
VOL PREMIUMS < \$5,000		98,013	\$154,302,133	**	**
VOL PREMIUMS \$5,000 - \$100,000		54,813	\$1,071,651,686	**	**
VOL PREMIUMS > \$100,000		6,231	\$1,392,302,328	**	**
TOTAL VOLUNTARY	85 / 227	159,057	\$2,618,256,147	\$2,696,667,111	\$947,183,601
RESIDUAL MARKET ***	1 / 1	177	\$8,898,204	\$13,095,220	\$14,750,343
TOTAL WC	85 / 227	158,684	\$2,627,154,351	\$2,709,762,331	\$961,933,944
BOILER & MACHINERY	38 / 89	30,941	\$58,812,834	\$71,914,023	\$11,968,651
COMMERCIAL CRIME	35 / 75	8,151	\$6,152,369	\$7,070,617	\$1,894,353
COMMERCIAL GLASS	6 / 8	232	\$80,975	\$78,891	\$1,929
MEDICAL PROFESSIONAL LIABILITY	30 / 38	41,916	\$382,370,432	\$404,206,752	\$149,186,555
MISC. PROFESSIONAL LIABILITY	26 / 58	21,093	\$377,774,923	\$379,339,804	\$123,928,351

<sup>+</sup> The General Electric Group wrote 17,327 small premium pre-paid legal policies that were excluded from the above table.

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

<sup>\*\*</sup> Companies were not required to report the Direct Losses Paid by policy size.

<sup>\*\*\*</sup> 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	
	2005	2006	2005	2006	2005	2006	2005	2006
Product Liability	53 / 134	50 / 132	54 / 132	- / -	49 / 134	- / -	48 / 130	- / -
General Liability	115 / 266	128 / 285	114 / 263	- / -	123 / 266	- / -	129 / 280	- / -
Commercial Fire & Allied	69 / 147	75 / 160	67 / 146	- / -	70 / 152	- / -	71 / 153	- / -
Commercial Multiple Peril	73 / 177	74 / 176	69 / 170	- / -	75 / 177	- / -	77 / 181	- / -
Private Passenger Auto	59 / 148	61 / 142	58 / 148	- / -	60 / 146	- / -	61 / 150	- / -
Homeowners Multiple Peril	57 / 74	61 / 86	56 / 78	- / -	59 / 83	- / -	59 / 84	- / -
Workers' Compensation	77 / 196	81 / 203	80 / 201	- / -	76 / 196	- / -	80 / 195	- / -
Boiler & Machinery	32 / 62	36 / 70	31 / 62	- / -	31 / 64	- / -	34 / 66	- / -
Commercial Crime	30 / 61	30 / 64	28 / 58	- / -	29 / 57	- / -	29 / 63	- / -
Commercial Glass	11 / 16	6 / 10	5 / 7	- / -	4 / 6	- / -	6 / 9	- / -
Medical Professional Liability	28 / 36	29 / 36	27 / 33	- / -	26 / 32	- / -	28 / 34	- / -
Misc. Professional Liability	31 / 67	27 / 59	29 / 63	- / -	28 / 61	- / -	30 / 65	- / -



## Product Liability

There were 59 groups, 154 companies, that had direct written premium for Product Liability in the first quarter of 2006, as compared to 59 groups, 156 companies, in the first quarter of 2005.

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 first quarter of 2006 to direct written premium in the first quarter of 2005 for the same groups.

### DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRODUCT LIABILITY

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 1st Quarter 2006	% Change 1st Quarter 2005 to 2006	4 Quarters Ending 1st Qtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	American Financial Group	17.31%	\$7,177,393	5.31%	\$28,234,493	5.16%
2	Zurich Insurance Group	15.50%	\$4,935,557	322.12%	\$25,289,154	10.07%
3	St. Paul Travelers Group	8.98%	\$3,574,301	(1.44%)	\$14,644,152	(28.08%)
4	ACE Ltd.	8.55%	\$5,769,736	35.77%	\$13,943,820	42.17%
5	Liberty Mutual Group	7.86%	\$4,495,031	130.61%	\$12,828,075	8.59%
6	Chubb & Son Inc.	5.96%	\$3,696,131	43.87%	\$9,721,984	19.70%
7	Hartford Fire & Casualty Group	3.41%	\$1,248,679	208.35%	\$5,555,746	104.88%
8	Dallas General Group	2.91%	\$0	(100.00%)	\$4,740,714	(12.20%)
9	Federated Mutual	2.48%	\$1,099,810	18.69%	\$4,042,911	0.74%
10	Fairfax Financial	2.18%	\$970,322	42.14%	\$3,557,604	20.81%
11	Sentry Insurance Group	2.02%	\$1,022,941	(11.17%)	\$3,300,310	(13.24%)
12	Electric Insurance Group	1.99%	\$0	*	\$3,243,903	(10.27%)
13	United Fire & Casualty Group	1.94%	\$1,065,309	30.74%	\$3,171,015	42.98%
14	American International Group	1.67%	\$198,650	(45.43%)	\$2,724,217	57.62%
15	Allianz Insurance Group	1.51%	\$1,170,106	(30.54%)	\$2,468,735	(15.46%)
16	National American Insurance Company	1.51%	\$590,163	(29.30%)	\$2,460,631	(30.53%)
17	Central Mutual Insurance Company Ohio	1.40%	\$490,516	(22.98%)	\$2,288,870	6.33%
18	Old Republic Group	1.27%	\$1,102,208	21.23%	\$2,063,664	(24.05%)
19	CNA Insurance Group	1.08%	\$472,541	(78.24%)	\$1,760,094	(53.65%)
20	Nationwide Corp.	1.05%	\$553,197	119.76%	\$1,710,074	93.94%
21	UNITRIN Group	0.95%	\$410,397	21.83%	\$1,552,408	16.32%
22	Caterpillar Group	0.89%	\$1,446,518	*	\$1,446,518	*
23	EMC Insurance Company	0.82%	\$381,002	40.03%	\$1,331,269	3.96%
24	Medmark Insurance Group	0.75%	\$297,778	25.26%	\$1,229,748	9.88%
25	Ohio Casualty Group	0.69%	\$322,041	32.06%	\$1,129,498	26.04%

<b>Top 25 Groups Total</b>	<b>94.68%</b>	<b>\$42,490,327</b>	<b>25.19%</b>	<b>\$154,439,607</b>	<b>5.06%</b>
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<b>Total Market</b>	<b>100.00%</b>	<b>\$45,031,241</b>	<b>21.73%</b>	<b>\$163,109,351</b>	<b>4.44%</b>
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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
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
1st qtr 2003	\$50,349,221	31,216,417	\$23,752,695
2nd qtr 2003	\$51,648,244	31,977,119	\$37,961,745
3rd qtr 2003	\$55,011,830	32,688,880	\$84,564,221
4th qtr 2003	\$64,276,692	48,008,507	\$57,933,430
1st qtr 2004	\$59,601,182	48,610,314	\$13,046,283
2nd qtr 2004	\$63,656,660	39,190,779	\$59,471,931
3rd qtr 2004	\$57,250,949	39,501,613	\$16,782,694
4th qtr 2004	\$71,100,716	40,485,016	\$43,446,411
1st qtr 2005	\$59,579,406	36,994,120	\$97,688,241
2nd qtr 2005	\$56,230,850	37,217,878	\$32,123,365
3rd qtr 2005	\$51,108,883	42,466,267	\$36,337,905
4th qtr 2005	\$47,688,104	38,393,965	\$36,773,871
1st qtr 2006	\$55,450,178	45,031,241	\$17,037,980

## 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>
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%
2003	219.9%
2004	138.3%
2005	35.9%

## General Liability

There were 136 groups, 312 companies, that had direct written premium for General Liability in the first quarter of 2006, as compared to 125 groups, 300 companies, in the first quarter of 2005.

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 first quarter of 2006 to direct written premium in the first quarter of 2005 for the same groups.

### DIRECT PREMIUMS WRITTEN MARKET SHARE FOR GENERAL LIABILITY

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 1st Quarter 2006	% Change 1st Quarter 2005 to 2006	4 Quarters Ending 1st Qtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	American International Group	23.50%	\$69,655,515	36.74%	\$418,298,928	6.25%
2	Zurich Insurance Group	10.36%	\$37,858,248	28.08%	\$184,429,235	1.72%
3	St. Paul Travelers Group	8.97%	\$38,517,327	(0.29%)	\$159,628,488	14.94%
4	American Financial Group	5.97%	\$31,572,459	11.85%	\$106,180,242	(2.57%)
5	ACE Ltd.	5.08%	\$38,662,486	(56.73%)	\$90,492,415	(18.09%)
6	CNA Insurance Group	3.73%	\$16,444,300	6.41%	\$66,394,915	(3.31%)
7	Chubb & Son Inc.	3.11%	\$12,814,256	4.69%	\$55,284,377	7.39%
8	Liberty Mutual Group	2.75%	\$7,970,581	(49.59%)	\$48,891,962	(17.38%)
9	Hartford Fire & Casualty Group	2.47%	\$11,466,836	23.67%	\$43,929,366	5.40%
10	Alleghany Group	1.99%	\$9,497,217	(4.50%)	\$35,367,516	13.33%
11	Dallas General Group	1.71%	\$12,176,855	97.47%	\$30,416,207	43.53%
12	Arch Insurance Group	1.64%	\$5,681,202	*	\$29,222,151	*
13	State Farm IL	1.51%	\$6,950,301	4.67%	\$26,909,257	3.85%
14	Texas Lawyers Insurance Exchange	1.51%	\$7,688,097	(23.86%)	\$26,873,993	(10.55%)
15	Allianz Insurance Group	1.34%	\$7,156,037	2.56%	\$23,920,787	(16.75%)
16	Ohio Casualty Group	1.06%	\$4,372,448	3.25%	\$18,838,847	(3.25%)
17	GE Global Group	1.05%	\$8,319,070	324.10%	\$18,646,981	481.07%
18	Highmark Inc.	1.00%	\$4,071,435	(8.49%)	\$17,885,682	301.98%
19	Old Republic Group	0.98%	\$4,154,593	(10.08%)	\$17,483,041	4.04%
20	Nationwide Corp.	0.93%	\$4,737,169	57.70%	\$16,496,463	48.39%
21	Fairfax Financial	0.83%	\$5,086,172	(1.40%)	\$14,798,843	(4.73%)
22	Federated Mutual	0.81%	\$3,707,385	14.02%	\$14,397,367	(2.46%)
23	United Fire & Casualty Group	0.80%	\$3,666,620	(2.56%)	\$14,295,782	(3.42%)
24	UNITRIN Group	0.79%	\$3,895,927	24.95%	\$14,139,529	5.96%
25	EMC Insurance Company	0.76%	\$4,193,483	19.67%	\$13,464,752	3.54%
<b>Top 25 Groups Total</b>		<b>84.65%</b>	<b>\$360,316,019</b>	<b>(1.76%)</b>	<b>\$1,506,687,126</b>	<b>6.05%</b>
<b>Total Market</b>		<b>100.00%</b>	<b>\$425,323,516</b>	<b>(4.86%)</b>	<b>\$1,779,970,639</b>	<b>2.40%</b>

\* 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
1st qtr 2001	\$255,141,391	\$283,124,137	\$279,102,702
2nd qtr 2001	\$318,130,195	\$374,451,607	\$172,787,203
3rd qtr 2001	\$228,860,258	\$261,349,125	\$195,733,705
4th qtr 2001	\$235,583,416	\$362,100,156	\$63,102,021
1st qtr 2002	\$449,662,592	\$460,541,620	\$225,467,551
2nd qtr 2002	\$392,219,283	\$346,082,514	\$245,358,050
3rd qtr 2002	\$293,763,572	\$350,321,831	\$223,245,817
4th qtr 2002	\$296,230,398	\$371,238,580	\$293,588,970
1st qtr 2003	\$473,722,924	\$473,509,831	\$339,023,171
2nd qtr 2003	\$460,000,875	\$450,544,223	\$207,970,445
3rd qtr 2003	\$471,126,731	\$482,640,180	\$269,465,874
4th qtr 2003	\$412,727,499	\$436,933,412	\$393,534,154
1st qtr 2004	\$493,759,655	\$493,758,137	\$285,017,073
2nd qtr 2004	\$467,058,967	\$424,331,005	\$187,188,675
3rd qtr 2004	\$452,021,439	\$441,580,967	\$238,041,282
4th qtr 2004	\$473,414,898	\$425,215,480	\$302,351,456
1st qtr 2005	\$528,494,689	\$447,066,270	\$239,281,520
2nd qtr 2005	\$433,621,815	\$432,710,837	\$233,189,003
3rd qtr 2005	\$426,986,451	\$498,301,487	\$205,392,237
4th qtr 2005	\$429,159,506	\$423,634,799	\$287,946,218
1st qtr 2006	\$414,938,908	\$425,323,516	\$191,627,723

## 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>
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%
2003	77.0%
2004	74.8%
2005	77.6%

## Commercial Fire & Allied

There were 79 groups, 172 companies, that had direct written premium for Commercial Fire & Allied in the first quarter of 2006, as compared to 74 groups, 169 companies, in the first quarter of 2005.

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 first quarter of 2006 to direct written premium in the first quarter of 2005 for the same groups.

### DIRECT PREMIUMS WRITTEN MARKET SHARE FOR COMMERCIAL FIRE & ALLIED

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 1st Quarter 2006	% Change 1st Quarter 2005 to 2006	4 Quarters Ending 1st Qtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	FM Global Group	16.66%	\$32,831,666	57.03%	\$110,981,429	31.56%
2	St. Paul Travelers Group	16.18%	\$26,680,539	(0.92%)	\$107,798,046	10.78%
3	Liberty Mutual Group	6.03%	\$12,518,996	178.45%	\$40,181,075	75.19%
4	Texas Windstorm Insurance Association	5.83%	\$10,035,655	43.59%	\$38,827,061	21.72%
5	Zurich Insurance Group	5.83%	\$17,512,824	57.79%	\$38,804,978	1.52%
6	Alleghany Group	4.60%	\$4,321,366	(33.98%)	\$30,609,037	(14.78%)
7	XL America	4.58%	\$8,149,776	141.45%	\$30,531,153	55.47%
8	Fairfax Financial	4.56%	\$7,692,900	29.41%	\$30,385,415	49.99%
9	Allianz Insurance Group	4.30%	\$6,743,334	(1.63%)	\$28,668,646	(19.70%)
10	CNA Insurance Group	3.15%	\$4,696,184	10.40%	\$20,958,762	(11.64%)
11	American International Group	3.13%	\$3,822,394	6.52%	\$20,841,253	0.57%
12	United Fire & Casualty Group	2.83%	\$4,671,361	(2.43%)	\$18,862,822	(5.91%)
13	Hartford Fire & Casualty Group	2.14%	\$1,201,631	(71.55%)	\$14,246,088	(9.54%)
14	UNITRIN Group	1.84%	\$3,257,756	(1.78%)	\$12,277,206	(7.88%)
15	Federated Mutual	1.47%	\$2,409,483	0.38%	\$9,770,413	(10.19%)
16	Sentry Insurance Group	1.38%	\$2,953,615	15.29%	\$9,191,759	2.60%
17	GE Global Group	1.30%	\$2,199,210	105.98%	\$8,666,759	90.02%
18	ACE Ltd.	1.17%	\$196,453	(87.48%)	\$7,774,699	(22.39%)
19	Safeco Insurance Group	1.10%	\$1,876,138	(5.05%)	\$7,320,154	(4.91%)
20	Texas Farm Bureau Mutual	1.07%	\$1,811,087	12.95%	\$7,094,927	9.54%
21	AXIS Capital Group	1.03%	\$969,389	(53.07%)	\$6,859,227	232.08%
22	EMC Insurance Company	0.95%	\$1,795,120	9.15%	\$6,306,910	1.76%
23	Arch Insurance Group	0.92%	\$475,623	(74.62%)	\$6,115,692	88.10%
24	American Modern Insurance Group	0.86%	\$1,342,402	(11.68%)	\$5,743,386	11.66%
25	Allstate Insurance Group	0.68%	\$721,246	(21.81%)	\$4,514,119	33.52%

<b>Top 25 Groups Total</b>	<b>93.58%</b>	<b>\$160,886,148</b>	<b>21.41%</b>	<b>\$623,331,016</b>	<b>13.66%</b>
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<b>Total Market</b>	<b>100.00%</b>	<b>\$175,383,330</b>	<b>24.83%</b>	<b>\$666,070,179</b>	<b>12.35%</b>
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## QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
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
1st qtr 2003	\$150,575,522	\$150,510,180	\$52,417,619
2nd qtr 2003	\$149,459,207	\$154,045,193	\$73,322,891
3rd qtr 2003	\$156,429,967	\$166,651,464	\$85,200,157
4th qtr 2003	\$157,575,182	\$194,283,221	\$60,940,889
1st qtr 2004	\$134,224,476	\$144,604,148	\$86,505,791
2nd qtr 2004	\$139,660,137	\$143,999,941	\$44,266,295
3rd qtr 2004	\$149,274,509	\$158,633,773	\$64,946,351
4th qtr 2004	\$159,276,932	\$149,694,785	\$41,045,200
1st qtr 2005	\$131,595,520	\$140,498,795	\$39,127,065
2nd qtr 2005	\$142,548,701	\$166,400,075	\$97,172,178
3rd qtr 2005	\$126,386,251	\$159,953,424	\$92,935,446
4th qtr 2005	\$135,073,221	\$164,333,350	\$149,287,503
1st qtr 2006	\$143,460,083	\$175,383,330	\$173,723,272

## 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>
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%
2003	48.9%
2004	32.4%
2005	109.7%

## Commercial Multiple Peril

There were 80 groups, 194 companies, that had direct written premium for Commercial Multiple Peril in the first quarter of 2006, as compared to 78 groups, 193 companies, in the first quarter of 2005.

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 first quarter of 2006 to direct written premium in the first quarter of 2005 for the same groups.

### DIRECT PREMIUMS WRITTEN MARKET SHARE FOR COMMERCIAL MULTIPLE PERIL

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 1st Quarter 2006	% Change 1st Quarter 2005 to 2006	4 Quarters Ending 1st Qtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	St. Paul Travelers Group	12.29%	\$47,872,859	6.11%	\$184,939,803	3.04%
2	Zurich Insurance Group	12.22%	\$44,442,938	(1.16%)	\$183,996,505	0.40%
3	Hartford Fire & Casualty Group	8.65%	\$35,094,751	19.22%	\$130,170,139	13.50%
4	CNA Insurance Group	5.79%	\$22,140,051	0.05%	\$87,115,813	1.59%
5	Chubb & Son Inc.	5.62%	\$22,183,316	1.80%	\$84,590,256	(3.13%)
6	Liberty Mutual Group	4.99%	\$20,950,970	56.16%	\$75,065,269	29.23%
7	State Farm IL	4.39%	\$17,516,162	6.12%	\$66,044,204	0.42%
8	Safeco Insurance Group	4.18%	\$15,611,146	0.76%	\$62,879,766	(4.31%)
9	Nationwide Corp.	3.32%	\$13,152,527	53.87%	\$50,001,292	50.06%
10	Maguire Corp. Group	3.19%	\$11,610,761	7.76%	\$47,947,071	14.75%
11	Church Mutual Insurance Company	3.17%	\$15,400,792	4.91%	\$47,711,141	7.06%
12	Allianz Insurance Group	2.97%	\$11,493,070	35.30%	\$44,701,234	5.22%
13	WR Berkley Corp.	2.65%	\$10,220,537	(9.53%)	\$39,838,800	10.85%
14	Republic Companies Group	2.13%	\$8,653,533	19.19%	\$32,087,885	8.92%
15	Guideone Insurance Group	2.05%	\$8,950,476	(1.22%)	\$30,934,314	(1.51%)
16	Allstate Insurance Group	1.95%	\$6,890,075	(1.86%)	\$29,347,957	(2.55%)
17	Amerisure Company	1.80%	\$7,213,994	18.08%	\$27,031,956	10.24%
18	ACE Ltd.	1.78%	\$7,195,301	65.56%	\$26,775,619	33.55%
19	Old Republic Group	1.74%	\$7,270,579	20.43%	\$26,182,717	11.38%
20	Ohio Casualty Group	1.65%	\$6,494,953	0.27%	\$24,817,373	(8.76%)
21	Central Mutual Insurance Company Ohio	1.55%	\$6,041,323	(0.08%)	\$23,313,985	(4.70%)
22	American International Group	0.98%	\$3,651,688	26.02%	\$14,727,576	(33.59%)
23	Allmerica Financial Corp.	0.96%	\$4,163,199	27.32%	\$14,438,902	15.38%
24	American Financial Group	0.90%	\$4,818,750	159.77%	\$13,537,689	78.14%
25	Glencoe US Holdings Inc.	0.81%	\$3,181,796	86.90%	\$12,234,410	88.31%

<b>Top 25 Groups Total</b>	<b>91.70%</b>	<b>\$362,215,547</b>	<b>11.54%</b>	<b>\$1,380,431,676</b>	<b>6.38%</b>
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<b>Total Market</b>	<b>100.00%</b>	<b>\$392,818,863</b>	<b>11.03%</b>	<b>\$1,505,336,073</b>	<b>6.31%</b>
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## QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
1st qtr 2001	\$257,145,796	\$276,716,048	\$174,818,070
2nd qtr 2001	\$257,191,069	\$282,196,084	\$194,230,163
3rd qtr 2001	\$272,821,007	\$288,700,461	\$247,376,264
4th qtr 2001	\$279,841,512	\$321,838,153	\$219,799,574
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
1st qtr 2003	\$312,373,288	\$323,997,599	\$197,453,601
2nd qtr 2003	\$310,339,353	\$335,111,601	\$197,135,720
3rd qtr 2003	\$317,313,938	\$334,740,459	\$202,029,594
4th qtr 2003	\$322,146,304	\$375,868,718	\$173,532,706
1st qtr 2004	\$319,759,466	\$347,252,304	\$136,183,192
2nd qtr 2004	\$316,652,533	\$344,012,546	\$151,816,651
3rd qtr 2004	\$319,893,569	\$353,710,833	\$149,406,964
4th qtr 2004	\$413,998,130	\$364,497,009	\$147,217,410
1st qtr 2005	\$347,173,478	\$353,804,319	\$128,881,468
2nd qtr 2005	\$360,167,502	\$372,484,461	\$145,118,895
3rd qtr 2005	\$364,455,186	\$371,387,386	\$143,782,433
4th qtr 2005	\$348,682,107	\$368,645,363	\$242,997,366
1st qtr 2006	\$362,338,970	\$392,818,863	\$221,913,903

## 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>
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%
2003	58.0%
2004	47.0%
2005	69.4%



## *Private Passenger Auto (All Companies, All Coverages)*

There were 64 groups, 171 companies, that had direct written premium for Private Passenger Auto in the first quarter of 2006, as compared to 66 groups, 188 companies, in the first quarter of 2005.

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 first quarter of 2006 to direct written premium in the first quarter of 2005 for the same groups.

### DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRIVATE PASSENGER AUTO

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 1st Quarter 2006	% Change 1st Quarter 2005 to 2006	4 Quarters Ending 1st Qtr 2005	% Change 4 Qtrs Ending 2005 to 2006
1	State Farm IL	21.85%	\$655,874,415	2.35%	\$2,506,255,534	(1.54%)
2	Allstate Insurance Group	14.91%	\$438,506,131	(3.76%)	\$1,710,052,036	(1.44%)
3	Zurich Insurance Group	12.84%	\$374,679,081	(2.03%)	\$1,472,478,837	1.78%
4	Progressive Group	8.47%	\$256,386,301	(5.65%)	\$971,617,892	(7.03%)
5	United Services Automobile Assn. Group	5.42%	\$171,032,719	9.63%	\$622,119,263	(0.34%)
6	Berkshire Hathaway	5.16%	\$171,869,181	20.85%	\$592,166,689	28.87%
7	Old American County Mutual Fire Ins. Co.	4.67%	\$109,142,683	(25.05%)	\$535,844,137	7.32%
8	Nationwide Corp.	3.42%	\$101,243,756	(3.73%)	\$391,652,313	(15.99%)
9	Southern Farm Bureau Casualty	3.35%	\$100,020,785	(3.64%)	\$383,786,704	(5.11%)
10	Home State Insurance Group	2.91%	\$88,323,428	(5.51%)	\$334,147,810	(5.45%)
11	Titus Group	2.26%	\$67,881,914	42.50%	\$258,765,776	40.53%
12	Safeco Insurance Group	1.73%	\$49,170,864	3.47%	\$198,004,325	(1.14%)
13	Liberty Mutual Group	1.25%	\$32,798,281	7.33%	\$143,923,764	(1.83%)
14	UNITRIN Group	1.24%	\$32,045,778	(24.98%)	\$141,976,581	(7.96%)
15	Republic Companies Group	1.16%	\$34,682,308	8.53%	\$133,574,717	6.03%
16	Mercury General Group	0.86%	\$25,317,066	(1.22%)	\$98,550,324	1.84%
17	Texas State National Group	0.83%	\$24,506,321	(40.60%)	\$94,747,670	(45.13%)
18	St. Paul Travelers Group	0.77%	\$21,571,187	(23.85%)	\$87,752,127	(25.62%)
19	Interins Exchange of the Automobile Club	0.71%	\$20,368,647	12.12%	\$81,732,658	18.19%
20	American International Group	0.62%	\$26,160,909	201.45%	\$70,759,141	238.75%
21	Germania Insurance Group	0.49%	\$14,535,259	5.32%	\$56,658,851	7.36%
22	Metropolitan Group	0.49%	\$15,811,410	16.71%	\$56,578,384	9.93%
23	Sentry Insurance Group	0.49%	\$11,731,671	(29.15%)	\$55,991,712	(15.49%)
24	Hartford Fire & Casualty Group	0.47%	\$12,450,016	(22.00%)	\$54,051,909	(20.92%)
25	Amica Mutual Group	0.43%	\$11,789,535	(0.45%)	\$49,333,149	(3.83%)
<b>Top 25 Groups Total</b>		<b>96.81%</b>	<b>\$2,867,899,646</b>	<b>(0.80%)</b>	<b>\$11,102,522,303</b>	<b>(0.50%)</b>
<b>Total Market</b>		<b>100.00%</b>	<b>\$2,995,372,489</b>	<b>0.70%</b>	<b>\$11,468,526,070</b>	<b>0.14%</b>

## QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
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
1st qtr 2003	\$3,100,617,381	\$2,924,121,925	\$1,602,582,885
2nd qtr 2003	\$2,916,379,355	\$2,741,087,516	\$2,098,762,515
3rd qtr 2003	\$3,087,789,849	\$2,926,507,123	\$1,682,022,598
4th qtr 2003	\$2,850,599,167	\$2,735,086,984	\$1,638,953,802
1st qtr 2004	\$3,144,326,853	\$3,007,086,941	\$1,804,166,491
2nd qtr 2004	\$2,947,729,931	\$2,792,861,085	\$1,606,658,907
3rd qtr 2004	\$3,119,399,801	\$2,956,845,728	\$1,604,332,880
4th qtr 2004	\$2,900,265,185	\$2,728,013,653	\$1,595,587,508
1st qtr 2005	\$3,103,271,206	\$2,974,668,675	\$1,563,989,740
2nd qtr 2005	\$2,936,532,493	\$2,765,341,841	\$1,884,963,993
3rd qtr 2005	\$3,105,148,346	\$2,989,589,211	\$1,675,759,014
4th qtr 2005	\$2,895,029,366	\$2,718,222,529	\$1,653,167,287
1st qtr 2006	\$3,236,579,240	\$2,995,372,489	\$1,674,340,867

## 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>
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%
2003	67.6%
2004	54.4%
2005	58.4%

## *Private Passenger Auto (All Voluntary Liability)*

There were 62 groups, 164 companies, that had voluntary liability (no assigned risk nor physical damage) direct written premium for Private Passenger Auto in the first quarter of 2006, as compared to 64 groups, 179 companies, in the first quarter of 2005.

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 first quarter of 2006 to direct written premium in the first quarter of 2005 for the same groups.

### **DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRIVATE PASSENGER AUTO**

<b>4 Qtrs Rank</b>	<b>Group Name</b>	<b>Market Share (4 Qtrs)</b>	<b>Written 1st Quarter 2006</b>	<b>% Change 1st Quarter 2005 to 2006</b>	<b>4 Quarters Ending 1st Qtr 2006</b>	<b>% Change 4 Qtrs Ending 2005 to 2006</b>
1	State Farm IL	21.66%	\$360,259,172	0.37%	\$1,391,978,114	(1.88%)
2	Allstate Insurance Group	14.54%	\$238,434,937	(5.23%)	\$934,502,127	(2.02%)
3	Zurich Insurance Group	12.41%	\$210,222,182	(1.07%)	\$797,296,504	(0.75%)
4	Progressive Group	8.21%	\$139,227,155	(6.79%)	\$527,557,848	(6.85%)
5	United Services Automobile Assn. Group	5.51%	\$97,244,931	8.32%	\$354,176,765	(1.49%)
6	Old American County Mutual Fire Ins. Co.	5.44%	\$70,548,980	(26.73%)	\$349,937,397	5.70%
7	Berkshire Hathaway	5.23%	\$97,288,594	17.70%	\$336,373,589	27.78%
8	Nationwide Corp.	3.42%	\$56,692,653	(5.13%)	\$219,847,957	(18.04%)
9	Southern Farm Bureau Casualty	3.15%	\$52,644,699	(4.36%)	\$202,606,871	(5.85%)
10	Home State Insurance Group	3.03%	\$52,610,333	(4.20%)	\$194,691,343	(6.12%)
11	Titus Group	1.94%	\$34,187,257	69.92%	\$124,785,176	63.56%
12	Safeco Insurance Group	1.77%	\$28,062,148	13.50%	\$113,468,769	2.20%
13	Liberty Mutual Group	1.26%	\$18,375,668	5.64%	\$80,659,156	(0.83%)
14	UNITRIN Group	1.25%	\$17,726,774	(28.24%)	\$80,509,275	(8.27%)
15	Republic Companies Group	1.21%	\$20,756,437	9.50%	\$77,676,897	2.85%
16	Texas State National Group	1.09%	\$19,585,832	(40.37%)	\$70,302,983	(47.71%)
17	Mercury General Group	0.87%	\$14,337,813	(2.96%)	\$55,685,094	2.80%
18	St. Paul Travelers Group	0.79%	\$12,451,134	(24.27%)	\$50,676,281	(25.88%)
19	Interins Exchange of the Automobile Club	0.66%	\$10,524,454	8.76%	\$42,425,666	16.01%
20	American International Group	0.61%	\$13,835,706	186.79%	\$38,962,821	293.04%
21	Sentry Insurance Group	0.60%	\$7,547,381	(36.60%)	\$38,339,553	(19.26%)
22	Metropolitan Group	0.50%	\$9,042,231	20.48%	\$32,146,689	14.14%
23	Hartford Fire & Casualty Group	0.48%	\$7,138,606	(21.85%)	\$31,042,681	(20.61%)
24	Amica Mutual Group	0.48%	\$7,317,591	2.93%	\$30,818,729	1.12%
25	Germania Insurance Group	0.47%	\$7,699,228	3.15%	\$30,199,113	5.60%

<b>Top 25 Groups Total</b>	<b>96.57%</b>	<b>\$1,603,761,896</b>	<b>(2.11%)</b>	<b>\$6,206,667,398</b>	<b>(1.42%)</b>
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<b>Total Market</b>	<b>100.00%</b>	<b>\$1,682,204,441</b>	<b>(0.28%)</b>	<b>\$6,426,955,987</b>	<b>(0.60%)</b>
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## QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
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
1st qtr 2003	\$1,748,560,932	\$1,649,198,567	\$930,288,533
2nd qtr 2003	\$1,635,686,421	\$1,545,253,717	\$940,676,080
3rd qtr 2003	\$1,736,176,675	\$1,646,201,715	\$947,133,974
4th qtr 2003	\$1,597,308,702	\$1,540,237,588	\$949,002,521
1st qtr 2004	\$1,778,736,180	\$1,694,026,366	\$1,170,500,420
2nd qtr 2004	\$1,657,819,149	\$1,568,037,833	\$927,789,409
3rd qtr 2004	\$1,751,591,077	\$1,657,373,307	\$934,579,333
4th qtr 2004	\$1,645,319,107	\$1,553,468,955	\$951,410,649
1st qtr 2005	\$1,766,455,541	\$1,686,982,703	\$923,428,190
2nd qtr 2005	\$1,638,765,846	\$1,563,745,477	\$1,124,509,875
3rd qtr 2005	\$1,747,242,711	\$1,656,707,946	\$978,989,204
4th qtr 2005	\$1,636,150,324	\$1,524,298,123	\$936,367,719
1st qtr 2006	\$1,849,223,909	\$1,682,204,441	\$968,736,584

## *Private Passenger Auto (All Assigned Risk)*

There were 15 groups, 17 companies, that had assigned risk (no voluntary liability nor physical damage) direct written premium for Private Passenger Auto in the first quarter of 2006, as compared to 14 groups, 15 companies, in the first quarter of 2005.

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 first quarter of 2006 to direct written premium in the first quarter of 2005 for the same groups.

### **DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRIVATE PASSENGER AUTO**

<b>4 Qtrs Rank</b>	<b>Group Name</b>	<b>Market Share (4 Qtrs)</b>	<b>Written 1st Quarter 2006</b>	<b>% Change 1st Quarter 2005 to 2006</b>	<b>4 Quarters Ending 1st Qtr 2006</b>	<b>% Change 4 Qtrs Ending 2005 to 2006</b>
1	State Farm IL	27.06%	\$1,049,817	(39.67%)	\$3,861,493	(51.26%)
2	Allstate Insurance Group	14.55%	\$315,396	(40.63%)	\$2,075,473	(29.07%)
3	White Mountains Group	14.37%	\$947,442	(20.44%)	\$2,050,825	72.21%
4	Zurich Insurance Group	10.52%	\$399,997	(50.19%)	\$1,501,235	(33.49%)
5	American International Group	10.19%	\$391,548	(29.13%)	\$1,453,544	(62.28%)
6	Southern Farm Bureau Casualty	5.39%	\$219,078	(38.42%)	\$768,836	(49.11%)
7	Nationwide Corp.	3.76%	\$169,538	32.47%	\$537,012	(29.11%)
8	Berkshire Hathaway	3.41%	\$122,881	(50.88%)	\$487,157	(49.81%)
9	Home State Insurance Group	3.15%	\$23,804	(72.17%)	\$449,153	425.04%
10	Liberty Mutual Group	1.91%	\$45,847	32.21%	\$272,740	33.15%
11	Safeco Insurance Group	1.91%	\$68,657	(52.90%)	\$271,809	(52.90%)
12	St. Paul Travelers Group	1.49%	\$59,077	(47.24%)	\$212,762	(53.49%)
13	Kingsway Group	1.46%	\$207,682	*	\$207,682	*
14	Mercury General Group	0.82%	\$29,824	585.92%	\$117,594	376.82%
15	Service Life Group	0.01%	\$0	(100.00%)	\$1,344	(90.84%)
16	Southland Lloyds Insurance Company	0.01%	\$0	*	\$738	(59.43%)
17	Ameriprise Financial Group	(0.01%)	(\$6)	99.79%	(\$1,260)	(105.24%)

<b>Top Groups Total</b>	<b>100.00%</b>	<b>\$4,050,582</b>	<b>(31.73%)</b>	<b>\$14,268,137</b>	<b>(37.48%)</b>
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<b>Total Market</b>	<b>100.00%</b>	<b>\$4,050,582</b>	<b>(31.73%)</b>	<b>\$14,268,137</b>	<b>(37.48%)</b>
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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
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
1st qtr 2003	\$13,353,726	\$10,175,717	\$6,003,752
2nd qtr 2003	\$13,825,070	\$9,966,442	\$6,648,031
3rd qtr 2003	\$13,653,011	\$9,654,128	\$6,201,386
4th qtr 2003	\$12,535,481	\$8,767,404	\$6,042,045
1st qtr 2004	\$14,161,892	\$9,411,287	\$5,871,602
2nd qtr 2004	\$10,987,812	\$6,444,568	\$5,541,173
3rd qtr 2004	\$9,995,822	\$5,583,538	\$6,672,840
4th qtr 2004	\$7,198,957	\$4,860,681	\$4,665,648
1st qtr 2005	\$8,862,413	\$5,933,005	\$4,635,125
2nd qtr 2005	\$6,826,404	\$3,728,229	\$2,971,067
3rd qtr 2005	\$6,106,080	\$3,497,978	\$3,717,430
4th qtr 2005	\$5,558,905	\$2,991,348	\$3,120,298
1st qtr 2006	\$5,255,842	\$4,050,582	\$2,863,466

## *Private Passenger Auto (All Physical Damage)*

There were 60 groups, 162 companies, that had physical damage (no voluntary liability nor assigned risk) direct written premium for Private Passenger Auto in the first quarter of 2006, as compared to 61 groups, 173 companies, in the first quarter of 2005.

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 first quarter of 2006 to direct written premium in the first quarter of 2005 for the same groups.

### **DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRIVATE PASSENGER AUTO**

<b>4 Qtrs Rank</b>	<b>Group Name</b>	<b>Market Share (4 Qtrs)</b>	<b>Written 1st Quarter 2006</b>	<b>% Change 1st Quarter 2005 to 2006</b>	<b>4 Quarters Ending 1st Qtr 2006</b>	<b>% Change 4 Qtrs Ending 2005 to 2006</b>
1	State Farm IL	22.09%	\$294,565,426	5.15%	\$1,110,415,927	(0.74%)
2	Allstate Insurance Group	15.39%	\$199,755,798	(1.85%)	\$773,474,436	(0.61%)
3	Zurich Insurance Group	13.40%	\$164,056,902	(3.01%)	\$673,681,098	5.09%
4	Progressive Group	8.83%	\$117,159,146	(4.25%)	\$444,060,044	(7.26%)
5	United Services Automobile Assn. Group	5.33%	\$73,787,788	11.41%	\$267,942,498	1.23%
6	Berkshire Hathaway	5.08%	\$74,457,706	25.55%	\$255,305,943	30.74%
7	Old American County Mutual Fire Ins. Co.	3.70%	\$38,593,703	(21.77%)	\$185,906,740	10.52%
8	Southern Farm Bureau Casualty	3.59%	\$47,157,008	(2.57%)	\$180,410,997	(3.92%)
9	Nationwide Corp.	3.41%	\$44,381,565	(1.98%)	\$171,267,344	(13.14%)
10	Home State Insurance Group	2.77%	\$35,689,291	(7.23%)	\$139,007,314	(4.74%)
11	Titus Group	2.67%	\$33,694,657	22.45%	\$133,980,600	24.24%
12	Safeco Insurance Group	1.68%	\$21,040,059	(7.11%)	\$84,263,747	(4.99%)
13	Liberty Mutual Group	1.25%	\$14,376,766	9.51%	\$62,991,868	(3.19%)
14	UNITRIN Group	1.22%	\$14,319,004	(20.50%)	\$61,467,306	(7.48%)
15	Republic Companies Group	1.11%	\$13,925,871	7.11%	\$55,897,820	10.78%
16	Mercury General Group	0.85%	\$10,949,429	0.91%	\$42,747,636	0.41%
17	Interins Exchange of the Automobile Club	0.78%	\$9,844,193	15.95%	\$39,306,992	20.63%
18	St. Paul Travelers Group	0.73%	\$9,060,976	(23.05%)	\$36,863,084	(24.99%)
19	American International Group	0.60%	\$11,933,655	261.47%	\$30,342,776	326.08%
20	Germania Insurance Group	0.53%	\$6,836,031	7.87%	\$26,459,738	9.43%
21	Texas State National Group	0.49%	\$4,920,489	(41.48%)	\$24,444,687	(36.09%)
22	Metropolitan Group	0.49%	\$6,769,179	12.04%	\$24,431,695	4.83%
23	Hartford Fire & Casualty Group	0.46%	\$5,311,410	(22.19%)	\$23,009,228	(21.32%)
24	Amica Mutual Group	0.37%	\$4,471,944	(5.53%)	\$18,514,420	(11.08%)
25	Chubb & Son Inc.	0.35%	\$4,347,884	3.87%	\$17,751,462	3.82%

<b>Top 25 Groups Total</b>	<b>97.15%</b>	<b>\$1,261,405,880</b>	<b>1.12%</b>	<b>\$4,883,945,400</b>	<b>0.93%</b>
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<b>Total Market</b>	<b>100.00%</b>	<b>\$1,309,117,466</b>	<b>2.13%</b>	<b>\$5,027,301,946</b>	<b>1.28%</b>
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## QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
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
1st qtr 2003	\$1,338,702,723	\$1,264,747,641	\$666,290,600
2nd qtr 2003	\$1,266,867,864	\$1,185,867,357	\$1,151,438,404
3rd qtr 2003	\$1,337,960,163	\$1,270,651,280	\$728,687,238
4th qtr 2003	\$1,240,754,984	\$1,186,081,992	\$683,909,236
1st qtr 2004	\$1,351,428,781	\$1,303,649,288	\$627,794,469
2nd qtr 2004	\$1,278,922,970	\$1,218,378,684	\$673,328,325
3rd qtr 2004	\$1,357,812,902	\$1,293,888,883	\$663,080,707
4th qtr 2004	\$1,247,747,121	\$1,169,684,017	\$639,511,211
1st qtr 2005	\$1,327,953,252	\$1,281,752,967	\$635,926,425
2nd qtr 2005	\$1,290,940,243	\$1,197,868,135	\$757,483,051
3rd qtr 2005	\$1,351,799,555	\$1,329,383,287	\$693,052,380
4th qtr 2005	\$1,253,320,137	\$1,190,933,058	\$713,679,270
1st qtr 2006	\$1,382,099,489	\$1,309,117,466	\$702,740,817



## *Homeowners Multiple Peril (All Companies)*

There were 65 groups, 98 companies, that had premiums on policies written for Homeowners Multiple Peril (includes renters' insurance) in the first quarter of 2006, as compared to 59 groups, 89 companies, in the first quarter of 2005.

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 first quarter of 2006 to premiums on policies written in the first quarter of 2005 for the same groups.

### **DIRECT PREMIUMS WRITTEN MARKET SHARE FOR HOMEOWNERS MULTIPLE PERIL**

<b>4 Qtrs Rank</b>	<b>Group Name</b>	<b>Market Share (4 Qtrs)</b>	<b>Written 1st Quarter 2006</b>	<b>% Change 1st Quarter 2005 to 2006</b>	<b>4 Quarters Ending 1st Qtr 2006</b>	<b>% Change 4 Qtrs Ending 2005 to 2006</b>
1	State Farm IL	28.50%	\$290,452,873	4.97%	\$1,309,389,234	3.50%
2	Allstate Insurance Group	16.98%	\$142,079,683	(18.15%)	\$780,097,397	1.65%
3	Zurich Insurance Group	11.62%	\$122,093,701	9.35%	\$533,949,658	(0.25%)
4	United Services Automobile Assn. Group	7.31%	\$71,630,760	5.55%	\$335,946,629	4.60%
5	St. Paul Travelers Group	5.62%	\$62,178,367	4.23%	\$258,382,565	6.28%
6	Nationwide Corp.	3.96%	\$37,572,061	4.42%	\$181,980,987	8.35%
7	Vesta Insurance Group	3.78%	\$41,137,594	(19.67%)	\$173,522,111	(11.92%)
8	Chubb & Son Inc.	2.51%	\$25,600,099	0.48%	\$115,269,307	(1.31%)
9	Texas Farm Bureau Mutual	2.47%	\$29,387,587	7.89%	\$113,624,466	6.87%
10	Liberty Mutual Group	1.88%	\$18,588,976	5.69%	\$86,153,504	2.73%
11	Hartford Fire & Casualty Group	1.37%	\$14,502,953	42.50%	\$62,971,434	21.22%
12	NLASCO	1.15%	\$12,792,559	(4.23%)	\$52,809,043	(2.25%)
13	Republic Companies Group	1.06%	\$10,655,190	10.57%	\$48,535,393	19.32%
14	Safeco Insurance Group	1.03%	\$9,528,041	(16.07%)	\$47,190,185	(7.71%)
15	Amica Mutual Group	1.00%	\$9,501,465	(5.71%)	\$46,147,108	(3.97%)
16	Texas Fair Plan Association	0.96%	\$9,605,089	(35.34%)	\$44,109,817	(48.67%)
17	ARX Holding Corp. Group	0.76%	\$7,258,976	11.52%	\$34,862,269	14.54%
18	American National Financial Group	0.70%	\$6,347,269	(9.93%)	\$32,206,148	(5.24%)
19	Interins Exchange of the Automobile Club	0.68%	\$7,202,609	14.22%	\$31,256,417	15.66%
20	UNITRIN Group	0.66%	\$3,203,823	(61.89%)	\$30,203,225	(14.26%)
21	Cypress Holdings Group	0.61%	\$7,109,664	17.75%	\$27,805,433	63.85%
22	Allianz Insurance Group	0.55%	\$5,196,078	0.12%	\$25,331,591	(7.58%)
23	Glencoe US Holdings Inc	0.50%	\$6,005,933	(10.71%)	\$22,908,945	225.88%
24	Metropolitan Group	0.42%	\$4,427,057	34.72%	\$19,184,730	20.09%
25	Colonial Savings Group	0.38%	\$4,215,989	29.77%	\$17,470,449	11.70%

<b>Top 25 Groups Total</b>	<b>96.46%</b>	<b>\$958,274,396</b>	<b>(1.12%)</b>	<b>\$4,431,308,045</b>	<b>1.97%</b>
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<b>Total Market</b>	<b>100.00%</b>	<b>\$1,002,206,176</b>	<b>0.28%</b>	<b>\$4,594,127,427</b>	<b>2.15%</b>
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## QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
1st qtr 2001	\$739,357,732	\$691,706,910	\$503,586,791
2nd qtr 2001	\$929,634,302	\$863,249,536	\$834,551,881
3rd qtr 2001	\$972,458,027	\$879,995,299	\$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
1st qtr 2003	\$1,076,518,514	\$955,798,410	\$592,842,440
2nd qtr 2003	\$1,394,667,461	\$1,234,667,479	\$1,265,565,377
3rd qtr 2003	\$1,363,295,561	\$1,229,850,588	\$656,718,201
4th qtr 2003	\$1,127,403,509	\$992,576,934	\$417,580,410
1st qtr 2004	\$1,054,104,798	\$957,201,670	\$342,798,532
2nd qtr 2004	\$1,321,221,143	\$1,211,261,069	\$404,637,138
3rd qtr 2004	\$1,353,624,923	\$1,223,961,659	\$429,572,002
4th qtr 2004	\$1,148,310,976	\$1,062,604,303	\$284,080,246
1st qtr 2005	\$1,080,593,528	\$999,413,785	\$279,275,465
2nd qtr 2005	\$1,360,884,551	\$1,253,169,617	\$445,858,432
3rd qtr 2005	\$1,369,785,140	\$1,254,536,726	\$348,938,521
4th qtr 2005	\$1,174,051,166	\$1,084,214,908	\$1,219,355,935
1st qtr 2006	\$1,122,531,896	\$1,002,206,176	\$580,421,203

## 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>
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%
2003	58.7%
2004	27.8%
2005	56.8%

## Workers' Compensation (All Companies)

There were 85 groups, 227 companies, that had direct written premium for Workers' Compensation in the first quarter of 2006, as compared to 82 groups, 224 companies, in the first quarter of 2005.

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 first quarter of 2006 to direct written premium in the first quarter of 2005 for the same groups.

### DIRECT PREMIUMS WRITTEN MARKET SHARE FOR WORKERS' COMPENSATION

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 1st Quarter 2006	% Change 1st Quarter 2005 to 2006	4 Quarters Ending 1st Qtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	Texas Mutual Insurance Company	26.55%	\$211,689,820	8.96%	\$719,364,872	1.39%
2	American International Group	13.54%	\$95,871,302	(2.68%)	\$366,957,167	0.65%
3	Liberty Mutual Group	10.14%	\$106,241,279	44.54%	\$274,645,995	17.69%
4	Hartford Fire & Casualty Group	8.42%	\$51,130,605	13.53%	\$228,211,577	51.35%
5	Zurich Insurance Group	7.43%	\$48,231,263	(19.10%)	\$201,342,192	(3.49%)
6	St. Paul Travelers Group	5.79%	\$34,509,441	(0.07%)	\$156,870,947	9.49%
7	ACE Ltd.	4.12%	\$29,873,087	38.67%	\$111,573,079	24.95%
8	CNA Insurance Group	3.44%	\$23,551,391	(9.55%)	\$93,185,133	(8.50%)
9	Old Republic Group	2.22%	\$13,945,314	(0.27%)	\$60,222,074	(0.08%)
10	Chubb & Son Inc.	1.87%	\$14,020,689	(15.45%)	\$50,735,291	0.20%
11	Service Life Group	1.72%	\$19,076,136	(14.89%)	\$46,647,553	(5.25%)
12	Amerisure Company	1.61%	\$9,669,672	7.73%	\$43,678,079	1.77%
13	Zenith National Insurance Group	1.36%	\$10,093,295	32.01%	\$36,831,446	16.62%
14	Amcomp Group	1.01%	\$8,747,665	35.73%	\$27,503,893	(34.15%)
15	Sentry Insurance Group	0.83%	\$5,109,617	(11.71%)	\$22,549,912	(18.16%)
16	Amerisafe Group	0.48%	\$3,821,928	6.17%	\$13,079,807	(19.03%)
17	Fairfax Financial	0.47%	\$2,414,371	(12.88%)	\$12,862,420	(10.47%)
18	Utica National Insurance Group	0.46%	\$3,513,718	(2.85%)	\$12,501,929	(8.21%)
19	Republic Companies Group	0.46%	\$2,981,100	(10.81%)	\$12,415,256	(4.45%)
20	Federated Mutual	0.42%	\$2,991,277	34.98%	\$11,440,356	13.11%
21	WR Berkley Corp.	0.39%	\$2,876,180	(6.20%)	\$10,660,282	32.73%
22	EMC Insurance Company	0.39%	\$2,186,652	(25.64%)	\$10,544,130	(11.49%)
23	UNITRIN Group	0.38%	\$2,270,156	(7.29%)	\$10,272,592	10.81%
24	Texas Builders Insurance Company	0.37%	\$3,114,206	137.10%	\$10,083,733	62.04%
25	Atlantic American	0.32%	\$1,779,432	(9.15%)	\$8,781,786	(13.17%)

<b>Top 25 Groups Total</b>	<b>94.21%</b>	<b>\$709,709,596</b>	<b>7.18%</b>	<b>\$2,552,961,501</b>	<b>5.58%</b>
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<b>Total Market</b>	<b>100.00%</b>	<b>\$754,968,853</b>	<b>7.59%</b>	<b>\$2,709,762,331</b>	<b>4.96%</b>
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## QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
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
1st qtr 2003	\$796,149,213	\$707,747,906	\$316,874,393
2nd qtr 2003	\$706,219,464	\$613,925,986	\$336,901,199
3rd qtr 2003	\$704,043,168	\$609,081,068	\$294,735,473
4th qtr 2003	\$707,896,917	\$660,639,744	\$243,790,651
1st qtr 2004	\$784,464,632	\$760,481,464	\$237,434,415
2nd qtr 2004	\$735,090,648	\$600,764,258	\$250,008,705
3rd qtr 2004	\$660,662,627	\$641,679,414	\$259,068,273
4th qtr 2004	\$677,655,366	\$637,502,857	\$208,172,067
1st qtr 2005	\$715,844,213	\$701,739,909	\$248,862,256
2nd qtr 2005	\$675,246,053	\$622,070,351	\$246,527,826
3rd qtr 2005	\$608,614,039	\$625,264,524	\$245,776,806
4th qtr 2005	\$653,492,954	\$707,458,603	\$214,575,494
1st qtr 2006	\$689,801,305	\$754,968,853	\$255,053,818

## 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>
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%
2003	68.0%
2004	51.3%
2005	57.0%

## Workers' Compensation (Voluntary Market)

There were 85 groups, 227 companies, that had voluntary direct written premium for Workers' Compensation in the first quarter of 2006, as compared to 82 groups, 224 companies, in the first quarter of 2005.

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 first quarter of 2006 to direct written premium in the first quarter of 2005 for the same groups.

### DIRECT PREMIUMS WRITTEN MARKET SHARE FOR WORKERS' COMPENSATION

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 1st Quarter 2006	% Change 1st Quarter 2005 to 2006	4 Quarters Ending 1st Qtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	Texas Mutual Insurance Company	26.41%	\$209,505,774	9.09%	\$712,166,016	2.05%
2	American International Group	13.61%	\$95,871,302	(2.68%)	\$366,957,167	0.65%
3	Liberty Mutual Group	10.18%	\$106,241,279	44.54%	\$274,645,995	17.69%
4	Hartford Fire & Casualty Group	8.46%	\$51,130,605	13.53%	\$228,211,577	51.35%
5	Zurich Insurance Group	7.47%	\$48,231,263	(19.10%)	\$201,342,192	(3.49%)
6	St. Paul Travelers Group	5.82%	\$34,509,441	(0.07%)	\$156,870,947	9.49%
7	ACE Ltd.	4.14%	\$29,873,087	38.67%	\$111,573,079	24.95%
8	CNA Insurance Group	3.46%	\$23,551,391	(9.55%)	\$93,185,133	(8.50%)
9	Old Republic Group	2.23%	\$13,945,314	(0.27%)	\$60,222,074	(0.08%)
10	Chubb & Son Inc.	1.88%	\$14,020,689	(15.45%)	\$50,735,291	0.20%
11	Service Life Group	1.73%	\$19,076,136	(14.89%)	\$46,647,553	(5.25%)
12	Amerisure Company	1.62%	\$9,669,672	7.73%	\$43,678,079	1.77%
13	Zenith National Insurance Group	1.37%	\$10,093,295	32.01%	\$36,831,446	16.62%
14	Amcomp Group	1.02%	\$8,747,665	35.73%	\$27,503,893	(34.15%)
15	Sentry Insurance Group	0.84%	\$5,109,617	(11.71%)	\$22,549,912	(18.16%)
16	Amerisafe Group	0.49%	\$3,821,928	6.17%	\$13,079,807	(19.03%)
17	Fairfax Financial	0.48%	\$2,414,371	(12.88%)	\$12,862,420	(10.47%)
18	Utica National Insurance Group	0.46%	\$3,513,718	(2.85%)	\$12,501,929	(8.21%)
19	Republic Companies Group	0.46%	\$2,981,100	(10.81%)	\$12,415,256	(4.45%)
20	Federated Mutual	0.42%	\$2,991,277	34.98%	\$11,440,356	13.11%
21	WR Berkley Corp.	0.40%	\$2,876,180	(6.20%)	\$10,660,282	32.73%
22	EMC Insurance Company	0.39%	\$2,186,652	(25.64%)	\$10,544,130	(11.49%)
23	UNITRIN Group	0.38%	\$2,270,156	(7.29%)	\$10,272,592	10.81%
24	Atlantic American	0.33%	\$1,779,432	(9.15%)	\$8,781,786	(13.17%)
25	State Farm IL	0.32%	\$2,369,745	0.09%	\$8,595,347	(7.61%)

<b>Top 25 Groups Total</b>	<b>94.35%</b>	<b>\$706,781,089</b>	<b>6.93%</b>	<b>\$2,544,274,259</b>	<b>5.59%</b>
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<b>Total Market</b>	<b>100.00%</b>	<b>\$751,227,704</b>	<b>7.40%</b>	<b>\$2,696,667,111</b>	<b>4.93%</b>
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## QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
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
1st qtr 2003	\$789,303,161	\$702,878,917	\$312,423,735
2nd qtr 2003	\$698,820,581	\$607,330,529	\$332,424,290
3rd qtr 2003	\$697,425,752	\$605,434,822	\$290,359,509
4th qtr 2003	\$703,053,211	\$656,032,121	\$237,963,992
1st qtr 2004	\$775,143,328	\$751,980,050	\$235,457,643
2nd qtr 2004	\$730,500,348	\$595,579,582	\$246,761,999
3rd qtr 2004	\$657,718,545	\$640,473,143	\$251,277,710
4th qtr 2004	\$674,509,968	\$634,513,919	\$208,914,706
1st qtr 2005	\$712,653,851	\$699,498,680	\$245,859,536
2nd qtr 2005	\$672,084,966	\$620,520,059	\$245,070,604
3rd qtr 2005	\$606,964,507	\$620,411,714	\$242,926,580
4th qtr 2005	\$651,678,557	\$704,507,634	\$206,376,037
1st qtr 2006	\$687,528,117	\$751,227,704	\$252,810,380

## ***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 first quarter of 2006, the START program reported \$7,198,856 in direct premiums written. This accounted for 54.97% of all Residual Market experience reported and was a decrease of (38.05%) over the same period one year prior. Of this amount \$2,184,046 was written in the first quarter of 2006 which was a (2.55%) decrease from the first quarter of 2005.

The balance of all Workers' Compensation (page 24) minus the Voluntary Market (page 26) 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**

<b>Reporting Period</b>	<b>Premiums on Policies Written</b>	<b>Direct Written Premium</b>	<b>Direct Losses Paid</b>
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
1st qtr 2003	\$6,846,052	\$4,868,989	\$4,450,658
2nd qtr 2003	\$7,398,883	\$6,595,457	\$4,476,909
3rd qtr 2003	\$6,617,416	\$3,646,246	\$4,375,964
4th qtr 2003	\$4,843,706	\$4,607,623	\$5,826,659
1st qtr 2004	\$9,321,304	\$8,501,414	\$1,976,772
2nd qtr 2004	\$4,590,300	\$5,184,676	\$3,246,706
3rd qtr 2004	\$2,944,082	\$1,206,271	\$7,790,563
4th qtr 2004	\$3,145,398	\$2,988,938	(\$742,639)
1st qtr 2005	\$3,190,362	\$2,241,229	\$3,002,720
2nd qtr 2005	\$3,161,087	\$1,550,292	\$1,457,222
3rd qtr 2005	\$1,649,532	\$4,852,810	\$2,850,226
4th qtr 2005	\$1,814,397	\$2,950,969	\$8,199,457
1st qtr 2006	\$2,273,188	\$3,741,149	\$2,243,438

**QUARTERLY EXPERIENCE**  
**Texas Mutual Insurance Company**

<b>Reporting Period</b>	<b>Premiums on Policies Written</b>	<b>Direct Written Premium</b>	<b>Direct Losses Paid</b>
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
1st qtr 2003	\$6,846,052	\$4,852,376	\$1,988,494
2nd qtr 2003	\$7,398,883	\$6,594,934	\$1,904,942
3rd qtr 2003	\$6,617,416	\$3,646,246	\$2,186,906
4th qtr 2003	\$4,843,706	\$4,607,100	\$1,625,440
1st qtr 2004	\$9,321,304	\$8,501,414	\$1,856,570
2nd qtr 2004	\$4,590,300	\$5,184,676	\$2,205,266
3rd qtr 2004	\$2,944,082	\$1,206,271	\$2,068,334
4th qtr 2004	\$3,145,398	\$2,988,938	\$1,682,701
1st qtr 2005	\$3,190,362	\$2,241,229	\$1,916,106
2nd qtr 2005	\$3,161,087	\$1,550,292	\$1,504,557
3rd qtr 2005	\$1,649,532	\$1,920,420	\$1,356,660
4th qtr 2005	\$1,814,397	\$1,544,098	\$1,253,731
1st qtr 2006	\$2,273,188	\$2,184,046	\$1,092,585



## ***Workers' Compensation (Deductible Plans)***

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There were 85 groups, 227 companies which wrote voluntary policies for Workers' Compensation in the first quarter of 2006, as compared to 82 groups, 224 companies in the first quarter of 2005.

The data contained in the following table represents direct policies written as new or renewal policies in the first quarter of 2006. 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 31. 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 1st Qtr 2006	Premium on Direct Policies Written Prior to Deductible Credit	Premium on Direct Policies Written After Deductible Credit	Percent of Reduction in Premiums
<b>Per Accident Deductible Plan</b>				
Premium of \$5,000 - \$9,999	53	\$383,742	\$341,475	11.01%
Premium of \$10,000 - \$24,999	52	\$879,182	\$778,310	11.47%
Premium of \$25,000 - \$49,999	38	\$1,472,470	\$1,221,265	17.06%
Premium of \$50,000 - \$74,999	14	\$963,984	\$799,857	17.03%
Premium of \$75,000 - \$100,000	26	\$3,291,665	\$2,442,612	25.79%
<b>Total Per Accident Plan</b>	<b>183</b>	<b>\$6,991,043</b>	<b>\$5,583,519</b>	<b>20.13%</b>
<b>Aggregate Deductible Plan</b>				
Premium of \$5,000 - \$9,999	20	\$137,504	\$118,221	14.02%
Premium of \$10,000 - \$24,999	35	\$572,094	\$497,213	13.09%
Premium of \$25,000 - \$49,999	21	\$687,351	\$590,688	14.06%
Premium of \$50,000 - \$74,999	7	\$449,125	\$374,425	16.63%
Premium of \$75,000 - \$100,000	3	\$244,745	\$190,299	22.25%
<b>Total Aggregate Plan</b>	<b>86</b>	<b>\$2,090,819</b>	<b>\$1,770,846</b>	<b>15.30%</b>
<b>Per Accident/Aggregate Combination Deductible Plan</b>				
Premium of \$5,000 - \$9,999	7	\$28,041	\$21,693	22.64%
Premium of \$10,000 - \$24,999	8	\$118,195	\$85,970	27.26%
Premium of \$25,000 - \$49,999	3	\$109,530	\$70,961	35.21%
Premium of \$50,000 - \$74,999	2	\$112,809	\$69,275	38.59%
Premium of \$75,000 - \$100,000	6	\$1,284,014	\$258,200	79.89%
<b>Total Combination Plan</b>	<b>26</b>	<b>\$1,652,589</b>	<b>\$506,099</b>	<b>69.38%</b>
<b>Negotiated Deductible Plan</b>				
Premium Up To \$100,000	1,520	\$23,580,607	\$7,231,299	69.33%
Premium of \$100,001 - \$150,000	74	\$13,049,207	\$3,887,382	70.21%
Premium of \$150,001 - \$250,000	83	\$22,695,561	\$7,056,833	68.91%
Premium of \$250,001 - \$350,000	53	\$18,224,959	\$5,770,276	68.34%
Premium of \$350,001 - \$500,000	46	\$21,825,019	\$5,964,082	72.67%
Premium of \$500,001 - \$750,000	38	\$26,247,578	\$7,741,263	70.51%
Premium of \$750,001 - \$1,000,000	29	\$28,406,671	\$6,937,447	75.58%
Premium of \$1,000,001 - \$2,500,000	56	\$78,039,048	\$17,396,411	77.71%
Premium of \$2,500,001 - \$5,000,000	19	\$49,612,574	\$7,511,209	84.86%
Premium of \$5,000,001 and above	9	\$35,703,235	\$7,798,056	78.16%
<b>Total Negotiated Plan</b>	<b>1,927</b>	<b>\$317,384,459</b>	<b>\$77,294,258</b>	<b>75.65%</b>
<b>No Deductible Plan</b>				
Premium Less Than \$5,000	23,559	\$40,570,465	\$40,570,465	0.00%
Premium of \$5,000 - \$9,999	5,689	\$39,371,722	\$39,371,722	0.00%
Premium of \$10,000 - \$24,999	4,985	\$76,373,169	\$76,373,169	0.00%
Premium of \$25,000 - \$49,999	2,433	\$83,380,949	\$83,380,949	0.00%
Premium of \$50,000 - \$74,999	840	\$47,045,239	\$47,045,239	0.00%
Premium of \$75,000 - \$100,000	452	\$35,798,820	\$35,798,820	0.00%
Premium Greater Than \$100,000	1,229	\$279,833,031	\$279,833,031	0.00%
<b>Total No Deductible Plan</b>	<b>39,187</b>	<b>\$602,373,395</b>	<b>\$602,373,395</b>	<b>0.00%</b>
<b>TOTAL</b>	<b>41,409</b>	<b>\$930,492,305</b>	<b>\$687,528,117</b>	<b>26.11%</b>

## Boiler & Machinery

There were 38 groups, 89 companies, that had direct written premium for Boiler & Machinery in the first quarter of 2006, as compared to 35 groups, 82 companies, in the first quarter of 2005.

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 first quarter of 2006 to direct written premium in the first quarter of 2005 for the same groups.

### DIRECT PREMIUMS WRITTEN MARKET SHARE FOR BOILER & MACHINERY

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 1st Quarter 2006	% Change 1st Quarter 2005 to 2006	4 Quarters Ending 1st Qtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	FM Global Group	27.99%	\$4,222,033	3.49%	\$20,132,290	36.20%
2	American International Group	15.88%	\$2,087,518	(15.03%)	\$11,416,780	(3.87%)
3	St. Paul Travelers Group	15.08%	\$2,965,876	(14.76%)	\$10,847,754	(14.48%)
4	Chubb & Son Inc.	9.34%	\$1,465,544	(11.74%)	\$6,716,791	(8.06%)
5	Zurich Insurance Group	9.23%	\$1,691,232	60.88%	\$6,637,722	24.68%
6	CNA Insurance Group	5.60%	\$716,225	(23.31%)	\$4,026,824	0.25%
7	Liberty Mutual Group	5.52%	\$658,561	63.30%	\$3,971,838	56.49%
8	Allianz Insurance Group	2.47%	\$597,861	121.21%	\$1,776,289	(8.76%)
9	Central Mutual Insurance Company of Ohio	1.27%	\$282,426	27.25%	\$909,920	43.81%
10	Federated Mutual	1.20%	\$212,933	1.48%	\$861,376	(8.88%)
11	Nationwide Corp.	0.81%	\$162,854	63.48%	\$582,501	61.41%
12	XL America	0.76%	\$222,370	*	\$546,722	38.41%
13	GE Global Group	0.70%	\$179,918	235.49%	\$501,566	6.11%
14	EMC Insurance Company	0.66%	\$131,097	17.45%	\$476,048	16.58%
15	American Financial Group	0.55%	\$292,375	*	\$392,812	373.79%
16	Triangle Insurance Company Inc.	0.46%	\$23,051	62.35%	\$328,328	36.20%
17	Allstate Insurance Group	0.45%	\$73,565	(4.34%)	\$320,916	(3.90%)
18	Millea Holdings Inc.	0.42%	\$113,615	48.24%	\$299,755	(15.29%)
19	United Fire & Casualty Group	0.28%	\$49,346	14.48%	\$203,201	1.29%
20	AXIS Capital Group	0.27%	\$27,871	(63.90%)	\$191,221	147.66%
21	Hartford Fire & Casualty Group	0.21%	\$46,042	89.68%	\$151,674	46.09%
22	Bancinsure Inc.	0.19%	\$53,002	(9.41%)	\$137,473	(9.94%)
23	Hannover Group	0.15%	\$3,683	0.00%	\$108,483	*
24	Lumbermen's Underwriting Alliance	0.13%	\$15,413	1.41%	\$95,389	16.39%
25	Texas State National Group	0.10%	\$0	(100.00%)	\$73,974	*

<b>Top 25 Groups Total</b>	<b>99.71%</b>	<b>\$16,294,411</b>	<b>6.69%</b>	<b>\$71,707,647</b>	<b>9.76%</b>
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<b>Total Market</b>	<b>100.00%</b>	<b>\$16,357,822</b>	<b>6.97%</b>	<b>\$71,914,023</b>	<b>9.81%</b>
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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
1st qtr 2001	\$9,322,472	\$10,668,808	\$6,262,083
2nd qtr 2001	\$11,069,306	\$13,060,159	\$2,488,279
3rd qtr 2001	\$11,513,713	\$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
1st qtr 2003	\$17,637,255	\$19,160,434	\$2,609,649
2nd qtr 2003	\$18,174,135	\$19,667,485	\$2,628,907
3rd qtr 2003	\$16,781,415	\$18,589,775	\$21,170,824
4th qtr 2003	\$16,973,598	\$18,739,582	\$4,007,116
1st qtr 2004	\$15,243,995	\$16,259,983	\$1,988,536
2nd qtr 2004	\$15,247,946	\$16,327,909	\$17,676,387
3rd qtr 2004	\$16,318,317	\$19,417,778	\$4,121,378
4th qtr 2004	\$17,604,771	\$14,452,601	\$15,415,284
1st qtr 2005	\$14,222,180	\$15,291,463	\$1,454,857
2nd qtr 2005	\$14,320,385	\$16,667,555	\$4,596,582
3rd qtr 2005	\$15,899,068	\$20,779,919	\$1,553,656
4th qtr 2005	\$14,395,254	\$18,108,727	\$2,876,379
1st qtr 2006	\$14,198,127	\$16,357,822	\$2,942,034

## 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>
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%
2003	65.8%
2004	5.6%
2005	31.8%

## Commercial Crime

There were 35 groups, 75 companies, that had direct written premium for Commercial Crime in the first quarter of 2006, as compared to 32 groups, 74 companies, in the first quarter of 2005.

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 first quarter of 2006 to direct written premium in the first quarter of 2005 for the same groups.

### DIRECT PREMIUMS WRITTEN MARKET SHARE FOR COMMERCIAL CRIME

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 1st Quarter 2006	% Change 1st Quarter 2005 to 2006	4 Quarters Ending 1st Qtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	St. Paul Travelers Group	24.35%	\$363,910	(7.19%)	\$1,721,507	0.40%
2	Chubb & Son Inc.	20.96%	\$225,455	5.23%	\$1,481,817	(4.45%)
3	Zurich Insurance Group	16.68%	\$370,052	3.16%	\$1,179,690	(8.33%)
4	Hartford Fire & Casualty Group	12.38%	\$219,640	86.08%	\$875,541	2.53%
5	American International Group	7.42%	\$190,347	(36.00%)	\$524,386	(62.47%)
6	CNA Insurance Group	6.95%	\$203,514	(15.87%)	\$491,671	(54.68%)
7	Sentry Insurance Group	1.38%	\$30,952	(8.24%)	\$97,477	6.75%
8	United Fire & Casualty Group	1.21%	\$14,175	19.95%	\$85,597	4.31%
9	Liberty Mutual Group	1.19%	\$35,862	33.25%	\$84,326	(6.93%)
10	Nationwide Corp.	1.09%	\$13,282	879.50%	\$76,734	221.10%
11	ACE Ltd.	1.04%	\$12,954	43.26%	\$73,475	537.25%
12	Federated Mutual	1.03%	\$23,598	(9.67%)	\$72,555	(19.17%)
13	American Financial Group	0.67%	\$8,960	14.56%	\$47,478	33.98%
14	Allstate Insurance Group	0.57%	\$9,553	39.58%	\$40,148	(5.88%)
15	XL America	0.55%	\$9,763	583.32%	\$38,601	57.27%
16	Harco National Insurance Company	0.51%	\$5,412	(74.91%)	\$35,771	(49.36%)
17	Benchmark Insurance Company	0.39%	\$10,500	*	\$27,306	39.45%
18	Bancinsure, Inc.	0.27%	\$18,861	*	\$18,861	(83.15%)
19	EMC Insurance Company	0.23%	\$2,343	(8.05%)	\$16,590	20.65%
20	Motorists Mutual	0.19%	\$0	*	\$13,491	*
21	Safeco Insurance Group	0.17%	\$3,684	46.31%	\$12,135	78.22%
22	UNITRIN Group	0.12%	\$570	(52.38%)	\$8,466	10.54%
23	North Pointe Holdings Corp. Group	0.12%	\$3,869	(11.36%)	\$8,348	91.25%
24	Central Mutual Insurance Company of Ohio	0.09%	\$0	(100.00%)	\$6,706	(24.78%)
25	Federated Rural Electric Insurance Exchange	0.09%	\$2,787	(13.98%)	\$6,027	(6.99%)

<b>Top 25 Groups Total</b>	<b>99.63%</b>	<b>\$1,780,043</b>	<b>(0.07%)</b>	<b>\$7,044,704</b>	<b>(18.37%)</b>
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<b>Total Market</b>	<b>100.00%</b>	<b>\$1,786,970</b>	<b>(1.18%)</b>	<b>\$7,070,617</b>	<b>(18.87%)</b>
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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
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
1st qtr 2003	\$1,428,028	\$1,478,357	\$220,185
2nd qtr 2003	\$1,811,197	\$1,968,334	\$77,561
3rd qtr 2003	\$1,455,764	\$1,970,424	\$201,608
4th qtr 2003	\$1,485,574	\$1,867,930	\$424,135
1st qtr 2004	\$3,342,749	\$1,749,368	\$376,949
2nd qtr 2004	\$1,898,917	\$2,170,364	\$48,845
3rd qtr 2004	\$1,415,602	\$2,690,230	\$368,517
4th qtr 2004	\$1,836,630	\$2,046,419	\$15,145
1st qtr 2005	\$1,442,287	\$1,808,358	\$866,393
2nd qtr 2005	\$1,853,047	\$1,575,124	\$92,132
3rd qtr 2005	\$1,338,039	\$1,915,433	\$1,290,472
4th qtr 2005	\$1,468,162	\$1,793,090	\$364,705
1st qtr 2006	\$1,520,582	\$1,786,970	\$147,044

## 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>
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%
2003	27.1%
2004	20.4%
2005	15.3%

## Commercial Glass

There were 6 groups, 8 companies, that had direct written premium for Commercial Glass in the first quarter of 2006, as compared to 9 groups, 15 companies, in the first quarter of 2005.

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 first quarter of 2006 to direct written premium in the first quarter of 2005 for the same groups.

### DIRECT PREMIUMS WRITTEN MARKET SHARE FOR COMMERCIAL GLASS

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 1st Quarter 2006	% Change 1st Quarter 2005 to 2006	4 Quarters Ending 1st Qtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	Zurich Insurance Group	57.39%	\$12,432	(39.10%)	\$45,278	(25.38%)
2	Ohio Casualty Group	14.08%	\$1,499	(22.33%)	\$11,108	(15.41%)
3	UNITRIN Group	11.72%	\$0	(100.00%)	\$9,243	(76.15%)
4	Federated Mutual	7.73%	\$1,080	(1.55%)	\$6,099	22.52%
5	Liberty Mutual Group	6.81%	\$4,160	35.59%	\$5,371	13.99%
6	State Farm IL	1.84%	\$124	0.00%	\$1,450	0.00%
7	St. Paul Travelers Group	0.58%	\$0	(100.00%)	\$460	(58.60%)
8	United Fire & Casualty Group	0.26%	\$0	100.00%	\$204	(96.55%)
9	Safeco Insurance Group	(0.01%)	\$0	*	(\$6)	(100.29%)
10	Hartford Fire & Casualty Group	(0.40%)	(\$316)	*	(\$316)	*

<b>Top Groups Total</b>	<b>100.00%</b>	<b>\$18,979</b>	<b>(39.93%)</b>	<b>\$78,891</b>	<b>(86.51%)</b>
<b>Total Market</b>	<b>100.00%</b>	<b>\$18,979</b>	<b>(39.93%)</b>	<b>\$78,891</b>	<b>(86.51%)</b>

\* 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
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
1st qtr 2003	\$94,109	\$65,760	\$8,488
2nd qtr 2003	\$81,840	\$62,094	\$13,141
3rd qtr 2003	\$76,628	\$50,084	\$14,061
4th qtr 2003	\$112,205	\$55,552	\$7,445
1st qtr 2004	\$97,082	\$52,661	\$20,377
2nd qtr 2004	\$523,945	\$478,848	\$4,143
3rd qtr 2004	\$81,140	\$41,301	\$3,214
4th qtr 2004	\$81,385	\$32,903	\$6,261
1st qtr 2005	\$70,950	\$31,593	\$2,910
2nd qtr 2005	\$21,527	\$29,140	\$1,326
3rd qtr 2005	\$11,819	\$16,019	(\$1,360)
4th qtr 2005	\$18,836	\$14,753	\$1,334
1st qtr 2006	\$28,793	\$18,979	\$629

## 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>
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%
2003	59.5%
2004	40.7%
2005	56.7%

\* 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 30 groups, 38 companies, that had direct written premium for Medical Professional Liability (includes regulated and non-rate-regulated companies) in the first quarter of 2006, as compared to 32 groups, 44 companies, in the first quarter of 2005.

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 first quarter of 2006 to direct written premium in the first quarter of 2005 for the same groups.

### DIRECT PREMIUMS WRITTEN MARKET SHARE FOR MEDICAL PROFESSIONAL LIABILITY

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 1st Quarter 2006	% Change 1st Quarter 2005 to 2006	4 Quarters Ending 1st Qtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	GE Global Group	21.63%	\$20,216,592	(20.54%)	\$87,412,122	(19.59%)
2	Health Care Indemnity Inc.	20.11%	\$78,544,838	(14.94%)	\$81,280,218	(9.31%)
3	American Physicians Ins. Exchange	16.56%	\$17,339,013	2.40%	\$66,942,113	(0.04%)
4	Texas Medical Liability Underwriting Assoc.	10.75%	\$7,471,679	(51.35%)	\$43,452,409	(36.41%)
5	Doctors Company Group	5.55%	\$6,200,603	505.55%	\$22,414,489	137.31%
6	Advocate, MD Ins. Of The Southwest Inc.	4.49%	\$3,166,857	73.95%	\$18,153,699	104.98%
7	Preferred Professional Insurance Company	2.13%	\$3,273,386	(8.28%)	\$8,627,406	31.10%
8	Texas Hospital Insurance Exchange	1.84%	\$1,160,000	(16.28%)	\$7,439,035	(7.40%)
9	Everest Reinsurance Holding Inc.	1.73%	\$941,767	(83.19%)	\$6,974,045	211.84%
10	CNA Insurance Group	1.63%	\$1,468,744	(28.34%)	\$6,606,265	(2.82%)
11	Allianz Insurance Group	1.59%	\$1,274,179	(11.24%)	\$6,427,039	(12.17%)
12	ProAssurance Corp. Group	1.52%	\$415,862	(33.11%)	\$6,157,209	(21.74%)
13	American International Group	1.50%	\$1,363,846	35.50%	\$6,070,770	2.69%
14	PICA Group	1.40%	\$1,425,329	(1.14%)	\$5,645,146	33.45%
15	NCMIC Group	1.13%	\$1,438,785	(1.68%)	\$4,584,025	11.55%
16	FPIC Insurance Group Inc.	1.10%	\$1,319,753	(34.99%)	\$4,436,544	(22.97%)
17	Texas Medical Insurance Company	1.05%	\$933,570	9.77%	\$4,233,943	7.79%
18	Medical Liability Ins. Company of America	0.91%	\$889,219	(23.93%)	\$3,658,977	213.02%
19	National Group	0.76%	\$372,805	9.82%	\$3,069,484	(10.48%)
20	ACE Ltd.	0.76%	\$734,555	(16.24%)	\$3,059,169	91.19%
21	Alleghany Group	0.76%	\$701,354	5.13%	\$3,052,090	125.84%
22	Zurich Insurance Group	0.41%	\$0	(100.00%)	\$1,645,718	*
23	Munich American Holding Corp.	0.36%	\$184,656	65.61%	\$1,436,051	7.94%
24	Berkshire Hathaway	0.12%	\$0	*	\$500,960	111.81%
25	Nationwide Corp.	0.11%	\$88,649	132.30%	\$455,663	590.21%

<b>Top 25 Groups Total</b>	<b>99.88%</b>	<b>\$150,926,041</b>	<b>(15.01%)</b>	<b>\$403,734,589</b>	<b>(2.82%)</b>
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<b>Total Market</b>	<b>100.00%</b>	<b>\$151,061,293</b>	<b>(14.91%)</b>	<b>\$404,206,752</b>	<b>(3.30%)</b>
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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
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
1st qtr 2003	\$227,003,710	\$244,370,356	\$45,576,971
2nd qtr 2003	\$93,947,674	\$88,666,548	\$55,106,913
3rd qtr 2003	\$126,579,512	\$135,323,248	\$57,388,785
4th qtr 2003	\$71,752,834	\$82,927,387	\$93,075,549
1st qtr 2004	\$193,451,843	\$205,340,648	\$41,830,082
2nd qtr 2004	\$82,158,142	\$72,023,021	\$49,479,085
3rd qtr 2004	\$115,940,146	\$103,495,609	\$64,828,248
4th qtr 2004	\$74,360,976	\$64,923,197	\$72,244,880
1st qtr 2005	\$167,300,880	\$177,538,015	\$42,747,053
2nd qtr 2005	\$67,243,302	\$76,862,860	\$41,556,716
3rd qtr 2005	\$103,894,380	\$106,955,899	\$40,278,667
4th qtr 2005	\$60,662,829	\$69,326,700	\$38,064,317
1st qtr 2006	\$150,569,921	\$151,061,293	\$29,286,855

## EARNED TO INCURRED LOSS RATIO BY YEAR

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

Year	Loss Ratio
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%
2003	80.3%
2004	44.8%
2005	31.0%

## Miscellaneous Professional Liability

There were 26 groups, 58 companies, that had direct written premium for Miscellaneous Professional Liability in the first quarter of 2006, as compared to 31 groups, 65 companies, in the first quarter of 2005.

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 first quarter of 2006 to direct written premium in the first quarter of 2005 for the same groups.

### DIRECT PREMIUMS WRITTEN MARKET SHARE FOR MISC. PROFESSIONAL LIABILITY

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 1st Quarter 2006	% Change 1st Quarter 2005 to 2006	4 Quarters Ending 1st Qtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	Chubb & Son Inc.	24.59%	\$17,079,090	(0.39%)	\$93,290,039	(8.23%)
2	XL America	21.26%	\$16,099,235	*	\$80,662,689	*
3	St. Paul Travelers Group	13.48%	\$12,309,239	6.29%	\$51,127,835	14.01%
4	Hartford Fire & Casualty Group	12.38%	\$6,773,301	7.29%	\$46,950,878	22.70%
5	HCC Insurance Holdings Group	9.76%	\$4,806,630	(8.78%)	\$37,009,382	(16.70%)
6	ACE Ltd.	5.15%	\$5,421,432	(18.64%)	\$19,539,456	4.18%
7	RLI Insurance Group	3.43%	\$2,562,621	13.57%	\$13,014,897	15.33%
8	GE Global Group	1.77%	\$72,042	(98.88%)	\$6,716,688	(38.80%)
9	Allianz Insurance Group	1.41%	\$367,289	(51.71%)	\$5,337,710	17.70%
10	Berkshire Hathaway	1.27%	\$965,317	(40.64%)	\$4,819,378	4.80%
11	Nationwide Corp.	1.15%	\$935,594	11.69%	\$4,348,159	0.52%
12	United National Group	0.84%	\$599,552	*	\$3,173,623	277.01%
13	Old Republic Group	0.74%	\$597,595	10.88%	\$2,811,149	(4.95%)
14	Markel Corp. Group	0.60%	\$568,235	5.78%	\$2,281,321	14.49%
15	Liberty Mutual Group	0.42%	\$285,581	(74.32%)	\$1,585,270	(42.26%)
16	Navigators Group Inc.	0.41%	\$0	(100.00%)	\$1,548,108	195.51%
17	Utica National Insurance Group	0.33%	\$425,922	34.50%	\$1,254,428	0.54%
18	Aon Corp.	0.30%	\$3,305	(99.00%)	\$1,153,183	(77.91%)
19	AETNA	0.29%	\$1,092,800	3.17%	\$1,092,800	3.17%
20	Arch Insurance Group	0.14%	\$522,300	(42.52%)	\$522,352	(89.05%)
21	Zurich Insurance Group	0.08%	\$77,863	(6.19%)	\$306,830	0.58%
22	State Farm IL	0.06%	\$55,009	97.80%	\$232,810	91.33%
23	Quanta US Holdings Group	0.04%	\$0	(100.00%)	\$140,265	17.67%
24	Beazley Insurance Company, Inc.	0.02%	\$0	*	\$94,500	*
25	Merchants Bonding Company	0.02%	\$43,710	403.98%	\$69,340	106.04%
<b>Top 25 Groups Total</b>		<b>99.93%</b>	<b>\$71,663,662</b>	<b>10.36%</b>	<b>\$379,083,090</b>	<b>23.68%</b>
<b>Total Market</b>		<b>100.00%</b>	<b>\$71,708,474</b>	<b>10.30%</b>	<b>\$379,339,804</b>	<b>23.66%</b>

\* 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
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	\$47,262,414	\$48,284,538	\$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
1st qtr 2003	\$65,301,029	\$64,300,341	\$23,052,586
2nd qtr 2003	\$72,527,779	\$84,367,349	\$41,720,752
3rd qtr 2003	\$78,673,242	\$80,572,101	\$73,006,385
4th qtr 2003	\$72,099,487	\$78,115,601	\$15,837,639
1st qtr 2004	\$78,583,973	\$78,663,654	\$19,091,166
2nd qtr 2004	\$79,027,029	\$80,952,491	\$25,411,999
3rd qtr 2004	\$88,221,507	\$84,958,945	\$12,873,254
4th qtr 2004	\$70,978,554	\$75,843,090	\$1,731,964
1st qtr 2005	\$62,933,404	\$65,015,052	\$112,729,581
2nd qtr 2005	\$105,738,944	\$102,001,411	\$29,708,476
3rd qtr 2005	\$109,824,539	\$108,786,798	\$19,339,409
4th qtr 2005	\$92,079,636	\$96,843,121	\$52,554,252
1st qtr 2006	\$70,131,804	\$71,708,474	\$22,326,214

## EARNED TO INCURRED LOSS RATIO BY YEAR

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

Year	Loss Ratio *
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%
2003	77.0%
2004	74.8%
2005	77.6%

\* *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 first quarter of 2006 and the first quarter of 2005. Also included are the number of direct policies written and the percent of complaints per policy for each line of business.

Line of Business	1ST QUARTER 2006			1ST QUARTER 2005		
	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	9,839	0.00000%	0	12,563	0.00000%
General Liability - Other+	55	222,707	0.02470%	66	188,553	0.03500%
Fire & Allied Lines	20	36,180	0.05528%	12	40,200	0.02985%
Commercial Multiple Peril	26	86,576	0.03003%	18	78,914	0.02281%
Private Passenger Auto++	1,767	5,340,725	0.03309%	1,745	5,080,357	0.03435%
Homeowners	737	1,128,408	0.06531%	431	1,036,446	0.04158%
Workers' Compensation+++	238	41,446	0.57424%	26	39,879	0.06520%
Boiler & Machinery	**	**	**	**	**	**
Commercial Crime	**	**	**	**	**	**
Commercial Glass	**	**	**	**	**	**
Medical Professional Liability	5	9,562	0.05229%	10	8,603	0.11624%
Misc. Professional Liability	5	4,817	0.10380%	6	5,660	0.10601%

+ The General Electric Group wrote -0- small premium pre-paid legal policies in the 1st quarter of 2006 and 3,420 policies in the 1st quarter of 2005 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 first quarter of 2006) for these two lines of insurance are presented on the next two pages.

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

2006 Policies Written Rank	Group Name	1ST QUARTER 2006			1ST QUARTER 2005		
		Number of Complaints	Number of Policies Written	Percent of Complaints per Policy	Number of Complaints	Number of Policies Written	Percent of Complaints per Policy
14	Loya Group	80	52,386	0.15271%	0	0	0.00000%
22	Mercury General Group	31	26,767	0.11581%	29	27,709	0.10466%
18	UNITRIN Group	42	37,362	0.11241%	38	40,398	0.09406%
21	Interins Exchange Of The Automobile Club	28	29,669	0.09437%	22	23,996	0.09168%
5	Old American County Mutual Fire Ins. Co.	273	308,675	0.08844%	268	200,597	0.13360%
17	Liberty Mutual Group	29	37,459	0.07742%	18	35,569	0.05061%
11	Home State Insurance Group	76	104,949	0.07242%	91	107,464	0.08468%
15	Texas State National Group	32	47,054	0.06801%	73	58,907	0.12392%
20	St Paul Travelers Group	19	30,512	0.06227%	26	40,246	0.06460%
13	Safeco Insurance Group	32	57,426	0.05572%	42	58,877	0.07134%
16	American International Group	20	37,811	0.05289%	11	16,055	0.06851%
9	Nationwide Corp.	68	129,774	0.05240%	63	144,211	0.04369%
23	Direct General Group	10	26,331	0.03798%	0	1,884	0.00000%
7	Berkshire Hathaway	73	212,709	0.03432%	62	169,473	0.03658%
12	Republic Companies Group	25	83,143	0.03007%	23	66,642	0.03451%
19	Sentry Insurance Group	9	33,538	0.02684%	11	32,337	0.03402%
3	Allstate Insurance Group	155	607,720	0.02551%	215	534,806	0.04020%
10	Titus Group	27	106,920	0.02525%	15	61,974	0.02420%
4	Progressive Group	119	481,942	0.02469%	135	478,074	0.02824%
2	Zurich Insurance Group	181	858,955	0.02107%	180	935,600	0.01924%
8	Southern Farm Bureau Casualty	33	164,774	0.02003%	24	161,065	0.01490%
6	United Services Automobile Assn. Group	41	231,132	0.01774%	44	219,445	0.02005%
24	Germania Insurance Group	4	24,258	0.01649%	3	49,521	0.00606%
1	State Farm IL	140	1,397,565	0.01002%	139	1,390,614	0.01000%
25	Safeway Insurance Group	9	22,273	0.00000%	3	30,484	0.00000%
<b>(All other licensed insurers)</b>		<b>211</b>	<b>189,621</b>	<b>0.11127%</b>	<b>210</b>	<b>194,409</b>	<b>0.10802%</b>
<b>(No company identified)*</b>		<b>0</b>					
<b>TOTALS</b>		<b>1,767</b>	<b>5,340,725</b>	<b>0.03309%</b>	<b>1,745</b>	<b>5,080,357</b>	<b>0.03435%</b>

\* 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 FIRST QUARTER DATA LISTED BY PERCENT OF COMPLAINTS PER POLICY

2006 Policies Written Rank	Group Name	1ST QUARTER 2006			1ST QUARTER 2005		
		Number of Complaints	Number of Policies Written	Percent of Complaints per Policy	Number of Complaints	Number of Policies Written	Percent of Complaints per Policy
2	Allstate Insurance Group	191	214,901	0.08888%	67	202,588	0.03307%
10	NLASCO	18	22,103	0.08144%	11	22,842	0.04816%
13	Texas Fair Plan Association	10	13,964	0.07161%	16	29,937	0.00000%
3	Zurich Insurance Group	96	149,968	0.06401%	76	124,677	0.06096%
19	Cypress Holdings Group	5	8,138	0.06144%	0	6,469	0.00000%
17	Interins Exchange Of The Automobile Club	5	8,579	0.05828%	3	5,022	0.05974%
5	St Paul Travelers Group	36	62,507	0.05759%	22	56,193	0.03915%
12	Liberty Mutual Group	9	16,407	0.05485%	9	15,621	0.05761%
22	American National Financial Group	3	6,478	0.04631%	3	7,024	0.04271%
6	Vesta Insurance Group	18	47,661	0.03777%	18	53,658	0.03355%
9	Commercial Alliance Insurance Company	8	22,555	0.03547%	1	8,396	0.01191%
14	Republic Companies Group	4	13,582	0.02945%	3	13,101	0.02290%
16	Safeco Insurance Group	3	10,574	0.02837%	5	10,840	0.04613%
7	Nationwide Corp.	11	42,029	0.02617%	17	36,739	0.04627%
1	State Farm IL	63	262,927	0.02396%	48	251,689	0.01907%
18	ARX Holding Corp. Group	2	8,461	0.02364%	1	8,461	0.01182%
8	Texas Farm Bureau Mutual	7	34,890	0.02006%	9	30,466	0.00000%
15	Balboa Insurance Group	2	11,031	0.01813%	1	1,706	0.05862%
11	Hartford Fire & Casualty Group	3	17,269	0.01737%	4	8,428	0.04746%
21	Amica Mutual Group	1	6,541	0.01529%	3	6,594	0.04550%
20	Glencoe US Holdings Inc.	1	7,469	0.01339%	2	7,975	0.02508%
4	United Services Automobile Assn. Group	7	77,891	0.00899%	7	74,403	0.00941%
23	Colonial Savings Group	7	6,209	0.00000%	2	4,979	0.00000%
24	Chubb & Son Inc.	0	5,560	0.00000%	3	5,086	0.00000%
25	Assurant Inc. Group	4	5,410	0.00000%	1	5,825	0.00000%
<b>(All other licensed insurers)</b>		<b>223</b>	<b>120,022</b>	<b>0.18580%</b>	<b>99</b>	<b>117,043</b>	<b>0.08458%</b>
<b>(No company identified)*</b>		<b>0</b>					
<b>TOTALS</b>		<b>737</b>	<b>1,128,408</b>	<b>0.06531%</b>	<b>431</b>	<b>1,036,446</b>	<b>0.04158%</b>

\* 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.



Texas Department of Insurance

333 Guadalupe

Austin, Texas 78701