



**Texas Department
of Insurance**

**Quarterly Legislative Report
on Market Conditions**

*2nd Quarter
2003*

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

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

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

Terms

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Lines of Insurance

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

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

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

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

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

Summary of Four Quarters

CUMULATIVE TOTALS FOR FOUR QUARTERS ENDING JUNE 2003

	Number Of Groups/Companies	Number Of Policies Written	Premiums On Policies Written	Direct Written Premiums	Direct Losses Paid
PRODUCT LIABILITY	65 / 162	45,636	\$187,852,949	\$136,269,836	\$176,188,048
GENERAL LIABILITY - OTHER	120 / 309	850,287⁺	\$1,484,734,949	\$1,617,616,190	\$1,043,870,084
COMMERCIAL FIRE & ALLIED	77 / 175	164,890	\$591,425,640	\$654,091,607	\$239,947,849
COMMERCIAL MULTIPLE PERIL	75 / 221	312,206	\$1,248,873,005	\$1,330,679,340	\$766,549,750
PRIVATE PASSENGER AUTO					
VOLUNTARY (VOL) LIABILITY	66 / 194	12,889,362	\$6,600,602,239	\$6,101,849,922	\$3,775,911,988
ASSIGNED RISK LIABILITY	19 / 21	86,301	\$50,561,747	\$37,060,063	\$23,179,427
PHYSICAL DAMAGE	65 / 193	9,583,606	\$5,109,812,597	\$4,718,728,712	\$3,260,240,129
TOTAL PPA	67 / 200	22,559,269⁺⁺	\$11,760,976,583	\$10,857,638,697	\$7,059,331,544
HOMEOWNERS MULTIPLE PERIL	62 / 101	4,216,484	\$4,855,976,741	\$4,228,728,754	\$3,671,805,045
WORKERS' COMPENSATION					
VOL PREMIUMS < \$5,000		93,628	\$144,081,239	**	**
VOL PREMIUMS \$5,000 - \$100,000		54,940	\$1,131,933,690	**	**
VOL PREMIUMS > \$100,000		5,413	\$1,586,934,284	**	**
TOTAL VOLUNTARY	90 / 255	153,981	\$2,862,949,213	\$2,523,806,774	\$1,377,650,884
RESIDUAL MARKET ***	1 / 1	501	\$28,476,751	\$24,320,953	\$34,536,397
TOTAL WC	90 / 255	154,482	\$2,891,425,964	\$2,548,127,727	\$1,412,187,281
BOILER & MACHINERY	34 / 87	23,835	\$87,626,833	\$81,313,749	\$22,767,522
COMMERCIAL CRIME	36 / 70	8,181	\$6,193,294	\$6,755,253	\$967,397
COMMERCIAL GLASS	15 / 23	800	\$409,916	\$288,295	\$48,983
PROFESSIONAL LIABILITY	33 / 43	46,929	\$521,139,541	\$548,654,140	\$261,098,761
MISC. PROFESSIONAL LIABILITY	30 / 59	23,425	\$220,594,656	\$234,771,073	\$123,016,005

⁺ The General Electric Group wrote 13,710 small premium pre-paid legal policies that were excluded from the above table.

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

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

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

NUMBER OF GROUPS / COMPANIES WRITING POLICIES PER QUARTER

Line of Business	First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
	2002	2003	2002	2003	2002	2003	2002	2003
Product Liability	58 / 146	58 / 143	57 / 131	59 / 135	56 / 125	- / -	54 / 125	- / -
General Liability	121 / 301	110 / 284	119 / 285	113 / 278	117 / 274	- / -	123 / 295	- / -
Commercial Fire & Allied	72 / 159	68 / 154	69 / 155	70 / 147	69 / 148	- / -	70 / 154	- / -
Commercial Multiple Peril	80 / 211	69 / 189	76 / 197	70 / 198	76 / 187	- / -	77 / 207	- / -
Private Passenger Auto	69 / 200	63 / 177	66 / 191	65 / 180	65 / 185	- / -	67 / 189	- / -
Homeowners Multiple Peril	60 / 103	59 / 81	67 / 100	56 / 81	59 / 97	- / -	60 / 90	- / -
Workers' Compensation	83 / 223	83 / 216	82 / 216	86 / 215	81 / 212	- / -	87 / 215	- / -
Boiler & Machinery	28 / 69	30 / 65	29 / 72	30 / 64	34 / 66	- / -	30 / 75	- / -
Commercial Crime	35 / 65	28 / 57	29 / 59	31 / 53	33 / 59	- / -	34 / 59	- / -
Commercial Glass	18 / 26	12 / 19	15 / 22	15 / 20	15 / 21	- / -	16 / 23	- / -
Medical Professional Liability	36 / 47	31 / 37	29 / 41	28 / 38	33 / 40	- / -	34 / 44	- / -
Misc. Professional Liability	31 / 73	31 / 69	31 / 68	28 / 60	28 / 63	- / -	33 / 67	- / -

Product Liability

There were 65 groups, 162 companies, that had direct written premium for Product Liability in the second quarter of 2003, as compared to 69 groups, 175 companies, in the second quarter of 2002.

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 second quarter of 2003 to direct written premium in the second quarter of 2002 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRODUCT LIABILITY

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2003	% Change 2nd Quarter 2002 to 2003	4 Quarters Ending 2nd Qtr 2003	% Change 2nd Qtrs Ending 2002 to 2003
1	Zurich Insurance Group	16.47%	\$5,652,479	11.27%	\$22,440,100	(2.24%)
2	Great American E&S Insurance Company	14.25%	\$4,971,016	53.46%	\$19,416,054	49.73%
3	St. Paul Group	13.32%	\$4,378,695	37.28%	\$18,145,177	39.35%
4	Liberty Mutual Group	6.87%	\$1,391,934	30.62%	\$9,363,840	32.39%
5	Chubb & Son Inc	5.18%	\$1,444,658	3.48%	\$7,059,378	9.99%
6	Hartford Fire & Casualty Group	4.13%	\$1,416,957	3.09%	\$5,623,083	21.14%
7	Federated Mutual	3.10%	\$1,368,375	22.33%	\$4,228,479	10.82%
8	CNA Insurance Group	2.76%	\$1,790,713	356.06%	\$3,767,342	381.26%
9	National American Insurance Company	2.63%	\$778,210	(12.13%)	\$3,582,915	(16.89%)
10	Travelers Property Casualty Corp Group	2.27%	\$590,958	0.12%	\$3,096,160	125.55%
11	Sentry Insurance Group	2.25%	\$551,769	(40.40%)	\$3,061,343	(9.81%)
12	Dallas General Group	2.01%	\$959,682	119.13%	\$2,738,346	68.08%
13	Allianz Insurance Group	1.93%	\$363,639	(18.65%)	\$2,631,757	(30.65%)
14	United Fire & Casualty Group	1.90%	\$343,729	(53.25%)	\$2,588,560	3.76%
15	American International Group	1.77%	\$478,817	268.30%	\$2,415,127	368.00%
16	Fairfax Financial	1.74%	\$691,443	11.12%	\$2,377,096	18.59%
17	XL America	1.67%	\$653,158	(51.48%)	\$2,279,749	(39.64%)
18	Royal & Sun Alliance USA	1.52%	\$103,022	(87.33%)	\$2,065,855	(39.92%)
19	Hannover Group	1.49%	\$156,702	*	\$2,033,176	*
20	Medmark Insurance Group	1.23%	\$70,325	(90.09%)	\$1,671,145	(50.95%)
21	Lumbermens Mutual Casualty Group	1.19%	\$131,776	(76.77%)	\$1,624,297	(74.28%)
22	UNITRIN Group	1.16%	\$318,998	(31.53%)	\$1,586,997	(10.56%)
23	Central Mutual Insurance Company Ohio	1.11%	\$437,716	40.39%	\$1,515,250	48.47%
24	Old Republic Group	1.11%	\$592,195	(46.67%)	\$1,509,905	(35.42%)
25	ACE Ltd	1.08%	\$581,553	6.50%	\$1,466,551	(83.40%)

Top 25 Groups Total	94.14%	\$30,218,519	11.56%	\$128,287,682	6.30%
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Total Market	100.00%	\$31,977,119	4.65%	\$136,269,836	5.66%
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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
2nd qtr 1998	\$22,772,526	\$24,229,677	\$16,493,164
3rd qtr 1998	\$18,370,183	\$12,259,609	\$29,891,014
4th qtr 1998	\$17,829,084	\$18,806,453	\$24,506,989
1st qtr 1999	\$19,542,821	\$19,151,191	\$16,999,724
2nd qtr 1999	\$21,001,448	\$18,282,562	\$25,948,053
3rd qtr 1999	\$17,001,577	\$16,077,300	\$17,020,093
4th qtr 1999	\$16,676,696	\$14,939,147	\$42,175,911
1st qtr 2000	\$21,631,763	\$20,070,742	\$29,175,725
2nd qtr 2000	\$24,863,722	\$22,270,834	\$36,375,856
3rd qtr 2000	\$23,008,942	\$19,604,388	\$17,808,941
4th qtr 2000	\$22,090,031	\$19,147,733	\$22,275,731
1st qtr 2001	\$29,320,488	\$22,845,690	\$22,799,038
2nd qtr 2001	\$25,674,740	\$26,892,822	\$18,451,817
3rd qtr 2001	\$29,104,072	\$24,349,666	\$23,598,451
4th qtr 2001	\$49,553,240	\$63,700,948	\$50,787,344
1st qtr 2002	\$25,812,727	\$10,368,960	\$24,090,363
2nd qtr 2002	\$25,107,579	\$30,554,591	\$14,348,364
3rd qtr 2002	\$32,987,561	\$33,566,694	\$42,898,905
4th qtr 2002	\$54,386,459	\$39,509,606	\$72,291,341
1st qtr 2003	\$50,513,163	\$31,216,417	\$23,521,569
2nd qtr 2003	\$49,965,766	\$31,977,119	\$37,476,233

EARNED TO INCURRED LOSS RATIO BY YEAR

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

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

General Liability

There were 120 groups, 309 companies, that had direct written premium for General Liability in the second quarter of 2003, as compared to 135 groups, 329 companies, in the second quarter of 2002.

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 second quarter of 2003 to direct written premium in the second quarter of 2002 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR GENERAL LIABILITY

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2003	% Change 2nd Quarter 2002 to 2003	4 Quarters Ending 2nd Qtr 2003	% Change 2nd Qtrs Ending 2002 to 2003
1	American International Group	16.26%	\$65,140,821	(8.60%)	\$263,032,151	(6.52%)
2	ACE Ltd	10.94%	\$62,545,088	356.05%	\$177,002,016	61.99%
3	Zurich Insurance Group	9.68%	\$44,701,623	13.20%	\$156,651,150	17.06%
4	Great American E&S Insurance Company	6.33%	\$21,803,393	402.53%	\$102,469,643	25.31%
5	Travelers Property Casualty Corp Group	5.19%	\$22,302,781	37.86%	\$84,000,513	50.71%
6	St. Paul Group	4.28%	\$16,946,270	26.65%	\$69,312,349	23.09%
7	XL America	4.05%	\$24,322,648	579.20%	\$65,462,269	319.09%
8	CNA Insurance Group	3.79%	\$16,187,413	31.92%	\$61,250,523	19.78%
9	Hartford Fire & Casualty Group	3.20%	\$17,466,330	45.58%	\$51,842,451	50.18%
10	Chubb & Son Inc	2.86%	\$11,176,351	13.73%	\$46,265,678	19.77%
11	Liberty Mutual Group	2.84%	\$20,130,902	72.61%	\$45,878,406	40.16%
12	Royal & Sun Alliance USA	2.07%	\$2,131,385	(84.67%)	\$33,465,004	(38.83%)
13	Allianz Insurance Group	1.90%	\$8,232,120	29.06%	\$30,770,744	8.49%
14	State Farm IL	1.57%	\$6,563,428	0.79%	\$25,322,115	3.38%
15	Texas Lawyers Insurance Exchange	1.49%	\$5,773,459	49.85%	\$24,164,899	48.19%
16	Kingsway Group	1.46%	(\$563,506)	(109.90%)	\$23,690,325	293.71%
17	Lumbermens Mutual Casualty Group	1.11%	(\$2,271,074)	(122.75%)	\$17,981,316	(63.43%)
18	Fairfax Financial	1.07%	\$4,102,356	(12.37%)	\$17,301,598	(37.30%)
19	UNITRIN Group	1.02%	\$3,587,934	(46.15%)	\$16,523,792	(40.88%)
20	National American Insurance Company	0.89%	\$3,638,308	(14.00%)	\$14,317,178	(6.72%)
21	Federated Mutual	0.85%	\$4,434,751	18.65%	\$13,686,776	8.96%
22	Ohio Casualty Group	0.83%	\$4,205,710	48.44%	\$13,453,741	53.60%
23	Old Republic Group	0.83%	\$3,939,864	(38.25%)	\$13,410,821	(24.05%)
24	United Fire & Casualty Group	0.83%	\$1,830,003	(52.36%)	\$13,359,647	2.09%
25	EMC Insurance Company	0.79%	\$2,938,125	(1.94%)	\$12,766,879	6.56%

Top 25 Groups Total	86.13%	\$371,266,483	28.29%	\$1,393,381,984	15.64%
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Total Market	100.00%	\$435,156,806	25.51%	\$1,617,616,190	13.41%
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QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1998	\$284,893,471	\$270,165,080	\$160,117,460
3rd qtr 1998	\$242,388,021	\$290,788,419	\$169,465,790
4th qtr 1998	\$218,908,585	\$201,380,511	\$168,086,925
1st qtr 1999	\$198,914,184	\$208,551,161	\$186,678,379
2nd qtr 1999	\$189,429,895	\$241,963,387	\$165,005,082
3rd qtr 1999	\$198,996,170	\$326,263,359	\$204,622,227
4th qtr 1999	\$302,336,709	\$235,083,506	\$195,064,133
1st qtr 2000	\$197,334,268	\$265,422,016	\$149,145,225
2nd qtr 2000	\$216,413,256	\$232,382,943	\$207,287,930
3rd qtr 2000	\$236,439,379	\$253,095,910	\$139,279,827
4th qtr 2000	\$256,405,425	\$404,183,305	\$277,383,640
1st qtr 2001	\$255,026,997	\$282,422,588	\$279,102,702
2nd qtr 2001	\$317,939,865	\$373,227,828	\$172,787,203
3rd qtr 2001	\$228,382,661	\$258,073,934	\$195,733,705
4th qtr 2001	\$235,390,831	\$360,898,116	\$63,102,021
1st qtr 2002	\$449,177,034	\$460,698,437	\$225,467,551
2nd qtr 2002	\$392,164,368	\$346,705,037	\$245,038,500
3rd qtr 2002	\$293,763,572	\$350,646,211	\$223,245,817
4th qtr 2002	\$296,230,398	\$371,335,756	\$293,588,970
1st qtr 2003	\$465,848,008	\$460,477,417	\$332,797,034
2nd qtr 2003	\$428,892,971	\$435,156,806	\$194,238,263

EARNED TO INCURRED LOSS RATIO BY YEAR

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

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

Commercial Fire & Allied

There were 77 groups, 175 companies, that had direct written premium for Commercial Fire & Allied in the second quarter of 2003, as compared to 83 groups, 202 companies, in the second quarter of 2002.

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 second quarter of 2003 to direct written premium in the second quarter of 2002 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR COMMERCIAL FIRE & ALLIED

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2003	% Change 2nd Quarter 2002 to 2003	4 Quarters Ending 2nd Qtr 2003	% Change 2nd Qtrs Ending 2002 to 2003
1	FM Global Group	18.78%	\$32,898,188	37.21%	\$122,859,038	75.52%
2	Travelers Property Casualty Corp Group	11.33%	\$20,403,497	3.15%	\$74,117,080	10.36%
3	Allianz Ins Group	9.42%	\$9,454,951	(9.71%)	\$61,610,872	67.67%
4	St. Paul Group	6.00%	\$6,048,828	(27.08%)	\$39,272,598	15.29%
5	Zurich Ins Group	5.75%	\$9,743,524	(22.88%)	\$37,611,974	(30.63%)
6	Texas Windstorm Insurance Association	4.10%	\$7,788,606	24.48%	\$26,801,624	31.26%
7	Royal & Sun Alliance USA	3.34%	\$1,648,926	(75.38%)	\$21,846,413	(47.52%)
8	XL America	3.18%	\$4,241,955	192.68%	\$20,822,868	841.85%
9	American International Group	3.02%	\$5,286,666	(16.06%)	\$19,759,908	(17.09%)
10	UNITRIN Group	3.01%	\$3,819,441	(39.66%)	\$19,657,212	(9.28%)
11	CNA Insurance Group	2.81%	\$3,239,338	43.72%	\$18,408,460	(14.17%)
12	Hartford Fire & Casualty Group	2.72%	\$4,275,342	21.09%	\$17,788,183	40.57%
13	AXA Insurance Group	2.68%	\$5,278,145	20.35%	\$17,508,379	284.74%
14	United Fire & Casualty Group	2.53%	\$4,504,567	75.10%	\$16,523,940	31.28%
15	Fairfax Financial	2.15%	\$4,134,591	37.85%	\$14,080,068	48.03%
16	GE Global Group	1.96%	\$2,866,168	(26.25%)	\$12,837,749	92.39%
17	Federated Mutual	1.63%	\$3,290,145	39.88%	\$10,667,785	23.91%
18	Everest Rein Holding Inc	1.42%	\$0	100.00%	\$9,270,429	*
19	Kingsway Group	1.26%	(\$1,302)	(100.08%)	\$8,262,006	321.93%
20	Safeco Insurance Group	1.17%	\$2,249,179	21.45%	\$7,633,997	20.66%
21	Liberty Mutual Group	1.13%	\$2,379,833	212.90%	\$7,384,938	*
22	Sentry Insurance Group	1.07%	\$1,726,848	31.98%	\$7,005,375	34.36%
23	EMC Insurance Company	0.91%	\$1,446,769	0.54%	\$5,974,889	7.14%
24	Texas Farm Bureau Mutual	0.80%	\$1,468,141	8.70%	\$5,241,011	15.76%
25	Chubb & Son Inc	0.63%	\$1,037,050	35.11%	\$4,108,373	93.75%
Top 25 Groups Total		92.81%	\$139,229,396	4.39%	\$607,055,169	28.23%
Total Market		100.00%	\$152,823,128	3.75%	\$654,091,607	24.26%

* 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
2nd qtr 1998	\$74,389,829	\$76,974,177	\$49,081,540
3rd qtr 1998	\$77,094,976	\$79,063,229	\$42,188,779
4th qtr 1998	\$70,381,513	\$67,742,113	\$39,909,630
1st qtr 1999	\$71,320,972	\$68,350,829	\$33,802,576
2nd qtr 1999	\$77,274,152	\$78,487,919	\$39,140,917
3rd qtr 1999	\$70,060,718	\$74,379,518	\$54,354,899
4th qtr 1999	\$73,126,681	\$77,149,382	\$82,832,214
1st qtr 2000	\$60,367,305	\$65,714,031	\$30,457,236
2nd qtr 2000	\$72,570,831	\$81,310,228	\$73,567,014
3rd qtr 2000	\$80,712,117	\$85,253,815	\$59,757,514
4th qtr 2000	\$98,236,961	\$109,394,459	\$113,958,620
1st qtr 2001	\$92,863,589	\$92,099,454	\$41,677,493
2nd qtr 2001	\$98,078,697	\$101,065,593	\$58,283,160
3rd qtr 2001	\$92,741,263	\$98,276,060	\$244,258,829
4th qtr 2001	\$110,652,458	\$136,274,047	\$106,360,613
1st qtr 2002	\$121,765,027	\$144,529,151	\$87,595,818
2nd qtr 2002	\$142,072,436	\$147,304,541	\$101,597,550
3rd qtr 2002	\$142,288,616	\$173,299,909	\$50,900,077
4th qtr 2002	\$149,281,329	\$175,544,341	\$63,757,351
1st qtr 2003	\$152,472,235	\$152,424,229	\$52,309,744
2nd qtr 2003	\$147,383,460	\$152,823,128	\$72,980,677

EARNED TO INCURRED LOSS RATIO BY YEAR

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

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

Commercial Multiple Peril

There were 75 groups, 221 companies, that had direct written premium for Commercial Multiple Peril in the second quarter of 2003, as compared to 86 groups, 231 companies, in the second quarter of 2002.

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 second quarter of 2003 to direct written premium in the second quarter of 2002 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR COMMERCIAL MULTIPLE PERIL

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2003	% Change 2nd Quarter 2002 to 2003	4 Quarters Ending 2nd Qtr 2003	% Change 2nd Qtrs Ending 2002 to 2003
1	Zurich Insurance Group	12.64%	\$35,579,185	(23.08%)	\$168,154,232	0.71%
2	Travelers Property Casualty Corp Group	10.88%	\$34,501,789	19.35%	\$144,822,941	24.21%
3	CNA Insurance Group	8.43%	\$30,586,216	10.53%	\$112,190,668	(2.70%)
4	Hartford Fire & Casualty Group	7.10%	\$25,831,433	*	\$94,452,837	22.41%
5	Chubb & Son Inc	6.03%	\$19,871,199	17.29%	\$80,250,362	29.98%
6	State Farm IL	4.86%	\$16,992,502	5.49%	\$64,690,692	8.69%
7	Safeco Insurance Group	3.68%	\$13,930,099	23.70%	\$48,917,281	9.62%
8	Liberty Mutual Group	3.64%	\$18,673,946	139.26%	\$48,387,861	10.02%
9	Church Mutual Insurance Company	2.48%	\$8,773,056	25.31%	\$33,047,350	37.81%
10	Credit Suisse Group	2.35%	\$8,098,803	(3.92%)	\$31,312,420	(3.03%)
11	Maguire Corp Group	2.20%	\$8,985,517	101.03%	\$29,262,475	83.24%
12	Allstate Insurance Group	2.17%	\$7,796,943	16.28%	\$28,857,769	17.22%
13	WR Berkley Corp	2.13%	\$7,136,789	9.01%	\$28,322,427	22.75%
14	Allianz Insurance Group	2.09%	\$5,656,691	(11.93%)	\$27,754,841	(24.78%)
15	St. Paul Group	2.05%	\$7,084,729	31.28%	\$27,304,231	4.49%
16	Guideone Insurance Group	2.01%	\$6,649,613	(2.75%)	\$26,810,114	10.44%
17	Old Republic Group	1.86%	\$5,979,918	10.62%	\$24,815,132	4.20%
18	Ohio Casualty Group	1.68%	\$6,286,713	24.77%	\$22,417,583	27.38%
19	American International Group	1.65%	\$6,495,611	(16.34%)	\$21,914,419	22.35%
20	Central Mutual Insurance Company Ohio	1.65%	\$6,529,884	24.36%	\$21,890,430	33.70%
21	White Mountains Group	1.54%	(\$601)	(100.04%)	\$20,536,965	(27.85%)
22	Amerisure Company	1.44%	\$4,276,025	21.70%	\$19,118,250	37.73%
23	ACE Ltd	1.29%	\$4,008,040	(13.43%)	\$17,129,518	60.18%
24	GE Global Group	1.28%	\$3,411,790	49.03%	\$17,068,694	22.06%
25	Atlantic Company	1.24%	\$3,813,235	17.55%	\$16,518,595	15.12%

Top 25 Groups Total	88.37%	\$296,949,125	21.59%	\$1,175,948,087	11.97%
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Total Market	100.00%	\$332,086,812	19.82%	\$1,330,679,340	9.23%
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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
2nd qtr 1998	\$223,828,260	\$239,364,858	\$137,485,345
3rd qtr 1998	\$222,287,379	\$233,466,396	\$127,403,913
4th qtr 1998	\$222,420,875	\$235,980,204	\$125,083,469
1st qtr 1999	\$215,552,459	\$229,247,463	\$118,479,566
2nd qtr 1999	\$216,187,848	\$227,484,752	\$169,346,924
3rd qtr 1999	\$218,141,753	\$226,734,743	\$147,924,389
4th qtr 1999	\$223,556,331	\$241,176,043	\$147,201,261
1st qtr 2000	\$221,592,156	\$238,501,246	\$141,927,253
2nd qtr 2000	\$234,589,678	\$239,375,265	\$214,498,664
3rd qtr 2000	\$231,760,927	\$266,860,771	\$201,776,374
4th qtr 2000	\$258,005,253	\$269,671,752	\$203,011,991
1st qtr 2001	\$257,145,796	\$276,716,048	\$175,708,002
2nd qtr 2001	\$257,191,069	\$282,196,084	\$194,699,912
3rd qtr 2001	\$272,821,007	\$288,700,461	\$247,575,515
4th qtr 2001	\$279,841,512	\$321,838,153	\$219,965,921
1st qtr 2002	\$294,721,061	\$330,504,083	\$175,072,730
2nd qtr 2002	\$298,739,904	\$277,160,208	\$182,769,240
3rd qtr 2002	\$302,860,146	\$332,693,541	\$215,367,089
4th qtr 2002	\$325,691,823	\$343,217,776	\$159,953,409
1st qtr 2003	\$311,457,741	\$322,681,211	\$193,878,424
2nd qtr 2003	\$308,863,295	\$332,086,812	\$197,350,828

EARNED TO INCURRED LOSS RATIO BY YEAR

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

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

Private Passenger Auto (All Companies, All Coverages)

There were 67 groups, 200 companies, that had direct written premium for Private Passenger Auto in the second quarter of 2003, as compared to 71 groups, 222 companies, in the second quarter of 2002.

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 second quarter of 2003 to direct written premium in the second quarter of 2002 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRIVATE PASSENGER AUTO

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2003	% Change 2nd Quarter 2002 to 2003	4 Quarters Ending 2nd Qtr 2003	% Change 2nd Qtrs Ending 2002 to 2003
1	State Farm IL	23.93%	\$644,405,248	7.04%	\$2,597,960,836	11.37%
2	Allstate Insurance Group	15.48%	\$400,808,928	(4.59%)	\$1,680,979,151	0.04%
3	Zurich Insurance Group	12.34%	\$336,098,872	2.54%	\$1,340,212,956	4.81%
4	Progressive Group	8.35%	\$237,408,190	36.35%	\$907,128,636	51.89%
5	United Services Automobile Assn Group	6.38%	\$164,311,667	3.86%	\$693,131,413	10.01%
6	Nationwide Corp	3.93%	\$131,336,323	26.01%	\$426,957,007	12.23%
7	Berkshire Hathaway	3.40%	\$94,238,639	18.05%	\$368,663,089	13.98%
8	Southern Farm Bureau Casualty	3.31%	\$92,543,710	25.25%	\$359,816,030	35.05%
9	Old American Co. Mutual Fire Ins. Co.	3.11%	\$77,748,221	10.00%	\$337,305,043	46.29%
10	Home State Insurance Group	2.56%	\$77,628,107	25.26%	\$278,278,715	23.03%
11	Safeco Insurance Group	1.85%	\$50,185,034	43.22%	\$201,071,175	63.67%
12	Texas State National Group	1.84%	\$62,997,479	12.73%	\$199,701,184	(31.47%)
13	Travelers Property Casualty Corp Group	1.45%	\$36,977,669	(14.61%)	\$157,361,066	(4.57%)
14	UNITRIN Group	1.42%	\$42,257,436	15.09%	\$154,035,219	(10.44%)
15	Credit Suisse Group	0.97%	\$26,557,933	16.54%	\$105,562,881	19.19%
16	Liberty Mutual Group	0.95%	\$27,133,092	5.07%	\$103,670,961	6.04%
17	Titus Group	0.83%	\$30,977,954	139.54%	\$90,413,556	74.40%
18	Hartford Fire & Casualty Group	0.77%	\$23,002,000	8.82%	\$83,934,182	(7.62%)
19	Mercury General Group	0.69%	\$20,575,228	44.11%	\$75,030,187	34.62%
20	Sentry Insurance Group	0.59%	\$16,357,724	(7.50%)	\$64,205,751	(2.43%)
21	Germania Insurance Group	0.51%	\$14,988,971	(6.41%)	\$55,631,588	3.50%
22	American National Financial Group	0.51%	\$15,499,630	(18.90%)	\$55,504,365	(14.19%)
23	Metropolitan Group	0.49%	\$12,450,073	(6.56%)	\$52,971,536	0.26%
24	Interins Exchange of the Automobile Club	0.47%	\$14,714,240	69.70%	\$51,571,406	85.17%
25	Amica Mutual Group	0.45%	\$12,838,542	13.13%	\$48,759,794	21.30%

Top 25 Groups Total	96.61%	\$2,664,040,910	9.77%	\$10,489,857,727	11.75%
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Total Market	100.00%	\$2,754,570,298	6.31%	\$10,857,638,697	8.54%
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QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1998	\$2,180,640,043	\$2,019,446,805	\$1,275,568,012
3rd qtr 1998	\$2,318,019,920	\$2,124,228,337	\$1,273,942,149
4th qtr 1998	\$2,151,157,497	\$1,983,338,736	\$1,389,965,891
1st qtr 1999	\$2,320,518,475	\$2,136,424,353	\$1,327,541,349
2nd qtr 1999	\$2,188,958,364	\$2,028,787,943	\$1,436,070,422
3rd qtr 1999	\$2,310,778,314	\$2,108,258,416	\$1,406,017,588
4th qtr 1999	\$2,182,308,863	\$1,984,324,294	\$1,440,876,134
1st qtr 2000	\$2,287,114,585	\$2,161,022,529	\$1,516,565,809
2nd qtr 2000	\$2,214,040,576	\$2,067,800,565	\$1,727,433,045
3rd qtr 2000	\$2,346,352,009	\$2,217,093,042	\$1,446,692,136
4th qtr 2000	\$2,133,476,469	\$1,926,579,984	\$1,649,277,676
1st qtr 2001	\$2,479,776,275	\$2,364,978,653	\$1,608,864,432
2nd qtr 2001	\$2,381,884,799	\$2,218,599,142	\$1,764,471,091
3rd qtr 2001	\$2,601,335,227	\$2,418,790,333	\$1,904,688,875
4th qtr 2001	\$2,448,928,343	\$2,320,483,155	\$1,687,667,681
1st qtr 2002	\$2,868,833,850	\$2,672,814,060	\$1,679,834,023
2nd qtr 2002	\$2,825,505,496	\$2,591,123,687	\$1,896,294,072
3rd qtr 2002	\$3,001,045,878	\$2,749,095,031	\$1,679,170,055
4th qtr 2002	\$2,773,416,367	\$2,457,170,529	\$1,688,163,691
1st qtr 2003	\$3,074,310,626	\$2,896,802,839	\$1,591,547,552
2nd qtr 2003	\$2,912,203,712	\$2,754,570,298	\$2,100,450,246

EARNED TO INCURRED LOSS RATIO BY YEAR

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

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

Private Passenger Auto (All Rate-Regulated Companies)

There were 61 groups, 178 rate-regulated companies, that had direct written premium for Private Passenger Auto in the second quarter of 2003, as compared to 65 groups, 199 companies, in the second quarter of 2002.

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 second quarter of 2003 to direct written premium in the second quarter of 2002 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRIVATE PASSENGER AUTO

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2003	% Change 2nd Quarter 2002 to 2003	4 Quarters Ending 2nd Qtr 2003	% Change 2nd Qtrs Ending 2002 to 2003
1	State Farm IL	37.43%	\$607,333,547	5.14%	\$2,457,164,565	9.12%
2	Allstate Insurance Group	16.49%	\$252,329,023	(7.88%)	\$1,082,272,864	(7.97%)
3	Zurich Insurance Group	11.76%	\$185,216,624	(10.57%)	\$772,133,051	(12.03%)
4	Berkshire Hathaway	5.62%	\$94,238,639	18.05%	\$368,663,089	13.98%
5	United Services Automobile Assn. Group	4.77%	\$73,815,053	(27.24%)	\$313,156,622	(33.99%)
6	Southern Farm Bureau Casualty	4.56%	\$75,312,349	16.16%	\$299,363,014	19.98%
7	Nationwide Corp	3.42%	\$66,532,771	19.59%	\$224,744,214	(5.47%)
8	Safeco Insurance Group	3.06%	\$50,185,034	43.22%	\$201,071,175	63.67%
9	Travelers Property Casualty Corp Group	2.40%	\$36,977,669	(14.61%)	\$157,361,066	(4.57%)
10	Hartford Fire & Casualty Group	1.28%	\$23,002,000	8.82%	\$83,934,182	(7.62%)
11	Germania Insurance Group	0.85%	\$14,988,971	(6.41%)	\$55,631,588	3.50%
12	UNITRIN Group	0.83%	\$16,725,133	1.47%	\$54,340,849	(26.05%)
13	Metropolitan Group	0.81%	\$12,450,073	(6.56%)	\$52,971,536	0.26%
14	Liberty Mutual Group	0.77%	(\$441,806)	(101.90%)	\$50,593,522	(41.09%)
15	Amica Mutual Group	0.74%	\$12,838,542	13.13%	\$48,759,794	21.30%
16	CNA Insurance Group	0.68%	\$9,582,732	(22.50%)	\$44,575,360	(14.10%)
17	Prudential Of America	0.64%	\$8,808,142	(30.87%)	\$42,230,397	(18.05%)
18	Interins Exchange of The Automobile Club	0.54%	\$8,511,339	(2.49%)	\$35,722,847	23.64%
19	Chubb & Son Inc	0.54%	\$8,682,711	5.84%	\$35,299,493	13.80%
20	Agricultural Workers Insurance Group	0.49%	\$7,911,717	7.61%	\$32,444,898	9.74%
21	Lumbermens Mutual Casualty Group	0.32%	\$4,511,717	21.15%	\$21,244,006	37.99%
22	Hochheim Prairie Group	0.30%	\$4,193,409	(29.68%)	\$19,966,106	(16.06%)
23	Central Mutual Insurance Casualty Ohio	0.27%	\$4,661,397	16.97%	\$17,709,120	25.20%
24	Beacon Insurance Group	0.25%	\$4,053,320	(42.27%)	\$16,111,314	(45.83%)
25	Horace Mann Group	0.22%	\$2,692,096	(44.12%)	\$14,722,348	(28.91%)

Top 25 Groups Total	99.05%	\$1,585,112,202	(1.86%)	\$6,502,187,020	(1.06%)
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Total Market	100.00%	\$1,607,260,592	(5.43%)	\$6,564,503,186	(4.43%)
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QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1998	\$1,505,509,505	\$1,438,660,117	\$923,619,770
3rd qtr 1998	\$1,622,657,907	\$1,537,472,267	\$924,818,298
4th qtr 1998	\$1,535,905,483	\$1,452,500,112	\$1,021,333,168
1st qtr 1999	\$1,611,517,598	\$1,531,201,343	\$986,662,418
2nd qtr 1999	\$1,549,030,969	\$1,465,668,093	\$1,058,267,920
3rd qtr 1999	\$1,654,500,947	\$1,566,084,096	\$1,028,004,498
4th qtr 1999	\$1,582,229,889	\$1,479,746,240	\$1,067,991,532
1st qtr 2000	\$1,647,551,794	\$1,573,620,775	\$1,145,517,607
2nd qtr 2000	\$1,593,613,164	\$1,524,585,720	\$1,298,712,750
3rd qtr 2000	\$1,724,969,778	\$1,654,841,965	\$1,058,585,157
4th qtr 2000	\$1,556,526,868	\$1,442,640,173	\$1,260,189,254
1st qtr 2001	\$1,805,529,259	\$1,741,071,546	\$1,258,573,228
2nd qtr 2001	\$1,691,937,548	\$1,613,010,293	\$1,357,454,971
3rd qtr 2001	\$1,820,036,784	\$1,753,988,077	\$1,531,197,749
4th qtr 2001	\$1,668,668,495	\$1,636,210,953	\$1,141,954,488
1st qtr 2002	\$1,736,769,104	\$1,779,217,672	\$1,240,702,443
2nd qtr 2002	\$1,672,411,050	\$1,699,616,391	\$1,406,069,637
3rd qtr 2002	\$1,759,192,706	\$1,748,794,772	\$1,162,255,945
4th qtr 2002	\$1,578,375,146	\$1,482,342,764	\$1,138,619,756
1st qtr 2003	\$1,730,216,722	\$1,726,105,058	\$1,057,507,611
2nd qtr 2003	\$1,610,939,687	\$1,607,260,592	\$1,435,330,542

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

There were 21 groups, 22 non-rate-regulated (County Mutual) companies, that had direct written premium for Private Passenger Auto in the second quarter of 2003, as compared to 22 groups, 23 companies, in the second quarter of 2002.

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 second quarter of 2003 to direct written premium in the second quarter of 2002 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRIVATE PASSENGER AUTO

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2003	% Change 2nd Quarter 2002 to 2003	4 Quarters Ending 2nd Qtr 2003	% Change 2nd Qtrs Ending 2002 to 2003
1	Progressive Group	21.13%	\$237,408,190	36.35%	\$907,128,955	51.89%
2	Allstate Insurance Group	13.95%	\$148,479,905	1.56%	\$598,706,287	18.72%
3	Zurich Insurance Group	13.23%	\$150,882,248	25.02%	\$568,079,905	41.66%
4	United Services Automobile Assn. Group	8.85%	\$90,496,614	59.48%	\$379,974,791	144.05%
5	Old American County Mutual Fire Ins. Co.	7.86%	\$77,748,221	10.00%	\$337,305,043	46.29%
6	Home State Insurance Group	6.48%	\$77,628,107	25.26%	\$278,278,715	23.03%
7	Nationwide Corp	4.71%	\$64,803,552	33.37%	\$202,212,793	41.73%
8	Texas State National Group	4.65%	\$62,997,479	12.73%	\$199,701,184	(31.47%)
9	State Farm IL	3.28%	\$37,071,701	51.77%	\$140,796,271	73.65%
10	Credit Suisse Group	2.46%	\$26,558,830	16.55%	\$105,562,167	19.21%
11	UNITRIN Group	2.32%	\$25,532,303	26.19%	\$99,694,370	1.20%
12	Titus Group	2.11%	\$30,977,954	139.54%	\$90,413,556	74.40%
13	Mercury General Group	1.69%	\$20,264,873	72.78%	\$72,705,848	60.64%
14	Sentry Insurance Group	1.46%	\$16,079,634	(6.27%)	\$62,745,137	(1.31%)
15	Southern Farm Bureau Casualty	1.41%	\$17,231,361	90.25%	\$60,453,016	257.46%
16	Liberty Mutual Group	1.24%	\$27,574,898	950.68%	\$53,077,439	346.58%
17	American National Financial Group	1.16%	\$15,538,674	42.30%	\$49,832,756	80.90%
18	Safeway Insurance Group	0.85%	\$7,326,009	(45.68%)	\$36,286,521	(26.00%)
19	Great American E&S Insurance Co	0.50%	\$4,613,757	(34.35%)	\$21,516,279	(32.36%)
20	Interins Exchange of The Automobile Club	0.37%	\$6,202,901	*	\$15,848,559	*
21	Allianz Insurance Group	0.16%	\$0	(100.00%)	\$6,656,009	(33.92%)
22	Royal & Sun Alliance USA	0.14%	\$1,892,495	(12.83%)	\$6,159,910	(38.44%)
Top Groups Total		100.00%	\$1,147,309,706	28.69%	\$4,293,135,511	36.98%
Total Market		100.00%	\$1,147,309,706	28.69%	\$4,293,135,511	36.98%

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

* 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
2nd qtr 1998	\$675,130,538	\$580,786,688	\$351,948,242
3rd qtr 1998	\$695,362,013	\$586,756,070	\$349,123,851
4th qtr 1998	\$615,252,014	\$530,838,624	\$368,632,723
1st qtr 1999	\$709,000,877	\$605,223,010	\$340,878,931
2nd qtr 1999	\$639,927,395	\$563,119,850	\$377,802,502
3rd qtr 1999	\$656,277,367	\$542,174,320	\$378,013,090
4th qtr 1999	\$600,078,974	\$504,578,054	\$372,884,602
1st qtr 2000	\$639,562,791	\$587,401,754	\$371,048,202
2nd qtr 2000	\$620,427,412	\$543,214,845	\$428,720,295
3rd qtr 2000	\$621,382,231	\$562,251,077	\$388,106,979
4th qtr 2000	\$576,949,601	\$483,939,811	\$389,088,422
1st qtr 2001	\$674,247,016	\$623,907,107	\$350,291,204
2nd qtr 2001	\$689,947,251	\$605,588,849	\$407,016,120
3rd qtr 2001	\$781,298,443	\$664,802,256	\$373,491,126
4th qtr 2001	\$780,259,848	\$684,272,202	\$545,713,193
1st qtr 2002	\$1,132,064,746	\$893,596,388	\$439,131,580
2nd qtr 2002	\$1,153,094,446	\$891,507,296	\$490,224,435
3rd qtr 2002	\$1,241,853,172	\$1,000,300,259	\$516,914,110
4th qtr 2002	\$1,195,041,221	\$974,827,765	\$549,543,935
1st qtr 2003	\$1,344,093,904	\$1,170,697,781	\$534,039,941
2nd qtr 2003	\$1,301,264,025	\$1,147,309,706	\$665,119,704

Private Passenger Auto (All Voluntary Liability)

There were 66 groups, 194 companies, that had voluntary liability (no assigned risk nor physical damage) direct written premium for Private Passenger Auto in the second quarter of 2003, as compared to 69 groups, 216 companies, in the second quarter of 2002.

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 second quarter of 2003 to direct written premium in the second quarter of 2002 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRIVATE PASSENGER AUTO

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2003	% Change 2nd Quarter 2002 to 2003	4 Quarters Ending 2nd Qtr 2003	% Change 2nd Qtrs Ending 2002 to 2003
1	State Farm IL	23.84%	\$359,858,262	5.76%	\$1,454,595,716	11.87%
2	Allstate Insurance Group	15.27%	\$222,644,054	(3.30%)	\$931,747,907	0.42%
3	Zurich Insurance Group	12.22%	\$186,301,847	0.74%	\$745,933,659	2.92%
4	Progressive Group	7.90%	\$125,749,536	36.67%	\$482,117,359	51.70%
5	United Services Automobile Assn. Group	6.45%	\$93,813,903	6.03%	\$393,331,468	12.68%
6	Nationwide Corp	4.44%	\$83,575,583	33.48%	\$270,838,634	15.47%
7	Berkshire Hathaway	3.46%	\$54,114,548	18.40%	\$211,067,532	13.14%
8	Old American County Mutual Fire Ins. Co.	3.41%	\$52,631,733	21.11%	\$208,002,230	51.30%
9	Southern Farm Bureau Casualty	3.16%	\$49,934,949	27.32%	\$192,766,318	35.24%
10	Home State Insurance Group	2.77%	\$45,172,696	17.15%	\$169,132,893	19.23%
11	Texas State National Group	2.37%	\$45,826,371	21.04%	\$144,855,743	(22.02%)
12	Safeco Insurance Group	1.85%	\$28,300,458	44.13%	\$112,918,487	64.08%
13	Travelers Property Casualty Corp Group	1.47%	\$21,069,550	(14.87%)	\$89,455,252	(5.11%)
14	UNITRIN Group	1.36%	\$22,809,357	15.07%	\$83,061,399	(10.25%)
15	Credit Suisse Group	1.00%	\$15,493,209	22.10%	\$60,764,014	29.97%
16	Liberty Mutual Group	0.91%	\$14,624,800	5.80%	\$55,333,177	3.30%
17	Hartford Fire & Casualty Group	0.81%	\$13,299,957	6.09%	\$49,517,527	(8.48%)
18	Sentry Insurance Group	0.69%	\$10,435,679	(6.95%)	\$41,898,061	0.08%
19	Mercury General Group	0.68%	\$11,299,249	43.05%	\$41,294,272	30.39%
20	American National Financial Group	0.54%	\$9,281,387	(10.84%)	\$33,128,094	(11.63%)
21	Germania Insurance Group	0.51%	\$8,287,181	(8.11%)	\$30,832,719	1.86%
22	Amica Mutual Group	0.48%	\$7,716,039	12.09%	\$29,301,416	20.23%
23	Metropolitan Group	0.48%	\$6,925,669	(6.65%)	\$29,135,471	(1.88%)
24	Interins Exchange of The Automobile Club	0.46%	\$7,971,781	60.65%	\$28,170,374	70.40%
25	Titus Group	0.46%	\$10,563,586	339.86%	\$28,058,069	311.86%

Top 25 Groups Total	96.97%	\$1,507,701,384	10.31%	\$5,917,257,791	12.13%
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Total Market	100.00%	\$1,558,484,473	5.73%	\$6,101,849,922	7.92%
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QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1998	\$1,382,075,917	\$1,270,949,424	\$764,262,073
3rd qtr 1998	\$1,447,147,521	\$1,318,618,910	\$764,520,919
4th qtr 1998	\$1,330,046,794	\$1,221,483,877	\$812,576,838
1st qtr 1999	\$1,441,718,954	\$1,318,619,390	\$785,832,104
2nd qtr 1999	\$1,305,348,332	\$1,200,611,616	\$810,887,691
3rd qtr 1999	\$1,338,375,394	\$1,215,078,834	\$831,240,896
4th qtr 1999	\$1,272,444,029	\$1,150,496,913	\$863,590,455
1st qtr 2000	\$1,326,706,485	\$1,252,524,313	\$873,001,219
2nd qtr 2000	\$1,269,992,298	\$1,185,965,899	\$844,730,507
3rd qtr 2000	\$1,342,229,296	\$1,272,459,508	\$836,868,067
4th qtr 2000	\$1,211,356,514	\$1,093,856,843	\$958,476,760
1st qtr 2001	\$1,422,421,450	\$1,354,714,123	\$914,127,105
2nd qtr 2001	\$1,352,189,807	\$1,258,371,277	\$906,258,206
3rd qtr 2001	\$1,459,719,337	\$1,361,690,166	\$840,171,110
4th qtr 2001	\$1,379,295,208	\$1,305,335,597	\$970,029,517
1st qtr 2002	\$1,606,318,038	\$1,513,140,256	\$981,906,602
2nd qtr 2002	\$1,590,558,659	\$1,474,062,620	\$1,070,390,058
3rd qtr 2002	\$1,680,894,368	\$1,546,620,167	\$962,685,922
4th qtr 2002	\$1,554,205,465	\$1,364,681,127	\$949,408,579
1st qtr 2003	\$1,732,440,153	\$1,632,064,155	\$923,103,710
2nd qtr 2003	\$1,633,062,253	\$1,558,484,473	\$940,713,777

Private Passenger Auto (Voluntary Liability Rate-Regulated Companies)

There were 60 groups, 172 rate-regulated companies, that had voluntary liability (no assigned risk nor physical damage) direct written premium for Private Passenger Auto in the second quarter of 2003, as compared to 63 groups, 193 companies, in the second quarter of 2002.

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 second quarter of 2003 to direct written premium in the second quarter of 2002 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRIVATE PASSENGER AUTO

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2003	% Change 2nd Quarter 2002 to 2003	4 Quarters Ending 2nd Qtr 2003	% Change 2nd Qtrs Ending 2002 to 2003
1	State Farm IL	37.53%	\$338,482,360	3.85%	\$1,373,070,250	9.61%
2	Allstate Insurance Group	16.69%	\$143,804,121	(4.15%)	\$610,603,935	(6.41%)
3	Zurich Insurance Group	11.78%	\$104,733,095	(11.81%)	\$430,972,233	(14.71%)
4	Berkshire Hathaway	5.77%	\$54,114,548	18.40%	\$211,067,532	13.14%
5	United Services Automobile Assn. Group	4.75%	\$40,940,345	(26.88%)	\$173,659,861	(33.00%)
6	Southern Farm Bureau Casualty	4.39%	\$40,604,783	18.14%	\$160,431,492	20.37%
7	Nationwide Corp	3.74%	\$44,906,035	36.32%	\$136,851,386	(2.98%)
8	Safeco Insurance Group	3.09%	\$28,300,458	44.13%	\$112,918,487	64.08%
9	Travelers Property Casualty Corp Group	2.45%	\$21,069,550	(14.87%)	\$89,455,252	(5.11%)
10	Hartford Fire & Casualty Group	1.35%	\$13,299,957	6.09%	\$49,517,527	(8.48%)
11	Germania Insurance Group	0.84%	\$8,287,181	(8.11%)	\$30,832,719	1.86%
12	UNITRIN Group	0.82%	\$9,105,264	(0.60%)	\$29,913,340	(26.28%)
13	Amica Mutual Group	0.80%	\$7,716,039	12.09%	\$29,301,416	20.23%
14	Metropolitan Group	0.80%	\$6,925,669	(6.65%)	\$29,135,471	(1.88%)
15	Liberty Mutual Group	0.73%	(\$331,179)	(102.67%)	\$26,568,181	(43.53%)
16	CNA Insurance Group	0.69%	\$5,261,555	(23.35%)	\$25,218,802	(12.66%)
17	Prudential Of America	0.67%	\$5,068,328	(32.40%)	\$24,443,550	(20.56%)
18	Chubb & Son Inc	0.56%	\$4,953,099	3.67%	\$20,492,437	14.95%
19	Interins Exchange of The Automobile Club	0.53%	\$4,531,156	(9.16%)	\$19,357,120	15.97%
20	Agricultural Workers Insurance Group	0.46%	\$4,118,056	5.96%	\$16,939,267	8.11%
21	Lumbermens Mutual Casualty Group	0.33%	\$2,478,119	12.41%	\$12,244,092	37.75%
22	Hochheim Prairie Group	0.29%	\$2,224,373	(32.26%)	\$10,672,171	(18.30%)
23	Central Mutual Insurance Company Ohio	0.28%	\$2,680,519	14.66%	\$10,249,306	23.51%
24	Beacon Insurance Group	0.24%	\$2,235,737	(38.61%)	\$8,826,187	(43.83%)
25	Horace Mann Group	0.22%	\$1,443,363	(44.95%)	\$7,989,193	(29.84%)

Top 25 Groups Total	99.79%	\$896,952,531	(1.18%)	\$3,650,731,207	(0.98%)
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Total Market	100.00%	\$908,427,061	(6.20%)	\$3,658,497,936	(5.69%)
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QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1998	\$957,481,520	\$909,828,715	\$548,632,317
3rd qtr 1998	\$1,014,297,312	\$957,618,127	\$547,404,680
4th qtr 1998	\$953,460,466	\$897,995,503	\$596,370,189
1st qtr 1999	\$998,173,986	\$945,299,913	\$575,806,421
2nd qtr 1999	\$920,566,067	\$865,996,287	\$584,648,447
3rd qtr 1999	\$962,402,171	\$906,013,012	\$600,847,201
4th qtr 1999	\$915,065,420	\$850,700,349	\$630,063,457
1st qtr 2000	\$947,873,011	\$903,829,265	\$650,981,096
2nd qtr 2000	\$911,719,387	\$869,434,038	\$612,643,847
3rd qtr 2000	\$983,300,253	\$939,424,175	\$603,620,069
4th qtr 2000	\$876,288,874	\$821,037,512	\$729,822,469
1st qtr 2001	\$1,031,833,276	\$993,605,295	\$723,376,670
2nd qtr 2001	\$960,927,886	\$915,522,168	\$686,459,498
3rd qtr 2001	\$1,028,165,690	\$991,220,645	\$704,801,926
4th qtr 2001	\$936,644,923	\$915,192,460	\$609,687,658
1st qtr 2002	\$962,721,320	\$1,004,128,970	\$731,791,951
2nd qtr 2002	\$933,756,261	\$968,489,605	\$807,186,698
3rd qtr 2002	\$977,634,358	\$978,875,129	\$673,499,993
4th qtr 2002	\$879,326,359	\$801,019,094	\$645,421,128
1st qtr 2003	\$970,104,049	\$970,176,652	\$627,177,983
2nd qtr 2003	\$899,712,006	\$908,427,061	\$620,625,332

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

There were 21 groups, 22 non-rate-regulated (County Mutual) companies, that had voluntary liability (no assigned risk nor physical damage) direct written premium for Private Passenger Auto in the second quarter of 2003, as compared to 22 groups, 23 companies, in the second quarter of 2002.

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 second quarter of 2003 to direct written premium in the second quarter of 2002 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRIVATE PASSENGER AUTO

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2003	% Change 2nd Quarter 2002 to 2003	4 Quarters Ending 2nd Qtr 2003	% Change 2nd Qtrs Ending 2002 to 2003
1	Progressive Group	19.73%	\$125,749,536	36.67%	\$482,117,678	51.70%
2	Allstate Insurance Group	13.14%	\$78,839,933	(1.70%)	\$321,143,972	16.61%
3	Zurich Insurance Group	12.89%	\$81,568,752	23.26%	\$314,961,426	43.55%
4	United Services Automobile Assn. Group	8.99%	\$52,873,558	62.74%	\$219,671,607	144.45%
5	Old American County Mutual Fire Ins. Co.	8.51%	\$52,631,733	21.11%	\$208,002,230	51.30%
6	Home State Insurance Group	6.92%	\$45,172,696	17.15%	\$169,132,893	19.23%
7	Texas State National Group	5.93%	\$45,826,371	21.04%	\$144,855,743	(22.02%)
8	Nationwide Corp	5.48%	\$38,669,548	30.32%	\$133,987,248	43.30%
9	State Farm IL	3.34%	\$21,375,902	49.43%	\$81,525,466	71.36%
10	Credit Suisse Group	2.49%	\$15,494,106	22.11%	\$60,763,300	29.97%
11	UNITRIN Group	2.18%	\$13,704,093	28.54%	\$53,148,059	2.28%
12	Sentry Insurance Group	1.68%	\$10,273,720	(5.66%)	\$41,021,111	1.29%
13	Mercury General Group	1.64%	\$11,132,164	70.93%	\$40,035,064	54.34%
14	Southern Farm Bureau Casualty	1.32%	\$9,330,166	92.33%	\$32,334,826	249.59%
15	American National Financial Group	1.22%	\$9,309,035	66.03%	\$29,882,683	87.95%
16	Liberty Mutual Group	1.18%	\$14,955,979	943.09%	\$28,764,996	341.58%
17	Titus Group	1.15%	\$10,563,586	339.86%	\$28,058,069	311.86%
18	Safeway Insurance Group	0.99%	\$4,876,184	(44.14%)	\$24,098,674	(23.59%)
19	Great American E&S Insurance Co	0.48%	\$2,534,875	(34.07%)	\$11,612,962	(32.84%)
20	Interins Exchange of The Automobile Club	0.36%	\$3,440,625	*	\$8,813,254	*
21	Royal & Sun Alliance USA	0.23%	\$1,734,850	(13.48%)	\$5,618,376	(32.69%)
22	Allianz Insurance Group	0.16%	\$0	(100.00%)	\$3,802,349	(35.35%)
Top Groups Total		100.00%	\$650,057,412	28.58%	\$2,443,351,986	37.64%
Total Market		100.00%	\$650,057,412	28.58%	\$2,443,351,986	37.64%

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

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1998	\$424,594,397	\$361,120,709	\$215,629,756
3rd qtr 1998	\$432,850,209	\$361,000,783	\$217,116,239
4th qtr 1998	\$376,586,328	\$323,488,374	\$216,206,649
1st qtr 1999	\$443,544,968	\$373,319,477	\$210,025,683
2nd qtr 1999	\$384,782,265	\$334,615,329	\$226,239,244
3rd qtr 1999	\$375,973,223	\$309,065,822	\$230,393,695
4th qtr 1999	\$357,378,609	\$299,796,564	\$233,526,998
1st qtr 2000	\$378,833,474	\$348,695,048	\$222,020,123
2nd qtr 2000	\$358,272,911	\$316,531,861	\$232,086,660
3rd qtr 2000	\$358,929,043	\$333,035,333	\$233,247,998
4th qtr 2000	\$335,067,640	\$272,819,331	\$228,654,291
1st qtr 2001	\$390,588,174	\$361,108,828	\$190,750,435
2nd qtr 2001	\$391,261,921	\$342,849,109	\$219,798,708
3rd qtr 2001	\$431,553,647	\$370,469,521	\$135,369,184
4th qtr 2001	\$442,650,285	\$390,143,137	\$360,341,859
1st qtr 2002	\$643,596,718	\$509,011,286	\$250,114,651
2nd qtr 2002	\$656,802,398	\$505,573,015	\$263,203,360
3rd qtr 2002	\$703,260,010	\$567,745,038	\$289,185,929
4th qtr 2002	\$674,879,106	\$563,662,033	\$303,987,451
1st qtr 2003	\$762,336,104	\$661,887,503	\$295,925,727
2nd qtr 2003	\$733,350,247	\$650,057,412	\$320,088,445

Private Passenger Auto (All Assigned Risk)

There were 19 groups, 21 companies, that had assigned risk (no voluntary liability nor physical damage) direct written premium for Private Passenger Auto in the second quarter of 2003, as compared to 18 groups, 19 companies, in the second quarter of 2002.

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 second quarter of 2003 to direct written premium in the second quarter of 2002 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRIVATE PASSENGER AUTO

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2003	% Change 2nd Quarter 2002 to 2003	4 Quarters Ending 2nd Qtr 2003	% Change 2nd Qtrs Ending 2002 to 2003
1	State Farm IL	34.68%	\$3,396,207	24.71%	\$12,852,566	40.36%
2	GE Global Group	14.70%	\$1,316,201	14.67%	\$5,448,790	71.27%
3	Allstate Insurance Group	13.13%	\$1,706,814	39.93%	\$4,866,028	34.96%
4	Zurich Insurance Group	11.87%	\$827,072	(9.69%)	\$4,397,241	52.01%
5	Southern Farm Bureau Casualty	6.27%	\$628,570	39.79%	\$2,325,238	48.64%
6	American International Group	6.05%	\$697,348	74.35%	\$2,243,482	58.24%
7	Berkshire Hathaway	3.58%	\$412,464	29.88%	\$1,326,899	36.22%
8	Nationwide Corp	3.34%	\$328,812	59.30%	\$1,238,802	40.50%
9	Travelers Property Casualty Corp Group	2.28%	\$235,026	12.22%	\$844,586	60.45%
10	Safeco Insurance Group	1.08%	\$194,375	36.07%	\$400,486	(21.28%)
11	UNITRIN Group	0.93%	\$83,964	(57.78%)	\$345,507	(52.79%)
12	Liberty Mutual Group	0.89%	\$97,571	59.21%	\$328,903	75.88%
13	Great American E&S Insurance Co	0.86%	\$316,666	*	\$317,254	*
14	Mercury General Group	0.22%	\$25,301	268.23%	\$80,428	117.61%
15	Service Life Group	0.06%	\$8,808	31.46%	\$23,751	12.81%
16	American Express Group	0.04%	\$6,172	39.86%	\$16,051	124.30%
17	Southland Lloyds Insurance Company	0.01%	\$1,845	*	\$4,125	*
18	Lumbermens Mutual Casualty Group	0.00%	\$456	(91.08%)	\$1,011	(98.02%)
19	Hartford Fire & Casualty Group	0.00%	\$0	*	\$84	100.88%
20	WR Berkley Corp	0.00%	\$0	100.00%	\$0	100.00%
21	Eagle Insurance Group	(0.00%)	\$0	*	(\$20)	(100.00%)
22	White Mountains Group	(0.00%)	(\$1,149)	*	(\$1,149)	*

Top Groups Total	100.00%	\$10,282,523	28.11%	\$37,060,063	40.26%
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Total Market	100.00%	\$10,282,523	28.11%	\$37,060,063	40.26%
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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
2nd qtr 1998	\$12,491,004	\$9,174,025	\$14,609,996
3rd qtr 1998	\$10,015,632	\$5,511,144	\$11,385,129
4th qtr 1998	\$7,111,160	\$4,372,103	\$9,925,712
1st qtr 1999	\$6,709,493	\$5,404,154	\$8,247,472
2nd qtr 1999	\$8,384,997	\$6,041,007	\$6,569,934
3rd qtr 1999	\$7,007,292	\$4,650,001	\$6,895,534
4th qtr 1999	\$5,842,435	\$3,738,536	\$5,706,459
1st qtr 2000	\$6,643,310	\$4,965,888	\$5,598,735
2nd qtr 2000	\$6,875,267	\$5,010,033	\$5,602,266
3rd qtr 2000	\$6,680,445	\$4,602,957	\$4,833,817
4th qtr 2000	\$6,304,544	\$4,120,840	\$4,171,526
1st qtr 2001	\$7,500,341	\$5,449,953	\$5,114,494
2nd qtr 2001	\$7,707,585	\$6,720,769	\$5,138,512
3rd qtr 2001	\$7,973,791	\$5,309,138	\$4,480,938
4th qtr 2001	\$8,829,104	\$5,584,345	\$4,363,346
1st qtr 2002	\$9,794,574	\$7,502,321	\$4,586,255
2nd qtr 2002	\$10,741,534	\$8,026,375	\$4,805,222
3rd qtr 2002	\$11,502,967	\$8,446,502	\$4,706,617
4th qtr 2002	\$11,768,796	\$8,289,878	\$5,585,323
1st qtr 2003	\$13,148,833	\$10,041,160	\$6,004,175
2nd qtr 2003	\$14,141,151	\$10,282,523	\$6,883,312

Private Passenger Auto (All Physical Damage)

There were 65 groups, 193 companies, that had physical damage (no voluntary liability nor assigned risk) direct written premium for Private Passenger Auto in the second quarter of 2003, as compared to 84 groups, 212 companies, in the second quarter of 2002.

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 second quarter of 2003 to direct written premium in the second quarter of 2002 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRIVATE PASSENGER AUTO

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2003	% Change 2nd Quarter 2002 to 2003	4 Quarters Ending 2nd Qtr 2003	% Change 2nd Qtrs Ending 2002 to 2003
1	State Farm IL	23.96%	\$281,150,779	8.52%	\$1,130,512,554	10.46%
2	Allstate Insurance Group	15.77%	\$176,458,060	(6.46%)	\$744,365,216	(0.59%)
3	Zurich Insurance Group	12.50%	\$148,969,953	4.95%	\$589,882,056	7.03%
4	Progressive Group	9.01%	\$111,658,654	36.00%	\$425,011,277	52.11%
5	United Services Automobile Assn. Group	6.35%	\$70,497,764	1.12%	\$299,799,945	6.69%
6	Southern Farm Bureau Casualty	3.49%	\$41,980,191	22.68%	\$164,724,474	34.66%
7	Berkshire Hathaway	3.31%	\$39,711,627	17.45%	\$156,268,658	14.98%
8	Nationwide Corp	3.28%	\$47,431,928	14.56%	\$154,879,571	6.82%
9	Old American Co. Mutual Fire Ins. Co.	2.74%	\$25,116,488	(7.73%)	\$129,302,813	38.89%
10	Home State Insurance Group	2.31%	\$32,455,411	38.59%	\$109,145,822	29.42%
11	Safeco Insurance Group	1.86%	\$21,690,201	42.11%	\$87,752,202	63.94%
12	UNITRIN Group	1.50%	\$19,364,115	15.98%	\$70,628,313	(10.28%)
13	Travelers Property Casualty Corp Group	1.42%	\$15,673,093	(14.57%)	\$67,061,228	(4.35%)
14	Titus Group	1.32%	\$20,414,368	93.86%	\$62,355,487	38.48%
15	Texas State National Group	1.16%	\$17,171,108	(4.73%)	\$54,845,441	(48.09%)
16	Liberty Mutual Group	1.02%	\$12,410,721	3.95%	\$48,008,881	9.07%
17	Credit Suisse Group	0.95%	\$11,064,724	9.55%	\$44,798,867	7.13%
18	Hartford Fire & Casualty Group	0.73%	\$9,702,043	12.81%	\$34,416,571	(6.37%)
19	Mercury General Group	0.71%	\$9,250,678	45.18%	\$33,655,487	40.07%
20	Germania Insurance Group	0.53%	\$6,701,790	(4.23%)	\$24,798,869	5.62%
21	Metropolitan Group	0.51%	\$5,524,404	(6.45%)	\$23,836,065	2.99%
22	Interins Exchange of The Automobile Club	0.50%	\$6,742,459	81.80%	\$23,401,032	106.76%
23	American National Financial Group	0.47%	\$6,218,243	(28.54%)	\$22,376,271	(17.71%)
24	Sentry Insurance Group	0.47%	\$5,922,045	(8.46%)	\$22,307,690	(6.83%)
25	Amica Mutual Group	0.41%	\$5,122,503	14.73%	\$19,458,378	22.96%

Top 25 Groups Total	96.29%	\$1,148,403,350	8.99%	\$4,543,593,168	11.12%
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Total Market	100.00%	\$1,185,803,302	6.92%	\$4,718,728,712	9.17%
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QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1998	\$786,073,122	\$739,323,356	\$496,695,943
3rd qtr 1998	\$860,856,767	\$800,098,283	\$498,036,101
4th qtr 1998	\$813,999,543	\$757,482,756	\$567,463,341
1st qtr 1999	\$872,090,028	\$812,400,809	\$533,461,773
2nd qtr 1999	\$875,225,035	\$822,135,320	\$618,612,797
3rd qtr 1999	\$965,395,628	\$888,529,581	\$567,881,158
4th qtr 1999	\$904,022,399	\$830,088,845	\$571,579,220
1st qtr 2000	\$953,764,790	\$903,532,328	\$637,965,855
2nd qtr 2000	\$937,173,011	\$876,824,633	\$877,100,272
3rd qtr 2000	\$997,442,268	\$940,030,577	\$604,990,252
4th qtr 2000	\$915,815,411	\$828,602,301	\$686,629,390
1st qtr 2001	\$1,049,854,484	\$1,004,814,577	\$689,622,833
2nd qtr 2001	\$1,021,987,407	\$953,507,096	\$853,074,373
3rd qtr 2001	\$1,133,642,099	\$1,051,791,029	\$1,060,036,827
4th qtr 2001	\$1,060,804,031	\$1,009,563,213	\$713,274,818
1st qtr 2002	\$1,252,721,238	\$1,152,171,483	\$693,341,166
2nd qtr 2002	\$1,224,205,303	\$1,109,034,692	\$821,098,792
3rd qtr 2002	\$1,308,648,543	\$1,194,028,362	\$711,777,516
4th qtr 2002	\$1,207,442,106	\$1,084,199,524	\$733,169,789
1st qtr 2003	\$1,328,721,640	\$1,254,697,524	\$662,439,667
2nd qtr 2003	\$1,265,000,308	\$1,185,803,302	\$1,152,853,157

Private Passenger Auto (Physical Damage Rate-Regulated Companies)

There were 58 groups, 171 rate-regulated companies, that had physical damage (no voluntary liability nor assigned risk) direct written premium for Private Passenger Auto in the second quarter of 2003, as compared to 62 groups, 189 companies, in the second quarter of 2002.

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 second quarter of 2003 to direct written premium in the second quarter of 2002 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRIVATE PASSENGER AUTO

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2003	% Change 2nd Quarter 2002 to 2003	4 Quarters Ending 2nd Qtr 2003	% Change 2nd Qtrs Ending 2002 to 2003
1	State Farm IL	37.34%	\$265,454,980	6.63%	\$1,071,241,749	8.22%
2	Allstate Insurance Group	16.27%	\$106,818,088	(12.91%)	\$466,802,901	(10.21%)
3	Zurich Insurance Group	11.74%	\$79,656,457	(8.89%)	\$336,763,577	(8.86%)
4	Berkshire Hathaway	5.45%	\$39,711,627	17.45%	\$156,268,658	14.98%
5	United Services Automobile Assn. Group	4.86%	\$32,874,708	(27.69%)	\$139,496,761	(35.17%)
6	Southern Farm Bureau Casualty	4.76%	\$34,078,996	13.55%	\$136,606,284	19.13%
7	Safeco Insurance Group	3.06%	\$21,690,201	42.11%	\$87,752,202	63.94%
8	Nationwide Corp	3.02%	\$21,297,924	(5.28%)	\$86,654,026	(9.56%)
9	Travelers Property Casualty Corp Group	2.34%	\$15,673,093	(14.57%)	\$67,061,228	(4.35%)
10	Hartford Fire & Casualty Group	1.20%	\$9,702,043	12.81%	\$34,416,571	(6.37%)
11	Germania Insurance Group	0.86%	\$6,701,790	(4.23%)	\$24,798,869	5.62%
12	UNITRIN Group	0.84%	\$7,535,905	5.78%	\$24,082,002	(25.15%)
13	Metropolitan Group	0.83%	\$5,524,404	(6.45%)	\$23,836,065	2.99%
14	Liberty Mutual Group	0.83%	(\$208,198)	(101.94%)	\$23,696,438	(38.68%)
15	Amica Mutual Group	0.68%	\$5,122,503	14.73%	\$19,458,378	22.96%
16	CNA Insurance Group	0.67%	\$4,321,177	(21.44%)	\$19,356,558	(15.90%)
17	Prudential Of America	0.62%	\$3,739,814	(28.69%)	\$17,786,847	(14.32%)
18	Interins Exchange of The Automobile Club	0.57%	\$3,980,183	6.39%	\$16,365,727	34.15%
19	Agricultural Workers Insurance Group	0.54%	\$3,793,661	9.47%	\$15,505,631	11.58%
20	Chubb & Son Inc	0.52%	\$3,729,612	8.87%	\$14,807,056	12.25%
21	Hochheim Prairie Group	0.32%	\$1,969,036	(26.52%)	\$9,293,935	(13.32%)
22	Lumbermens Mutual Casualty Group	0.31%	\$2,033,142	34.27%	\$8,998,903	39.40%
23	Central Mutual Insurance Company of Ohio	0.26%	\$1,980,878	20.26%	\$7,459,814	27.60%
24	Beacon Insurance Group	0.25%	\$1,817,583	(46.22%)	\$7,285,127	(48.07%)
25	Horace Mann Group	0.23%	\$1,248,733	(43.13%)	\$6,733,155	(27.78%)

Top 25 Groups Total	98.38%	\$680,248,340	(2.97%)	\$2,822,528,462	(1.45%)
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Total Market	100.00%	\$688,551,008	(4.78%)	\$2,868,945,187	(3.19%)
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QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1998	\$535,536,981	\$519,657,377	\$360,377,457
3rd qtr 1998	\$598,344,963	\$574,342,996	\$366,028,489
4th qtr 1998	\$575,333,857	\$550,132,506	\$415,037,267
1st qtr 1999	\$606,634,119	\$580,497,276	\$402,608,525
2nd qtr 1999	\$620,079,905	\$593,630,799	\$467,049,539
3rd qtr 1999	\$685,091,484	\$655,421,083	\$420,261,763
4th qtr 1999	\$661,322,034	\$625,307,355	\$432,221,616
1st qtr 2000	\$693,035,473	\$664,825,622	\$488,937,776
2nd qtr 2000	\$675,018,510	\$650,141,649	\$680,466,637
3rd qtr 2000	\$734,989,080	\$710,814,833	\$450,131,271
4th qtr 2000	\$673,933,450	\$617,481,821	\$526,195,259
1st qtr 2001	\$766,195,642	\$742,016,298	\$530,082,064
2nd qtr 2001	\$723,302,077	\$690,767,356	\$665,856,961
3rd qtr 2001	\$783,897,303	\$757,458,294	\$821,914,885
4th qtr 2001	\$723,194,468	\$715,434,148	\$527,903,484
1st qtr 2002	\$764,253,210	\$767,586,381	\$504,324,237
2nd qtr 2002	\$727,913,255	\$723,100,411	\$594,077,717
3rd qtr 2002	\$770,055,381	\$761,473,141	\$484,049,335
4th qtr 2002	\$687,279,991	\$673,033,792	\$487,613,305
1st qtr 2003	\$746,963,840	\$745,887,246	\$424,325,453
2nd qtr 2003	\$697,086,530	\$688,551,008	\$807,821,898

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

There were 21 groups, 22 non-rate-regulated (County Mutual) companies, that had physical damage (no voluntary liability nor assigned risk) direct written premium for Private Passenger Auto in the second quarter of 2003, as compared to 22 groups, 23 companies, in the second quarter of 2002.

The table below represents the top groups based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the second quarter of 2003 to direct written premium in the second quarter of 2002 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRIVATE PASSENGER AUTO

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2003	% Change 2nd Quarter 2002 to 2003	4 Quarters Ending 2nd Qtr 2003	% Change 2nd Qtrs Ending 2002 to 2003
1	Progressive Group	22.98%	\$111,658,654	36.00%	\$425,011,277	52.11%
2	Allstate Insurance Group	15.01%	\$69,639,972	5.52%	\$277,562,315	21.25%
3	Zurich Insurance Group	13.68%	\$69,313,496	27.16%	\$253,118,479	39.37%
4	United Services Automobile Assn. Group	8.67%	\$37,623,056	55.12%	\$160,303,184	143.50%
5	Old American County Mutual Fire Ins. Co.	6.99%	\$25,116,488	(7.73%)	\$129,302,813	38.89%
6	Home State Insurance Group	5.90%	\$32,455,411	38.59%	\$109,145,822	29.42%
7	Nationwide Corp	3.69%	\$26,134,004	38.14%	\$68,225,545	38.75%
8	Titus Group	3.37%	\$20,414,368	93.86%	\$62,355,487	38.48%
9	State Farm IL	3.20%	\$15,695,799	55.08%	\$59,270,805	76.89%
10	Texas State National Group	2.96%	\$17,171,108	(4.73%)	\$54,845,441	(48.09%)
11	UNITRIN Group	2.52%	\$11,828,210	23.57%	\$46,546,311	(0.00%)
12	Credit Suisse Group	2.42%	\$11,064,724	9.56%	\$44,798,867	7.18%
13	Mercury General Group	1.77%	\$9,132,709	75.09%	\$32,670,784	69.10%
14	Southern Farm Bureau Casualty	1.52%	\$7,901,195	87.84%	\$28,118,190	266.96%
15	Liberty Mutual Group	1.31%	\$12,618,919	959.81%	\$24,312,443	352.65%
16	Sentry Insurance Group	1.17%	\$5,805,914	(7.33%)	\$21,724,026	(5.87%)
17	American National Financial Group	1.08%	\$6,229,639	17.26%	\$19,950,073	71.28%
18	Safeway Insurance Group	0.66%	\$2,449,825	(48.52%)	\$12,187,847	(30.35%)
19	Great American E&S Insurance Company	0.54%	\$2,078,882	(34.69%)	\$9,903,317	(31.79%)
20	Interins Exchange of The Automobile Club	0.38%	\$2,762,276	*	\$7,035,305	897.54%
21	Allianz Insurance Group	0.15%	\$0	(100.00%)	\$2,853,660	(31.92%)
22	Royal & Sun Alliance USA	0.03%	\$157,645	(5.02%)	\$541,534	(67.38%)
Top Groups Total		100.00%	\$497,252,294	28.84%	\$1,849,783,525	36.12%
Total Market		100.00%	\$497,252,294	28.84%	\$1,849,783,525	36.12%

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

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

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1998	\$250,536,141	\$219,665,979	\$136,318,486
3rd qtr 1998	\$262,511,804	\$225,755,287	\$132,007,612
4th qtr 1998	\$238,665,686	\$207,350,250	\$152,426,074
1st qtr 1999	\$265,455,909	\$231,903,533	\$130,853,248
2nd qtr 1999	\$255,145,130	\$228,504,521	\$151,563,258
3rd qtr 1999	\$280,304,144	\$233,108,498	\$147,619,395
4th qtr 1999	\$242,700,365	\$204,781,490	\$139,357,604
1st qtr 2000	\$260,729,317	\$238,706,706	\$149,028,079
2nd qtr 2000	\$262,154,501	\$226,682,984	\$196,633,635
3rd qtr 2000	\$262,453,188	\$229,215,744	\$154,858,981
4th qtr 2000	\$241,881,961	\$211,120,480	\$160,434,131
1st qtr 2001	\$283,658,842	\$262,798,279	\$159,540,769
2nd qtr 2001	\$298,685,330	\$262,739,740	\$187,217,412
3rd qtr 2001	\$349,744,796	\$294,332,735	\$238,121,942
4th qtr 2001	\$337,609,563	\$294,129,065	\$185,371,334
1st qtr 2002	\$488,468,028	\$384,585,102	\$189,016,929
2nd qtr 2002	\$496,292,048	\$385,934,281	\$227,021,075
3rd qtr 2002	\$538,593,162	\$432,555,221	\$227,728,181
4th qtr 2002	\$520,162,115	\$411,165,732	\$245,556,484
1st qtr 2003	\$581,757,800	\$508,810,278	\$238,114,214
2nd qtr 2003	\$567,913,778	\$497,252,294	\$345,031,259

Homeowners Multiple Peril (All Companies)

There were 62 groups, 101 companies, that had premiums on policies written for Homeowners Multiple Peril (includes renters' insurance) in the second quarter of 2003, as compared to 82 groups, 122 companies, in the second quarter of 2002.

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 second quarter of 2003 to premiums on policies written in the second quarter of 2002 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR HOMEOWNERS MULTIPLE PERIL

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2003	% Change 2nd Quarter 2002 to 2003	4 Quarters Ending 2nd Qtr 2003	% Change 2nd Qtrs Ending 2002 to 2003
1	State Farm IL	29.35%	\$354,874,382	(1.16%)	\$1,241,210,631	9.81%
2	Allstate Insurance Group	17.33%	\$212,879,060	7.19%	\$732,815,637	6.92%
3	Zurich Insurance Group	9.47%	\$134,952,512	(30.52%)	\$400,510,972	(36.14%)
4	United Services Automobile Assn. Group	6.80%	\$80,265,793	14.94%	\$287,390,616	20.08%
5	Vesta Insurance Group	5.01%	\$57,143,229	12.92%	\$211,993,439	110.80%
6	Travelers Property Casualty Corp Group	4.92%	\$58,599,622	2.74%	\$208,146,857	19.94%
7	Nationwide Corp	3.80%	\$43,917,221	21.03%	\$160,613,108	34.55%
8	Chubb & Son Inc	2.85%	\$33,061,404	19.30%	\$120,538,863	42.66%
9	Texas Farm Bureau Mutual	1.99%	\$25,416,106	15.36%	\$84,158,311	24.15%
10	Safeco Insurance Group	1.48%	\$17,775,150	(5.86%)	\$62,584,656	(2.61%)
11	Hartford Fire & Casualty Group	1.24%	\$15,003,444	16.64%	\$52,315,805	30.10%
12	Liberty Mutual Group	1.23%	\$16,531,346	17.39%	\$52,202,866	19.73%
13	Credit Suisse Group	1.21%	\$15,084,708	35.71%	\$51,338,113	43.90%
14	American National Financial Group	1.13%	\$12,668,753	11.01%	\$47,615,084	24.01%
15	Amica Mutual Group	1.11%	\$14,675,921	42.46%	\$46,948,585	57.17%
16	NLASCO	1.09%	\$18,323,127	362.11%	\$45,887,574	366.20%
17	Allianz Insurance Group	0.89%	\$10,210,962	12.75%	\$37,643,819	18.25%
18	Titus Group	0.77%	\$9,002,883	7.09%	\$32,544,752	5.81%
19	Texas FAIR Plan Association	0.73%	\$23,628,050	*	\$31,036,182	*
20	CNA Insurance Group	0.73%	\$7,655,660	(21.69%)	\$30,691,600	(11.57%)
21	Service Life Group	0.70%	\$4,060,728	(62.87%)	\$29,637,870	(12.11%)
22	UNITRIN Group	0.64%	\$6,904,974	(20.99%)	\$27,140,462	(4.29%)
23	Metropolitan Group	0.56%	\$5,976,318	(7.20%)	\$23,608,777	5.37%
24	ARX Holding Corp Group	0.52%	\$7,824,051	*	\$21,879,468	*
25	Colonial Savings Group	0.52%	\$5,144,654	0.34%	\$21,833,806	65.37%

Top 25 Groups Total	96.06%	\$1,191,580,058	3.00%	\$4,062,287,853	10.23%
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Total Market	100.00%	\$1,234,965,278	2.96%	\$4,228,728,754	10.40%
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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
2nd qtr 1998	\$789,457,650	\$737,239,749	\$312,874,276
3rd qtr 1998	\$827,111,261	\$765,484,095	\$294,538,628
4th qtr 1998	\$705,868,946	\$643,592,725	\$293,922,541
1st qtr 1999	\$680,553,967	\$625,536,282	\$279,072,534
2nd qtr 1999	\$816,031,690	\$762,669,194	\$392,679,247
3rd qtr 1999	\$831,338,777	\$761,920,774	\$402,191,584
4th qtr 1999	\$704,815,768	\$646,548,027	\$301,052,515
1st qtr 2000	\$684,609,138	\$640,313,516	\$402,393,296
2nd qtr 2000	\$849,579,161	\$799,170,784	\$918,697,064
3rd qtr 2000	\$865,804,664	\$797,928,612	\$505,688,391
4th qtr 2000	\$681,582,526	\$672,546,755	\$438,819,100
1st qtr 2001	\$739,357,732	\$691,787,463	\$503,586,791
2nd qtr 2001	\$929,634,302	\$863,989,491	\$834,551,881
3rd qtr 2001	\$972,458,027	\$882,812,387	\$823,438,558
4th qtr 2001	\$841,023,405	\$810,336,096	\$801,350,605
1st qtr 2002	\$1,014,695,847	\$937,862,631	\$877,653,109
2nd qtr 2002	\$1,332,392,207	\$1,199,465,123	\$1,230,023,431
3rd qtr 2002	\$1,315,122,445	\$1,170,560,367	\$1,032,308,999
4th qtr 2002	\$1,069,629,533	\$866,207,429	\$780,590,201
1st qtr 2003	\$1,076,478,267	\$956,995,680	\$593,070,795
2nd qtr 2003	\$1,396,032,933	\$1,234,965,278	\$1,265,668,337

EARNED TO INCURRED LOSS RATIO BY YEAR

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

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

Homeowners Multiple Peril (Rate-Regulated Companies)

There were 28 groups, 49 rate-regulated (no Lloyds or Reciprocal) companies, that had direct written premium for Homeowners Multiple Peril in the second quarter of 2003, as compared to 34 groups, 70 companies, in the second quarter of 2002.

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 second quarter of 2003 to direct written premium in the second quarter of 2002 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR HOMEOWNERS MULTIPLE PERIL

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2003	% Change 2nd Quarter 2002 to 2003	4 Quarters Ending 2nd Qtr 2003	% Change 2nd Qtrs Ending 2002 to 2003
1	Texas FAIR Plan Association	33.75%	\$23,628,050	*	\$31,036,182	*
2	Allstate Insurance Group	26.77%	\$6,548,607	9.08%	\$24,614,232	5.12%
3	State Farm IL	9.54%	\$2,405,689	3.06%	\$8,772,198	5.33%
4	Zurich Insurance Group	6.41%	\$2,086,545	(12.70%)	\$5,896,696	(56.91%)
5	Farmers Mutual Protection Assn Group	5.75%	\$1,509,190	20.15%	\$5,286,987	64.02%
6	Germania Insurance Group	4.41%	\$938,168	(18.14%)	\$4,055,793	(2.69%)
7	Travelers Property Casualty Corp Group	2.93%	\$545,615	(20.30%)	\$2,696,073	(36.68%)
8	American International Group	2.28%	\$9,231	33.72%	\$2,098,853	*
9	Beacon Insurance Group	2.03%	(\$21,872)	(100.47%)	\$1,871,220	(89.77%)
10	Sentry Insurance Group	1.29%	\$320,268	4.33%	\$1,190,171	(0.13%)
11	Prudential Of America	1.14%	\$231,823	(27.55%)	\$1,050,573	(12.23%)
12	Fortis Group	0.95%	\$89,438	(69.23%)	\$870,886	(15.88%)
13	Nationwide Corporation	0.54%	(\$22,061)	(105.79%)	\$497,703	(72.02%)
14	American Express Group	0.45%	\$177,916	11.46%	\$410,576	3.04%
15	GMAC Insurance Holding	0.44%	\$16,669	(87.32%)	\$404,048	(35.80%)
16	Church Mutual Insurance Company	0.42%	\$114,549	16.33%	\$382,755	31.73%
17	Ohio Casualty Group	0.35%	(\$11,394)	(105.88%)	\$322,410	(50.92%)
18	Reliant American Insurance Company	0.21%	\$0	*	\$193,512	*
19	EMC Insurance Company	0.21%	\$29,008	(67.30%)	\$192,407	(31.45%)
20	American National Financial Group	0.13%	(\$8,823)	(101.44%)	\$123,032	(96.35%)
21	Millea Holdings Inc	0.08%	\$22,079	(7.50%)	\$76,041	(6.36%)
22	AEGIS Group	0.02%	\$11,336	149.75%	\$16,495	125.59%
23	Sompo Japan Insurance Group	0.02%	\$4,220	52.95%	\$14,459	61.25%
24	Utica National Insurance Group	0.02%	\$0	(100.00%)	\$13,921	(55.94%)
25	Allianz Insurance Group	0.01%	\$0	*	\$10,341	(99.38%)

Top 25 Groups Total	**100.15%	\$38,624,251	83.17%	\$92,097,564	4.61%
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Total Market	100.00%	\$38,626,086	84.12%	\$91,959,848	(14.48%)
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* Premiums from prior reporting period were \$0, less than \$0, or negligible.

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

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1998	\$131,977,520	\$117,345,049	\$76,391,087
3rd qtr 1998	\$133,729,938	\$120,361,563	\$63,162,598
4th qtr 1998	\$98,101,087	\$83,424,829	\$59,422,695
1st qtr 1999	\$84,949,921	\$73,805,317	\$51,869,196
2nd qtr 1999	\$97,400,409	\$88,354,725	\$61,295,179
3rd qtr 1999	\$97,759,048	\$85,844,032	\$58,705,527
4th qtr 1999	\$76,937,349	\$69,149,917	\$39,799,794
1st qtr 2000	\$75,077,475	\$67,295,236	\$49,933,856
2nd qtr 2000	\$89,273,573	\$80,689,909	\$94,497,203
3rd qtr 2000	\$78,205,016	\$69,816,666	\$51,784,197
4th qtr 2000	\$56,157,895	\$51,145,700	\$49,347,526
1st qtr 2001	\$57,078,365	\$53,306,555	\$47,918,477
2nd qtr 2001	\$61,952,810	\$55,300,907	\$66,850,430
3rd qtr 2001	\$53,005,655	\$44,743,920	\$63,960,360
4th qtr 2001	\$25,415,468	\$22,371,626	\$54,611,962
1st qtr 2002	\$23,293,200	\$19,441,069	\$48,778,018
2nd qtr 2002	\$27,356,362	\$20,979,080	\$58,664,734
3rd qtr 2002	\$27,822,660	\$19,332,851	\$42,424,263
4th qtr 2002	\$16,273,848	\$13,147,676	\$31,729,519
1st qtr 2003	\$23,075,761	\$20,853,235	\$18,046,214
2nd qtr 2003	\$40,061,623	\$38,626,086	\$25,787,575

Homeowners Multiple Peril (Non-Rate-Regulated Companies)

There were 47 groups, 52 non-rate-regulated (Lloyds and Reciprocal) companies, that had direct written premium for Homeowners Multiple Peril in the second quarter of 2003, as compared to 48 groups, 52 companies, in the second quarter of 2002.

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 second quarter of 2003 to direct written premium in the second quarter of 2002 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR HOMEOWNERS MULTIPLE PERIL

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2003	% Change 2nd Quarter 2002 to 2003	4 Quarters Ending 2nd Qtr 2003	% Change 2nd Qtrs Ending 2002 to 2003
1	State Farm IL	29.79%	\$352,468,693	(1.19%)	\$1,232,438,433	9.84%
2	Allstate Insurance Group	17.12%	\$206,330,453	7.13%	\$708,201,405	6.98%
3	Zurich Insurance Group	9.54%	\$132,865,967	(30.75%)	\$394,614,276	(35.67%)
4	United Services Automobile Assn. Group	6.95%	\$80,265,793	14.52%	\$287,473,357	29.10%
5	Vesta Insurance Group	5.12%	\$57,143,229	12.92%	\$211,993,439	110.80%
6	Travelers Property Casualty Corp Group	4.97%	\$58,054,007	3.02%	\$205,450,784	21.37%
7	Nationwide Corp	3.87%	\$43,939,282	22.38%	\$160,115,405	36.17%
8	Chubb & Son Inc	2.91%	\$33,060,137	19.30%	\$120,533,501	42.74%
9	Texas Farm Bureau Mutual	2.03%	\$25,416,106	15.36%	\$84,158,311	24.15%
10	Safeco Insurance Group	1.51%	\$17,775,150	(5.86%)	\$62,584,656	(2.61%)
11	Hartford Fire & Casualty Group	1.26%	\$15,003,769	16.64%	\$52,316,610	30.10%
12	Liberty Mutual Group	1.26%	\$16,531,346	17.35%	\$52,207,407	19.61%
13	Credit Suisse Group	1.24%	\$15,084,708	35.71%	\$51,338,113	43.90%
14	American National Financial Group	1.15%	\$12,677,576	17.39%	\$47,492,052	35.58%
15	Amica Mutual Group	1.13%	\$14,675,921	42.46%	\$46,948,585	57.17%
16	NLASCO	1.11%	\$18,323,127	362.11%	\$45,887,574	366.20%
17	Allianz Insurance Group	0.91%	\$10,210,962	12.75%	\$37,633,478	24.73%
18	Titus Group	0.79%	\$9,002,883	7.09%	\$32,544,752	5.81%
19	CNA Insurance Group	0.74%	\$7,655,666	(21.11%)	\$30,699,665	(11.07%)
20	Service Life Group	0.72%	\$4,060,728	(62.87%)	\$29,637,870	(12.11%)
21	UNITRIN Group	0.66%	\$6,904,974	(21.00%)	\$27,140,725	(4.37%)
22	Metropolitan Group	0.57%	\$5,976,318	(7.20%)	\$23,608,777	5.37%
23	ARX Holding Corp Group	0.53%	\$7,824,051	*	\$21,879,468	*
24	Colonial Savings Group	0.53%	\$5,144,654	0.34%	\$21,833,806	65.37%
25	Lumbermens Mutual Casualty Group	0.45%	\$4,985,616	2.76%	\$18,487,946	22.83%

Top 25 Groups Total	96.87%	\$1,161,381,116	1.04%	\$4,007,220,395	10.48%
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Total Market	100.00%	\$1,196,339,192	1.51%	\$4,136,768,906	11.12%
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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
2nd qtr 1998	\$657,480,130	\$619,894,700	\$236,483,189
3rd qtr 1998	\$693,381,323	\$645,122,532	\$231,376,030
4th qtr 1998	\$607,767,859	\$560,167,896	\$234,499,846
1st qtr 1999	\$595,604,046	\$551,730,965	\$227,203,338
2nd qtr 1999	\$718,631,281	\$674,314,469	\$331,384,068
3rd qtr 1999	\$733,579,729	\$676,076,742	\$343,486,057
4th qtr 1999	\$627,878,419	\$577,398,110	\$261,252,721
1st qtr 2000	\$609,531,663	\$573,018,280	\$352,459,440
2nd qtr 2000	\$760,305,588	\$718,480,875	\$824,199,861
3rd qtr 2000	\$787,599,648	\$728,111,946	\$453,904,194
4th qtr 2000	\$625,424,631	\$621,401,055	\$389,471,574
1st qtr 2001	\$682,279,367	\$638,480,908	\$455,668,314
2nd qtr 2001	\$867,681,492	\$808,688,584	\$767,701,451
3rd qtr 2001	\$919,452,372	\$838,068,467	\$759,478,198
4th qtr 2001	\$815,607,937	\$787,964,470	\$746,738,643
1st qtr 2002	\$991,402,647	\$918,421,562	\$828,875,091
2nd qtr 2002	\$1,305,035,845	\$1,178,486,043	\$1,171,358,697
3rd qtr 2002	\$1,287,299,785	\$1,151,227,516	\$989,884,736
4th qtr 2002	\$1,053,355,685	\$853,059,753	\$748,860,682
1st qtr 2003	\$1,053,402,506	\$936,142,445	\$575,024,581
2nd qtr 2003	\$1,354,677,047	\$1,196,339,192	\$1,240,047,475

Workers' Compensation (All Companies)

There were 90 groups, 255 companies, that had direct written premium for Workers' Compensation in the second quarter of 2003, as compared to 96 groups, 259 companies, in the second quarter of 2002.

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 second quarter of 2003 to direct written premium in the second quarter of 2002 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR WORKERS' COMPENSATION

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2003	% Change 2nd Quarter 2002 to 2003	4 Quarters Ending 2nd Qtr 2003	% Change 2nd Qtrs Ending 2002 to 2003
1	Texas Mutual Insurance Company	25.51%	\$169,277,979	9.76%	\$649,855,735	24.16%
2	American International Group	8.92%	\$37,192,602	(36.74%)	\$227,315,458	18.04%
3	Liberty Mutual Group	8.70%	\$39,365,036	(17.64%)	\$221,662,134	12.29%
4	Zurich Insurance Group	8.24%	\$45,195,890	(14.79%)	\$209,928,767	0.21%
5	CNA Insurance Group	5.70%	\$42,209,583	22.83%	\$145,059,466	(1.88%)
6	Hartford Fire & Casualty Group	5.22%	\$37,682,746	23.76%	\$132,890,920	24.30%
7	ACE Ltd.	3.63%	\$17,519,959	14.28%	\$92,576,853	43.19%
8	Travelers Property Casualty Corp Group	3.45%	\$23,741,352	16.55%	\$87,856,916	40.35%
9	St. Paul Group	2.67%	\$15,104,772	10.05%	\$68,130,630	11.84%
10	Service Life Group	2.52%	\$9,737,634	(23.74%)	\$64,114,252	12.06%
11	Royal & Sun Alliance USA	2.02%	\$4,355,474	(75.45%)	\$51,426,044	(53.82%)
12	Old Republic Group	1.91%	\$12,070,999	(10.20%)	\$48,547,275	(1.88%)
13	Amerisure Company	1.60%	\$10,210,221	5.86%	\$40,644,766	(57.37%)
14	Lumbermens Mutual Casualty Group	1.59%	\$5,422,316	(74.08%)	\$40,619,998	(61.75%)
15	Chubb & Son Inc.	1.52%	\$10,390,420	37.39%	\$38,732,892	19.26%
16	Zenith National Insurance Group	1.03%	\$6,386,753	(6.14%)	\$26,126,013	8.97%
17	Sentry Insurance Group	0.85%	\$6,313,208	32.59%	\$21,715,273	26.85%
18	Federated Mutual	0.70%	\$4,602,242	(25.17%)	\$17,900,520	(5.39%)
19	Amcomp Group	0.69%	\$5,604,335	5.38%	\$17,531,686	8.55%
20	Fairfax Financial	0.66%	\$3,857,340	(34.63%)	\$16,891,930	(32.56%)
21	Amerisafe Group	0.66%	\$4,640,366	102.65%	\$16,765,370	(4.25%)
22	UNITRIN Group	0.60%	\$3,317,631	(53.99%)	\$15,332,081	(53.59%)
23	EMC Insurance Company	0.59%	\$4,046,274	17.75%	\$15,023,110	17.07%
24	Atlantic American	0.58%	\$3,665,544	(39.18%)	\$14,684,894	(32.11%)
25	Credit Suisse Group	0.56%	\$2,677,438	(35.66%)	\$14,355,748	(8.02%)

Top 25 Groups Total	90.13%	\$524,588,114	(6.70%)	\$2,295,688,731	3.42%
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Total Market	100.00%	\$574,086,959	(5.56%)	\$2,548,127,727	(0.85%)
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QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1998	\$478,778,704	\$442,649,295	\$282,539,057
3rd qtr 1998	\$435,518,600	\$485,455,752	\$275,048,344
4th qtr 1998	\$370,192,580	\$397,701,974	\$312,651,143
1st qtr 1999	\$570,639,450	\$466,486,668	\$295,462,569
2nd qtr 1999	\$454,594,676	\$396,127,510	\$311,868,753
3rd qtr 1999	\$428,144,070	\$463,051,665	\$345,982,634
4th qtr 1999	\$427,037,725	\$411,558,142	\$331,789,221
1st qtr 2000	\$516,894,756	\$528,020,151	\$345,311,192
2nd qtr 2000	\$505,361,686	\$478,347,000	\$343,362,455
3rd qtr 2000	\$510,640,302	\$521,503,663	\$357,931,520
4th qtr 2000	\$536,927,546	\$498,835,430	\$401,934,512
1st qtr 2001	\$667,386,665	\$627,473,225	\$424,623,557
2nd qtr 2001	\$635,546,771	\$564,194,893	\$345,330,892
3rd qtr 2001	\$597,455,635	\$619,493,592	\$355,384,435
4th qtr 2001	\$617,545,100	\$634,497,498	\$308,549,397
1st qtr 2002	\$768,044,281	\$708,007,441	\$366,225,328
2nd qtr 2002	\$637,425,256	\$607,898,696	\$385,529,414
3rd qtr 2002	\$761,779,998	\$613,468,787	\$333,914,604
4th qtr 2002	\$680,249,951	\$651,709,895	\$432,491,023
1st qtr 2003	\$797,341,377	\$708,862,086	\$318,940,089
2nd qtr 2003	\$652,054,638	\$574,086,959	\$326,841,565

EARNED TO INCURRED LOSS RATIO BY YEAR

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

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

Workers' Compensation (Voluntary Market)

There were 90 groups, 255 companies, that had voluntary direct written premium for Workers' Compensation in the second quarter of 2003, as compared to 96 groups, 257 companies, in the second quarter of 2002.

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 second quarter of 2003 to direct written premium in the second quarter of 2002 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR WORKERS' COMPENSATION

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2003	% Change 2nd Quarter 2002 to 2003	4 Quarters Ending 2nd Qtr 2003	% Change 2nd Qtrs Ending 2002 to 2003
1	Texas Mutual Insurance Company	24.81%	\$162,683,045	10.61%	\$625,818,385	27.25%
2	American International Group	9.01%	\$37,192,602	(36.74%)	\$227,229,337	17.99%
3	Liberty Mutual Group	8.79%	\$39,365,036	(17.64%)	\$221,645,521	12.29%
4	Zurich Insurance Group	8.32%	\$45,195,890	(14.85%)	\$209,928,767	0.19%
5	CNA Insurance Group	5.75%	\$42,209,583	22.83%	\$145,059,466	(1.88%)
6	Hartford Fire & Casualty Group	5.27%	\$37,682,746	23.76%	\$132,890,920	24.30%
7	ACE Ltd.	3.67%	\$17,519,959	14.28%	\$92,576,853	43.19%
8	Travelers Property Casualty Corp Group	3.48%	\$23,741,352	16.60%	\$87,856,916	40.37%
9	St. Paul Group	2.70%	\$15,104,772	10.05%	\$68,130,630	11.84%
10	Service Life Group	2.54%	\$9,737,634	(23.01%)	\$64,065,006	12.45%
11	Royal & Sun Alliance USA	2.04%	\$4,355,474	(75.45%)	\$51,426,044	(53.82%)
12	Old Republic Group	1.92%	\$12,070,999	(10.20%)	\$48,547,275	(1.88%)
13	Amerisure Company	1.61%	\$10,210,221	5.86%	\$40,644,766	(57.37%)
14	Lumbermens Mutual Casualty Group	1.61%	\$5,422,316	(74.08%)	\$40,619,998	(61.75%)
15	Chubb & Son Inc.	1.54%	\$10,390,420	37.39%	\$38,732,892	19.26%
16	Zenith National Insurance Group	1.04%	\$6,386,753	(6.14%)	\$26,126,013	8.97%
17	Sentry Insurance Group	0.86%	\$6,313,208	32.59%	\$21,715,273	26.85%
18	Federated Mutual	0.71%	\$4,602,242	(25.17%)	\$17,900,520	(5.39%)
19	Amcomp Group	0.69%	\$5,604,335	5.38%	\$17,531,686	8.55%
20	Fairfax Financial	0.67%	\$3,857,340	(34.63%)	\$16,891,930	(32.56%)
21	Amerisafe Group	0.66%	\$4,640,366	102.65%	\$16,765,370	(4.25%)
22	UNITRIN Group	0.61%	\$3,317,631	(53.99%)	\$15,332,081	(53.59%)
23	EMC Insurance Company	0.60%	\$4,046,274	17.75%	\$15,023,110	17.07%
24	Atlantic American	0.58%	\$3,665,544	(39.18%)	\$14,684,894	(32.11%)
25	Credit Suisse Group	0.57%	\$2,677,438	(35.66%)	\$14,355,748	(8.02%)

Top 25 Groups Total	90.04%	\$517,993,180	(6.67%)	\$2,271,499,401	3.82%
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Total Market	100.00%	\$567,491,502	(5.52%)	\$2,523,806,774	(0.56%)
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QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1998	\$477,501,777	\$442,258,006	\$267,500,956
3rd qtr 1998	\$434,267,316	\$484,021,039	\$259,934,181
4th qtr 1998	\$369,355,592	\$396,871,245	\$299,920,299
1st qtr 1999	\$569,077,654	\$464,762,395	\$287,558,101
2nd qtr 1999	\$452,971,565	\$394,356,843	\$301,623,599
3rd qtr 1999	\$425,974,225	\$460,986,407	\$337,164,883
4th qtr 1999	\$423,333,897	\$409,633,529	\$321,851,381
1st qtr 2000	\$513,391,542	\$525,877,539	\$337,383,478
2nd qtr 2000	\$501,354,578	\$475,604,283	\$334,849,482
3rd qtr 2000	\$505,803,790	\$516,560,373	\$348,866,375
4th qtr 2000	\$532,210,760	\$493,985,273	\$392,480,934
1st qtr 2001	\$657,190,587	\$618,832,510	\$415,126,742
2nd qtr 2001	\$625,096,723	\$553,257,708	\$335,333,000
3rd qtr 2001	\$589,604,135	\$613,986,964	\$345,242,399
4th qtr 2001	\$607,546,853	\$625,167,853	\$302,389,408
1st qtr 2002	\$756,668,020	\$698,242,878	\$356,803,688
2nd qtr 2002	\$630,083,340	\$600,654,771	\$375,966,560
3rd qtr 2002	\$755,284,146	\$607,423,784	\$324,696,510
4th qtr 2002	\$672,513,987	\$644,898,391	\$423,374,512
1st qtr 2003	\$790,495,325	\$703,993,097	\$310,694,168
2nd qtr 2003	\$644,655,755	\$567,491,502	\$318,885,694

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 second quarter of 2003, the START program reported \$24,037,350 in direct premiums written. This accounted for 98.83% of all Residual Market experience reported and was a decrease of (7.74%) over the same period one year prior. Of this amount \$6,594,934 was written in the second quarter of 2003 which was a (24.00%) decrease from the second quarter of 2002.

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

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

QUARTERLY EXPERIENCE **All Groups**

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1998	\$1,276,927	\$391,289	\$15,038,101
3rd qtr 1998	\$1,251,284	\$1,434,713	\$15,114,163
4th qtr 1998	\$836,988	\$830,729	\$12,730,844
1st qtr 1999	\$1,561,796	\$1,724,273	\$7,904,468
2nd qtr 1999	\$1,623,111	\$1,770,667	\$10,245,154
3rd qtr 1999	\$2,169,845	\$2,065,258	\$8,817,751
4th qtr 1999	\$3,703,828	\$1,924,613	\$9,937,840
1st qtr 2000	\$3,503,214	\$2,142,612	\$7,927,714
2nd qtr 2000	\$4,007,108	\$2,742,717	\$8,512,973
3rd qtr 2000	\$4,836,512	\$4,943,290	\$9,065,145
4th qtr 2000	\$4,716,786	\$4,850,157	\$9,453,578
1st qtr 2001	\$10,196,078	\$8,640,715	\$9,496,815
2nd qtr 2001	\$10,450,048	\$10,937,185	\$9,997,892
3rd qtr 2001	\$7,851,500	\$5,506,628	\$10,142,036
4th qtr 2001	\$9,998,247	\$9,329,645	\$6,159,989
1st qtr 2002	\$11,376,261	\$9,764,563	\$9,421,640
2nd qtr 2002	\$7,341,916	\$7,243,925	\$9,562,854
3rd qtr 2002	\$6,495,852	\$6,045,003	\$9,218,094
4th qtr 2002	\$7,735,964	\$6,811,504	\$9,116,511
1st qtr 2003	\$6,846,052	\$4,868,989	\$8,245,921
2nd qtr 2003	\$7,398,883	\$6,595,457	\$7,955,871

QUARTERLY EXPERIENCE
Texas Mutual Insurance Company

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1998	\$1,276,927	\$433,992	\$1,465,267
3rd qtr 1998	\$1,251,284	\$1,371,071	\$1,663,833
4th qtr 1998	\$836,988	\$596,807	\$1,440,169
1st qtr 1999	\$1,561,796	\$1,972,223	\$1,332,155
2nd qtr 1999	\$1,623,111	\$1,876,459	\$1,130,990
3rd qtr 1999	\$2,169,845	\$2,068,199	\$1,028,397
4th qtr 1999	\$3,703,828	\$1,914,890	\$1,046,307
1st qtr 2000	\$3,503,214	\$2,142,612	\$848,612
2nd qtr 2000	\$4,007,108	\$2,747,725	\$982,492
3rd qtr 2000	\$4,836,512	\$4,967,684	\$1,169,864
4th qtr 2000	\$4,716,786	\$4,806,301	\$1,217,504
1st qtr 2001	\$10,196,078	\$8,640,715	\$1,479,063
2nd qtr 2001	\$10,450,048	\$10,937,185	\$2,001,118
3rd qtr 2001	\$7,851,500	\$5,506,628	\$1,844,449
4th qtr 2001	\$9,998,247	\$9,235,306	\$2,346,245
1st qtr 2002	\$11,376,261	\$9,737,212	\$2,079,484
2nd qtr 2002	\$7,341,916	\$7,147,894	\$1,622,476
3rd qtr 2002	\$6,495,852	\$5,992,338	\$2,084,985
4th qtr 2002	\$7,735,964	\$6,597,702	\$2,093,003
1st qtr 2003	\$6,846,052	\$4,852,376	\$1,988,494
2nd qtr 2003	\$7,398,883	\$6,594,934	\$1,904,942

Workers' Compensation (Deductible Plans)

There were 90 groups, 255 companies which wrote voluntary policies for Workers' Compensation in the second quarter of 2003, as compared to 96 groups, 257 companies in the second quarter of 2002.

The data contained in the following table represents direct policies written as new or renewal policies in the second quarter of 2003. 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 second installment premium).

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

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

WORKERS' COMPENSATION DEDUCTIBLE PLANS

	Policies Written 2nd Qtr 2003	Premium on Direct Policies Written Prior to Deductible Credit	Premium on Direct Policies Written After Deductible Credit	Percent of Reduction in Premiums
Per Accident Deductible Plan				
Premium of \$5,000 - \$9,999	39	\$267,738	\$236,567	11.64%
Premium of \$10,000 - \$24,999	58	\$1,018,630	\$892,798	12.35%
Premium of \$25,000 - \$49,999	28	\$1,080,279	\$909,649	15.79%
Premium of \$50,000 - \$74,999	7	\$438,360	\$372,527	15.02%
Premium of \$75,000 - \$100,000	5	\$525,838	\$439,324	16.45%
Total 'Per Accident' Plan	137	\$3,330,845	\$2,850,865	14.41%
Aggregate Deductible Plan				
Premium of \$5,000 - \$9,999	16	\$115,587	\$100,146	13.36%
Premium of \$10,000 - \$24,999	27	\$489,521	\$421,774	13.84%
Premium of \$25,000 - \$49,999	14	\$565,783	\$487,780	13.79%
Premium of \$50,000 - \$74,999	2	\$126,714	\$106,755	15.75%
Premium of \$75,000 - \$100,000	2	\$169,103	\$120,806	28.56%
Total 'Aggregate' Plan	61	\$1,466,708	\$1,237,261	15.64%
Per Accident/Aggregate Combination Deductible Plan				
Premium of \$5,000 - \$9,999	8	\$39,959	\$34,118	14.62%
Premium of \$10,000 - \$24,999	7	\$115,938	\$102,118	11.92%
Premium of \$25,000 - \$49,999	3	\$115,492	\$78,397	32.12%
Premium of \$50,000 - \$74,999	4	\$242,425	\$125,744	48.13%
Premium of \$75,000 - \$100,000	1	\$90,694	\$70,639	22.11%
Total 'Combination' Plan	23	\$604,508	\$411,016	32.01%
Negotiated Deductible Plan				
Premium Up To \$100,000	550	\$13,469,743	\$4,206,524	68.77%
Premium of \$100,001 - \$150,000	68	\$8,651,826	\$3,519,831	59.32%
Premium of \$150,001 - \$250,000	87	\$17,794,466	\$6,941,398	60.99%
Premium of \$250,001 - \$350,000	49	\$14,188,649	\$6,664,190	53.03%
Premium of \$350,001 - \$500,000	49	\$24,156,736	\$8,503,407	64.80%
Premium of \$500,001 - \$750,000	61	\$37,740,450	\$10,897,587	71.12%
Premium of \$750,001 - \$1,000,000	39	\$33,753,551	\$6,892,420	79.58%
Premium of \$1,000,001 - \$2,500,000	91	\$136,041,408	\$35,209,988	74.12%
Premium of \$2,500,001 - \$5,000,000	25	\$94,068,659	\$12,567,710	86.64%
Premium of \$5,000,001 and above	13	\$108,454,979	\$21,649,660	80.04%
Total 'Negotiated' Plan	1,032	\$488,320,467	\$117,052,715	76.03%
No Deductible Plan				
Premium Less Than \$5,000	20,778	\$35,651,861	\$35,651,861	0.00%
Premium of \$5,000 - \$9,999	5,026	\$36,371,154	\$36,371,154	0.00%
Premium of \$10,000 - \$24,999	4,216	\$66,262,908	\$66,262,908	0.00%
Premium of \$25,000 - \$49,999	1,812	\$63,114,793	\$63,114,793	0.00%
Premium of \$50,000 - \$74,999	708	\$43,476,252	\$43,476,252	0.00%
Premium of \$75,000 - \$100,000	396	\$34,104,304	\$34,104,304	0.00%
Premium Greater Than \$100,000	988	\$244,122,626	\$244,122,626	0.00%
Total 'No Deductible' Plan	33,924	\$523,103,898	\$523,103,898	0.00%
TOTAL	35,177	\$1,016,826,426	\$644,655,755	36.60%

Boiler & Machinery

There were 34 groups, 87 companies, that had direct written premium for Boiler & Machinery in the second quarter of 2003, as compared to 34 groups, 95 companies, in the second quarter of 2002.

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 second quarter of 2003 to direct written premium in the second quarter of 2002 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR BOILER & MACHINERY

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2003	% Change 2nd Quarter 2002 to 2003	4 Quarters Ending 2nd Qtr 2003	% Change 2nd Qtrs Ending 2002 to 2003
1	FM Global Group	37.48%	\$6,295,872	4.35%	\$30,479,011	68.99%
2	Travelers Property Casualty Corp Group	14.60%	\$2,585,403	(24.18%)	\$11,874,583	5.97%
3	American International Group	14.31%	\$3,485,011	(17.00%)	\$11,633,584	(17.80%)
4	Chubb & Son Inc.	8.73%	\$1,823,765	(8.96%)	\$7,096,241	15.55%
5	CNA Insurance Group	7.01%	\$1,288,735	(26.72%)	\$5,701,064	(11.36%)
6	Zurich Insurance Group	5.99%	\$1,013,882	(29.82%)	\$4,871,516	(1.30%)
7	Allianz Insurance Group	2.68%	\$447,500	74.09%	\$2,176,267	81.95%
8	GE Global Group	2.45%	\$1,295,428	3.60%	\$1,988,322	(4.69%)
9	St. Paul Group	1.81%	\$304,562	(6.59%)	\$1,468,937	(6.33%)
10	Federated Mutual	1.23%	\$286,133	26.19%	\$997,998	18.68%
11	Allstate Insurance Group	0.42%	\$87,577	29.40%	\$341,008	15.89%
12	Liberty Mutual Group	0.39%	\$159,735	466.50%	\$315,641	167.63%
13	EMC Insurance Company	0.30%	\$75,144	*	\$241,084	*
14	Millea Holdings Inc.	0.29%	\$0	(100.00%)	\$239,636	17.11%
15	Triangle Insurance Company Inc.	0.29%	\$19,209	*	\$238,747	*
16	Fairfax Financial	0.26%	\$62,647	109.23%	\$210,566	32.43%
17	Safeco Insurance Group	0.23%	\$9,487	(77.26%)	\$187,140	29.83%
18	XL America	0.20%	\$90,370	*	\$165,551	*
19	United Fire & Casualty Group	0.20%	\$33,432	44.04%	\$164,486	35.68%
20	Bancinsure Inc.	0.13%	\$25,795	39.60%	\$108,325	80.28%
21	Hartford Fire & Casualty Group	0.13%	\$37,006	37.90%	\$106,043	12.79%
22	Great American E&S Insurance Company	0.12%	\$74,503	294.85%	\$96,679	12.95%
23	ACE Ltd.	0.11%	\$27,091	152.13%	\$85,980	477.86%
24	Nationwide Corp	0.10%	\$38,341	701.11%	\$85,066	390.07%
25	Gerling Global Re Group	0.09%	\$0	(100.00%)	\$75,144	30.30%

Top 25 Groups Total	99.55%	\$19,566,628	(7.74%)	\$80,948,619	19.09%
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Total Market	100.00%	\$19,629,774	(8.43%)	\$81,313,749	18.20%
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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
2nd qtr 1998	\$10,047,430	\$11,019,793	\$2,794,826
3rd qtr 1998	\$11,531,122	\$9,697,962	\$5,615,512
4th qtr 1998	\$10,471,900	\$13,372,498	\$4,468,434
1st qtr 1999	\$10,225,174	\$6,885,262	\$4,521,389
2nd qtr 1999	\$5,499,763	\$8,003,887	\$6,693,625
3rd qtr 1999	\$5,998,330	\$8,429,018	\$13,747,315
4th qtr 1999	\$5,739,554	\$11,594,584	\$26,973,664
1st qtr 2000	\$6,824,984	\$7,104,170	\$7,608,679
2nd qtr 2000	\$7,621,282	\$9,008,884	\$3,444,292
3rd qtr 2000	\$9,496,878	\$11,092,448	\$8,553,001
4th qtr 2000	\$11,021,834	\$14,813,929	\$15,462,968
1st qtr 2001	\$9,322,472	\$10,668,808	\$6,262,083
2nd qtr 2001	\$11,069,306	\$13,060,159	\$2,488,479
3rd qtr 2001	\$11,513,713	\$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	\$17,702,166	\$19,188,622	\$2,609,649
2nd qtr 2003	\$18,130,047	\$19,629,774	\$2,418,353

EARNED TO INCURRED LOSS RATIO BY YEAR

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

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

Commercial Crime

There were 36 groups, 70 companies, that had direct written premium for Commercial Crime in the second quarter of 2003, as compared to 34 groups, 79 companies, in the second quarter of 2002.

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 second quarter of 2003 to direct written premium in the second quarter of 2002 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR COMMERCIAL CRIME

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2003	% Change 2nd Quarter 2002 to 2003	4 Quarters Ending 2nd Qtr 2003	% Change 2nd Qtrs Ending 2002 to 2003
1	Zurich Insurance Group	22.24%	\$360,516	(9.46%)	\$1,502,273	10.16%
2	Chubb & Son Inc.	15.79%	\$337,319	(59.08%)	\$1,066,544	(67.49%)
3	Travelers Property Casualty Corp Group	14.64%	\$220,360	13.05%	\$989,117	22.04%
4	American International Group	12.54%	\$521,941	150.35%	\$846,901	34.19%
5	CNA Insurance Group	6.72%	\$79,628	257.09%	\$453,778	23.03%
6	Hartford Fire & Casualty Group	6.53%	\$124,215	34.52%	\$441,350	16.06%
7	St. Paul Group	6.29%	\$69,445	23.64%	\$424,694	4.23%
8	Federated Mutual	2.22%	\$69,502	44.98%	\$149,895	(25.65%)
9	Sentry Insurance Group	1.70%	\$17,305	(17.05%)	\$114,692	14.58%
10	United Fire & Casualty Group	1.64%	\$17,980	56.96%	\$110,572	6.07%
11	Guideone Insurance Group	1.44%	\$0	*	\$97,318	(42.08%)
12	Royal & Sun Alliance USA	1.33%	\$0	(100.00%)	\$90,025	(49.03%)
13	Liberty Mutual Group	0.94%	\$466	(95.31%)	\$63,703	(47.42%)
14	Bancinsure Inc.	0.90%	\$31,134	*	\$60,818	(5.97%)
15	UNITRIN Group	0.79%	\$13,074	(54.97%)	\$53,529	(42.19%)
16	RLI Insurance Group	0.64%	\$12,418	(34.71%)	\$43,442	86.94%
17	Lumbermens Mutual Casualty Group	0.55%	\$5,980	(72.45%)	\$37,221	(52.96%)
18	Harco National Insurance Company	0.54%	\$16,988	280.21%	\$36,692	329.15%
19	Atlantic America	0.40%	\$5,199	*	\$27,085	*
20	WR Berkley Corp	0.28%	\$15,063	773.72%	\$18,971	487.16%
21	Great American E&S Insurance Company	0.27%	\$18,905	128.39%	\$18,260	(81.53%)
22	National American Insurance Company	0.24%	\$363	113.00%	\$16,133	28.84%
23	EMC Insurance Company	0.23%	\$2,193	(58.71%)	\$15,471	(33.77%)
24	Hannover Group	0.20%	\$3,487	410.54%	\$13,342	*
25	ACE Ltd.	0.18%	\$337	135.66%	\$12,000	*

Top 25 Groups Total	99.24%	\$1,943,818	(0.62%)	\$6,703,826	(21.34%)
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Total Market	100.00%	\$1,966,639	(3.13%)	\$6,755,253	(22.47%)
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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
2nd qtr 1998	\$2,689,070	\$2,755,087	\$496,520
3rd qtr 1998	\$3,196,591	\$3,372,786	\$523,331
4th qtr 1998	\$3,275,081	\$3,706,197	\$1,205,416
1st qtr 1999	\$2,305,794	\$2,607,287	\$247,406
2nd qtr 1999	\$1,407,701	\$2,919,957	\$1,153,393
3rd qtr 1999	\$1,913,296	\$2,375,385	\$826,469
4th qtr 1999	\$1,453,101	\$3,093,898	\$847,735
1st qtr 2000	\$2,298,539	\$2,395,113	\$144,981
2nd qtr 2000	\$2,764,361	\$2,835,158	\$503,188
3rd qtr 2000	\$2,447,445	\$2,665,016	\$443,652
4th qtr 2000	\$2,932,337	\$3,189,332	(\$55,027)
1st qtr 2001	\$2,645,328	\$1,940,058	\$216,427
2nd qtr 2001	\$2,958,524	\$2,118,598	\$214,678
3rd qtr 2001	\$1,948,083	\$1,883,478	\$392,359
4th qtr 2001	\$2,550,031	\$2,490,497	\$3,137,605
1st qtr 2002	\$2,403,953	\$2,309,009	(\$134,651)
2nd qtr 2002	\$1,546,219	\$2,030,210	\$280,434
3rd qtr 2002	\$1,341,198	\$1,529,291	\$214,282
4th qtr 2002	\$1,616,520	\$1,782,790	\$419,686
1st qtr 2003	\$1,425,299	\$1,476,533	\$220,185
2nd qtr 2003	\$1,810,277	\$1,966,639	\$113,244

EARNED TO INCURRED LOSS RATIO BY YEAR

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

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

Commercial Glass

There were 15 groups, 23 companies, that had direct written premium for Commercial Glass in the second quarter of 2003, as compared to 16 groups, 27 companies, in the second quarter of 2002.

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 second quarter of 2003 to direct written premium in the second quarter of 2002 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR COMMERCIAL GLASS

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2003	% Change 2nd Quarter 2002 to 2003	4 Quarters Ending 2nd Qtr 2003	% Change 2nd Qtrs Ending 2002 to 2003
1	Zurich Insurance Group	28.57%	\$21,424	23.63%	\$82,354	13.05%
2	UNTRIN Group	26.41%	\$14,307	(58.97%)	\$76,134	(28.49%)
3	United Fire & Casualty Group	12.63%	\$9,348	24.57%	\$36,425	1.41%
4	Ohio Casualty Group	7.44%	\$3,557	(53.95%)	\$21,456	(8.72%)
5	EMC Insurance Company	6.30%	\$3,822	(10.72%)	\$18,172	11.66%
6	Sentry Insurance Group	5.00%	\$0	(100.00%)	\$14,425	(46.89%)
7	Travelers Property Casualty Corp Group	2.96%	\$2,106	24.54%	\$8,534	69.22%
8	Federated Mutual	2.41%	\$1,245	(15.42%)	\$6,948	(8.17%)
9	Usplate Glass Insurance Company	2.14%	\$6,174	*	\$6,174	*
10	St. Paul Group	1.78%	\$240	(76.90%)	\$5,145	(41.15%)
11	Safeco Insurance Group	1.20%	\$0	(100.00%)	\$3,473	(12.36%)
12	ACE Ltd.	0.77%	\$1,404	(0.21%)	\$2,208	4.59%
13	Beacon Insurance Group	0.61%	\$0	(100.00%)	\$1,770	(31.79%)
14	Liberty Mutual Group	0.59%	\$305	*	\$1,705	*
15	State Farm IL	0.49%	\$557	4.11%	\$1,406	12.93%
16	Hartford Fire & Casualty Group	0.34%	\$0	*	\$988	7.63%
17	Utica National Insurance Group	0.28%	\$626	*	\$796	*
18	Guideone Insurance Group	0.08%	\$0	*	\$223	427.94%
19	WR Berkley Corp	0.05%	\$0	*	\$150	*
20	Allmerica Financial Corp	0.03%	\$91	203.41%	\$91	144.83%
21	Nationwide Corp	(0.10%)	(\$25)	*	(\$282)	*

Top Groups Total	**100.10%	\$65,181	(22.76%)	\$288,295	(9.08%)
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Total Market	100.00%	\$65,181	(22.76%)	\$288,295	(9.15%)
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* Premiums from prior reporting period were \$0, less than \$0, or negligible.

**Policy cancellations (negative premium written) resulted in a percentage greater than 100% for the Top 21 Groups

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1998	\$156,004	\$122,852	\$12,492
3rd qtr 1998	\$137,403	\$121,708	\$31,776
4th qtr 1998	\$126,047	\$110,220	\$22,533
1st qtr 1999	\$130,797	\$99,480	\$24,088
2nd qtr 1999	\$126,187	\$96,525	\$97,073
3rd qtr 1999	\$132,087	\$92,232	\$13,833
4th qtr 1999	\$120,348	\$86,001	\$30,482
1st qtr 2000	\$127,941	\$87,786	\$29,669
2nd qtr 2000	\$128,064	\$103,528	\$225,475
3rd qtr 2000	\$154,216	\$116,377	\$22,938
4th qtr 2000	\$106,321	\$77,656	\$10,619
1st qtr 2001	\$101,722	\$75,433	\$13,403
2nd qtr 2001	\$152,748	\$114,752	\$14,740
3rd qtr 2001	\$97,993	\$70,296	\$9,134
4th qtr 2001	\$94,672	\$76,658	\$14,463
1st qtr 2002	\$125,940	\$85,995	\$10,470
2nd qtr 2002	\$132,904	\$84,391	(\$191,664)
3rd qtr 2002	\$106,180	\$69,425	\$9,409
4th qtr 2002	\$118,781	\$87,929	\$17,945
1st qtr 2003	\$100,052	\$65,760	\$8,488
2nd qtr 2003	\$84,903	\$65,181	\$13,141

EARNED TO INCURRED LOSS RATIO BY YEAR

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

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

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

Medical Professional Liability

There were 33 groups, 43 companies, that had direct written premium for Medical Professional Liability (includes regulated and non-rate-regulated companies) in the second quarter of 2003, as compared to 36 groups, 50 companies, in the second quarter of 2002.

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 second quarter of 2003 to direct written premium in the second quarter of 2002 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR MEDICAL PROFESSIONAL LIABILITY

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2003	% Change 2nd Quarter 2002 to 2003	4 Quarters Ending 2nd Qtr 2003	% Change 2nd Qtrs Ending 2002 to 2003
1	Health Care Indemnity Inc.	24.75%	(\$2,764,655)	(12.99%)	\$135,802,063	21.07%
2	GE Global Group	22.26%	\$29,700,973	30.63%	\$122,104,819	60.40%
3	Texas Medical Liability Underwriting Assoc.	12.00%	\$18,947,649	135.75%	\$65,821,292	167.19%
4	American Physicians Ins. Exchange	8.45%	\$8,894,892	69.23%	\$46,365,235	127.40%
5	Everest Rein Holding Inc	6.78%	\$9,578,769	161.43%	\$37,172,048	356.16%
6	Doctors Company Group	4.31%	\$5,437,217	109.86%	\$23,634,699	66.97%
7	Allianz Insurance Group	3.73%	\$2,879,901	(50.19%)	\$20,472,552	(17.12%)
8	Hannover Group	2.13%	\$0	(100.00%)	\$11,662,179	630.13%
9	Bancinsure Inc.	2.03%	\$1,550,507	25.51%	\$11,143,645	93.56%
10	FPIC Insurance Group Inc.	1.63%	\$4,819,826	(39.77%)	\$8,963,522	(72.17%)
11	Zurich Insurance Group	1.52%	\$423,888	(79.51%)	\$8,343,762	(16.87%)
12	Texas Hospital Insurance Exchange	1.51%	\$2,706,408	46.87%	\$8,296,008	24.67%
13	ProAssurance Corp Group	1.30%	\$2,879,235	43.99%	\$7,155,739	(5.83%)
14	Preferred Professional Insurance Company	1.04%	\$318,467	445.91%	\$5,682,668	67.24%
15	NCMIC Group	0.87%	\$1,965,599	140.38%	\$4,746,343	38.17%
16	Fairfax Financial	0.86%	\$198,202	(92.10%)	\$4,735,972	(12.23%)
17	American International Group	0.76%	\$664,871	321.97%	\$4,195,782	28.79%
18	St. Paul Group	0.75%	\$578,810	(91.22%)	\$4,134,318	(80.20%)
19	Podiatry Insurance Co. of America RRG	0.56%	\$313,061	35.35%	\$3,070,678	19.44%
20	CNA Insurance Group	0.55%	\$901,023	20.16%	\$3,008,604	5.31%
21	Texas Medical Insurance Company	0.50%	\$615,461	133.71%	\$2,748,531	26.33%
22	Ohio Casualty Group	0.40%	\$0	*	\$2,177,208	*
23	National Group	0.39%	\$451,017	257.41%	\$2,161,642	459.20%
24	ACE Ltd.	0.37%	\$234,869	(87.26%)	\$2,027,998	(43.45%)
25	American Healthcare Specialty	0.28%	\$92,684	(89.89%)	\$1,554,390	(78.97%)

Top 25 Groups Total	99.73%	\$91,388,674	20.03%	\$547,181,697	36.96%
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Total Market	100.00%	\$92,245,843	17.83%	\$548,654,140	31.27%
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* Premiums from prior reporting period were \$0, less than \$0, or negligible.

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1998	\$39,867,221	\$46,328,066	\$45,995,696
3rd qtr 1998	\$63,699,946	\$65,433,921	\$72,182,018
4th qtr 1998	\$44,926,900	\$49,931,661	\$65,687,566
1st qtr 1999	\$143,714,378	\$153,831,660	\$45,490,283
2nd qtr 1999	\$35,833,747	\$35,442,419	\$102,810,102
3rd qtr 1999	\$74,001,990	\$69,189,438	\$50,252,064
4th qtr 1999	\$41,930,065	\$40,483,584	\$79,374,396
1st qtr 2000	\$137,093,402	\$139,488,404	\$96,644,607
2nd qtr 2000	\$42,351,811	\$44,844,296	\$107,273,832
3rd qtr 2000	\$65,378,912	\$68,942,814	\$69,209,753
4th qtr 2000	\$52,031,103	\$48,828,768	\$113,524,381
1st qtr 2001	\$152,152,204	\$167,131,473	\$83,573,570
2nd qtr 2001	\$54,416,843	\$65,578,948	\$75,456,511
3rd qtr 2001	\$94,994,593	\$88,354,507	\$79,548,188
4th qtr 2001	\$55,994,442	\$56,808,234	\$81,626,254
1st qtr 2002	\$187,765,477	\$194,494,874	\$61,414,577
2nd qtr 2002	\$66,087,372	\$78,286,136	\$79,470,717
3rd qtr 2002	\$117,743,019	\$132,910,095	\$65,631,228
4th qtr 2002	\$85,911,427	\$79,470,653	\$95,769,104
1st qtr 2003	\$226,490,993	\$244,027,549	\$45,065,737
2nd qtr 2003	\$90,994,102	\$92,245,843	\$54,632,692

EARNED TO INCURRED LOSS RATIO BY YEAR

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

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

Miscellaneous Professional Liability

There were 30 groups, 59 companies, that had direct written premium for Miscellaneous Professional Liability in the second quarter of 2003, as compared to 34 groups, 73 companies, in the second quarter of 2002.

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 second quarter of 2003 to direct written premium in the second quarter of 2002 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR MISC. PROFESSIONAL LIABILITY

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2003	% Change 2nd Quarter 2002 to 2003	4 Quarters Ending 2nd Qtr 2003	% Change 2nd Qtrs Ending 2002 to 2003
1	Chubb & Son Inc	36.02%	\$25,089,565	3.52%	\$84,564,956	7.88%
2	St. Paul Group	15.05%	\$10,763,043	90.39%	\$35,325,343	42.45%
3	HCC Insurance Holdings Group	12.74%	\$16,484,990	336.65%	\$29,904,509	692.10%
4	Hartford Fire & Casualty Group	9.38%	\$14,689,410	*	\$22,028,522	*
5	RLI Insurance Group	6.50%	\$3,740,725	58.22%	\$15,267,644	100.43%
6	ACE Ltd	3.33%	\$1,197,652	(66.99%)	\$7,821,523	(9.73%)
7	GE Global Group	3.05%	\$2,367,282	460.75%	\$7,156,890	33.58%
8	Lumbermens Mutual Casualty Group	2.78%	\$557,648	(76.17%)	\$6,531,484	0.62%
9	Berkshire Hathaway	2.56%	\$1,722,750	22.88%	\$6,013,135	22.89%
10	Allianz Insurance Group	2.25%	\$1,543,829	0.45%	\$5,277,204	(66.05%)
11	Nationwide Corp	1.46%	\$1,053,800	(6.39%)	\$3,427,296	(18.15%)
12	Old Republic Group	0.95%	\$1,590,492	629.58%	\$2,224,437	169.21%
13	Safeco Insurance Group	0.94%	\$423,186	149.55%	\$2,207,365	33.69%
14	Markel Corp Group	0.70%	\$502,465	8.57%	\$1,636,243	54.24%
15	Travelers Property Casualty Corp Group	0.59%	(\$1,617)	(100.23%)	\$1,377,534	(21.07%)
16	AON Corporation	0.36%	\$795,822	*	\$834,431	(33.87%)
17	Utica National Insurance Group	0.32%	\$188,221	32.58%	\$749,087	33.30%
18	American Re Group	0.29%	\$409,339	(9.37%)	\$682,656	(32.61%)
19	Union Labor Group	0.25%	\$41,407	(64.76%)	\$585,429	96.37%
20	Zurich Insurance Group	0.12%	\$86,670	20.33%	\$288,477	7.25%
21	American Healthcare Specialty	0.10%	\$0	(100.00%)	\$233,244	(22.59%)
22	United National Group	0.06%	\$0	(100.00%)	\$151,809	317.98%
23	Texas Medical Insurance Company	0.06%	\$43,809	0.75%	\$133,711	(8.27%)
24	Liberty Mutual Group	0.05%	\$22,467	(42.96%)	\$109,620	(8.11%)
25	Fairfax Financial	0.03%	\$0	(100.00%)	\$79,868	(78.36%)
Top 25 Groups Total		99.93%	\$83,312,955	69.62%	\$234,612,417	38.44%
Total Market		100.00%	\$83,343,829	64.78%	\$234,771,073	36.31%

* 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
2nd qtr 1998	\$33,711,307	\$31,193,925	\$4,729,190
3rd qtr 1998	\$46,612,471	\$35,971,950	\$5,595,642
4th qtr 1998	\$35,907,691	\$36,056,575	\$13,397,168
1st qtr 1999	\$27,749,694	\$27,841,362	\$6,070,417
2nd qtr 1999	\$34,283,279	\$32,201,481	\$5,840,753
3rd qtr 1999	\$39,816,439	\$35,085,917	\$10,638,238
4th qtr 1999	\$33,294,548	\$31,278,739	\$13,470,874
1st qtr 2000	\$28,787,985	\$32,539,979	\$15,208,574
2nd qtr 2000	\$34,839,821	\$35,060,607	\$9,638,111
3rd qtr 2000	\$40,383,080	\$29,206,486	\$25,472,831
4th qtr 2000	\$35,972,379	\$34,102,932	\$30,697,566
1st qtr 2001	\$33,317,718	\$35,426,450	\$18,503,137
2nd qtr 2001	\$27,379,296	\$59,910,926	\$13,146,912
3rd qtr 2001	\$32,672,023	\$35,346,828	\$14,591,556
4th qtr 2001	\$46,744,141	\$47,766,265	\$25,510,077
1st qtr 2002	\$44,193,075	\$38,539,396	\$21,611,170
2nd qtr 2002	\$45,639,859	\$50,579,721	\$31,951,912
3rd qtr 2002	\$44,287,561	\$46,129,965	\$32,132,723
4th qtr 2002	\$39,794,746	\$40,468,853	\$24,789,968
1st qtr 2003	\$65,241,759	\$64,828,426	\$22,925,980
2nd qtr 2003	\$71,270,590	\$83,343,829	\$43,167,334

EARNED TO INCURRED LOSS RATIO BY YEAR

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

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

* *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 second quarter of 2003 and the second quarter of 2002. Also included are the number of direct policies written and the percent of complaints per policy for each line of business.

Line of Business	2ND QUARTER 2003			2ND QUARTER 2002		
	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	5	11,030	0.04533%	1	12,311	0.00812%
General Liability - Other ⁺	59	231,165	0.02552%	54	216,392	0.02495%
Fire & Allied Lines	17	45,706	0.03719%	18	41,235	0.04365%
Commercial Multiple Peril	13	77,355	0.01681%	25	79,861	0.03130%
Private Passenger Auto ⁺⁺	2,637	4,633,221	0.05692%	3,035	4,613,756	0.06578%
Homeowners	1,258	1,162,183	0.10824%	1,643	1,159,022	0.14176%
Workers' Compensation ⁺⁺⁺	39	35,263	0.11060%	32	34,585	0.09253%
Boiler & Machinery	**	**	**	**	**	**
Commercial Crime	**	**	**	**	**	**
Commercial Glass	**	**	**	**	**	**
Medical Professional Liability	5	11,027	0.04534%	5	10,100	0.04950%
Misc. Professional Liability	7	5,736	0.12204%	10	6,455	0.15492%

⁺ The General Electric Group wrote 13,710 small premium pre-paid legal policies in the 2nd quarter of 2003 and 13,495 policies in the 2nd quarter of 2002 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 second quarter of 2003) for these two lines of insurance are presented on the next two pages.

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

2003 Policies Written Rank	Group Name	2ND QUARTER 2003			2ND QUARTER 2002		
		Number of Complaints	Number of Policies Written	Percent of Complaints per Policy	Number of Complaints	Number of Policies Written	Percent of Complaints per Policy
15	Unitrin Group	83	42,701	0.19437%	65	48,189	0.13489%
22	Mercury General Group	45	23,865	0.18856%	35	24,575	0.14242%
8	Texas State National Group	152	91,894	0.16541%	235	178,270	0.13182%
11	Home State Insurance Group	123	86,595	0.14204%	139	84,565	0.16437%
6	Old American County Mutual Fire Ins. Co.	271	191,903	0.14122%	0	143,551	0.00000%
9	Nationwide Corp	147	135,960	0.10812%	180	118,216	0.15226%
24	American National Financial Corp	19	19,006	0.09997%	14	24,527	0.05708%
14	Safeco Insurance Group	56	59,972	0.09338%	20	43,977	0.04548%
19	Hartford Fire & Casualty Group	28	30,676	0.09128%	46	31,332	0.14681%
21	Safeway Insurance Group	19	21,104	0.09003%	20	38,305	0.05221%
18	Liberty Mutual Group	29	32,277	0.08985%	33	30,191	0.10930%
3	Allstate Insurance Group	288	356,657	0.08075%	461	450,814	0.10226%
25	CNA Insurance Group	11	16,528	0.06655%	17	20,095	0.08460%
13	Travelers Property Casualty Corp Group	33	50,937	0.06479%	50	61,442	0.08138%
23	Germania Insurance Group	11	21,436	0.05132%	12	24,721	0.04854%
4	Progressive Group	194	378,474	0.05126%	181	281,774	0.06424%
10	Berkshire Hathaway	53	125,652	0.04218%	70	111,397	0.06284%
2	Zurich Insurance Group	335	846,182	0.03959%	347	891,604	0.03892%
5	United Services Automobile Assoc. Group	74	188,881	0.03918%	84	192,910	0.04354%
20	Sentry Insurance Group	11	41,719	0.02637%	12	18,465	0.06499%
7	Southern Farm Bureau Casualty	34	149,297	0.02277%	34	130,127	0.02613%
17	Titus Group	9	42,291	0.02128%	15	30,807	0.04869%
1	State Farm Illinois	214	1,347,086	0.01589%	216	1,365,646	0.01582%
12	Great American E&S Insurance Co	16	122,644	0.01305%	15	11,125	0.13483%
16	Credit Suisse Group	0	37,106	0.00000%	0	38,009	0.00000%
	(All other licensed insurers)	382	172,378	0.22161%	734	219,122	0.33497%
	(No company identified)*	0			0		

TOTALS

2,637

4,633,221

0.05692%

3,035

4,613,756

0.06578%

* 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 SECOND QUARTER DATA LISTED BY PERCENT OF COMPLAINTS PER POLICY

2003 Policies Written Rank	Group Name	2ND QUARTER 2003			2ND QUARTER 2002		
		Number of Complaints	Number of Policies Written	Percent of Complaints per Policy	Number of Complaints	Number of Policies Written	Percent of Complaints per Policy
21	CNA Insurance Group	7	5,665	0.23123%	10	7,714	0.12963%
19	Interins Exchange Of The Automobile Club	7	6,120	0.22272%	3	3,516	0.08532%
3	Zurich Insurance Group	252	131,327	0.19189%	431	159,996	0.26938%
24	Columbia Lloyds Insurance Company	1	5,478	0.16782%	0	2,292	0.00000%
15	Safeco Insurance Group	16	13,730	0.15244%	25	15,255	0.00000%
22	Unitrin Group	13	5,622	0.14474%	9	7,141	0.12603%
16	Hartford Fire & Casualty Group	16	10,496	0.12693%	20	11,058	0.18086%
20	Titus Group	13	5,837	0.12357%	3	3,724	0.08056%
14	Liberty Mutual Group	9	14,554	0.11653%	15	13,510	0.00000%
18	Chubb & Son Inc	5	6,492	0.11438%	5	6,789	0.07365%
6	Travelers Property Casualty Corp Group	54	52,865	0.10291%	89	49,315	0.18047%
5	Vesta Insurance Group	44	59,008	0.10215%	33	50,629	0.06518%
10	Texas FAIR Plan Association	14	25,501	0.09252%	0	0	0.00000%
2	Allstate Insurance Group	191	222,182	0.08597%	322	220,891	0.14577%
25	Service Life Group	8	4,767	0.08490%	15	12,683	0.11827%
17	Amica Mutual Group	11	8,666	0.07702%	6	8,560	0.07009%
4	United Services Automobile Assoc. Group	41	74,305	0.07457%	26	73,595	0.03533%
13	ARX Holding Corp Group	8	14,780	0.06184%	0	688	0.00000%
8	American National Financial Group	12	33,017	0.05546%	14	36,170	0.03871%
9	Texas Farm Bureau Mutual	16	28,848	0.05490%	10	31,073	0.03218%
12	Credit Suisse Group	0	16,180	0.05413%	0	12,413	0.00000%
1	State Farm Illinois	144	308,075	0.04674%	251	328,670	0.07637%
7	Nationwide Corporation	42	40,812	0.03634%	44	36,060	0.12202%
23	Beacon Insurance Group	8	5,527	0.01825%	19	8,566	0.22181%
11	NLASCO	21	22,697	0.00000%	7	6,422	0.10900%
	(All other licensed insurers)	305	39,632	0.76958%	286	52,292	0.54693%
	(No company identified)*	0			0		

TOTALS	1,258	1,162,183	0.10824%	1,643	1,159,022	0.14176%
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* Generally includes complaints where either: (a) no company was identified by complainant, (b) company was non-admitted (surplus lines), or (c) complaint was against an agent.

County Mutual Companies

NAMES OF GROUPS AND CORRESPONDING COUNTY MUTUAL COMPANIES

GROUPS

COUNTY MUTUAL COMPANIES

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

Published 3/10/2004
Property & Casualty Program/Data Services (512)475-1878