



**Texas Department
of Insurance**

**Quarterly Legislative Report
on Market Conditions**

*2nd Quarter
2005*

Published 5/12/2006
Property & Casualty Program/Data Services (512)475-1878

Table of Contents

INTRODUCTION	1
TERMS	2
Number of Policies Written	2
Premiums on Policies Written	2
Direct Losses Paid	2
Earned to Incurred Loss Ratio	2
Number of Groups	2
Market Share	2
LINES OF INSURANCE	3
Products and Completed Operations Insurance (Product Liability)	3
General Liability	3
Commercial Fire & Allied Lines	3
Commercial Multiple Peril	3
Private Passenger Auto	3
Homeowners Multiple Peril	3
Workers' Compensation	3
Boiler & Machinery	4
Commercial Crime	4
Commercial Glass	4
Medical Professional Liability	4
Miscellaneous Professional Liability	4
SUMMARY OF FOUR QUARTERS	5
Cumulative Totals for Four Quarters Ending June 2005	5
Number of Groups/Companies Writing Policies per Quarter	5
PRODUCT LIABILITY	6
GENERAL LIABILITY	8
COMMERCIAL FIRE & ALLIED LINES	10
COMMERCIAL MULTIPLE PERIL	12
PRIVATE PASSENGER AUTO (ALL COMPANIES)	14
VOLUNTARY LIABILITY (ALL COMPANIES)	16
ASSIGNED RISK (ALL COMPANIES)	18
PHYSICAL DAMAGE (ALL COMPANIES)	20
HOMEOWNERS MULTIPLE PERIL (ALL COMPANIES)	22
WORKERS' COMPENSATION (ALL COMPANIES)	24
VOLUNTARY	26
ASSIGNED RISK	28
DEDUCTIBLE PLANS	30
BOILER & MACHINERY	32
COMMERCIAL CRIME	34
COMMERCIAL GLASS	36
MEDICAL PROFESSIONAL LIABILITY	38
MISCELLANEOUS PROFESSIONAL LIABILITY	40
COMPLAINT DATA	
All Lines Complaint Data	42
Private Passenger Auto/Listed by Percent of Complaints per Policy	43
Homeowners/Listed by Percent of Complaints per Policy	44

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 2005

	Number Of Groups/Companies	Number Of Policies Written	Premiums On Policies Written	Direct Written Premiums	Direct Losses Paid
PRODUCT LIABILITY	63 / 164	50,894	\$246,626,434	\$153,793,514	\$177,806,804
GENERAL LIABILITY - OTHER	121 / 296	821,686⁺	\$1,831,907,745	\$1,748,327,453	\$1,136,942,804
COMMERCIAL FIRE & ALLIED	72 / 172	173,171	\$588,386,145	\$615,235,758	\$236,711,231
COMMERCIAL MULTIPLE PERIL	76 / 197	348,250	\$1,431,912,974	\$1,445,305,391	\$572,414,445
PRIVATE PASSENGER AUTO					
VOLUNTARY (VOL) LIABILITY	61 / 177	11,161,561	\$6,800,711,013	\$6,450,153,846	\$3,933,378,870
ASSIGNED RISK LIABILITY	15 / 16	48,399	\$31,718,285	\$18,914,557	\$18,927,894
PHYSICAL DAMAGE	58 / 175	8,599,844	\$5,223,695,205	\$4,939,398,643	\$2,687,592,731
TOTAL PPA	61 / 182	19,809,804⁺⁺	\$12,056,124,503	\$11,408,467,046	\$6,639,899,495
HOMEOWNERS MULTIPLE PERIL	60 / 94	4,549,026	\$4,923,161,993	\$4,535,950,143	\$1,437,582,884
WORKERS' COMPENSATION					
VOL PREMIUMS < \$5,000		87,476	\$148,172,559	**	**
VOL PREMIUMS \$5,000 - \$100,000		55,763	\$1,096,260,316	**	**
VOL PREMIUMS > \$100,000		5,922	\$1,654,650,763	**	**
TOTAL VOLUNTARY	85 / 227	149,161	\$2,899,083,638	\$2,624,803,373	\$949,151,381
RESIDUAL MARKET ***	1 / 1	213	\$12,440,929	\$8,057,829	\$11,181,484
TOTAL WC	85 / 227	149,374	\$2,911,524,567	\$2,632,861,202	\$960,332,865
BOILER & MACHINERY	35 / 83	31,461	\$62,449,844	\$65,816,347	\$25,867,391
COMMERCIAL CRIME	33 / 66	8,677	\$6,608,734	\$8,180,922	\$1,342,187
COMMERCIAL GLASS	9 / 16	418	\$255,002	\$134,013	\$13,711
PROFESSIONAL LIABILITY	31 / 38	44,801	\$423,785,774	\$421,522,868	\$215,178,285
MISC. PROFESSIONAL LIABILITY	27 / 59	23,027	\$327,402,960	\$327,693,612	\$156,943,275

⁺ The General Electric Group wrote 28,194 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	
	2004	2005	2004	2005	2004	2005	2004	2005
Product Liability	55 / 143	53 / 134	56 / 142	54 / 132	56 / 138	- / -	50 / 127	- / -
General Liability	115 / 277	115 / 266	115 / 266	114 / 263	108 / 258	- / -	112 / 261	- / -
Commercial Fire & Allied	66 / 149	69 / 147	67 / 155	67 / 146	66 / 142	- / -	66 / 145	- / -
Commercial Multiple Peril	72 / 186	73 / 177	70 / 198	69 / 170	71 / 176	- / -	72 / 174	- / -
Private Passenger Auto	61 / 167	59 / 148	60 / 154	58 / 148	60 / 151	- / -	58 / 149	- / -
Homeowners Multiple Peril	60 / 75	57 / 74	57 / 73	56 / 78	57 / 75	- / -	53 / 71	- / -
Workers' Compensation	82 / 203	77 / 196	82 / 199	80 / 201	75 / 189	- / -	79 / 192	- / -
Boiler & Machinery	32 / 59	32 / 62	28 / 59	31 / 62	29 / 62	- / -	27 / 59	- / -
Commercial Crime	29 / 62	30 / 61	34 / 60	28 / 58	29 / 58	- / -	29 / 60	- / -
Commercial Glass	11 / 16	7 / 10	12 / 18	5 / 7	10 / 16	- / -	12 / 17	- / -
Medical Professional Liability	29 / 35	28 / 36	29 / 34	27 / 33	28 / 34	- / -	30 / 33	- / -
Misc. Professional Liability	31 / 67	31 / 67	29 / 62	29 / 63	31 / 65	- / -	28 / 64	- / -

Product Liability

There were 63 groups, 164 companies, that had direct written premium for Product Liability in the second quarter of 2005, as compared to 60 groups, 165 companies, in the second quarter of 2004.

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 2005 to direct written premium in the second quarter of 2004 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRODUCT LIABILITY

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2005	% Change 2nd Quarter 2004 to 2005	4 Quarters Ending 2nd Qtr 2005	% Change 4 Qtrs Ending 2004 to 2005
1	American Financial Group	17.96%	\$7,318,767	11.86%	\$27,624,133	19.78%
2	Zurich Insurance Group	15.46%	\$6,220,827	14.82%	\$23,778,466	(27.11%)
3	St. Paul Travelers Group	11.19%	\$2,297,625	(57.82%)	\$17,210,678	(21.63%)
4	ACE Ltd.	7.56%	\$4,108,192	79.63%	\$11,629,314	158.67%
5	Liberty Mutual Group	5.91%	\$1,341,683	(68.34%)	\$9,095,231	(26.39%)
6	Chubb & Son Inc.	5.26%	\$1,490,661	(2.15%)	\$8,089,439	1.98%
7	Dallas General Group	3.86%	\$1,632,745	48.02%	\$5,929,077	34.27%
8	CNA Insurance Group	2.52%	\$556,592	15.22%	\$3,870,987	(7.88%)
9	Federated Mutual	2.51%	\$1,112,913	(11.59%)	\$3,867,479	(7.30%)
10	Sentry Insurance Group	2.46%	\$823,029	(2.50%)	\$3,782,874	13.35%
11	Electric Insurance Group	2.35%	\$0	(100.00%)	\$3,613,429	*
12	National American Insurance Company	2.12%	\$802,676	(26.19%)	\$3,257,448	(11.19%)
13	Hartford Fire & Casualty Group	1.94%	\$1,124,245	32.41%	\$2,986,962	(28.56%)
14	Fairfax Financial	1.89%	\$947,781	(7.48%)	\$2,907,761	12.72%
15	Allianz Insurance Group	1.79%	\$301,692	(35.98%)	\$2,750,756	(41.20%)
16	Central Mutual Insurance Company Ohio	1.50%	\$651,699	29.99%	\$2,303,011	34.18%
17	United Fire & Casualty Group	1.45%	\$800,311	1.04%	\$2,225,996	(35.79%)
18	Old Republic Group	1.34%	\$414,976	(61.52%)	\$2,053,755	(18.51%)
19	American International Group	1.06%	\$838,040	(10.01%)	\$1,635,134	(33.61%)
20	UNITRIN Group	1.00%	\$327,006	176.39%	\$1,543,326	25.00%
21	EMC Insurance Company	0.85%	\$326,273	11.13%	\$1,313,296	0.82%
22	XL America	0.80%	\$31,595	(89.87%)	\$1,222,663	30.56%
23	MedMark Insurance Company	0.78%	\$86,489	*	\$1,205,637	14.63%
24	Nationwide Corp.	0.69%	\$354,022	96.49%	\$1,055,554	138.79%
25	Indiana Lumbersmens	0.65%	\$267,999	31.40%	\$1,001,848	13.04%

Top 25 Groups Total	94.90%	\$34,177,838	(7.60%)	\$145,954,254	(2.49%)
----------------------------	---------------	---------------------	----------------	----------------------	----------------

Total Market	100.00%	\$36,596,241	(6.62%)	\$153,793,514	(8.73%)
---------------------	----------------	---------------------	----------------	----------------------	----------------

* 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 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	\$50,349,221	\$31,216,417	\$23,752,695
2nd qtr 2003	\$51,648,244	\$31,977,119	\$37,961,745
3rd qtr 2003	\$55,011,830	\$32,688,880	\$84,564,221
4th qtr 2003	\$64,276,692	\$48,008,507	\$57,933,430
1st qtr 2004	\$59,601,182	\$48,610,314	\$13,046,283
2nd qtr 2004	\$63,656,660	\$39,190,779	\$59,471,931
3rd qtr 2004	\$57,250,949	\$39,501,613	\$16,782,694
4th qtr 2004	\$71,100,716	\$40,485,016	\$43,446,411
1st qtr 2005	\$61,299,915	\$37,210,644	\$97,111,339
2nd qtr 2005	\$56,974,854	\$36,596,241	\$20,466,360

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>
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%
2003	219.9%
2004	138.3%

General Liability

There were 121 groups, 296 companies, that had direct written premium for General Liability in the second quarter of 2005, as compared to 117 groups, 297 companies, in the second quarter of 2004.

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 2005 to direct written premium in the second quarter of 2004 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR GENERAL LIABILITY

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2005	% Change 2nd Quarter 2004 to 2005	4 Quarters Ending 2nd Qtr 2005	% Change 4 Qtrs Ending 2004 to 2005
1	American International Group	20.23%	\$85,439,120	(31.83%)	\$353,737,016	(11.68%)
2	Zurich Insurance Group	11.02%	\$56,809,179	24.60%	\$192,605,819	3.86%
3	St. Paul Travelers Group	8.03%	\$37,862,952	3.96%	\$140,320,102	(10.71%)
4	American Financial Group	7.75%	\$24,168,234	0.62%	\$135,423,792	22.99%
5	ACE Ltd.	7.52%	\$29,429,850	409.26%	\$131,396,005	(24.87%)
6	CNA Insurance Group	3.96%	\$17,363,401	0.61%	\$69,222,855	(1.83%)
7	XL America	3.54%	\$6,719,589	(71.45%)	\$61,918,541	(29.24%)
8	Liberty Mutual Group	3.31%	\$14,091,139	(6.74%)	\$57,905,102	3.85%
9	Chubb & Son Inc.	3.00%	\$13,431,259	7.12%	\$52,373,416	7.45%
10	Hartford Fire & Casualty Group	2.37%	\$9,993,310	(2.58%)	\$41,416,014	20.17%
11	Alleghany Group	1.89%	\$7,228,281	34.74%	\$33,072,164	128.17%
12	Texas Lawyers Insurance Exchange	1.69%	\$6,112,186	(6.72%)	\$29,603,615	1.86%
13	Allianz Insurance Group	1.55%	\$5,263,924	(29.10%)	\$27,164,905	(23.06%)
14	State Farm IL	1.50%	\$6,901,792	3.39%	\$26,138,198	2.94%
15	Dallas General Group	1.33%	\$6,789,077	45.42%	\$23,311,234	38.95%
16	Ohio Casualty Group	1.09%	\$5,185,792	(6.39%)	\$19,117,420	(3.65%)
17	Old Republic Group	0.93%	\$4,035,913	9.38%	\$16,292,700	(1.55%)
18	UNITRIN Group	0.87%	\$3,430,488	123.42%	\$15,239,425	0.96%
19	United Fire & Casualty Group	0.83%	\$3,706,213	(5.76%)	\$14,575,125	(1.44%)
20	Fairfax Financial	0.81%	\$2,526,202	(20.86%)	\$14,223,348	(7.47%)
21	Federated Mutual	0.81%	\$3,793,933	(13.48%)	\$14,169,381	(3.80%)
22	EMC Insurance Company	0.73%	\$3,027,793	(8.91%)	\$12,708,488	(0.80%)
23	National American Insurance Company	0.70%	\$2,453,267	(36.80%)	\$12,293,175	(10.20%)
24	Safeco Insurance Group	0.68%	\$3,051,336	(6.27%)	\$11,904,839	(3.04%)
25	Maguire Corp. Group	0.67%	\$3,015,905	(1.79%)	\$11,750,167	(1.45%)

Top 25 Groups Total	86.82%	\$361,830,135	(1.42%)	\$1,517,882,846	(4.73%)
----------------------------	---------------	----------------------	----------------	------------------------	----------------

Total Market	100.00%	\$429,492,415	1.19%	\$1,748,327,453	(4.89%)
---------------------	----------------	----------------------	--------------	------------------------	----------------

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 2000	\$216,413,256	\$232,382,943	\$165,005,082
3rd qtr 2000	\$236,439,379	\$253,095,910	\$204,622,227
4th qtr 2000	\$513,503,844	\$661,281,724	\$195,064,133
1st qtr 2001	\$255,026,997	\$282,422,588	\$149,145,225
2nd qtr 2001	\$317,939,865	\$373,227,828	\$207,287,930
3rd qtr 2001	\$228,382,661	\$258,073,934	\$139,279,827
4th qtr 2001	\$235,390,831	\$360,898,116	\$277,383,640
1st qtr 2002	\$1,487,793,702	\$460,698,437	\$279,102,702
2nd qtr 2002	\$392,164,368	\$346,705,037	\$172,787,203
3rd qtr 2002	\$293,763,572	\$350,646,211	\$195,733,705
4th qtr 2002	\$296,230,398	\$371,335,756	\$63,102,021
1st qtr 2003	\$473,722,924	\$473,622,327	\$225,467,551
2nd qtr 2003	\$461,223,250	\$451,888,566	\$245,038,500
3rd qtr 2003	\$471,126,731	\$482,725,823	\$223,245,817
4th qtr 2003	\$412,727,499	\$437,066,008	\$293,588,970
1st qtr 2004	\$493,759,655	\$493,868,126	\$339,023,171
2nd qtr 2004	\$467,058,967	\$424,461,025	\$207,970,445
3rd qtr 2004	\$452,021,439	\$441,685,285	\$269,465,874
4th qtr 2004	\$473,414,898	\$425,338,349	\$393,534,154
1st qtr 2005	\$470,640,597	\$451,811,404	\$285,380,433
2nd qtr 2005	\$435,830,811	\$429,492,415	\$188,562,343

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>
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%
2003	77.0%
2004	74.8%

Commercial Fire & Allied

There were 72 groups, 172 companies, that had direct written premium for Commercial Fire & Allied in the second quarter of 2005, as compared to 72 groups, 174 companies, in the second quarter of 2004.

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 2005 to direct written premium in the second quarter of 2004 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 2005	% Change 2nd Quarter 2004 to 2005	4 Quarters Ending 2nd Qtr 2005	% Change 4 Qtrs Ending 2004 to 2005
1	St. Paul Travelers Group	15.67%	\$26,747,663	(3.18%)	\$96,430,246	(19.52%)
2	FM Global Group	13.62%	\$20,649,420	(2.78%)	\$83,770,166	(14.82%)
3	Zurich Insurance Group	6.37%	\$8,435,655	12.52%	\$39,163,641	0.37%
4	Alleghany Group	6.18%	\$9,807,395	27.22%	\$38,014,623	29.60%
5	Allianz Insurance Group	5.69%	\$9,183,469	(7.15%)	\$34,993,493	(18.45%)
6	Texas Windstorm Insurance Association	5.36%	\$9,921,901	12.16%	\$32,973,304	5.06%
7	Liberty Mutual Group	4.63%	\$11,395,705	85.77%	\$28,462,065	22.15%
8	XL America	4.46%	\$7,044,924	*	\$27,439,474	91.47%
9	Fairfax Financial	3.86%	\$6,953,984	108.92%	\$23,722,125	85.04%
10	American International Group	3.43%	\$4,744,252	8.00%	\$21,074,580	1.24%
11	CNA Insurance Group	3.32%	\$4,495,643	(42.46%)	\$20,401,690	(6.11%)
12	United Fire & Casualty Group	3.22%	\$5,356,664	(4.51%)	\$19,795,104	(0.89%)
13	Hartford Fire & Casualty Group	2.70%	\$4,114,827	26.62%	\$16,613,303	40.00%
14	UNITRIN Group	2.51%	\$3,438,935	163.25%	\$15,459,441	21.67%
15	ACE Ltd.	1.72%	\$4,983,117	16.26%	\$10,580,088	35.32%
16	Federated Mutual	1.69%	\$2,327,446	(16.87%)	\$10,406,971	(3.03%)
17	Sentry Insurance Group	1.50%	\$2,104,335	14.78%	\$9,230,105	17.61%
18	ARX Holding Corp. Group	1.43%	\$2,639,733	43.08%	\$8,787,670	33.10%
19	Safeco Insurance Group	1.21%	\$1,747,371	(12.41%)	\$7,450,699	(6.30%)
20	Texas Farm Bureau Mutual	1.09%	\$1,821,216	16.20%	\$6,730,809	8.85%
21	EMC Insurance Company	1.00%	\$1,342,807	(1.11%)	\$6,183,003	(4.79%)
22	WR Berkley Corp.	0.99%	\$1,124,734	(0.33%)	\$6,076,879	71.42%
23	American Modern Insurance Group	0.92%	\$1,549,140	51.26%	\$5,668,591	26.67%
24	GE Global Group	0.63%	\$2,835,801	(18.82%)	\$3,903,492	(62.04%)
25	Arch Insurance Group	0.63%	\$686,823	848.07%	\$3,865,751	479.03%
Top 25 Groups Total		93.82%	\$155,452,960	14.90%	\$577,197,313	1.39%
Total Market		100.00%	\$164,374,411	14.15%	\$615,235,758	(5.28%)

* 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 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	\$150,575,522	\$150,510,180	\$52,417,619
2nd qtr 2003	\$149,459,207	\$154,045,193	\$73,322,891
3rd qtr 2003	\$156,429,967	\$166,651,464	\$85,200,157
4th qtr 2003	\$157,575,182	\$194,283,221	\$60,940,889
1st qtr 2004	\$134,224,476	\$144,604,148	\$86,505,791
2nd qtr 2004	\$139,660,137	\$143,999,941	\$44,266,295
3rd qtr 2004	\$149,274,509	\$158,633,773	\$64,946,351
4th qtr 2004	\$159,276,932	\$149,694,785	\$41,045,200
1st qtr 2005	\$136,872,775	\$142,532,789	\$37,945,410
2nd qtr 2005	\$142,961,929	\$164,374,411	\$92,774,270

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>
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%
2003	48.9%
2004	32.4%

Commercial Multiple Peril

There were 76 groups, 197 companies, that had direct written premium for Commercial Multiple Peril in the second quarter of 2005, as compared to 74 groups, 203 companies, in the second quarter of 2004.

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 2005 to direct written premium in the second quarter of 2004 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 2005	% Change 2nd Quarter 2004 to 2005	4 Quarters Ending 2nd Qtr 2005	% Change 4 Qtrs Ending 2004 to 2005
1	Zurich Insurance Group	13.34%	\$45,592,958	26.38%	\$192,776,294	10.52%
2	St. Paul Travelers Group	12.30%	\$42,819,728	(3.98%)	\$177,712,402	(4.50%)
3	Hartford Fire & Casualty Group	8.11%	\$32,081,609	8.44%	\$117,187,187	6.91%
4	CNA Insurance Group	5.99%	\$21,688,716	4.02%	\$86,585,366	(6.65%)
5	Chubb & Son Inc.	5.97%	\$21,091,973	(4.83%)	\$86,256,440	0.52%
6	State Farm IL	4.49%	\$16,693,887	(4.60%)	\$64,965,957	2.47%
7	Safeco Insurance Group	4.43%	\$14,941,512	(10.05%)	\$64,041,381	2.79%
8	Liberty Mutual Group	4.26%	\$18,537,828	18.53%	\$61,555,310	2.35%
9	Church Mutual Insurance Company	3.13%	\$11,342,192	6.74%	\$45,281,140	13.19%
10	Allianz Insurance Group	3.08%	\$8,827,218	29.87%	\$44,513,381	29.14%
11	Maguire Corp. Group	3.07%	\$12,420,329	26.05%	\$44,349,678	24.51%
12	Nationwide Corp.	2.64%	\$11,560,260	73.93%	\$38,221,328	75.63%
13	WR Berkley Corp.	2.53%	\$8,953,921	6.81%	\$36,511,452	5.90%
14	Guideone Insurance Group	2.17%	\$6,951,011	0.14%	\$31,419,590	1.87%
15	Allstate Insurance Group	2.07%	\$7,868,865	(2.99%)	\$29,873,073	(5.15%)
16	Republic Companies Group	2.06%	\$7,953,574	4.17%	\$29,777,226	(4.61%)
17	Ohio Casualty Group	1.84%	\$6,258,118	(8.32%)	\$26,631,489	(1.51%)
18	Amerisure Company	1.76%	\$5,789,051	18.63%	\$25,431,162	16.78%
19	Central Mutual Insurance Company Ohio	1.65%	\$6,174,707	(9.00%)	\$23,852,277	(4.83%)
20	Old Republic Group	1.61%	\$6,202,456	(4.51%)	\$23,215,412	(13.43%)
21	ACE Ltd.	1.59%	\$9,015,687	53.90%	\$23,023,225	(14.39%)
22	American International Group	1.46%	\$3,499,609	(23.09%)	\$21,126,614	2.69%
23	Hannover Group	1.27%	\$6,357,487	27.00%	\$18,395,752	92.02%
24	Allmerica Financial Group	0.87%	\$3,121,377	4.38%	\$12,645,422	5.00%
25	American Financial Group	0.68%	\$5,292,760	76.54%	\$9,894,256	82.35%

Top 25 Groups Total	92.38%	\$341,036,833	8.47%	\$1,335,242,814	5.17%
----------------------------	---------------	----------------------	--------------	------------------------	--------------

Total Market	100.00%	\$372,697,276	8.34%	\$1,445,305,391	3.09%
---------------------	----------------	----------------------	--------------	------------------------	--------------

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 2000	\$234,589,678	\$239,375,920	\$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	\$174,818,070
2nd qtr 2001	\$257,191,069	\$282,196,084	\$194,230,163
3rd qtr 2001	\$272,821,007	\$288,700,461	\$247,376,264
4th qtr 2001	\$279,841,512	\$321,838,153	\$219,799,574
1st qtr 2002	\$294,721,061	\$330,504,083	\$175,072,730
2nd qtr 2002	\$298,739,904	\$277,160,208	\$182,769,240
3rd qtr 2002	\$302,860,146	\$332,693,541	\$215,367,089
4th qtr 2002	\$325,691,823	\$343,217,776	\$159,953,409
1st qtr 2003	\$312,373,288	\$323,997,599	\$197,453,601
2nd qtr 2003	\$310,339,353	\$335,111,601	\$197,135,720
3rd qtr 2003	\$317,313,938	\$335,048,872	\$202,029,594
4th qtr 2003	\$322,146,304	\$375,737,162	\$173,532,706
1st qtr 2004	\$319,759,466	\$347,252,304	\$136,183,192
2nd qtr 2004	\$316,652,533	\$344,012,546	\$151,816,651
3rd qtr 2004	\$319,893,569	\$353,710,833	\$149,406,964
4th qtr 2004	\$413,998,130	\$364,497,009	\$147,217,410
1st qtr 2005	\$342,528,345	\$354,400,273	\$130,287,096
2nd qtr 2005	\$355,492,930	\$372,697,276	\$145,502,975

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>
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%
2003	58.0%
2004	47.0%

Private Passenger Auto (All Companies, All Coverages)

There were 61 groups, 182 companies, that had direct written premium for Private Passenger Auto in the second quarter of 2005, as compared to 64 groups, 191 companies, in the second quarter of 2004.

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 2005 to direct written premium in the second quarter of 2004 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 2005	% Change 2nd Quarter 2004 to 2005	4 Quarters Ending 2nd Qtr 2005	% Change 4 Qtrs Ending 2004 to 2005
1	State Farm IL	22.02%	\$597,299,156	(5.35%)	\$2,511,597,062	(4.89%)
2	Allstate Insurance Group	15.23%	\$412,988,808	0.75%	\$1,738,045,168	1.68%
3	Zurich Insurance Group	12.62%	\$347,043,917	(2.02%)	\$1,439,503,200	2.19%
4	Progressive Group	9.07%	\$241,512,569	(4.04%)	\$1,034,963,043	0.03%
5	United Services Automobile Assn. Group	5.36%	\$141,694,027	(8.56%)	\$610,942,706	(9.46%)
6	Old American County Mutual Fire Ins. Co.	4.57%	\$143,016,071	18.62%	\$521,732,216	19.63%
7	Berkshire Hathaway	4.27%	\$128,496,448	27.78%	\$487,435,754	18.40%
8	Nationwide Corp.	3.89%	\$94,656,275	(19.15%)	\$443,746,171	(10.20%)
9	Southern Farm Bureau Casualty	3.52%	\$92,115,170	(3.53%)	\$401,101,451	0.99%
10	Home State Insurance Group	3.10%	\$83,774,609	0.83%	\$354,081,847	8.79%
11	Titus Group	1.77%	\$62,329,900	41.27%	\$201,958,136	29.99%
12	Safeco Insurance Group	1.75%	\$49,136,967	(1.56%)	\$199,515,486	(1.60%)
13	UNITRIN Group	1.39%	\$35,837,283	(2.02%)	\$158,186,126	(3.65%)
14	Texas State National Group	1.35%	\$27,887,087	(40.32%)	\$153,854,357	(24.65%)
15	Liberty Mutual Group	1.25%	\$37,241,096	(10.28%)	\$142,339,552	(2.62%)
16	Republic Companies Group	1.10%	\$31,965,915	(2.88%)	\$125,035,986	9.44%
17	St. Paul Travelers Group	0.96%	\$23,874,633	(27.35%)	\$108,985,792	(18.52%)
18	Mercury General Group	0.87%	\$24,183,840	10.70%	\$99,103,574	10.95%
19	Interins Exchange of the Automobile Club	0.63%	\$18,969,838	13.64%	\$71,433,534	4.23%
20	Hartford Fire & Casualty Group	0.56%	\$14,768,729	(21.36%)	\$64,337,300	(19.69%)
21	Sentry Insurance Group	0.54%	\$13,516,455	(12.65%)	\$61,650,929	(14.93%)
22	Germania Insurance Group	0.47%	\$14,710,166	6.86%	\$53,720,915	5.31%
23	Metropolitan Group	0.45%	\$12,708,715	2.40%	\$51,767,145	(0.73%)
24	Amica Mutual Group	0.44%	\$11,815,913	(6.20%)	\$50,515,969	(2.63%)
25	American National Financial Group	0.41%	\$11,578,341	(8.25%)	\$46,964,004	(17.26%)

Top 25 Groups Total	97.58%	\$2,673,121,928	(1.99%)	\$11,132,517,423	(0.38%)
----------------------------	---------------	------------------------	----------------	-------------------------	----------------

Total Market	100.00%	\$2,752,234,257	(1.45%)	\$11,408,467,046	(0.46%)
---------------------	----------------	------------------------	----------------	-------------------------	----------------

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
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	\$3,100,617,381	\$2,924,121,925	\$1,602,582,885
2nd qtr 2003	\$2,916,379,355	\$2,741,087,516	\$2,098,762,515
3rd qtr 2003	\$3,087,789,849	\$2,926,507,123	\$1,682,022,598
4th qtr 2003	\$2,850,599,167	\$2,735,086,984	\$1,638,953,802
1st qtr 2004	\$3,144,326,853	\$3,007,086,941	\$1,804,166,491
2nd qtr 2004	\$2,947,729,931	\$2,792,861,085	\$1,606,658,907
3rd qtr 2004	\$3,119,399,801	\$2,956,845,728	\$1,604,332,880
4th qtr 2004	\$2,900,265,185	\$2,728,013,653	\$1,595,587,508
1st qtr 2005	\$3,108,804,401	\$2,971,373,408	\$1,555,587,419
2nd qtr 2005	\$2,927,655,116	\$2,752,234,257	\$1,884,391,688

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>
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%
2003	67.6%
2004	54.4%

Private Passenger Auto (All Voluntary Liability)

There were 61 groups, 177 companies, that had voluntary liability (no assigned risk nor physical damage) direct written premium for Private Passenger Auto in the second quarter of 2005, as compared to 79 groups, 191 companies, in the second quarter of 2004.

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 2005 to direct written premium in the second quarter of 2004 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 2005	% Change 2nd Quarter 2004 to 2005	4 Quarters Ending 2nd Qtr 2005	% Change 4 Qtrs Ending 2004 to 2005
1	State Farm IL	21.77%	\$333,901,482	(4.08%)	\$1,404,503,880	(3.82%)
2	Allstate Insurance Group	14.82%	\$226,427,418	0.83%	\$955,657,251	1.40%
3	Zurich Insurance Group	12.38%	\$191,745,360	(2.60%)	\$798,233,694	1.45%
4	Progressive Group	8.73%	\$130,691,535	(2.19%)	\$563,400,540	2.04%
5	United Services Automobile Assn. Group	5.46%	\$80,981,322	(8.56%)	\$351,957,244	(8.38%)
6	Old American County Mutual Fire Ins. Co.	5.39%	\$96,870,978	20.32%	\$347,441,697	22.31%
7	Berkshire Hathaway	4.34%	\$73,729,742	28.56%	\$279,621,906	18.98%
8	Nationwide Corp.	3.93%	\$53,229,081	(21.62%)	\$253,562,204	(12.51%)
9	Southern Farm Bureau Casualty	3.30%	\$48,893,641	(4.15%)	\$213,073,517	0.29%
10	Home State Insurance Group	3.23%	\$48,928,362	1.59%	\$208,147,438	11.52%
11	Texas State National Group	1.85%	\$21,229,365	(41.08%)	\$119,645,981	(26.96%)
12	Safeco Insurance Group	1.73%	\$28,293,271	2.51%	\$111,719,175	(1.15%)
13	UNITRIN Group	1.39%	\$20,473,202	(0.63%)	\$89,606,695	(2.45%)
14	Titus Group	1.35%	\$28,780,306	62.03%	\$86,928,303	46.15%
15	Liberty Mutual Group	1.23%	\$20,930,746	(8.52%)	\$79,387,237	(0.91%)
16	Republic Companies Group	1.15%	\$19,053,176	(5.28%)	\$74,461,991	8.83%
17	St. Paul Travelers Group	0.98%	\$13,821,591	(26.88%)	\$63,293,742	(16.79%)
18	Mercury General Group	0.86%	\$13,756,915	10.37%	\$55,458,608	9.78%
19	Sentry Insurance Group	0.67%	\$8,519,065	(14.89%)	\$43,499,659	(7.78%)
20	Interins Exchange of the Automobile Club	0.59%	\$10,086,909	17.13%	\$38,045,436	3.97%
21	Hartford Fire & Casualty Group	0.57%	\$8,435,570	(21.41%)	\$36,805,111	(19.97%)
22	Amica Mutual Group	0.47%	\$7,436,963	(0.86%)	\$30,412,400	(1.50%)
23	American National Financial Group	0.46%	\$7,317,566	(9.45%)	\$29,861,814	(15.53%)
24	Germania Insurance Group	0.45%	\$7,873,081	5.41%	\$29,001,759	3.78%
25	Metropolitan Group	0.44%	\$7,163,768	6.13%	\$28,576,944	0.78%

Top 25 Groups Total	97.55%	\$1,508,570,415	(1.54%)	\$6,292,304,226	0.04%
----------------------------	---------------	------------------------	----------------	------------------------	--------------

Total Market	100.00%	\$1,555,386,932	(0.81%)	\$6,450,153,846	0.03%
---------------------	----------------	------------------------	----------------	------------------------	--------------

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
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	\$1,748,560,932	\$1,649,198,567	\$930,288,533
2nd qtr 2003	\$1,635,686,421	\$1,545,253,717	\$940,676,080
3rd qtr 2003	\$1,736,176,675	\$1,646,201,715	\$947,133,974
4th qtr 2003	\$1,597,308,702	\$1,540,237,588	\$949,002,521
1st qtr 2004	\$1,778,736,180	\$1,694,026,366	\$1,170,500,420
2nd qtr 2004	\$1,657,819,149	\$1,568,037,833	\$927,789,409
3rd qtr 2004	\$1,751,591,077	\$1,657,373,307	\$934,579,333
4th qtr 2004	\$1,645,319,107	\$1,553,468,955	\$951,410,649
1st qtr 2005	\$1,769,576,551	\$1,683,924,652	\$923,593,932
2nd qtr 2005	\$1,634,224,278	\$1,555,386,932	\$1,123,794,956

Private Passenger Auto (All Assigned Risk)

There were 15 groups, 16 companies, that had assigned risk (no voluntary liability nor physical damage) direct written premium for Private Passenger Auto in the second quarter of 2005, as compared to 16 groups, 17 companies, in the second quarter of 2004.

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 2005 to direct written premium in the second quarter of 2004 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 2005	% Change 2nd Quarter 2004 to 2005	4 Quarters Ending 2nd Qtr 2005	% Change 4 Qtrs Ending 2004 to 2005
1	State Farm IL	35.06%	\$802,638	(61.65%)	\$6,631,680	(46.81%)
2	American International Group	15.00%	\$440,147	(69.80%)	\$2,836,390	(54.12%)
3	Allstate Insurance Group	14.12%	\$670,714	(27.62%)	\$2,670,226	(43.99%)
4	Zurich Insurance Group	11.71%	\$491,765	(8.03%)	\$2,214,155	(38.83%)
5	Southern Farm Bureau Casualty	6.32%	\$116,680	(73.03%)	\$1,194,679	(49.69%)
6	Berkshire Hathaway	4.14%	\$71,441	(72.39%)	\$783,319	(47.20%)
7	Nationwide Corp.	3.78%	\$176,472	(19.13%)	\$715,726	(28.40%)
8	White Mountains Group	2.39%	\$452,515	*	\$452,515	*
9	Safeco Insurance Group	2.12%	\$57,630	(75.25%)	\$401,872	(58.75%)
10	St. Paul Travelers Group	1.76%	\$28,329	(81.47%)	\$332,885	(60.85%)
11	Home State Insurance Group	1.74%	\$243,073	*	\$328,620	*
12	Liberty Mutual Group	1.32%	\$130,298	51.89%	\$249,350	(30.55%)
13	Mercury General Group	0.30%	\$47,099	222.62%	\$57,162	26.88%
14	UNITRIN Group	0.11%	\$0	(100.00%)	\$20,987	(81.68%)
15	Ameriprise Financial Group	0.07%	(\$810)	(108.59%)	\$13,804	(23.57%)
16	Service Life Group	0.05%	\$238	(95.48%)	\$9,649	(57.13%)
17	Southland Lloyds Insurance Company	0.01%	\$0	(100.00%)	\$1,538	905.23%
Top Groups Total		100.00%	\$3,728,229	(42.15%)	\$18,914,557	(44.82%)
Total Market		100.00%	\$3,728,229	(42.15%)	\$18,914,557	(44.82%)

* 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 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	\$13,353,726	\$10,175,717	\$6,003,752
2nd qtr 2003	\$13,825,070	\$9,966,442	\$6,648,031
3rd qtr 2003	\$13,653,011	\$9,654,128	\$6,201,386
4th qtr 2003	\$12,535,481	\$8,767,404	\$6,042,045
1st qtr 2004	\$14,161,892	\$9,411,287	\$5,871,602
2nd qtr 2004	\$10,987,812	\$6,444,568	\$5,541,173
3rd qtr 2004	\$9,995,822	\$5,583,538	\$6,672,840
4th qtr 2004	\$7,198,957	\$4,860,681	\$4,665,648
1st qtr 2005	\$7,697,102	\$4,742,109	\$4,618,339
2nd qtr 2005	\$6,826,404	\$3,728,229	\$2,971,067

Private Passenger Auto (All Physical Damage)

There were 58 groups, 175 companies, that had physical damage (no voluntary liability nor assigned risk) direct written premium for Private Passenger Auto in the second quarter of 2005, as compared to 76 groups, 181 companies, in the second quarter of 2004.

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 2005 to direct written premium in the second quarter of 2004 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 2005	% Change 2nd Quarter 2004 to 2005	4 Quarters Ending 2nd Qtr 2005	% Change 4 Qtrs Ending 2004 to 2005
1	State Farm IL	22.28%	\$262,595,036	(6.51%)	\$1,100,461,502	(5.77%)
2	Allstate Insurance Group	15.79%	\$185,890,676	0.79%	\$779,717,691	2.30%
3	Zurich Insurance Group	12.94%	\$154,806,792	(1.27%)	\$639,055,351	3.38%
4	Progressive Group	9.55%	\$110,821,034	(6.14%)	\$471,562,503	(2.26%)
5	United Services Automobile Assn. Group	5.24%	\$60,712,705	(8.57%)	\$258,985,462	(10.89%)
6	Berkshire Hathaway	4.19%	\$54,695,265	27.36%	\$207,030,529	18.18%
7	Nationwide Corp.	3.84%	\$41,250,722	(15.74%)	\$189,468,241	(6.83%)
8	Southern Farm Bureau Casualty	3.78%	\$43,104,849	(2.14%)	\$186,833,255	2.46%
9	Old American County Mutual Fire Ins. Co.	3.53%	\$46,145,093	15.20%	\$174,290,519	14.62%
10	Home State Insurance Group	2.95%	\$34,603,174	(0.92%)	\$145,605,789	4.89%
11	Titus Group	2.33%	\$33,549,594	27.28%	\$115,029,833	19.97%
12	Safeco Insurance Group	1.77%	\$20,786,066	(5.88%)	\$87,394,439	(1.55%)
13	UNITRIN Group	1.39%	\$15,364,081	(3.69%)	\$68,558,444	(5.06%)
14	Liberty Mutual Group	1.27%	\$16,180,052	(12.74%)	\$62,702,965	(4.54%)
15	Republic Companies Group	1.02%	\$12,912,739	0.89%	\$50,573,995	10.34%
16	St. Paul Travelers Group	0.92%	\$10,024,713	(27.40%)	\$45,359,165	(20.20%)
17	Mercury General Group	0.88%	\$10,379,826	10.82%	\$43,587,804	12.46%
18	Texas State National Group	0.69%	\$6,657,722	(37.76%)	\$34,208,376	(15.27%)
19	Interins Exchange of the Automobile Club	0.68%	\$8,882,929	9.93%	\$33,388,098	4.54%
20	Hartford Fire & Casualty Group	0.56%	\$6,333,159	(21.30%)	\$27,532,189	(19.31%)
21	Germania Insurance Group	0.50%	\$6,837,085	8.57%	\$24,719,156	7.15%
22	Metropolitan Group	0.47%	\$5,544,947	(2.05%)	\$23,190,201	(2.53%)
23	Amica Mutual Group	0.41%	\$4,378,950	(14.07%)	\$20,103,569	(4.28%)
24	Sentry Insurance Group	0.37%	\$4,997,390	(8.55%)	\$18,151,270	(28.25%)
25	Chubb & Son Inc.	0.35%	\$4,324,384	5.90%	\$17,339,339	9.23%

Top 25 Groups Total	97.68%	\$1,161,778,983	(2.36%)	\$4,824,849,685	(0.57%)
----------------------------	---------------	------------------------	----------------	------------------------	----------------

Total Market	100.00%	\$1,193,119,096	(2.07%)	\$4,939,398,643	(0.79%)
---------------------	----------------	------------------------	----------------	------------------------	----------------

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
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	\$1,338,702,723	\$1,264,747,641	\$666,290,600
2nd qtr 2003	\$1,266,867,864	\$1,185,867,357	\$1,151,438,404
3rd qtr 2003	\$1,337,960,163	\$1,270,651,280	\$728,687,238
4th qtr 2003	\$1,240,754,984	\$1,186,081,992	\$683,909,236
1st qtr 2004	\$1,351,428,781	\$1,303,649,288	\$627,794,469
2nd qtr 2004	\$1,278,922,970	\$1,218,378,684	\$673,328,325
3rd qtr 2004	\$1,357,812,902	\$1,293,888,883	\$663,080,707
4th qtr 2004	\$1,247,747,121	\$1,169,684,017	\$639,511,211
1st qtr 2005	\$1,331,530,748	\$1,282,706,647	\$627,375,148
2nd qtr 2005	\$1,286,604,434	\$1,193,119,096	\$757,625,665

Homeowners Multiple Peril (All Companies)

There were 60 groups, 94 companies, that had premiums on policies written for Homeowners Multiple Peril (includes renters' insurance) in the second quarter of 2005, as compared to 57 groups, 94 companies, in the second quarter of 2004.

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 2005 to premiums on policies written in the second quarter of 2004 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 2005	% Change 2nd Quarter 2004 to 2005	4 Quarters Ending 2nd Qtr 2005	% Change 4 Qtrs Ending 2004 to 2005
1	State Farm IL	28.17%	\$357,407,790	3.72%	\$1,277,960,447	2.34%
2	Allstate Insurance Group	17.61%	\$226,222,706	15.95%	\$798,579,125	13.00%
3	Zurich Insurance Group	11.64%	\$136,809,846	(5.07%)	\$527,958,011	3.55%
4	United Services Automobile Assn. Group	7.17%	\$92,788,506	4.62%	\$325,269,332	8.32%
5	St. Paul Travelers Group	5.49%	\$68,381,570	9.52%	\$249,056,725	8.33%
6	Vesta Insurance Group	4.27%	\$50,563,037	(6.33%)	\$193,582,970	(6.24%)
7	Nationwide Corp.	3.80%	\$51,706,618	9.66%	\$172,508,097	7.74%
8	Chubb & Son Inc.	2.57%	\$30,164,838	(0.61%)	\$116,609,478	(0.87%)
9	Texas Farm Bureau Mutual	2.40%	\$31,588,879	8.66%	\$108,834,447	11.07%
10	Liberty Mutual Group	1.83%	\$23,611,361	(3.71%)	\$82,958,117	21.92%
11	Texas Fair Plan Association	1.69%	\$13,807,665	(47.91%)	\$76,433,409	(19.61%)
12	NLASCO	1.24%	\$14,472,011	18.19%	\$56,252,462	3.85%
13	Hartford Fire & Casualty Group	1.14%	\$13,928,832	(0.71%)	\$51,848,646	(0.96%)
14	Safeco Insurance Group	1.11%	\$13,352,052	(5.84%)	\$50,307,493	(5.73%)
15	Amica Mutual Group	1.06%	\$13,101,349	0.65%	\$48,142,357	(0.77%)
16	Republic Companies Group	0.94%	\$12,569,596	19.76%	\$42,751,800	(10.07%)
17	American National Financial Group	0.73%	\$9,616,308	(8.28%)	\$33,119,605	(13.19%)
18	UNITRIN Group	0.69%	\$5,552,154	(41.69%)	\$31,257,719	(3.13%)
19	ARX Holding Corp. Group	0.68%	\$8,711,117	10.41%	\$30,883,702	20.08%
20	Interins Exchange of the Automobile Club	0.63%	\$8,021,433	24.15%	\$28,583,561	18.26%
21	Allianz Insurance Group	0.58%	\$6,800,949	(12.13%)	\$26,471,019	(8.21%)
22	Cypress Holdings Group	0.45%	\$6,268,421	106.13%	\$20,620,500	108.65%
23	Metropolitan Group	0.36%	\$4,562,137	14.39%	\$16,549,120	(3.86%)
24	Columbia Lloyds Insurance Company	0.35%	\$3,503,014	(19.39%)	\$15,749,373	(3.67%)
25	Central Mutual Insurance Company of Ohio	0.34%	\$3,943,339	(15.94%)	\$15,622,780	(7.01%)

Top 25 Groups Total	96.96%	\$1,207,455,528	3.32%	\$4,397,910,295	4.56%
----------------------------	---------------	------------------------	--------------	------------------------	--------------

Total Market	100.00%	\$1,247,555,019	3.00%	\$4,535,950,143	3.30%
---------------------	----------------	------------------------	--------------	------------------------	--------------

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
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	\$691,706,910	\$503,586,791
2nd qtr 2001	\$929,634,302	\$863,249,536	\$834,551,881
3rd qtr 2001	\$972,458,027	\$879,995,299	\$823,438,558
4th qtr 2001	\$841,023,405	\$810,336,096	\$801,350,605
1st qtr 2002	\$1,014,695,847	\$937,862,631	\$877,653,109
2nd qtr 2002	\$1,332,392,207	\$1,199,465,123	\$1,230,023,431
3rd qtr 2002	\$1,315,122,445	\$1,170,560,367	\$1,032,308,999
4th qtr 2002	\$1,069,629,533	\$866,207,429	\$780,590,201
1st qtr 2003	\$1,076,518,514	\$955,798,410	\$592,842,440
2nd qtr 2003	\$1,394,667,461	\$1,234,667,479	\$1,265,565,377
3rd qtr 2003	\$1,363,295,561	\$1,229,850,588	\$656,718,201
4th qtr 2003	\$1,127,403,509	\$992,576,934	\$417,580,410
1st qtr 2004	\$1,054,104,798	\$957,201,670	\$342,798,532
2nd qtr 2004	\$1,321,221,143	\$1,211,261,069	\$404,637,138
3rd qtr 2004	\$1,353,624,923	\$1,223,961,659	\$429,572,002
4th qtr 2004	\$1,148,310,976	\$1,062,604,303	\$284,080,246
1st qtr 2005	\$1,079,995,154	\$1,001,829,162	\$279,474,210
2nd qtr 2005	\$1,341,230,940	\$1,247,555,019	\$444,456,426

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>
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%
2003	58.7%
2004	27.8%

Workers' Compensation (All Companies)

There were 85 groups, 227 companies, that had direct written premium for Workers' Compensation in the second quarter of 2005, as compared to 94 groups, 246 companies, in the second quarter of 2004.

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 2005 to direct written premium in the second quarter of 2004 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR WORKERS' COMPENSATION

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2005	% Change 2nd Quarter 2004 to 2005	4 Quarters Ending 2nd Qtr 2005	% Change 4 Qtrs Ending 2004 to 2005
1	Texas Mutual Insurance Company	26.58%	\$172,517,462	(5.30%)	\$699,826,242	(0.99%)
2	American International Group	14.77%	\$100,157,580	31.56%	\$388,830,074	15.54%
3	Zurich Insurance Group	8.44%	\$51,721,832	35.92%	\$222,292,671	9.50%
4	Liberty Mutual Group	8.43%	\$40,288,056	(22.99%)	\$221,965,726	(2.38%)
5	Hartford Fire & Casualty Group	6.45%	\$44,108,513	76.38%	\$169,886,334	5.63%
6	St. Paul Travelers Group	5.37%	\$32,035,669	(5.63%)	\$141,358,278	(8.23%)
7	ACE Ltd.	4.90%	\$26,499,536	36.53%	\$129,105,321	39.05%
8	CNA Insurance Group	3.95%	\$26,799,166	9.22%	\$104,100,409	(12.88%)
9	Old Republic Group	2.27%	\$14,653,930	(3.61%)	\$59,722,974	1.00%
10	Chubb & Son Inc.	1.96%	\$12,484,076	8.31%	\$51,590,761	6.41%
11	Service Life Group	1.88%	\$9,585,877	2.69%	\$49,481,771	(7.06%)
12	Amerisure Company	1.62%	\$10,675,792	(3.25%)	\$42,558,816	(0.24%)
13	Amcomp Group	1.36%	\$6,094,697	(49.92%)	\$35,695,007	28.07%
14	Zenith National Insurance Group	1.23%	\$7,854,603	10.98%	\$32,360,392	14.44%
15	Sentry Insurance Group	1.04%	\$6,271,354	(1.68%)	\$27,448,418	9.19%
16	Utica National Insurance Group	0.51%	\$2,675,052	(7.33%)	\$13,408,149	(5.20%)
17	Amerisafe Group	0.50%	\$1,576,059	(64.77%)	\$13,256,457	(25.50%)
18	Fairfax Financial	0.48%	\$2,167,629	(44.77%)	\$12,610,549	(5.45%)
19	Republic Companies Group	0.47%	\$2,410,738	(21.28%)	\$12,341,803	12.08%
20	EMC Insurance Company	0.43%	\$3,265,721	(16.47%)	\$11,268,915	(14.28%)
21	Federated Mutual	0.39%	\$3,531,059	8.61%	\$10,394,657	0.69%
22	Safeco Insurance Group	0.39%	\$1,930,774	(34.53%)	\$10,238,959	(22.98%)
23	Atlantic American	0.37%	\$2,680,949	(14.94%)	\$9,642,837	(12.78%)
24	UNITRIN Group	0.35%	\$2,452,113	2.37%	\$9,327,063	(17.56%)
25	State Farm IL	0.34%	\$2,007,440	(11.99%)	\$9,029,736	(5.56%)

Top 25 Groups Total	94.49%	\$586,445,677	5.36%	\$2,487,742,319	3.19%
----------------------------	---------------	----------------------	--------------	------------------------	--------------

Total Market	100.00%	\$620,174,888	3.23%	\$2,632,861,202	0.07%
---------------------	----------------	----------------------	--------------	------------------------	--------------

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
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	\$796,149,213	\$707,747,906	\$316,874,393
2nd qtr 2003	\$706,219,464	\$613,925,986	\$336,901,199
3rd qtr 2003	\$704,043,168	\$609,081,068	\$294,735,473
4th qtr 2003	\$707,896,917	\$660,639,744	\$243,790,651
1st qtr 2004	\$784,464,632	\$760,481,464	\$237,434,415
2nd qtr 2004	\$735,090,648	\$600,764,258	\$250,008,705
3rd qtr 2004	\$660,662,627	\$641,679,414	\$259,068,273
4th qtr 2004	\$677,655,366	\$637,502,857	\$208,172,067
1st qtr 2005	\$877,616,932	\$733,504,043	\$248,661,181
2nd qtr 2005	\$695,589,642	\$620,174,888	\$244,431,344

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>
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%
2003	68.0%
2004	51.3%

Workers' Compensation (Voluntary Market)

There were 85 groups, 227 companies, that had voluntary direct written premium for Workers' Compensation in the second quarter of 2005, as compared to 94 groups, 246 companies, in the second quarter of 2004.

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 2005 to direct written premium in the second quarter of 2004 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR WORKERS' COMPENSATION

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2005	% Change 2nd Quarter 2004 to 2005	4 Quarters Ending 2nd Qtr 2005	% Change 4 Qtrs Ending 2004 to 2005
1	Texas Mutual Insurance Company	26.36%	\$170,967,170	(3.40%)	\$691,839,512	1.01%
2	American International Group	14.81%	\$100,157,580	31.56%	\$388,830,074	15.54%
3	Zurich Insurance Group	8.47%	\$51,721,832	35.92%	\$222,292,671	9.50%
4	Liberty Mutual Group	8.46%	\$40,288,056	(22.99%)	\$221,943,541	(2.39%)
5	Hartford Fire & Casualty Group	6.47%	\$44,108,513	76.38%	\$169,886,334	5.63%
6	St. Paul Travelers Group	5.39%	\$32,035,669	(5.63%)	\$141,358,278	(8.23%)
7	ACE Ltd.	4.92%	\$26,499,536	36.53%	\$129,105,321	39.05%
8	CNA Insurance Group	3.97%	\$26,799,166	9.22%	\$104,100,409	(12.88%)
9	Old Republic Group	2.28%	\$14,653,930	(3.61%)	\$59,722,974	1.00%
10	Chubb & Son Inc.	1.97%	\$12,484,076	8.31%	\$51,590,761	6.41%
11	Service Life Group	1.89%	\$9,585,877	2.69%	\$49,481,771	(7.06%)
12	Amerisure Company	1.62%	\$10,675,792	(3.25%)	\$42,558,816	(0.24%)
13	Amcomp Group	1.36%	\$6,094,697	(49.92%)	\$35,695,007	28.07%
14	Zenith National Insurance Group	1.23%	\$7,854,603	10.98%	\$32,360,392	14.44%
15	Sentry Insurance Group	1.05%	\$6,271,354	(1.68%)	\$27,448,418	9.19%
16	Utica National Insurance Group	0.51%	\$2,675,052	(7.33%)	\$13,408,149	(5.20%)
17	Amerisafe Group	0.51%	\$1,576,059	(64.77%)	\$13,256,457	(25.50%)
18	Fairfax Financial	0.48%	\$2,167,629	(44.77%)	\$12,610,549	(5.45%)
19	Republic Companies Group	0.47%	\$2,410,738	(21.28%)	\$12,341,803	12.08%
20	EMC Insurance Company	0.43%	\$3,265,721	(16.47%)	\$11,268,915	(14.28%)
21	Federated Mutual	0.40%	\$3,531,059	8.61%	\$10,394,657	0.69%
22	Safeco Insurance Group	0.39%	\$1,930,774	(34.53%)	\$10,238,959	(22.98%)
23	Atlantic American	0.37%	\$2,680,949	(14.94%)	\$9,642,837	(12.78%)
24	UNITRIN Group	0.36%	\$2,452,113	2.37%	\$9,327,063	(17.56%)
25	State Farm IL	0.34%	\$2,007,440	(11.99%)	\$9,029,736	(5.56%)

Top 25 Groups Total	94.47%	\$584,895,385	6.07%	\$2,479,733,404	3.81%
----------------------------	---------------	----------------------	--------------	------------------------	--------------

Total Market	100.00%	\$618,624,596	3.87%	\$2,624,803,373	0.60%
---------------------	----------------	----------------------	--------------	------------------------	--------------

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
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	\$789,303,161	\$702,878,917	\$312,423,735
2nd qtr 2003	\$698,820,581	\$607,330,529	\$332,424,290
3rd qtr 2003	\$697,425,752	\$605,434,822	\$290,359,509
4th qtr 2003	\$703,053,211	\$656,032,121	\$237,963,992
1st qtr 2004	\$775,143,328	\$751,980,050	\$235,457,643
2nd qtr 2004	\$730,500,348	\$595,579,582	\$246,761,999
3rd qtr 2004	\$657,718,545	\$640,473,143	\$251,277,710
4th qtr 2004	\$674,509,968	\$634,513,919	\$208,914,706
1st qtr 2005	\$874,426,570	\$731,191,715	\$245,984,843
2nd qtr 2005	\$692,428,555	\$618,624,596	\$242,974,122

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 2005, the START program reported \$7,986,730 in direct premiums written. This accounted for 99.12% of all Residual Market experience reported and was a decrease of (63.60%) over the same period one year prior. Of this amount \$1,550,292 was written in the second quarter of 2005 which was a (70.10%) decrease from the second quarter of 2004.

The balance of all Workers' Compensation (page 24) minus the Voluntary Market (page 26) minus Residual Market experience reported above is due to runoff business, including retro adjustments and policy audits, reported on policies written prior to and including 12/31/93.

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

QUARTERLY EXPERIENCE **All Groups**

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
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	\$4,450,658
2nd qtr 2003	\$7,398,883	\$6,595,457	\$4,476,909
3rd qtr 2003	\$6,617,416	\$3,646,246	\$4,375,964
4th qtr 2003	\$4,843,706	\$4,607,623	\$5,826,659
1st qtr 2004	\$9,321,304	\$8,501,414	\$1,976,772
2nd qtr 2004	\$4,590,300	\$5,184,676	\$3,246,706
3rd qtr 2004	\$2,944,082	\$1,206,271	\$7,790,563
4th qtr 2004	\$3,145,398	\$2,988,938	(\$742,639)
1st qtr 2005	\$3,190,362	\$2,312,328	\$2,676,338
2nd qtr 2005	\$3,161,087	\$1,550,292	\$1,457,222

QUARTERLY EXPERIENCE
Texas Mutual Insurance Company

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
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
3rd qtr 2003	\$6,617,416	\$3,646,246	\$2,186,906
4th qtr 2003	\$4,843,706	\$4,607,100	\$1,625,440
1st qtr 2004	\$9,321,304	\$8,501,414	\$1,856,570
2nd qtr 2004	\$4,590,300	\$5,184,676	\$2,205,266
3rd qtr 2004	\$2,944,082	\$1,206,271	\$2,068,334
4th qtr 2004	\$3,145,398	\$2,988,938	\$1,682,701
1st qtr 2005	\$3,190,362	\$2,241,229	\$1,916,106
2nd qtr 2005	\$3,161,087	\$1,550,292	\$1,504,557

Workers' Compensation (Deductible Plans)

There were 85 groups, 227 companies which wrote voluntary policies for Workers' Compensation in the second quarter of 2005, as compared to 94 groups, 246 companies in the second quarter of 2004.

The data contained in the following table represents direct policies written as new or renewal policies in the second quarter of 2005. 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 26. 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 2005	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	38	\$342,665	\$299,530	12.59%
Premium of \$10,000 - \$24,999	44	\$741,892	\$647,846	12.68%
Premium of \$25,000 - \$49,999	21	\$803,195	\$686,298	14.55%
Premium of \$50,000 - \$74,999	17	\$1,150,205	\$889,523	22.66%
Premium of \$75,000 - \$100,000	3	\$259,524	\$184,983	28.72%
Total Per Accident Plan	123	\$3,297,481	\$2,708,180	17.87%
Aggregate Deductible Plan				
Premium of \$5,000 - \$9,999	15	\$98,089	\$85,602	12.73%
Premium of \$10,000 - \$24,999	23	\$431,413	\$373,664	13.39%
Premium of \$25,000 - \$49,999	16	\$560,726	\$478,938	14.59%
Premium of \$50,000 - \$74,999	2	\$111,573	\$92,984	16.66%
Premium of \$75,000 - \$100,000	1	\$82,749	\$82,748	0.00%
Total Aggregate Plan	57	\$1,284,550	\$1,113,936	13.28%
Per Accident/Aggregate Combination Deductible Plan				
Premium of \$5,000 - \$9,999	8	\$42,007	\$32,950	21.56%
Premium of \$10,000 - \$24,999	12	\$174,113	\$99,349	42.94%
Premium of \$25,000 - \$49,999	10	\$337,420	\$114,110	66.18%
Premium of \$50,000 - \$74,999	1	\$58,558	\$50,398	13.93%
Premium of \$75,000 - \$100,000	8	\$1,042,196	\$226,435	78.27%
Total Combination Plan	39	\$1,654,294	\$523,242	68.37%
Negotiated Deductible Plan				
Premium Up To \$100,000	368	\$11,075,014	\$4,123,952	62.76%
Premium of \$100,001 - \$150,000	46	\$5,684,597	\$1,605,777	71.75%
Premium of \$150,001 - \$250,000	83	\$15,398,776	\$6,939,774	54.93%
Premium of \$250,001 - \$350,000	66	\$19,419,378	\$6,245,540	67.84%
Premium of \$350,001 - \$500,000	47	\$18,692,270	\$5,780,253	69.08%
Premium of \$500,001 - \$750,000	41	\$24,047,078	\$6,737,594	71.98%
Premium of \$750,001 - \$1,000,000	36	\$28,135,561	\$7,806,238	72.25%
Premium of \$1,000,001 - \$2,500,000	82	\$113,603,204	\$26,990,877	76.24%
Premium of \$2,500,001 - \$5,000,000	25	\$70,262,602	\$12,383,434	82.38%
Premium of \$5,000,001 and above	14	\$150,578,376	\$27,476,320	81.75%
Total Negotiated Plan	808	\$456,896,856	\$106,089,759	76.78%
No Deductible Plan				
Premium Less Than \$5,000	21,520	\$36,228,329	\$36,114,674	0.00%
Premium of \$5,000 - \$9,999	4,755	\$33,447,175	\$33,447,175	0.00%
Premium of \$10,000 - \$24,999	3,980	\$61,070,521	\$61,070,521	0.00%
Premium of \$25,000 - \$49,999	1,749	\$57,544,720	\$57,544,720	0.00%
Premium of \$50,000 - \$74,999	696	\$39,287,744	\$39,287,744	0.00%
Premium of \$75,000 - \$100,000	455	\$27,938,297	\$27,938,297	0.00%
Premium Greater Than \$100,000	971	\$202,068,133	\$202,068,133	0.00%
Total No Deductible Plan	34,126	\$457,584,919	\$457,471,264	0.00%
TOTAL	35,153	\$920,718,100	\$567,906,381	38.32%

*The Total Market premiums may appear significantly lower than previous reports. The American International Group (AIG) is refiling financial statements for 2000 through 2003, resulting in adjustments to their 2004 annual statements. Corrections should appear in future Quarterly Market Legislative Reports.

Boiler & Machinery

There were 35 groups, 83 companies, that had direct written premium for Boiler & Machinery in the second quarter of 2005, as compared to 32 groups, 77 companies, in the second quarter of 2004.

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 2005 to direct written premium in the second quarter of 2004 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR BOILER & MACHINERY

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2005	% Change 2nd Quarter 2004 to 2005	4 Quarters Ending 2nd Qtr 2005	% Change 4 Qtrs Ending 2004 to 2005
1	FM Global Group	23.86%	\$4,003,433	29.95%	\$15,704,122	(12.51%)
2	St. Paul Travelers Group	18.64%	\$2,442,722	(14.48%)	\$12,270,375	(11.28%)
3	American International Group	17.56%	\$3,304,939	(8.75%)	\$11,559,409	(3.93%)
4	Chubb & Son Inc.	11.10%	\$1,887,182	0.03%	\$7,306,142	5.40%
5	Zurich Insurance Group	8.93%	\$1,433,351	62.80%	\$5,876,855	6.21%
6	CNA Insurance Group	5.55%	\$1,090,614	(24.90%)	\$3,655,218	(34.06%)
7	Liberty Mutual Group	4.35%	\$620,387	111.87%	\$2,865,672	34.52%
8	Allianz Insurance Group	2.86%	\$557,827	(10.40%)	\$1,882,209	3.07%
9	Federated Mutual	1.38%	\$218,406	(14.61%)	\$907,945	(6.39%)
10	Central Mutual Insurance Company of Ohio	1.17%	\$140,457	*	\$767,345	*
11	Nationwide Corp.	0.63%	\$133,579	63.96%	\$412,985	94.12%
12	EMC Insurance Company	0.62%	\$82,143	3.77%	\$411,338	(1.51%)
13	Millea Holdings Inc.	0.55%	\$29,307	53.81%	\$364,095	72.20%
14	Allstate Insurance Group	0.50%	\$85,693	(1.97%)	\$332,228	(6.93%)
15	Triangle Insurance Company Inc.	0.37%	\$7,226	1.69%	\$241,183	9.93%
16	XL America	0.31%	\$79,812	(70.44%)	\$204,829	248.12%
17	United Fire & Casualty Group	0.30%	\$49,288	(9.94%)	\$195,166	(0.28%)
18	Bancinsure Inc.	0.23%	\$29,739	(8.04%)	\$150,044	10.59%
19	Lumbermen's Underwriting Alliance	0.17%	\$42,238	257.28%	\$112,371	32.85%
20	Hartford Fire & Casualty Group	0.16%	\$38,345	14.18%	\$108,583	5.34%
21	AXIS Capital Group	0.14%	\$17,133	*	\$94,343	*
22	American Financial Group	0.14%	\$57,923	19.13%	\$92,209	18.13%
23	GE Global Group	0.12%	\$209,286	(65.43%)	\$76,500	(90.56%)
24	National American Insurance Company	0.08%	\$8,538	(39.63%)	\$50,652	(17.86%)
25	Hannover Group	0.07%	\$42,872	342.57%	\$43,447	124.61%

Top 25 Groups Total	99.80%	\$16,612,440	1.86%	\$65,685,265	(5.81%)
----------------------------	---------------	---------------------	--------------	---------------------	----------------

Total Market	100.00%	\$16,662,205	2.05%	\$65,816,347	(5.87%)
---------------------	----------------	---------------------	--------------	---------------------	----------------

* 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 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	\$17,637,255	\$19,160,434	\$2,609,649
2nd qtr 2003	\$18,174,135	\$19,667,485	\$2,628,907
3rd qtr 2003	\$16,781,415	\$18,589,775	\$21,170,824
4th qtr 2003	\$16,973,598	\$18,739,582	\$4,007,116
1st qtr 2004	\$15,243,995	\$16,259,983	\$1,988,536
2nd qtr 2004	\$15,247,946	\$16,327,909	\$17,676,387
3rd qtr 2004	\$16,318,317	\$19,417,778	\$4,121,378
4th qtr 2004	\$17,604,771	\$14,452,601	\$15,415,284
1st qtr 2005	\$14,215,254	\$15,283,763	\$1,734,147
2nd qtr 2005	\$14,311,502	\$16,662,205	\$4,596,582

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>
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%
2003	65.8%
2004	5.6%

Commercial Crime

There were 33 groups, 66 companies, that had direct written premium for Commercial Crime in the second quarter of 2005, as compared to 35 groups, 68 companies, in the second quarter of 2004.

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 2005 to direct written premium in the second quarter of 2004 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR COMMERCIAL CRIME

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2005	% Change 2nd Quarter 2004 to 2005	4 Quarters Ending 2nd Qtr 2005	% Change 4 Qtrs Ending 2004 to 2005
1	St. Paul Travelers Group	21.21%	\$396,114	5.54%	\$1,735,427	8.15%
2	Chubb & Son Inc.	20.06%	\$496,248	22.21%	\$1,641,037	18.27%
3	Zurich Insurance Group	15.11%	\$329,733	(13.42%)	\$1,235,748	(15.20%)
4	CNA Insurance Group	12.43%	\$37,292	(64.70%)	\$1,016,645	100.59%
5	Hartford Fire & Casualty Group	10.70%	\$150,304	16.84%	\$875,588	28.69%
6	American International Group	10.33%	\$468	(99.92%)	\$844,942	(31.91%)
7	Bancinsure Inc.	1.66%	\$44,932	12.91%	\$136,014	(5.83%)
8	Sentry Insurance Group	1.21%	\$21,787	54.61%	\$99,010	0.43%
9	Federated Mutual	1.08%	\$12,714	(9.46%)	\$88,438	5.76%
10	United Fire & Casualty Group	0.96%	\$22,778	(12.20%)	\$78,896	(25.97%)
11	Liberty Mutual Group	0.93%	\$18,434	(43.70%)	\$75,764	(1.32%)
12	Harco National Insurance Company	0.83%	\$9,212	(21.89%)	\$68,057	(18.85%)
13	Allstate Insurance Group	0.51%	\$11,370	(9.51%)	\$41,461	(17.16%)
14	American Financial Group	0.47%	\$13,821	27.46%	\$38,414	23.27%
15	Nationwide Corp.	0.38%	\$13,605	125.10%	\$31,458	41.26%
16	Hannover Group	0.38%	(\$23)	(100.86%)	\$30,957	179.42%
17	XLAmerica	0.24%	\$7,274	(39.75%)	\$19,746	111.98%
18	Benchmark Insurance Company	0.21%	\$0	(100.00%)	\$16,850	4.65%
19	EMC Insurance Company	0.17%	\$2,240	12.28%	\$13,996	22.41%
20	RLI Insurance Group	0.15%	\$5,497	5.71%	\$12,439	(33.41%)
21	UNITRIN Group	0.15%	\$5,823	319.83%	\$12,095	(49.45%)
22	Atlantic America	0.15%	\$206	(96.80%)	\$11,868	(66.19%)
23	ACE Ltd.	0.14%	(\$85)	(173.28%)	\$11,329	85.72%
24	Safeco Insurance Group	0.10%	\$2,657	86.85%	\$8,044	(10.73%)
25	Central Mutual Insurance Company of Ohio	0.10%	\$6,047	(13.34%)	\$7,984	(14.17%)

Top 25 Groups Total	99.65%	\$1,608,448	(25.47%)	\$8,152,207	5.53%
----------------------------	---------------	--------------------	-----------------	--------------------	--------------

Total Market	100.00%	\$1,617,816	(25.46%)	\$8,180,922	5.45%
---------------------	----------------	--------------------	-----------------	--------------------	--------------

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
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	\$1,428,028	\$1,478,357	\$220,185
2nd qtr 2003	\$1,811,097	\$1,968,234	\$77,561
3rd qtr 2003	\$1,455,764	\$1,970,424	\$201,681
4th qtr 2003	\$1,485,574	\$1,867,930	\$424,135
1st qtr 2004	\$3,342,749	\$1,749,368	\$376,949
2nd qtr 2004	\$1,898,917	\$2,170,364	\$48,845
3rd qtr 2004	\$1,415,602	\$2,690,230	\$368,517
4th qtr 2004	\$1,836,630	\$2,046,419	\$15,145
1st qtr 2005	\$1,460,922	\$1,826,457	\$866,393
2nd qtr 2005	\$1,895,580	\$1,617,816	\$92,132

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>
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%
2003	27.1%
2004	20.4%

Commercial Glass

There were 9 groups, 16 companies, that had direct written premium for Commercial Glass in the second quarter of 2005, as compared to 14 groups, 20 companies, in the second quarter of 2004.

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 2005 to direct written premium in the second quarter of 2004 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR COMMERCIAL GLASS

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2005	% Change 2nd Quarter 2004 to 2005	4 Quarters Ending 2nd Qtr 2005	% Change 4 Qtrs Ending 2004 to 2005
1	Zurich Insurance Group	39.96%	\$13,294	(37.44%)	\$53,547	(17.30%)
2	UNITRIN Group	32.77%	\$9,011	134.11%	\$43,922	(5.26%)
3	Ohio Casualty Group	9.43%	\$2,829	(14.89%)	\$12,637	(15.35%)
4	USPlate Glass Insurance Company	4.57%	\$0	(100.00%)	\$6,131	(19.33%)
5	Federated Mutual	3.95%	\$929	52.55%	\$5,298	(38.01%)
6	Liberty Mutual Group	3.58%	\$548	17.34%	\$4,793	(43.44%)
7	RLI Insurance Group	2.35%	\$0	*	\$3,155	*
8	State Farm IL	1.08%	\$535	0.00%	\$1,450	0.00%
9	St. Paul Travelers Group	1.05%	\$245	644.44%	\$1,401	(49.17%)
10	Safeco Insurance Group	0.49%	(\$6)	(100.43%)	\$656	(69.67%)
11	Nationwide Corp.	0.42%	\$0	100.00%	\$567	846.05%
12	ACE Ltd.	0.23%	\$0	(100.00%)	\$314	(79.78%)
13	Utica National Insurance Group	0.15%	\$0	*	\$198	421.05%
14	United Fire & Casualty Group	(0.04%)	\$4	(99.93%)	(\$56)	(100.18%)

Top Groups Total	100.00%	\$27,389	(94.28%)	\$134,013	(78.97%)
Total Market	100.00%	\$27,389	(94.28%)	\$134,013	(78.97%)

* 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 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	\$94,109	\$65,760	\$8,488
2nd qtr 2003	\$81,840	\$62,094	\$13,141
3rd qtr 2003	\$76,628	\$50,084	\$14,061
4th qtr 2003	\$112,205	\$55,552	\$7,445
1st qtr 2004	\$97,082	\$52,661	\$20,377
2nd qtr 2004	\$523,945	\$478,848	\$4,143
3rd qtr 2004	\$81,140	\$41,301	\$3,214
4th qtr 2004	\$81,385	\$32,903	\$6,261
1st qtr 2005	\$70,950	\$32,420	\$2,910
2nd qtr 2005	\$21,527	\$27,389	\$1,326

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>
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%
2003	59.5%
2004	40.7%

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

Medical Professional Liability

There were 31 groups, 38 companies, that had direct written premium for Medical Professional Liability (includes regulated and non-rate-regulated companies) in the second quarter of 2005, as compared to 31 groups, 40 companies, in the second quarter of 2004.

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 2005 to direct written premium in the second quarter of 2004 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 2005	% Change 2nd Quarter 2004 to 2005	4 Quarters Ending 2nd Qtr 2005	% Change 4 Qtrs Ending 2004 to 2005
1	GE Global Group	23.65%	\$16,834,847	(34.89%)	\$99,680,306	(25.49%)
2	Health Care Indemnity Inc.	21.75%	\$50,656	102.55%	\$91,661,476	(9.07%)
3	American Physicians Ins. Exchange	15.85%	\$14,026,663	(1.04%)	\$66,820,248	3.81%
4	Texas Medical Liability Underwriting Assoc.	15.20%	\$10,723,572	(28.40%)	\$64,083,568	(14.93%)
5	Doctors Company Group	4.24%	\$11,916,392	242.54%	\$17,882,594	10.44%
6	Advocate, MD Ins. of the Southwest Inc.	2.70%	\$2,638,835	*	\$11,392,475	*
7	Texas Hospital Insurance Exchange	1.83%	\$2,164,742	(12.93%)	\$7,712,457	(4.98%)
8	ProAssurance Corp. Group	1.70%	\$2,716,677	(20.38%)	\$7,172,032	(7.62%)
9	Preferred Professional Insurance Company	1.68%	\$1,135,097	84.69%	\$7,101,431	5.04%
10	CNA Insurance Group	1.65%	\$1,576,342	9.82%	\$6,938,671	(63.79%)
11	Allianz Insurance Group	1.55%	\$1,185,461	(38.65%)	\$6,525,310	(30.15%)
12	American International Group	1.40%	\$903,673	(1.37%)	\$5,899,139	(6.04%)
13	FPIC Insurance Group Inc.	1.22%	\$1,882,318	(24.19%)	\$5,158,750	(9.99%)
14	PICA Group	1.04%	\$494,770	41.38%	\$4,375,079	22.53%
15	NCMIC Group	1.02%	\$1,111,665	19.57%	\$4,291,511	39.03%
16	Texas Medical Insurance Company	0.96%	\$651,181	19.16%	\$4,034,760	104.02%
17	National Group	0.83%	\$430,792	14.06%	\$3,481,994	25.28%
18	ACE Ltd.	0.54%	\$776,988	637.56%	\$2,271,711	146.05%
19	Alleghany Group	0.47%	\$617,387	*	\$1,968,803	*
20	Munich American Holding Corp.	0.31%	\$444,503	(3.09%)	\$1,316,193	32.78%
21	Bancinsure Inc.	0.29%	(\$3,506)	(102.52%)	\$1,234,572	(87.12%)
22	Medical Liability Insurance Co. of America	0.28%	\$0	*	\$1,169,945	*
23	St. Paul Travelers Group	0.17%	(\$1,688)	(100.75%)	\$730,831	(56.59%)
24	Berkshire Hathaway	0.11%	\$244,879	*	\$481,397	107.29%
25	Markel Corp. Group	0.07%	\$158,752	(22.21%)	\$278,790	(24.38%)
Top 25 Groups Total		**100.51%	\$72,680,998	(0.73%)	\$423,664,043	(11.54%)
Total Market		100.00%	\$75,615,774	4.99%	\$421,522,868	(14.95%)

* 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 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	\$227,003,710	\$244,370,356	\$45,576,971
2nd qtr 2003	\$93,947,674	\$88,666,548	\$55,106,913
3rd qtr 2003	\$126,579,512	\$135,323,248	\$57,388,785
4th qtr 2003	\$71,752,834	\$82,927,387	\$93,075,549
1st qtr 2004	\$193,451,843	\$205,340,648	\$41,830,082
2nd qtr 2004	\$82,158,142	\$72,023,021	\$49,479,085
3rd qtr 2004	\$115,940,146	\$103,495,609	\$64,828,248
4th qtr 2004	\$74,360,976	\$64,923,197	\$72,244,880
1st qtr 2005	\$167,286,667	\$177,488,288	\$41,517,457
2nd qtr 2005	\$66,197,985	\$75,615,774	\$36,587,700

EARNED TO INCURRED LOSS RATIO BY YEAR

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

Year	Loss Ratio
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%
2003	80.3%
2004	44.8%

Miscellaneous Professional Liability

There were 27 groups, 59 companies, that had direct written premium for Miscellaneous Professional Liability in the second quarter of 2005, as compared to 25 groups, 55 companies, in the second quarter of 2004.

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 2005 to direct written premium in the second quarter of 2004 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 2005	% Change 2nd Quarter 2004 to 2005	4 Quarters Ending 2nd Qtr 2005	% Change 4 Qtrs Ending 2004 to 2005
1	Chubb & Son Inc.	30.10%	\$20,965,831	(12.62%)	\$98,630,535	(1.77%)
2	St. Paul Travelers Group	14.39%	\$12,126,216	23.62%	\$47,163,175	6.75%
3	HCC Insurance Holdings Group	12.43%	\$11,080,408	(24.98%)	\$40,738,390	(3.31%)
4	Hartford Fire & Casualty Group	12.09%	\$13,545,551	11.09%	\$39,617,010	(17.63%)
5	X L America	8.25%	\$26,134,810	*	\$27,023,897	*
6	ACE Ltd.	5.39%	\$2,878,166	(24.70%)	\$17,673,540	(2.90%)
7	RLI Insurance Group	3.67%	\$3,026,022	32.91%	\$12,033,920	(11.62%)
8	GE Global Group	3.36%	\$4,354,053	0.56%	\$10,999,184	(38.53%)
9	Aon Corp.	1.59%	\$0	*	\$5,219,835	118.74%
10	Berkshire Hathaway	1.31%	\$742,704	(29.04%)	\$4,294,538	(34.15%)
11	Nationwide Corp.	1.30%	\$1,165,621	(4.10%)	\$4,276,078	(2.91%)
12	Allianz Insurance Group	1.09%	\$890,024	(52.26%)	\$3,560,772	(48.54%)
13	Old Republic Group	0.95%	\$1,542,776	11.32%	\$3,114,440	(4.60%)
14	Liberty Mutual Group	0.93%	\$624,010	103.15%	\$3,062,763	244.33%
15	Markel Corp. Group	0.63%	\$641,093	14.68%	\$2,074,659	12.86%
16	Arch Insurance Group	0.58%	\$52	(100.00%)	\$1,887,119	(52.74%)
17	Zurich Insurance Group	0.52%	\$1,484,544	*	\$1,704,683	474.84%
18	Utica National Insurance Group	0.37%	\$271,305	(11.62%)	\$1,212,031	(5.40%)
19	AETNA	0.32%	\$0	*	\$1,059,226	5.71%
20	Navigators Group Inc.	0.28%	\$404,321	*	\$928,196	*
21	United National Group	0.27%	\$48,808	*	\$890,586	468.81%
22	State Farm IL	0.05%	\$58,990	134.73%	\$155,536	477.34%
23	Quanta US Holdings Grp	0.03%	\$0	*	\$94,000	*
24	Munich American Holding Corp.	0.02%	\$28,616	22.34%	\$69,569	(17.69%)
25	Florists Mutual	0.02%	\$8,513	(8.42%)	\$57,525	5.16%

Top 25 Groups Total	99.95%	\$102,022,434	26.09%	\$327,541,207	3.10%
----------------------------	---------------	----------------------	---------------	----------------------	--------------

Total Market	100.00%	\$102,050,480	26.06%	\$327,693,612	2.95%
---------------------	----------------	----------------------	---------------	----------------------	--------------

* 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 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	\$49,039,350	\$50,061,474	\$25,510,077
1st qtr 2002	\$44,193,075	\$38,539,396	\$21,611,170
2nd qtr 2002	\$45,639,859	\$50,579,721	\$31,951,912
3rd qtr 2002	\$44,287,561	\$46,129,965	\$32,132,723
4th qtr 2002	\$39,794,746	\$40,468,853	\$24,789,968
1st qtr 2003	\$65,301,029	\$64,300,341	\$23,052,586
2nd qtr 2003	\$72,527,779	\$84,367,349	\$41,720,752
3rd qtr 2003	\$78,673,242	\$80,572,101	\$73,006,385
4th qtr 2003	\$72,099,487	\$78,115,601	\$15,837,639
1st qtr 2004	\$78,583,973	\$78,663,654	\$19,091,166
2nd qtr 2004	\$79,027,029	\$80,952,491	\$25,411,999
3rd qtr 2004	\$88,221,507	\$84,958,945	\$12,873,254
4th qtr 2004	\$70,978,554	\$75,843,090	\$1,731,964
1st qtr 2005	\$62,788,712	\$64,841,097	\$112,629,581
2nd qtr 2005	\$105,414,187	\$102,050,480	\$29,708,476

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> *
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%
2003	77.0%
2004	74.8%

* *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 2005 and the second quarter of 2004. 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 2005			2ND QUARTER 2004		
	Number of Complaints	Number of Policies Written	Percent of Complaints per Policy	Number of Complaints	Number of Policies Written	Percent of Complaints per Policy
Product Liability	0	13,203	0.00000%	0	12,710	0.00000%
General Liability - Other ⁺	58	232,519	0.02494%	48	241,782	0.01985%
Fire & Allied Lines	13	44,149	0.02945%	14	44,583	0.03140%
Commercial Multiple Peril	17	83,077	0.02046%	18	78,730	0.02286%
Private Passenger Auto ⁺⁺	1,782	4,936,760	0.03610%	1,980	4,527,413	0.04373%
Homeowners	432	1,263,502	0.03419%	645	1,213,943	0.05313%
Workers' Compensation ⁺⁺⁺	26	37,604	0.06914%	38	38,141	0.09963%
Boiler & Machinery	**	**	**	**	**	**
Commercial Crime	**	**	**	**	**	**
Commercial Glass	**	**	**	**	**	**
Medical Professional Liability	6	9,657	0.06213%	7	10,573	0.06621%
Misc. Professional Liability	0	5,815	0.00000%	2	5,815	0.03439%

⁺ The General Electric Group wrote 11,191 small premium pre-paid legal policies in the 2nd quarter of 2005 and 11,990 policies in the 2nd quarter of 2004 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 2005) 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**

2005 Policies Written Rank	Group Name	2ND QUARTER 2005			2ND QUARTER 2004		
		Number of Complaints	Number of Policies Written	Percent of Complaints per Policy	Number of Complaints	Number of Policies Written	Percent of Complaints per Policy
5	Old American County Mutual Fire Ins. Co.	395	200,026	0.19747%	376	185,257	0.20296%
14	Texas State National Group	92	47,892	0.19210%	158	66,335	0.23818%
21	Mercury General Group	40	26,725	0.14967%	38	25,016	0.15190%
23	Hartford Fire & Casualty Group	27	19,874	0.13586%	24	49,443	0.04854%
10	Home State Insurance Group	124	101,053	0.12271%	133	94,072	0.14138%
17	UNITRIN Group	43	40,291	0.10672%	100	40,685	0.24579%
24	American International Group	17	19,336	0.08792%	15	9,273	0.16176%
16	Liberty Mutual Group	37	43,532	0.08499%	38	43,613	0.08713%
19	St. Paul Travelers Group	30	36,444	0.08232%	37	43,822	0.08443%
25	Metropolitan Group	13	17,653	0.07364%	12	15,210	0.07890%
13	Safeco Insurance Group	40	55,008	0.07272%	63	55,445	0.11363%
9	Nationwide Corp.	92	132,201	0.06959%	123	138,908	0.08855%
12	Republic Companies Group	43	69,421	0.06194%	40	57,868	0.06912%
15	Interins Exchange of the Automobile Club	27	47,796	0.05649%	19	18,673	0.10175%
3	Allstate Insurance Group	274	495,618	0.05528%	292	331,396	0.08811%
7	Berkshire Hathaway	85	162,236	0.05239%	79	123,732	0.06385%
4	Progressive Group	202	452,867	0.04460%	212	425,196	0.04986%
18	Sentry Insurance Group	14	39,633	0.03532%	22	39,991	0.05501%
6	United Services Automobile Assoc. Group	64	198,757	0.03220%	80	190,208	0.04206%
2	Zurich Insurance Group	263	901,296	0.02918%	303	885,257	0.03423%
20	Safeway Insurance Group	8	28,809	0.02777%	22	22,863	0.09623%
11	Titus Group	22	99,982	0.02200%	19	56,051	0.03390%
1	State Farm IL	180	1,299,029	0.01386%	220	1,305,668	0.01685%
8	Southern Farm Bureau Casualty	21	156,380	0.01343%	44	154,151	0.02854%
22	Germania Insurance Group	2	23,148	0.00864%	10	21,421	0.04668%
(All other licensed insurers)		373	221,753	0.16821%	499	127,859	0.39027%
(No company identified)*		0			0		
TOTALS		1,782	4,936,760	0.03610%	1,980	4,527,413	0.04373%

* 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

2005 Policies Written Rank	Group Name	2ND QUARTER 2005			2ND QUARTER 2004		
		Number of Complaints	Number of Policies Written	Percent of Complaints per Policy	Number of Complaints	Number of Policies Written	Percent of Complaints per Policy
9	NLASCO	15	22,645	0.12685%	15	40,469	0.03707%
23	Assurant Inc. Group	0	5,745	0.10733%	4	4,694	0.08522%
13	Cypress Holdings Group	2	13,107	0.09491%	1	5,020	0.01992%
10	Texas Fair Plan Association	26	20,497	0.06920%	26	34,112	0.07622%
21	Colonial Savings Group	4	6,165	0.06680%	7	6,714	0.10426%
8	Texas Farm Bureau Mutual	7	37,333	0.06624%	9	32,558	0.02764%
19	Glencoe US Holdings Inc.	2	7,862	0.06570%	0	307	0.00000%
20	Interins Exchange of the Automobile Club	5	7,610	0.06488%	8	5,411	0.14785%
15	ARX Holding Corp. Group	5	11,372	0.05277%	6	9,433	0.00000%
4	United Services Automobile Assoc. Group	14	95,394	0.04932%	20	88,877	0.02250%
6	Vesta Insurance Group	19	54,064	0.04765%	32	56,333	0.05681%
3	Zurich Insurance Group	69	156,304	0.04414%	150	139,079	0.10785%
14	Safeco Insurance Group	12	12,644	0.04397%	13	12,649	0.00000%
25	Beacon Insurance Group	1	5,097	0.03694%	4	5,128	0.07800%
11	Liberty Mutual Group	14	20,232	0.03650%	20	20,315	0.09845%
2	Allstate Insurance Group	93	255,336	0.03642%	124	237,121	0.05229%
5	St. Paul Travelers Group	33	66,907	0.03514%	38	59,079	0.06432%
16	Hartford Fire & Casualty Group	6	11,371	0.03347%	5	10,892	0.04591%
18	Amica Mutual Group	1	8,198	0.02544%	6	8,302	0.07227%
1	State Farm IL	80	315,637	0.02535%	139	303,271	0.04583%
24	Columbia LloydS Insurance Company	6	5,590	0.01962%	8	6,986	0.11451%
7	Nationwide Corp.	24	50,371	0.01875%	26	44,660	0.05822%
12	Republic Companies Group	6	16,439	0.01526%	4	14,282	0.02801%
17	American National Financial Group	3	8,962	0.01220%	6	9,893	0.06065%
22	Chubb & Son Inc.	4	5,988	0.00000%	2	6,241	0.03205%
(All other licensed insurers)		19	40,898	0.04646%	28	50,769	0.05515%
(No company identified)*		0			0		

TOTALS

432

1,263,502

0.03419%

645

1,213,943

0.05313%

* 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.