



**Texas Department
of Insurance**

**Quarterly Legislative Report
on Market Conditions**

*4th Quarter
2005*

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

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

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

Terms

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

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

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

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

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

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

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

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

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

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

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

Private Passenger Auto coverages include liability, PIP, uninsured motorist and physical damage.

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.

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

Lines of Insurance

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

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

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

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

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

Summary of Four Quarters

CUMULATIVE TOTALS FOR FOUR QUARTERS ENDING DECEMBER 2005

	Number Of Groups/Companies	Number Of Policies Written	Premiums On Policies Written	Direct Written Premiums	Direct Losses Paid
PRODUCT LIABILITY	56 / 151	44,520	\$211,657,350	\$155,072,230	\$202,919,121
GENERAL LIABILITY - OTHER	143 / 324	857,517⁺	\$1,753,188,720	\$1,872,181,434	\$972,617,557
COMMERCIAL FIRE & ALLIED	76 / 168	143,202	\$535,468,968	\$631,050,919	\$372,983,002
COMMERCIAL MULTIPLE PERIL	83 / 200	340,049	\$1,420,478,273	\$1,466,321,529	\$666,149,329
PRIVATE PASSENGER AUTO					
VOLUNTARY (VOL) LIABILITY	66 / 183	11,307,914	\$6,788,614,672	\$6,431,734,249	\$3,963,294,988
ASSIGNED RISK LIABILITY	15 / 18	41,185	\$27,8353,802	\$16,150,560	\$14,443,920
PHYSICAL DAMAGE	64 / 177	8,676,528	\$5,225,076,205	\$4,999,937,447	\$2,800,141,126
TOTAL PPA	66 / 186	20,025,627⁺⁺	\$12,041,044,679	\$11,447,822,256	\$6,777,880,034
HOMEOWNERS MULTIPLE PERIL	63 / 101	4,753,018	\$4,985,314,385	\$4,591,335,036	\$2,293,512,573
WORKERS' COMPENSATION					
VOL PREMIUMS < \$5,000		96,420	\$152,147,762	**	**
VOL PREMIUMS \$5,000 - \$100,000		54,759	\$1,049,110,221	**	**
VOL PREMIUMS > \$100,000		6,411	\$1,442,123,898	**	**
TOTAL VOLUNTARY	92 / 235	157,590	\$2,643,381,881	\$2,644,938,087	\$940,232,757
RESIDUAL MARKET ***	1 / 1	186	\$9,815,378	\$11,595,300	\$15,509,625
TOTAL WC	92 / 235	156,893	\$2,653,197,259	\$2,656,533,387	\$955,742,382
BOILER & MACHINERY	38 / 83	30,166	\$58,836,887	\$70,848,059	\$10,481,474
COMMERCIAL CRIME	34 / 72	7,956	\$6,100,174	\$7,091,548	\$2,613,702
COMMERCIAL GLASS	8 / 11	245	\$123,132	\$91,505	\$4,210
MEDICAL PROFESSIONAL LIABILITY	32 / 40	47,183	\$396,868,081	\$429,423,880	\$157,183,402
MISC. PROFESSIONAL LIABILITY	30 / 65	21,632	\$370,576,523	\$372,646,382	\$214,331,718

⁺ The General Electric Group wrote 21,747 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	49 / 134	50 / 127	48 / 130
General Liability	115 / 277	115 / 266	115 / 266	114 / 263	108 / 258	123 / 266	112 / 261	129 / 280
Commercial Fire & Allied	66 / 149	69 / 147	67 / 155	67 / 146	66 / 142	70 / 152	66 / 145	71 / 153
Commercial Multiple Peril	72 / 186	73 / 177	70 / 198	69 / 170	71 / 176	75 / 177	72 / 174	77 / 181
Private Passenger Auto	61 / 167	59 / 148	60 / 154	58 / 148	60 / 151	60 / 146	58 / 149	61 / 150
Homeowners Multiple Peril	60 / 75	57 / 74	57 / 73	56 / 78	57 / 75	59 / 83	53 / 71	59 / 84
Workers' Compensation	82 / 203	77 / 196	82 / 199	80 / 201	75 / 189	76 / 196	79 / 192	80 / 195
Boiler & Machinery	32 / 59	32 / 62	28 / 59	31 / 62	29 / 62	31 / 64	27 / 59	34 / 66
Commercial Crime	29 / 62	30 / 61	34 / 60	28 / 58	29 / 58	29 / 57	29 / 60	29 / 63
Commercial Glass	11 / 16	7 / 10	12 / 18	5 / 7	10 / 16	4 / 6	12 / 17	6 / 9
Medical Professional Liability	29 / 35	28 / 36	29 / 34	27 / 33	28 / 34	26 / 32	30 / 33	28 / 34
Misc. Professional Liability	31 / 67	31 / 67	29 / 62	29 / 63	31 / 65	28 / 61	28 / 64	30 / 65

Product Liability

There were 56 groups, 151 companies, that had direct written premium for Product Liability in the fourth quarter of 2005, as compared to 55 groups, 148 companies, in the fourth 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 fourth quarter of 2005 to direct written premium in the fourth 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 4th Quarter 2005	% Change 4th Quarter 2004 to 2005	4 Quarters Ending 4th Qtr 2005	% Change 4 Qtrs Ending 2004 to 2005
1	American Financial Group	17.97%	\$5,394,814	(2.20%)	\$27,872,582	7.24%
2	Zurich Insurance Group	13.88%	\$4,569,652	(54.77%)	\$21,522,820	(32.74%)
3	St. Paul Travelers Group	9.48%	\$3,490,422	(43.19%)	\$14,696,300	(37.15%)
4	ACE Ltd.	8.01%	\$1,220,841	(34.89%)	\$12,423,700	91.09%
5	Liberty Mutual Group	6.63%	\$4,445,599	32.21%	\$10,282,277	(26.27%)
6	Chubb & Son Inc.	5.54%	\$2,331,780	(0.77%)	\$8,594,889	8.59%
7	Dallas General Group	4.11%	\$1,388,670	36.19%	\$6,379,507	22.56%
8	Hartford Fire & Casualty Group	3.04%	\$2,640,355	106.08%	\$4,712,018	64.19%
9	Federated Mutual	2.50%	\$820,261	(2.29%)	\$3,869,760	(7.58%)
10	CNA Insurance Group	2.23%	\$370,061	(18.88%)	\$3,458,813	(5.34%)
11	Sentry Insurance Group	2.21%	\$766,512	(5.82%)	\$3,428,890	(6.05%)
12	Fairfax Financial	2.11%	\$1,289,417	75.69%	\$3,269,916	2.41%
13	Electric Insurance Group	2.09%	\$3,243,903	*	\$3,243,903	(10.28%)
14	Allianz Insurance Group	1.92%	\$528,724	77.31%	\$2,983,187	(29.90%)
15	United Fire & Casualty Group	1.88%	\$615,579	9.23%	\$2,920,518	36.97%
16	American International Group	1.86%	\$435,568	57.99%	\$2,889,569	25.31%
17	National American Insurance Company	1.74%	\$445,402	(46.17%)	\$2,705,205	(28.12%)
18	Central Mutual Insurance Company Ohio	1.57%	\$659,034	25.98%	\$2,435,210	29.33%
19	Old Republic Group	1.21%	\$126,033	(58.05%)	\$1,870,647	(17.29%)
20	UNITRIN Group	0.95%	\$498,105	98.01%	\$1,478,870	10.50%
21	Nationwide Corp.	0.91%	\$546,724	118.10%	\$1,408,608	95.52%
22	EMC Insurance Company	0.79%	\$327,651	13.89%	\$1,222,350	(8.57%)
23	Medmark Insurance Group	0.75%	\$228,225	14.06%	\$1,169,694	(5.47%)
24	Ohio Casualty Group	0.68%	\$251,678	21.23%	\$1,051,320	22.85%
25	Indiana Lumbermens	0.67%	\$244,053	(0.60%)	\$1,032,554	21.39%

Top 25 Groups Total	94.74%	\$36,879,063	(4.77%)	\$146,923,107	(7.62%)
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Total Market	100.00%	\$38,393,965	(5.16%)	\$155,072,230	(7.58%)
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* Premiums from prior reporting period were \$0, less than \$0, or negligible.

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 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	\$59,579,406	\$36,994,120	\$97,688,241
2nd qtr 2005	\$56,230,850	\$37,217,878	\$32,123,365
3rd qtr 2005	\$51,108,883	\$42,466,267	\$36,337,905
4th qtr 2005	\$44,738,211	\$38,393,965	\$36,769,610

EARNED TO INCURRED LOSS RATIO BY YEAR

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

Year	Loss Ratio
1994	152.1%
1995	113.4%
1996	178.0%
1997	60.4%
1998	90.4%
1999	68.3%
2000	104.4%
2001	201.3%
2002	275.2%
2003	219.9%
2004	138.3%
2005	35.9%

General Liability

There were 143 groups, 324 companies, that had direct written premium for General Liability in the fourth quarter of 2005, as compared to 121 groups, 300 companies, in the fourth 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 fourth quarter of 2005 to direct written premium in the fourth 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 4thQuarter 2005	% Change 4thQuarter 2004 to 2005	4 Quarters Ending 4thQtr 2005	% Change 4 Qtrs Ending 2004 to 2005
1	American International Group	21.34%	\$85,930,211	8.29%	\$399,585,181	(1.71%)
2	ACE Ltd.	11.03%	\$12,048,041	(19.64%)	\$206,482,514	46.42%
3	Zurich Insurance Group	9.41%	\$47,374,158	(29.60%)	\$176,130,261	(7.66%)
4	St. Paul Travelers Group	8.53%	\$45,731,363	30.78%	\$159,742,317	13.72%
5	American Financial Grp	5.49%	\$25,515,063	(28.97%)	\$102,836,150	(4.92%)
6	CNA Insurance Group	3.49%	\$17,160,065	3.09%	\$65,403,621	(6.29%)
7	Liberty Mutual Group	3.03%	\$14,039,628	(6.17%)	\$56,732,050	(2.69%)
8	Chubb & Son Inc.	2.92%	\$16,081,704	19.02%	\$54,710,520	8.10%
9	Hartford Fire & Casualty Group	2.23%	\$11,813,644	(1.05%)	\$41,734,811	5.62%
10	Alleghany Group	1.91%	\$10,339,405	(0.39%)	\$35,815,497	24.12%
11	Texas Lawyers Insurance Exchange	1.56%	\$5,344,424	(6.12%)	\$29,282,844	(1.49%)
12	Allianz Insurance Group	1.54%	\$9,006,134	18.53%	\$28,905,948	(6.88%)
13	State Farm IL	1.42%	\$5,825,326	4.57%	\$26,598,879	3.36%
14	Dallas General Group	1.30%	\$3,055,291	(30.43%)	\$24,405,767	21.89%
15	Arch Insurance Group	1.28%	\$7,259,694	202.97%	\$23,935,941	898.92%
16	XL America	1.25%	\$1,245,464	(91.92%)	\$23,310,224	(72.38%)
17	Ohio Casualty Group	1.00%	\$4,730,475	1.71%	\$18,701,241	(6.64%)
18	Highmark Inc.	0.98%	\$4,378,171	*	\$18,263,651	*
19	Old Republic Group	0.96%	\$4,459,143	(8.73%)	\$17,948,884	7.02%
20	Fairfax Financial	0.79%	\$3,436,144	(21.23%)	\$14,870,953	(2.36%)
21	Nationwide Corp.	0.79%	\$5,131,164	66.86%	\$14,763,225	44.10%
22	United Fire & Casualty Group	0.77%	\$3,041,145	(2.71%)	\$14,392,188	(2.15%)
23	Federated Mutual	0.74%	\$3,021,745	(12.80%)	\$13,941,398	(9.35%)
24	UNITRIN Group	0.71%	\$2,919,314	(18.93%)	\$13,361,649	(5.29%)
25	AXIS Capital Group	0.71%	\$4,847,053	*	\$13,309,607	*

Top 25 Groups Total	85.20%	\$353,733,969	(3.93%)	\$1,595,165,321	4.00%
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Total Market	100.00%	\$426,316,853	0.26%	\$1,872,181,434	4.89%
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* Premiums from prior reporting period were \$0, less than \$0, or negligible.

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 2000	\$256,405,425	\$404,103,976	\$277,383,640
1st qtr 2001	\$255,141,391	\$283,124,137	\$279,102,702
2nd qtr 2001	\$318,130,195	\$374,451,607	\$172,787,203
3rd qtr 2001	\$228,860,258	\$261,349,125	\$195,733,705
4th qtr 2001	\$235,583,416	\$362,100,156	\$63,102,021
1st qtr 2002	\$449,218,820	\$460,541,620	\$225,467,551
2nd qtr 2002	\$392,219,283	\$346,082,514	\$245,038,500
3rd qtr 2002	\$293,763,572	\$350,321,831	\$223,245,817
4th qtr 2002	\$296,230,398	\$371,238,580	\$293,588,970
1st qtr 2003	\$473,722,924	\$473,509,831	\$339,023,171
2nd qtr 2003	\$460,000,875	\$450,544,223	\$207,970,445
3rd qtr 2003	\$471,126,731	\$482,640,180	\$269,465,874
4th qtr 2003	\$412,727,499	\$436,933,412	\$393,534,154
1st qtr 2004	\$493,759,655	\$493,758,137	\$285,017,073
2nd qtr 2004	\$467,058,967	\$424,331,005	\$187,188,675
3rd qtr 2004	\$452,021,439	\$441,580,967	\$238,041,282
4th qtr 2004	\$473,414,898	\$425,215,480	\$302,351,456
1st qtr 2005	\$474,276,854	\$512,964,035	\$241,112,483
2nd qtr 2005	\$433,415,627	\$433,201,944	\$236,298,622
3rd qtr 2005	\$427,107,075	\$499,698,602	\$207,125,501
4th qtr 2005	\$418,389,164	\$426,316,853	\$288,080,951

EARNED TO INCURRED LOSS RATIO BY YEAR

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

<u>Year</u>	<u>Loss Ratio</u>
1994	64.8%
1995	96.7%
1996	99.0%
1997	51.8%
1998	58.6%
1999	63.8%
2000	74.1%
2001	74.4%
2002	114.5%
2003	77.0%
2004	74.8%
2005	77.6%

Commercial Fire & Allied

There were 76 groups, 168 companies, that had direct written premium for Commercial Fire & Allied in the fourth quarter of 2005, as compared to 69 groups, 168 companies, in the fourth 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 fourth quarter of 2005 to direct written premium in the fourth 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 4thQuarter 2005	% Change 4thQuarter 2004 to 2005	4 Quarters Ending 4thQtr 2005	% Change 4 Qtrs Ending 2004 to 2005
1	St. Paul Travelers Group	17.12%	\$23,853,871	10.23%	\$108,046,100	4.92%
2	FM Global Group	15.70%	\$28,008,141	116.14%	\$99,057,721	14.15%
3	Texas Windstorm Insurance Association	5.67%	\$8,664,280	17.65%	\$35,780,477	15.28%
4	Alleghany Group	5.20%	\$10,322,672	(21.87%)	\$32,833,637	(12.16%)
5	Zurich Insurance Group	5.13%	\$5,364,844	(43.28%)	\$32,391,065	(8.34%)
6	Liberty Mutual Group	5.10%	\$8,995,738	37.95%	\$32,158,061	26.99%
7	Allianz Insurance Group	4.56%	\$4,378,205	(34.11%)	\$28,780,710	(29.71%)
8	Fairfax Financial	4.54%	\$10,320,070	88.10%	\$28,637,001	66.25%
9	XL America	4.08%	\$6,147,595	(38.74%)	\$25,756,742	73.89%
10	American International Group	3.27%	\$6,144,916	(19.61%)	\$20,607,219	0.16%
11	CNA Insurance Group	3.25%	\$5,105,389	1.39%	\$20,516,495	(8.96%)
12	United Fire & Casualty Group	3.01%	\$4,249,076	(5.19%)	\$18,979,330	(4.11%)
13	Hartford Fire & Casualty Group	2.74%	\$5,398,448	(2.80%)	\$17,268,287	22.42%
14	UNITRIN Group	1.95%	\$2,422,575	(22.39%)	\$12,336,116	(7.04%)
15	Federated Mutual	1.55%	\$2,232,323	(9.79%)	\$9,761,177	(15.82%)
16	ACE Ltd.	1.43%	\$2,738,399	(20.62%)	\$9,013,205	2.21%
17	Sentry Insurance Group	1.39%	\$2,018,063	8.46%	\$8,799,951	0.31%
18	AXIS Capital Group	1.26%	\$3,242,594	*	\$7,955,389	*
19	GE Global Group	1.19%	\$2,821,784	*	\$7,535,240	53.24%
20	Arch Ins Grp	1.19%	\$3,433,833	163.10%	\$7,513,848	445.43%
21	Safeco Insurance Group	1.18%	\$1,858,174	10.94%	\$7,419,902	(0.74%)
22	Texas Farm Bureau Mutual	1.09%	\$1,685,132	1.24%	\$6,887,257	6.49%
23	EMC Insurance Company	0.98%	\$1,537,960	6.53%	\$6,156,450	(3.28%)
24	American Modern Insurance Group	0.94%	\$1,544,171	8.69%	\$5,920,861	24.88%
25	Allstate Insurance Group	0.75%	\$1,751,419	50.52%	\$4,715,307	46.32%

Top 25 Groups Total	94.26%	\$154,239,672	13.73%	\$594,827,548	8.97%
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Total Market	100.00%	\$164,333,350	9.78%	\$631,050,919	5.72%
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* Premiums from prior reporting period were \$0, less than \$0, or negligible.

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 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	\$131,460,795	\$140,364,070	\$37,487,857
2nd qtr 2005	\$142,548,701	\$166,400,075	\$96,525,751
3rd qtr 2005	\$126,386,251	\$159,953,424	\$90,738,521
4th qtr 2005	\$135,073,221	\$164,333,350	\$148,230,873

EARNED TO INCURRED LOSS RATIO BY YEAR

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

<u>Year</u>	<u>Loss Ratio</u>
1994	69.6%
1995	97.1%
1996	49.9%
1997	38.3%
1998	57.4%
1999	53.1%
2000	81.9%
2001	107.7%
2002	55.8%
2003	48.9%
2004	32.4%
2005	109.7%

Commercial Multiple Peril

There were 83 groups, 200 companies, that had direct written premium for Commercial Multiple Peril in the fourth quarter of 2005, as compared to 79 groups, 195 companies, in the fourth 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 fourth quarter of 2005 to direct written premium in the fourth 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 4thQuarter 2005	% Change 4thQuarter 2004 to 2005	4 Quarters Ending 4thQtr 2005	% Change 4 Qtrs Ending 2004 to 2005
1	Zurich Insurance Group	12.58%	\$46,302,691	(15.61%)	\$184,516,854	1.65%
2	St. Paul Travelers Group	12.42%	\$47,010,968	4.01%	\$182,182,506	0.81%
3	Hartford Fire & Casualty Group	8.49%	\$32,204,876	17.05%	\$124,511,357	11.43%
4	CNA Insurance Group	5.94%	\$22,604,711	0.96%	\$87,105,461	0.64%
5	Chubb & Son Inc.	5.74%	\$17,300,448	(15.00%)	\$84,198,413	(5.00%)
6	Liberty Mutual Group	4.61%	\$18,875,807	21.59%	\$67,530,617	11.94%
7	State Farm IL	4.44%	\$15,278,306	1.69%	\$65,033,791	(1.43%)
8	Safeco Insurance Group	4.28%	\$16,390,942	(4.40%)	\$62,761,743	(3.69%)
9	Maguire Corp. Group	3.21%	\$12,018,565	13.35%	\$47,110,557	20.08%
10	Church Mutual Insurance Company	3.20%	\$10,502,104	9.32%	\$46,990,017	10.79%
11	Nationwide Corp.	3.10%	\$14,092,988	31.60%	\$45,396,838	53.27%
12	Allianz Insurance Group	2.84%	\$11,180,366	(27.14%)	\$41,702,388	0.91%
13	WR Berkley Corp.	2.79%	\$10,085,898	27.21%	\$40,915,039	17.90%
14	Guideone Insurance Group	2.12%	\$7,557,817	0.63%	\$31,044,553	(1.07%)
15	Republic Companies Group	2.09%	\$7,406,262	2.75%	\$30,694,866	6.45%
16	Allstate Insurance Group	2.01%	\$7,074,797	(5.24%)	\$29,478,437	(4.39%)
17	Amerisure Company	1.77%	\$6,510,562	12.76%	\$25,927,616	6.21%
18	Old Republic Group	1.70%	\$5,995,935	(6.81%)	\$24,949,553	1.14%
19	Ohio Casualty Group	1.69%	\$6,158,480	(11.09%)	\$24,800,007	(10.73%)
20	ACE Ltd.	1.63%	\$4,787,781	11.30%	\$23,926,378	24.76%
21	Central Mutual Insurance Company Ohio	1.59%	\$5,639,158	(2.06%)	\$23,319,016	(7.14%)
22	American International Group	0.95%	\$3,621,134	(43.46%)	\$13,973,657	(42.50%)
23	Allmerica Financial Group	0.92%	\$3,973,672	(4.15%)	\$13,545,599	6.28%
24	Hannover Group	0.91%	\$1,142,147	(71.36%)	\$13,306,666	(25.25%)
25	Glencoe US Holdings Inc.	0.73%	\$2,595,771	42.58%	\$10,755,014	84.35%

Top 25 Groups Total	91.77%	\$336,312,186	(1.07%)	\$1,345,676,943	3.45%
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Total Market	100.00%	\$368,645,363	1.14%	\$1,466,321,529	4.03%
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QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
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	\$334,740,459	\$202,029,594
4th qtr 2003	\$322,146,304	\$375,868,718	\$173,532,706
1st qtr 2004	\$319,759,466	\$347,252,304	\$136,183,192
2nd qtr 2004	\$316,652,533	\$344,012,546	\$151,816,651
3rd qtr 2004	\$319,893,569	\$353,710,833	\$149,406,964
4th qtr 2004	\$413,998,130	\$364,497,009	\$147,217,410
1st qtr 2005	\$347,173,478	\$353,804,319	\$130,464,524
2nd qtr 2005	\$360,167,502	\$372,484,461	\$145,737,537
3rd qtr 2005	\$364,455,186	\$371,387,386	\$145,961,223
4th qtr 2005	\$348,682,107	\$368,645,363	\$243,986,045

EARNED TO INCURRED LOSS RATIO BY YEAR

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

<u>Year</u>	<u>Loss Ratio</u>
1994	61.8%
1995	97.5%
1996	59.0%
1997	54.1%
1998	51.2%
1999	67.1%
2000	89.8%
2001	85.6%
2002	59.8%
2003	58.0%
2004	47.0%
2005	69.4%

Private Passenger Auto (All Companies, All Coverages)

There were 66 groups, 186 companies, that had direct written premium for Private Passenger Auto in the fourth quarter of 2005, as compared to 61 groups, 177 companies, in the fourth 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 fourth quarter of 2005 to direct written premium in the fourth 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 4thQuarter 2005	% Change 4thQuarter 2004 to 2005	4 Quarters Ending 4thQtr 2005	% Change 4 Qtrs Ending 2004 to 2005
1	State Farm IL	21.76%	\$601,775,403	(0.54%)	\$2,491,209,179	(3.74%)
2	Allstate Insurance Group	15.09%	\$427,350,956	(1.53%)	\$1,727,178,903	0.35%
3	Zurich Insurance Group	12.93%	\$344,323,581	0.98%	\$1,480,239,876	3.00%
4	Progressive Group	8.62%	\$224,475,051	(12.53%)	\$986,958,779	(6.17%)
5	United Services Automobile Assn. Group	5.30%	\$146,864,762	5.13%	\$607,096,281	(5.77%)
6	Old American County Mutual Fire Ins. Co.	5.00%	\$121,992,318	7.92%	\$572,320,243	19.45%
7	Berkshire Hathaway	4.91%	\$140,102,032	35.77%	\$562,511,596	32.10%
8	Nationwide Corp.	3.46%	\$93,963,976	(18.54%)	\$395,570,731	(19.59%)
9	Southern Farm Bureau Casualty	3.39%	\$94,391,498	(5.35%)	\$387,568,759	(3.70%)
10	Home State Insurance Group	2.96%	\$75,612,559	(11.60%)	\$339,300,136	(2.79%)
11	Titus Group	2.08%	\$59,423,085	35.64%	\$238,519,788	35.92%
12	Safeco Insurance Group	1.72%	\$47,576,693	(3.84%)	\$196,355,279	(4.26%)
13	UNITRIN Group	1.33%	\$37,606,302	3.57%	\$152,645,226	(2.41%)
14	Liberty Mutual Group	1.24%	\$32,326,803	2.85%	\$141,684,149	(5.09%)
15	Republic Companies Group	1.14%	\$34,816,514	15.13%	\$130,849,303	4.40%
16	Texas State National Group	0.97%	\$17,927,233	(54.41%)	\$111,496,334	(42.14%)
17	Mercury General Group	0.86%	\$23,025,927	3.37%	\$98,864,129	3.43%
18	St. Paul Travelers Group	0.83%	\$19,941,696	(24.11%)	\$94,509,422	(24.01%)
19	Interins Exchange of the Automobile Club	0.69%	\$19,307,201	18.31%	\$79,530,273	17.84%
20	Sentry Insurance Group	0.53%	\$13,223,958	(35.36%)	\$60,818,356	(10.57%)
21	Hartford Fire & Casualty Group	0.50%	\$12,375,718	(20.58%)	\$57,562,950	(20.50%)
22	Germania Insurance Group	0.49%	\$12,615,807	7.68%	\$55,925,175	7.72%
23	Metropolitan Group	0.47%	\$13,501,830	10.12%	\$54,314,249	5.92%
24	American International Group	0.47%	\$18,294,418	433.04%	\$53,276,484	208.39%
25	Amica Mutual Group	0.43%	\$11,193,263	(4.21%)	\$49,386,421	(4.46%)

Top 25 Groups Total	97.19%	\$2,644,008,584	(0.74%)	\$11,125,692,021	(0.62%)
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Total Market	100.00%	\$2,718,222,529	(0.36%)	\$11,447,822,256	(0.32%)
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QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
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	\$3,103,271,206	\$2,974,668,675	\$1,563,989,740
2nd qtr 2005	\$2,936,532,743	\$2,765,341,841	\$1,884,963,993
3rd qtr 2005	\$3,105,148,346	\$2,989,589,211	\$1,675,759,014
4th qtr 2005	\$2,896,092,384	\$2,718,222,529	\$1,653,167,287

EARNED TO INCURRED LOSS RATIO BY YEAR

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

<u>Year</u>	<u>Loss Ratio</u>
1994	70.9%
1995	72.3%
1996	62.9%
1997	58.7%
1998	60.8%
1999	66.6%
2000	74.9%
2001	78.2%
2002	66.8%
2003	67.6%
2004	54.4%
2005	58.4%

Private Passenger Auto (All Voluntary Liability)

There were 66 groups, 183 companies, that had voluntary liability (no assigned risk nor physical damage) direct written premium for Private Passenger Auto in the fourth quarter of 2005, as compared to 61 groups, 174 companies, in the fourth 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 fourth quarter of 2005 to direct written premium in the fourth 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 4thQuarter 2005	% Change 4thQuarter 2004 to 2005	4 Quarters Ending 4thQtr 2005	% Change 4 Qtrs Ending 2004 to 2005
1	State Farm IL	21.62%	\$334,686,583	(1.34%)	\$1,390,659,197	(3.24%)
2	Allstate Insurance Group	14.73%	\$233,248,375	(4.36%)	\$947,654,146	0.19%
3	Zurich Insurance Group	12.43%	\$192,957,037	2.41%	\$799,559,873	0.26%
4	Progressive Group	8.36%	\$122,263,285	(12.81%)	\$537,693,242	(5.02%)
5	Old American County Mutual Fire Ins. Co.	5.84%	\$78,154,412	(0.40%)	\$375,670,867	19.34%
6	United Services Automobile Assn. Group	5.39%	\$83,392,389	1.68%	\$346,709,795	(6.30%)
7	Berkshire Hathaway	5.00%	\$79,319,850	35.41%	\$321,741,871	32.70%
8	Nationwide Corp.	3.47%	\$52,734,629	(20.73%)	\$222,912,585	(22.00%)
9	Southern Farm Bureau Casualty	3.19%	\$49,726,064	(6.21%)	\$205,006,056	(4.43%)
10	Home State Insurance Group	3.06%	\$44,299,903	(11.19%)	\$196,999,006	(3.58%)
11	Titus Group	1.72%	\$28,642,009	55.39%	\$110,717,808	55.52%
12	Safeco Insurance Group	1.71%	\$27,245,944	(3.50%)	\$110,131,376	(4.44%)
13	UNITRIN Group	1.36%	\$21,555,973	4.28%	\$87,485,835	(0.79%)
14	Texas State National Group	1.30%	\$12,872,739	(57.29%)	\$83,563,317	(44.41%)
15	Liberty Mutual Group	1.24%	\$18,006,457	3.16%	\$79,678,658	(3.26%)
16	Republic Companies Group	1.18%	\$18,542,399	3.08%	\$75,875,744	0.60%
17	Mercury General Group	0.87%	\$12,912,759	0.39%	\$56,123,127	5.42%
18	St. Paul Travelers Group	0.85%	\$11,500,460	(24.62%)	\$54,665,825	(23.62%)
19	Sentry Insurance Group	0.66%	\$9,468,265	(43.01%)	\$42,696,116	(11.76%)
20	Interins Exchange of the Automobile Club	0.65%	\$10,198,037	21.08%	\$41,577,588	16.29%
21	Hartford Fire & Casualty Group	0.51%	\$7,069,336	(20.16%)	\$33,039,148	(20.31%)
22	Amica Mutual Group	0.48%	\$6,966,689	1.17%	\$30,610,448	0.00%
23	Metropolitan Group	0.48%	\$7,636,295	14.42%	\$30,609,839	9.57%
24	Germania Insurance Group	0.47%	\$6,739,512	6.05%	\$29,964,273	6.07%
25	American International Group	0.47%	\$10,294,439	644.17%	\$29,951,499	304.04%

Top 25 Groups Total	97.41%	\$1,480,433,840	1.61%	\$6,241,297,239	0.15%
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Total Market	100.00%	\$1,524,298,123	1.82%	\$6,431,734,249	0.29%
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QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
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	\$1,766,455,541	\$1,686,982,703	\$923,428,190
2nd qtr 2005	\$1,638,766,096	\$1,563,745,477	\$1,124,509,875
3rd qtr 2005	\$1,747,242,711	\$1,656,707,946	\$978,989,204
4th qtr 2005	\$1,636,150,324	\$1,524,298,123	\$936,367,719

Private Passenger Auto (All Assigned Risk)

There were 15 groups, 18 companies, that had assigned risk (no voluntary liability nor physical damage) direct written premium for Private Passenger Auto in the fourth quarter of 2005, as compared to 16 groups, 16 companies, in the fourth 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 fourth quarter of 2005 to direct written premium in the fourth 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 4thQuarter 2005	% Change 4thQuarter 2004 to 2005	4 Quarters Ending 4thQtr 2005	% Change 4 Qtrs Ending 2004 to 2005
1	State Farm IL	28.18%	\$896,878	(57.02%)	\$4,551,723	(55.42%)
2	White Mountains Group	14.21%	\$307,898	*	\$2,294,279	*
3	Allstate Insurance Group	14.19%	\$396,073	16.24%	\$2,291,342	(28.60%)
4	Zurich Insurance Group	11.79%	\$337,521	(39.23%)	\$1,904,242	(27.42%)
5	American International Group	10.00%	\$313,044	(66.34%)	\$1,614,453	(63.86%)
6	Southern Farm Bureau Casualty	5.61%	\$258,195	(24.23%)	\$905,536	(51.59%)
7	Berkshire Hathaway	3.80%	\$166,308	(27.01%)	\$614,455	(49.46%)
8	Home State Insurance Group	3.16%	\$35,300	*	\$510,896	*
9	Nationwide Corp.	3.07%	\$67,949	(41.60%)	\$495,458	(40.23%)
10	Safeco Insurance Group	2.16%	\$66,630	(18.98%)	\$348,914	(57.40%)
11	St. Paul Travelers Group	1.64%	\$63,748	(42.59%)	\$265,664	(54.88%)
12	Liberty Mutual Group	1.62%	\$52,466	(7.44%)	\$261,571	(16.34%)
13	Mercury General Group	0.57%	\$28,619	317.31%	\$92,118	225.94%
14	Service Life Group	0.02%	\$0	(100.00%)	\$3,239	(80.28%)
15	Southland Lloyds Insurance Company	0.00%	\$738	(28.00%)	\$738	(59.43%)
16	Ameriprise Financial Group	0.00%	\$0	*	\$0	100.00%
17	Lumbermens Mutaul Casualty Group	0.00%	\$0	*	\$0	(100.00%)
18	UNITRIN Group	0.00%	\$0	100.00%	\$0	(100.00%)
19	Ameriprise Financial Group	(0.03%)	(\$19)	(100.55%)	(\$4,068)	(115.18%)

Top Groups Total	100.00%	\$2,991,348	(38.46%)	\$16,150,560	(38.59%)
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Total Market	100.00%	\$2,991,348	(38.46%)	\$16,150,560	(38.59%)
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* Premiums from prior reporting period were \$0, less than \$0, or negligible.

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 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	\$8,862,413	\$5,933,005	\$4,635,125
2nd qtr 2005	\$6,826,404	\$3,728,229	\$2,971,067
3rd qtr 2005	\$6,106,080	\$3,497,978	\$3,717,430
4th qtr 2005	\$5,558,905	\$2,991,348	\$3,120,298

Private Passenger Auto (All Physical Damage)

There were 64 groups, 177 companies, that had physical damage (no voluntary liability nor assigned risk) direct written premium for Private Passenger Auto in the fourth quarter of 2005, as compared to 59 groups, 172 companies, in the fourth 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 fourth quarter of 2005 to direct written premium in the fourth 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 4thQuarter 2005	% Change 4thQuarter 2004 to 2005	4 Quarters Ending 4thQtr 2005	% Change 4 Qtrs Ending 2004 to 2005
1	State Farm IL	21.92%	\$266,191,942	0.94%	\$1,095,998,259	(3.91%)
2	Allstate Insurance Group	15.54%	\$193,706,508	2.06%	\$777,233,415	0.66%
3	Zurich Insurance Group	13.58%	\$151,029,023	(0.65%)	\$678,775,761	6.55%
4	Progressive Group	8.99%	\$102,211,766	(12.19%)	\$449,265,537	(7.51%)
5	United Services Automobile Assn. Group	5.21%	\$63,472,373	10.04%	\$260,386,486	(5.06%)
6	Berkshire Hathaway	4.80%	\$60,615,874	36.56%	\$240,155,270	31.85%
7	Old American County Mutual Fire Ins. Co.	3.93%	\$43,837,906	26.80%	\$196,649,376	19.65%
8	Southern Farm Bureau Casualty	3.63%	\$44,407,239	(4.22%)	\$181,657,167	(2.38%)
9	Nationwide Corp.	3.44%	\$41,161,398	(15.50%)	\$172,162,688	(16.15%)
10	Home State Insurance Group	2.84%	\$31,277,356	(12.28%)	\$141,790,234	(2.03%)
11	Titus Group	2.56%	\$30,781,076	21.29%	\$127,801,980	22.53%
12	Safeco Insurance Group	1.72%	\$20,264,119	(4.22%)	\$85,874,989	(3.55%)
13	UNITRIN Group	1.30%	\$16,050,329	2.63%	\$65,159,391	(4.39%)
14	Liberty Mutual Group	1.23%	\$14,267,880	2.50%	\$61,743,920	(7.31%)
15	Republic Companies Group	1.10%	\$16,274,115	32.83%	\$54,973,559	10.14%
16	Mercury General Group	0.85%	\$10,084,549	7.21%	\$42,648,884	0.77%
17	St. Paul Travelers Group	0.79%	\$8,377,488	(23.21%)	\$39,577,933	(24.19%)
18	Interins Exchange of the Automobile Club	0.76%	\$9,109,164	15.37%	\$37,952,685	19.58%
19	Texas State National Group	0.56%	\$5,054,494	(44.92%)	\$27,933,017	(34.12%)
20	Germania Insurance Group	0.52%	\$5,876,295	9.61%	\$25,960,902	9.68%
21	Hartford Fire & Casualty Group	0.49%	\$5,306,382	(21.12%)	\$24,523,802	(20.77%)
22	Metropolitan Group	0.47%	\$5,865,535	4.98%	\$23,704,410	1.55%
23	American International Group	0.43%	\$7,686,935	587.08%	\$21,710,532	302.38%
24	Amica Mutual Group	0.38%	\$4,226,574	(11.93%)	\$18,775,973	(10.94%)
25	Sentry Insurance Group	0.36%	\$3,755,693	(2.34%)	\$18,122,240	(7.64%)
Top 25 Groups Total		97.41%	\$1,160,892,013	1.61%	\$4,870,538,410	0.15%
Total Market		100.00%	\$1,190,933,058	1.82%	\$4,999,937,447	0.29%

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
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	\$1,327,953,252	\$1,281,752,967	\$635,926,425
2nd qtr 2005	\$1,290,940,243	\$1,197,868,135	\$757,483,051
3rd qtr 2005	\$1,351,799,555	\$1,329,383,287	\$693,052,380
4th qtr 2005	\$1,254,383,155	\$1,190,933,058	\$713,679,270

Homeowners Multiple Peril (All Companies)

There were 63 groups, 101 companies, that had premiums on policies written for Homeowners Multiple Peril (includes renters' insurance) in the fourth quarter of 2005, as compared to 57 groups, 87 companies, in the fourth 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 fourth quarter of 2005 to premiums on policies written in the fourth 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 4th Quarter 2005	% Change 4th Quarter 2004 to 2005	4 Quarters Ending 4th Qtr 2005	% Change 4 Qtrs Ending 2004 to 2005
1	State Farm IL	28.22%	\$302,527,334	3.40%	\$1,295,640,673	2.82%
2	Allstate Insurance Group	17.68%	\$193,537,628	(1.05%)	\$811,600,693	10.23%
3	Zurich Insurance Group	11.40%	\$123,670,124	1.01%	\$523,506,092	(1.12%)
4	United Services Automobile Assn. Group	7.23%	\$76,667,220	4.24%	\$332,180,534	4.13%
5	St. Paul Travelers Group	5.57%	\$60,477,642	4.41%	\$255,861,582	7.06%
6	Vesta Insurance Group	4.00%	\$42,593,241	(17.57%)	\$183,596,609	(9.98%)
7	Nationwide Corp.	3.93%	\$41,673,090	6.63%	\$180,390,141	9.16%
8	Chubb & Son Inc.	2.51%	\$28,536,205	(2.27%)	\$115,147,483	(1.30%)
9	Texas Farm Bureau Mutual	2.43%	\$23,450,665	5.17%	\$111,476,058	7.28%
10	Liberty Mutual Group	1.85%	\$20,204,032	6.29%	\$85,152,971	6.97%
11	Hartford Fire & Casualty Group	1.28%	\$16,912,571	34.59%	\$58,646,199	13.29%
12	NLASCO	1.16%	\$12,751,107	(17.87%)	\$53,373,396	(2.48%)
13	Texas Fair Plan Association	1.08%	\$8,718,108	(48.27%)	\$49,359,409	(44.66%)
14	Safeco Insurance Group	1.07%	\$10,597,123	(7.54%)	\$49,014,538	(4.57%)
15	Republic Companies Group	1.03%	\$11,791,971	21.14%	\$47,517,010	15.76%
16	Amica Mutual Group	1.02%	\$10,666,582	(5.08%)	\$46,722,665	(2.17%)
17	UNITRIN Group	0.77%	\$8,215,295	(7.34%)	\$35,406,334	2.23%
18	ARX Holding Corp. Group	0.74%	\$9,217,828	14.01%	\$34,112,429	19.11%
19	American National Financial Group	0.72%	\$7,337,240	5.41%	\$32,905,846	(5.91%)
20	Interins Exchange of the Automobile Club	0.66%	\$7,645,145	10.43%	\$30,359,721	16.11%
21	Cypress Holdings Group	0.58%	\$6,985,554	55.76%	\$26,733,803	84.03%
22	Allianz Insurance Group	0.55%	\$6,699,254	(2.16%)	\$25,325,184	(8.98%)
23	Glencoe US Holdings Inc.	0.51%	\$5,620,310	*	\$23,629,199	*
24	Metropolitan Group	0.39%	\$4,984,442	13.51%	\$18,043,725	14.30%
25	Colonial Savings Group	0.36%	\$4,829,612	41.50%	\$16,503,314	5.88%

Top 25 Groups Total	96.75%	\$1,046,309,323	1.52%	\$4,442,205,608	3.61%
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Total Market	100.00%	\$1,084,214,908	2.03%	\$4,591,335,036	3.06%
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* Premiums from prior reporting period were \$0, less than \$0, or negligible.

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 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	\$1,080,593,528	\$999,413,785	\$279,313,348
2nd qtr 2005	\$1,360,884,551	\$1,253,169,617	\$445,858,432
3rd qtr 2005	\$1,369,785,140	\$1,254,536,726	\$348,938,521
4th qtr 2005	\$1,174,051,166	\$1,084,214,908	\$1,219,402,272

EARNED TO INCURRED LOSS RATIO BY YEAR

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

<u>Year</u>	<u>Loss Ratio</u>
1994	73.3%
1995	92.6%
1996	59.4%
1997	45.3%
1998	45.4%
1999	50.7%
2000	82.4%
2001	115.4%
2002	108.7%
2003	58.7%
2004	27.8%
2005	56.8%

Workers' Compensation (All Companies)

There were 92 groups, 235 companies, that had direct written premium for Workers' Compensation in the fourth quarter of 2005, as compared to 87 groups, 224 companies, in the fourth 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 fourth quarter of 2005 to direct written premium in the fourth 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 4thQuarter 2005	% Change 4thQuarter 2004 to 2005	4 Quarters Ending 4thQtr 2005	% Change 4 Qtrs Ending 2004 to 2005
1	Texas Mutual Insurance Company	26.42%	\$173,460,735	0.15%	\$701,956,102	(1.69%)
2	American International Group	13.91%	\$96,733,120	0.01%	\$369,592,390	2.61%
3	Liberty Mutual Group	9.11%	\$72,582,360	51.60%	\$241,908,145	3.29%
4	Hartford Fire & Casualty Group	8.36%	\$88,206,629	118.66%	\$222,116,856	28.40%
5	Zurich Insurance Group	8.01%	\$47,926,417	(22.85%)	\$212,728,882	(0.08%)
6	St. Paul Travelers Group	5.91%	\$43,663,322	10.79%	\$156,893,744	2.37%
7	ACE Ltd.	3.89%	\$26,610,368	3.23%	\$103,242,792	7.95%
8	CNA Insurance Group	3.60%	\$19,144,914	(20.77%)	\$95,672,623	(9.27%)
9	Old Republic Group	2.27%	\$16,125,303	8.60%	\$60,259,462	1.71%
10	Chubb & Son Inc.	2.01%	\$12,074,004	16.19%	\$53,296,550	6.07%
11	Service Life Group	1.88%	\$9,288,565	14.44%	\$49,984,136	(3.90%)
12	Amerisure Company	1.62%	\$12,150,779	17.28%	\$42,984,376	(3.14%)
13	Zenith National Insurance Group	1.29%	\$9,605,965	13.42%	\$34,383,961	10.92%
14	Amcomp Group	0.95%	\$7,173,753	31.11%	\$25,201,358	(39.70%)
15	Sentry Insurance Group	0.87%	\$5,628,812	(14.64%)	\$23,227,812	(15.06%)
16	Fairfax Financial	0.50%	\$3,119,819	(2.99%)	\$13,219,302	0.43%
17	Amerisafe Group	0.48%	\$3,284,207	(8.62%)	\$12,857,629	(24.90%)
18	Republic Companies Group	0.48%	\$3,511,604	3.59%	\$12,776,551	9.65%
19	Utica National Insurance Group	0.47%	\$3,064,324	(15.62%)	\$12,605,000	(10.48%)
20	EMC Insurance Company	0.43%	\$2,410,304	(1.36%)	\$11,298,077	(6.72%)
21	WR Berkley Corp.	0.41%	\$1,676,000	25.84%	\$10,850,341	43.15%
22	Federated Mutual	0.40%	\$1,801,718	3.28%	\$10,665,127	5.34%
23	UNITRIN Group	0.39%	\$2,545,672	22.72%	\$10,451,009	19.15%
24	Atlantic American	0.34%	\$2,035,624	(19.21%)	\$8,960,922	(15.94%)
25	State Farm IL	0.32%	\$1,946,494	(8.02%)	\$8,593,236	(10.31%)

Top 25 Groups Total	94.32%	\$665,770,812	10.98%	\$2,505,726,383	1.47%
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Total Market	100.00%	\$707,458,603	10.97%	\$2,656,533,387	0.61%
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QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
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	\$715,844,213	\$701,739,909	\$248,862,256
2nd qtr 2005	\$675,246,053	\$622,070,351	\$246,527,826
3rd qtr 2005	\$608,614,039	\$625,264,524	\$245,776,806
4th qtr 2005	\$653,492,954	\$707,458,603	\$214,575,494

EARNED TO INCURRED LOSS RATIO BY YEAR

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

<u>Year</u>	<u>Loss Ratio</u>
1994	38.7%
1995	61.3%
1996	68.5%
1997	72.9%
1998	70.7%
1999	79.5%
2000	78.3%
2001	89.2%
2002	74.2%
2003	68.0%
2004	51.3%
2005	57.0%

Workers' Compensation (Voluntary Market)

There were 92 groups, 235 companies, that had voluntary direct written premium for Workers' Compensation in the fourth quarter of 2005, as compared to 87 groups, 224 companies, in the fourth 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 fourth quarter of 2005 to direct written premium in the fourth 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 4thQuarter 2005	% Change 4thQuarter 2004 to 2005	4 Quarters Ending 4thQtr 2005	% Change 4 Qtrs Ending 2004 to 2005
1	Texas Mutual Insurance Company	26.27%	\$171,916,637	1.00%	\$694,700,063	(0.21%)
2	American International Group	13.97%	\$96,733,120	0.01%	\$369,592,390	2.61%
3	Liberty Mutual Group	9.15%	\$72,582,360	51.60%	\$241,908,145	3.29%
4	Hartford Fire & Casualty Group	8.40%	\$88,206,629	118.66%	\$222,116,856	28.40%
5	Zurich Insurance Group	8.04%	\$47,926,417	(22.85%)	\$212,728,882	(0.08%)
6	St. Paul Travelers Group	5.93%	\$43,663,322	10.79%	\$156,893,744	2.37%
7	ACE Ltd.	3.90%	\$26,610,368	3.23%	\$103,242,792	7.95%
8	CNA Insurance Group	3.62%	\$19,144,914	(20.77%)	\$95,672,623	(9.27%)
9	Old Republic Group	2.28%	\$16,125,303	8.60%	\$60,259,462	1.71%
10	Chubb & Son Inc.	2.02%	\$12,074,004	16.19%	\$53,296,550	6.07%
11	Service Life Group	1.89%	\$9,288,565	14.44%	\$49,984,136	(3.90%)
12	Amerisure Company	1.63%	\$12,150,779	17.28%	\$42,984,376	(3.14%)
13	Zenith National Insurance Group	1.30%	\$9,605,965	13.42%	\$34,383,961	10.92%
14	Amcomp Group	0.95%	\$7,173,753	31.11%	\$25,201,358	(39.70%)
15	Sentry Insurance Group	0.88%	\$5,628,812	(14.64%)	\$23,227,812	(15.06%)
16	Fairfax Financial	0.50%	\$3,119,819	(2.99%)	\$13,219,302	0.43%
17	Amerisafe Group	0.49%	\$3,284,207	(8.62%)	\$12,857,629	(24.90%)
18	Republic Companies Group	0.48%	\$3,511,604	3.59%	\$12,776,551	9.65%
19	Utica National Insurance Group	0.48%	\$3,064,324	(15.62%)	\$12,605,000	(10.48%)
20	EMC Insurance Company	0.43%	\$2,410,304	(1.36%)	\$11,298,077	(6.72%)
21	WR Berkley Corp.	0.41%	\$1,676,000	25.84%	\$10,850,341	43.15%
22	Federated Mutual	0.40%	\$1,801,718	3.28%	\$10,665,127	5.34%
23	UNINTRIN Group	0.40%	\$2,545,672	22.72%	\$10,451,009	19.15%
24	Atlantic American	0.34%	\$2,035,624	(19.21%)	\$8,960,922	(15.94%)
25	State Farm IL	0.32%	\$1,946,494	(8.02%)	\$8,593,236	(10.31%)

Top 25 Groups Total	94.46%	\$664,226,714	11.27%	\$2,498,470,344	1.91%
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Total Market	100.00%	\$704,507,634	11.03%	\$2,644,938,087	0.85%
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QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
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	\$712,653,851	\$699,498,680	\$245,859,536
2nd qtr 2005	\$672,084,966	\$620,520,059	\$245,070,604
3rd qtr 2005	\$606,964,507	\$620,411,714	\$242,926,580
4th qtr 2005	\$651,678,557	\$704,507,634	\$206,376,037

Workers' Compensation (Residual Market)

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

For the four quarters ending with the fourth quarter of 2005, the START program reported \$7,256,039 in direct premiums written. This accounted for 62.58% of all Residual Market experience reported and was a decrease of (59.42%) over the same period one year prior. Of this amount \$1,544,098 was written in the fourth quarter of 2005 which was a (48.34%) decrease from the fourth 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
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	\$2,241,229	\$3,002,720
2nd qtr 2005	\$3,161,087	\$1,550,292	\$1,457,222
3rd qtr 2005	\$1,649,532	\$4,852,810	\$2,850,226
4th qtr 2005	\$1,814,397	\$2,950,969	\$8,199,457

QUARTERLY EXPERIENCE
Texas Mutual Insurance Company

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
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
3rd qtr 2005	\$1,649,532	\$1,920,420	\$1,356,660
4th qtr 2005	\$1,814,397	\$1,544,098	\$1,253,731

Workers' Compensation (Deductible Plans)

There were 92 groups, 235 companies which wrote voluntary policies for Workers' Compensation in the fourth quarter of 2005, as compared to 87 groups, 224 companies in the fourth quarter of 2004.

The data contained in the following table represents direct policies written as new or renewal policies in the fourth 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 fourth 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 4th 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	44	\$337,112	\$303,244	10.05%
Premium of \$10,000 - \$24,999	67	\$1,192,362	\$1,026,183	13.94%
Premium of \$25,000 - \$49,999	44	\$1,826,946	\$1,555,997	14.83%
Premium of \$50,000 - \$74,999	14	\$890,819	\$799,556	10.24%
Premium of \$75,000 - \$100,000	10	\$959,546	\$810,834	15.50%
Total Per Accident Plan	179	\$5,206,785	\$4,495,814	13.65%
Aggregate Deductible Plan				
Premium of \$5,000 - \$9,999	19	\$121,198	\$104,387	13.87%
Premium of \$10,000 - \$24,999	15	\$267,680	\$226,777	15.28%
Premium of \$25,000 - \$49,999	14	\$518,791	\$430,224	17.07%
Premium of \$50,000 - \$74,999	7	\$454,023	\$382,540	15.74%
Premium of \$75,000 - \$100,000	6	\$621,266	\$473,682	23.76%
Total Aggregate Plan	61	\$1,982,958	\$1,617,610	18.42%
Per Accident/Aggregate Combination Deductible Plan				
Premium of \$5,000 - \$9,999	109	\$158,113	\$36,410	76.97%
Premium of \$10,000 - \$24,999	16	\$280,681	\$124,864	55.51%
Premium of \$25,000 - \$49,999	7	\$315,381	\$133,161	57.78%
Premium of \$50,000 - \$74,999	4	\$231,954	\$108,034	53.42%
Premium of \$75,000 - \$100,000	4	\$716,206	\$153,856	78.52%
Total Combination Plan	140	\$1,702,335	\$556,325	67.32%
Negotiated Deductible Plan				
Premium Up To \$100,000	653	\$15,661,537	\$5,174,373	66.96%
Premium of \$100,001 - \$150,000	89	\$11,820,673	\$5,276,270	55.36%
Premium of \$150,001 - \$250,000	82	\$16,122,689	\$5,864,366	63.63%
Premium of \$250,001 - \$350,000	54	\$15,467,327	\$4,406,251	71.51%
Premium of \$350,001 - \$500,000	66	\$25,785,111	\$6,985,000	72.91%
Premium of \$500,001 - \$750,000	64	\$36,605,214	\$10,083,494	72.45%
Premium of \$750,001 - \$1,000,000	40	\$31,293,062	\$7,338,599	76.55%
Premium of \$1,000,001 - \$2,500,000	85	\$113,092,600	\$24,250,644	78.56%
Premium of \$2,500,001 - \$5,000,000	34	\$83,107,518	\$13,913,374	83.26%
Premium of \$5,000,001 and above	19	\$125,550,725	\$35,721,913	71.55%
Total Negotiated Plan	1,186	\$474,506,456	\$119,014,284	74.92%
No Deductible Plan				
Premium Less Than \$5,000	20,954	\$34,968,144	\$34,968,144	0.00%
Premium of \$5,000 - \$9,999	4,748	\$33,305,280	\$33,305,280	0.00%
Premium of \$10,000 - \$24,999	4,097	\$62,693,069	\$62,693,069	0.00%
Premium of \$25,000 - \$49,999	1,861	\$62,265,212	\$62,265,212	0.00%
Premium of \$50,000 - \$74,999	711	\$39,215,944	\$39,215,944	0.00%
Premium of \$75,000 - \$100,000	536	\$32,035,501	\$32,035,501	0.00%
Premium Greater Than \$100,000	1,160	\$261,511,374	\$261,511,374	0.00%
Total No Deductible Plan	34,067	\$525,994,524	\$525,994,524	0.00%
TOTAL	35,633	\$1,009,393,058	\$651,678,557	35.44%

Boiler & Machinery

There were 38 groups, 83 companies, that had direct written premium for Boiler & Machinery in the fourth quarter of 2005, as compared to 32 groups, 71 companies, in the fourth 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 fourth quarter of 2005 to direct written premium in the fourth 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 4thQuarter 2005	% Change 4thQuarter 2004 to 2005	4 Quarters Ending 4thQtr 2005	% Change 4 Qtrs Ending 2004 to 2005
1	FM Global Group	28.22%	\$4,704,940	730.04%	\$19,989,819	26.96%
2	American International Group	16.64%	\$3,115,791	3.97%	\$11,785,919	(3.97%)
3	St. Paul Travelers Group	16.04%	\$2,563,553	(14.57%)	\$11,361,246	(10.79%)
4	Chubb & Son Inc.	9.76%	\$1,562,648	(22.33%)	\$6,911,766	(4.65%)
5	Zurich Insurance Group	8.47%	\$2,154,113	(17.97%)	\$5,997,753	7.56%
6	CNA Insurance Group	5.99%	\$1,132,440	54.47%	\$4,244,478	13.51%
7	Liberty Mutual Group	5.25%	\$1,108,898	33.21%	\$3,716,554	55.16%
8	Allianz Insurance Group	2.04%	\$212,834	(67.38%)	\$1,448,694	(30.66%)
9	Federated Mutual	1.21%	\$191,717	(9.01%)	\$858,263	(14.76%)
10	Central Mutual Insurance Company of Ohio	1.20%	\$285,981	35.87%	\$849,440	106.09%
11	Nationwide Corp.	0.73%	\$157,131	51.98%	\$519,265	65.93%
12	EMC Insurance Company	0.64%	\$120,582	20.48%	\$456,569	10.04%
13	XLAmerica	0.48%	\$66,024	87.23%	\$337,915	119.02%
14	Allstate Insurance Group	0.46%	\$73,559	(15.33%)	\$324,255	(8.77%)
15	Triangle Insurance Company Inc.	0.45%	\$14,932	131.58%	\$319,475	42.73%
16	Millea Holdings Inc.	0.37%	\$98,598	68.07%	\$262,785	(22.24%)
17	AXIS Capital Group	0.34%	\$142,521	*	\$240,560	*
18	United Fire & Casualty Group	0.28%	\$47,461	11.10%	\$196,961	(4.22%)
19	GE Global Group	0.27%	\$80,473	*	\$188,862	(69.89%)
20	Bancinsure Inc.	0.20%	\$17,938	(70.64%)	\$142,976	1.37%
21	Hartford Fire & Casualty Group	0.18%	\$37,140	57.77%	\$129,905	28.47%
22	American Financial Group	0.17%	\$23,855	360.17%	\$121,313	47.04%
23	Hannover Group	0.15%	\$56,442	*	\$108,483	*
24	Lumbermen's Underwriting Alliance	0.13%	\$18,326	16.47%	\$95,174	8.35%
25	Texas State National Group	0.11%	\$73,354	*	\$76,815	*

Top 25 Groups Total	99.77%	\$18,061,251	25.58%	\$70,685,245	6.66%
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Total Market	100.00%	\$18,108,727	25.30%	\$70,848,059	6.61%
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* Premiums from prior reporting period were \$0, less than \$0, or negligible.

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 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	\$14,222,180	\$15,291,858	\$1,454,857
2nd qtr 2005	\$14,320,385	\$16,667,555	\$4,596,582
3rd qtr 2005	\$15,899,068	\$20,779,919	\$1,553,656
4th qtr 2005	\$14,395,254	\$18,108,727	\$2,876,379

EARNED TO INCURRED LOSS RATIO BY YEAR

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

<u>Year</u>	<u>Loss Ratio</u>
1994	39.9%
1995	43.4%
1996	71.1%
1997	74.2%
1998	39.2%
1999	186.8%
2000	53.4%
2001	66.9%
2002	12.3%
2003	65.8%
2004	5.6%
2005	31.8%

Commercial Crime

There were 34 groups, 72 companies, that had direct written premium for Commercial Crime in the fourth quarter of 2005, as compared to 32 groups, 70 companies, in the fourth 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 fourth quarter of 2005 to direct written premium in the fourth 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 4thQuarter 2005	% Change 4thQuarter 2004 to 2005	4 Quarters Ending 4thQtr 2005	% Change 4 Qtrs Ending 2004 to 2005
1	St. Paul Travelers Group	24.67%	\$509,398	0.87%	\$1,749,718	0.86%
2	Chubb & Son Inc.	20.74%	\$333,737	(31.92%)	\$1,470,620	(6.20%)
3	Zurich Insurance Group	16.48%	\$241,825	(27.75%)	\$1,168,369	(8.55%)
4	Hartford Fire & Casualty Group	10.91%	\$150,070	42.72%	\$773,936	(10.97%)
5	American International Group	8.90%	\$222,457	(36.11%)	\$631,451	(52.96%)
6	CNA Insurance Group	7.47%	\$114,933	13.58%	\$530,060	(47.17%)
7	Sentry Insurance Group	1.41%	\$19,974	5.05%	\$100,255	11.45%
8	United Fire & Casualty Group	1.17%	\$22,378	25.27%	\$83,239	(20.40%)
9	Liberty Mutual Group	1.06%	\$8,013	(22.23%)	\$75,378	(11.43%)
10	Federated Mutual	1.06%	\$14,240	(31.96%)	\$75,082	(24.90%)
11	ACE Ltd.	0.97%	\$58,635	*	\$69,106	*
12	Nationwide Corp.	0.91%	\$23,908	148.76%	\$64,808	189.08%
13	Harco National Insurance Company	0.73%	\$4,522	(47.65%)	\$51,933	(33.17%)
14	American Financial Group	0.65%	\$10,874	42.89%	\$46,339	24.06%
15	Allstate Insurance Group	0.53%	\$11,396	(12.81%)	\$37,439	(20.91%)
16	XL America	0.38%	\$6,346	19.96%	\$26,818	45.18%
17	Benchmark Insurance Company	0.24%	\$13,206	40.13%	\$16,806	(14.17%)
18	EMC Insurance Company	0.24%	\$2,569	(20.88%)	\$16,795	19.05%
19	Hannover Group	0.23%	\$200	(91.97%)	\$16,590	(13.59%)
20	Motorists Mutual	0.19%	\$13,491	*	\$13,491	*
21	Safeco Insurance Group	0.15%	\$2,582	3.16%	\$10,969	25.20%
22	UNITRIN Group	0.13%	\$1,159	2.57%	\$9,093	22.91%
23	North Pointe Holdings Corp. Group	0.12%	\$1,403	*	\$8,844	*
24	RLI Insurance Group	0.12%	(\$144)	*	\$8,842	(25.94%)
25	Central Mutual Insurance Company of Ohio	0.12%	\$659	207.94%	\$8,429	(5.13%)
Top 25 Groups Total		99.62%	\$1,787,831	(11.40%)	\$7,064,410	(16.65%)
Total Market		100.00%	\$1,793,090	(12.38%)	\$7,091,548	(18.08%)

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

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 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	\$1,811,197	\$1,968,334	\$77,561
3rd qtr 2003	\$1,455,764	\$1,970,424	\$201,608
4th qtr 2003	\$1,485,574	\$1,867,930	\$424,135
1st qtr 2004	\$3,342,749	\$1,749,368	\$376,949
2nd qtr 2004	\$1,898,917	\$2,170,364	\$48,845
3rd qtr 2004	\$1,415,602	\$2,690,230	\$368,517
4th qtr 2004	\$1,836,630	\$2,046,419	\$15,145
1st qtr 2005	\$1,442,287	\$1,808,358	\$866,393
2nd qtr 2005	\$1,852,907	\$1,574,984	\$92,132
3rd qtr 2005	\$1,337,722	\$1,915,116	\$1,290,472
4th qtr 2005	\$1,467,258	\$1,793,090	\$364,705

EARNED TO INCURRED LOSS RATIO BY YEAR

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

<u>Year</u>	<u>Loss Ratio</u>
1994	22.5%
1995	16.1%
1996	19.4%
1997	13.2%
1998	13.3%
1999	19.6%
2000	21.2%
2001	34.7%
2002	16.3%
2003	27.1%
2004	20.4%
2005	15.3%

Commercial Glass

There were 8 groups, 11 companies, that had direct written premium for Commercial Glass in the fourth quarter of 2005, as compared to 12 groups, 17 companies, in the fourth 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 fourth quarter of 2005 to direct written premium in the fourth 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 4thQuarter 2005	% Change 4thQuarter 2004 to 2005	4 Quarters Ending 4thQtr 2005	% Change 4 Qtrs Ending 2004 to 2005
1	Zurich Insurance Group	58.20%	\$9,273	(26.46%)	\$53,259	(9.71%)
2	UNINTRIN Group	15.14%	(\$183)	(101.92%)	\$13,856	(68.28%)
3	Ohio Casualty Group	12.61%	\$3,247	(12.57%)	\$11,539	(15.33%)
4	Federated Mutual	6.68%	\$1,370	(42.63%)	\$6,116	(31.61%)
5	Liberty Mutual Group	4.68%	\$111	(55.24%)	\$4,279	(30.79%)
6	State Farm IL	1.58%	\$520	0.00%	\$1,450	0.00%
7	St. Paul Travelers Group	0.61%	\$215	0.00%	\$555	(58.80%)
8	Nationwide Corp.	0.38%	\$0	*	\$349	145.77%
9	United Fire & Casualty Group	0.12%	\$200	(1.96%)	\$108	(99.23%)
10	Safeco Insurance Group	(0.01%)	\$0	(100.00%)	(\$6)	(100.21%)

Top Groups Total	100.00%	\$14,753	(55.16%)	\$91,505	(84.89%)
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Total Market	100.00%	\$14,753	(55.16%)	\$91,505	(84.89%)
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* Premiums from prior reporting period were \$0, less than \$0, or negligible.

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 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	\$31,593	\$2,910
2nd qtr 2005	\$21,527	\$29,140	\$1,326
3rd qtr 2005	\$11,819	\$16,019	(\$1,360)
4th qtr 2005	\$18,836	\$14,753	\$1,334

EARNED TO INCURRED LOSS RATIO BY YEAR

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

<u>Year</u>	<u>Loss Ratio</u>
1994	17.4%
1995	32.9%
1996	23.7%
1997	31.2%*
1998	56.3%
1999	60.9%
2000	98.9%
2001	155.0%
2002	63.6%
2003	59.5%
2004	40.7%
2005	56.7%

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

Medical Professional Liability

There were 32 groups, 40 companies, that had direct written premium for Medical Professional Liability (includes regulated and non-rate-regulated companies) in the fourth quarter of 2005, as compared to 34 groups, 42 companies, in the fourth 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 fourth quarter of 2005 to direct written premium in the fourth 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 4thQuarter 2005	% Change 4thQuarter 2004 to 2005	4 Quarters Ending 4thQtr 2005	% Change 4 Qtrs Ending 2004 to 2005
1	Health Care Indemnity Inc.	22.14%	\$2,494,867	204.16%	\$95,074,598	(11.15%)
2	GE Global Group	21.57%	\$15,841,025	(0.97%)	\$92,638,102	(17.14%)
3	American Physicians Ins. Exchange	15.49%	\$13,419,763	22.03%	\$66,536,366	(4.59%)
4	Texas Medical Liability Underwriting Assoc.	11.96%	\$9,469,170	(35.38%)	\$51,338,121	(28.90%)
5	Doctors Company Group	4.01%	\$1,280,572	(11.70%)	\$17,237,847	47.73%
6	Advocate, MD Ins. Of The Southwest Inc.	3.91%	\$4,164,086	1.23%	\$16,807,378	138.89%
7	Everest Reinsurance Holding Inc.	2.71%	\$3,427,379	21.74%	\$11,635,334	403.04%
8	Preferred Professional Insurance Company	2.08%	\$2,295,557	171.33%	\$8,922,771	36.75%
9	Texas Hospital Insurance Exchange	1.78%	\$1,879,507	2.53%	\$7,664,528	(3.23%)
10	CNA Insurance Group	1.67%	\$1,530,288	21.88%	\$7,186,990	24.26%
11	ProAssurance Corp. Group	1.48%	\$1,572,046	(30.42%)	\$6,363,029	(20.08%)
12	American International Group	1.33%	\$1,684,414	(19.35%)	\$5,713,481	(9.72%)
13	PICA Group	1.32%	\$736,795	80.03%	\$5,661,618	57.18%
14	Allianz Insurance Group	1.24%	\$2,379,243	(0.42%)	\$5,328,850	(30.42%)
15	FPIC Insurance Group Inc.	1.20%	\$404,406	(18.25%)	\$5,146,736	(5.84%)
16	NCMIC Group	1.07%	\$986,938	18.27%	\$4,608,565	18.95%
17	Texas Medical Insurance Company	0.97%	\$869,218	2.52%	\$4,150,854	10.64%
18	Medical Liability Insurance Co. of America	0.92%	\$278,161	*	\$3,938,702	*
19	ACE Ltd.	0.75%	\$685,524	99.20%	\$3,201,589	*
20	National Group	0.71%	\$963,460	(26.69%)	\$3,036,142	(13.94%)
21	Alleghany Group	0.70%	\$728,446	6.45%	\$3,017,857	341.02%
22	Zurich Insurance Group	0.39%	\$1,645,718	*	\$1,659,706	471.25%
23	Munich American Holding Corp.	0.32%	\$560,817	(1.91%)	\$1,362,897	10.33%
24	Berkshire Hathaway	0.12%	\$0	*	\$500,960	111.81%
25	Nationwide Corp.	0.09%	\$149,855	*	\$405,175	*
Top 25 Groups Total		99.93%	\$69,447,255	8.84%	\$429,138,196	(2.52%)
Total Market		100.00%	\$69,326,700	6.78%	\$429,423,880	(3.67%)

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

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 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	\$167,300,880	\$177,492,264	\$41,466,826
2nd qtr 2005	\$67,243,302	\$76,847,235	\$38,139,427
3rd qtr 2005	\$103,323,367	\$105,757,681	\$39,512,832
4th qtr 2005	\$59,000,532	\$69,326,700	\$38,064,317

EARNED TO INCURRED LOSS RATIO BY YEAR

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

Year	Loss Ratio
1994	92.0%
1995	87.7%
1996	80.1%
1997	69.2%
1998	90.5%
1999	98.1%
2000	98.3%
2001	91.2%
2002	79.1%
2003	80.3%
2004	44.8%
2005	31.0%

Miscellaneous Professional Liability

There were 30 groups, 65 companies, that had direct written premium for Miscellaneous Professional Liability in the fourth quarter of 2005, as compared to 27 groups, 61 companies, in the fourth 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 fourth quarter of 2005 to direct written premium in the fourth 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 4th Quarter 2005	% Change 4th Quarter 2004 to 2005	4 Quarters Ending 4th Qtr 2005	% Change 4 Qtrs Ending 2004 to 2005
1	Chubb & Son Inc.	25.05%	\$23,818,355	(6.61%)	\$93,356,505	(11.53%)
2	XL America	17.56%	\$14,975,120	*	\$65,452,541	*
3	St. Paul Travelers Group	13.52%	\$14,500,513	16.75%	\$50,399,202	10.81%
4	Hartford Fire & Casualty Group	12.48%	\$11,908,632	35.07%	\$46,490,823	11.29%
5	HCC Insurance Holdings Group	10.06%	\$13,460,639	(0.14%)	\$37,472,205	(24.23%)
6	ACE Ltd.	5.58%	\$5,223,828	58.94%	\$20,781,226	9.19%
7	GE Global Group	3.50%	\$735,028	459.85%	\$13,051,033	23.50%
8	RLI Insurance Group	3.41%	\$3,271,901	46.79%	\$12,708,747	2.30%
9	Allianz Insurance Group	1.54%	\$2,663,120	106.16%	\$5,731,054	9.78%
10	Berkshire Hathaway	1.47%	\$1,200,360	15.14%	\$5,480,369	18.70%
11	Nationwide Corp.	1.14%	\$1,322,450	55.77%	\$4,250,268	(5.64%)
12	Old Republic Group	0.74%	\$149,509	(78.87%)	\$2,752,518	(7.49%)
13	United National Group	0.69%	\$1,183,061	227.91%	\$2,574,220	157.89%
14	Liberty Mutual Group	0.65%	\$267,361	(20.58%)	\$2,411,894	11.50%
15	Markel Corp. Group	0.60%	\$561,200	28.42%	\$2,250,297	20.72%
16	Navigators Group Inc.	0.48%	\$819,045	*	\$1,789,608	454.88%
17	Aon Corp.	0.40%	\$43,637	(98.71%)	\$1,479,536	(72.64%)
18	Utica National Insurance Group	0.31%	\$372,305	(17.44%)	\$1,145,183	(10.78%)
19	AETNA	0.28%	\$0	*	\$1,059,226	5.71%
20	Arch Insurance Group	0.24%	\$0	(100.00%)	\$908,757	(81.72%)
21	Zurich Insurance Group	0.08%	\$76,747	8.71%	\$311,967	5.23%
22	State Farm IL	0.06%	\$37,460	89.58%	\$205,611	118.91%
23	Quanta US Holdings Group	0.04%	\$55,890	*	\$165,465	76.03%
24	Beazley Insurance Company, Inc.	0.03%	\$94,500	*	\$94,500	*
25	Texas State National Group	0.02%	\$63,145	*	\$63,145	*

Top 25 Groups Total	99.93%	\$96,803,806	27.73%	\$372,385,900	16.34%
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Total Market	100.00%	\$96,843,121	27.69%	\$372,646,382	16.30%
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* Premiums from prior reporting period were \$0, less than \$0, or negligible.

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 2000	\$35,972,379	\$34,102,932	\$30,697,566
1st qtr 2001	\$33,317,718	\$35,426,450	\$18,503,137
2nd qtr 2001	\$27,379,296	\$59,910,926	\$13,146,912
3rd qtr 2001	\$32,672,023	\$35,346,828	\$14,591,556
4th qtr 2001	\$46,744,141	\$47,766,265	\$25,510,077
1st qtr 2002	\$44,193,075	\$38,539,396	\$21,611,170
2nd qtr 2002	\$45,639,859	\$50,579,721	\$31,951,912
3rd qtr 2002	\$44,287,561	\$46,129,965	\$32,132,723
4th qtr 2002	\$39,794,746	\$40,468,853	\$24,789,968
1st qtr 2003	\$65,301,029	\$64,300,341	\$23,052,586
2nd qtr 2003	\$72,527,779	\$84,367,349	\$41,720,752
3rd qtr 2003	\$78,673,242	\$80,572,101	\$73,006,385
4th qtr 2003	\$72,099,487	\$78,115,601	\$15,837,639
1st qtr 2004	\$78,583,973	\$78,663,654	\$19,091,166
2nd qtr 2004	\$79,027,029	\$80,952,491	\$25,411,999
3rd qtr 2004	\$88,221,507	\$84,958,945	\$12,873,254
4th qtr 2004	\$70,978,554	\$75,843,090	\$1,731,964
1st qtr 2005	\$62,933,404	\$65,015,052	\$112,729,581
2nd qtr 2005	\$105,738,944	\$102,001,411	\$29,708,476
3rd qtr 2005	\$109,824,539	\$108,786,798	\$19,339,409
4th qtr 2005	\$92,079,636	\$96,843,121	\$52,554,252

EARNED TO INCURRED LOSS RATIO BY YEAR

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

Year	Loss Ratio *
1994	64.8%
1995	96.7%
1996	99.0%
1997	51.8%
1998	58.6%
1999	63.8%
2000	74.1%
2001	74.4%
2002	114.5%
2003	77.0%
2004	74.8%
2005	77.6%

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

Complaint Data

The following chart presents a comparison of written complaints received and closed by TDI in the fourth quarter of 2005 and the fourth 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	4TH QUARTER 2005			4TH 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	9,768	0.00000%	0	12,619	0.00000%
General Liability - Other ⁺	42	207,423	0.02025%	61	192,631	0.03167%
Fire & Allied Lines	10	37,397	0.02674%	11	43,951	0.02503%
Commercial Multiple Peril	25	83,030	0.03011%	16	104,985	0.01524%
Private Passenger Auto ⁺⁺	1,663	4,870,915	0.03414%	1,836	4,748,837	0.03866%
Homeowners	1,333	1,130,798	0.11788%	510	1,030,741	0.04958%
Workers' Compensation ⁺⁺⁺	89	35,674	0.24948%	30	33,296	0.09010%
Boiler & Machinery	**	**	**	**	**	**
Commercial Crime	**	**	**	**	**	**
Commercial Glass	**	**	**	**	**	**
Medical Professional Liability	3	10,889	0.02755%	3	10,889	0.02755%
Misc. Professional Liability	4	5,101	0.07842%	5	4,492	0.11131%

⁺ The General Electric Group wrote 3,578 small premium pre-paid legal policies in the 4th quarter of 2005 and 4,043 policies in the 4th 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 fourth quarter of 2005) for these two lines of insurance are presented on the next two pages.

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

2005 Policies Written Rank	Group Name	4TH QUARTER 2005			4TH 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.	266	280,565	0.09481%	236	188,815	0.12499%
20	Interins Exch Of The Automobile Club	26	27,505	0.09453%	21	19,602	0.10713%
15	Texas State National Group	36	40,393	0.08912%	85	59,375	0.14316%
11	Home State Insurance Group	72	91,043	0.07908%	109	95,600	0.11402%
14	Unitrin Group	30	42,111	0.07124%	48	37,250	0.12886%
16	Liberty Mutual Group	24	38,009	0.06314%	38	37,380	0.10166%
19	St Paul Travelers Grp	17	28,435	0.05979%	23	36,426	0.06314%
22	Mercury General Group	15	25,209	0.05950%	31	25,530	0.12143%
18	American International Group	21	36,722	0.05719%	3	5,847	0.05131%
13	Safeco Insurance Group	28	53,768	0.05208%	32	57,110	0.05603%
9	Nationwide Corp	56	117,111	0.04782%	86	140,797	0.06108%
25	Metropolitan Group	6	14,380	0.04172%	6	14,380	0.04172%
3	Allstate Insurance Group	217	571,886	0.03794%	206	512,335	0.04021%
21	Sentry Insurance Group	9	26,559	0.03389%	6	26,576	0.02258%
10	Titus Group	31	91,698	0.03381%	17	53,952	0.03151%
4	Progressive Group	136	416,240	0.03267%	144	430,000	0.03349%
12	Republic Companies Grp	24	78,593	0.03054%	36	60,898	0.05912%
7	Berkshire Hathaway	53	179,004	0.02961%	74	128,172	0.05773%
6	United Services Automobile Assoc. Group	50	202,838	0.02465%	52	191,180	0.02720%
23	Germania Insurance Group	4	19,448	0.02057%	4	19,448	0.02057%
2	Zurich Insurance Group	154	795,708	0.01935%	200	884,657	0.02261%
8	Southern Farm Bureau Casualty	29	159,086	0.01823%	28	157,325	0.01780%
1	State Farm II	135	1,300,002	0.01038%	140	1,291,836	0.01084%
24	Safeway Insurance Group	1	17,899	0.00559%	6	20,351	0.02948%
17	Imperial Fire and Casualty Insurance Co.	2	37,602	0.00532%	0	0	0.00000%
(All other licensed insurers)		221	179,101	0.12339%	205	253,995	0.08071%
(No company identified)*		0			0		
TOTALS		1,663	4,870,915	0.03414%	1,836	4,748,837	0.03866%

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

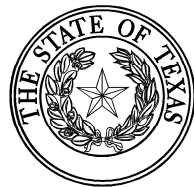
Complaint Data

HOMEOWNERS FOURTH QUARTER DATA LISTED BY PERCENT OF COMPLAINTS PER POLICY

2005 Policies Written Rank	Group Name	4TH QUARTER 2005			4TH 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
10	Commercial Alliance Insurance Company	12	18,989	0.30308%	0	0	0.00000%
12	Allstate Insurance Group	485	226,999	0.21366%	87	214,965	0.04047%
13	Republic Companies Group	10	14,720	0.16835%	2	13,839	0.01445%
18	Cypress Holdings Group	9	8,166	0.12208%	1	4,298	0.02327%
20	Amica Mutual Group	1	7,214	0.11640%	1	7,242	0.01381%
17	Interins Exchange Of The Automobile Club	2	8,288	0.11021%	6	3,920	0.15306%
4	United Services Automobile Assoc. Group	14	80,450	0.09751%	15	75,650	0.01983%
3	Zurich Insurance Group	139	144,302	0.09633%	73	124,869	0.05846%
5	St. Paul Travelers Group	59	60,506	0.09393%	15	55,038	0.02725%
25	Balboa Insurance Group	2	4,120	0.09383%	1	2,328	0.04296%
11	NLASCO	56	18,477	0.08476%	14	18,894	0.07410%
12	Liberty Mutual Group	15	17,697	0.06793%	8	16,873	0.04741%
9	Hartford Fire & Casualty Group	4	19,055	0.06319%	4	10,048	0.03981%
7	Nationwide Corporation	9	43,971	0.06141%	15	38,755	0.03870%
15	ARX Holding Corp. Group	6	11,069	0.05669%	6	10,014	0.00000%
22	Glencoe US Holdings Inc.	2	5,950	0.05465%	0	0	0.00000%
14	Texas Fair Plan Association	23	13,662	0.05421%	27	25,011	0.00000%
24	Chubb & Son Inc.	0	5,440	0.04854%	2	5,623	0.03557%
21	American National Financial Group	8	6,873	0.03361%	2	7,314	0.02734%
1	State Farm IL	82	269,933	0.03038%	60	259,418	0.02313%
16	Safeco Insurance Group	6	10,583	0.02413%	8	10,967	0.07295%
8	Texas Farm Bureau Mutual	17	27,682	0.02099%	3	24,493	0.01225%
6	Vesta Insurance Group	45	47,909	0.02047%	21	53,312	0.03939%
19	Colonial Savings Group	9	7,372	0.01386%	1	5,224	0.01914%
23	Assurant Inc. Group	3	5,489	0.00000%	2	5,156	0.03879%
(All other licensed insurers)		315	45,882	0.68654%	135	37,490	0.36010%
(No company identified)*		0			0		

TOTALS	1,333	1,130,798	0.11788%	510	1,030,741	0.04958%
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* Generally includes complaints where either: (a) no company was identified by complainant, (b) company was non-admitted (surplus lines), or (c) complaint was against an agent.



Texas Department of Insurance

333 Guadalupe

Austin, Texas 78701