



**Texas Department
of Insurance**

**Quarterly Legislative Report
on Market Conditions**

*2nd Quarter
2006*

Published 2/22/2007
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 2006	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.

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 JUNE 2006

	Number Of Groups/Companies	Number Of Policies Written	Premiums On Policies Written	Direct Written Premiums	Direct Losses Paid
PRODUCT LIABILITY	58 / 150	41,632	\$206,217,944	\$157,499,940	\$113,642,072
GENERAL LIABILITY - OTHER	139 / 319	893,503⁺	\$1,842,596,494	\$1,951,164,634	\$889,414,113
COMMERCIAL FIRE & ALLIED	75 / 157	149,247	\$601,671,812	\$721,299,091	\$623,073,195
COMMERCIAL MULTIPLE PERIL	79 / 195	353,101	\$1,472,286,476	\$1,547,176,870	\$812,836,716
PRIVATE PASSENGER AUTO					
VOLUNTARY (VOL) LIABILITY	66 / 167	11,743,990	\$6,923,539,413	\$6,437,875,037	\$3,856,049,169
ASSIGNED RISK LIABILITY	15 / 17	31,773	\$20,802,725	\$13,278,143	\$12,045,595
PHYSICAL DAMAGE	65 / 165	8,789,346	\$5,305,272,155	\$5,069,097,221	\$2,968,393,621
TOTAL PPA	70 / 174	20,565,109⁺⁺	\$12,249,614,293	\$11,520,250,401	\$6,836,488,385
HOMEOWNERS MULTIPLE PERIL	62 / 98	4,956,364	\$5,067,264,806	\$4,635,908,105	\$2,750,205,902
WORKERS' COMPENSATION					
VOL PREMIUMS < \$5,000		99,506	\$163,552,822	**	**
VOL PREMIUMS \$5,000 - \$100,000		56,262	\$1,099,685,847	**	**
VOL PREMIUMS > \$100,000		6,462	\$1,377,035,700	**	**
TOTAL VOLUNTARY	90 / 229	162,230	\$2,640,274,369	\$2,721,832,201	\$895,245,501
RESIDUAL MARKET ***	1 / 1	174	\$8,149,740	\$7,362,885	\$12,457,826
TOTAL WC	90 / 229	162,404	\$2,648,424,109	\$2,729,195,086	\$907,703,327
BOILER & MACHINERY	40 / 94	30,862	\$59,568,914	\$73,651,451	\$10,004,170
COMMERCIAL CRIME	33 / 71	8,150	\$6,205,937	\$7,723,053	\$1,984,542
COMMERCIAL GLASS	6 / 9	241	\$78,759	\$60,879	\$933
PROFESSIONAL LIABILITY	30 / 37	42,183	\$374,933,899	\$396,421,836	\$143,001,498
MISC. PROFESSIONAL LIABILITY	28 / 63	19,942	\$369,590,851	\$377,710,522	\$142,821,979

⁺ The General Electric Group wrote 7,136 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	
	2005	2006	2005	2006	2005	2006	2005	2006
Product Liability	53 / 134	50 / 132	54 / 132	55 / 133	49 / 134	- / -	48 / 130	- / -
General Liability	115 / 266	128 / 285	114 / 263	129 / 287	123 / 266	- / -	129 / 280	- / -
Commercial Fire & Allied	69 / 147	75 / 160	67 / 146	75 / 157	70 / 152	- / -	71 / 153	- / -
Commercial Multiple Peril	73 / 177	74 / 176	69 / 170	74 / 181	75 / 177	- / -	77 / 181	- / -
Private Passenger Auto	59 / 148	61 / 142	58 / 148	65 / 149	60 / 146	- / -	61 / 150	- / -
Homeowners Multiple Peril	57 / 74	61 / 86	56 / 78	60 / 87	59 / 83	- / -	59 / 84	- / -
Workers' Compensation	77 / 196	81 / 203	80 / 201	84 / 202	76 / 196	- / -	80 / 195	- / -
Boiler & Machinery	32 / 62	36 / 70	31 / 62	37 / 75	31 / 64	- / -	34 / 66	- / -
Commercial Crime	30 / 61	30 / 64	28 / 58	28 / 58	29 / 57	- / -	29 / 63	- / -
Commercial Glass	11 / 16	6 / 10	5 / 7	6 / 9	4 / 6	- / -	6 / 9	- / -
Medical Professional Liability	28 / 36	29 / 36	27 / 33	27 / 33	26 / 32	- / -	28 / 34	- / -
Misc. Professional Liability	31 / 67	27 / 59	29 / 63	28 / 61	28 / 61	- / -	30 / 65	- / -

Product Liability

There were 58 groups, 150 companies, that had direct written premium for Product Liability in the second quarter of 2006, as compared to 63 groups, 164 companies, in the second quarter of 2005.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the second quarter of 2006 to direct written premium in the second quarter of 2005 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRODUCT LIABILITY

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2006	% Change 2nd Quarter 2005 to 2006	4 Quarters Ending 2nd Qtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	American Financial Group	17.66%	\$6,906,005	(5.64%)	\$27,821,731	0.72%
2	Zurich Insurance Group	15.12%	\$4,739,510	(23.81%)	\$23,807,837	0.12%
3	St. Paul Travelers Group	9.61%	\$3,288,406	17.42%	\$15,132,106	(14.57%)
4	Liberty Mutual Group	8.56%	\$1,995,473	48.73%	\$13,481,865	51.19%
5	ACE Ltd.	7.38%	\$3,400,114	(17.24%)	\$11,619,894	(0.08%)
6	Chubb & Son Inc.	6.47%	\$1,951,617	30.92%	\$10,182,940	25.88%
7	Hartford Fire & Casualty Group	3.37%	\$962,800	(20.22%)	\$5,311,793	73.05%
8	Federated Mutual	2.49%	\$984,555	(11.53%)	\$3,914,553	1.22%
9	Fairfax Financial	2.32%	\$926,491	11.76%	\$3,655,098	32.95%
10	United Fire & Casualty Group	2.13%	\$982,436	22.76%	\$3,353,140	50.64%
11	Sentry Insurance Group	2.07%	\$779,675	(5.27%)	\$3,256,956	(13.90%)
12	Electric Insurance Group	2.06%	\$0	*	\$3,243,903	(10.23%)
13	Dallas General Group	1.97%	\$0	(100.00%)	\$3,107,969	(47.58%)
14	American International Group	1.77%	\$907,798	8.32%	\$2,793,975	70.87%
15	National American Insurance Company	1.54%	\$766,809	(4.47%)	\$2,424,764	(25.56%)
16	Allianz Insurance Group	1.45%	\$121,100	(59.86%)	\$2,288,143	(16.82%)
17	Central Mutual Insurance Company Ohio	1.42%	\$601,664	(7.68%)	\$2,238,835	(2.79%)
18	Old Republic Group	1.41%	\$577,406	39.14%	\$2,226,094	8.39%
19	Unitrin Group	1.04%	\$417,006	27.52%	\$1,642,408	6.42%
20	Nationwide Corp.	1.04%	\$285,199	(19.44%)	\$1,641,251	55.48%
21	CNA Insurance Group	0.98%	\$337,256	(39.41%)	\$1,540,758	(60.20%)
22	EMC Insurance Company	0.96%	\$500,408	53.37%	\$1,505,404	14.63%
23	Ohio Casualty Group	0.77%	\$364,851	27.55%	\$1,208,294	25.24%
24	Medmark Insurance Group	0.73%	\$0	(100.00%)	\$1,143,259	(5.17%)
25	Indiana Lumbermens	0.72%	\$296,594	10.67%	\$1,130,785	12.87%

Top 25 Groups Total	95.03%	\$32,093,173	(8.04%)	\$149,673,755	2.55%
----------------------------	---------------	---------------------	----------------	----------------------	--------------

Total Market	100.00%	\$34,672,733	(6.84%)	\$157,499,940	2.14%
---------------------	----------------	---------------------	----------------	----------------------	--------------

* 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 2001	\$25,674,740	\$26,892,822	\$18,451,817
3rd qtr 2001	\$29,104,072	\$24,349,666	\$23,598,451
4th qtr 2001	\$49,553,240	\$63,700,948	\$50,787,344
1st qtr 2002	\$25,812,727	\$10,368,960	\$24,090,363
2nd qtr 2002	\$25,107,579	\$30,554,591	\$14,348,364
3rd qtr 2002	\$32,987,561	\$33,566,694	\$42,898,905
4th qtr 2002	\$54,386,459	\$39,509,606	\$72,291,341
1st qtr 2003	\$50,349,221	\$31,216,417	\$23,752,695
2nd qtr 2003	\$51,648,244	\$31,977,119	\$37,961,745
3rd qtr 2003	\$55,011,830	\$32,688,880	\$84,564,221
4th qtr 2003	\$64,276,692	\$48,008,507	\$57,933,430
1st qtr 2004	\$59,601,182	\$48,610,314	\$13,046,283
2nd qtr 2004	\$63,656,660	\$39,190,779	\$59,471,931
3rd qtr 2004	\$57,250,949	\$39,501,613	\$16,782,694
4th qtr 2004	\$71,100,716	\$40,485,016	\$43,446,411
1st qtr 2005	\$59,579,406	\$36,994,120	\$97,688,241
2nd qtr 2005	\$56,230,850	\$37,217,878	\$32,123,365
3rd qtr 2005	\$51,108,883	\$42,466,267	\$36,337,905
4th qtr 2005	\$47,688,104	\$38,393,965	\$36,773,871
1st qtr 2006	\$54,195,369	\$41,966,975	\$15,498,384
2nd qtr 2006	\$53,225,588	\$34,672,733	\$25,031,912

EARNED TO INCURRED LOSS RATIO BY YEAR

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

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

General Liability

There were 139 groups, 319 companies, that had direct written premium for General Liability in the second quarter of 2006, as compared to 121 groups, 296 companies, in the second quarter of 2005.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the second quarter of 2006 to direct written premium in the second quarter of 2005 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR GENERAL LIABILITY

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2006	% Change 2nd Quarter 2005 to 2006	4 Quarters Ending 2nd Qtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	American International Group	24.49%	\$145,057,251	69.65%	\$477,854,582	35.04%
2	Zurich Insurance Group	9.57%	\$58,992,699	3.99%	\$186,690,797	(2.99%)
3	St. Paul Travelers Group	8.44%	\$44,101,648	12.98%	\$164,694,356	16.40%
4	ACE Ltd.	8.10%	\$42,450,020	58.99%	\$157,961,337	7.86%
5	American Financial Group	5.63%	\$27,872,740	15.33%	\$109,884,748	0.69%
6	CNA Insurance Group	3.40%	\$17,335,982	(0.16%)	\$66,367,496	(3.50%)
7	Chubb & Son Inc.	2.94%	\$15,455,903	15.07%	\$57,309,021	9.42%
8	Liberty Mutual Group	2.66%	\$17,179,143	21.91%	\$51,979,966	(10.63%)
9	Hartford Fire & Casualty Group	2.35%	\$12,265,061	19.34%	\$45,916,959	10.11%
10	Alleghany Group	1.81%	\$7,093,666	(1.86%)	\$35,232,901	6.53%
11	Dallas General Group	1.78%	\$11,063,251	62.96%	\$34,690,381	48.81%
12	State Farm IL	1.47%	\$8,601,804	24.63%	\$28,609,269	9.45%
13	Arch Insurance Group	1.45%	\$2,096,385	(32.75%)	\$28,201,068	377.29%
14	Texas Lawyers Insurance Exchange	1.39%	\$6,308,409	3.21%	\$27,070,216	(8.56%)
15	Allianz Insurance Group	1.21%	\$4,462,736	(6.50%)	\$23,610,706	(9.47%)
16	Swiss Re Group	1.18%	\$5,546,490	487.36%	\$23,065,432	664.03%
17	Ohio Casualty Group	0.95%	\$4,974,673	(4.07%)	\$18,627,728	(2.56%)
18	Old Republic Group	0.93%	\$4,739,411	17.43%	\$18,186,539	6.04%
19	Nationwide Corp.	0.93%	\$4,454,438	58.90%	\$18,147,604	56.64%
20	Highmark Inc.	0.91%	\$5,121,771	(3.12%)	\$17,720,682	82.01%
21	Unitrin Group	0.82%	\$5,333,546	55.47%	\$16,042,587	5.27%
22	Federated Mutual	0.77%	\$4,348,802	14.63%	\$14,952,236	5.52%
23	Fairfax Financial	0.76%	\$3,207,904	0.39%	\$14,811,245	(4.67%)
24	United Fire & Casualty Group	0.75%	\$3,975,953	7.28%	\$14,565,522	(0.07%)
25	Safeco Insurance Group	0.74%	\$5,946,746	94.89%	\$14,402,542	20.98%

Top 25 Groups Total	85.42%	\$467,986,432	30.85%	\$1,666,595,920	15.69%
----------------------------	---------------	----------------------	---------------	------------------------	---------------

Total Market	100.00%	\$547,116,412	26.44%	\$1,951,164,634	11.73%
---------------------	----------------	----------------------	---------------	------------------------	---------------

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 2001	\$318,130,195	\$373,119,297	\$172,787,203
3rd qtr 2001	\$228,860,258	\$258,005,946	\$195,733,705
4th qtr 2001	\$235,583,416	\$360,813,794	\$63,102,021
1st qtr 2002	\$449,218,820	\$460,594,022	\$225,467,551
2nd qtr 2002	\$392,219,283	\$346,584,414	\$245,038,500
3rd qtr 2002	\$293,763,572	\$350,566,838	\$223,245,817
4th qtr 2002	\$296,230,398	\$371,238,580	\$293,588,970
1st qtr 2003	\$473,722,924	\$473,509,831	\$339,023,171
2nd qtr 2003	\$460,000,875	\$450,544,223	\$207,970,445
3rd qtr 2003	\$471,126,731	\$482,640,180	\$269,465,874
4th qtr 2003	\$412,727,499	\$436,933,412	\$393,534,154
1st qtr 2004	\$493,759,655	\$493,758,137	\$285,017,073
2nd qtr 2004	\$467,058,967	\$424,331,005	\$187,188,675
3rd qtr 2004	\$452,021,439	\$441,580,967	\$238,041,282
4th qtr 2004	\$473,414,898	\$425,215,480	\$302,351,456
1st qtr 2005	\$528,494,689	\$446,829,044	\$239,281,520
2nd qtr 2005	\$433,621,815	\$432,710,837	\$233,189,003
3rd qtr 2005	\$426,986,451	\$498,301,487	\$205,392,237
4th qtr 2005	\$429,159,506	\$423,634,799	\$287,946,218
1st qtr 2006	\$475,630,098	\$482,111,936	\$187,914,853
2nd qtr 2006	\$510,820,439	\$547,116,412	\$208,160,805

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 75 groups, 157 companies, that had direct written premium for Commercial Fire & Allied in the second quarter of 2006, as compared to 72 groups, 172 companies, in the second quarter of 2005.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the second quarter of 2006 to direct written premium in the second quarter of 2005 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR COMMERCIAL FIRE & ALLIED

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2006	% Change 2nd Quarter 2005 to 2006	4 Quarters Ending 2nd Qtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	FM Global Group	16.66%	\$29,856,353	44.59%	\$120,188,362	43.47%
2	St. Paul Travelers Group	14.46%	\$27,288,101	(11.27%)	\$104,332,098	3.88%
3	Liberty Mutual Group	7.36%	\$24,322,453	113.44%	\$53,107,823	88.34%
4	Texas Windstorm Insurance Association	6.39%	\$17,212,539	73.48%	\$46,117,699	39.86%
5	Fairfax Financial	5.60%	\$17,255,195	138.65%	\$40,410,159	67.26%
6	Zurich Insurance Group	5.45%	\$8,929,808	5.86%	\$39,299,131	0.35%
7	XL America	4.62%	\$9,869,671	40.10%	\$33,355,900	21.56%
8	Allianz Insurance Group	4.28%	\$11,405,668	24.20%	\$30,890,845	(11.72%)
9	Alleghany Group	3.86%	\$7,019,875	(28.42%)	\$27,821,517	(26.81%)
10	American International Group	3.62%	\$10,014,834	111.09%	\$26,111,835	23.90%
11	CNA Insurance Group	3.30%	\$7,351,777	63.53%	\$23,814,896	16.73%
12	United Fire & Casualty Group	2.67%	\$5,771,064	7.74%	\$19,277,222	(2.62%)
13	Hartford Fire & Casualty Group	2.07%	\$4,779,108	16.14%	\$14,910,369	(10.25%)
14	Swiss Re Group	1.85%	\$7,249,186	135.12%	\$13,332,675	189.96%
15	Unitrin Group	1.70%	\$3,397,102	(1.22%)	\$12,235,373	(20.86%)
16	Federated Mutual	1.34%	\$2,228,094	(4.27%)	\$9,671,061	(7.07%)
17	Sentry Insurance Group	1.31%	\$2,362,955	12.29%	\$9,450,379	2.39%
18	AXIS Capital Group	1.13%	\$2,240,260	135.08%	\$8,146,505	169.88%
19	Safeco Insurance Group	1.13%	\$2,572,031	47.19%	\$8,144,814	9.32%
20	Texas Farm Bureau Mutual	1.01%	\$2,007,758	10.24%	\$7,281,469	8.18%
21	EMC Insurance Company	0.89%	\$1,447,647	7.81%	\$6,411,750	3.70%
22	Arch Insurance Group	0.85%	\$699,898	1.90%	\$6,128,767	58.54%
23	American Modern Insurance Group	0.77%	\$1,395,364	(9.93%)	\$5,589,610	(1.39%)
24	ACE Ltd.	0.72%	\$2,449,815	(50.84%)	\$5,230,008	(51.19%)
25	Republic Companies Group	0.58%	\$578,007	3.68%	\$4,195,269	47.88%
Top 25 Groups Total		93.61%	\$209,704,563	32.95%	\$675,455,536	17.84%
Total Market		100.00%	\$221,894,104	33.35%	\$721,552,695	17.28%

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 2001	\$98,078,697	\$101,065,593	\$58,283,160
3rd qtr 2001	\$92,741,263	\$98,276,060	\$244,258,829
4th qtr 2001	\$110,652,458	\$136,274,047	\$106,360,613
1st qtr 2002	\$121,765,027	\$144,529,151	\$87,595,818
2nd qtr 2002	\$142,072,436	\$147,304,541	\$101,597,550
3rd qtr 2002	\$142,288,616	\$173,299,909	\$50,900,077
4th qtr 2002	\$149,281,329	\$175,544,341	\$63,757,351
1st qtr 2003	\$150,575,522	\$150,510,180	\$52,417,619
2nd qtr 2003	\$149,459,207	\$154,045,193	\$73,322,891
3rd qtr 2003	\$156,429,967	\$166,651,464	\$85,200,157
4th qtr 2003	\$157,575,182	\$194,283,221	\$60,940,889
1st qtr 2004	\$134,224,476	\$144,604,148	\$86,505,791
2nd qtr 2004	\$139,660,137	\$143,999,941	\$44,266,295
3rd qtr 2004	\$149,274,509	\$158,633,773	\$64,946,351
4th qtr 2004	\$159,276,932	\$149,694,785	\$41,045,200
1st qtr 2005	\$131,595,520	\$140,498,795	\$39,127,065
2nd qtr 2005	\$142,548,701	\$166,400,075	\$97,172,178
3rd qtr 2005	\$126,386,251	\$159,953,424	\$92,935,446
4th qtr 2005	\$135,073,221	\$164,333,350	\$149,287,503
1st qtr 2006	\$150,324,238	\$175,371,817	\$182,387,366
2nd qtr 2006	\$189,888,102	\$221,640,500	\$198,462,880

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 79 groups, 195 companies, that had direct written premium for Commercial Multiple Peril in the second quarter of 2006, as compared to 76 groups, 197 companies, in the second quarter of 2005.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the second quarter of 2006 to direct written premium in the second quarter of 2005 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR COMMERCIAL MULTIPLE PERIL

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2006	% Change 2nd Quarter 2005 to 2006	4 Quarters Ending 2nd Qtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	Zurich Insurance Group	12.21%	\$50,472,002	10.70%	\$188,875,549	(2.02%)
2	St. Paul Travelers Group	12.16%	\$45,956,733	7.33%	\$188,076,802	5.83%
3	Hartford Fire & Casualty Group	8.75%	\$37,212,665	15.99%	\$135,301,195	15.46%
4	CNA Insurance Group	5.65%	\$22,013,048	1.50%	\$87,440,145	0.98%
5	Chubb & Son Inc.	5.47%	\$21,113,998	0.10%	\$84,612,281	(1.91%)
6	Liberty Mutual Group	4.76%	\$17,181,621	(7.32%)	\$73,709,062	20.86%
7	State Farm IL	4.30%	\$17,181,848	2.92%	\$66,532,165	2.41%
8	Safeco Insurance Group	4.27%	\$18,147,471	21.46%	\$66,085,725	3.19%
9	Nationwide Corp.	3.52%	\$15,963,025	38.05%	\$54,401,442	42.27%
10	Maguire Corp. Group	3.45%	\$17,843,092	43.66%	\$53,369,834	20.34%
11	Church Mutual Insurance Company	3.12%	\$11,857,010	4.54%	\$48,225,959	6.50%
12	Allianz Insurance Group	3.09%	\$11,937,912	35.24%	\$47,811,928	7.41%
13	WR Berkley Corp.	2.66%	\$11,070,543	13.39%	\$41,145,920	10.25%
14	Republic Companies Group	2.08%	\$8,028,529	0.94%	\$32,162,840	8.01%
15	ACE Ltd.	2.04%	\$17,006,087	85.73%	\$31,621,450	35.44%
16	Guideone Insurance Group	1.99%	\$6,853,531	(1.40%)	\$30,836,834	(1.85%)
17	Allstate Insurance Group	1.87%	\$7,395,203	(6.02%)	\$28,874,295	(3.34%)
18	Amerisure Company	1.85%	\$7,426,387	28.28%	\$28,669,292	12.73%
19	Old Republic Group	1.67%	\$5,834,363	(5.93%)	\$25,814,624	11.20%
20	Ohio Casualty Group	1.60%	\$6,258,951	0.01%	\$24,818,206	(6.81%)
21	Central Mutual Insurance Company Ohio	1.46%	\$5,518,650	(10.62%)	\$22,657,928	(5.01%)
22	Allmerica Financial Group	1.01%	\$4,360,275	39.69%	\$15,677,800	23.98%
23	American International Group	0.98%	\$3,949,487	12.86%	\$15,177,454	(28.16%)
24	Glencoe US Holdings Inc.	0.81%	\$3,739,858	8.25%	\$12,519,311	43.44%
25	American Hallmark Insurance Co. of Texas	0.81%	\$3,297,541	*	\$12,467,107	*

Top 25 Groups Total	91.58%	\$377,619,830	13.13%	\$1,416,885,148	7.64%
----------------------------	---------------	----------------------	---------------	------------------------	--------------

Total Market	100.00%	\$417,344,345	12.04%	\$1,547,176,870	7.11%
---------------------	----------------	----------------------	---------------	------------------------	--------------

* 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 2001	\$257,191,069	\$282,196,084	\$194,230,163
3rd qtr 2001	\$272,821,007	\$288,700,461	\$247,376,264
4th qtr 2001	\$279,841,512	\$321,838,153	\$219,799,574
1st qtr 2002	\$294,721,061	\$330,504,083	\$175,072,730
2nd qtr 2002	\$298,739,904	\$277,160,208	\$182,769,240
3rd qtr 2002	\$302,860,146	\$332,693,541	\$215,367,089
4th qtr 2002	\$325,691,823	\$343,217,776	\$159,953,409
1st qtr 2003	\$312,373,288	\$323,997,599	\$197,453,601
2nd qtr 2003	\$310,339,353	\$335,111,601	\$197,135,720
3rd qtr 2003	\$317,313,938	\$334,740,459	\$202,029,594
4th qtr 2003	\$322,146,304	\$375,868,718	\$173,532,706
1st qtr 2004	\$319,759,466	\$347,252,304	\$136,183,192
2nd qtr 2004	\$316,652,533	\$344,012,546	\$151,816,651
3rd qtr 2004	\$319,893,569	\$353,710,833	\$149,406,964
4th qtr 2004	\$413,998,130	\$364,497,009	\$147,217,410
1st qtr 2005	\$347,173,478	\$353,804,319	\$128,881,468
2nd qtr 2005	\$360,167,502	\$372,484,461	\$145,118,895
3rd qtr 2005	\$364,455,186	\$371,387,386	\$143,782,433
4th qtr 2005	\$348,682,107	\$368,645,363	\$242,997,366
1st qtr 2006	\$360,165,431	\$389,799,776	\$215,044,072
2nd qtr 2006	\$398,983,752	\$417,344,345	\$211,012,845

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 70 groups, 174 companies, that had direct written premium for Private Passenger Auto in the second quarter of 2006, as compared to 61 groups, 182 companies, in the second quarter of 2005.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the second quarter of 2006 to direct written premium in the second quarter of 2005 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRIVATE PASSENGER AUTO

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2006	% Change 2nd Quarter 2005 to 2006	4 Quarters Ending 2nd Qtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	State Farm IL	21.88%	\$612,217,283	2.50%	\$2,521,173,661	0.38%
2	Allstate Insurance Group	14.75%	\$411,324,629	(2.50%)	\$1,699,484,191	(2.72%)
3	Zurich Insurance Group	12.80%	\$349,116,342	0.60%	\$1,474,551,262	2.43%
4	Progressive Group	8.34%	\$230,431,731	(4.59%)	\$960,537,054	(7.19%)
5	United Services Automobile Assn. Group	5.51%	\$154,305,082	8.90%	\$634,730,318	3.89%
6	Berkshire Hathaway	5.39%	\$157,251,106	22.38%	\$620,921,347	27.39%
7	Old American County Mutual Fire Ins. Co.	4.34%	\$106,877,028	(25.27%)	\$499,705,094	(4.22%)
8	Nationwide Corp.	3.38%	\$92,132,369	(2.67%)	\$389,128,407	(12.31%)
9	Southern Farm Bureau Casualty	3.33%	\$91,985,934	(0.14%)	\$383,657,468	(4.35%)
10	Home State Insurance Group	2.82%	\$74,999,260	(10.47%)	\$325,372,461	(8.11%)
11	Titus Group	2.33%	\$72,818,597	15.40%	\$268,485,096	32.19%
12	Safeco Insurance Group	1.69%	\$46,264,361	(5.85%)	\$195,131,719	(2.20%)
13	Unitrin Group	1.28%	\$41,022,553	10.96%	\$147,458,036	(4.64%)
14	Liberty Mutual Group	1.25%	\$36,488,785	1.75%	\$144,550,065	2.55%
15	Republic Companies Group	1.20%	\$36,618,417	14.55%	\$138,227,219	10.55%
16	Mercury General Group	0.84%	\$22,185,004	(8.27%)	\$96,551,488	(2.58%)
17	Loya Group	0.76%	\$50,197,791	*	\$87,112,006	*
18	Interins Exchange of the Automobile Club	0.74%	\$22,137,769	16.70%	\$84,900,589	18.85%
19	American International Group	0.73%	\$23,906,075	137.88%	\$84,615,498	223.84%
20	St. Paul Travelers Group	0.72%	\$19,293,858	(19.19%)	\$83,171,352	(23.69%)
21	Texas State National Group	0.64%	\$7,021,002	(74.82%)	\$73,881,585	(51.98%)
22	Metropolitan Group	0.51%	\$14,973,613	17.82%	\$58,843,282	13.67%
23	Germania Insurance Group	0.50%	\$15,695,500	6.70%	\$57,644,185	7.30%
24	Sentry Insurance Group	0.48%	\$15,850,158	(3.93%)	\$55,342,711	(17.74%)
25	Hartford Fire & Casualty Group	0.44%	\$11,759,726	(20.38%)	\$51,041,332	(20.67%)

Top 25 Groups Total	96.67%	\$2,716,873,973	1.67%	\$11,136,217,426	0.58%
----------------------------	---------------	------------------------	--------------	-------------------------	--------------

Total Market	100.00%	\$2,815,636,658	1.82%	\$11,520,250,401	0.83%
---------------------	----------------	------------------------	--------------	-------------------------	--------------

* 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 2001	\$2,381,884,799	\$2,218,599,142	\$1,764,471,091
3rd qtr 2001	\$2,601,335,227	\$2,418,790,333	\$1,904,688,875
4th qtr 2001	\$2,448,928,343	\$2,320,483,155	\$1,687,667,681
1st qtr 2002	\$2,868,833,850	\$2,672,814,060	\$1,679,834,023
2nd qtr 2002	\$2,825,505,496	\$2,591,123,687	\$1,896,294,072
3rd qtr 2002	\$3,001,045,878	\$2,749,095,031	\$1,679,170,055
4th qtr 2002	\$2,773,416,367	\$2,457,170,529	\$1,688,163,691
1st qtr 2003	\$3,100,617,381	\$2,924,121,925	\$1,602,582,885
2nd qtr 2003	\$2,916,379,355	\$2,741,087,516	\$2,098,762,515
3rd qtr 2003	\$3,087,789,849	\$2,926,507,123	\$1,682,022,598
4th qtr 2003	\$2,850,599,167	\$2,735,086,984	\$1,638,953,802
1st qtr 2004	\$3,144,326,853	\$3,007,086,941	\$1,804,166,491
2nd qtr 2004	\$2,947,729,931	\$2,792,861,085	\$1,606,658,907
3rd qtr 2004	\$3,119,399,801	\$2,956,845,728	\$1,604,332,880
4th qtr 2004	\$2,900,265,185	\$2,728,013,653	\$1,595,587,508
1st qtr 2005	\$3,103,271,206	\$2,974,668,675	\$1,563,989,740
2nd qtr 2005	\$2,936,532,493	\$2,765,341,841	\$1,884,963,993
3rd qtr 2005	\$3,105,148,346	\$2,989,589,211	\$1,675,759,014
4th qtr 2005	\$2,895,029,366	\$2,718,222,529	\$1,653,167,287
1st qtr 2006	\$3,238,013,384	\$2,996,802,003	\$1,675,239,429
2nd qtr 2006	\$3,011,423,197	\$2,815,636,658	\$1,832,322,655

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, 167 companies, that had voluntary liability (no assigned risk nor physical damage) direct written premium for Private Passenger Auto in the second quarter of 2006, as compared to 61 groups, 177 companies, in the second quarter of 2005.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the second quarter of 2006 to direct written premium in the second quarter of 2005 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRIVATE PASSENGER AUTO

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2006	% Change 2nd Quarter 2005 to 2006	4 Quarters Ending 2nd Qtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	State Farm IL	21.61%	\$333,392,671	(0.15%)	\$1,391,469,303	(0.93%)
2	Allstate Insurance Group	14.37%	\$221,610,335	(4.10%)	\$925,037,689	(3.67%)
3	Zurich Insurance Group	12.43%	\$194,641,068	1.51%	\$800,192,212	0.25%
4	Progressive Group	8.07%	\$122,469,493	(6.29%)	\$519,335,806	(7.82%)
5	United Services Automobile Assn. Group	5.60%	\$87,337,493	7.85%	\$360,532,936	2.44%
6	Berkshire Hathaway	5.44%	\$87,666,599	18.90%	\$350,310,446	25.28%
7	Old American County Mutual Fire Ins. Co.	5.09%	\$74,403,034	(23.19%)	\$327,469,453	(5.75%)
8	Nationwide Corp.	3.42%	\$53,384,283	0.29%	\$220,003,159	(13.24%)
9	Southern Farm Bureau Casualty	3.13%	\$48,107,419	(1.61%)	\$201,820,649	(5.28%)
10	Home State Insurance Group	2.95%	\$44,094,918	(9.88%)	\$189,857,899	(8.79%)
11	Titus Group	2.05%	\$36,437,693	23.31%	\$131,673,186	49.49%
12	Safeco Insurance Group	1.72%	\$25,715,283	(9.11%)	\$110,890,781	(0.74%)
13	Unitrin Group	1.29%	\$22,926,323	8.59%	\$83,127,209	(5.84%)
14	Liberty Mutual Group	1.26%	\$20,553,369	1.98%	\$81,058,947	3.12%
15	Republic Companies Group	1.25%	\$21,814,503	14.49%	\$80,438,224	8.03%
16	Loya Group	0.93%	\$34,714,343	*	\$59,697,920	*
17	Mercury General Group	0.84%	\$12,423,409	(9.69%)	\$54,351,588	(2.00%)
18	Texas State National Group	0.83%	\$4,578,063	(78.44%)	\$53,651,681	(55.16%)
19	St. Paul Travelers Group	0.74%	\$11,038,999	(20.13%)	\$47,893,689	(24.33%)
20	American International Group	0.73%	\$13,409,092	139.34%	\$46,769,461	244.57%
21	Interins Exchange of the Automobile Club	0.68%	\$11,677,619	15.77%	\$44,016,376	15.69%
22	Sentry Insurance Group	0.59%	\$10,708,883	(5.07%)	\$37,768,012	(22.53%)
23	Metropolitan Group	0.52%	\$8,508,239	18.77%	\$33,491,160	17.20%
24	Amica Mutual Group	0.49%	\$7,909,112	6.65%	\$31,311,714	3.03%
25	Germania Insurance Group	0.47%	\$8,252,611	4.82%	\$30,578,643	5.44%

Top 25 Groups Total	96.50%	\$1,517,774,854	0.75%	\$6,212,748,143	(0.57%)
----------------------------	---------------	------------------------	--------------	------------------------	----------------

Total Market	100.00%	\$1,573,860,145	0.65%	\$6,437,875,037	(0.37%)
---------------------	----------------	------------------------	--------------	------------------------	----------------

* 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 2001	\$1,352,189,807	\$1,258,371,277	\$906,258,206
3rd qtr 2001	\$1,459,719,337	\$1,361,690,166	\$840,171,110
4th qtr 2001	\$1,379,295,208	\$1,305,335,597	\$970,029,517
1st qtr 2002	\$1,606,318,038	\$1,513,140,256	\$981,906,602
2nd qtr 2002	\$1,590,558,659	\$1,474,062,620	\$1,070,390,058
3rd qtr 2002	\$1,680,894,368	\$1,546,620,167	\$962,685,922
4th qtr 2002	\$1,554,205,465	\$1,364,681,127	\$949,408,579
1st qtr 2003	\$1,748,560,932	\$1,649,198,567	\$930,288,533
2nd qtr 2003	\$1,635,686,421	\$1,545,253,717	\$940,676,080
3rd qtr 2003	\$1,736,176,675	\$1,646,201,715	\$947,133,974
4th qtr 2003	\$1,597,308,702	\$1,540,237,588	\$949,002,521
1st qtr 2004	\$1,778,736,180	\$1,694,026,366	\$1,170,500,420
2nd qtr 2004	\$1,657,819,149	\$1,568,037,833	\$927,789,409
3rd qtr 2004	\$1,751,591,077	\$1,657,373,307	\$934,579,333
4th qtr 2004	\$1,645,319,107	\$1,553,468,955	\$951,410,649
1st qtr 2005	\$1,766,455,541	\$1,686,982,703	\$923,428,190
2nd qtr 2005	\$1,638,765,846	\$1,563,745,477	\$1,124,509,875
3rd qtr 2005	\$1,747,242,711	\$1,656,707,946	\$978,989,204
4th qtr 2005	\$1,636,150,324	\$1,524,298,123	\$936,367,719
1st qtr 2006	\$1,850,006,940	\$1,683,008,823	\$969,287,708
2nd qtr 2006	\$1,690,139,438	\$1,573,860,145	\$971,404,538

Private Passenger Auto (All Assigned Risk)

There were 15 groups, 17 companies, that had assigned risk (no voluntary liability nor physical damage) direct written premium for Private Passenger Auto in the second quarter of 2006, as compared to 15 groups, 16 companies, in the second quarter of 2005.

The table below represents the top groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the second quarter of 2006 to direct written premium in the second quarter of 2005 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRIVATE PASSENGER AUTO

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2006	% Change 2nd Quarter 2005 to 2006	4 Quarters Ending 2nd Qtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	State Farm IL	28.48%	\$723,071	(9.91%)	\$3,781,926	(42.97%)
2	White Mountains Group	16.29%	\$564,408	24.73%	\$2,162,718	31.60%
3	Allstate Insurance Group	12.48%	\$252,972	(62.28%)	\$1,657,731	(37.92%)
4	American International Group	9.79%	\$286,255	(34.96%)	\$1,299,652	(54.18%)
5	Zurich Insurance Group	9.57%	\$261,682	(46.79%)	\$1,271,152	(42.59%)
6	Southern Farm Bureau Casualty	6.11%	\$159,090	36.35%	\$811,246	(32.10%)
7	Berkshire Hathaway	4.04%	\$120,423	68.56%	\$536,139	(31.56%)
8	Nationwide Corp.	3.45%	\$97,315	(44.86%)	\$457,855	(36.03%)
9	Safeco Insurance Group	2.14%	\$69,907	21.30%	\$284,086	(29.31%)
10	Kingsway Group	2.11%	\$72,925	*	\$280,607	*
11	St. Paul Travelers Group	1.74%	\$47,163	66.48%	\$231,596	(30.43%)
12	Home State Insurance Group	1.69%	\$18,014	(92.59%)	\$224,094	(31.81%)
13	Liberty Mutual Group	1.40%	\$43,002	(67.00%)	\$185,444	(25.63%)
14	Mercury General Group	0.69%	\$21,768	(53.78%)	\$92,263	61.41%
15	Service Life Group	0.01%	\$240	0.84%	\$1,346	(86.05%)
16	Southland Lloyds Insurance Company	0.01%	\$0	*	\$738	(52.02%)
17	Ameriprise Financial Group	0.00%	\$0	100.00%	(\$450)	(103.26%)

Top Groups Total	100.00%	\$2,738,235	(26.55%)	\$13,278,143	(33.96%)
Total Market	100.00%	\$2,738,235	(26.55%)	\$13,278,143	(33.96%)

* 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 2001	\$7,707,585	\$6,720,769	\$5,138,512
3rd qtr 2001	\$7,973,791	\$5,309,138	\$4,480,938
4th qtr 2001	\$8,829,104	\$5,584,345	\$4,363,346
1st qtr 2002	\$9,794,574	\$7,502,321	\$4,586,255
2nd qtr 2002	\$10,741,534	\$8,026,375	\$4,805,222
3rd qtr 2002	\$11,502,967	\$8,446,502	\$4,706,617
4th qtr 2002	\$11,768,796	\$8,289,878	\$5,585,323
1st qtr 2003	\$13,353,726	\$10,175,717	\$6,003,752
2nd qtr 2003	\$13,825,070	\$9,966,442	\$6,648,031
3rd qtr 2003	\$13,653,011	\$9,654,128	\$6,201,386
4th qtr 2003	\$12,535,481	\$8,767,404	\$6,042,045
1st qtr 2004	\$14,161,892	\$9,411,287	\$5,871,602
2nd qtr 2004	\$10,987,812	\$6,444,568	\$5,541,173
3rd qtr 2004	\$9,995,822	\$5,583,538	\$6,672,840
4th qtr 2004	\$7,198,957	\$4,860,681	\$4,665,648
1st qtr 2005	\$8,862,413	\$5,933,005	\$4,635,125
2nd qtr 2005	\$6,826,404	\$3,728,229	\$2,971,067
3rd qtr 2005	\$6,106,080	\$3,497,978	\$3,717,430
4th qtr 2005	\$5,558,905	\$2,991,348	\$3,120,298
1st qtr 2006	\$5,255,842	\$4,050,582	\$2,863,466
2nd qtr 2006	\$3,881,898	\$2,738,235	\$2,344,401

Private Passenger Auto (All Physical Damage)

There were 65 groups, 165 companies, that had physical damage (no voluntary liability nor assigned risk) direct written premium for Private Passenger Auto in the second quarter of 2006, as compared to 58 groups, 175 companies, in the second quarter of 2005.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the second quarter of 2006 to direct written premium in the second quarter of 2005 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRIVATE PASSENGER AUTO

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2006	% Change 2nd Quarter 2005 to 2006	4 Quarters Ending 2nd Qtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	State Farm IL	22.21%	\$278,101,541	5.91%	\$1,125,922,432	2.31%
2	Allstate Insurance Group	15.25%	\$189,461,322	(0.36%)	\$772,788,771	(1.43%)
3	Zurich Insurance Group	13.28%	\$154,213,592	(0.38%)	\$673,087,898	5.33%
4	Progressive Group	8.70%	\$107,962,238	(2.58%)	\$441,201,248	(6.44%)
5	United Services Automobile Assn. Group	5.41%	\$66,967,589	10.30%	\$274,197,382	5.87%
6	Berkshire Hathaway	5.33%	\$69,464,084	27.00%	\$270,074,762	30.45%
7	Southern Farm Bureau Casualty	3.57%	\$43,719,425	1.43%	\$181,025,573	(3.11%)
8	Old American County Mutual Fire Ins. Co.	3.40%	\$32,473,994	(29.63%)	\$172,235,641	(1.18%)
9	Nationwide Corp.	3.33%	\$38,650,771	(6.30%)	\$168,667,393	(10.98%)
10	Titus Group	2.70%	\$36,380,904	8.44%	\$136,811,910	18.94%
11	Home State Insurance Group	2.67%	\$30,886,328	(10.74%)	\$135,290,468	(7.08%)
12	Safeco Insurance Group	1.66%	\$20,479,171	(1.48%)	\$83,956,852	(3.93%)
13	Unitrin Group	1.27%	\$18,096,230	14.12%	\$64,330,827	(3.03%)
14	Liberty Mutual Group	1.25%	\$15,892,414	2.01%	\$63,305,674	1.94%
15	Republic Companies Group	1.14%	\$14,803,914	14.65%	\$57,788,995	14.27%
16	Mercury General Group	0.83%	\$9,739,827	(6.17%)	\$42,107,637	(3.40%)
17	Interins Exchange of the Automobile Club	0.81%	\$10,460,150	17.76%	\$40,884,213	22.45%
18	American International Group	0.72%	\$10,210,728	154.81%	\$36,546,385	276.04%
19	St. Paul Travelers Group	0.69%	\$8,207,696	(18.13%)	\$35,046,067	(22.74%)
20	Loya Group	0.54%	\$15,483,448	*	\$27,414,086	*
21	Germania Insurance Group	0.53%	\$7,442,889	8.86%	\$27,065,542	9.49%
22	Metropolitan Group	0.50%	\$6,465,374	16.60%	\$25,352,122	9.32%
23	Hartford Fire & Casualty Group	0.43%	\$5,067,754	(19.98%)	\$21,743,823	(21.02%)
24	Texas State National Group	0.40%	\$2,442,939	(63.31%)	\$20,229,904	(40.86%)
25	Amica Mutual Group	0.37%	\$4,828,957	10.28%	\$18,964,427	(5.67%)

Top 25 Groups Total	96.98%	\$1,197,903,279	3.21%	\$4,916,040,032	2.41%
----------------------------	---------------	------------------------	--------------	------------------------	--------------

Total Market	100.00%	\$1,239,038,278	3.44%	\$5,069,097,221	2.55%
---------------------	----------------	------------------------	--------------	------------------------	--------------

* 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 2001	\$1,021,987,407	\$953,507,096	\$853,074,373
3rd qtr 2001	\$1,133,642,099	\$1,051,791,029	\$1,060,036,827
4th qtr 2001	\$1,060,804,031	\$1,009,563,213	\$713,274,818
1st qtr 2002	\$1,252,721,238	\$1,152,171,483	\$693,341,166
2nd qtr 2002	\$1,224,205,303	\$1,109,034,692	\$821,098,792
3rd qtr 2002	\$1,308,648,543	\$1,194,028,362	\$711,777,516
4th qtr 2002	\$1,207,442,106	\$1,084,199,524	\$733,169,789
1st qtr 2003	\$1,338,702,723	\$1,264,747,641	\$666,290,600
2nd qtr 2003	\$1,266,867,864	\$1,185,867,357	\$1,151,438,404
3rd qtr 2003	\$1,337,960,163	\$1,270,651,280	\$728,687,238
4th qtr 2003	\$1,240,754,984	\$1,186,081,992	\$683,909,236
1st qtr 2004	\$1,351,428,781	\$1,303,649,288	\$627,794,469
2nd qtr 2004	\$1,278,922,970	\$1,218,378,684	\$673,328,325
3rd qtr 2004	\$1,357,812,902	\$1,293,888,883	\$663,080,707
4th qtr 2004	\$1,247,747,121	\$1,169,684,017	\$639,511,211
1st qtr 2005	\$1,327,953,252	\$1,281,752,967	\$635,926,425
2nd qtr 2005	\$1,290,940,243	\$1,197,868,135	\$757,483,051
3rd qtr 2005	\$1,351,799,555	\$1,329,383,287	\$693,052,380
4th qtr 2005	\$1,253,320,137	\$1,190,933,058	\$713,679,270
1st qtr 2006	\$1,382,750,602	\$1,309,742,598	\$703,088,255
2nd qtr 2006	\$1,317,401,861	\$1,239,038,278	\$858,573,716

Homeowners Multiple Peril (All Companies)

There were 62 groups, 98 companies, that had premiums on policies written for Homeowners Multiple Peril (includes renters' insurance) in the second quarter of 2006, as compared to 60 groups, 94 companies, in the second quarter of 2005.

The table below represents the top 25 groups for premiums on policies written based on a sum of the most recent four quarters. Also included is a comparison of premiums on policies written in the second quarter of 2006 to premiums on policies written in the second quarter of 2005 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 2006	% Change 2nd Quarter 2005 to 2006	4 Quarters Ending 2nd Qtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	State Farm IL	28.59%	\$373,384,441	4.47%	\$1,325,365,885	3.71%
2	Allstate Insurance Group	16.59%	\$215,003,601	(4.96%)	\$768,878,960	(3.72%)
3	Zurich Insurance Group	12.10%	\$163,892,578	19.80%	\$561,032,390	6.26%
4	United Services Automobile Assn. Group	7.44%	\$101,629,062	9.53%	\$344,787,185	6.00%
5	St. Paul Travelers Group	5.74%	\$76,165,021	11.38%	\$266,166,016	6.87%
6	Nationwide Corp.	3.96%	\$53,294,713	3.07%	\$183,569,082	6.41%
7	Vesta Insurance Group	2.65%	\$0	(100.00%)	\$122,959,074	(36.48%)
8	Texas Farm Bureau Mutual	2.57%	\$37,032,754	17.23%	\$119,068,341	9.40%
9	Chubb & Son Inc.	2.49%	\$30,396,865	0.77%	\$115,501,334	(0.95%)
10	Liberty Mutual Group	1.87%	\$24,306,504	2.94%	\$86,848,647	4.69%
11	Hartford Fire & Casualty Group	1.49%	\$20,166,152	44.78%	\$69,208,754	33.48%
12	NLASCO	1.12%	\$13,512,533	(6.63%)	\$51,849,565	(7.83%)
13	Republic Companies Group	1.08%	\$14,218,073	13.11%	\$50,183,870	17.38%
14	Safeco Insurance Group	1.05%	\$14,777,637	10.68%	\$48,615,770	(3.36%)
15	American National Financial Group	0.99%	\$23,086,566	140.08%	\$45,676,406	37.91%
16	Amica Mutual Group	0.99%	\$12,623,212	(3.65%)	\$45,668,971	(5.14%)
17	Texas Fair Plan Association	0.90%	\$11,652,524	(15.61%)	\$41,954,676	(42.71%)
18	ARX Holding Corp. Group	0.77%	\$9,654,691	9.65%	\$35,712,285	13.91%
19	Interins Exchange of the Automobile Club	0.71%	\$9,448,567	17.79%	\$32,683,551	14.34%
20	Unitrin Group	0.68%	\$9,648,199	1.17%	\$31,646,136	(10.20%)
21	Cypress Holdings Group	0.66%	\$8,570,638	43.12%	\$30,387,784	52.57%
22	Allianz Insurance Group	0.54%	\$6,496,705	(4.47%)	\$25,027,347	(5.45%)
23	Metropolitan Group	0.44%	\$5,903,978	29.41%	\$20,526,571	24.03%
24	Glencoe US Holdings Inc	0.41%	\$1,777,323	(68.51%)	\$19,042,973	53.95%
25	Colonial Savings Group	0.40%	\$5,313,305	26.65%	\$18,588,394	20.00%

Top 25 Groups Total	96.23%	\$1,241,955,642	2.33%	\$4,460,949,967	1.50%
----------------------------	---------------	------------------------	--------------	------------------------	--------------

Total Market	100.00%	\$1,293,635,738	3.23%	\$4,635,908,105	2.13%
---------------------	----------------	------------------------	--------------	------------------------	--------------

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 2001	\$929,634,302	\$863,249,536	\$834,551,881
3rd qtr 2001	\$972,458,027	\$879,995,299	\$823,438,558
4th qtr 2001	\$841,023,405	\$810,336,096	\$801,350,605
1st qtr 2002	\$1,014,695,847	\$937,862,631	\$877,653,109
2nd qtr 2002	\$1,332,392,207	\$1,199,465,123	\$1,230,023,431
3rd qtr 2002	\$1,315,122,445	\$1,170,560,367	\$1,032,308,999
4th qtr 2002	\$1,069,629,533	\$866,207,429	\$780,590,201
1st qtr 2003	\$1,076,518,514	\$955,798,410	\$592,842,440
2nd qtr 2003	\$1,394,667,461	\$1,234,667,479	\$1,265,565,377
3rd qtr 2003	\$1,363,295,561	\$1,229,850,588	\$656,718,201
4th qtr 2003	\$1,127,403,509	\$992,576,934	\$417,580,410
1st qtr 2004	\$1,054,104,798	\$957,201,670	\$342,798,532
2nd qtr 2004	\$1,321,221,143	\$1,211,261,069	\$404,637,138
3rd qtr 2004	\$1,353,624,923	\$1,223,961,659	\$429,572,002
4th qtr 2004	\$1,148,310,976	\$1,062,604,303	\$284,080,246
1st qtr 2005	\$1,080,593,528	\$999,413,785	\$279,275,465
2nd qtr 2005	\$1,360,884,551	\$1,253,169,617	\$445,858,432
3rd qtr 2005	\$1,369,785,140	\$1,254,536,726	\$348,938,521
4th qtr 2005	\$1,174,051,166	\$1,084,214,908	\$1,219,355,935
1st qtr 2006	\$1,123,966,994	\$1,003,520,733	\$581,892,663
2nd qtr 2006	\$1,399,461,506	\$1,293,635,738	\$600,018,783

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 90 groups, 229 companies, that had direct written premium for Workers' Compensation in the second quarter of 2006, as compared to 85 groups, 227 companies, in the second quarter of 2005.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the second quarter of 2006 to direct written premium in the second quarter of 2005 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR WORKERS' COMPENSATION

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2006	% Change 2nd Quarter 2005 to 2006	4 Quarters Ending 2nd Qtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	Texas Mutual Insurance Company	26.62%	\$179,573,747	4.09%	\$726,421,157	3.80%
2	American International Group	13.64%	\$105,539,444	5.37%	\$372,339,031	(4.19%)
3	Liberty Mutual Group	10.41%	\$49,854,986	23.75%	\$284,212,925	28.41%
4	Hartford Fire & Casualty Group	8.40%	\$45,111,989	2.27%	\$229,214,100	34.92%
5	Zurich Insurance Group	7.41%	\$52,669,698	1.83%	\$202,290,058	(9.00%)
6	St. Paul Travelers Group	5.90%	\$35,988,002	12.99%	\$161,009,613	14.05%
7	CNA Insurance Group	3.37%	\$25,582,912	(4.54%)	\$91,968,879	(11.65%)
8	ACE Ltd.	3.22%	\$26,938,307	4.70%	\$87,988,362	(7.98%)
9	Old Republic Group	2.22%	\$14,950,623	2.02%	\$60,518,767	1.33%
10	Chubb & Son Inc.	1.88%	\$13,020,364	4.30%	\$51,271,579	(0.62%)
11	Service Life Group	1.66%	\$8,274,478	(13.68%)	\$45,336,154	(8.38%)
12	Amerisure Company	1.61%	\$10,972,206	2.78%	\$43,974,493	3.33%
13	Zenith National Insurance Group	1.40%	\$9,187,980	16.98%	\$38,164,823	17.94%
14	Amcomp Group	1.01%	\$6,099,964	0.09%	\$27,509,160	(22.93%)
15	Sentry Insurance Group	0.79%	\$5,412,438	(13.70%)	\$21,690,996	(20.98%)
16	Amerisafe Group	0.60%	\$4,973,783	214.06%	\$16,469,873	24.17%
17	Fairfax Financial	0.58%	\$5,003,571	130.83%	\$15,698,362	24.49%
18	Republic Companies Group	0.52%	\$4,189,160	73.77%	\$14,193,678	15.00%
19	Utica National Insurance Group	0.47%	\$3,114,610	16.43%	\$12,941,487	(3.48%)
20	WR Berkley Corp.	0.45%	\$4,803,793	47.97%	\$12,217,550	29.85%
21	AON Corp.	0.42%	\$10,570,488	330.81%	\$11,390,499	100.35%
22	Federated Mutual	0.41%	\$3,334,941	(5.55%)	\$11,244,238	8.17%
23	EMC Insurance Company	0.39%	\$3,295,130	0.90%	\$10,573,539	(6.17%)
24	Unitrin Group	0.36%	\$2,123,705	(13.39%)	\$9,944,184	6.62%
25	State Farm IL	0.32%	\$2,100,606	4.64%	\$8,688,513	(3.78%)

Top 25 Groups Total	94.07%	\$632,686,925	7.86%	\$2,567,272,020	4.85%
----------------------------	---------------	----------------------	--------------	------------------------	--------------

Total Market	100.00%	\$670,700,290	7.82%	\$2,729,195,086	4.85%
---------------------	----------------	----------------------	--------------	------------------------	--------------

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
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	\$623,825,962	\$244,820,427
4th qtr 2005	\$653,492,954	\$706,051,732	\$213,953,112
1st qtr 2006	\$696,441,264	\$728,617,102	\$250,606,047
2nd qtr 2006	\$689,865,972	\$670,700,290	\$198,323,741

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 90 groups, 229 companies, that had voluntary direct written premium for Workers' Compensation in the second quarter of 2006, as compared to 85 groups, 227 companies, in the second quarter of 2005.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the second quarter of 2006 to direct written premium in the second quarter of 2005 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR WORKERS' COMPENSATION

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2006	% Change 2nd Quarter 2005 to 2006	4 Quarters Ending 2nd Qtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	Texas Mutual Insurance Company	26.47%	\$179,353,254	4.91%	\$720,552,100	4.15%
2	American International Group	13.68%	\$105,539,444	5.37%	\$372,339,031	(4.19%)
3	Liberty Mutual Group	10.44%	\$49,854,986	23.75%	\$284,212,925	28.41%
4	Hartford Fire & Casualty Group	8.42%	\$45,111,989	2.27%	\$229,214,100	34.92%
5	Zurich Insurance Group	7.43%	\$52,669,698	1.83%	\$202,290,058	(9.00%)
6	St. Paul Travelers Group	5.92%	\$35,988,002	12.99%	\$161,009,613	14.05%
7	CNA Insurance Group	3.38%	\$25,582,912	(4.54%)	\$91,968,879	(11.65%)
8	ACE Ltd.	3.23%	\$26,938,307	4.70%	\$87,988,362	(7.98%)
9	Old Republic Group	2.22%	\$14,950,623	2.02%	\$60,518,767	1.33%
10	Chubb & Son Inc.	1.88%	\$13,020,364	4.30%	\$51,271,579	(0.62%)
11	Service Life Group	1.67%	\$8,274,478	(13.68%)	\$45,336,154	(8.38%)
12	Amerisure Company	1.62%	\$10,972,206	2.78%	\$43,974,493	3.33%
13	Zenith National Insurance Group	1.40%	\$9,187,980	16.98%	\$38,164,823	17.94%
14	Amcomp Group	1.01%	\$6,099,964	0.09%	\$27,509,160	(22.93%)
15	Sentry Insurance Group	0.80%	\$5,412,438	(13.70%)	\$21,690,996	(20.98%)
16	Amerisafe Group	0.61%	\$4,973,783	214.06%	\$16,469,873	24.17%
17	Fairfax Financial	0.58%	\$5,003,571	130.83%	\$15,698,362	24.49%
18	Republic Companies Group	0.52%	\$4,189,160	73.77%	\$14,193,678	15.00%
19	Utica National Insurance Group	0.48%	\$3,114,610	16.43%	\$12,941,487	(3.48%)
20	WR Berkley Corp.	0.45%	\$4,803,793	47.97%	\$12,217,550	29.85%
21	AON Corp.	0.42%	\$10,570,488	330.81%	\$11,390,499	100.35%
22	Federated Mutual	0.41%	\$3,334,941	(5.55%)	\$11,244,238	8.17%
23	EMC Insurance Company	0.39%	\$3,295,130	0.90%	\$10,573,539	(6.17%)
24	Unitrin Group	0.37%	\$2,123,705	(13.39%)	\$9,944,184	6.62%
25	State Farm IL	0.32%	\$2,100,606	4.64%	\$8,688,513	(3.78%)

Top 25 Groups Total	94.11%	\$632,466,432	8.11%	\$2,561,402,963	4.96%
----------------------------	---------------	----------------------	--------------	------------------------	--------------

Total Market	100.00%	\$670,479,797	8.05%	\$2,721,832,201	4.89%
---------------------	----------------	----------------------	--------------	------------------------	--------------

* 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 2001	\$625,096,723	\$553,257,708	\$335,333,000
3rd qtr 2001	\$589,604,135	\$613,986,964	\$345,242,399
4th qtr 2001	\$607,546,853	\$625,167,853	\$302,389,408
1st qtr 2002	\$756,668,020	\$698,242,878	\$356,803,688
2nd qtr 2002	\$630,083,340	\$600,654,771	\$375,966,560
3rd qtr 2002	\$755,284,146	\$607,423,784	\$324,696,510
4th qtr 2002	\$672,513,987	\$644,898,391	\$423,374,512
1st qtr 2003	\$789,303,161	\$702,878,917	\$312,423,735
2nd qtr 2003	\$698,820,581	\$607,330,529	\$332,424,290
3rd qtr 2003	\$697,425,752	\$605,434,822	\$290,359,509
4th qtr 2003	\$703,053,211	\$656,032,121	\$237,963,992
1st qtr 2004	\$775,143,328	\$751,980,050	\$235,457,643
2nd qtr 2004	\$730,500,348	\$595,579,582	\$246,761,999
3rd qtr 2004	\$657,718,545	\$640,473,143	\$251,277,710
4th qtr 2004	\$674,509,968	\$634,513,919	\$208,914,706
1st qtr 2005	\$712,653,851	\$699,498,680	\$245,859,536
2nd qtr 2005	\$672,084,966	\$620,520,059	\$245,070,604
3rd qtr 2005	\$606,964,507	\$620,411,714	\$242,926,580
4th qtr 2005	\$651,678,557	\$704,507,634	\$206,376,037
1st qtr 2006	\$694,168,076	\$726,433,056	\$249,114,474
2nd qtr 2006	\$687,453,349	\$670,479,797	\$196,828,410

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 2006, the START program reported \$5,869,057 in direct premiums written. This accounted for 79.71% of all Residual Market experience reported and was a decrease of (63.60%) over the same period one year prior. Of this amount \$220,493 was written in the second quarter of 2006 which was a (85.78%) decrease from the second quarter of 2005.

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

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

QUARTERLY EXPERIENCE All Groups

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 2001	\$10,450,048	\$10,937,185	\$9,997,892
3rd qtr 2001	\$7,851,500	\$5,506,628	\$10,142,036
4th qtr 2001	\$9,998,247	\$9,329,645	\$6,159,989
1st qtr 2002	\$11,376,261	\$9,764,563	\$9,421,640
2nd qtr 2002	\$7,341,916	\$7,243,925	\$9,562,854
3rd qtr 2002	\$6,495,852	\$6,045,003	\$9,218,094
4th qtr 2002	\$7,735,964	\$6,811,504	\$9,116,511
1st qtr 2003	\$6,846,052	\$4,868,989	\$4,450,658
2nd qtr 2003	\$7,398,883	\$6,595,457	\$4,476,909
3rd qtr 2003	\$6,617,416	\$3,646,246	\$4,375,964
4th qtr 2003	\$4,843,706	\$4,607,623	\$5,826,659
1st qtr 2004	\$9,321,304	\$8,501,414	\$1,976,772
2nd qtr 2004	\$4,590,300	\$5,184,676	\$3,246,706
3rd qtr 2004	\$2,944,082	\$1,206,271	\$7,790,563
4th qtr 2004	\$3,145,398	\$2,988,938	(\$742,639)
1st qtr 2005	\$3,190,362	\$2,241,229	\$3,002,720
2nd qtr 2005	\$3,161,087	\$1,550,292	\$1,457,222
3rd qtr 2005	\$1,649,532	\$4,852,810	\$2,850,226
4th qtr 2005	\$1,814,397	\$2,950,969	\$8,199,457
1st qtr 2006	\$2,273,188	\$3,741,149	\$2,174,235
2nd qtr 2006	\$2,412,623	\$1,893,047	\$2,076,378

QUARTERLY EXPERIENCE
Texas Mutual Insurance Company

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 2001	\$10,450,048	\$10,937,185	\$419,298
3rd qtr 2001	\$7,851,500	\$5,506,628	\$776,318
4th qtr 2001	\$9,998,247	\$9,235,306	\$671,019
1st qtr 2002	\$11,376,261	\$9,737,212	\$2,079,484
2nd qtr 2002	\$7,341,916	\$7,147,894	\$1,622,476
3rd qtr 2002	\$6,495,852	\$5,992,338	\$2,084,985
4th qtr 2002	\$7,735,964	\$6,597,702	\$2,093,003
1st qtr 2003	\$6,846,052	\$4,852,376	\$1,988,494
2nd qtr 2003	\$7,398,883	\$6,594,934	\$1,904,942
3rd qtr 2003	\$6,617,416	\$3,646,246	\$2,186,906
4th qtr 2003	\$4,843,706	\$4,607,100	\$1,625,440
1st qtr 2004	\$9,321,304	\$8,501,414	\$1,856,570
2nd qtr 2004	\$4,590,300	\$5,184,676	\$2,205,266
3rd qtr 2004	\$2,944,082	\$1,206,271	\$2,068,334
4th qtr 2004	\$3,145,398	\$2,988,938	\$1,682,701
1st qtr 2005	\$3,190,362	\$2,241,229	\$1,916,106
2nd qtr 2005	\$3,161,087	\$1,550,292	\$1,504,557
3rd qtr 2005	\$1,649,532	\$1,920,420	\$1,356,660
4th qtr 2005	\$1,814,397	\$1,544,098	\$1,253,731
1st qtr 2006	\$2,273,188	\$2,184,046	\$1,092,585
2nd qtr 2006	\$2,412,623	\$220,493	\$968,681

Workers' Compensation (Deductible Plans)

There were 90 groups, 229 companies which wrote voluntary policies for Workers' Compensation in the second quarter of 2006, as compared to 85 groups, 227 companies in the second quarter of 2005.

The data contained in the following table represents direct policies written as new or renewal policies in the second quarter of 2006. The policies are adjusted to an annual basis (a six month policy is reported as 0.5). The premiums on direct policies written are total premiums (estimated if initial premium collected was a deposit or 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 2006	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	36	\$245,976	\$216,450	12.00%
Premium of \$10,000 - \$24,999	54	\$917,662	\$808,641	11.88%
Premium of \$25,000 - \$49,999	30	\$1,037,312	\$939,842	9.40%
Premium of \$50,000 - \$74,999	10	\$695,713	\$591,010	15.05%
Premium of \$75,000 - \$100,000	14	\$4,491,123	\$1,929,069	57.05%
Total Per Accident Plan	144	\$7,387,786	\$4,485,012	39.29%
Aggregate Deductible Plan				
Premium of \$5,000 - \$9,999	18	\$125,685	\$108,641	13.56%
Premium of \$10,000 - \$24,999	22	\$373,488	\$320,783	14.11%
Premium of \$25,000 - \$49,999	5	\$146,447	\$121,070	17.33%
Premium of \$50,000 - \$74,999	11	\$418,058	\$358,673	14.20%
Premium of \$75,000 - \$100,000	4	\$940,175	\$719,625	23.46%
Total Aggregate Plan	60	\$2,003,853	\$1,628,792	18.72%
Per Accident/Aggregate Combination Deductible Plan				
Premium of \$5,000 - \$9,999	12	\$51,807	\$45,664	11.86%
Premium of \$10,000 - \$24,999	7	\$94,220	\$70,409	25.27%
Premium of \$25,000 - \$49,999	9	\$387,026	\$251,197	35.10%
Premium of \$50,000 - \$74,999	3	\$295,068	\$166,758	43.48%
Premium of \$75,000 - \$100,000	9	\$2,500,221	\$598,131	76.08%
Total Combination Plan	40	\$3,328,342	\$1,132,159	65.98%
Negotiated Deductible Plan				
Premium Up To \$100,000	1,200	\$22,674,966	\$7,527,935	66.80%
Premium of \$100,001 - \$150,000	93	\$15,978,697	\$5,232,366	67.25%
Premium of \$150,001 - \$250,000	121	\$37,431,324	\$9,497,078	74.63%
Premium of \$250,001 - \$350,000	85	\$27,489,408	\$8,417,978	69.38%
Premium of \$350,001 - \$500,000	67	\$35,390,097	\$8,780,026	75.19%
Premium of \$500,001 - \$750,000	59	\$58,582,224	\$11,094,600	81.06%
Premium of \$750,001 - \$1,000,000	37	\$30,953,936	\$5,849,862	81.10%
Premium of \$1,000,001 - \$2,500,000	71	\$153,248,200	\$27,149,014	82.28%
Premium of \$2,500,001 - \$5,000,000	22	\$51,383,545	\$4,181,353	91.86%
Premium of \$5,000,001 and above	12	\$270,619,756	\$39,858,944	85.27%
Total Negotiated Plan	1,767	\$703,752,153	\$127,589,156	81.87%
No Deductible Plan				
Premium Less Than \$5,000	23,587	\$39,663,481	\$39,663,481	0.00%
Premium of \$5,000 - \$9,999	5,579	\$39,641,484	\$39,641,484	0.00%
Premium of \$10,000 - \$24,999	4,761	\$73,268,990	\$73,268,990	0.00%
Premium of \$25,000 - \$49,999	2,195	\$73,800,640	\$73,800,640	0.00%
Premium of \$50,000 - \$74,999	942	\$53,654,387	\$53,654,387	0.00%
Premium of \$75,000 - \$100,000	442	\$35,018,731	\$35,018,731	0.00%
Premium Greater Than \$100,000	1,128	\$237,570,517	\$237,570,517	0.00%
Total No Deductible Plan	38,634	\$552,618,230	\$552,618,230	0.00%
TOTAL	40,645	\$1,269,090,364	\$687,453,349	45.83%

Boiler & Machinery

There were 40 groups, 94 companies, that had direct written premium for Boiler & Machinery in the second quarter of 2006, as compared to 35 groups, 83 companies, in the second quarter of 2005.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the second quarter of 2006 to direct written premium in the second quarter of 2005 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR BOILER & MACHINERY

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2006	% Change 2nd Quarter 2005 to 2006	4 Quarters Ending 2nd Qtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	FM Global Group	28.53%	\$4,885,425	22.03%	\$21,014,282	33.81%
2	American International Group	15.98%	\$3,654,169	10.57%	\$11,766,010	1.79%
3	St. Paul Travelers Group	15.35%	\$2,913,067	18.79%	\$11,308,626	(7.91%)
4	Zurich Insurance Group	9.35%	\$1,682,558	17.39%	\$6,886,929	17.19%
5	Chubb & Son Inc.	9.00%	\$1,800,338	(4.60%)	\$6,629,947	(9.26%)
6	CNA Insurance Group	5.34%	\$995,726	(8.70%)	\$3,931,936	7.57%
7	Liberty Mutual Group	5.20%	\$480,494	(22.55%)	\$3,831,945	33.72%
8	Allianz Insurance Group	2.26%	\$444,456	(20.32%)	\$1,662,918	(11.65%)
9	Central Mutual Insurance Company of Ohio	1.31%	\$195,104	38.91%	\$964,567	25.70%
10	Federated Mutual	1.15%	\$205,120	(6.08%)	\$848,090	(6.59%)
11	Nationwide Corp.	0.90%	\$217,358	62.72%	\$666,280	61.33%
12	Swiss Re Group	0.80%	\$295,311	41.10%	\$587,591	668.09%
13	XLAmerica	0.74%	\$77,635	(2.73%)	\$544,545	165.85%
14	EMC Insurance Company	0.68%	\$105,312	28.21%	\$499,217	21.36%
15	American Financial Group	0.55%	\$71,894	24.12%	\$406,783	341.15%
16	Triangle Insurance Company Inc.	0.45%	\$10,118	40.02%	\$331,220	37.33%
17	Allstate Insurance Group	0.42%	\$70,466	(17.77%)	\$305,689	(7.99%)
18	Millea Holdings Inc.	0.41%	\$31,332	6.91%	\$301,780	(17.12%)
19	United Fire & Casualty Group	0.30%	\$64,900	31.68%	\$218,813	12.12%
20	AXIS Capital Group	0.25%	\$7,426	(56.66%)	\$181,514	92.40%
21	Hartford Fire & Casualty Group	0.21%	\$39,231	3.33%	\$152,939	41.34%
22	Bancinsure Inc.	0.19%	\$31,294	5.23%	\$139,028	(7.34%)
23	Hannover Group	0.11%	\$14,992	(65.03%)	\$80,603	85.58%
24	Texas State National Group	0.10%	\$0	*	\$73,974	*
25	Lumbermen's Underwriting Alliance	0.10%	\$17,779	(57.91%)	\$70,930	(36.88%)

Top 25 Groups Total	99.67%	\$18,311,505	10.22%	\$73,406,156	11.82%
----------------------------	---------------	---------------------	---------------	---------------------	---------------

Total Market	100.00%	\$18,405,377	10.43%	\$73,651,451	11.88%
---------------------	----------------	---------------------	---------------	---------------------	---------------

* 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 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	\$15,291,463	\$1,454,857
2nd qtr 2005	\$14,320,385	\$16,667,555	\$4,596,582
3rd qtr 2005	\$15,899,068	\$20,779,919	\$1,553,656
4th qtr 2005	\$14,395,254	\$18,108,727	\$2,876,379
1st qtr 2006	\$14,198,128	\$16,357,428	\$2,942,034
2nd qtr 2006	\$15,076,464	\$18,405,377	\$2,632,101

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 30 groups, 71 companies, that had direct written premium for Commercial Crime in the second quarter of 2006, as compared to 33 groups, 66 companies, in the second quarter of 2005.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the second quarter of 2006 to direct written premium in the second quarter of 2005 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR COMMERCIAL CRIME

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2006	% Change 2nd Quarter 2005 to 2006	4 Quarters Ending 2nd Qtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	St. Paul Travelers Group	22.84%	\$438,236	10.63%	\$1,763,629	1.63%
2	Chubb & Son Inc.	19.40%	\$512,508	3.28%	\$1,498,077	(8.71%)
3	Zurich Insurance Group	15.57%	\$352,367	6.86%	\$1,202,324	(2.70%)
4	American International Group	12.42%	\$434,988	*	\$958,906	13.49%
5	Hartford Fire & Casualty Group	11.37%	\$152,683	1.58%	\$877,920	0.27%
6	CNA Insurance Group	7.96%	\$160,189	329.55%	\$614,568	(39.55%)
7	Nationwide Corp.	1.49%	\$52,128	283.15%	\$115,257	266.38%
8	Sentry Insurance Group	1.27%	\$22,411	2.86%	\$98,101	(0.92%)
9	United Fire & Casualty Group	1.10%	\$22,503	(1.21%)	\$85,322	8.14%
10	Federated Mutual	0.97%	\$14,919	17.34%	\$74,760	(15.47%)
11	ACE Ltd.	0.97%	\$734	*	\$74,726	551.55%
12	Liberty Mutual Group	0.94%	\$6,642	(63.97%)	\$72,534	(4.93%)
13	XL America	0.54%	\$10,349	42.27%	\$41,676	111.06%
14	American Financial Group	0.51%	\$5,993	(56.64%)	\$39,650	3.22%
15	Allstate Insurance Group	0.47%	\$7,637	(32.83%)	\$36,415	(12.17%)
16	Benchmark Insurance Company	0.42%	\$7,364	250.67%	\$32,570	71.87%
17	Harco National Insurance Company	0.40%	\$4,149	(54.96%)	\$30,708	(54.88%)
18	Bancinsure, Inc.	0.24%	\$0	*	\$18,861	(73.86%)
19	EMC Insurance Company	0.22%	\$2,283	1.92%	\$16,633	18.84%
20	Motorists Mutual	0.18%	\$128	*	\$13,619	*
21	Safeco Insurance Group	0.13%	\$847	(68.12%)	\$10,325	28.36%
22	Central Mutual Insurance Company of Ohio	0.11%	\$572	(90.54%)	\$8,544	7.01%
23	North Pointe Holdings Corp. Group	0.11%	\$1,963	0.62%	\$8,360	32.36%
24	WR Berkley Corp.	0.11%	\$1,854	242.51%	\$8,217	592.25%
25	Federated Rural Electric Insurance Exchange	0.05%	\$0	(100.00%)	\$3,867	(40.32%)

Top 25 Groups Total	99.77%	\$2,213,447	42.16%	\$7,705,569	(4.13%)
----------------------------	---------------	--------------------	---------------	--------------------	----------------

Total Market	100.00%	\$2,219,675	40.92%	\$7,723,053	(4.89%)
---------------------	----------------	--------------------	---------------	--------------------	----------------

* 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 2001	\$2,958,524	\$2,118,598	\$214,678
3rd qtr 2001	\$1,948,083	\$1,883,478	\$392,359
4th qtr 2001	\$2,550,031	\$2,490,497	\$3,137,605
1st qtr 2002	\$2,403,953	\$2,309,009	(\$134,651)
2nd qtr 2002	\$1,546,219	\$2,030,210	\$280,434
3rd qtr 2002	\$1,341,198	\$1,529,291	\$214,282
4th qtr 2002	\$1,616,520	\$1,782,790	\$419,686
1st qtr 2003	\$1,428,028	\$1,478,357	\$220,185
2nd qtr 2003	\$1,811,197	\$1,968,334	\$77,561
3rd qtr 2003	\$1,455,764	\$1,970,424	\$201,608
4th qtr 2003	\$1,485,574	\$1,867,930	\$424,135
1st qtr 2004	\$3,342,749	\$1,749,368	\$376,949
2nd qtr 2004	\$1,898,917	\$2,170,364	\$48,845
3rd qtr 2004	\$1,415,602	\$2,690,230	\$368,517
4th qtr 2004	\$1,836,630	\$2,046,419	\$15,145
1st qtr 2005	\$1,442,287	\$1,808,358	\$866,393
2nd qtr 2005	\$1,853,047	\$1,575,124	\$92,132
3rd qtr 2005	\$1,338,039	\$1,915,433	\$1,290,472
4th qtr 2005	\$1,468,162	\$1,793,090	\$364,705
1st qtr 2006	\$1,528,468	\$1,794,855	\$147,044
2nd qtr 2006	\$1,871,268	\$2,219,675	\$182,321

EARNED TO INCURRED LOSS RATIO BY YEAR

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

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

Commercial Glass

There were 6 groups, 9 companies, that had direct written premium for Commercial Glass in the second quarter of 2006, as compared to 9 groups, 16 companies, in the second quarter of 2005.

The table below represents the top groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the second quarter of 2006 to direct written premium in the second quarter of 2005 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR COMMERCIAL GLASS

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2006	% Change 2nd Quarter 2005 to 2006	4 Quarters Ending 2nd Qtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	Zurich Insurance Group	56.52%	\$4,178	(72.23%)	\$34,411	(36.83%)
2	Ohio Casualty Group	17.64%	\$2,463	(12.94%)	\$10,742	(15.00%)
3	Federated Mutual	8.71%	\$134	(85.58%)	\$5,304	0.11%
4	Liberty Mutual Group	7.92%	\$0	(100.00%)	\$4,823	0.63%
5	North Pointe Holdings Corp. Group	6.44%	\$3,919	*	\$3,919	*
6	State Farm IL	2.38%	\$535	0.00%	\$1,450	0.00%
7	St. Paul Travelers Group	0.35%	\$0	(100.00%)	\$215	(84.65%)
8	United Fire & Casualty Group	0.33%	\$0	(100.00%)	\$200	457.14%
9	Unitrin Group	0.22%	(\$101)	(101.12%)	\$131	(99.70%)
10	Hartford Fire & Casualty Group	**(0.52%)	\$0	*	(\$316)	*

Top Groups Total	100.00%	\$11,128	(61.81%)	\$60,879	(54.88%)
-------------------------	----------------	-----------------	-----------------	-----------------	-----------------

Total Market	100.00%	\$11,128	(61.81%)	\$60,879	(54.88%)
---------------------	----------------	-----------------	-----------------	-----------------	-----------------

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

**Negative Market Share percentages due to Policy cancellations.

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 2001	\$152,748	\$114,752	\$14,740
3rd qtr 2001	\$97,993	\$70,296	\$9,134
4th qtr 2001	\$94,672	\$76,658	\$14,463
1st qtr 2002	\$125,940	\$85,995	\$10,470
2nd qtr 2002	\$132,904	\$84,391	(\$191,664)
3rd qtr 2002	\$106,180	\$69,425	\$9,409
4th qtr 2002	\$118,781	\$87,929	\$17,945
1st qtr 2003	\$94,109	\$65,760	\$8,488
2nd qtr 2003	\$81,840	\$62,094	\$13,141
3rd qtr 2003	\$76,628	\$50,084	\$14,061
4th qtr 2003	\$112,205	\$55,552	\$7,445
1st qtr 2004	\$97,082	\$52,661	\$20,377
2nd qtr 2004	\$523,945	\$478,848	\$4,143
3rd qtr 2004	\$81,140	\$41,301	\$3,214
4th qtr 2004	\$81,385	\$32,903	\$6,261
1st qtr 2005	\$70,950	\$31,593	\$2,910
2nd qtr 2005	\$21,527	\$29,140	\$1,326
3rd qtr 2005	\$11,819	\$16,019	(\$1,360)
4th qtr 2005	\$18,836	\$14,753	\$1,334
1st qtr 2006	\$28,793	\$18,979	\$629
2nd qtr 2006	\$19,311	\$11,128	\$330

EARNED TO INCURRED LOSS RATIO BY YEAR

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

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

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

Medical Professional Liability

There were 30 groups, 37 companies, that had direct written premium for Medical Professional Liability (includes regulated and non-rate-regulated companies) in the second quarter of 2006, as compared to 31 groups, 38 companies, in the second quarter of 2005.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the second quarter of 2006 to direct written premium in the second quarter of 2005 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR MEDICAL PROFESSIONAL LIABILITY

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2006	% Change 2nd Quarter 2005 to 2006	4 Quarters Ending 2nd Qtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	GE Global Group	21.43%	\$14,390,037	(14.52%)	\$84,967,312	(14.76%)
2	Health Care Indemnity Inc.	20.78%	\$1,152,273	*	\$82,381,835	(10.12%)
3	American Physicians Ins. Exchange	17.11%	\$14,923,401	6.39%	\$67,838,851	1.52%
4	Texas Medical Liability Underwriting Assoc.	9.31%	\$4,166,780	(61.14%)	\$36,895,617	(42.43%)
5	Advocate, MD Ins. Of The Southwest Inc.	5.14%	\$4,845,620	83.63%	\$20,360,484	78.72%
6	Doctors Company Group	4.98%	\$9,232,532	(22.52%)	\$19,730,629	10.33%
7	Preferred Professional Insurance Company	2.10%	\$839,761	(26.02%)	\$8,332,070	17.33%
8	Texas Hospital Insurance Exchange	1.96%	\$2,482,276	14.67%	\$7,756,569	0.57%
9	Everest Reinsurance Holding Inc.	1.79%	\$2,958,762	4.81%	\$7,109,777	430.90%
10	CNA Insurance Group	1.71%	\$1,747,378	10.85%	\$6,777,301	(2.33%)
11	American International Group	1.67%	\$1,441,095	59.47%	\$6,608,192	12.02%
12	Allianz Insurance Group	1.62%	\$1,182,977	(1.51%)	\$6,408,930	(2.70%)
13	ProAssurance Corp. Group	1.53%	\$2,632,008	(3.12%)	\$6,072,540	(15.33%)
14	PICA Group	1.42%	\$480,211	(2.94%)	\$5,630,587	28.70%
15	NCMIC Group	1.14%	\$1,064,052	(4.28%)	\$4,536,412	5.71%
16	Texas Medical Insurance Company	1.08%	\$702,846	7.93%	\$4,285,608	6.27%
17	FPIC Insurance Group Inc.	0.89%	\$973,235	(48.30%)	\$3,527,461	(31.62%)
18	Medical Liability Insurance Co. of America	0.86%	\$1,000,019	(18.73%)	\$3,428,478	42.89%
19	Alleghany Group	0.81%	\$787,485	27.55%	\$3,222,188	63.66%
20	National Group	0.79%	\$487,210	13.10%	\$3,125,902	(10.23%)
21	ACE Ltd.	0.78%	\$668,182	(14.00%)	\$3,092,783	36.14%
22	Zurich Insurance Group	0.42%	\$22,613	*	\$1,668,331	*
23	Munich American Holding Corp.	0.36%	\$426,694	(4.01%)	\$1,418,242	7.75%
24	Nationwide Corp.	0.11%	\$71,868	(0.28%)	\$455,461	229.83%
25	Markel Corp. Group	0.08%	\$181,483	14.32%	\$307,459	10.28%
Top 25 Groups Total		99.88%	\$68,860,798	(10.08%)	\$395,939,019	(5.84%)
Total Market		100.00%	\$68,935,524	(10.31%)	\$396,421,836	(6.24%)

* 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 2001	\$54,416,843	\$65,578,948	\$75,456,511
3rd qtr 2001	\$94,994,593	\$88,354,507	\$79,548,188
4th qtr 2001	\$55,994,442	\$56,808,234	\$81,626,254
1st qtr 2002	\$187,765,477	\$194,494,874	\$61,414,577
2nd qtr 2002	\$66,087,372	\$78,286,136	\$79,470,717
3rd qtr 2002	\$117,743,019	\$132,910,095	\$65,631,228
4th qtr 2002	\$85,911,427	\$79,470,653	\$95,769,104
1st qtr 2003	\$227,003,710	\$244,370,356	\$45,576,971
2nd qtr 2003	\$93,947,674	\$88,666,548	\$55,106,913
3rd qtr 2003	\$126,579,512	\$135,323,248	\$57,388,785
4th qtr 2003	\$71,752,834	\$82,927,387	\$93,075,549
1st qtr 2004	\$193,451,843	\$205,340,648	\$41,830,082
2nd qtr 2004	\$82,158,142	\$72,023,021	\$49,479,085
3rd qtr 2004	\$115,940,146	\$103,495,609	\$64,828,248
4th qtr 2004	\$74,360,976	\$64,923,197	\$72,244,880
1st qtr 2005	\$167,300,880	\$177,538,015	\$42,747,053
2nd qtr 2005	\$67,243,302	\$76,862,860	\$41,556,716
3rd qtr 2005	\$103,894,380	\$106,955,899	\$40,278,667
4th qtr 2005	\$60,662,829	\$69,326,700	\$38,064,317
1st qtr 2006	\$150,714,844	\$151,203,713	\$29,811,477
2nd qtr 2006	\$59,661,846	\$68,935,524	\$34,847,037

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 28 groups, 63 companies, that had direct written premium for Miscellaneous Professional Liability in the second quarter of 2006, as compared to 27 groups, 59 companies, in the second quarter of 2005.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the second quarter of 2006 to direct written premium in the second quarter of 2005 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR MISC. PROFESSIONAL LIABILITY

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2006	% Change 2nd Quarter 2005 to 2006	4 Quarters Ending 2nd Qtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	Chubb & Son Inc.	25.03%	\$22,223,952	6.00%	\$94,548,160	(4.14%)
2	XL America	21.03%	\$24,920,228	(4.65%)	\$79,448,107	193.99%
3	St. Paul Travelers Group	13.50%	\$11,984,251	(1.17%)	\$50,985,870	8.11%
4	Hartford Fire & Casualty Group	12.36%	\$13,278,920	(1.97%)	\$46,684,247	17.84%
5	HCC Insurance Holdings Group	9.26%	\$9,056,439	(18.27%)	\$34,985,413	(14.12%)
6	ACE Ltd.	6.81%	\$7,336,860	136.19%	\$25,707,175	42.50%
7	RLI Insurance Group	3.43%	\$2,953,900	(2.38%)	\$12,942,775	7.55%
8	Allianz Insurance Group	1.28%	\$387,636	(56.45%)	\$4,835,322	35.79%
9	Berkshire Hathaway	1.25%	\$651,947	(12.22%)	\$4,728,621	10.11%
10	Nationwide Corp.	0.98%	\$500,733	(57.04%)	\$3,683,271	(13.86%)
11	United National Group	0.83%	(\$5,742)	(111.76%)	\$3,119,073	250.23%
12	Old Republic Group	0.77%	\$1,657,600	7.44%	\$2,925,973	(6.05%)
13	Swiss Re Group	0.59%	\$16,754	(99.62%)	\$2,225,312	(79.32%)
14	Markel Corp. Group	0.57%	\$528,489	(17.56%)	\$2,168,717	4.53%
15	Liberty Mutual Group	0.47%	\$806,249	29.20%	\$1,767,509	(42.28%)
16	Utica National Insurance Group	0.34%	\$294,495	8.55%	\$1,277,618	5.41%
17	Navigators Group Inc.	0.30%	\$0	(100.00%)	\$1,143,787	23.23%
18	AETNA	0.29%	\$0	*	\$1,092,800	3.17%
19	CNA Insurance Group	0.23%	\$880,621	*	\$880,621	*
20	Beazley Insurance Company, Inc.	0.17%	\$559,725	*	\$654,225	*
21	Arch Insurance Group	0.14%	\$0	(100.00%)	\$522,300	(72.32%)
22	Zurich Insurance Group	0.08%	\$91,256	16.93%	\$320,044	11.00%
23	State Farm IL	0.07%	\$80,154	35.88%	\$253,974	63.29%
24	GE Global Group	0.05%	\$40,511	*	\$194,588	(18.50%)
25	Aon Corp.	0.04%	\$25,672	(97.51%)	\$148,969	(97.62%)

Top 25 Groups Total	99.88%	\$98,270,650	(3.50%)	\$377,244,471	15.26%
----------------------------	---------------	---------------------	----------------	----------------------	---------------

Total Market	100.00%	\$98,434,882	(3.50%)	\$377,710,522	15.22%
---------------------	----------------	---------------------	----------------	----------------------	---------------

* 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 2001	\$27,379,296	\$59,910,926	\$13,146,912
3rd qtr 2001	\$32,672,023	\$35,346,828	\$14,591,556
4th qtr 2001	\$47,854,726	\$48,876,850	\$25,510,077
1st qtr 2002	\$44,193,075	\$38,539,396	\$21,611,170
2nd qtr 2002	\$45,639,859	\$50,579,721	\$31,951,912
3rd qtr 2002	\$44,287,561	\$46,129,965	\$32,132,723
4th qtr 2002	\$39,794,746	\$40,468,853	\$24,789,968
1st qtr 2003	\$65,301,029	\$64,300,341	\$23,052,586
2nd qtr 2003	\$72,527,779	\$84,367,349	\$41,720,752
3rd qtr 2003	\$78,673,242	\$80,572,101	\$73,006,385
4th qtr 2003	\$72,099,487	\$78,115,601	\$15,837,639
1st qtr 2004	\$78,583,973	\$78,663,654	\$19,091,166
2nd qtr 2004	\$79,027,029	\$80,952,491	\$25,411,999
3rd qtr 2004	\$88,221,507	\$84,958,945	\$12,873,254
4th qtr 2004	\$70,978,554	\$75,843,090	\$1,731,964
1st qtr 2005	\$62,933,404	\$65,015,052	\$112,729,581
2nd qtr 2005	\$105,738,944	\$102,001,411	\$29,708,476
3rd qtr 2005	\$109,824,539	\$108,786,798	\$19,339,409
4th qtr 2005	\$92,079,636	\$96,843,121	\$52,554,252
1st qtr 2006	\$70,278,097	\$73,645,721	\$31,693,493
2nd qtr 2006	\$97,408,579	\$98,434,882	\$39,234,825

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

Line of Business	2ND QUARTER 2006			2ND QUARTER 2005		
	Number of Complaints	Number of Policies Written	Percent of Complaints per Policy	Number of Complaints	Number of Policies Written	Percent of Complaints per Policy
Product Liability	0	9,718	0.00000%	0	13,203	0.00000%
General Liability - Other+	46	249,682	0.01842%	58	232,519	0.02494%
Fire & Allied Lines	16	40,686	0.03933%	13	44,149	0.02945%
Commercial Multiple Peril	22	96,174	0.02288%	17	83,077	0.02046%
Private Passenger Auto ⁺⁺	1,755	5,185,949	0.03384%	1,783	4,909,100	0.03632%
Homeowners	529	1,379,976	0.03833%	431	1,269,055	0.03396%
Workers' Compensation ⁺⁺⁺	408	40,560	1.00592%	31	37,604	0.08244%
Boiler & Machinery	**	**	**	**	**	**
Commercial Crime	**	**	**	**	**	**
Commercial Glass	**	**	**	**	**	**
Medical Professional Liability	0	10,386	0.00000%	2	9,657	0.02071%
Misc. Professional Liability	4	4,615	0.08667%	2	5,815	0.03439%

⁺ The General Electric Group wrote -0- small premium pre-paid legal policies in the 2nd quarter of 2006 and 11,191 policies in the 2nd quarter of 2005 that were excluded from the above table.

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

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

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

The number of complaints attributable to any one insurer was not significant, except for Private Passenger Auto and Homeowners. The complaint data for the top 25 groups (ranking based on number of policies written in the second quarter of 2006) 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**

2006 Policies Written Rank	Group Name	2ND QUARTER 2006			2ND QUARTER 2005		
		Number of Complaints	Number of Policies Written	Percent of Complaints per Policy	Number of Complaints	Number of Policies Written	Percent of Complaints per Policy
22	Infinity Property & Casualty Insurance Group	18	11,780	0.15280%	15	11,728	0.12790%
16	Direct General Group	26	20,254	0.12837%	0	16,497	0.00000%
1	Old American County Mutual Fire Ins Co.	290	227,788	0.12731%	297	200,026	0.14848%
15	Mercury General Group	26	24,171	0.10757%	29	26,725	0.10851%
7	Loya Group	75	76,826	0.09762%	0	0	0.00000%
11	Unitrin Group	47	57,857	0.08123%	34	40,291	0.08439%
6	Home State Insurance Group	75	93,892	0.07988%	87	101,053	0.08609%
17	Interins Exch Of The Automobile Club	24	30,880	0.07772%	20	47,796	0.04184%
14	Liberty Mutual Group	28	41,429	0.06759%	32	41,576	0.07697%
12	Safeco Insurance Group	36	58,443	0.06160%	30	55,008	0.05454%
20	Texas State National Group	22	36,052	0.06102%	59	47,892	0.12319%
23	St. Paul Travelers Group	16	27,195	0.05883%	19	36,444	0.05213%
18	American International Group	23	40,208	0.05720%	11	19,336	0.05689%
25	Metropolitan Group	12	21,927	0.05473%	11	17,653	0.06231%
9	Nationwide Corp	63	122,052	0.05162%	68	132,201	0.05144%
13	Republic Companies Group	31	88,787	0.03492%	37	69,421	0.05330%
8	Berkshire Hathaway	66	206,578	0.03195%	61	162,236	0.03760%
24	Sentry Insurance Group	12	42,605	0.02817%	11	39,633	0.02775%
3	Allstate Insurance Group	166	592,683	0.02801%	187	510,394	0.03664%
10	United Services Automobile Assn. Group	56	209,390	0.02674%	49	198,757	0.02465%
5	Progressive Group	104	460,681	0.02258%	162	452,867	0.03577%
2	Zurich Insurance Group	185	826,336	0.02239%	204	901,296	0.02263%
21	Titus Group	18	110,548	0.01628%	16	99,982	0.01600%
19	Southern Farm Bureau Casualty	22	158,064	0.01392%	14	156,380	0.00895%
4	State Farm II	138	1,308,470	0.01055%	143	1,299,029	0.01101%
	(All other licensed insurers)	176	291,053	0.06047%	187	224,879	0.08316%
	(No company identified)*	0			0		
TOTALS		1,755	5,185,949	0.03384%	1,783	4,909,100	0.03632%

* 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

2006 Policies Written Rank	Group Name	2ND QUARTER 2006			2ND QUARTER 2005		
		Number of Complaints	Number of Policies Written	Percent of Complaints per Policy	Number of Complaints	Number of Policies Written	Percent of Complaints per Policy
9	Unitrin Group	11	7,410	0.43313%	9	3,128	0.28772%
22	Metropolitan Group	3	5,259	0.27051%	4	3,779	0.10585%
8	Nlasco	11	21,253	0.14845%	10	22,645	0.04416%
16	ARX Holding Corp Group	5	12,170	0.10808%	4	11,372	0.03517%
13	Interins Exch Of The Automobile Club	6	9,237	0.07642%	4	7,610	0.05256%
12	Texas Farm Bureau Mutual	6	39,911	0.06496%	4	37,333	0.01071%
21	Wellington Insurance Company	4	7,138	0.05705%	0	2,250	0.00000%
20	Safeco Insurance Group	4	16,678	0.05604%	11	12,644	0.08700%
7	United Services Automobile Assn. Group	14	101,982	0.05176%	10	95,394	0.01048%
15	Texas Fair Plan Association	5	16,074	0.04108%	21	20,497	0.00000%
1	Allstate Insurance Group	118	299,681	0.03938%	76	255,336	0.02976%
25	Homesite Insurance Group	3	0	0.03496%	0	0	0.00000%
10	Farmers Mutual Protection Assn Group	8	1,847	0.03309%	4	1,823	0.21942%
14	Colonial Savings Group	6	7,851	0.03111%	4	6,165	0.00000%
5	Vesta Insurance Group	24	0	0.03068%	11	54,064	0.02035%
3	Zurich Insurance Group	57	197,716	0.02883%	44	156,304	0.02815%
2	State Farm II	83	323,502	0.02566%	68	315,637	0.02154%
19	Republic Companies Group	4	17,445	0.02398%	5	16,439	0.03042%
18	Hartford Fire & Casualty Group	4	23,705	0.02293%	6	11,371	0.05277%
17	Beacon Insurance Group	5	4,626	0.01687%	0	5,097	0.00000%
11	Liberty Mutual Group	7	21,156	0.01503%	10	20,232	0.04943%
6	Nationwide Corp.	17	55,408	0.01373%	17	50,371	0.03375%
4	St. Paul Travelers Group	32	75,846	0.00000%	27	66,907	0.04035%
23	Germania Insurance Group	3	1,109	0.00000%	6	1,244	0.48232%
24	Hochheim Prairie Group	3	0	0.00000%	3	0	0.00000%
(All other licensed insurers)		86	112,972	0.07613%	73	91,413	0.07986%
(No company identified)*		0			0		
TOTALS		529	1,379,976	0.03833%	431	1,269,055	0.03396%

* 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