



**Texas Department
of Insurance**

**Quarterly Legislative Report
on Market Conditions**

*3rd Quarter
2006*

Published 3/16/2007
Property & Casualty Program/Data Services (512)475-1878

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

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

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

Terms

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

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

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

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

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

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

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

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

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

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

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

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

Homeowners Multiple Peril provides coverage against the insured's property being destroyed or damaged by various perils and coverage for liability exposure of the insured.

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

Lines of Insurance

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

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

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

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

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

Summary of Four Quarters

CUMULATIVE TOTALS FOR FOUR QUARTERS ENDING SEPTEMBER 2006

	Number Of Groups/Companies	Number Of Policies Written	Premiums On Policies Written	Direct Written Premiums	Direct Losses Paid
PRODUCT LIABILITY	60 / 154	40,888	\$221,183,041	\$159,971,463	\$40,786,829
GENERAL LIABILITY - OTHER	133 / 308	913,721⁺	\$1,914,789,058	\$1,945,316,370	\$922,597,300
COMMERCIAL FIRE & ALLIED	72 / 169	150,752	\$647,794,619	\$777,263,489	\$698,622,691
COMMERCIAL MULTIPLE PERIL	81 / 197	358,873	\$1,504,124,121	\$1,605,129,855	\$854,779,906
PRIVATE PASSENGER AUTO					
VOLUNTARY (VOL) LIABILITY	67 / 158	12,114,429	\$6,995,670,746	\$6,485,357,725	\$3,726,499,099
ASSIGNED RISK LIABILITY	15 / 16	29,562	\$18,697,648	\$11,909,483	\$10,481,096
PHYSICAL DAMAGE	65 / 154	8,954,703	\$5,344,237,447	\$5,069,343,417	\$3,116,982,677
TOTAL PPA	69 / 164	21,098,694⁺⁺	\$12,358,605,841	\$11,566,610,625	\$6,853,962,872
HOMEOWNERS MULTIPLE PERIL	60 / 90	5,198,737	\$5,256,237,605	\$4,822,412,664	\$2,817,121,302
WORKERS' COMPENSATION					
VOL PREMIUMS < \$5,000		93,432	\$163,518,113	**	**
VOL PREMIUMS \$5,000 - \$100,000		56,092	\$1,096,208,314	**	**
VOL PREMIUMS > \$100,000		6,240	\$1,429,256,792	**	**
TOTAL VOLUNTARY	89 / 228	155,760	\$2,688,973,339	\$2,738,991,540	\$829,134,478
RESIDUAL MARKET ***	1 / 1	162	\$7,669,081	\$7,436,862	\$12,390,740
TOTAL WC	89 / 228	155,922	\$2,696,642,420	\$2,746,428,402	\$841,525,218
BOILER & MACHINERY	38 / 90	30,217	\$59,781,370	\$79,892,642	\$12,903,343
COMMERCIAL CRIME	33 / 76	7,976	\$6,252,290	\$7,805,517	\$967,865
COMMERCIAL GLASS	7 / 11	246	\$83,230	\$58,510	\$6,196
PROFESSIONAL LIABILITY	30 / 38	41,462	\$352,826,459	\$388,726,374	\$128,988,113
MISC. PROFESSIONAL LIABILITY	29 / 61	19,545	\$360,074,963	\$371,942,189	\$143,820,062

⁺ The General Electric Group wrote 3,578 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	51 / 138	48 / 130	- / -
General Liability	115 / 266	128 / 285	114 / 263	129 / 287	123 / 266	125 / 279	129 / 280	- / -
Commercial Fire & Allied	69 / 147	75 / 160	67 / 146	75 / 157	70 / 152	69 / 149	71 / 153	- / -
Commercial Multiple Peril	73 / 177	74 / 176	69 / 170	74 / 181	75 / 177	72 / 171	77 / 181	- / -
Private Passenger Auto	59 / 148	61 / 142	58 / 148	65 / 149	60 / 146	67 / 152	61 / 150	- / -
Homeowners Multiple Peril	57 / 74	61 / 86	56 / 78	60 / 87	59 / 83	58 / 86	59 / 84	- / -
Workers' Compensation	77 / 196	81 / 203	80 / 201	84 / 202	76 / 196	81 / 205	80 / 195	- / -
Boiler & Machinery	32 / 62	36 / 70	31 / 62	37 / 75	31 / 64	33 / 65	34 / 66	- / -
Commercial Crime	30 / 61	30 / 64	28 / 58	28 / 58	29 / 57	27 / 59	29 / 63	- / -
Commercial Glass	11 / 16	6 / 10	5 / 7	6 / 9	4 / 6	6 / 10	6 / 9	- / -
Medical Professional Liability	28 / 36	29 / 36	27 / 33	27 / 33	26 / 32	27 / 34	28 / 34	- / -
Misc. Professional Liability	31 / 67	27 / 59	29 / 63	28 / 61	28 / 61	29 / 57	30 / 65	- / -

Product Liability

There were 60 groups, 154 companies, that had direct written premium for Product Liability in the third quarter of 2006, as compared to 57 groups, 156 companies, in the third 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 third quarter of 2006 to direct written premium in the third 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 3rd Quarter 2006	% Change 3rd Quarter 2005 to 2006	4 Quarters Ending 3rd Qtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	American Financial Group	17.77%	\$8,969,730	7.51%	\$28,447,942	1.62%
2	Zurich Insurance Group	13.74%	\$7,760,558	(18.85%)	\$22,005,277	(18.67%)
3	Liberty Mutual Group	9.48%	\$4,248,840	66.90%	\$15,184,943	65.07%
4	St. Paul Travelers Group	9.05%	\$4,137,875	(13.42%)	\$14,491,004	(16.48%)
5	ACE Ltd.	6.95%	\$2,347,075	(17.50%)	\$11,121,918	(14.96%)
6	Chubb & Son Inc.	6.35%	\$2,182,135	(0.97%)	\$10,161,663	17.98%
7	Hartford Fire & Casualty Group	4.01%	\$1,568,170	240.94%	\$6,420,004	91.48%
8	Federated Mutual	2.53%	\$1,152,483	14.12%	\$4,057,109	4.32%
9	Fairfax Financial	2.40%	\$653,343	39.34%	\$3,839,573	41.45%
10	Caterpillar Grp	2.11%	\$3,379,517	0.00%	\$3,379,517	0.00%
11	United Fire & Casualty Group	2.11%	\$709,326	2.83%	\$3,372,650	17.57%
12	Electric Insurance Group	2.03%	\$0	0.00%	\$3,243,903	0.00%
13	Sentry Insurance Group	1.98%	\$603,137	(12.31%)	\$3,172,265	(8.74%)
14	Old Republic Group	1.53%	\$652,324	55.15%	\$2,457,971	20.19%
15	Unitrin Group	1.43%	\$970,454	206.23%	\$2,295,962	86.31%
16	Central Mutual Insurance Company Ohio	1.43%	\$537,219	10.17%	\$2,288,433	(0.47%)
17	National American Insurance Company	1.38%	\$413,818	(33.51%)	\$2,216,192	(28.21%)
18	Allianz Insurance Group	1.36%	\$365,389	(21.96%)	\$2,185,319	(20.61%)
19	American International Group	1.17%	\$334,114	(73.31%)	\$1,876,130	(31.27%)
20	CNA Insurance Group	1.14%	\$647,563	79.43%	\$1,827,421	(48.45%)
21	EMC Insurance Company	1.05%	\$476,876	60.92%	\$1,685,937	42.59%
22	Nationwide Corp.	1.01%	\$226,486	(11.57%)	\$1,611,606	44.85%
23	Dallas General Group	0.87%	\$0	(100.00%)	\$1,388,670	(76.90%)
24	Ohio Casualty Group	0.82%	\$371,692	37.80%	\$1,310,262	30.08%
25	Medmark Insurance Group	0.67%	\$538,949	(12.69%)	\$1,064,952	(6.71%)

Top 25 Groups Total	94.36%	\$43,247,073	6.30%	\$151,106,623	2.28%
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Total Market	100.00%	\$44,937,983	5.82%	\$159,971,463	1.79%
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* Premiums from prior reporting period were \$0, less than \$0, or negligible.

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
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
3rd qtr 2006	\$66,073,980	\$44,937,790	\$7,102,339

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 133 groups, 308 companies, that had direct written premium for General Liability in the third quarter of 2006, as compared to 130 groups, 298 companies, in the third 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 third quarter of 2006 to direct written premium in the third 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 3rd Quarter 2006	% Change 3rd Quarter 2005 to 2006	4 Quarters Ending 3rd Qtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	American International Group	22.63%	\$139,623,583	(21.21%)	\$440,266,560	12.02%
2	Zurich Insurance Group	10.17%	\$53,701,357	26.46%	\$197,926,462	0.96%
3	St. Paul Travelers Group	8.73%	\$41,496,826	14.18%	\$169,847,164	14.01%
4	ACE Ltd.	7.93%	\$9,310,935	(28.83%)	\$154,190,093	7.16%
5	American Financial Group	5.68%	\$25,536,832	2.46%	\$110,497,094	(2.42%)
6	CNA Insurance Group	3.49%	\$16,989,296	10.13%	\$67,929,643	4.68%
7	Chubb & Son Inc.	3.01%	\$14,165,201	9.32%	\$58,517,064	12.23%
8	Liberty Mutual Group	2.74%	\$14,019,465	9.61%	\$53,208,817	(7.71%)
9	Hartford Fire & Casualty Group	2.45%	\$12,169,644	17.34%	\$47,715,185	13.99%
10	Dallas General Group	1.96%	\$11,829,506	40.91%	\$38,124,903	48.10%
11	Alleghany Group	1.84%	\$8,797,224	5.96%	\$35,727,512	(0.36%)
12	State Farm IL	1.56%	\$8,920,157	23.35%	\$30,297,588	15.01%
13	Texas Lawyers Insurance Exchange	1.40%	\$7,905,183	2.28%	\$27,246,113	(8.05%)
14	Allianz Insurance Group	1.20%	\$5,462,308	(3.63%)	\$23,405,161	(6.44%)
15	Swiss Re Group	1.12%	\$1,597,022	(43.77%)	\$21,822,144	272.41%
16	Unitrin Group	1.08%	\$8,903,436	128.66%	\$21,052,223	49.91%
17	Arch Insurance Group	1.07%	\$5,719,742	(56.55%)	\$20,757,023	8.83%
18	Ohio Casualty Group	0.97%	\$4,882,237	7.30%	\$18,959,833	1.81%
19	Old Republic Group	0.97%	\$5,556,491	14.96%	\$18,909,638	2.91%
20	Highmark Inc.	0.96%	\$5,163,472	24.44%	\$18,734,849	34.92%
21	Nationwide Corp.	0.93%	\$3,674,427	(3.93%)	\$17,997,198	41.63%
22	Federated Mutual	0.78%	\$4,108,607	6.05%	\$15,186,539	5.57%
23	Axis Capital Group	0.76%	\$2,346,721	20.22%	\$14,754,395	74.35%
24	United Fire & Casualty Group	0.75%	\$3,963,697	2.11%	\$14,647,415	1.18%
25	Fairfax Financial	0.75%	\$2,814,831	(8.64%)	\$14,545,051	(7.92%)

Top 25 Groups Total	84.94%	\$418,658,200	(3.30%)	\$1,652,265,667	9.42%
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Total Market	100.00%	\$491,126,640	(1.44%)	\$1,945,316,370	7.89%
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QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
3rd qtr 2001	\$228,382,661	\$258,005,946	\$195,733,705
4th qtr 2001	\$235,390,831	\$360,813,794	\$63,102,021
1st qtr 2002	\$449,177,034	\$460,594,022	\$225,467,551
2nd qtr 2002	\$392,164,368	\$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	\$476,774,760	\$483,248,669	\$188,590,006
2nd qtr 2006	\$511,052,126	\$547,306,262	\$206,079,462
3rd qtr 2006	\$497,802,666	\$491,126,640	\$239,981,614

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 72 groups, 169 companies, that had direct written premium for Commercial Fire & Allied in the third quarter of 2006, as compared to 72 groups, 170 companies, in the third 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 third quarter of 2006 to direct written premium in the third 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 3rd Quarter 2006	% Change 3rd Quarter 2005 to 2006	4 Quarters Ending 3rd Qtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	FM Global Group	16.43%	\$36,994,162	25.44%	\$127,690,322	52.00%
2	St. Paul Travelers Group	13.39%	\$26,259,248	(0.94%)	\$104,081,759	(1.65%)
3	Texas Windstorm Insurance Association	7.74%	\$24,238,113	137.51%	\$60,150,587	74.45%
4	Liberty Mutual Group	7.70%	\$14,041,489	93.13%	\$59,878,676	101.73%
5	Zurich Insurance Group	6.41%	\$18,038,473	140.78%	\$49,845,949	36.62%
6	Fairfax Financial	5.70%	\$8,999,248	75.01%	\$44,267,413	85.97%
7	XL America	4.35%	\$9,670,522	5.24%	\$33,837,564	14.14%
8	Allianz Insurance Group	3.95%	\$8,203,461	(1.92%)	\$30,730,668	(1.02%)
9	American International Group	3.63%	\$8,212,623	33.98%	\$28,194,767	27.54%
10	CNA Insurance Group	3.35%	\$8,853,296	32.90%	\$26,006,646	27.19%
11	Alleghany Group	3.34%	\$4,283,975	(30.43%)	\$25,947,888	(27.36%)
12	United Fire & Casualty Group	2.53%	\$4,973,843	8.46%	\$19,665,344	2.36%
13	Swiss Re Group	2.19%	\$4,637,657	402.86%	\$17,048,083	218.88%
14	Unitrin Group	1.93%	\$6,169,650	95.37%	\$14,993,479	15.02%
15	Hartford Fire & Casualty Group	1.58%	\$891,999	(74.74%)	\$12,271,186	(29.57%)
16	Federated Mutual	1.25%	\$2,884,178	2.96%	\$9,754,078	(2.49%)
17	Sentry Insurance Group	1.23%	\$2,230,703	5.43%	\$9,565,336	10.68%
18	ACE Ltd.	1.12%	\$3,323,101	*	\$8,696,379	(11.80%)
19	Safeco Insurance Group	1.11%	\$2,334,284	26.97%	\$8,640,627	19.40%
20	AXIS Capital Group	1.05%	\$1,745,783	3.04%	\$8,198,026	73.95%
21	Texas Farm Bureau Mutual	0.94%	\$1,840,055	3.52%	\$7,344,032	6.95%
22	EMC Insurance Company	0.82%	\$1,621,182	(0.60%)	\$6,401,909	5.60%
23	American Modern Insurance Group	0.75%	\$1,573,661	20.34%	\$5,855,598	1.00%
24	Arch Insurance Group	0.75%	\$1,198,922	(21.09%)	\$5,808,276	7.86%
25	Republic Companies Group	0.57%	\$964,176	28.88%	\$4,411,309	58.09%
Top 25 Groups Total		93.83%	\$204,183,804	36.03%	\$729,285,901	26.69%
Total Market		100.00%	\$215,917,822	34.99%	\$777,263,489	26.07%

* 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
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
3rd qtr 2006	\$172,509,058	\$215,917,822	\$168,484,942

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 81 groups, 197 companies, that had direct written premium for Commercial Multiple Peril in the third quarter of 2006, as compared to 79 groups, 196 companies, in the third 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 third quarter of 2006 to direct written premium in the third 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 3rd Quarter 2006	% Change 3rd Quarter 2005 to 2006	4 Quarters Ending 3rd Qtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	Zurich Insurance Group	12.15%	\$53,859,699	13.01%	\$195,077,330	1.03%
2	St. Paul Travelers Group	11.79%	\$48,437,920	2.54%	\$189,278,480	4.94%
3	Hartford Fire & Casualty Group	8.95%	\$39,211,396	27.36%	\$143,723,688	19.95%
4	CNA Insurance Group	5.49%	\$21,285,402	2.92%	\$88,043,212	1.33%
5	Chubb & Son Inc.	5.27%	\$24,044,773	0.13%	\$84,642,535	(2.99%)
6	Liberty Mutual Group	5.24%	\$27,047,155	61.95%	\$84,055,553	30.97%
7	Safeco Insurance Group	4.19%	\$17,164,627	7.71%	\$67,314,186	5.98%
8	State Farm IL	4.19%	\$17,264,113	4.28%	\$67,240,429	3.80%
9	Maguire Corp. Group	3.49%	\$14,497,372	21.85%	\$55,969,790	22.49%
10	Nationwide Corp.	3.19%	\$8,000,010	(28.53%)	\$51,208,550	21.89%
11	Allianz Insurance Group	3.18%	\$16,490,725	24.92%	\$51,102,073	11.42%
12	Church Mutual Insurance Company	3.07%	\$11,466,744	9.56%	\$49,226,650	6.79%
13	ACE Ltd.	2.95%	\$21,322,235	278.32%	\$47,307,601	101.82%
14	WR Berkley Corp.	2.57%	\$9,815,409	0.48%	\$41,192,387	6.28%
15	Republic Companies Group	2.04%	\$8,689,025	7.61%	\$32,777,349	7.48%
16	Guideone Insurance Group	1.92%	\$7,488,359	0.18%	\$30,850,183	(0.48%)
17	Amerisure Company	1.81%	\$7,918,222	5.32%	\$29,069,165	15.40%
18	Allstate Insurance Group	1.78%	\$7,279,329	(3.13%)	\$28,639,404	(4.12%)
19	Ohio Casualty Group	1.57%	\$6,226,082	5.42%	\$25,138,466	(1.68%)
20	Old Republic Group	1.54%	\$5,610,652	(16.43%)	\$24,711,529	(2.66%)
21	Central Mutual Insurance Company Ohio	1.46%	\$6,252,264	14.54%	\$23,451,395	0.06%
22	Allmerica Financial Group	1.00%	\$3,500,361	10.05%	\$15,997,507	16.62%
23	American International Group	0.96%	\$4,165,618	5.32%	\$15,387,927	(8.17%)
24	American Financial Group	0.88%	\$4,614,207	135.89%	\$14,199,477	33.87%
25	American Hallmark Insurance Co. of Texas	0.86%	\$3,442,496	64.41%	\$13,815,767	559.83%

Top 25 Groups Total	91.55%	\$395,094,195	15.67%	\$1,469,420,633	10.00%
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Total Market	100.00%	\$429,180,900	15.56%	\$1,605,129,855	9.78%
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QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
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	\$399,150,286	\$417,503,816	\$211,278,580
3rd qtr 2006	\$396,126,297	\$429,180,900	\$185,459,888

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 69 groups, 164 companies, that had direct written premium for Private Passenger Auto in the third quarter of 2006, as compared to 61 groups, 170 companies, in the third 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 third quarter of 2006 to direct written premium in the third 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 3rd Quarter 2006	% Change 3rd Quarter 2005 to 2006	4 Quarters Ending 3rd Qtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	State Farm IL	21.76%	\$646,853,053	(0.68%)	\$2,516,720,154	0.89%
2	Allstate Insurance Group	14.77%	\$431,249,763	2.12%	\$1,708,431,479	(1.47%)
3	Zurich Insurance Group	12.52%	\$379,639,371	(6.59%)	\$1,447,758,375	(1.97%)
4	Progressive Group	8.21%	\$237,941,353	(4.53%)	\$949,234,436	(6.86%)
5	Berkshire Hathaway	5.64%	\$182,973,163	20.62%	\$652,195,482	24.09%
6	United Services Automobile Assn. Group	5.54%	\$168,201,518	3.49%	\$640,404,081	6.75%
7	Old American County Mutual Fire Ins. Co.	3.84%	\$106,058,628	(34.41%)	\$444,070,657	(21.18%)
8	Southern Farm Bureau Casualty	3.34%	\$99,948,260	2.76%	\$386,346,477	(1.67%)
9	Nationwide Corp.	3.33%	\$97,562,940	(4.15%)	\$384,903,041	(7.69%)
10	Home State Insurance Group	2.76%	\$79,939,098	(7.52%)	\$318,874,345	(8.69%)
11	Titus Group	2.33%	\$69,907,058	2.26%	\$270,030,654	21.14%
12	Safeco Insurance Group	1.65%	\$47,828,210	(8.23%)	\$190,840,128	(3.74%)
13	Loya Group	1.53%	\$63,372,439	*	\$176,418,829	*
14	Unitrin Group	1.36%	\$44,650,833	26.30%	\$156,754,987	3.57%
15	Liberty Mutual Group	1.27%	\$45,167,422	5.20%	\$146,781,291	4.26%
16	Republic Companies Group	1.25%	\$38,219,246	19.03%	\$144,336,485	14.30%
17	Mercury General Group	0.81%	\$23,305,561	(10.44%)	\$93,833,558	(4.36%)
18	Interins Exchange of the Automobile Club	0.76%	\$26,515,874	14.85%	\$88,329,491	15.40%
19	American International Group	0.75%	\$18,050,065	11.05%	\$86,344,985	124.77%
20	St. Paul Travelers Group	0.68%	\$18,203,708	(18.60%)	\$79,010,449	(21.65%)
21	Texas State National Group	0.55%	\$14,554,275	(40.42%)	\$64,008,831	(51.83%)
22	Metropolitan Group	0.54%	\$17,831,674	22.50%	\$62,118,527	17.04%
23	Germania Insurance Group	0.51%	\$16,664,409	12.62%	\$59,510,975	8.15%
24	Sentry Insurance Group	0.48%	\$14,582,794	0.32%	\$55,388,581	(18.61%)
25	Amica Mutual Group	0.45%	\$15,847,569	8.88%	\$51,568,436	3.39%

Top 25 Groups Total	96.61%	\$2,905,068,284	0.45%	\$11,174,214,734	0.81%
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Total Market	100.00%	\$3,010,071,807	0.69%	\$11,566,610,625	0.95%
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* Premiums from prior reporting period were \$0, less than \$0, or negligible.

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
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	\$3,242,131,029	\$3,017,486,220	\$1,693,499,904
2nd qtr 2006	\$3,018,137,891	\$2,820,830,069	\$1,818,601,654
3rd qtr 2006	\$3,203,307,555	\$3,010,071,807	\$1,688,694,027

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 67 groups, 158 companies, that had voluntary liability (no assigned risk nor physical damage) direct written premium for Private Passenger Auto in the third quarter of 2006, as compared to 61 groups, 165 companies, in the third 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 third quarter of 2006 to direct written premium in the third 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 3rd Quarter 2006	% Change 3rd Quarter 2005 to 2006	4 Quarters Ending 3rd Qtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	State Farm IL	21.26%	\$350,767,693	(3.40%)	\$1,379,106,119	(1.15%)
2	Allstate Insurance Group	14.34%	\$236,617,753	2.10%	\$929,911,400	(2.96%)
3	Zurich Insurance Group	12.63%	\$221,534,451	9.47%	\$819,354,738	3.06%
4	Progressive Group	7.89%	\$127,480,188	(5.83%)	\$511,440,121	(7.96%)
5	Berkshire Hathaway	5.64%	\$101,592,476	18.08%	\$365,867,519	21.55%
6	United Services Automobile Assn. Group	5.61%	\$96,116,518	3.84%	\$364,091,331	5.43%
7	Old American County Mutual Fire Ins. Co.	4.49%	\$68,198,378	(34.65%)	\$291,304,804	(22.52%)
8	Nationwide Corp.	3.33%	\$53,279,087	(6.84%)	\$216,090,652	(8.71%)
9	Southern Farm Bureau Casualty	3.12%	\$52,085,260	1.45%	\$202,563,442	(2.75%)
10	Home State Insurance Group	2.88%	\$45,464,915	(6.93%)	\$186,470,069	(7.95%)
11	Titus Group	2.07%	\$35,094,981	8.30%	\$134,361,940	33.68%
12	Loya Group	1.87%	\$43,061,952	*	\$121,276,570	*
13	Safeco Insurance Group	1.65%	\$25,979,126	(13.02%)	\$107,002,501	(3.71%)
14	Unitrin Group	1.36%	\$25,196,116	25.27%	\$88,209,568	1.86%
15	Republic Companies Group	1.29%	\$22,677,214	17.35%	\$83,790,553	11.24%
16	Liberty Mutual Group	1.27%	\$25,212,143	4.51%	\$82,147,637	3.82%
17	Mercury General Group	0.81%	\$12,995,863	(11.46%)	\$52,669,844	(6.07%)
18	American International Group	0.74%	\$9,838,441	6.59%	\$47,744,476	126.92%
19	Texas State National Group	0.72%	\$9,426,262	(43.27%)	\$46,462,896	(53.92%)
20	Interins Exchange of the Automobile Club	0.71%	\$13,939,916	20.00%	\$46,340,026	16.43%
21	St. Paul Travelers Group	0.70%	\$10,464,533	(18.90%)	\$45,455,126	(22.20%)
22	Sentry Insurance Group	0.58%	\$9,878,790	(1.64%)	\$37,603,319	(24.55%)
23	Metropolitan Group	0.55%	\$10,179,353	22.58%	\$35,366,118	19.29%
24	Amica Mutual Group	0.49%	\$9,814,074	7.63%	\$32,007,466	4.84%
25	Germania Insurance Group	0.48%	\$8,695,586	10.25%	\$31,386,937	6.11%

Top 25 Groups Total	96.49%	\$1,625,591,069	1.65%	\$6,258,025,172	0.25%
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Total Market	100.00%	\$1,685,297,412	1.73%	\$6,485,357,725	0.38%
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* Premiums from prior reporting period were \$0, less than \$0, or negligible.

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
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	\$1,853,018,842	\$1,697,828,050	\$980,393,690
2nd qtr 2006	\$1,694,912,107	\$1,577,934,140	\$962,287,567
3rd qtr 2006	\$1,811,589,473	\$1,685,297,412	\$847,450,123

Private Passenger Auto (All Assigned Risk)

There were 15 groups, 16 companies, that had assigned risk (no voluntary liability nor physical damage) direct written premium for Private Passenger Auto in the third quarter of 2006, as compared to 15 groups, 17 companies, in the third 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 third quarter of 2006 to direct written premium in the third 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 3rd Quarter 2006	% Change 3rd Quarter 2005 to 2006	4 Quarters Ending 3rd Qtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	State Farm IL	28.53%	\$728,174	(34.53%)	\$3,397,940	(40.82%)
2	White Mountains Group	19.08%	\$452,871	32.04%	\$2,272,619	14.41%
3	Allstate Insurance Group	11.30%	\$381,118	(45.03%)	\$1,345,559	(39.82%)
4	Zurich Insurance Group	10.55%	\$256,859	(5.55%)	\$1,256,059	(40.81%)
5	American International Group	6.70%	\$240,185	(22.22%)	\$797,752	(64.25%)
6	Southern Farm Bureau Casualty	6.56%	\$144,581	(17.33%)	\$780,944	(20.97%)
7	Berkshire Hathaway	4.54%	\$130,648	3.26%	\$540,260	(20.08%)
8	Nationwide Corp.	3.50%	\$81,635	(33.66%)	\$416,437	(23.43%)
9	Kingsway Group	2.48%	\$14,168	*	\$294,775	*
10	Safeco Insurance Group	2.10%	\$44,748	(43.28%)	\$249,942	(31.43%)
11	St. Paul Travelers Group	1.61%	\$21,734	(64.72%)	\$191,722	(38.74%)
12	Liberty Mutual Group	1.41%	\$26,147	(40.75%)	\$167,462	(36.99%)
13	Mercury General Group	0.87%	\$23,672	96.42%	\$103,883	47.65%
14	Home State Insurance Group	0.78%	\$16,058	(89.07%)	\$93,176	(80.41%)
15	Southland Lloyds Insurance Company	0.01%	\$0	*	\$738	(28.00%)
16	Service Life Group	0.00%	\$0	(100.00%)	\$240	(95.61%)
17	Ameriprise Financial Group	0.00%	\$0	(100.00%)	(\$25)	(128.39%)

Top Groups Total	100.00%	\$2,562,598	(26.74%)	\$11,909,483	(33.91%)
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Total Market	100.00%	\$2,562,598	(26.74%)	\$11,909,483	(33.91%)
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* Premiums from prior reporting period were \$0, less than \$0, or negligible.

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
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	\$3,847,435	\$2,863,466
2nd qtr 2006	\$3,882,138	\$2,508,102	\$2,344,401
3rd qtr 2006	\$4,000,763	\$2,562,598	\$2,152,931

Private Passenger Auto (All Physical Damage)

There were 65 groups, 154 companies, that had physical damage (no voluntary liability nor assigned risk) direct written premium for Private Passenger Auto in the third quarter of 2006, as compared to 58 groups, 165 companies, in the third 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 third quarter of 2006 to direct written premium in the third 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 3rd Quarter 2006	% Change 3rd Quarter 2005 to 2006	4 Quarters Ending 3rd Qtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	State Farm IL	22.37%	\$295,357,186	2.89%	\$1,134,216,095	3.72%
2	Allstate Insurance Group	15.33%	\$194,250,892	2.31%	\$777,174,520	0.50%
3	Zurich Insurance Group	12.37%	\$157,848,061	(22.54%)	\$627,147,578	(7.74%)
4	Progressive Group	8.64%	\$110,461,165	(2.99%)	\$437,794,315	(5.54%)
5	Berkshire Hathaway	5.64%	\$81,250,039	23.98%	\$285,787,703	27.63%
6	United Services Automobile Assn. Group	5.45%	\$72,085,000	3.02%	\$276,312,750	8.53%
7	Southern Farm Bureau Casualty	3.61%	\$47,718,419	4.32%	\$183,002,091	(0.33%)
8	Nationwide Corp.	3.32%	\$44,202,218	(0.61%)	\$168,395,952	(6.30%)
9	Old American County Mutual Fire Ins. Co.	3.01%	\$37,860,250	(33.96%)	\$152,765,853	(18.47%)
10	Titus Group	2.68%	\$34,812,077	(3.18%)	\$135,668,714	10.84%
11	Home State Insurance Group	2.61%	\$34,458,125	(7.96%)	\$132,311,100	(9.48%)
12	Safeco Insurance Group	1.65%	\$21,804,336	(1.66%)	\$83,587,685	(3.67%)
13	Unitrin Group	1.35%	\$19,454,717	27.65%	\$68,545,419	5.86%
14	Liberty Mutual Group	1.27%	\$19,929,132	6.18%	\$64,466,192	5.00%
15	Republic Companies Group	1.19%	\$15,542,032	21.56%	\$60,545,932	18.83%
16	Loya Group	1.09%	\$20,310,487	*	\$55,142,259	*
17	Interins Exchange of the Automobile Club	0.83%	\$12,575,958	9.64%	\$41,989,465	14.29%
18	Mercury General Group	0.81%	\$10,286,026	(9.24%)	\$41,059,831	(2.17%)
19	American International Group	0.75%	\$7,971,439	18.71%	\$37,802,757	149.65%
20	St. Paul Travelers Group	0.66%	\$7,717,441	(17.90%)	\$33,363,601	(20.77%)
21	Germania Insurance Group	0.55%	\$7,968,823	15.32%	\$28,124,038	10.53%
22	Metropolitan Group	0.53%	\$7,652,321	22.40%	\$26,752,409	14.20%
23	Hartford Fire & Casualty Group	0.41%	\$4,889,938	(19.29%)	\$20,575,484	(20.70%)
24	Amica Mutual Group	0.39%	\$6,033,495	10.97%	\$19,560,970	1.10%
25	Chubb & Son, Inc.	0.35%	\$4,672,430	(1.63%)	\$17,945,850	2.83%

Top 25 Groups Total	96.86%	\$1,277,112,007	(0.87%)	\$4,910,038,563	1.88%
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Total Market	100.00%	\$1,322,211,797	(0.54%)	\$5,069,343,417	1.82%
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* Premiums from prior reporting period were \$0, less than \$0, or negligible.

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
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	\$1,383,856,345	\$1,315,810,735	\$710,242,748
2nd qtr 2006	\$1,319,343,646	\$1,240,387,827	\$853,969,686
3rd qtr 2006	\$1,387,717,319	\$1,322,211,797	\$839,090,973

Homeowners Multiple Peril (All Companies)

There were 60 groups, 90 companies, that had premiums on policies written for Homeowners Multiple Peril (includes renters' insurance) in the third quarter of 2006, as compared to 61 groups, 95 companies, in the third 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 third quarter of 2006 to premiums on policies written in the third 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 3rd Quarter 2006	% Change 3rd Quarter 2005 to 2006	4 Quarters Ending 3rd Qtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	State Farm IL	27.89%	\$378,804,054	5.52%	\$1,345,168,702	4.63%
2	Allstate Insurance Group	16.17%	\$229,255,263	5.04%	\$779,876,175	(4.15%)
3	Zurich Insurance Group	12.47%	\$191,600,227	26.57%	\$601,256,630	15.12%
4	United Services Automobile Assn. Group	7.37%	\$105,243,912	10.95%	\$355,170,954	7.93%
5	St. Paul Travelers Group	5.76%	\$78,929,799	17.20%	\$277,750,829	9.65%
6	Nationwide Corp.	3.92%	\$56,616,464	10.95%	\$189,156,328	6.39%
7	Texas Farm Bureau Mutual	2.58%	\$34,394,106	17.80%	\$124,265,112	12.64%
8	Chubb & Son Inc.	2.39%	\$30,929,116	(0.13%)	\$115,462,285	(0.30%)
9	Liberty Mutual Group	1.86%	\$26,771,251	12.73%	\$89,870,763	7.04%
10	Vesta Insurance Group	1.74%	\$0	(100.00%)	\$83,730,835	(56.54%)
11	Hartford Fire & Casualty Group	1.57%	\$24,246,039	37.55%	\$75,827,715	39.65%
12	Republic Companies Grp	1.47%	\$34,454,553	154.87%	\$71,119,787	56.45%
13	Safeco Insurance Group	1.23%	\$24,227,678	76.68%	\$59,130,479	18.55%
14	American National Financial Group	1.10%	\$16,102,808	80.82%	\$52,873,883	62.54%
15	NLASCO	1.06%	\$12,056,459	(5.76%)	\$51,112,658	(8.97%)
16	Amica Mutual Group	0.95%	\$13,223,743	2.69%	\$46,015,002	(2.70%)
17	Texas Fair Plan Association	0.94%	\$15,230,920	27.15%	\$45,206,641	(21.37%)
18	ARX Holding Corp. Group	0.93%	\$18,548,611	93.60%	\$44,680,106	35.48%
19	Unitrin Group	0.73%	\$9,983,604	7.96%	\$35,169,743	(2.46%)
20	Interins Exchange of the Automobile Club	0.73%	\$10,710,556	27.70%	\$35,006,877	18.12%
21	Cypress Holdings Group	0.69%	\$10,639,893	37.79%	\$33,305,749	37.44%
22	Texas State National Group	0.53%	\$15,693,966	592.35%	\$25,680,362	910.33%
23	Allianz Insurance Group	0.53%	\$6,986,837	5.30%	\$25,378,874	(0.37%)
24	Metropolitan Group	0.51%	\$9,298,093	78.43%	\$24,613,570	41.05%
25	Colonial Savings Group	0.43%	\$6,324,753	49.54%	\$20,683,659	37.10%
Top 25 Groups Total		95.54%	\$1,360,272,705	12.45%	\$4,607,513,718	4.45%
Total Market		100.00%	\$1,438,062,798	14.63%	\$4,822,412,664	5.53%

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
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	\$1,127,191,865	\$1,006,499,220	\$583,420,011
2nd qtr 2006	\$1,399,461,506	\$1,293,635,738	\$600,018,783
3rd qtr 2006	\$1,555,533,068	\$1,438,062,798	\$414,326,573

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 89 groups, 228 companies, that had direct written premium for Workers' Compensation in the third quarter of 2006, as compared to 85 groups, 222 companies, in the third 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 third quarter of 2006 to direct written premium in the third 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 3rd Quarter 2006	% Change 3rd Quarter 2005 to 2006	4 Quarters Ending 3rd Qtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	Texas Mutual Insurance Company	26.80%	\$170,728,158	5.59%	\$737,432,460	5.90%
2	American International Group	15.07%	\$115,563,260	55.76%	\$413,707,126	11.94%
3	Liberty Mutual Group	10.35%	\$55,379,955	(0.28%)	\$284,058,580	30.78%
4	Hartford Fire & Casualty Group	8.33%	\$44,223,168	(1.21%)	\$228,672,391	31.23%
5	Zurich Insurance Group	7.27%	\$50,557,644	(5.43%)	\$199,385,022	(12.14%)
6	St. Paul Travelers Group	5.42%	\$34,596,393	(26.15%)	\$148,757,158	(2.54%)
7	CNA Insurance Group	3.11%	\$17,078,513	(27.91%)	\$85,357,730	(15.23%)
8	ACE Ltd.	3.11%	\$26,598,953	(9.41%)	\$85,226,067	(16.78%)
9	Old Republic Group	2.16%	\$14,231,343	(8.17%)	\$59,252,583	0.46%
10	Chubb & Son Inc.	1.87%	\$12,249,063	0.76%	\$51,364,120	(0.48%)
11	Service Life Group	1.64%	\$8,274,478	(4.86%)	\$44,913,657	(7.99%)
12	Amerisure Company	1.56%	\$10,060,989	(10.02%)	\$42,853,646	4.03%
13	Zenith National Insurance Group	1.41%	\$9,894,525	6.65%	\$38,781,765	16.65%
14	Amcomp Group	1.06%	\$6,933,667	26.35%	\$28,955,049	23.22%
15	Sentry Insurance Group	0.68%	\$2,438,575	(55.98%)	\$18,589,442	(23.16%)
16	Amerisafe Group	0.58%	\$3,899,702	(11.17%)	\$15,979,620	21.36%
17	Republic Companies Group	0.53%	\$3,967,945	12.99%	\$14,649,809	15.76%
18	Utica National Insurance Group	0.45%	\$2,787,239	(14.21%)	\$12,479,891	(5.26%)
19	Fairfax Financial	0.45%	\$1,788,712	(65.34%)	\$12,326,473	(7.43%)
20	AON Corp.	0.41%	\$0	(100.00%)	\$11,246,536	161.27%
21	Federated Mutual	0.41%	\$3,091,713	(0.79%)	\$11,219,649	5.77%
22	WR Berkley Corp.	0.40%	\$1,533,227	(46.42%)	\$10,889,200	3.65%
23	EMC Insurance Company	0.38%	\$2,428,580	(9.43%)	\$10,320,666	(8.92%)
24	Unitrin Group	0.37%	\$3,167,679	5.43%	\$10,107,212	1.28%
25	State Farm IL	0.32%	\$2,368,059	4.24%	\$8,784,904	0.25%
Top 25 Groups Total		94.13%	\$603,841,540	2.73%	\$2,585,310,756	6.18%
Total Market		100.00%	\$639,079,278	2.45%	\$2,746,428,402	6.24%

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
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	\$672,680,290	\$198,323,741
3rd qtr 2006	\$656,842,230	\$639,079,278	\$178,642,318

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 89 groups, 228 companies, that had voluntary direct written premium for Workers' Compensation in the third quarter of 2006, as compared to 85 groups, 221 companies, in the third 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 third quarter of 2006 to direct written premium in the third 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 3rd Quarter 2006	% Change 3rd Quarter 2005 to 2006	4 Quarters Ending 3rd Qtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	Texas Mutual Insurance Company	26.65%	\$169,219,933	5.91%	\$729,995,598	5.34%
2	American International Group	15.10%	\$115,563,260	55.76%	\$413,707,126	11.94%
3	Liberty Mutual Group	10.37%	\$55,379,955	(0.28%)	\$284,058,580	30.78%
4	Hartford Fire & Casualty Group	8.35%	\$44,223,168	(1.21%)	\$228,672,391	31.23%
5	Zurich Insurance Group	7.28%	\$50,557,644	(5.43%)	\$199,385,022	(12.14%)
6	St. Paul Travelers Group	5.43%	\$34,596,393	(26.15%)	\$148,757,158	(2.54%)
7	CNA Insurance Group	3.12%	\$17,078,513	(27.91%)	\$85,357,730	(15.23%)
8	ACE Ltd.	3.11%	\$26,598,953	(9.41%)	\$85,226,067	(16.78%)
9	Old Republic Group	2.16%	\$14,231,343	(8.17%)	\$59,252,583	0.46%
10	Chubb & Son Inc.	1.88%	\$12,249,063	0.76%	\$51,364,120	(0.48%)
11	Service Life Group	1.64%	\$8,274,478	(4.86%)	\$44,913,657	(7.99%)
12	Amerisure Company	1.56%	\$10,060,989	(10.02%)	\$42,853,646	4.03%
13	Zenith National Insurance Group	1.42%	\$9,894,525	6.65%	\$38,781,765	16.65%
14	Amcomp Group	1.06%	\$6,933,667	26.35%	\$28,955,049	23.22%
15	Sentry Insurance Group	0.68%	\$2,438,575	(55.98%)	\$18,589,442	(23.16%)
16	Amerisafe Group	0.58%	\$3,899,702	(11.17%)	\$15,979,620	21.36%
17	Republic Companies Group	0.53%	\$3,967,945	12.99%	\$14,649,809	15.76%
18	Utica National Insurance Group	0.46%	\$2,787,239	(14.21%)	\$12,479,891	(5.26%)
19	Fairfax Financial	0.45%	\$1,788,712	(65.34%)	\$12,326,473	(7.43%)
20	AON Corp.	0.41%	\$0	(100.00%)	\$11,246,536	161.27%
21	Federated Mutual	0.41%	\$3,091,713	(0.79%)	\$11,219,649	5.77%
22	WR Berkley Corp.	0.40%	\$1,533,227	(46.42%)	\$10,889,200	3.65%
23	EMC Insurance Company	0.38%	\$2,428,580	(9.43%)	\$10,320,666	(8.92%)
24	Unitrin Group	0.37%	\$3,167,679	5.43%	\$10,107,212	1.28%
25	State Farm IL	0.32%	\$2,368,059	4.24%	\$8,784,904	0.25%

Top 25 Groups Total	94.12%	\$602,333,315	2.81%	\$2,577,873,894	6.26%
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Total Market	100.00%	\$637,571,053	2.77%	\$2,738,991,540	6.37%
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QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
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
3rd qtr 2006	\$655,673,357	\$637,571,053	\$176,815,557

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 third quarter of 2006, the START program reported \$5,456,862 in direct premiums written. This accounted for 100% of all Residual Market experience reported and was a decrease of (37.28%) over the same period one year prior. Of this amount \$1,508,225 was written in the third quarter of 2006 which was a (21.46%) decrease from the third 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
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	\$3,414,248	\$1,893,847
4th qtr 2005	\$1,814,397	\$1,544,098	\$7,577,075
1st qtr 2006	\$2,273,188	\$2,184,046	\$1,491,573
2nd qtr 2006	\$2,412,623	\$2,200,493	\$1,495,331
3rd qtr 2006	\$1,168,873	\$1,508,225	\$1,826,761

QUARTERLY EXPERIENCE
Texas Mutual Insurance Company

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
3rd qtr 2001	\$7,851,500	\$5,506,628	\$1,844,449
4th qtr 2001	\$9,998,247	\$9,235,306	\$2,346,245
1st qtr 2002	\$11,376,261	\$9,737,212	\$2,079,484
2nd qtr 2002	\$7,341,916	\$7,147,894	\$1,622,476
3rd qtr 2002	\$6,495,852	\$5,992,338	\$2,084,985
4th qtr 2002	\$7,735,964	\$6,597,702	\$2,093,003
1st qtr 2003	\$6,846,052	\$4,852,376	\$1,988,494
2nd qtr 2003	\$7,398,883	\$6,594,934	\$1,904,942
3rd qtr 2003	\$6,617,416	\$3,646,246	\$2,186,906
4th qtr 2003	\$4,843,706	\$4,607,100	\$1,625,440
1st qtr 2004	\$9,321,304	\$8,501,414	\$1,856,570
2nd qtr 2004	\$4,590,300	\$5,184,676	\$2,205,266
3rd qtr 2004	\$2,944,082	\$1,206,271	\$2,068,334
4th qtr 2004	\$3,145,398	\$2,988,938	\$1,682,701
1st qtr 2005	\$3,190,362	\$2,241,229	\$1,916,106
2nd qtr 2005	\$3,161,087	\$1,550,292	\$1,504,557
3rd qtr 2005	\$1,649,532	\$1,920,420	\$1,356,660
4th qtr 2005	\$1,814,397	\$1,544,098	\$1,253,731
1st qtr 2006	\$2,273,188	\$2,184,046	\$1,092,585
2nd qtr 2006	\$2,412,623	\$2,200,493	\$968,681
3rd qtr 2006	\$1,168,873	\$1,508,225	\$1,201,165

Workers' Compensation (Deductible Plans)

There were 89 groups, 228 companies which wrote voluntary policies for Workers' Compensation in the third quarter of 2006, as compared to 85 groups, 221 companies in the third quarter of 2005.

The data contained in the following table represents direct policies written as new or renewal policies in the third 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 third 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 3rd 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	52	\$341,015	\$298,481	12.47%
Premium of \$10,000 - \$24,999	58	\$995,630	\$856,467	13.98%
Premium of \$25,000 - \$49,999	32	\$1,264,947	\$1,002,336	20.76%
Premium of \$50,000 - \$74,999	14	\$908,809	\$745,305	17.99%
Premium of \$75,000 - \$100,000	10	\$1,570,913	\$863,492	45.03%
Total Per Accident Plan	166	\$5,081,314	\$3,766,081	25.88%
Aggregate Deductible Plan				
Premium of \$5,000 - \$9,999	18	\$129,095	\$111,931	13.30%
Premium of \$10,000 - \$24,999	29	\$436,063	\$375,669	13.85%
Premium of \$25,000 - \$49,999	12	\$435,559	\$355,723	18.33%
Premium of \$50,000 - \$74,999	8	\$478,996	\$353,905	26.12%
Premium of \$75,000 - \$100,000	3	\$266,564	\$190,437	28.56%
Total Aggregate Plan	70	\$1,746,277	\$1,387,665	20.54%
Per Accident/Aggregate Combination Deductible Plan				
Premium of \$5,000 - \$9,999	7	\$59,116	\$30,845	47.82%
Premium of \$10,000 - \$24,999	8	\$130,206	\$98,511	24.34%
Premium of \$25,000 - \$49,999	5	\$197,071	\$113,467	42.42%
Premium of \$50,000 - \$74,999	5	\$301,091	\$183,657	39.00%
Premium of \$75,000 - \$100,000	1	\$200,262	\$33,722	83.16%
Total Combination Plan	26	\$887,746	\$460,202	48.16%
Negotiated Deductible Plan				
Premium Up To \$100,000	1,237	\$23,011,113	\$7,866,953	65.81%
Premium of \$100,001 - \$150,000	100	\$12,276,416	\$4,506,376	63.29%
Premium of \$150,001 - \$250,000	121	\$24,391,171	\$7,440,162	69.50%
Premium of \$250,001 - \$350,000	68	\$20,015,818	\$5,274,951	73.65%
Premium of \$350,001 - \$500,000	73	\$31,380,343	\$7,693,548	75.48%
Premium of \$500,001 - \$750,000	62	\$37,665,918	\$9,522,828	74.72%
Premium of \$750,001 - \$1,000,000	34	\$30,670,365	\$6,001,417	80.43%
Premium of \$1,000,001 - \$2,500,000	65	\$115,249,125	\$25,306,932	78.04%
Premium of \$2,500,001 - \$5,000,000	16	\$57,551,340	\$11,360,732	80.26%
Premium of \$5,000,001 and above	17	\$135,137,488	\$24,464,917	81.90%
Total Negotiated Plan	1,793	\$487,349,097	\$109,438,816	77.54%
No Deductible Plan				
Premium Less Than \$5,000	22,983	\$38,285,857	\$38,285,857	0.00%
Premium of \$5,000 - \$9,999	4,952	\$35,156,885	\$35,156,885	0.00%
Premium of \$10,000 - \$24,999	4,354	\$68,121,346	\$68,121,346	0.00%
Premium of \$25,000 - \$49,999	1,776	\$61,399,275	\$61,399,275	0.00%
Premium of \$50,000 - \$74,999	664	\$40,482,768	\$40,482,768	0.00%
Premium of \$75,000 - \$100,000	335	\$28,976,903	\$28,976,903	0.00%
Premium Greater Than \$100,000	926	\$268,197,560	\$268,197,560	0.00%
Total No Deductible Plan	35,990	\$540,620,594	\$540,620,594	0.00%
TOTAL	38,045	\$1,035,685,028	\$655,673,358	36.69%

Boiler & Machinery

There were 38 groups, 90 companies, that had direct written premium for Boiler & Machinery in the third quarter of 2006, as compared to 34 groups, 84 companies, in the third 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 third quarter of 2006 to direct written premium in the third 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 3rd Quarter 2006	% Change 3rd Quarter 2005 to 2006	4 Quarters Ending 3rd Qtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	FM Global Group	31.53%	\$11,380,017	58.01%	\$25,192,415	58.93%
2	American International Group	15.05%	\$3,164,352	8.80%	\$12,021,830	3.04%
3	St. Paul Travelers Group	13.39%	\$2,253,664	(21.37%)	\$10,696,160	(9.34%)
4	Zurich Insurance Group	9.65%	\$2,182,847	60.62%	\$7,710,750	19.18%
5	Chubb & Son Inc.	8.71%	\$2,126,568	18.05%	\$6,955,098	(5.51%)
6	CNA Insurance Group	5.21%	\$1,318,479	21.23%	\$4,162,870	8.26%
7	Liberty Mutual Group	5.21%	\$1,912,211	20.72%	\$4,160,164	20.93%
8	Allianz Insurance Group	1.99%	\$335,962	(17.61%)	\$1,591,113	(15.74%)
9	Central Mutual Insurance Company of Ohio	1.35%	\$317,792	58.06%	\$1,081,303	39.71%
10	Federated Mutual	1.06%	\$233,822	(1.89%)	\$843,592	(3.84%)
11	XLAmerica	1.04%	\$464,800	160.37%	\$830,829	170.49%
12	Nationwide Corp.	0.82%	\$119,621	(7.23%)	\$656,964	41.12%
13	SWISS RE GRP	0.81%	\$92,441	189.88%	\$648,143	497.98%
14	EMC Insurance Company	0.63%	\$148,955	4.73%	\$505,946	16.02%
15	American Financial Group	0.63%	\$112,159	501.10%	\$500,283	387.41%
16	Triangle Insurance Company Inc.	0.52%	\$363,684	28.46%	\$411,785	32.41%
17	Millea Holdings Inc	0.44%	\$106,598	83.05%	\$350,143	57.12%
18	Allstate Insurance Group	0.36%	\$73,089	(17.04%)	\$290,679	(13.89%)
19	United Fire & Casualty Group	0.30%	\$79,555	39.31%	\$241,262	25.51%
20	AXIS Capital Group	0.24%	\$15,893	330.01%	\$193,711	97.59%
21	Hartford Fire & Casualty Group	0.22%	\$50,754	66.26%	\$173,167	48.89%
22	Bancinsure Inc.	0.17%	\$34,909	(5.12%)	\$137,143	(26.32%)
23	Lumbermen's Underwriting Alliance	0.14%	\$57,131	194.31%	\$108,649	17.35%
24	Hannover Group	0.11%	\$11,574	110.97%	\$86,691	62.11%
25	Texas State National Group	0.09%	\$0	(100.00%)	\$73,354	*
Top 25 Groups Total		99.66%	\$26,956,877	29.98%	\$79,624,044	18.83%
Total Market		100.00%	\$27,021,110	30.03%	\$79,892,642	18.90%

* 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
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
3rd qtr 2006	\$16,111,524	\$27,021,110	\$4,452,829

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 33 groups, 76 companies, that had direct written premium for Commercial Crime in the third quarter of 2006, as compared to 35 groups, 73 companies, in the third 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 third quarter of 2006 to direct written premium in the third 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 3rd Quarter 2006	% Change 3rd Quarter 2005 to 2006	4 Quarters Ending 3rd Qtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	St. Paul Travelers Group	22.52%	\$446,438	(1.25%)	\$1,757,982	0.73%
2	Chubb & Son Inc.	18.54%	\$375,464	(11.94%)	\$1,447,164	(11.06%)
3	Zurich Insurance Group	16.22%	\$301,730	26.73%	\$1,265,974	0.37%
4	American International Group	11.89%	\$80,345	(27.69%)	\$928,137	22.58%
5	Hartford Fire & Casualty Group	11.82%	\$400,320	12.60%	\$922,713	26.57%
6	CNA Insurance Group	8.53%	\$186,800	37.42%	\$665,436	28.88%
7	United Fire & Casualty Group	1.29%	\$41,293	57.21%	\$100,349	27.47%
8	ACE Ltd.	1.25%	\$24,741	*	\$97,636	644.29%
9	Sentry Insurance Group	1.24%	\$23,214	(6.26%)	\$96,551	(2.76%)
10	Nationwide Corp.	1.17%	\$1,642	(93.67%)	\$90,960	80.08%
11	Federated Mutual	1.13%	\$35,056	59.32%	\$87,813	7.39%
12	Liberty Mutual Group	0.78%	\$10,428	(52.64%)	\$60,945	(21.53%)
13	XLAmerica	0.50%	\$12,308	(19.12%)	\$38,766	50.48%
14	Allstate Insurance Group	0.50%	\$10,091	28.89%	\$38,677	(1.11%)
15	Benchmark Insurance Company	0.49%	\$7,185	379.00%	\$38,255	193.73%
16	American Financial Group	0.46%	\$9,831	(28.88%)	\$35,658	(17.22%)
17	Harco National Insurance Company	0.32%	\$10,879	(34.56%)	\$24,962	(55.46%)
18	Bancinsure, Inc.	0.24%	\$0	*	\$18,861	(17.32%)
19	Motorists Mutual	0.17%	\$0	*	\$13,619	*
20	EMC Insurance Company	0.17%	\$6,325	(32.98%)	\$13,520	(22.62%)
21	WR Berkley Corp.	0.15%	\$4,031	*	\$12,035	*
22	Safeco Insurance Group	0.12%	\$1,963	(38.89%)	\$9,076	(16.66%)
23	Central Mutual Insurance Company of Ohio	0.11%	\$354	*	\$8,898	11.45%
24	North Pointe Holdings Corp. Group	0.10%	\$731	(35.02%)	\$7,966	7.06%
25	Federated Rural Electric Insurance Exchange	0.06%	\$2,160	100.00%	\$4,947	(23.66%)

Top 25 Groups Total	99.76%	\$1,993,329	4.25%	\$7,786,900	6.84%
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Total Market	100.00%	\$1,997,897	4.31%	\$7,805,517	6.26%
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* Premiums from prior reporting period were \$0, less than \$0, or negligible.

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
3rd qtr 2001	\$1,948,083	\$1,883,478	\$392,359
4th qtr 2001	\$2,550,031	\$2,490,497	\$3,137,605
1st qtr 2002	\$2,403,953	\$2,309,009	(\$134,651)
2nd qtr 2002	\$1,546,219	\$2,030,210	\$280,434
3rd qtr 2002	\$1,341,198	\$1,529,291	\$214,282
4th qtr 2002	\$1,616,520	\$1,782,790	\$419,686
1st qtr 2003	\$1,428,028	\$1,478,357	\$220,185
2nd qtr 2003	\$1,811,097	\$1,968,234	\$77,561
3rd qtr 2003	\$1,455,764	\$1,970,424	\$201,681
4th qtr 2003	\$1,485,574	\$1,867,930	\$424,135
1st qtr 2004	\$3,342,749	\$1,749,368	\$376,949
2nd qtr 2004	\$1,898,917	\$2,170,364	\$48,845
3rd qtr 2004	\$1,415,602	\$2,690,230	\$368,517
4th qtr 2004	\$1,836,630	\$2,046,419	\$15,145
1st qtr 2005	\$1,442,287	\$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
3rd qtr 2006	\$1,384,392	\$1,997,897	\$273,795

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 7 groups, 11 companies, that had direct written premium for Commercial Glass in the third quarter of 2006, as compared to 6 groups, 11 companies, in the third 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 third quarter of 2006 to direct written premium in the third 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 3rd Quarter 2006	% Change 3rd Quarter 2005 to 2006	4 Quarters Ending 3rd Qtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	Zurich Insurance Group	47.46%	\$1,885	(77.90%)	\$27,768	(50.94%)
2	Ohio Casualty Group	17.39%	\$2,966	(16.05%)	\$10,175	(15.25%)
3	Liberty Mutual Group	9.53%	\$1,305	136.41%	\$5,576	26.27%
4	Federated Mutual	8.97%	\$2,665	(2.02%)	\$5,249	(26.42%)
5	Usplate Glass Insurance Company	7.55%	\$4,418	*	\$4,418	*
6	North Pointe Holdings Corp. Group	6.70%	\$0	*	\$3,919	*
7	State Farm IL	2.48%	\$271	0.00%	\$1,450	0.00%
8	St. Paul Travelers Group	0.61%	\$140	*	\$355	(36.04%)
9	United Fire & Casualty Group	0.34%	\$0	*	\$200	78.57%
10	Unitrin Group	(0.49%)	\$0	(100.00%)	(\$284)	(101.20%)
11	Hartford Fire & Casualty Group	(0.54%)	\$0	*	(\$316)	*

Top Groups Total	100.00%	\$13,650	(14.79%)	\$58,510	(46.64%)
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Total Market	100.00%	\$13,650	(14.79%)	\$58,510	(46.64%)
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* 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
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
3rd qtr 2006	\$16,290	\$13,650	\$3,903

EARNED TO INCURRED LOSS RATIO BY YEAR

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

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

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

Medical Professional Liability

There were 30 groups, 38 companies, that had direct written premium for Medical Professional Liability (includes regulated and non-rate-regulated companies) in the third quarter of 2006, as compared to 31 groups, 40 companies, in the third 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 third quarter of 2006 to direct written premium in the third 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 3rd Quarter 2006	% Change 3rd Quarter 2005 to 2006	4 Quarters Ending 3rd Qtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	Health Care Indemnity Inc.	20.92%	(\$854,893)	(550.28%)	\$81,337,085	(9.81%)
2	GE Global Group	19.99%	\$27,258,454	(21.03%)	\$77,706,108	(16.25%)
3	American Physicians Ins. Exchange	17.09%	\$20,734,236	(6.42%)	\$66,416,413	3.59%
4	Doctors Company Group	7.72%	\$13,289,161	340.49%	\$30,002,868	72.36%
5	Texas Medical Liability Underwriting Assoc.	7.05%	\$6,279,411	(60.23%)	\$27,387,040	(51.55%)
6	Advocate, MD Ins. Of The Southwest Inc.	5.63%	\$9,696,187	18.48%	\$21,872,750	30.53%
7	Preferred Professional Insurance Company	2.22%	\$2,216,622	15.25%	\$8,625,326	15.42%
8	Texas Hospital Insurance Exchange	2.14%	\$2,793,135	24.98%	\$8,314,918	9.15%
9	Everest Reinsurance Holding Inc.	1.89%	\$35,944	116.48%	\$7,363,852	(33.20%)
10	CNA Insurance Group	1.75%	\$2,072,493	2.05%	\$6,818,903	(1.35%)
11	American International Group	1.61%	\$1,777,986	(16.09%)	\$6,267,341	2.45%
12	Allianz Insurance Group	1.59%	\$1,328,311	(15.53%)	\$6,164,710	(6.57%)
13	PICA Group	1.47%	\$3,074,639	2.89%	\$5,716,974	7.18%
14	ProAssurance Corp. Group	1.46%	\$1,060,837	(26.97%)	\$5,680,753	(19.42%)
15	Texas Medical Insurance Company	1.15%	\$1,953,202	9.73%	\$4,458,836	7.98%
16	NCMIC Group	1.14%	\$953,264	(8.92%)	\$4,443,039	(0.29%)
17	National Group	0.95%	\$1,859,287	42.76%	\$3,682,762	8.74%
18	FPIC Insurance Group Inc.	0.84%	\$575,525	(30.67%)	\$3,272,919	(37.50%)
19	ACE Ltd.	0.81%	\$910,740	5.64%	\$3,141,421	9.83%
20	Alleghany Group	0.77%	\$769,033	(23.47%)	\$2,986,318	0.42%
21	Medical Liability Insurance Co. of America	0.76%	\$770,646	(38.89%)	\$2,938,045	(19.74%)
22	Zurich Insurance Group	0.43%	\$0	*	\$1,668,331	*
23	Munich American Holding Corp.	0.39%	\$346,058	40.63%	\$1,518,225	10.51%
24	Nationwide Corp.	0.12%	\$173,268	19.42%	\$483,640	86.78%
25	Markel Corp. Group	0.08%	\$41,881	56.10%	\$322,510	20.70%
Top 25 Groups Total		99.97%	\$99,115,427	(6.90%)	\$388,591,087	(8.46%)
Total Market		100.00%	\$99,260,437	(7.19%)	\$388,726,374	(8.81%)

*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
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
3rd qtr 2006	\$81,786,940	\$99,260,437	\$26,265,282

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 29 groups, 61 companies, that had direct written premium for Miscellaneous Professional Liability in the third quarter of 2006, as compared to 26 groups, 58 companies, in the third 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 third quarter of 2006 to direct written premium in the third 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 3rd Quarter 2006	% Change 3rd Quarter 2005 to 2006	4 Quarters Ending 3rd Qtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	Chubb & Son Inc.	24.28%	\$27,195,980	(13.46%)	\$90,317,377	(4.97%)
2	XL America	20.76%	\$21,217,283	(9.53%)	\$77,211,866	52.96%
3	St. Paul Travelers Group	13.58%	\$11,706,250	(3.98%)	\$50,500,253	4.51%
4	Hartford Fire & Casualty Group	12.13%	\$13,152,582	(10.67%)	\$45,113,435	3.95%
5	HCC Insurance Holdings Group	9.94%	\$9,631,514	25.71%	\$36,955,222	(1.43%)
6	ACE Ltd.	6.53%	\$4,359,540	(24.68%)	\$24,278,907	28.84%
7	RLI Insurance Group	3.45%	\$4,054,456	(2.40%)	\$12,842,878	10.09%
8	Swiss Re Group	1.07%	\$3,242,447	117.88%	\$3,979,604	(67.51%)
9	Nationwide Corp.	1.06%	\$1,200,710	29.88%	\$3,959,487	4.84%
10	Allianz Insurance Group	1.05%	\$476,301	(66.39%)	\$3,894,346	(10.67%)
11	Berkshire Hathaway	0.96%	\$748,397	(60.84%)	\$3,566,021	(33.00%)
12	Old Republic Group	0.92%	\$999,528	91.75%	\$3,404,232	2.82%
13	Arch Insurance Group	0.71%	\$2,108,558	*	\$2,630,858	39.41%
14	Markel Corp. Group	0.56%	\$435,350	(14.77%)	\$2,093,274	(1.54%)
15	Liberty Mutual Group	0.53%	\$617,132	51.14%	\$1,976,323	(20.35%)
16	United National Group	0.50%	\$64,580	(95.19%)	\$1,841,451	5.11%
17	Navigators Group Inc.	0.45%	\$847,394	160.94%	\$1,666,439	71.70%
18	Utica National Insurance Group	0.33%	\$147,067	(20.46%)	\$1,239,789	1.31%
19	AETNA	0.29%	\$0	*	\$1,092,800	3.17%
20	Beazley Insurance Company, Inc.	0.28%	\$402,304	*	\$1,056,529	*
21	CNA Insurance Group	0.24%	\$23,471	*	\$904,092	*
22	Zurich Insurance Group	0.08%	\$65,663	(11.48%)	\$311,529	1.87%
23	State Farm IL	0.06%	\$65,493	(19.49%)	\$238,116	26.72%
24	GE Global Group	0.05%	\$40,351	(40.14%)	\$167,529	(15.69%)
25	Texas National Group	0.04%	\$8,281	*	\$156,514	*

Top 25 Groups Total	99.85%	\$102,810,632	(5.38%)	\$371,398,871	7.20%
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Total Market	100.00%	\$103,018,465	(5.30%)	\$371,942,189	5.77%
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* Premiums from prior reporting period were \$0, less than \$0, or negligible.

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
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
3rd qtr 2006	\$100,308,651	\$103,018,465	\$20,337,492

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 third quarter of 2006 and the third 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	3RD QUARTER 2006			3RD 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	9,812	0.00000%	0	10,484	0.00000%
General Liability - Other ⁺	33	239,286	0.01379%	43	229,777	0.01871%
Fire & Allied Lines	29	36,441	0.07958%	12	39,293	0.03054%
Commercial Multiple Peril	37	92,960	0.03980%	17	87,207	0.01949%
Private Passenger Auto ⁺⁺	1,740	5,747,524	0.03027%	1,686	5,126,828	0.03289%
Homeowners	1,366	1,556,978	0.08773%	424	1,298,893	0.03264%
Workers' Compensation ⁺⁺⁺	544	38,077	1.42868%	19	38,142	0.04981%
Boiler & Machinery	**	**	**	**	**	**
Commercial Crime	**	**	**	**	**	**
Commercial Glass	**	**	**	**	**	**
Medical Professional Liability	6	13,645	0.04397%	6	12,800	0.04688%
Misc. Professional Liability	0	4,923	0.00000%	3	5,060	0.05929%

⁺ The General Electric Group wrote -0- small premium pre-paid legal policies in the 3rd quarter of 2006 and 3,558 policies in the 3rd 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 third quarter of 2006) for these two lines of insurance are presented on the next two pages.

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

2006 Policies Written Rank	Group Name	3RD QUARTER 2006			3RD 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
7	Old American County Mutual Fire Ins. Co.	280	239,459	0.11693%	302	222,395	0.13579%
13	Loya Group	100	91,460	0.10934%	1	0	0.00000%
23	Mercury General Group	24	25,165	0.09537%	19	28,418	0.06686%
18	American International Group	40	42,211	0.09476%	19	35,806	0.05306%
11	Home State Insurance Group	65	100,755	0.06451%	93	100,421	0.09261%
20	Interins Exchange Of The Automobile Club	22	34,391	0.06397%	18	27,814	0.06472%
16	Unitrin Group	37	59,493	0.06219%	25	35,263	0.07090%
21	Texas State National Group	16	31,609	0.05062%	47	35,195	0.13354%
17	Liberty Mutual Group	27	54,847	0.04923%	25	48,879	0.05115%
15	Safeco Insurance Group	28	62,552	0.04476%	32	57,850	0.05532%
24	St Paul Travelers Group	9	25,150	0.03579%	18	32,480	0.05542%
12	Republic Companies Group	32	93,953	0.03406%	28	70,575	0.03967%
22	Metropololitan Group	9	27,109	0.03320%	10	21,451	0.04662%
3	Allstate Insurance Group	187	615,647	0.03037%	204	509,506	0.04004%
8	Berkshire Hathaway	71	234,494	0.03028%	61	194,819	0.03131%
10	Titus Group	30	106,183	0.02825%	27	107,739	0.02506%
25	Germania Insurance Group	7	24,974	0.02803%	5	22,528	0.02219%
6	United Services Automobile Assoc. Group	57	243,386	0.02342%	52	228,840	0.02272%
19	Sentry Insurance Group	9	41,580	0.02165%	9	34,332	0.02621%
4	Progressive Group	97	460,857	0.02105%	102	468,335	0.02178%
2	Zurich Insurance Group	172	903,280	0.01904%	197	939,677	0.02096%
5	Nationwide Corp.	50	340,842	0.01467%	55	129,151	0.04259%
9	Southern Farm Bureau Casualty	23	167,333	0.01375%	23	163,815	0.01404%
1	State Farm Illinois	120	1,404,975	0.00854%	148	1,404,149	0.01054%
14	Fidelity National Financial Inc.	0	69,858	0.00000%	0	0	0.00000%
	(All other licensed insurers)	228	245,961	0.09270%	166	207,390	0.08004%
	(No company identified)*	0			0		
TOTALS		1,740	5,747,524	0.03027%	1,686	5,126,828	0.03289%

* 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 THIRD QUARTER DATA LISTED BY PERCENT OF COMPLAINTS PER POLICY

2006 Policies Written Rank	Group Name	3RD QUARTER 2006			3RD 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
20	Interins Exchange Of The Automobile Club	3	10,000	0.09916%	2	8,261	0.02421%
22	Amica Mutual Group	4	9,030	0.08588%	0	8,916	0.00000%
24	American National Financial Group	4	7,776	0.06351%	0	8,532	0.00000%
14	Texas Fair Plan Association	9	19,746	0.05971%	15	18,622	0.00000%
23	Metropolitan Group	7	8,151	0.05144%	1	4,292	0.02330%
13	Liberty Mutual Group	7	23,466	0.04558%	6	20,780	0.02887%
21	Colonial Savings Group	9	9,076	0.04430%	5	6,264	0.07982%
9	Commercial Alliance Insurance Company	6	33,348	0.03815%	1	15,903	0.00629%
7	Texas Farm Bureau Mutual	3	37,763	0.03715%	9	34,594	0.02602%
4	United Services Automobile Assoc. Group	8	111,872	0.03422%	10	102,836	0.00972%
2	Allstate Insurance Group	91	301,596	0.03017%	84	265,079	0.03169%
19	Cypress Holdings Group	3	11,883	0.03000%	2	8,698	0.02299%
12	ARX Holding Corp Group	4	29,213	0.02983%	4	12,212	0.03275%
15	NLASCO	11	18,422	0.02856%	15	19,486	0.00000%
3	Zurich Insurance Group	64	226,554	0.02825%	58	173,205	0.03349%
25	Interins Exchange Of The Automobile Club	3	4,724	0.02608%	8	6,606	0.12110%
18	KINGSWAY GRP	2	12,885	0.02525%	0	0	0.00000%
10	Safeco Insurance Group	12	31,451	0.02263%	2	13,663	0.01464%
1	State Farm Illinois	69	330,699	0.02086%	42	322,718	0.01301%
5	St Paul Travelers Group	27	78,901	0.01988%	18	67,791	0.02655%
8	Republic Companies Group	14	37,685	0.01799%	1	16,671	0.00600%
17	Dallas Gen Group	1	13,235	0.01552%	0	0	0.00000%
11	Hartford Fire & Casualty Group	7	30,928	0.01369%	2	18,539	0.01079%
6	Nationwide Corporation	12	60,354	0.00794%	12	53,098	0.02260%
16	Texas State National Group	5	17,510	0.00756%	0	2,777	0.00000%
	(All other licensed insurers)	981	80,710	1.21546%	127	89,350	0.14214%
	(No company identified)*	0			0		

TOTALS

1,366

1,556,978

0.08773%

424

1,298,893

0.03264%

* 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

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