



**Texas Department
of Insurance**

**Quarterly Legislative Report
on Market Conditions**

*2nd Quarter
2004*

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 2004	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
RATE-REGULATED	16
NON-RATE-REGULATED	18
VOLUNTARY LIABILITY (ALL COMPANIES)	20
RATE-REGULATED	22
NON-RATE-REGULATED	24
ASSIGNED RISK (ALL COMPANIES)	26
PHYSICAL DAMAGE (ALL COMPANIES)	28
RATE-REGULATED	30
NON-RATE-REGULATED	32
HOMEOWNERS MULTIPLE PERIL (ALL COMPANIES)	34
WORKERS' COMPENSATION (ALL COMPANIES)	36
VOLUNTARY	38
ASSIGNED RISK	40
DEDUCTIBLE PLANS	42
BOILER & MACHINERY	44
COMMERCIAL CRIME	46
COMMERCIAL GLASS	48
MEDICAL PROFESSIONAL LIABILITY	50
MISCELLANEOUS PROFESSIONAL LIABILITY	52
COMPLAINT DATA	
All Lines Complaint Data	54
Private Passenger Auto/Listed by Percent of Complaints per Policy	55
Homeowners/Listed by Percent of Complaints per Policy	56
GROUP / COUNTY MUTUAL COMPANY NAME TABLE	57

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

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

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

Terms

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Lines of Insurance

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

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

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

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

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

Summary of Four Quarters

CUMULATIVE TOTALS FOR FOUR QUARTERS ENDING JUNE 2004

	Number Of Groups/Companies	Number Of Policies Written	Premiums On Policies Written	Direct Written Premiums	Direct Losses Paid
PRODUCT LIABILITY	60 / 165	48,715	\$242,555,228	\$163,418,027	\$213,835,080
GENERAL LIABILITY - OTHER	117 / 297	885,050⁺	\$1,839,201,440	\$1,831,987,826	\$1,136,942,804
COMMERCIAL FIRE & ALLIED	72 / 174	183,145	\$579,424,882	\$638,431,053	\$276,713,743
COMMERCIAL MULTIPLE PERIL	74 / 203	313,558	\$1,276,032,547	\$1,402,761,561	\$661,366,056
PRIVATE PASSENGER AUTO					
VOLUNTARY (VOL) LIABILITY	63 / 186	10,707,250	\$6,769,334,662	\$6,447,799,488	\$3,993,533,884
ASSIGNED RISK LIABILITY	16 / 17	83,046	\$51,238,285	\$33,721,885	\$25,220,295
PHYSICAL DAMAGE	62 / 181	8,135,046	\$5,208,603,678	\$4,978,272,546	\$2,713,552,706
TOTAL PPA	64 / 191	18,925,342⁺⁺	\$12,029,176,625	\$11,459,793,919	\$6,732,306,885
HOMEOWNERS MULTIPLE PERIL	58 / 94	4,364,498	\$4,871,041,650	\$4,447,271,676	\$1,819,969,763
WORKERS' COMPENSATION					
VOL PREMIUMS < \$5,000		99,088	\$154,077,950	**	**
VOL PREMIUMS \$5,000 - \$100,000		56,692	\$1,165,251,091	**	**
VOL PREMIUMS > \$100,000		5,372	\$1,586,381,273	**	**
TOTAL VOLUNTARY	94 / 246	161,152	\$2,905,710,314	\$2,571,899,809	\$1,008,612,817
RESIDUAL MARKET ***	1 / 1	374	\$25,372,726	\$21,939,959	\$15,426,101
TOTAL WC	94 / 246	161,526	\$2,931,083,040	\$2,593,839,768	\$1,024,038,918
BOILER & MACHINERY	32 / 77	28,579	\$65,993,405	\$69,982,590	\$44,981,537
COMMERCIAL CRIME	35 / 68	8,537	\$8,185,419	\$7,758,086	\$1,051,610
COMMERCIAL GLASS	14 / 20	1,016	\$370,993	\$198,760	\$46,026
PROFESSIONAL LIABILITY	31 / 40	46,997	\$474,278,349	\$499,728,599	\$240,650,968
MISC. PROFESSIONAL LIABILITY	25 / 55	23,027	\$308,371,535	\$318,291,651	\$133,185,181

⁺ The General Electric Group wrote 11,990 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	
	2003	2004	2003	2004	2003	2004	2003	2004
Product Liability	58 / 143	55 / 143	57 / 135	56 / 141	56 / 138	- / -	49 / 123	- / -
General Liability	121 / 284	112 / 275	119 / 278	112 / 254	115 / 272	- / -	115 / 272	- / -
Commercial Fire & Allied	72 / 159	65 / 149	69 / 147	72 / 174	67 / 149	- / -	64 / 134	- / -
Commercial Multiple Peril	80 / 189	72 / 187	76 / 198	67 / 154	72 / 189	- / -	72 / 182	- / -
Private Passenger Auto	69 / 177	61 / 166	66 / 180	59 / 154	64 / 178	- / -	60 / 168	- / -
Homeowners Multiple Peril	60 / 81	59 / 75	67 / 81	56 / 73	56 / 78	- / -	57 / 72	- / -
Workers' Compensation	83 / 216	81 / 202	82 / 215	82 / 199	85 / 209	- / -	81 / 204	- / -
Boiler & Machinery	28 / 65	32 / 59	29 / 64	28 / 59	31 / 64	- / -	26 / 61	- / -
Commercial Crime	35 / 57	29 / 62	29 / 53	34 / 60	30 / 59	- / -	30 / 55	- / -
Commercial Glass	18 / 19	11 / 16	15 / 20	11 / 16	14 / 22	- / -	14 / 20	- / -
Medical Professional Liability	36 / 37	29 / 35	29 / 38	28 / 33	31 / 36	- / -	29 / 35	- / -
Misc. Professional Liability	31 / 69	31 / 67	31 / 60	28 / 61	29 / 68	- / -	31 / 65	- / -

Product Liability

There were 60 groups, 165 companies, that had direct written premium for Product Liability in the second quarter of 2004, as compared to 67 groups, 166 companies, in the second quarter of 2003.

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 2004 to direct written premium in the second quarter of 2003 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRODUCT LIABILITY

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2004	% Change 2nd Quarter 2003 to 2004	4 Quarters Ending 2nd Qtr 2004	% Change 4 Qtrs Ending 2003 to 2004
1	Zurich Insurance Group	21.18%	\$7,010,254	24.02%	\$34,608,817	54.23%
2	American Financial Group	14.11%	\$6,542,891	31.62%	\$23,063,136	18.78%
3	St. Paul Group	12.05%	\$4,479,702	2.31%	\$19,697,733	8.56%
4	Liberty Mutual Group	7.56%	\$4,237,786	204.45%	\$12,355,914	31.95%
5	Chubb & Son Inc.	4.85%	\$1,523,374	5.45%	\$7,932,551	12.37%
6	Hartford Fire & Casualty Group	3.17%	\$802,671	(45.00%)	\$5,181,404	(8.52%)
7	Allianz Insurance Group	2.86%	\$471,271	29.60%	\$4,677,944	77.75%
8	Dallas General Group	2.70%	\$1,103,091	14.94%	\$4,411,123	61.09%
9	Federated Mutual	2.55%	\$1,258,802	(8.01%)	\$4,172,136	(1.33%)
10	ACE Ltd.	2.53%	\$2,286,989	293.26%	\$4,126,584	181.38%
11	CNA Insurance Group	2.40%	\$800,911	(55.27%)	\$3,915,882	7.40%
12	National American Insurance Company	2.24%	\$1,087,449	39.74%	\$3,667,848	2.37%
13	Sentry Insurance Group	2.04%	\$844,173	52.99%	\$3,337,397	9.02%
14	United Fire & Casualty Group	1.68%	\$792,111	*	\$2,744,983	*
15	Electric Insurance Group	1.68%	\$0	*	\$2,740,366	*
16	American International Group	1.65%	\$931,224	45.23%	\$2,696,754	4.33%
17	Old Republic Group	1.52%	\$1,034,088	74.62%	\$2,475,833	63.97%
18	Fairfax Financial	1.36%	\$777,490	12.44%	\$2,220,971	(6.57%)
19	Royal & Sun Alliance USA	1.34%	(\$136,037)	(232.05%)	\$2,194,464	6.23%
20	Travelers Property Casualty Corp. Group	1.22%	\$967,691	63.75%	\$1,991,950	(35.66%)
21	Central Mutual Insurance Company Ohio	1.05%	\$501,362	14.54%	\$1,716,336	16.81%
22	RLI Insurance Group	0.80%	\$304,837	(18.06%)	\$1,307,487	5.81%
23	EMC Insurance Company	0.80%	\$293,588	(18.67%)	\$1,302,606	7.79%
24	XL America	0.75%	\$311,933	(52.24%)	\$1,232,279	(45.95%)
25	UNITRIN Group	0.75%	\$118,315	(62.91%)	\$1,222,285	(22.98%)

Top 25 Groups Total	94.85%	\$38,345,966	23.14%	\$154,994,783	23.25%
----------------------------	---------------	---------------------	---------------	----------------------	---------------

Total Market	100.00%	\$40,804,026	23.10%	\$163,418,027	19.28%
---------------------	----------------	---------------------	---------------	----------------------	---------------

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

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1999	\$21,001,448	\$18,282,562	\$25,948,053
3rd qtr 1999	\$17,001,577	\$16,077,300	\$17,020,093
4th qtr 1999	\$16,676,696	\$14,939,147	\$42,175,911
1st qtr 2000	\$21,631,763	\$20,070,742	\$29,175,725
2nd qtr 2000	\$24,863,722	\$22,270,834	\$36,375,856
3rd qtr 2000	\$23,008,942	\$19,604,388	\$17,808,941
4th qtr 2000	\$22,090,031	\$19,147,733	\$22,275,731
1st qtr 2001	\$29,320,488	\$22,845,690	\$22,799,038
2nd qtr 2001	\$25,674,740	\$26,892,822	\$18,451,817
3rd qtr 2001	\$29,104,072	\$24,349,666	\$23,598,451
4th qtr 2001	\$49,553,240	\$63,700,948	\$50,787,344
1st qtr 2002	\$25,812,727	\$10,368,960	\$24,090,363
2nd qtr 2002	\$25,107,579	\$30,554,591	\$14,348,364
3rd qtr 2002	\$32,987,561	\$33,566,694	\$42,898,905
4th qtr 2002	\$54,386,459	\$39,509,606	\$72,291,341
1st qtr 2003	\$50,349,221	\$30,776,954	\$23,752,695
2nd qtr 2003	\$51,648,244	\$33,145,879	\$37,961,745
3rd qtr 2003	\$55,011,830	\$32,286,147	\$84,564,221
4th qtr 2003	\$64,276,692	\$41,406,225	\$57,933,430
1st qtr 2004	\$59,612,484	\$48,921,629	\$12,778,030
2nd qtr 2004	\$63,654,222	\$40,804,026	\$58,559,399

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>
1992	122.7%
1993	164.5%
1994	152.1%
1995	113.4%
1996	178.0%
1997	60.4%
1998	90.4%
1999	68.3%
2000	104.4%
2001	201.3%
2002	275.2%
2003	219.9%

General Liability

There were 117 groups, 297 companies, that had direct written premium for General Liability in the second quarter of 2004, as compared to 133 groups, 328 companies, in the second quarter of 2003.

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 2004 to direct written premium in the second quarter of 2003 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR GENERAL LIABILITY

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2004	% Change 2nd Quarter 2003 to 2004	4 Quarters Ending 2nd Qtr 2004	% Change 4 Qtrs Ending 2003 to 2004
1	American International Group	21.83%	\$125,178,851	59.34%	\$399,845,719	44.61%
2	Zurich Insurance Group	10.12%	\$45,591,645	1.79%	\$185,412,116	18.24%
3	ACE Ltd.	9.55%	(\$9,516,259)	(115.22%)	\$174,902,629	(1.19%)
4	American Financial Group	6.01%	\$24,018,266	10.16%	\$110,109,107	7.46%
5	X L America	4.78%	\$23,536,457	(3.23%)	\$87,510,440	33.68%
6	Travelers Property Casualty Corp. Group	4.53%	\$19,456,867	(12.74%)	\$83,015,660	(1.17%)
7	St. Paul Group	4.05%	\$16,963,388	0.10%	\$74,131,376	6.95%
8	CNA Insurance Group	3.85%	\$17,258,542	6.62%	\$70,511,824	14.89%
9	Liberty Mutual Group	3.04%	\$15,109,400	(25.17%)	\$55,758,072	20.87%
10	Chubb & Son Inc.	2.66%	\$12,538,031	12.18%	\$48,743,029	5.35%
11	Allianz Insurance Group	1.93%	\$7,424,658	(9.81%)	\$35,304,785	14.73%
12	Hartford Fire & Casualty Group	1.83%	\$10,164,702	19.98%	\$33,442,602	(21.95%)
13	Texas Lawyers Insurance Exchange	1.59%	\$6,552,571	13.49%	\$29,064,449	20.28%
14	Royal & Sun Alliance USA	1.39%	(\$71,824)	(103.37%)	\$25,464,785	(23.91%)
15	State Farm IL	1.39%	\$6,675,507	1.71%	\$25,391,402	0.27%
16	Ohio Casualty Group	1.08%	\$5,539,690	*	\$19,842,010	47.48%
17	Dallas General Group	0.92%	\$4,668,740	36.11%	\$16,777,017	63.33%
18	Old Republic Group	0.91%	\$3,852,369	(2.22%)	\$16,712,445	24.62%
19	Fairfax Financial	0.81%	\$3,012,671	(26.56%)	\$14,821,800	(14.33%)
20	United Fire & Casualty Group	0.81%	\$3,932,669	6.32%	\$14,783,609	(2.92%)
21	Federated Mutual	0.80%	\$4,384,935	(1.12%)	\$14,728,940	7.61%
22	UNITRIN Group	0.77%	\$1,166,951	(68.70%)	\$14,033,101	(20.21%)
23	National American Insurance Company	0.75%	\$3,881,865	6.69%	\$13,689,071	(4.39%)
24	EMC Insurance Company	0.70%	\$3,323,967	13.13%	\$12,811,488	0.35%
25	Safeco Insurance Group	0.67%	\$3,255,368	7.00%	\$12,278,141	14.32%

Top 25 Groups Total	86.74%	\$357,900,027	(7.56%)	\$1,589,085,617	15.10%
----------------------------	---------------	----------------------	----------------	------------------------	---------------

Total Market	100.00%	\$419,319,820	(6.96%)	\$1,831,987,826	11.28%
---------------------	----------------	----------------------	----------------	------------------------	---------------

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

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1999	\$189,418,170	\$241,953,257	\$165,005,082
3rd qtr 1999	\$198,994,737	\$326,261,926	\$204,622,227
4th qtr 1999	\$302,336,709	\$235,083,506	\$195,064,133
1st qtr 2000	\$197,334,268	\$265,422,016	\$149,145,225
2nd qtr 2000	\$216,413,256	\$232,382,943	\$207,287,930
3rd qtr 2000	\$236,439,379	\$253,095,910	\$139,279,827
4th qtr 2000	\$256,405,425	\$404,183,305	\$277,383,640
1st qtr 2001	\$255,026,997	\$282,422,588	\$279,102,702
2nd qtr 2001	\$317,939,865	\$373,227,828	\$172,787,203
3rd qtr 2001	\$228,382,661	\$258,073,934	\$195,733,705
4th qtr 2001	\$235,390,831	\$360,898,116	\$63,102,021
1st qtr 2002	\$449,177,034	\$460,698,437	\$225,467,551
2nd qtr 2002	\$392,164,368	\$346,705,037	\$245,038,500
3rd qtr 2002	\$293,763,572	\$350,646,211	\$223,245,817
4th qtr 2002	\$296,230,398	\$371,335,756	\$293,588,970
1st qtr 2003	\$473,722,924	\$473,622,327	\$339,023,171
2nd qtr 2003	\$460,000,875	\$450,666,191	\$207,970,445
3rd qtr 2003	\$471,126,731	\$482,725,823	\$269,465,874
4th qtr 2003	\$412,727,499	\$437,066,008	\$393,534,154
1st qtr 2004	\$493,611,177	\$492,876,175	\$285,380,433
2nd qtr 2004	\$461,736,033	\$419,319,820	\$188,562,343

EARNED TO INCURRED LOSS RATIO BY YEAR

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

<u>Year</u>	<u>Loss Ratio</u>
1992	102.9%
1993	102.8%
1994	64.8%
1995	96.7%
1996	99.0%
1997	51.8%
1998	58.6%
1999	63.8%
2000	74.1%
2001	74.4%
2002	114.5%
2003	77.0%

Commercial Fire & Allied

There were 72 groups, 174 companies, that had direct written premium for Commercial Fire & Allied in the second quarter of 2004, as compared to 76 groups, 178 companies, in the second quarter of 2003.

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 2004 to direct written premium in the second quarter of 2003 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 2004	% Change 2nd Quarter 2003 to 2004	4 Quarters Ending 2nd Qtr 2004	% Change 4 Qtrs Ending 2003 to 2004
1	FM Global Group	15.40%	\$21,240,461	(35.44%)	\$98,344,562	(19.95%)
2	Travelers Property Casualty Corp. Group	12.85%	\$22,576,696	10.65%	\$82,044,553	10.70%
3	Allianz Insurance Group	6.72%	\$9,890,661	4.61%	\$42,911,113	(30.35%)
4	Zurich Insurance Group	6.11%	\$7,496,703	(23.23%)	\$39,019,068	3.62%
5	St. Paul Group	5.92%	\$5,048,206	(16.54%)	\$37,780,841	(3.80%)
6	Texas Windstorm Insurance Association	4.92%	\$8,846,383	13.58%	\$31,384,054	17.10%
7	Royal & Sun Alliance USA	3.70%	(\$4,677)	(100.28%)	\$23,653,721	8.27%
8	Liberty Mutual Group	3.65%	\$6,134,287	157.76%	\$23,300,536	215.51%
9	Swiss Re Group	3.49%	\$157,495	4.48%	\$22,257,814	*
10	American International Group	3.26%	\$4,392,653	(15.35%)	\$20,817,236	5.69%
11	United Fire & Casualty Group	3.13%	\$5,609,831	24.54%	\$19,973,108	20.87%
12	CNA Insurance Group	2.83%	\$4,144,551	27.94%	\$18,061,309	(1.89%)
13	AXA Insurance Group	2.41%	\$2,350,905	(55.46%)	\$15,387,071	(12.12%)
14	XL America	2.24%	(\$756,565)	(117.84%)	\$14,331,315	(31.18%)
15	Fairfax Financial	2.01%	\$3,328,514	(19.50%)	\$12,820,263	(8.95%)
16	UNITRIN Group	1.99%	\$1,306,352	(65.80%)	\$12,706,308	(35.36%)
17	Hartford Fire & Casualty Group	1.86%	\$3,249,652	(23.99%)	\$11,866,725	(33.29%)
18	Federated Mutual	1.68%	\$2,799,615	(14.91%)	\$10,732,700	0.61%
19	GE Global Group	1.61%	\$3,493,240	(28.63%)	\$10,283,485	(19.90%)
20	American Financial Group	1.26%	\$344,462	(53.80%)	\$8,042,949	545.97%
21	Safeco Insurance Group	1.25%	\$1,994,957	(11.30%)	\$7,952,006	4.17%
22	Sentry Insurance Group	1.23%	\$1,833,436	6.17%	\$7,847,966	12.03%
23	ACE Ltd.	1.22%	\$4,286,112	135.61%	\$7,818,653	246.68%
24	ARX Holding Corp. Group	1.03%	\$1,844,950	41.31%	\$6,602,423	76.68%
25	EMC Insurance Company	1.02%	\$1,357,821	(6.15%)	\$6,494,383	8.69%

Top 25 Groups Total	92.80%	\$122,966,701	(13.83%)	\$592,434,162	0.76%
----------------------------	---------------	----------------------	-----------------	----------------------	--------------

Total Market	100.00%	\$132,727,288	(13.84%)	\$638,431,053	(2.29%)
---------------------	----------------	----------------------	-----------------	----------------------	----------------

* 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 1999	\$77,274,152	\$78,487,919	\$39,140,917
3rd qtr 1999	\$70,060,718	\$74,379,518	\$54,354,899
4th qtr 1999	\$73,126,681	\$77,149,382	\$82,832,214
1st qtr 2000	\$60,367,305	\$65,714,031	\$30,457,236
2nd qtr 2000	\$72,570,831	\$81,310,228	\$73,567,014
3rd qtr 2000	\$80,712,117	\$85,253,815	\$59,757,514
4th qtr 2000	\$98,236,961	\$109,394,459	\$113,958,620
1st qtr 2001	\$92,863,589	\$92,099,454	\$41,677,493
2nd qtr 2001	\$98,078,697	\$101,065,593	\$58,283,160
3rd qtr 2001	\$92,741,263	\$98,276,060	\$244,258,829
4th qtr 2001	\$110,652,458	\$136,274,047	\$106,360,613
1st qtr 2002	\$121,765,027	\$144,529,151	\$87,595,818
2nd qtr 2002	\$142,072,436	\$147,304,541	\$101,597,550
3rd qtr 2002	\$142,288,616	\$173,299,909	\$50,900,077
4th qtr 2002	\$149,281,329	\$175,544,341	\$63,757,351
1st qtr 2003	\$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	\$134,395,632	\$144,769,080	\$86,561,378
2nd qtr 2004	\$131,024,101	\$132,727,288	\$44,011,319

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>
1992	84.3%
1993	58.4%
1994	69.6%
1995	97.1%
1996	49.9%
1997	38.3%
1998	57.4%
1999	53.1%
2000	81.9%
2001	107.7%
2002	55.8%
2003	48.9%

Commercial Multiple Peril

There were 74 groups, 203 companies, that had direct written premium for Commercial Multiple Peril in the second quarter of 2004, as compared to 77 groups, 227 companies, in the second quarter of 2003.

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 2004 to direct written premium in the second quarter of 2003 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 2004	% Change 2nd Quarter 2003 to 2004	4 Quarters Ending 2nd Qtr 2004	% Change 4 Qtrs Ending 2003 to 2004
1	Zurich Insurance Group	12.44%	\$36,089,130	1.43%	\$174,483,184	3.76%
2	Travelers Property Casualty Corp. Group	10.96%	\$36,893,267	6.93%	\$153,752,918	6.17%
3	Hartford Fire & Casualty Group	7.81%	\$29,576,361	14.50%	\$109,591,050	16.03%
4	CNA Insurance Group	6.66%	\$21,536,748	(29.59%)	\$93,441,620	(16.71%)
5	Chubb & Son Inc.	6.12%	\$22,162,810	11.53%	\$85,810,327	6.93%
6	State Farm IL	4.52%	\$17,498,910	5.31%	\$63,401,568	(1.42%)
7	Safeco Insurance Group	4.44%	\$16,610,659	19.24%	\$62,303,924	27.37%
8	Liberty Mutual Group	4.29%	\$15,639,474	(16.25%)	\$60,139,506	24.29%
9	Church Mutual Insurance Company	2.85%	\$10,625,982	21.16%	\$40,004,903	21.06%
10	Maguire Corp. Group	2.54%	\$9,853,675	9.66%	\$35,620,480	21.73%
11	Allianz Insurance Group	2.46%	\$6,796,756	20.15%	\$34,469,315	24.19%
12	WR Berkley Corp.	2.45%	\$8,220,599	8.84%	\$34,311,554	19.39%
13	St. Paul Group	2.31%	\$7,703,623	8.74%	\$32,341,468	18.45%
14	Allstate Insurance Group	2.25%	\$8,111,499	4.03%	\$31,494,694	9.14%
15	Credit Suisse Group	2.23%	\$7,650,951	(5.53%)	\$31,285,669	(0.09%)
16	Guideone Insurance Group	2.20%	\$6,940,985	4.38%	\$30,843,770	9.69%
17	Ohio Casualty Group	1.93%	\$6,825,889	8.58%	\$27,039,643	20.62%
18	ACE Ltd.	1.92%	\$5,858,273	46.16%	\$26,893,565	57.00%
19	Old Republic Group	1.90%	\$6,368,576	6.50%	\$26,689,246	7.55%
20	Central Mutual Insurance Company Ohio	1.79%	\$6,785,096	3.91%	\$25,061,813	15.39%
21	Royal & Sun Alliance USA	1.57%	\$460,189	(66.31%)	\$22,063,685	68.68%
22	Amerisure Company	1.55%	\$4,879,902	14.12%	\$21,776,692	13.91%
23	Nationwide Corp.	1.55%	\$6,646,438	76.03%	\$21,762,689	80.05%
24	American International Group	1.47%	\$4,550,260	(35.72%)	\$20,573,485	(9.73%)
25	Allmerica Financial Corp.	0.86%	\$2,990,289	6.58%	\$12,043,637	7.37%

Top 25 Groups Total	91.05%	\$307,276,341	3.01%	\$1,277,200,405	10.08%
----------------------------	---------------	----------------------	--------------	------------------------	---------------

Total Market	100.00%	\$344,857,281	2.91%	\$1,402,761,561	5.07%
---------------------	----------------	----------------------	--------------	------------------------	--------------

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1999	\$216,168,054	\$227,464,958	\$169,300,495
3rd qtr 1999	\$218,128,260	\$226,721,250	\$147,914,389
4th qtr 1999	\$223,556,331	\$241,176,043	\$147,201,261
1st qtr 2000	\$221,592,156	\$238,501,246	\$141,927,253
2nd qtr 2000	\$234,589,678	\$239,375,265	\$214,498,664
3rd qtr 2000	\$231,760,927	\$266,860,771	\$201,776,374
4th qtr 2000	\$258,005,253	\$269,671,752	\$203,011,991
1st qtr 2001	\$257,145,796	\$276,716,048	\$174,818,070
2nd qtr 2001	\$257,191,069	\$282,196,084	\$194,230,163
3rd qtr 2001	\$272,821,007	\$288,700,461	\$247,376,264
4th qtr 2001	\$279,841,512	\$321,838,153	\$219,799,574
1st qtr 2002	\$294,721,061	\$330,504,083	\$175,072,730
2nd qtr 2002	\$298,739,904	\$277,160,208	\$182,769,240
3rd qtr 2002	\$302,860,146	\$332,693,541	\$215,367,089
4th qtr 2002	\$325,691,823	\$343,217,776	\$159,953,409
1st qtr 2003	\$312,373,288	\$323,997,599	\$197,453,601
2nd qtr 2003	\$310,339,353	\$335,111,601	\$197,135,720
3rd qtr 2003	\$317,313,938	\$334,740,459	\$202,029,594
4th qtr 2003	\$322,146,304	\$375,868,718	\$173,532,706
1st qtr 2004	\$319,793,893	\$347,295,103	\$136,149,628
2nd qtr 2004	\$316,778,412	\$344,857,281	\$149,654,128

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>
1992	88.4%
1993	77.8%
1994	61.8%
1995	97.5%
1996	59.0%
1997	54.1%
1998	51.2%
1999	67.1%
2000	89.8%
2001	85.6%
2002	59.8%
2003	58.0%

Private Passenger Auto (All Companies, All Coverages)

There were 64 groups, 191 companies, that had direct written premium for Private Passenger Auto in the second quarter of 2004, as compared to 66 groups, 199 companies, in the second quarter of 2003.

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 2004 to direct written premium in the second quarter of 2003 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 2004	% Change 2003 to 2004	4 Quarters Ending 2nd Qtr 2004	% Change 4 Qtrs Ending 2003 to 2004
1	State Farm IL	23.04%	\$631,056,947	(2.07%)	\$2,640,590,519	1.64%
2	Allstate Insurance Group	14.92%	\$409,918,250	2.27%	\$1,709,363,724	1.69%
3	Zurich Insurance Group	12.29%	\$354,197,161	5.39%	\$1,408,669,193	5.07%
4	Progressive Group	9.03%	\$251,692,515	6.02%	\$1,034,605,378	14.05%
5	United Services Automobile Assn. Group	5.89%	\$154,962,667	(5.69%)	\$674,792,485	(2.65%)
6	Nationwide Corp.	4.31%	\$117,083,531	0.28%	\$494,171,956	12.74%
7	Old American County Mutual Fire Ins. Co.	3.81%	\$120,568,076	55.08%	\$436,117,339	29.29%
8	Berkshire Hathaway	3.59%	\$100,556,918	6.70%	\$411,674,742	11.67%
9	Southern Farm Bureau Casualty	3.47%	\$95,488,701	3.18%	\$397,169,411	10.38%
10	Home State Insurance Group	2.84%	\$83,088,336	7.03%	\$325,469,292	16.96%
11	Texas State National Group	1.78%	\$46,724,714	(25.83%)	\$204,194,330	2.25%
12	Safeco Insurance Group	1.77%	\$49,916,240	(0.54%)	\$202,759,063	0.84%
13	UNITRIN Group	1.47%	\$37,627,428	(5.16%)	\$168,181,862	11.02%
14	Titus Group	1.36%	\$44,121,093	42.43%	\$155,364,789	71.84%
15	Liberty Mutual Group	1.28%	\$41,508,675	18.37%	\$146,162,876	4.47%
16	Travelers Property Casualty Corp. Group	1.17%	\$32,862,643	(11.13%)	\$133,751,428	(15.00%)
17	Credit Suisse Group	1.00%	\$32,913,523	23.93%	\$114,253,957	8.23%
18	Mercury General Group	0.78%	\$21,845,546	2.16%	\$89,320,017	15.88%
19	Hartford Fire & Casualty Group	0.70%	\$18,778,199	(18.36%)	\$80,107,095	(4.56%)
20	Interins Exchange of the Automobile Club	0.60%	\$16,692,551	13.44%	\$68,531,401	32.89%
21	Sentry Insurance Group	0.52%	\$14,666,576	(10.34%)	\$59,545,627	(7.26%)
22	American National Financial Group	0.50%	\$12,618,963	(18.59%)	\$56,760,966	2.25%
23	Metropolitan Group	0.46%	\$12,411,029	(3.29%)	\$52,146,812	(2.26%)
24	Amica Mutual Group	0.45%	\$12,597,152	(1.88%)	\$51,879,256	6.40%
25	Germania Insurance Group	0.45%	\$13,766,050	(8.16%)	\$51,014,057	(8.30%)

Top 25 Groups Total	97.44%	\$2,727,663,484	2.70%	\$11,166,597,575	5.97%
----------------------------	---------------	------------------------	--------------	-------------------------	--------------

Total Market	100.00%	\$2,792,325,953	1.87%	\$11,459,793,919	5.41%
---------------------	----------------	------------------------	--------------	-------------------------	--------------

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1999	\$2,188,958,364	\$2,028,787,943	\$1,436,070,422
3rd qtr 1999	\$2,310,778,314	\$2,108,258,416	\$1,406,017,588
4th qtr 1999	\$2,182,308,863	\$1,984,324,294	\$1,440,876,134
1st qtr 2000	\$2,287,114,585	\$2,161,022,529	\$1,516,565,809
2nd qtr 2000	\$2,214,040,576	\$2,067,800,565	\$1,727,433,045
3rd qtr 2000	\$2,346,352,009	\$2,217,093,042	\$1,446,692,136
4th qtr 2000	\$2,133,476,469	\$1,926,579,984	\$1,649,277,676
1st qtr 2001	\$2,479,776,275	\$2,364,978,653	\$1,608,864,432
2nd qtr 2001	\$2,381,884,799	\$2,218,599,142	\$1,764,471,091
3rd qtr 2001	\$2,601,335,227	\$2,418,790,333	\$1,904,688,875
4th qtr 2001	\$2,448,928,343	\$2,320,483,155	\$1,687,667,681
1st qtr 2002	\$2,868,833,850	\$2,672,814,060	\$1,679,834,023
2nd qtr 2002	\$2,825,505,496	\$2,591,123,687	\$1,896,294,072
3rd qtr 2002	\$3,001,045,878	\$2,749,095,031	\$1,679,170,055
4th qtr 2002	\$2,773,416,367	\$2,457,170,529	\$1,688,163,691
1st qtr 2003	\$3,100,617,381	\$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	\$3,143,126,001	\$3,005,873,859	\$1,802,972,724
2nd qtr 2004	\$2,947,661,608	\$2,792,325,953	\$1,608,357,761

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>
1992	72.8%
1993	70.0%
1994	70.9%
1995	72.3%
1996	62.9%
1997	58.7%
1998	60.8%
1999	66.6%
2000	74.9%
2001	78.2%
2002	66.8%
2003	67.6%

Private Passenger Auto (All Rate-Regulated Companies)

There were 56 groups, 167 rate-regulated companies, that had direct written premium for Private Passenger Auto in the second quarter of 2004, as compared to 60 groups, 176 companies, in the second quarter of 2003.

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 2004 to direct written premium in the second quarter of 2003 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 2004	% Change 2nd Quarter 2003 to 2004	4 Quarters Ending 2nd Qtr 2004	% Change 4 Qtrs Ending 2003 to 2004
1	State Farm IL	38.26%	\$591,405,795	(2.62%)	\$2,479,736,118	0.92%
2	Allstate Insurance Group	15.95%	\$237,645,906	(5.82%)	\$1,033,596,599	(4.50%)
3	Zurich Insurance Group	11.87%	\$191,503,899	3.40%	\$769,236,028	(0.44%)
4	Berkshire Hathaway	6.35%	\$100,556,918	6.70%	\$411,674,742	11.67%
5	Southern Farm Bureau Casualty	5.00%	\$78,064,695	3.65%	\$323,768,474	8.15%
6	United Services Automobile Assn. Group	4.87%	\$74,302,734	0.66%	\$315,622,515	0.79%
7	Nationwide Corp.	3.42%	\$56,325,705	8.43%	\$221,420,316	5.36%
8	Safeco Insurance Group	3.13%	\$49,916,240	(0.54%)	\$202,759,063	0.84%
9	Travelers Property Casualty Corp. Group	2.06%	\$32,862,643	(11.13%)	\$133,751,428	(15.00%)
10	Hartford Fire & Casualty Group	1.24%	\$18,778,199	(18.36%)	\$80,107,095	(4.56%)
11	UNITRIN Group	0.96%	\$13,558,524	(4.12%)	\$62,290,911	20.26%
12	Metropolitan Group	0.80%	\$12,411,029	(3.29%)	\$52,146,812	(2.26%)
13	Amica Mutual Group	0.80%	\$12,597,152	(1.88%)	\$51,879,256	6.40%
14	Germania Insurance Group	0.79%	\$13,766,050	(8.16%)	\$51,014,057	(8.30%)
15	CNA Insurance Group	0.59%	\$8,516,922	(11.12%)	\$37,937,507	(14.89%)
16	Chubb & Son Inc.	0.56%	\$9,169,962	5.61%	\$36,576,825	3.62%
17	Agricultural Workers Insurance Group	0.52%	\$8,167,864	3.25%	\$33,712,648	3.91%
18	Interins Exchange of the Automobile Club	0.47%	\$5,743,471	(32.52%)	\$30,499,029	(14.62%)
19	Liberty Mutual Group	0.35%	\$4,268,009	(43.04%)	\$22,715,679	(73.84%)
20	Central Mutual Insurance Casualty Ohio	0.30%	\$5,120,447	9.85%	\$19,646,069	11.53%
21	Hochheim Prairie Group	0.26%	\$3,728,325	(11.09%)	\$16,803,994	(15.84%)
22	American International Group	0.24%	\$3,119,830	(36.79%)	\$15,260,649	135.68%
23	Beacon Insurance Group	0.21%	\$3,360,126	(17.10%)	\$13,340,699	(17.20%)
24	Horace Mann Group	0.16%	\$2,219,688	(17.55%)	\$10,422,604	(29.21%)
25	American Express Group	0.12%	\$1,954,161	16.64%	\$7,981,416	20.75%

Top 25 Groups Total	99.28%	\$1,539,064,294	(1.94%)	\$6,433,900,533	0.18%
----------------------------	---------------	------------------------	----------------	------------------------	--------------

Total Market	100.00%	\$1,546,993,200	(2.79%)	\$6,480,465,771	(1.04%)
---------------------	----------------	------------------------	----------------	------------------------	----------------

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1999	\$1,549,030,969	\$1,465,668,093	\$1,058,267,920
3rd qtr 1999	\$1,654,500,947	\$1,566,084,096	\$1,028,004,498
4th qtr 1999	\$1,582,229,889	\$1,479,746,240	\$1,067,991,532
1st qtr 2000	\$1,647,551,794	\$1,573,620,775	\$1,145,517,607
2nd qtr 2000	\$1,593,613,164	\$1,524,585,720	\$1,298,712,750
3rd qtr 2000	\$1,724,969,778	\$1,654,841,965	\$1,058,585,157
4th qtr 2000	\$1,556,526,868	\$1,442,640,173	\$1,260,189,254
1st qtr 2001	\$1,805,529,259	\$1,741,071,546	\$1,258,573,228
2nd qtr 2001	\$1,691,937,548	\$1,613,010,293	\$1,357,454,971
3rd qtr 2001	\$1,820,036,784	\$1,753,988,077	\$1,531,197,749
4th qtr 2001	\$1,668,668,495	\$1,636,210,953	\$1,141,954,488
1st qtr 2002	\$1,736,769,104	\$1,779,217,672	\$1,240,702,443
2nd qtr 2002	\$1,672,411,050	\$1,699,616,391	\$1,406,069,637
3rd qtr 2002	\$1,759,192,706	\$1,748,794,772	\$1,162,255,945
4th qtr 2002	\$1,578,375,146	\$1,482,342,764	\$1,138,619,756
1st qtr 2003	\$1,730,588,905	\$1,726,123,500	\$1,057,673,052
2nd qtr 2003	\$1,613,323,431	\$1,591,367,708	\$1,432,429,988
3rd qtr 2003	\$1,723,417,481	\$1,704,691,634	\$1,070,374,424
4th qtr 2003	\$1,579,380,030	\$1,555,659,351	\$1,013,929,386
1st qtr 2004	\$1,690,244,858	\$1,673,121,586	\$955,079,929
2nd qtr 2004	\$1,576,187,842	\$1,546,993,200	\$967,247,992

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

There were 23 groups, 24 non-rate-regulated (County Mutual) companies, that had direct written premium for Private Passenger Auto in the second quarter of 2004, as compared to 22 groups, 23 companies, in the second quarter of 2003.

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 2004 to direct written premium in the second quarter of 2003 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 2004	% Change 2nd Quarter 2003 to 2004	4 Quarters Ending 2nd Qtr 2004	% Change 4 Qtrs Ending 2003 to 2004
1	Progressive Group	20.78%	\$251,692,515	6.02%	\$1,034,605,378	14.05%
2	Allstate Insurance Group	13.57%	\$172,272,344	16.02%	\$675,767,125	12.87%
3	Zurich Insurance Group	12.84%	\$162,693,262	7.83%	\$639,433,165	12.56%
4	Old American County Mutual Fire Ins. Co.	8.76%	\$120,568,076	55.08%	\$436,117,339	29.29%
5	United Services Automobile Assn. Group	7.21%	\$80,659,933	(10.87%)	\$359,169,970	(5.48%)
6	Home State Insurance Group	6.54%	\$83,088,336	7.03%	\$325,469,292	16.96%
7	Nationwide Corp.	5.48%	\$60,757,826	(6.24%)	\$272,751,640	19.55%
8	Texas State National Group	4.10%	\$46,724,714	(25.83%)	\$204,194,330	2.25%
9	State Farm IL	3.23%	\$39,651,152	6.96%	\$160,854,401	14.25%
10	Titus Group	3.12%	\$44,121,093	42.43%	\$155,364,789	71.84%
11	Liberty Mutual Group	2.48%	\$37,240,666	35.05%	\$123,447,197	132.58%
12	Credit Suisse Group	2.29%	\$32,913,523	23.93%	\$114,254,048	8.23%
13	UNITRIN Group	2.13%	\$24,068,904	(5.73%)	\$105,890,951	6.22%
14	Mercury Gen Group	1.77%	\$21,553,438	2.28%	\$88,317,948	18.14%
15	Southern Farm Bureau Casualty	1.47%	\$17,424,006	1.12%	\$73,400,937	21.42%
16	Sentry Insurance Group	1.17%	\$14,436,643	(10.22%)	\$58,487,791	(6.79%)
17	American National Financial Group	1.14%	\$12,619,243	(18.79%)	\$56,771,899	13.92%
18	Interins Exchange of the Automobile Club	0.76%	\$10,949,080	76.52%	\$38,032,372	139.97%
19	Safeway Insurance Group	0.45%	\$3,796,605	(48.18%)	\$22,309,699	(38.72%)
20	American Financial Group	0.30%	\$5,815,003	26.04%	\$15,125,597	(29.70%)
21	Royal & Sun Alliance USA	0.26%	\$807,652	(57.32%)	\$12,923,499	109.80%
22	Allianz Insurance Group	0.13%	\$1,478,795	(7.65%)	\$6,633,769	(19.66%)
23	ACE Ltd.	0.00%	(\$56)	*	\$5,012	*
Top Groups Total		100.00%	\$1,245,332,753	8.32%	\$4,979,328,148	15.19%
Total Market		100.00%	\$1,245,332,753	8.32%	\$4,979,328,148	15.19%

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

Note: A list of groups and corresponding County Mutual Companies can be found on page 57 of this report.

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1999	\$639,927,395	\$563,119,850	\$377,802,502
3rd qtr 1999	\$656,277,367	\$542,174,320	\$378,013,090
4th qtr 1999	\$600,078,974	\$504,578,054	\$372,884,602
1st qtr 2000	\$639,562,791	\$587,401,754	\$371,048,202
2nd qtr 2000	\$620,427,412	\$543,214,845	\$428,720,295
3rd qtr 2000	\$621,382,231	\$562,251,077	\$388,106,979
4th qtr 2000	\$576,949,601	\$483,939,811	\$389,088,422
1st qtr 2001	\$674,247,016	\$623,907,107	\$350,291,204
2nd qtr 2001	\$689,947,251	\$605,588,849	\$407,016,120
3rd qtr 2001	\$781,298,443	\$664,802,256	\$373,491,126
4th qtr 2001	\$780,259,848	\$684,272,202	\$545,713,193
1st qtr 2002	\$1,132,064,746	\$893,596,388	\$439,131,580
2nd qtr 2002	\$1,153,094,446	\$891,507,296	\$490,224,435
3rd qtr 2002	\$1,241,853,172	\$1,000,300,259	\$516,914,110
4th qtr 2002	\$1,195,041,221	\$974,827,765	\$549,543,935
1st qtr 2003	\$1,370,028,476	\$1,197,998,425	\$544,909,833
2nd qtr 2003	\$1,303,055,924	\$1,149,719,808	\$666,332,527
3rd qtr 2003	\$1,364,372,368	\$1,221,815,489	\$611,648,174
4th qtr 2003	\$1,271,219,137	\$1,179,427,633	\$625,024,416
1st qtr 2004	\$1,452,881,143	\$1,332,752,273	\$847,892,795
2nd qtr 2004	\$1,371,473,766	\$1,245,332,753	\$641,109,769

Private Passenger Auto (All Voluntary Liability)

There were 79 groups, 191 companies, that had voluntary liability (no assigned risk nor physical damage) direct written premium for Private Passenger Auto in the second quarter of 2004, as compared to 81 groups, 193 companies, in the second quarter of 2003.

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 2004 to direct written premium in the second quarter of 2003 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 2004	% Change 2nd Quarter 2003 to 2004	4 Quarters Ending 2nd Qtr 2004	% Change 4 Qtrs Ending 2003 to 2004
1	State Farm IL	22.65%	\$348,090,798	(3.27%)	\$1,460,331,186	0.39%
2	Allstate Insurance Group	14.62%	\$224,565,745	0.86%	\$942,431,815	1.15%
3	Zurich Insurance Group	12.20%	\$196,861,144	5.67%	\$786,861,578	5.45%
4	Progressive Group	8.56%	\$133,615,796	6.26%	\$552,158,758	14.53%
5	United Services Automobile Assn. Group	5.96%	\$88,557,868	(5.60%)	\$384,153,158	(2.33%)
6	Nationwide Corp.	4.49%	\$67,908,130	(1.57%)	\$289,824,542	6.49%
7	Old American County Mutual Fire Ins. Co.	4.41%	\$80,509,881	52.97%	\$284,061,097	36.57%
8	Berkshire Hathaway	3.64%	\$57,351,560	5.98%	\$235,011,499	11.34%
9	Southern Farm Bureau Casualty	3.29%	\$51,008,663	2.15%	\$212,451,912	10.21%
10	Home State Insurance Group	2.89%	\$48,162,207	6.62%	\$186,645,587	10.35%
11	Texas State National Group	2.54%	\$36,028,672	(21.38%)	\$163,819,109	13.09%
12	Safeco Insurance Group	1.75%	\$27,599,465	(2.48%)	\$113,017,188	0.21%
13	UNITRIN Group	1.46%	\$21,213,070	(1.37%)	\$94,150,382	15.10%
14	Liberty Mutual Group	1.24%	\$22,879,644	19.23%	\$80,115,427	4.96%
15	Travelers Property Casualty Corp. Group	1.18%	\$18,902,507	(10.29%)	\$76,062,003	(14.97%)
16	Credit Suisse Group	1.06%	\$20,114,494	29.83%	\$68,418,599	12.60%
17	Titus Group	0.92%	\$17,762,276	68.15%	\$59,479,234	111.99%
18	Mercury General Group	0.78%	\$12,464,546	2.94%	\$50,515,973	16.55%
19	Hartford Fire & Casualty Group	0.71%	\$10,731,337	(19.31%)	\$45,985,995	(7.13%)
20	Sentry Insurance Group	0.59%	\$9,238,498	(11.47%)	\$38,334,985	(8.50%)
21	Interins Exchange of the Automobile Club	0.57%	\$8,611,698	8.03%	\$36,591,836	29.89%
22	American National Financial Group	0.55%	\$8,080,854	(12.93%)	\$35,350,960	6.70%
23	Amica Mutual Group	0.48%	\$7,501,098	(2.79%)	\$30,876,235	5.37%
24	Metropolitan Group	0.44%	\$6,750,131	(2.95%)	\$28,355,278	(2.78%)
25	Germania Insurance Group	0.43%	\$7,468,685	(9.88%)	\$27,945,084	(9.37%)

Top 25 Groups Total	97.44%	\$1,531,978,767	2.32%	\$6,282,949,420	5.76%
----------------------------	---------------	------------------------	--------------	------------------------	--------------

Total Market	100.00%	\$1,568,054,648	1.48%	\$6,447,799,488	5.60%
---------------------	----------------	------------------------	--------------	------------------------	--------------

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1999	\$1,305,348,332	\$1,200,611,616	\$810,887,691
3rd qtr 1999	\$1,338,375,394	\$1,215,078,834	\$831,240,896
4th qtr 1999	\$1,272,444,029	\$1,150,496,913	\$863,590,455
1st qtr 2000	\$1,326,706,485	\$1,252,524,313	\$873,001,219
2nd qtr 2000	\$1,269,992,298	\$1,185,965,899	\$844,730,507
3rd qtr 2000	\$1,342,229,296	\$1,272,459,508	\$836,868,067
4th qtr 2000	\$1,211,356,514	\$1,093,856,843	\$958,476,760
1st qtr 2001	\$1,422,421,450	\$1,354,714,123	\$914,127,105
2nd qtr 2001	\$1,352,189,807	\$1,258,371,277	\$906,258,206
3rd qtr 2001	\$1,459,719,337	\$1,361,690,166	\$840,171,110
4th qtr 2001	\$1,379,295,208	\$1,305,335,597	\$970,029,517
1st qtr 2002	\$1,606,318,038	\$1,513,140,256	\$981,906,602
2nd qtr 2002	\$1,590,558,659	\$1,474,062,620	\$1,070,390,058
3rd qtr 2002	\$1,680,894,368	\$1,546,620,167	\$962,685,922
4th qtr 2002	\$1,554,205,465	\$1,364,681,127	\$949,408,579
1st qtr 2003	\$1,748,560,932	\$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	\$1,778,015,351	\$1,693,305,537	\$1,169,433,431
2nd qtr 2004	\$1,657,833,934	\$1,568,054,648	\$927,963,958

Private Passenger Auto (Voluntary Liability Rate-Regulated Companies)

There were 55 groups, 162 rate-regulated companies, that had voluntary liability (no assigned risk nor physical damage) direct written premium for Private Passenger Auto in the second quarter of 2004, as compared to 59 groups, 170 companies, in the second quarter of 2003.

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 2004 to direct written premium in the second quarter of 2003 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 2004	% Change 2nd Quarter 2003 to 2004	4 Quarters Ending 2nd Qtr 2004	% Change 4 Qtrs Ending 2003 to 2004
1	State Farm IL	37.79%	\$325,367,574	(3.87%)	\$1,367,854,891	(0.38%)
2	Allstate Insurance Group	16.22%	\$134,554,845	(6.43%)	\$587,104,799	(3.85%)
3	Zurich Insurance Group	12.04%	\$108,029,385	3.15%	\$435,631,781	1.01%
4	Berkshire Hathaway	6.49%	\$57,351,560	5.98%	\$235,011,499	11.34%
5	United Services Automobile Assn. Group	4.89%	\$42,454,199	3.70%	\$176,833,640	1.83%
6	Southern Farm Bureau Casualty	4.78%	\$41,644,922	2.56%	\$172,995,158	7.83%
7	Nationwide Corp.	3.52%	\$31,771,661	4.78%	\$127,433,754	4.23%
8	Safeco Insurance Group	3.12%	\$27,599,465	(2.48%)	\$113,017,188	0.21%
9	Travelers Property Casualty Corp. Group	2.10%	\$18,902,507	(10.29%)	\$76,062,003	(14.97%)
10	Hartford Fire & Casualty Group	1.27%	\$10,731,337	(19.31%)	\$45,985,995	(7.13%)
11	UNITRIN Group	0.98%	\$7,757,285	(0.59%)	\$35,468,562	23.80%
12	Amica Mutual Group	0.85%	\$7,501,098	(2.79%)	\$30,876,235	5.37%
13	Metropolitan Group	0.78%	\$6,750,131	(2.95%)	\$28,355,278	(2.78%)
14	Germania Insurance Group	0.77%	\$7,468,685	(9.88%)	\$27,945,084	(9.37%)
15	CNA Insurance Group	0.59%	\$4,640,336	(11.81%)	\$21,353,770	(15.33%)
16	Chubb & Son Inc.	0.57%	\$5,086,580	2.69%	\$20,702,263	1.02%
17	Agricultural Workers Insurance Group	0.48%	\$4,179,891	1.54%	\$17,309,200	2.19%
18	Interins Exchange of the Automobile Club	0.44%	\$2,703,093	(40.34%)	\$15,806,190	(18.34%)
19	Liberty Mutual Group	0.36%	\$2,405,381	(43.18%)	\$12,860,095	(72.96%)
20	Central Mutual Insurance Company Ohio	0.31%	\$2,920,220	8.94%	\$11,205,488	9.96%
21	Hochheim Prairie Group	0.24%	\$1,947,146	(12.46%)	\$8,794,942	(17.59%)
22	American International Group	0.21%	\$1,509,050	(39.74%)	\$7,556,270	115.63%
23	Beacon Insurance Group	0.20%	\$1,851,614	(17.18%)	\$7,327,507	(16.98%)
24	Horace Mann Group	0.15%	\$1,175,322	(18.57%)	\$5,559,981	(30.41%)
25	American Express Group	0.14%	\$1,211,088	16.05%	\$4,955,998	20.34%
Top 25 Groups Total		99.30%	\$857,514,375	(2.74%)	\$3,594,007,571	0.53%
Total Market		100.00%	\$862,011,171	(3.52%)	\$3,619,451,268	(0.66%)

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1999	\$920,566,067	\$865,996,287	\$584,648,447
3rd qtr 1999	\$962,402,171	\$906,013,012	\$600,847,201
4th qtr 1999	\$915,065,420	\$850,700,349	\$630,063,457
1st qtr 2000	\$947,873,011	\$903,829,265	\$650,981,096
2nd qtr 2000	\$911,719,387	\$869,434,038	\$612,643,847
3rd qtr 2000	\$983,300,253	\$939,424,175	\$603,620,069
4th qtr 2000	\$876,288,874	\$821,037,512	\$729,822,469
1st qtr 2001	\$1,031,833,276	\$993,605,295	\$723,376,670
2nd qtr 2001	\$960,927,886	\$915,522,168	\$686,459,498
3rd qtr 2001	\$1,028,165,690	\$991,220,645	\$704,801,926
4th qtr 2001	\$936,644,923	\$915,192,460	\$609,687,658
1st qtr 2002	\$962,721,320	\$1,004,128,970	\$731,791,951
2nd qtr 2002	\$933,756,261	\$968,489,605	\$807,186,698
3rd qtr 2002	\$977,634,358	\$978,875,129	\$673,499,993
4th qtr 2002	\$879,326,359	\$801,019,094	\$645,421,128
1st qtr 2003	\$970,322,476	\$970,041,120	\$627,421,955
2nd qtr 2003	\$901,304,589	\$893,470,705	\$619,769,452
3rd qtr 2003	\$961,394,096	\$955,532,315	\$611,007,523
4th qtr 2003	\$877,949,126	\$869,372,869	\$596,078,009
1st qtr 2004	\$939,552,115	\$932,534,913	\$577,518,995
2nd qtr 2004	\$875,655,819	\$862,011,171	\$557,716,087

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

There were 23 groups, 24 non-rate-regulated (County Mutual) companies, that had voluntary liability (no assigned risk nor physical damage) direct written premium for Private Passenger Auto in the second quarter of 2004, as compared to 22 groups, 23 companies, in the second quarter of 2003.

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 2004 to direct written premium in the second quarter of 2003 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 2004	% Change 2nd Quarter 2003 to 2004	4 Quarters Ending 2nd Qtr 2004	% Change 4 Qtrs Ending 2003 to 2004
1	Progressive Group	19.52%	\$133,615,796	6.26%	\$552,158,758	14.53%
2	Allstate Insurance Group	12.56%	\$90,010,900	14.17%	\$355,327,016	10.64%
3	Zurich Insurance Group	12.42%	\$88,831,759	8.90%	\$351,229,797	11.52%
4	Old American County Mutual Fire Ins. Co.	10.04%	\$80,509,881	52.97%	\$284,061,097	36.57%
5	United Services Automobile Assn. Group	7.33%	\$46,103,669	(12.80%)	\$207,319,518	(5.62%)
6	Home State Insurance Group	6.60%	\$48,162,207	6.62%	\$186,645,587	10.35%
7	Texas State National Group	5.79%	\$36,028,672	(21.38%)	\$163,819,109	13.09%
8	Nationwide Corp.	5.74%	\$36,136,469	(6.55%)	\$162,390,788	8.34%
9	State Farm IL	3.27%	\$22,723,224	6.30%	\$92,476,295	13.43%
10	Credit Suisse Group	2.42%	\$20,114,494	29.82%	\$68,418,640	12.60%
11	Liberty Mutual Group	2.38%	\$20,474,263	36.90%	\$67,255,332	133.81%
12	Titus Group	2.10%	\$17,762,276	68.15%	\$59,479,234	111.99%
13	UNITRIN Group	2.07%	\$13,455,785	(1.81%)	\$58,681,820	10.41%
14	Mercury General Group	1.77%	\$12,296,342	2.98%	\$49,929,055	18.64%
15	Southern Farm Bureau Casualty	1.40%	\$9,363,741	0.36%	\$39,456,754	22.03%
16	Sentry Insurance Group	1.33%	\$9,103,606	(11.39%)	\$37,707,335	(8.08%)
17	American National Financial Group	1.25%	\$8,081,004	(13.19%)	\$35,356,664	18.32%
18	Interins Exchange of the Automobile Club	0.73%	\$5,908,605	71.73%	\$20,785,646	135.85%
19	Safeway Insurance Group	0.54%	\$2,720,199	(44.21%)	\$15,141,041	(37.50%)
20	Royal & Sun Alliance USA	0.31%	\$771,322	(55.54%)	\$8,836,257	57.27%
21	American Financial Group	0.29%	\$3,063,066	20.84%	\$8,119,461	(30.08%)
22	Allianz Insurance Group	0.13%	\$806,253	(12.06%)	\$3,746,868	(20.60%)
23	ACE Ltd.	0.00%	(\$56)	*	\$6,148	*
Top Groups Total		100.00%	\$706,043,477	8.32%	\$2,828,348,220	14.86%
Total Market		100.00%	\$706,043,477	8.32%	\$2,828,348,220	14.86%

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

Note: A list of groups and corresponding County Mutual Companies can be found on page 57 of this report.

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1999	\$384,782,265	\$334,615,329	\$226,239,244
3rd qtr 1999	\$375,973,223	\$309,065,822	\$230,393,695
4th qtr 1999	\$357,378,609	\$299,796,564	\$233,526,998
1st qtr 2000	\$378,833,474	\$348,695,048	\$222,020,123
2nd qtr 2000	\$358,272,911	\$316,531,861	\$232,086,660
3rd qtr 2000	\$358,929,043	\$333,035,333	\$233,247,998
4th qtr 2000	\$335,067,640	\$272,819,331	\$228,654,291
1st qtr 2001	\$390,588,174	\$361,108,828	\$190,750,435
2nd qtr 2001	\$391,261,921	\$342,849,109	\$219,798,708
3rd qtr 2001	\$431,553,647	\$370,469,521	\$135,369,184
4th qtr 2001	\$442,650,285	\$390,143,137	\$360,341,859
1st qtr 2002	\$643,596,718	\$509,011,286	\$250,114,651
2nd qtr 2002	\$656,802,398	\$505,573,015	\$263,203,360
3rd qtr 2002	\$703,260,010	\$567,745,038	\$289,185,929
4th qtr 2002	\$674,879,106	\$563,662,033	\$303,987,451
1st qtr 2003	\$778,238,456	\$679,157,447	\$302,866,578
2nd qtr 2003	\$734,381,832	\$651,783,012	\$320,906,628
3rd qtr 2003	\$774,782,579	\$690,669,400	\$336,126,451
4th qtr 2003	\$719,359,576	\$670,864,719	\$352,924,512
1st qtr 2004	\$838,463,236	\$760,770,624	\$591,914,436
2nd qtr 2004	\$782,178,115	\$706,043,477	\$370,247,871

Private Passenger Auto (All Assigned Risk)

There were 16 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 2004, as compared to 19 groups, 20 companies, in the second quarter of 2003.

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 2004 to direct written premium in the second quarter of 2003 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 2004	% Change 2nd Quarter 2003 to 2004	4 Quarters Ending 2nd Qtr 2004	% Change 4 Qtrs Ending 2003 to 2004
1	State Farm IL	36.97%	\$2,093,050	(38.37%)	\$12,466,898	(3.00%)
2	Allstate Insurance Group	14.14%	\$926,613	(45.71%)	\$4,767,634	(2.02%)
3	Zurich Insurance Group	10.73%	\$534,720	(35.35%)	\$3,619,796	(17.68%)
4	GE Global Group	9.30%	\$397,793	(69.78%)	\$3,136,091	(42.44%)
5	American International Group	7.38%	\$503,771	(27.76%)	\$2,489,482	10.97%
6	Southern Farm Bureau Casualty	7.04%	\$432,682	(31.16%)	\$2,374,488	2.12%
7	Berkshire Hathaway	4.40%	\$258,723	(37.27%)	\$1,483,523	11.80%
8	Nationwide Corp.	2.96%	\$218,228	(33.63%)	\$999,683	(19.30%)
9	Safeco Insurance Group	2.89%	\$232,828	19.78%	\$974,234	82.00%
10	Travelers Property Casualty Corp. Group	2.52%	\$152,923	(34.93%)	\$850,242	0.67%
11	Liberty Mutual Group	1.06%	\$85,783	(12.08%)	\$359,057	9.17%
12	UNITRIN Group	0.34%	\$21,876	(73.95%)	\$114,543	(66.85%)
13	Mercury General Group	0.13%	\$14,599	(42.30%)	\$45,053	(43.98%)
14	Service Life Group	0.07%	\$5,261	(40.27%)	\$22,509	(5.23%)
15	American Express Group	0.06%	\$9,935	60.97%	\$18,571	17.94%
16	Lumbermens Mutual Casualty Group	0.00%	\$0	(100.00%)	\$261	(75.47%)
17	Southland Lloyds Insurance Company	0.00%	\$281	(84.77%)	\$153	(96.29%)
18	American Financial Group	0.00%	\$0	(100.00%)	(\$333)	(128.39%)

Top Groups Total	100.00%	\$5,889,066	(40.91%)	\$33,722,218	(8.56%)
-------------------------	----------------	--------------------	-----------------	---------------------	----------------

Total Market	100.00%	\$5,889,066	(40.91%)	\$33,721,885	(8.56%)
---------------------	----------------	--------------------	-----------------	---------------------	----------------

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1999	\$8,384,997	\$6,041,007	\$6,569,934
3rd qtr 1999	\$7,007,292	\$4,650,001	\$6,895,534
4th qtr 1999	\$5,842,435	\$3,738,536	\$5,706,459
1st qtr 2000	\$6,643,310	\$4,965,888	\$5,598,735
2nd qtr 2000	\$6,875,267	\$5,010,033	\$5,602,266
3rd qtr 2000	\$6,680,445	\$4,602,957	\$4,833,817
4th qtr 2000	\$6,304,544	\$4,120,840	\$4,171,526
1st qtr 2001	\$7,500,341	\$5,449,953	\$5,114,494
2nd qtr 2001	\$7,707,585	\$6,720,769	\$5,138,512
3rd qtr 2001	\$7,973,791	\$5,309,138	\$4,480,938
4th qtr 2001	\$8,829,104	\$5,584,345	\$4,363,346
1st qtr 2002	\$9,794,574	\$7,502,321	\$4,586,255
2nd qtr 2002	\$10,741,534	\$8,026,375	\$4,805,222
3rd qtr 2002	\$11,502,967	\$8,446,502	\$4,706,617
4th qtr 2002	\$11,768,796	\$8,289,878	\$5,585,323
1st qtr 2003	\$13,353,726	\$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	\$10,887,901	\$5,889,066	\$7,105,262

Private Passenger Auto (All Physical Damage)

There were 76 groups, 181 companies, that had physical damage (no voluntary liability nor assigned risk) direct written premium for Private Passenger Auto in the second quarter of 2004, as compared to 79 groups, 192 companies, in the second quarter of 2003.

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 2004 to direct written premium in the second quarter of 2003 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 2004	% Change 2003 to 2004	4 Quarters Ending 2nd Qtr 2004	% Change 4 Qtrs Ending 2003 to 2004
1	State Farm IL	23.46%	\$280,873,099	(0.10%)	\$1,167,792,435	3.30%
2	Allstate Insurance Group	15.31%	\$184,425,892	4.52%	\$762,164,275	2.39%
3	Zurich Insurance Group	12.42%	\$156,801,297	5.26%	\$618,187,819	4.76%
4	Progressive Group	9.69%	\$118,076,719	5.75%	\$482,446,620	13.51%
5	United Services Automobile Assn. Group	5.84%	\$66,404,799	(5.81%)	\$290,639,327	(3.06%)
6	Nationwide Corp.	4.08%	\$48,957,173	3.22%	\$203,347,731	23.30%
7	Southern Farm Bureau Casualty	3.66%	\$44,047,356	4.92%	\$182,343,011	10.70%
8	Berkshire Hathaway	3.52%	\$42,946,635	8.15%	\$175,179,720	12.10%
9	Old American County Mutual Fire Ins. Co.	3.05%	\$40,058,195	59.49%	\$152,056,242	17.60%
10	Home State Insurance Group	2.79%	\$34,926,129	7.61%	\$138,823,705	27.19%
11	Titus Group	1.93%	\$26,358,817	29.12%	\$95,885,555	53.77%
12	Safeco Insurance Group	1.78%	\$22,083,947	1.82%	\$88,767,641	1.16%
13	UNTRIN GRP	1.48%	\$16,392,482	(9.35%)	\$73,916,937	6.59%
14	Liberty Mutual Group	1.32%	\$18,543,248	17.50%	\$65,688,392	3.85%
15	Travelers Property Casualty Corp. Group	1.14%	\$13,807,213	(11.90%)	\$56,839,183	(15.24%)
16	Credit Suisse Group	0.92%	\$12,799,029	15.67%	\$45,835,358	2.31%
17	Texas State National Group	0.81%	\$10,696,042	(37.71%)	\$40,375,221	(26.38%)
18	Mercury General Group	0.78%	\$9,366,401	1.25%	\$38,758,991	15.17%
19	Hartford Fire & Casualty Group	0.69%	\$8,046,862	(17.06%)	\$34,121,100	(0.86%)
20	Interins Exchange of the Automobile Club	0.64%	\$8,080,853	19.85%	\$31,939,565	36.49%
21	Metropolitan Group	0.48%	\$5,660,898	(3.69%)	\$23,791,534	(1.64%)
22	Germania Insurance Group	0.46%	\$6,297,365	(6.03%)	\$23,068,973	(6.98%)
23	American National Financial Group	0.43%	\$4,538,109	(27.02%)	\$21,410,006	(4.33%)
24	Sentry Insurance Group	0.43%	\$5,428,078	(8.34%)	\$21,210,642	(4.92%)
25	Amica Mutual Group	0.42%	\$5,096,054	(0.52%)	\$21,003,021	7.94%

Top 25 Groups Total	97.54%	\$1,190,712,692	3.46%	\$4,855,593,004	6.29%
----------------------------	---------------	------------------------	--------------	------------------------	--------------

Total Market	100.00%	\$1,218,382,239	2.74%	\$4,978,272,546	5.27%
---------------------	----------------	------------------------	--------------	------------------------	--------------

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1999	\$875,225,035	\$822,135,320	\$618,612,797
3rd qtr 1999	\$965,395,628	\$888,529,581	\$567,881,158
4th qtr 1999	\$904,022,399	\$830,088,845	\$571,579,220
1st qtr 2000	\$953,764,790	\$903,532,328	\$637,965,855
2nd qtr 2000	\$937,173,011	\$876,824,633	\$877,100,272
3rd qtr 2000	\$997,442,268	\$940,030,577	\$604,990,252
4th qtr 2000	\$915,815,411	\$828,602,301	\$686,629,390
1st qtr 2001	\$1,049,854,484	\$1,004,814,577	\$689,622,833
2nd qtr 2001	\$1,021,987,407	\$953,507,096	\$853,074,373
3rd qtr 2001	\$1,133,642,099	\$1,051,791,029	\$1,060,036,827
4th qtr 2001	\$1,060,804,031	\$1,009,563,213	\$713,274,818
1st qtr 2002	\$1,252,721,238	\$1,152,171,483	\$693,341,166
2nd qtr 2002	\$1,224,205,303	\$1,109,034,692	\$821,098,792
3rd qtr 2002	\$1,308,648,543	\$1,194,028,362	\$711,777,516
4th qtr 2002	\$1,207,442,106	\$1,084,199,524	\$733,169,789
1st qtr 2003	\$1,338,702,723	\$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	\$1,350,948,758	\$1,303,157,035	\$627,667,691
2nd qtr 2004	\$1,278,939,773	\$1,218,382,239	\$673,288,541

Private Passenger Auto (Physical Damage Rate-Regulated Companies)

There were 54 groups, 158 rate-regulated companies, that had physical damage (no voluntary liability nor assigned risk) direct written premium for Private Passenger Auto in the second quarter of 2004, as compared to 57 groups, 169 companies, in the second quarter of 2003.

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 2004 to direct written premium in the second quarter of 2003 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 2004	% Change 2nd Quarter 2003 to 2004	4 Quarters Ending 2nd Qtr 2004	% Change 4 Qtrs Ending 2003 to 2004
1	State Farm IL	38.89%	\$263,945,171	(0.57%)	\$1,099,414,329	2.63%
2	Allstate Insurance Group	15.62%	\$102,164,448	(4.36%)	\$441,724,166	(5.37%)
3	Zurich Insurance Group	11.67%	\$82,939,794	4.12%	\$329,984,451	(2.08%)
4	Berkshire Hathaway	6.20%	\$42,946,635	8.15%	\$175,179,720	12.10%
5	Southern Farm Bureau Casualty	5.25%	\$35,987,091	5.60%	\$148,398,828	8.63%
6	United Services Automobile Assn. Group	4.91%	\$31,848,535	(3.12%)	\$138,788,875	(0.51%)
7	Nationwide Corp.	3.29%	\$24,335,816	14.26%	\$92,986,879	7.31%
8	Safeco Insurance Group	3.14%	\$22,083,947	1.82%	\$88,767,641	1.16%
9	Travelers Property Casualty Corp. Group	2.01%	\$13,807,213	(11.90%)	\$56,839,183	(15.24%)
10	Hartford Fire & Casualty Group	1.21%	\$8,046,862	(17.06%)	\$34,121,100	(0.86%)
11	UNITRIN Group	0.94%	\$5,779,363	(7.60%)	\$26,707,806	17.14%
12	Metropolitan Group	0.84%	\$5,660,898	(3.69%)	\$23,791,534	(1.64%)
13	Germania Insurance Group	0.82%	\$6,297,365	(6.03%)	\$23,068,973	(6.98%)
14	Amica Mutual Group	0.74%	\$5,096,054	(0.52%)	\$21,003,021	7.94%
15	CNA Insurance Group	0.59%	\$3,876,586	(10.29%)	\$16,583,737	(14.32%)
16	Agricultural Workers Insurance Group	0.58%	\$3,987,973	5.12%	\$16,403,448	5.79%
17	Chubb & Son Inc.	0.56%	\$4,083,382	9.48%	\$15,874,562	7.21%
18	Interins Exchange of the Automobile Club	0.52%	\$3,040,378	(23.61%)	\$14,692,839	(10.22%)
19	Liberty Mutual Group	0.34%	\$1,776,845	(43.81%)	\$9,496,527	(75.61%)
20	Central Mutual Insurance Company of Ohio	0.30%	\$2,200,227	11.07%	\$8,440,581	13.70%
21	Hochheim Prairie Group	0.28%	\$1,781,179	(9.54%)	\$8,009,052	(13.82%)
22	Beacon Insurance Group	0.21%	\$1,508,512	(17.00%)	\$6,013,192	(17.46%)
23	American International Group	0.18%	\$1,107,009	(36.17%)	\$5,214,897	56.94%
24	Horace Mann Group	0.17%	\$1,044,366	(16.37%)	\$4,862,623	(27.78%)
25	American Express Group	0.11%	\$733,138	17.18%	\$3,006,847	21.45%

Top 25 Groups Total	99.37%	\$676,078,787	(0.47%)	\$2,809,374,811	(0.24%)
----------------------------	---------------	----------------------	----------------	------------------------	----------------

Total Market	100.00%	\$679,092,963	(1.28%)	\$2,827,292,618	(1.43%)
---------------------	----------------	----------------------	----------------	------------------------	----------------

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1999	\$620,079,905	\$593,630,799	\$467,049,539
3rd qtr 1999	\$685,091,484	\$655,421,083	\$420,261,763
4th qtr 1999	\$661,322,034	\$625,307,355	\$432,221,616
1st qtr 2000	\$693,035,473	\$664,825,622	\$488,937,776
2nd qtr 2000	\$675,018,510	\$650,141,649	\$680,466,637
3rd qtr 2000	\$734,989,080	\$710,814,833	\$450,131,271
4th qtr 2000	\$673,933,450	\$617,481,821	\$526,195,259
1st qtr 2001	\$766,195,642	\$742,016,298	\$530,082,064
2nd qtr 2001	\$723,302,077	\$690,767,356	\$665,856,961
3rd qtr 2001	\$783,897,303	\$757,458,294	\$821,914,885
4th qtr 2001	\$723,194,468	\$715,434,148	\$527,903,484
1st qtr 2002	\$764,253,210	\$767,586,381	\$504,324,237
2nd qtr 2002	\$727,913,255	\$723,100,411	\$594,077,717
3rd qtr 2002	\$770,055,381	\$761,473,141	\$484,049,335
4th qtr 2002	\$687,279,991	\$673,033,792	\$487,613,305
1st qtr 2003	\$746,912,703	\$745,906,663	\$424,247,345
2nd qtr 2003	\$698,193,772	\$687,930,561	\$806,012,505
3rd qtr 2003	\$748,370,374	\$739,505,191	\$453,165,515
4th qtr 2003	\$688,895,423	\$677,519,078	\$411,809,332
1st qtr 2004	\$736,530,851	\$731,175,386	\$371,689,332
2nd qtr 2004	\$689,644,122	\$679,092,963	\$402,426,643

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

There were 22 groups, 23 non-rate-regulated (County Mutual) companies, that had physical damage (no voluntary liability nor assigned risk) direct written premium for Private Passenger Auto in the second quarter of 2004, as compared to 22 groups, 23 companies, in the second quarter of 2003.

The table below represents the top groups based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the second quarter of 2004 to direct written premium in the second quarter of 2003 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 2004	% Change 2nd Quarter 2003 to 2004	4 Quarters Ending 2nd Qtr 2004	% Change 4 Qtrs Ending 2003 to 2004
1	Progressive Group	22.43%	\$118,076,719	5.75%	\$482,446,620	13.51%
2	Allstate Insurance Group	14.90%	\$82,261,444	18.12%	\$320,440,109	15.45%
3	Zurich Insurance Group	13.40%	\$73,861,503	6.56%	\$288,203,368	13.86%
4	Old American County Mutual Fire Ins. Co.	7.07%	\$40,058,195	59.49%	\$152,056,242	17.60%
5	United Services Automobile Assn. Group	7.06%	\$34,556,264	(8.15%)	\$151,850,452	(5.27%)
6	Home State Insurance Group	6.45%	\$34,926,129	7.61%	\$138,823,705	27.19%
7	Nationwide Corp.	5.13%	\$24,621,357	(5.79%)	\$110,360,852	41.01%
8	Titus Group	4.46%	\$26,358,817	29.12%	\$95,885,555	53.77%
9	State Farm IL	3.18%	\$16,927,928	7.85%	\$68,378,106	15.37%
10	Liberty Mutual Group	2.61%	\$16,766,403	32.87%	\$56,191,865	131.12%
11	UNITRIN Group	2.19%	\$10,613,119	(10.27%)	\$47,209,131	1.42%
12	Credit Suisse Group	2.13%	\$12,799,029	15.67%	\$45,835,408	2.31%
13	Texas State National Group	1.88%	\$10,696,042	(37.71%)	\$40,375,221	(26.38%)
14	Mercury General Group	1.78%	\$9,257,096	1.36%	\$38,388,893	17.50%
15	Southern Farm Bureau Casualty	1.58%	\$8,060,265	2.01%	\$33,944,183	20.72%
16	American National Financial Group	1.00%	\$4,538,239	(27.15%)	\$21,415,235	7.34%
17	Sentry Insurance Group	0.97%	\$5,333,037	(8.14%)	\$20,780,456	(4.34%)
18	Interins Exchange of the Automobile Club	0.80%	\$5,040,475	82.48%	\$17,246,726	145.15%
19	Safeway Insurance Group	0.33%	\$1,076,406	(56.06%)	\$7,168,658	(41.16%)
20	American Financial Group	0.33%	\$2,751,937	32.38%	\$7,006,136	(29.25%)
21	Royal & Sun Alliance USA	0.19%	\$36,330	(76.95%)	\$4,087,242	654.75%
22	Allianz Insurance Group	0.13%	\$672,542	(1.75%)	\$2,886,901	(18.41%)
23	ACE Ltd.	0.00%	\$0	*	(\$1,136)	*
Top Groups Total		100.00%	\$539,289,276	8.30%	\$2,150,979,928	15.61%
Total Market		100.00%	\$539,289,276	8.30%	\$2,150,979,928	15.61%

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

Note: A list of groups and corresponding County Mutual Companies can be found on page 57 of this report.

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1999	\$255,145,130	\$228,504,521	\$151,563,258
3rd qtr 1999	\$280,304,144	\$233,108,498	\$147,619,395
4th qtr 1999	\$242,700,365	\$204,781,490	\$139,357,604
1st qtr 2000	\$260,729,317	\$238,706,706	\$149,028,079
2nd qtr 2000	\$262,154,501	\$226,682,984	\$196,633,635
3rd qtr 2000	\$262,453,188	\$229,215,744	\$154,858,981
4th qtr 2000	\$241,881,961	\$211,120,480	\$160,434,131
1st qtr 2001	\$283,658,842	\$262,798,279	\$159,540,769
2nd qtr 2001	\$298,685,330	\$262,739,740	\$187,217,412
3rd qtr 2001	\$349,744,796	\$294,332,735	\$238,121,942
4th qtr 2001	\$337,609,563	\$294,129,065	\$185,371,334
1st qtr 2002	\$488,468,028	\$384,585,102	\$189,016,929
2nd qtr 2002	\$496,292,048	\$385,934,281	\$227,021,075
3rd qtr 2002	\$538,593,162	\$432,555,221	\$227,728,181
4th qtr 2002	\$520,162,115	\$411,165,732	\$245,556,484
1st qtr 2003	\$591,790,020	\$518,840,978	\$242,043,255
2nd qtr 2003	\$568,674,092	\$497,936,796	\$345,425,899
3rd qtr 2003	\$589,589,789	\$531,146,089	\$275,521,723
4th qtr 2003	\$551,859,561	\$508,562,914	\$272,099,904
1st qtr 2004	\$614,417,907	\$571,981,649	\$255,978,359
2nd qtr 2004	\$589,295,651	\$539,289,276	\$270,861,898

Homeowners Multiple Peril (All Companies)**

There were 57 groups, 94 companies, that had premiums on policies written for Homeowners Multiple Peril (includes renters' insurance) in the second quarter of 2004, as compared to 61 groups, 101 companies, in the second quarter of 2003.

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 2004 to premiums on policies written in the second quarter of 2003 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 2004	% Change 2nd Quarter 2003 to 2004	4 Quarters Ending 2nd Qtr 2004	% Change 4 Qtrs Ending 2003 to 2004
1	State Farm IL	28.08%	\$344,589,248	(2.90%)	\$1,248,753,419	0.61%
2	Allstate Insurance Group	15.89%	\$195,111,991	(8.35%)	\$706,692,365	(3.56%)
3	Zurich Insurance Group	11.46%	\$144,115,922	6.79%	\$509,868,021	27.20%
4	United Services Automobile Assn. Group	7.97%	\$88,690,210	10.50%	\$354,299,359	23.28%
5	Travelers Property Casualty Corp. Group	5.17%	\$62,435,058	6.55%	\$229,901,432	10.45%
6	Vesta Insurance Group	4.64%	\$53,979,381	(5.54%)	\$206,463,804	(2.29%)
7	Nationwide Corp.	3.60%	\$47,149,926	7.36%	\$160,113,532	(0.31%)
8	Chubb & Son Inc.	2.65%	\$30,348,925	(8.20%)	\$117,637,489	(2.41%)
9	Texas FAIR Plan Association	2.30%	\$28,759,282	21.72%	\$102,397,255	229.93%
10	Texas Farm Bureau Mutual	2.20%	\$29,070,295	14.38%	\$97,987,355	16.43%
11	Liberty Mutual Group	1.53%	\$24,521,206	46.28%	\$68,041,628	27.77%
12	NLASCO	1.22%	\$12,244,297	(33.18%)	\$54,166,132	18.04%
13	Safeco Insurance Group	1.20%	\$14,179,540	(20.23%)	\$53,364,599	(14.73%)
14	Hartford Fire & Casualty Group	1.18%	\$14,028,275	(6.50%)	\$52,349,110	0.06%
15	Amica Mutual Group	1.09%	\$13,016,261	(11.31%)	\$48,514,916	3.34%
16	Credit Suisse Group	1.07%	\$10,495,541	(30.42%)	\$47,540,639	(7.40%)
17	American National Financial Group	0.86%	\$10,484,792	(17.24%)	\$38,149,694	(19.42%)
18	UNITRIN Group	0.73%	\$9,521,678	37.74%	\$32,267,373	18.86%
19	Allianz Insurance Group	0.65%	\$7,739,412	(24.20%)	\$28,837,579	(23.39%)
20	CNA Insurance Group	0.58%	\$5,721,990	(25.26%)	\$25,778,275	(16.01%)
21	ARX Holding Corp Group	0.58%	\$7,890,057	6.71%	\$25,718,392	21.68%
22	Interins Exchange of the Automobile Club	0.54%	\$6,461,197	15.10%	\$24,169,419	44.67%
23	Service Life Group	0.48%	\$5,383,136	32.57%	\$21,444,948	(27.64%)
24	Titus Group	0.45%	(\$261,525)	(102.90%)	\$20,197,069	(37.94%)
25	Colonial Savings Group	0.40%	\$4,346,547	(15.51%)	\$17,841,207	(18.29%)

Top 25 Groups Total	96.52%	\$1,170,022,642	(1.76%)	\$4,292,495,011	5.86%
----------------------------	---------------	------------------------	----------------	------------------------	--------------

Total Market	100.00%	\$1,212,511,249	(1.79%)	\$4,447,271,676	5.21%
---------------------	----------------	------------------------	----------------	------------------------	--------------

**Note: Effective June 1, 2003, county mutual insurance companies became subject to rate regulation for residential fire and allied lines insurance policies. §912.002, Texas Insurance Code.

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1999	\$816,031,690	\$762,669,194	\$392,679,247
3rd qtr 1999	\$831,338,777	\$761,920,774	\$402,191,584
4th qtr 1999	\$704,815,768	\$646,548,027	\$301,052,515
1st qtr 2000	\$684,609,138	\$640,313,516	\$402,393,296
2nd qtr 2000	\$849,579,161	\$799,170,784	\$918,697,064
3rd qtr 2000	\$865,804,664	\$797,928,612	\$505,688,391
4th qtr 2000	\$681,582,526	\$672,546,755	\$438,819,100
1st qtr 2001	\$739,357,732	\$691,787,463	\$503,586,791
2nd qtr 2001	\$929,634,302	\$863,989,491	\$834,551,881
3rd qtr 2001	\$972,458,027	\$882,812,387	\$823,438,558
4th qtr 2001	\$841,023,405	\$810,336,096	\$801,350,605
1st qtr 2002	\$1,014,695,847	\$937,862,631	\$877,653,109
2nd qtr 2002	\$1,332,392,207	\$1,199,465,123	\$1,230,023,431
3rd qtr 2002	\$1,315,122,445	\$1,170,560,367	\$1,032,308,999
4th qtr 2002	\$1,069,629,533	\$866,207,429	\$780,590,201
1st qtr 2003	\$1,076,518,514	\$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	\$1,056,274,967	\$1,012,332,905	\$341,600,695
2nd qtr 2004	\$1,324,067,613	\$1,212,511,249	\$404,070,457

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>
1992	107.6%
1993	66.1%
1994	73.3%
1995	92.6%
1996	59.4%
1997	45.3%
1998	45.4%
1999	50.7%
2000	82.4%
2001	115.4%
2002	108.7%
2003	58.7%

Workers' Compensation (All Companies)

There were 94 groups, 246 companies, that had direct written premium for Workers' Compensation in the second quarter of 2004, as compared to 91 groups, 258 companies, in the second quarter of 2003.

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 2004 to direct written premium in the second quarter of 2003 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR WORKERS' COMPENSATION

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2004	% Change 2nd Quarter 2003 to 2004	4 Quarters Ending 2nd Qtr 2004	% Change 4 Qtrs Ending 2003 to 2004
1	Texas Mutual Insurance Company	27.25%	\$182,178,233	7.62%	\$706,851,199	8.77%
2	American International Group	12.97%	\$76,131,307	(2.07%)	\$336,535,170	25.64%
3	Liberty Mutual Group	8.77%	\$52,314,217	32.90%	\$227,370,099	2.58%
4	Zurich Insurance Group	7.83%	\$38,054,273	(15.80%)	\$203,008,954	(3.30%)
5	Hartford Fire & Casualty Group	4.96%	(\$7,214,671)	(119.14%)	\$128,602,518	(3.23%)
6	CNA Insurance Group	4.61%	\$24,536,643	(41.87%)	\$119,497,041	(17.62%)
7	ACE Ltd.	3.58%	\$19,409,011	10.78%	\$92,848,477	0.29%
8	Travelers Property Casualty Corp. Group	3.41%	\$18,504,753	(22.06%)	\$88,382,857	0.60%
9	St. Paul Group	2.53%	\$15,441,412	2.23%	\$65,646,939	(3.65%)
10	Old Republic Group	2.28%	\$15,203,187	25.95%	\$59,133,973	21.81%
11	Service Life Group	2.05%	\$9,334,333	(4.14%)	\$53,241,785	(16.96%)
12	Chubb & Son Inc.	1.87%	\$11,526,037	10.93%	\$48,481,429	25.17%
13	Amerisure Company	1.64%	\$11,034,806	8.08%	\$42,661,886	4.96%
14	Royal & Sun Alliance USA	1.16%	(\$21,640)	(100.50%)	\$30,080,615	(41.51%)
15	Zenith National Insurance Group	1.09%	\$7,077,341	3.28%	\$28,276,511	6.33%
16	Amcomp Group	1.07%	\$12,169,068	117.14%	\$27,870,882	58.97%
17	Sentry Insurance Group	0.97%	\$6,378,207	1.03%	\$25,139,357	15.77%
18	Amerisafe Group	0.69%	\$4,473,547	(3.59%)	\$17,793,676	6.17%
19	Argonaut Group	0.57%	\$3,119,130	35.06%	\$14,714,403	16.44%
20	Utica National Insurance Group	0.55%	\$2,886,647	(20.16%)	\$14,143,254	6.03%
21	Fairfax Financial	0.51%	\$3,930,412	1.89%	\$13,329,102	(21.09%)
22	Safeco Insurance Group	0.51%	\$2,949,318	0.80%	\$13,294,624	1.31%
23	EMC Insurance Company	0.51%	\$3,909,615	(3.38%)	\$13,145,578	(12.50%)
24	Credit Suisse Group	0.44%	\$3,147,769	17.57%	\$11,503,978	(19.87%)
25	UNITRIN Group	0.44%	\$2,395,251	(27.80%)	\$11,313,726	(26.19%)
Top 25 Groups Total		92.25%	\$518,868,206	(7.47%)	\$2,392,868,033	3.92%
Total Market		100.00%	\$567,433,243	(7.57%)	\$2,593,839,768	0.27%

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1999	\$454,594,676	\$396,150,142	\$311,868,753
3rd qtr 1999	\$428,130,648	\$463,038,243	\$345,982,634
4th qtr 1999	\$427,037,725	\$411,558,142	\$331,789,221
1st qtr 2000	\$516,894,756	\$528,020,151	\$345,311,192
2nd qtr 2000	\$505,361,686	\$478,347,000	\$343,362,455
3rd qtr 2000	\$510,640,302	\$521,503,663	\$357,931,520
4th qtr 2000	\$536,927,546	\$498,835,430	\$401,934,512
1st qtr 2001	\$667,386,665	\$627,473,225	\$424,623,557
2nd qtr 2001	\$635,546,771	\$564,194,893	\$345,330,892
3rd qtr 2001	\$597,455,635	\$619,493,592	\$355,384,435
4th qtr 2001	\$617,545,100	\$634,497,498	\$308,549,397
1st qtr 2002	\$768,044,281	\$708,007,441	\$366,225,328
2nd qtr 2002	\$637,425,256	\$607,898,696	\$385,529,414
3rd qtr 2002	\$761,779,998	\$613,468,787	\$333,914,604
4th qtr 2002	\$680,249,951	\$651,709,895	\$432,491,023
1st qtr 2003	\$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	\$784,445,641	\$756,685,713	\$236,476,539
2nd qtr 2004	\$734,699,987	\$567,433,243	\$249,036,255

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>
1992	71.5%
1993	63.3%
1994	38.7%
1995	61.3%
1996	68.5%
1997	72.9%
1998	70.7%
1999	79.5%
2000	78.3%
2001	89.2%
2002	74.2%
2003	68.0%

Workers' Compensation (Voluntary Market)

There were 94 groups, 246 companies, that had voluntary direct written premium for Workers' Compensation in the second quarter of 2004, as compared to 91 groups, 258 companies, in the second quarter of 2003.

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 2004 to direct written premium in the second quarter of 2003 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR WORKERS' COMPENSATION

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2004	% Change 2nd Quarter 2003 to 2004	4 Quarters Ending 2nd Qtr 2004	% Change 4 Qtrs Ending 2003 to 2004
1	Texas Mutual Insurance Company	26.63%	\$176,993,557	8.80%	\$684,911,763	9.44%
2	American International Group	13.09%	\$76,131,307	(2.07%)	\$336,535,170	25.68%
3	Liberty Mutual Group	8.84%	\$52,314,217	32.90%	\$227,370,099	2.58%
4	Zurich Insurance Group	7.89%	\$38,054,273	(15.80%)	\$203,008,954	(3.30%)
5	Hartford Fire & Casualty Group	5.00%	(\$7,214,671)	(119.14%)	\$128,602,518	(3.23%)
6	CNA Insurance Group	4.65%	\$24,536,643	(41.87%)	\$119,497,041	(17.62%)
7	ACE Ltd.	3.61%	\$19,409,011	10.78%	\$92,848,477	0.29%
8	Travelers Property Casualty Corp. Group	3.44%	\$18,504,753	(22.06%)	\$88,382,857	0.60%
9	St. Paul Group	2.55%	\$15,441,412	2.23%	\$65,646,939	(3.65%)
10	Old Republic Group	2.30%	\$15,203,187	25.95%	\$59,133,973	21.81%
11	Service Life Group	2.07%	\$9,334,333	(4.14%)	\$53,241,785	(16.89%)
12	Chubb & Son Inc.	1.89%	\$11,526,037	10.93%	\$48,481,429	25.17%
13	Amerisure Company	1.66%	\$11,034,806	8.08%	\$42,661,886	4.96%
14	Royal & Sun Alliance USA	1.17%	(\$21,640)	(100.50%)	\$30,080,615	(41.51%)
15	Zenith National Insurance Group	1.10%	\$7,077,341	3.28%	\$28,276,511	6.33%
16	Amcomp Group	1.08%	\$12,169,068	117.14%	\$27,870,882	58.97%
17	Sentry Insurance Group	0.98%	\$6,378,207	1.03%	\$25,139,357	15.77%
18	Amerisafe Group	0.69%	\$4,473,547	(3.59%)	\$17,793,676	6.17%
19	Argonaut Group	0.57%	\$3,119,130	35.06%	\$14,714,403	16.44%
20	Utica National Insurance Group	0.55%	\$2,886,647	(20.16%)	\$14,143,254	6.03%
21	Fairfax Financial	0.52%	\$3,930,412	1.89%	\$13,329,102	(21.09%)
22	Safeco Insurance Group	0.52%	\$2,949,318	0.80%	\$13,294,624	1.31%
23	EMC Insurance Company	0.51%	\$3,909,615	(3.38%)	\$13,145,578	(12.50%)
24	Credit Suisse Group	0.45%	\$3,147,769	17.57%	\$11,503,978	(19.87%)
25	UNITRIN Group	0.44%	\$2,395,251	(27.80%)	\$11,313,726	(26.19%)

Top 25 Groups Total	92.19%	\$513,683,530	(7.31%)	\$2,370,928,597	4.06%
----------------------------	---------------	----------------------	----------------	------------------------	--------------

Total Market	100.00%	\$562,248,567	(7.42%)	\$2,571,899,809	0.37%
---------------------	----------------	----------------------	----------------	------------------------	--------------

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1999	\$452,971,565	\$394,379,475	\$301,623,599
3rd qtr 1999	\$425,960,803	\$460,972,985	\$337,164,883
4th qtr 1999	\$423,333,897	\$409,633,529	\$321,851,381
1st qtr 2000	\$513,391,542	\$525,877,539	\$337,383,478
2nd qtr 2000	\$501,354,578	\$475,604,283	\$334,849,482
3rd qtr 2000	\$505,803,790	\$516,560,373	\$348,866,375
4th qtr 2000	\$532,210,760	\$493,985,273	\$392,480,934
1st qtr 2001	\$657,190,587	\$618,832,510	\$415,126,742
2nd qtr 2001	\$625,096,723	\$553,257,708	\$335,333,000
3rd qtr 2001	\$589,604,135	\$613,986,964	\$345,242,399
4th qtr 2001	\$607,546,853	\$625,167,853	\$302,389,408
1st qtr 2002	\$756,668,020	\$698,242,878	\$356,803,688
2nd qtr 2002	\$630,083,340	\$600,654,771	\$375,966,560
3rd qtr 2002	\$755,284,146	\$607,423,784	\$324,696,510
4th qtr 2002	\$672,513,987	\$644,898,391	\$423,374,512
1st qtr 2003	\$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	\$775,124,337	\$748,184,299	\$234,499,767
2nd qtr 2004	\$730,107,014	\$562,248,567	\$245,789,549

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 2004, the START program reported \$21,939,436 in direct premiums written. This accounted for 100% of all Residual Market experience reported and was a decrease of (8.73%) over the same period one year prior. Of this amount \$5,184,676 was written in the second quarter of 2004 which was a (21.38%) decrease from the second quarter of 2003.

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

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

QUARTERLY EXPERIENCE **All Groups**

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1999	\$1,623,111	\$1,770,667	\$10,245,154
3rd qtr 1999	\$2,169,845	\$2,065,258	\$8,817,751
4th qtr 1999	\$3,703,828	\$1,924,613	\$9,937,840
1st qtr 2000	\$3,503,214	\$2,142,612	\$7,927,714
2nd qtr 2000	\$4,007,108	\$2,742,717	\$8,512,973
3rd qtr 2000	\$4,836,512	\$4,943,290	\$9,065,145
4th qtr 2000	\$4,716,786	\$4,850,157	\$9,453,578
1st qtr 2001	\$10,196,078	\$8,640,715	\$9,496,815
2nd qtr 2001	\$10,450,048	\$10,937,185	\$9,997,892
3rd qtr 2001	\$7,851,500	\$5,506,628	\$10,142,036
4th qtr 2001	\$9,998,247	\$9,329,645	\$6,159,989
1st qtr 2002	\$11,376,261	\$9,764,563	\$9,421,640
2nd qtr 2002	\$7,341,916	\$7,243,925	\$9,562,854
3rd qtr 2002	\$6,495,852	\$6,045,003	\$9,218,094
4th qtr 2002	\$7,735,964	\$6,811,504	\$9,116,511
1st qtr 2003	\$6,846,052	\$4,868,989	\$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

QUARTERLY EXPERIENCE
Texas Mutual Insurance Company

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

Workers' Compensation (Deductible Plans)

There were 94 groups, 246 companies which wrote voluntary policies for Workers' Compensation in the second quarter of 2004, as compared to 91 groups, 258 companies in the second quarter of 2003.

The data contained in the following table represents direct policies written as new or renewal policies in the second quarter of 2004. The policies are adjusted to an annual basis (a six month policy is reported as 0.5). The premiums on direct policies written are total premiums (estimated if initial premium collected was a deposit or second installment premium).

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

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

WORKERS' COMPENSATION DEDUCTIBLE PLANS

	Policies Written 2nd Qtr 2004	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	33	\$235,593	\$208,549	11.48%
Premium of \$10,000 - \$24,999	47	\$842,748	\$714,210	15.25%
Premium of \$25,000 - \$49,999	25	\$918,684	\$822,048	10.52%
Premium of \$50,000 - \$74,999	8	\$537,409	\$484,074	9.92%
Premium of \$75,000 - \$100,000	2	\$189,151	\$162,319	14.19%
Total Per Accident Plan	115	\$2,723,585	\$2,391,200	12.20%
Aggregate Deductible Plan				
Premium of \$5,000 - \$9,999	18	\$112,176	\$89,763	19.98%
Premium of \$10,000 - \$24,999	27	\$438,748	\$378,554	13.72%
Premium of \$25,000 - \$49,999	20	\$642,661	\$554,149	13.77%
Premium of \$50,000 - \$74,999	1	\$58,316	\$45,530	21.93%
Premium of \$75,000 - \$100,000	2	\$161,786	\$142,136	12.15%
Total Aggregate Plan	68	\$1,413,687	\$1,210,132	14.40%
Per Accident/Aggregate Combination Deductible Plan				
Premium of \$5,000 - \$9,999	13	\$46,587	\$38,552	17.25%
Premium of \$10,000 - \$24,999	6	\$96,656	\$73,344	24.12%
Premium of \$25,000 - \$49,999	4	\$154,130	\$83,122	46.07%
Premium of \$50,000 - \$74,999	2	\$129,553	\$66,483	48.68%
Premium of \$75,000 - \$100,000	0	\$0	\$0	0.00%
Total Combination Plan	25	\$426,926	\$261,501	38.75%
Negotiated Deductible Plan				
Premium Up To \$100,000	877	\$18,428,183	\$6,370,489	65.43%
Premium of \$100,001 - \$150,000	80	\$9,865,830	\$3,859,236	60.88%
Premium of \$150,001 - \$250,000	85	\$16,296,246	\$7,669,863	52.93%
Premium of \$250,001 - \$350,000	42	\$12,937,119	\$5,180,102	59.96%
Premium of \$350,001 - \$500,000	49	\$20,797,532	\$7,462,444	64.12%
Premium of \$500,001 - \$750,000	62	\$37,928,269	\$11,541,081	69.57%
Premium of \$750,001 - \$1,000,000	31	\$26,548,268	\$7,025,342	73.54%
Premium of \$1,000,001 - \$2,500,000	89	\$139,656,932	\$36,812,966	73.64%
Premium of \$2,500,001 - \$5,000,000	22	\$80,300,178	\$15,260,256	81.00%
Premium of \$5,000,001 and above	20	\$315,730,542	\$55,035,770	82.57%
Total Negotiated Plan	1,357	\$678,489,099	\$156,217,549	76.98%
No Deductible Plan				
Premium Less Than \$5,000	21,837	\$37,753,680	\$37,753,680	0.00%
Premium of \$5,000 - \$9,999	5,655	\$41,556,474	\$41,556,474	0.00%
Premium of \$10,000 - \$24,999	4,731	\$75,943,499	\$75,943,499	0.00%
Premium of \$25,000 - \$49,999	2,006	\$71,159,443	\$71,159,443	0.00%
Premium of \$50,000 - \$74,999	802	\$49,246,698	\$49,246,698	0.00%
Premium of \$75,000 - \$100,000	413	\$35,190,816	\$35,190,816	0.00%
Premium Greater Than \$100,000	1,047	\$259,176,022	\$259,176,022	0.00%
Total No Deductible Plan	36,491	\$570,026,632	\$570,026,632	0.00%
TOTAL	38,056	\$1,253,079,929	\$730,107,014	41.74%

Boiler & Machinery

There were 32 groups, 77 companies, that had direct written premium for Boiler & Machinery in the second quarter of 2004, as compared to 34 groups, 87 companies, in the second quarter of 2003.

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 2004 to direct written premium in the second quarter of 2003 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR BOILER & MACHINERY

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2004	% Change 2nd Quarter 2003 to 2004	4 Quarters Ending 2nd Qtr 2004	% Change 4 Qtrs Ending 2003 to 2004
1	FM Global Group	25.65%	\$3,080,730	(51.07%)	\$17,950,010	(41.11%)
2	Travelers Property Casualty Corp. Group	17.27%	\$2,520,085	(2.53%)	\$12,084,129	1.76%
3	American International Group	17.19%	\$3,621,656	3.92%	\$12,032,020	3.42%
4	Chubb & Son Inc.	9.91%	\$1,886,545	3.44%	\$6,932,102	(2.31%)
5	CNA Insurance Group	7.92%	\$1,452,170	12.68%	\$5,543,212	(2.77%)
6	Zurich Insurance Group	7.91%	\$880,450	(13.16%)	\$5,533,199	13.58%
7	Liberty Mutual Group	3.04%	\$292,818	83.31%	\$2,130,342	574.93%
8	Allianz Insurance Group	2.61%	\$622,547	39.12%	\$1,826,122	(16.09%)
9	St. Paul Group	2.49%	\$336,372	10.44%	\$1,745,729	18.84%
10	Federated Mutual	1.39%	\$255,761	(10.61%)	\$969,946	(2.81%)
11	GE Global Group	1.16%	\$605,470	(54.58%)	\$810,022	(59.35%)
12	EMC Insurance Company	0.60%	\$79,159	5.34%	\$417,650	73.24%
13	Allstate Insurance Group	0.51%	\$87,417	(0.18%)	\$356,975	4.68%
14	Triangle Insurance Company Inc.	0.31%	\$7,106	(63.01%)	\$219,405	(8.10%)
15	Nationwide Corp.	0.30%	\$81,471	112.49%	\$212,743	150.09%
16	Millea Holdings Inc.	0.30%	\$19,054	*	\$211,441	(11.77%)
17	United Fire & Casualty Group	0.28%	\$54,726	63.69%	\$195,722	18.99%
18	Hartford Fire & Casualty Group	0.24%	\$33,582	(9.25%)	\$169,078	59.44%
19	Bancinsure Inc.	0.19%	\$32,339	25.37%	\$135,682	25.25%
20	Lumbermens Underwriting Alliance	0.12%	\$11,822	*	\$84,583	23.51%
21	American Financial Group	0.11%	\$48,622	(34.74%)	\$78,060	(19.26%)
22	National American Insurance Company	0.09%	\$14,143	(14.70%)	\$61,668	(15.57%)
23	XL American	0.08%	\$269,971	198.74%	\$58,838	(64.50%)
24	Royal & Sun Alliance USA	0.08%	\$3,264	724.24%	\$57,552	35.27%
25	Nipponkoa Insurance Company Ltd.	0.06%	\$0	(100.00%)	\$40,250	59.41%

Top 25 Groups Total	99.82%	\$16,297,280	(16.63%)	\$69,856,480	(13.33%)
----------------------------	---------------	---------------------	-----------------	---------------------	-----------------

Total Market	100.00%	\$16,327,250	(16.98%)	\$69,982,590	(13.95%)
---------------------	----------------	---------------------	-----------------	---------------------	-----------------

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

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1999	\$5,499,763	\$8,003,887	\$6,693,625
3rd qtr 1999	\$5,998,330	\$8,429,018	\$13,747,315
4th qtr 1999	\$5,739,554	\$11,594,584	\$26,973,664
1st qtr 2000	\$6,824,984	\$7,104,170	\$7,608,679
2nd qtr 2000	\$7,621,282	\$9,008,884	\$3,444,292
3rd qtr 2000	\$9,496,878	\$11,092,448	\$8,553,001
4th qtr 2000	\$11,021,834	\$14,813,929	\$15,462,968
1st qtr 2001	\$9,322,472	\$10,668,808	\$6,262,083
2nd qtr 2001	\$11,069,306	\$13,060,159	\$2,488,479
3rd qtr 2001	\$11,513,713	\$12,945,869	\$4,346,902
4th qtr 2001	\$13,681,067	\$16,172,430	\$1,178,246
1st qtr 2002	\$14,135,435	\$18,237,147	\$3,762,748
2nd qtr 2002	\$23,340,551	\$21,437,169	\$3,650,728
3rd qtr 2002	\$18,658,119	\$24,062,071	\$10,173,007
4th qtr 2002	\$33,136,501	\$18,433,282	\$7,566,513
1st qtr 2003	\$17,637,255	\$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	\$16,325,983	\$1,988,536
2nd qtr 2004	\$16,994,397	\$16,327,250	\$17,815,061

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>
1992	13.0%
1993	79.5%
1994	39.9%
1995	43.4%
1996	71.1%
1997	74.2%
1998	39.2%
1999	186.8%
2000	53.4%
2001	66.9%
2002	12.3%
2003	65.8%

Commercial Crime

There were 35 groups, 68 companies, that had direct written premium for Commercial Crime in the second quarter of 2004, as compared to 36 groups, 70 companies, in the second quarter of 2003.

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 2004 to direct written premium in the second quarter of 2003 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR COMMERCIAL CRIME

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2004	% Change 2nd Quarter 2003 to 2004	4 Quarters Ending 2nd Qtr 2004	% Change 4 Qtrs Ending 2003 to 2004
1	Zurich Insurance Group	18.78%	\$380,863	5.64%	\$1,457,223	(3.00%)
2	Chubb & Son Inc.	17.89%	\$406,053	20.38%	\$1,387,534	30.10%
3	American International Group	16.00%	\$552,667	5.89%	\$1,240,984	46.53%
4	Travelers Property Casualty Corp. Group	15.98%	\$273,435	24.09%	\$1,239,685	25.33%
5	Hartford Fire & Casualty Group	8.77%	\$128,638	3.56%	\$680,408	54.17%
6	CNA Insurance Group	6.53%	\$105,648	32.68%	\$506,826	11.69%
7	St. Paul Group	4.70%	\$101,884	46.71%	\$364,903	(14.08%)
8	Bancinsure Inc.	1.86%	\$39,795	27.82%	\$144,433	137.48%
9	United Fire & Casualty Group	1.37%	\$25,944	44.29%	\$106,569	(3.62%)
10	Sentry Insurance Group	1.27%	\$14,092	(18.57%)	\$98,584	(14.04%)
11	Harco National Insurance Company	1.08%	\$11,793	(30.58%)	\$83,867	128.57%
12	Federated Mutual	1.08%	\$14,042	(79.80%)	\$83,619	(44.21%)
13	Liberty Mutual Group	0.99%	\$32,741	*	\$76,776	20.52%
14	Allstate Insurance Group	0.65%	\$12,565	*	\$50,047	*
15	Atlantic America	0.45%	\$6,443	23.93%	\$35,101	29.60%
16	American Financial Group	0.40%	\$10,843	(42.64%)	\$31,163	70.66%
17	UNITRIN Group	0.31%	\$1,387	(89.39%)	\$23,928	(55.30%)
18	Nationwide Corp.	0.29%	\$6,044	17.84%	\$22,270	96.73%
19	RLI Insurance Group	0.24%	\$5,200	(58.13%)	\$18,680	(57.00%)
20	Benchmark Insurance Company	0.21%	\$2,731	82.07%	\$16,101	74.03%
21	EMC Insurance Company	0.15%	\$1,995	(9.03%)	\$11,434	(26.09%)
22	Hannover Group	0.14%	\$2,683	(23.06%)	\$11,079	(16.96%)
23	National American Insurance Company	0.14%	\$452	24.52%	\$10,756	(33.33%)
24	XL America	0.12%	\$12,073	74.34%	\$9,315	34.51%
25	Central Mutual Insurance Co. of Ohio	0.12%	\$6,978	196.94%	\$9,302	30.55%

Top 25 Groups Total	99.52%	\$2,156,989	11.25%	\$7,720,587	19.05%
----------------------------	---------------	--------------------	---------------	--------------------	---------------

Total Market	100.00%	\$2,170,364	10.27%	\$7,758,086	14.79%
---------------------	----------------	--------------------	---------------	--------------------	---------------

* 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 1999	\$1,407,701	\$2,919,957	\$1,153,393
3rd qtr 1999	\$1,913,296	\$2,375,385	\$826,469
4th qtr 1999	\$1,453,101	\$3,093,898	\$847,735
1st qtr 2000	\$2,298,539	\$2,395,113	\$144,981
2nd qtr 2000	\$2,764,361	\$2,835,158	\$503,188
3rd qtr 2000	\$2,447,445	\$2,665,016	\$443,652
4th qtr 2000	\$2,932,337	\$3,189,332	(\$55,027)
1st qtr 2001	\$2,645,328	\$1,940,058	\$216,427
2nd qtr 2001	\$2,958,524	\$2,118,598	\$214,678
3rd qtr 2001	\$1,948,083	\$1,883,478	\$392,359
4th qtr 2001	\$2,550,031	\$2,490,497	\$3,137,605
1st qtr 2002	\$2,403,953	\$2,309,009	(\$134,651)
2nd qtr 2002	\$1,546,219	\$2,030,210	\$280,434
3rd qtr 2002	\$1,341,198	\$1,529,291	\$214,282
4th qtr 2002	\$1,616,520	\$1,782,790	\$419,686
1st qtr 2003	\$1,428,028	\$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	\$3,345,164	\$1,749,368	\$376,949
2nd qtr 2004	\$1,898,917	\$2,170,364	\$48,845

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>
1992	24.6%
1993	18.5%
1994	22.5%
1995	16.1%
1996	19.4%
1997	13.2%
1998	13.3%
1999	19.6%
2000	21.2%
2001	34.7%
2002	16.3%
2003	27.1%

Commercial Glass

There were 14 groups, 20 companies, that had direct written premium for Commercial Glass in the second quarter of 2004, as compared to 15 groups, 23 companies, in the second quarter of 2003.

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 2004 to direct written premium in the second quarter of 2003 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR COMMERCIAL GLASS

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 2004	% Change 2nd Quarter 2003 to 2004	4 Quarters Ending 2nd Qtr 2004	% Change 4 Qtrs Ending 2003 to 2004
1	Zurich Insurance Group	32.58%	\$21,251	(0.81%)	\$64,752	(21.37%)
2	UNITRIN Group	23.33%	\$3,849	(73.10%)	\$46,361	(39.11%)
3	United Fire & Casualty Group	16.02%	\$5,970	(36.14%)	\$31,850	(12.56%)
4	Ohio Casualty Group	7.51%	\$3,324	(6.55%)	\$14,929	(30.42%)
5	Federated Mutual	4.30%	\$609	(51.08%)	\$8,546	23.00%
6	Liberty Mutual Group	4.26%	\$467	53.11%	\$8,474	397.01%
7	Usplate Glass Insurance Company	3.82%	\$1,944	(37.03%)	\$7,600	146.19%
8	EMC Insurance Company	3.69%	\$0	(100.00%)	\$7,341	(59.60%)
9	Travelers Property Casualty Corp. Group	1.37%	(\$25)	(101.19%)	\$2,715	(68.19%)
10	Safeco Insurance Group	1.09%	\$1,406	*	\$2,163	(37.72%)
11	ACE Ltd.	0.78%	\$1,138	(18.95%)	\$1,553	(29.66%)
12	State Farm IL	0.73%	\$535	(3.95%)	\$1,450	3.13%
13	Hartford Fire & Casualty Group	0.38%	\$0	*	\$750	(24.09%)
14	Allmerica Financial Corp.	0.14%	\$91	0.00%	\$273	200.00%
15	St. Paul Group	0.02%	(\$20)	(108.33%)	\$41	(99.20%)
16	Utica National Insurance Group	0.02%	\$0	(100.00%)	\$38	(95.23%)
17	Nationwide Corp.	(0.04%)	(\$76)	(204.00%)	(\$76)	73.05%

Top Groups Total	**100.04%	\$40,463	(34.84%)	\$198,760	(30.31%)
-------------------------	------------------	-----------------	-----------------	------------------	-----------------

Total Market	100.00%	\$40,463	(34.84%)	\$198,760	(30.31%)
---------------------	----------------	-----------------	-----------------	------------------	-----------------

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

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

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1999	\$126,187	\$96,525	\$97,073
3rd qtr 1999	\$132,087	\$92,232	\$13,833
4th qtr 1999	\$120,348	\$86,001	\$30,482
1st qtr 2000	\$127,941	\$87,786	\$29,669
2nd qtr 2000	\$128,064	\$103,528	\$225,475
3rd qtr 2000	\$154,216	\$116,377	\$22,938
4th qtr 2000	\$106,321	\$77,656	\$10,619
1st qtr 2001	\$101,722	\$75,433	\$13,403
2nd qtr 2001	\$152,748	\$114,752	\$14,740
3rd qtr 2001	\$97,993	\$70,296	\$9,134
4th qtr 2001	\$94,672	\$76,658	\$14,463
1st qtr 2002	\$125,940	\$85,995	\$10,470
2nd qtr 2002	\$132,904	\$84,391	(\$191,664)
3rd qtr 2002	\$106,180	\$69,425	\$9,409
4th qtr 2002	\$118,781	\$87,929	\$17,945
1st qtr 2003	\$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	\$96,722	\$52,661	\$20,377
2nd qtr 2004	\$85,438	\$40,463	\$4,143

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>
1992	8.0%
1993	25.2%
1994	17.4%
1995	32.9%
1996	23.7%
1997	31.2%*
1998	56.3%
1999	60.9%
2000	98.9%
2001	155.0%
2002	63.6%
2003	59.5%

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

Medical Professional Liability

There were 31 groups, 40 companies, that had direct written premium for Medical Professional Liability (includes regulated and non-rate-regulated companies) in the second quarter of 2004, as compared to 33 groups, 44 companies, in the second quarter of 2003.

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 2004 to direct written premium in the second quarter of 2003 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 2004	% Change 2nd Quarter 2003 to 2004	4 Quarters Ending 2nd Qtr 2004	% Change 4 Qtrs Ending 2003 to 2004
1	GE Global Group	26.77%	\$25,857,283	(12.94%)	\$133,777,994	9.54%
2	Health Care Indemnity Inc.	20.17%	(\$1,984,911)	28.20%	\$100,802,986	(25.77%)
3	Texas Medical Liability Underwriting Assoc.	15.07%	\$14,976,371	(20.96%)	\$75,327,867	14.44%
4	American Physicians Insurance Exchange	12.85%	\$14,012,214	57.53%	\$64,206,931	38.48%
5	CNA Insurance Group	3.98%	\$2,179,223	141.86%	\$19,907,178	561.67%
6	Doctors Company Group	3.89%	\$6,726,050	178.80%	\$19,439,312	(5.68%)
7	Everest Rein Holding Inc.	2.98%	(\$1,263,900)	(113.19%)	\$14,895,089	(59.93%)
8	Bancinsure Inc.	1.92%	\$138,967	(91.04%)	\$9,585,148	(13.99%)
9	Allianz Insurance Group	1.87%	\$1,932,235	(32.91%)	\$9,341,688	(54.37%)
10	Texas Hospital Insurance Exchange	1.62%	\$2,486,113	(8.14%)	\$8,116,449	(2.16%)
11	Proassurance Corp. Group	1.55%	\$3,411,995	19.74%	\$7,763,493	8.95%
12	Preferred Professional Insurance Company	1.35%	\$614,598	92.99%	\$6,760,946	18.97%
13	American International Group	1.26%	\$916,227	28.74%	\$6,278,310	47.98%
14	FPIC Insurance Group Inc.	1.15%	\$2,483,079	(48.48%)	\$5,731,312	(36.06%)
15	Podiatry Insurance Co. of America RRG	0.69%	\$304,953	(2.59%)	\$3,449,189	12.33%
16	National Group	0.64%	\$816,318	80.99%	\$3,218,055	48.87%
17	NCMIC Group	0.62%	\$929,692	(52.70%)	\$3,087,318	(34.95%)
18	Texas Medical Insurance Company	0.40%	\$546,470	*	\$1,977,610	(20.57%)
19	Travelers Property Casualty Corp. Group	0.32%	\$222,323	(17.83%)	\$1,617,001	493.74%
20	Zurich Insurance Group	0.24%	(\$4,192)	(100.99%)	\$1,182,778	(85.82%)
21	American Re Group	0.20%	\$458,668	96.64%	\$991,223	47.89%
22	ACE Ltd.	0.18%	\$105,346	(55.15%)	\$923,286	(54.47%)
23	Markel Corp. Group	0.07%	\$204,085	27.28%	\$368,696	92.69%
24	Fairfax Financial	0.06%	\$15,731	(92.06%)	\$285,988	(93.96%)
25	Berkshire Hathaway	0.05%	\$0	*	\$232,231	27.83%

Top 25 Groups Total	99.90%	\$76,084,938	(13.34%)	\$499,268,078	(5.03%)
----------------------------	---------------	---------------------	-----------------	----------------------	----------------

Total Market	100.00%	\$76,190,716	(14.07%)	\$499,782,599	(8.37%)
---------------------	----------------	---------------------	-----------------	----------------------	----------------

* 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 1999	\$35,833,747	\$35,442,419	\$102,810,102
3rd qtr 1999	\$74,001,990	\$69,189,438	\$50,252,064
4th qtr 1999	\$41,930,065	\$40,483,584	\$79,374,396
1st qtr 2000	\$137,093,402	\$139,488,404	\$96,644,607
2nd qtr 2000	\$42,351,811	\$44,844,296	\$107,273,832
3rd qtr 2000	\$65,378,912	\$68,942,814	\$69,209,753
4th qtr 2000	\$52,031,103	\$48,828,768	\$113,524,381
1st qtr 2001	\$152,152,204	\$167,131,473	\$83,573,570
2nd qtr 2001	\$54,416,843	\$65,578,948	\$75,456,511
3rd qtr 2001	\$94,994,593	\$88,354,507	\$79,548,188
4th qtr 2001	\$55,994,442	\$56,808,234	\$81,626,254
1st qtr 2002	\$187,765,477	\$194,494,874	\$61,414,577
2nd qtr 2002	\$66,087,372	\$78,286,136	\$79,470,717
3rd qtr 2002	\$117,743,019	\$132,910,095	\$65,631,228
4th qtr 2002	\$85,911,427	\$79,470,653	\$95,769,104
1st qtr 2003	\$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	\$205,341,248	\$41,830,082
2nd qtr 2004	\$82,494,160	\$76,190,716	\$48,356,552

EARNED TO INCURRED LOSS RATIO BY YEAR

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

Year	Loss Ratio
1992	105.9%
1993	102.5%
1994	92.0%
1995	87.7%
1996	80.1%
1997	69.2%
1998	90.5%
1999	98.1%
2000	98.3%
2001	91.2%
2002	79.1%
2003	80.3%

Miscellaneous Professional Liability

There were 25 groups, 55 companies, that had direct written premium for Miscellaneous Professional Liability in the second quarter of 2004, as compared to 31 groups, 59 companies, in the second quarter of 2003.

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 2004 to direct written premium in the second quarter of 2003 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 2004	% Change 2nd Quarter 2003 to 2004	4 Quarters Ending 2nd Qtr 2004	% Change 4 Qtrs Ending 2003 to 2004
1	Chubb & Son Inc.	31.55%	\$23,993,157	(4.37%)	\$100,407,872	18.73%
2	Hartford Fire & Casualty Group	15.11%	\$12,192,846	(17.00%)	\$48,095,532	118.33%
3	St. Paul Group	13.88%	\$9,809,619	(8.86%)	\$44,170,553	25.04%
4	HCC Insurance Holdings Group	13.24%	\$14,769,448	(10.41%)	\$42,133,242	40.89%
5	ACE Ltd.	5.72%	\$3,822,495	219.17%	\$18,201,886	132.72%
6	GE Global Group	5.62%	\$4,329,703	16.87%	\$17,893,458	108.32%
7	RLI Insurance Group	4.28%	\$2,276,713	(39.14%)	\$13,615,726	(10.82%)
8	Allianz Insurance Group	2.17%	\$1,864,282	20.76%	\$6,919,378	31.12%
9	Berkshire Hathaway	2.05%	\$1,046,712	(39.24%)	\$6,522,029	8.46%
10	Nationwide Corp.	1.38%	\$1,215,395	15.33%	\$4,404,225	28.50%
11	Arch Insurance Group	1.25%	\$2,883,122	*	\$3,992,813	*
12	Old Republic Group	1.03%	\$1,385,905	(12.86%)	\$3,264,521	46.76%
13	AON Corp.	0.75%	\$0	(100.00%)	\$2,386,296	185.98%
14	Markel Corp. Group	0.58%	\$559,021	11.26%	\$1,838,181	12.34%
15	Utica National Insurance Group	0.40%	\$306,989	63.10%	\$1,281,168	71.03%
16	AETNA	0.31%	\$0	*	\$1,002,043	*
17	Liberty Mutual Group	0.28%	\$307,173	*	\$889,488	711.43%
18	Safeco Insurance Group	0.16%	\$0	(100.00%)	\$506,530	(77.05%)
19	Zurich Insurance Group	0.09%	\$94,774	9.35%	\$296,549	2.80%
20	Union Labor Group	0.06%	\$1,921	(95.36%)	\$176,967	(69.77%)
21	United National Group	0.05%	\$0	*	\$156,570	3.14%
22	American Re Group	0.03%	\$23,391	(94.29%)	\$84,516	(87.62%)
23	Florists Mutual	0.02%	\$9,296	2.20%	\$54,700	0.66%
24	Texas Medical Insurance Company	0.01%	\$0	(100.00%)	\$44,206	(66.94%)
25	Navigators Group Inc.	0.01%	\$0	*	\$40,145	*

Top 25 Groups Total	**100.03%	\$80,891,962	(3.82%)	\$318,378,594	39.71%
----------------------------	------------------	---------------------	----------------	----------------------	---------------

Total Market	100.00%	\$80,940,295	(4.06%)	\$318,291,651	35.29%
---------------------	----------------	---------------------	----------------	----------------------	---------------

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

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

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1999	\$34,283,279	\$32,201,481	\$5,840,753
3rd qtr 1999	\$39,816,439	\$35,085,917	\$10,638,238
4th qtr 1999	\$33,294,548	\$31,278,739	\$13,470,874
1st qtr 2000	\$28,787,985	\$32,539,979	\$15,208,574
2nd qtr 2000	\$34,839,821	\$35,060,607	\$9,638,111
3rd qtr 2000	\$40,383,080	\$29,206,486	\$25,472,831
4th qtr 2000	\$35,972,379	\$34,102,932	\$30,697,566
1st qtr 2001	\$33,317,718	\$35,426,450	\$18,503,137
2nd qtr 2001	\$27,379,296	\$59,910,926	\$13,146,912
3rd qtr 2001	\$32,672,023	\$35,346,828	\$14,591,556
4th qtr 2001	\$46,744,141	\$47,766,265	\$25,510,077
1st qtr 2002	\$44,193,075	\$38,539,396	\$21,611,170
2nd qtr 2002	\$45,639,859	\$50,579,721	\$31,951,912
3rd qtr 2002	\$44,287,561	\$46,129,965	\$32,132,723
4th qtr 2002	\$39,794,746	\$40,468,853	\$24,789,968
1st qtr 2003	\$65,301,029	\$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	\$19,088,783
2nd qtr 2004	\$79,014,833	\$80,940,295	\$25,252,374

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> *
1992	102.9%
1993	102.8%
1994	64.8%
1995	96.7%
1996	99.0%
1997	51.8%
1998	58.6%
1999	63.8%
2000	74.1%
2001	74.4%
2002	114.5%
2003	77.0%

* *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 2004 and the second quarter of 2003. 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 2004			2ND QUARTER 2003		
	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	12,710	0.00000%	5	11,030	0.04533%
General Liability - Other ⁺	48	241,782	0.01985%	59	231,165	0.02552%
Fire & Allied Lines	14	44,583	0.03140%	17	45,706	0.03719%
Commercial Multiple Peril	18	78,730	0.02286%	13	77,355	0.01681%
Private Passenger Auto ⁺⁺	1,980	4,527,413	0.04373%	2,637	4,633,047	0.05692%
Homeowners	645	1,213,943	0.05313%	1,258	1,163,883	0.10809%
Workers' Compensation ⁺⁺⁺	38	38,141	0.09963%	39	35,263	0.11060%
Boiler & Machinery	**	**	**	**	**	**
Commercial Crime	**	**	**	**	**	**
Commercial Glass	**	**	**	**	**	**
Medical Professional Liability	7	10,573	0.06621%	5	11,027	0.04534%
Misc. Professional Liability	2	5,815	0.03439%	7	5,736	0.12204%

⁺ The General Electric Group wrote 11,990 small premium pre-paid legal policies in the 2nd quarter of 2004 and 13,710 policies in the 2nd quarter of 2003 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 2004) 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**

2004 Policies Written Rank	Group Name	2ND QUARTER 2004			2ND QUARTER 2003		
		Number of Complaints	Number of Policies Written	Percent of Complaints per Policy	Number of Complaints	Number of Policies Written	Percent of Complaints per Policy
11	Texas State National Group	117	66,335	0.17638%	149	91,894	0.16214%
18	Unitrin Group	69	42,592	0.16200%	82	42,701	0.19203%
6	Old American County Mutual Fire Ins. Co.	270	185,257	0.14574%	271	191,903	0.14122%
20	Mercury General Group	26	25,016	0.10393%	45	23,865	0.18856%
10	Home State Insurance Group	92	94,072	0.09780%	123	86,595	0.14204%
14	Safeco Insurance Group	54	55,445	0.09739%	56	59,972	0.09338%
23	Interins Exchange of The Automobile Club	14	18,673	0.07497%	14	18,259	0.07667%
21	Safeway Insurance Group	15	22,863	0.06561%	19	21,104	0.09003%
17	Liberty Mutual Group	28	43,613	0.06420%	50	42,251	0.11834%
8	Nationwide Corp	85	138,908	0.06119%	147	135,960	0.10812%
4	Allstate Insurance Group	201	331,396	0.06065%	288	356,657	0.08075%
24	American National Financial Corp	9	16,630	0.05412%	19	19,006	0.09997%
9	Berkshire Hathaway	52	123,732	0.04203%	53	125,652	0.04218%
22	Germania Insurance Group	8	21,421	0.03735%	11	21,436	0.05132%
3	Progressive Group	154	425,196	0.03622%	194	378,474	0.05126%
15	Hartford Fire & Casualty Group	16	49,443	0.03236%	28	30,676	0.09128%
5	United Services Automobile Assoc. Group	58	190,208	0.03049%	74	188,881	0.03918%
13	Titus Group	15	56,051	0.02676%	9	42,291	0.02128%
2	Zurich Insurance Group	225	885,257	0.02542%	335	846,182	0.03959%
7	Southern Farm Bureau Casualty	37	154,151	0.02400%	34	149,297	0.02277%
19	Sentry Insurance Group	9	39,991	0.02251%	11	41,719	0.02637%
25	Amica Mutual Group	3	15,517	0.01933%	4	15,822	0.02528%
1	State Farm IL	168	1,305,668	0.01287%	214	1,347,086	0.01589%
16	Travelers Property Casualty Corp. Group	1	43,822	0.00228%	0	50,937	0.00000%
12	Credit Suisse Group	0	57,868	0.00000%	0	37,106	0.00000%
	(All other licensed insurers)	254	118,288	0.21473%	407	267,321	0.15225%
	(No company identified)*	0			0		
TOTALS		1,980	4,527,413	0.04373%	2,637	4,633,047	0.05692%

* 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

2004 Policies Written Rank	Group Name	2ND QUARTER 2004			2ND QUARTER 2003		
		Number of Complaints	Number of Policies Written	Percent of Complaints per Policy	Number of Complaints	Number of Policies Written	Percent of Complaints per Policy
17	Amica Mutual Group	3	8,302	0.11451%	11	8,666	0.12693%
21	Interins Exchange of The Automobile Club	5	5,411	0.11334%	7	6,120	0.11438%
20	Chubb & Son Inc.	1	6,241	0.09240%	5	6,492	0.07702%
10	Texas Farm Bureau Mutual	8	32,558	0.08368%	16	28,848	0.05546%
12	Credit Suisse Group	0	14,282	0.07906%	0	16,180	0.00000%
23	UNITRIN Group	4	5,174	0.07800%	13	5,629	0.23095%
22	Service Life Group	6	5,294	0.07731%	8	4,767	0.16782%
3	Zurich Insurance Group	105	139,079	0.07550%	252	131,327	0.19189%
18	Columbia Lloyds Insurance Company	8	6,986	0.05958%	1	5,478	0.01825%
6	Vesta Insurance Group	21	56,333	0.04926%	44	59,008	0.07457%
8	NLASCO	12	40,469	0.04766%	22	22,697	0.09693%
2	Allstate Insurance Group	94	237,121	0.03964%	191	222,182	0.08597%
25	Cypress Holdings Group	1	5,020	0.03964%	0	0	0.00000%
5	Travelers Property Casualty Corp Group	0	59,079	0.03728%	0	52,865	0.00000%
16	ARX Holding Corp Group	3	9,433	0.03614%	8	14,780	0.05413%
1	State Farm IL	99	303,271	0.03264%	144	308,075	0.04674%
15	American National Financial Group	3	9,893	0.03180%	12	32,060	0.00000%
14	Hartford Fire & Casualty Group	2	10,892	0.03032%	16	10,496	0.00000%
7	Nationwide Corporation	22	44,660	0.02965%	42	40,812	0.10291%
9	Texas Fair Plan Association	19	39,864	0.02457%	14	25,501	0.05490%
24	Beacon Insurance Group	4	5,128	0.01992%	8	5,527	0.14474%
13	Safeco Insurance Group	10	12,649	0.01836%	16	13,730	0.11653%
19	Colonial Savings Group	4	6,714	0.01602%	8	2,652	0.30166%
4	United Services Automobile Assoc. Group	14	88,877	0.00000%	41	74,305	0.05518%
11	Liberty Mutual Group	17	20,315	0.00000%	16	14,917	0.10726%
	(All other licensed insurers)	180	40,898	0.44012%	363	50,769	0.71500%
	(No company identified)*	0			0		

TOTALS

645

1,213,943

0.05313%

1,258

1,163,883

0.10809%

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

County Mutual Companies

NAMES OF GROUPS AND CORRESPONDING COUNTY MUTUAL COMPANIES

GROUPS

COUNTY MUTUAL COMPANIES

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

Published 4/26/2005
Property & Casualty Program/Data Services (512)475-1878