



**Texas Department
of Insurance**

**Quarterly Legislative Report
on Market Conditions**

*4th Quarter
2006*

Published 06/08/2007
Property & Casualty Program/Data Services (512)475-1878

Table of Contents

INTRODUCTION	1
TERMS	2
Number of Policies Written	2
Premiums on Policies Written	2
Direct Losses Paid	2
Earned to Incurred Loss Ratio	2
Number of Groups	2
Market Share	2
LINES OF INSURANCE	3
Products and Completed Operations Insurance (Product Liability)	3
General Liability	3
Commercial Fire & Allied Lines	3
Commercial Multiple Peril	3
Private Passenger Auto	3
Homeowners Multiple Peril	3
Workers' Compensation	3
Boiler & Machinery	4
Commercial Crime	4
Commercial Glass	4
Medical Professional Liability	4
Miscellaneous Professional Liability	4
SUMMARY OF FOUR QUARTERS	5
Cumulative Totals for Four Quarters Ending December 2006	5
Number of Groups/Companies Writing Policies per Quarter	5
PRODUCT LIABILITY	6
GENERAL LIABILITY	8
COMMERCIAL FIRE & ALLIED LINES	10
COMMERCIAL MULTIPLE PERIL	12
PRIVATE PASSENGER AUTO (ALL COMPANIES)	14
VOLUNTARY LIABILITY (ALL COMPANIES)	16
ASSIGNED RISK (ALL COMPANIES)	18
PHYSICAL DAMAGE (ALL COMPANIES)	20
HOMEOWNERS MULTIPLE PERIL (ALL COMPANIES)	22
WORKERS' COMPENSATION (ALL COMPANIES)	24
VOLUNTARY	26
ASSIGNED RISK	28
DEDUCTIBLE PLANS	30
BOILER & MACHINERY	32
COMMERCIAL CRIME	34
COMMERCIAL GLASS	36
MEDICAL PROFESSIONAL LIABILITY	38
MISCELLANEOUS PROFESSIONAL LIABILITY	40
COMPLAINT DATA	
All Lines Complaint Data	42
Private Passenger Auto/Listed by Percent of Complaints per Policy	43
Homeowners/Listed by Percent of Complaints per Policy	44

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

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

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

Terms

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Lines of Insurance

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

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

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

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

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

Summary of Four Quarters

CUMULATIVE TOTALS FOR FOUR QUARTERS ENDING DECEMBER 2006

	Number Of Groups/Companies	Number Of Policies Written	Premiums On Policies Written	Direct Written Premiums	Direct Losses Paid
PRODUCT LIABILITY	56 / 155	49,116	\$225,311,583	\$165,252,593	\$46,544,586
GENERAL LIABILITY - OTHER	134 / 309	868,234	\$1,870,991,647	\$2,008,194,997	\$1,033,720,826
COMMERCIAL FIRE & ALLIED	78 / 167	143,396	\$653,002,468	\$789,781,907	\$702,804,628
COMMERCIAL MULTIPLE PERIL	79 / 190	369,561	\$1,550,992,417	\$1,662,611,073	\$814,017,789
PRIVATE PASSENGER AUTO					
VOLUNTARY (VOL) LIABILITY	68 / 162	12,271,625	\$7,046,388,720	\$6,493,127,628	\$3,770,446,244
ASSIGNED RISK LIABILITY	15 / 16	26,425	\$16,364,019	\$10,731,919	\$10,319,060
PHYSICAL DAMAGE	68 / 161	9,149,842	\$5,387,107,339	\$5,130,457,145	\$3,114,036,765
TOTAL PPA	70 / 171	21,447,891⁺	\$12,449,860,078	\$11,634,316,692	\$6,894,801,978
HOMEOWNERS MULTIPLE PERIL	59 / 95	5,206,012	\$5,270,882,056	\$4,796,111,745	\$1,906,350,623
WORKERS' COMPENSATION					
VOL PREMIUMS < \$5,000		94,697	\$160,505,985	**	**
VOL PREMIUMS \$5,000 - \$100,000		56,633	\$1,132,017,997	**	**
VOL PREMIUMS > \$100,000		6,131	\$1,427,179,904	**	**
TOTAL VOLUNTARY	91 / 223	157,461	\$2,719,703,886	\$2,785,379,186	\$826,929,984
RESIDUAL MARKET ***	1 / 1	154	\$6,856,476	\$6,268,990	\$6,792,419
TOTAL WC	91 / 223	157,615	\$2,726,560,362	\$2,791,648,176	\$833,722,403
BOILER & MACHINERY	40 / 90	34,403	\$61,167,663	\$79,070,900	\$52,859,077
COMMERCIAL CRIME	32 / 75	8,137	\$6,069,392	\$7,664,658	\$725,536
COMMERCIAL GLASS	7 / 8	217	\$87,280	\$57,601	\$4,582
MEDICAL PROFESSIONAL LIABILITY	32 / 40	42,034	\$341,794,117	\$361,956,600	\$110,738,557
MISC. PROFESSIONAL LIABILITY	25 / 62	18,803	\$367,501,201	\$382,334,133	\$115,544,349

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

** Companies were not required to report the Direct Losses Paid by policy size.

*** Policies reported in this category were written under the START program by the Texas Mutual Insurance Company.

NUMBER OF GROUPS / COMPANIES WRITING POLICIES PER QUARTER

Line of Business	First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
	2005	2006	2005	2006	2005	2006	2005	2006
Product Liability	53 / 134	50 / 132	54 / 132	55 / 133	49 / 134	51 / 138	48 / 130	50 / 136
General Liability	115 / 266	128 / 285	114 / 263	129 / 287	123 / 266	125 / 279	129 / 280	125 / 282
Commercial Fire & Allied	69 / 147	75 / 160	67 / 146	75 / 157	70 / 152	69 / 149	71 / 153	74 / 151
Commercial Multiple Peril	73 / 177	74 / 176	69 / 170	74 / 181	75 / 177	72 / 171	77 / 181	73 / 174
Private Passenger Auto	59 / 148	61 / 142	58 / 148	65 / 149	60 / 146	67 / 152	61 / 150	67 / 158
Homeowners Multiple Peril	57 / 74	61 / 86	56 / 78	60 / 87	59 / 83	58 / 86	59 / 84	57 / 85
Workers' Compensation	77 / 196	81 / 203	80 / 201	84 / 202	76 / 196	81 / 205	80 / 195	83 / 200
Boiler & Machinery	32 / 62	36 / 70	31 / 62	37 / 75	31 / 64	33 / 65	34 / 66	38 / 72
Commercial Crime	30 / 61	30 / 64	28 / 58	28 / 58	29 / 57	27 / 59	29 / 63	27 / 58
Commercial Glass	11 / 16	6 / 10	5 / 7	6 / 9	4 / 6	6 / 10	6 / 9	8 / 10
Medical Professional Liability	28 / 36	29 / 36	27 / 33	27 / 33	26 / 32	27 / 34	28 / 34	29 / 36
Misc. Professional Liability	31 / 67	27 / 59	29 / 63	28 / 61	28 / 61	29 / 57	30 / 65	24 / 59

Product Liability

There were 56 groups, 155 companies, that had direct written premium for Product Liability in the fourth quarter of 2006, as compared to 56 groups, 151 companies, in the fourth quarter of 2005.

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

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRODUCT LIABILITY

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 4th Quarter 2006	% Change 4th Quarter 2006 to 2005	4 Quarters Ending 4th Qtr 2006	% Change 4 Qtrs Ending 2006 to 2005
1	American Financial Group	21.29%	\$12,121,757	124.69%	\$35,174,885	26.20%
2	Zurich Insurance Group	13.16%	\$4,471,892	(2.14%)	\$21,752,049	1.07%
3	Liberty Mutual Group	8.88%	\$3,958,228	(10.96%)	\$14,673,821	42.71%
4	St. Paul Travelers Group	8.79%	\$3,524,963	0.99%	\$14,525,502	(1.16%)
5	ACE Ltd.	8.17%	\$1,988,873	62.91%	\$13,505,798	8.71%
6	Chubb & Son Inc.	6.25%	\$2,495,558	7.02%	\$10,325,441	20.13%
7	Hartford Fire & Casualty Group	4.21%	\$3,082,922	16.76%	\$6,954,742	47.60%
8	Federated Mutual	2.43%	\$772,508	(5.82%)	\$4,009,356	3.61%
9	Fairfax Financial	2.18%	\$1,049,102	(18.64%)	\$3,599,258	10.07%
10	United Fire & Casualty Group	2.13%	\$757,537	23.06%	\$3,514,608	20.34%
11	Sentry Insurance Group	2.06%	\$847,994	10.63%	\$3,412,058	(0.49%)
12	Old Republic Group	1.87%	\$755,403	499.37%	\$3,087,341	65.04%
13	Electric Insurance Group	1.63%	\$2,699,857	(16.77%)	\$2,699,857	(16.77%)
14	American International Group	1.34%	\$772,932	77.45%	\$2,213,394	(23.40%)
15	Allianz Insurance Group	1.33%	\$534,285	1.05%	\$2,190,880	(26.56%)
16	Central Mutual Insurance Company Ohio	1.31%	\$538,132	(18.35%)	\$2,159,357	(11.33%)
17	CNA Insurance Group	1.27%	\$646,507	74.70%	\$2,103,867	(39.17%)
18	EMC Insurance Company	1.27%	\$740,500	126.00%	\$2,098,786	71.70%
19	National American Insurance Company	1.24%	\$274,927	(38.27%)	\$2,045,717	(24.38%)
20	Unitrin Group	1.11%	\$382,579	(23.19%)	\$1,826,946	23.54%
21	Nationwide Corp.	0.97%	\$471,744	(13.71%)	\$1,605,572	13.98%
22	Ohio Casualty Group	0.88%	\$391,940	55.73%	\$1,450,524	37.97%
23	Medmark Insurance Group	0.69%	\$308,165	35.03%	\$1,144,892	(2.12%)
24	WR Berkley Corp	0.64%	\$316,532	44.07%	\$1,063,264	20.16%
25	Indiana Lumbermens	0.62%	\$224,454	(8.03%)	\$1,025,585	(0.67%)

Top 25 Groups Total	95.71%	\$44,129,291	23.58%	\$158,163,500	11.83%
----------------------------	---------------	---------------------	---------------	----------------------	---------------

Total Market	100.00%	\$45,678,312	18.97%	\$165,252,593	6.56%
---------------------	----------------	---------------------	---------------	----------------------	--------------

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 2001	\$49,553,240	\$63,700,948	\$50,787,344
1st qtr 2002	\$25,812,727	\$10,368,960	\$24,090,363
2nd qtr 2002	\$25,107,579	\$30,554,591	\$14,348,364
3rd qtr 2002	\$32,987,561	\$33,566,694	\$42,898,905
4th qtr 2002	\$54,386,459	\$39,509,606	\$72,291,341
1st qtr 2003	\$50,349,221	\$31,216,417	\$23,752,695
2nd qtr 2003	\$51,648,244	\$31,977,119	\$37,961,745
3rd qtr 2003	\$55,011,830	\$32,688,880	\$84,564,221
4th qtr 2003	\$64,276,692	\$48,008,507	\$57,933,430
1st qtr 2004	\$59,601,182	\$48,610,314	\$13,046,283
2nd qtr 2004	\$63,656,660	\$39,190,779	\$59,471,931
3rd qtr 2004	\$57,250,949	\$39,501,613	\$16,782,694
4th qtr 2004	\$71,100,716	\$40,485,016	\$43,446,411
1st qtr 2005	\$59,579,406	\$36,994,120	\$97,688,241
2nd qtr 2005	\$56,230,850	\$37,217,878	\$32,123,365
3rd qtr 2005	\$51,108,883	\$42,466,267	\$36,337,905
4th qtr 2005	\$47,688,104	\$38,393,965	\$36,773,871
1st qtr 2006	\$55,287,591	\$43,417,571	\$16,986,885
2nd qtr 2006	\$53,027,882	\$34,740,247	\$26,098,985
3rd qtr 2006	\$65,733,209	\$41,416,463	\$7,433,214
4th qtr 2006	\$51,262,901	\$45,678,312	(\$3,974,498)

EARNED TO INCURRED LOSS RATIO BY YEAR

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

Year	Loss Ratio
1995	113.4%
1996	178.0%
1997	60.4%
1998	90.4%
1999	68.3%
2000	104.4%
2001	201.3%
2002	275.2%
2003	219.9%
2004	138.3%
2005	35.9%
2006	26.3%

General Liability

There were 134 groups, 309 companies, that had direct written premium for General Liability in the fourth quarter of 2006, as compared to 143 groups, 324 companies, in the fourth quarter of 2005.

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

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR GENERAL LIABILITY

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 4thQuarter 2006	% Change 4thQuarter 2005 to 2006	4 Quarters Ending 4thQtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	American International Group	22.81%	\$103,709,035	20.69%	\$458,041,654	14.63%
2	Zurich Insurance Group	9.56%	\$41,275,225	(12.87%)	\$191,978,107	9.00%
3	St. Paul Travelers Group	8.35%	\$43,549,685	(4.77%)	\$167,666,264	4.96%
4	ACE Ltd.	6.91%	\$30,114,688	149.96%	\$138,761,986	(1.55%)
5	American Financial Group	4.98%	\$14,943,484	(41.43%)	\$99,925,515	(2.83%)
6	Hartford Fire & Casualty Group	4.76%	\$27,853,003	135.77%	\$95,646,813	129.18%
7	CNA Insurance Group	3.26%	\$14,742,328	(14.09%)	\$65,511,809	0.17%
8	Liberty Mutual Group	3.04%	\$18,920,494	34.76%	\$60,994,283	7.51%
9	Chubb & Son Inc.	2.73%	\$12,463,280	(22.50%)	\$54,898,640	0.34%
10	Dallas General Group	2.41%	\$13,398,694	338.54%	\$48,460,634	98.56%
11	Alleghany Group	1.73%	\$9,327,779	(9.78%)	\$34,715,886	(3.07%)
12	State Farm IL	1.58%	\$7,263,459	24.69%	\$31,735,721	19.31%
13	Texas Lawyers Insurance Exchange	1.36%	\$5,404,722	1.13%	\$27,306,411	(6.75%)
14	Allianz Insurance Group	1.18%	\$6,696,901	5.90%	\$23,777,982	0.15%
15	Arch Insurance Group	1.07%	\$8,020,010	10.47%	\$21,517,339	(10.10%)
16	Unitrin Group	1.00%	\$5,506,501	88.62%	\$20,092,249	50.37%
17	Old Republic Group	0.97%	\$5,102,593	14.43%	\$19,553,088	8.94%
18	Highmark Inc.	0.97%	\$5,157,526	17.80%	\$19,514,204	6.85%
19	Nationwide Corp.	0.96%	\$6,123,236	19.33%	\$19,238,248	30.31%
20	Ohio Casualty Group	0.93%	\$4,510,803	(4.64%)	\$18,740,161	0.21%
21	Maguire Corp. Group	0.84%	\$7,467,153	177.47%	\$16,829,010	40.26%
22	Swiss Re Group	0.82%	\$1,020,704	(83.95%)	\$16,483,286	35.04%
23	United Fire & Casualty Group	0.75%	\$3,549,239	16.71%	\$15,155,509	5.30%
24	Federated Mutual	0.75%	\$2,876,202	(4.82%)	\$15,040,996	7.89%
25	EMC Insurance Company	0.74%	\$3,858,380	15.90%	\$14,917,146	16.76%

Top 25 Groups Total	84.48%	\$402,855,124	13.83%	\$1,696,502,941	12.35%
----------------------------	---------------	----------------------	---------------	------------------------	---------------

Total Market	100.00%	\$481,713,438	13.71%	\$2,008,194,997	11.47%
---------------------	----------------	----------------------	---------------	------------------------	---------------

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 2001	\$235,390,831	\$360,813,794	\$63,102,021
1st qtr 2002	\$449,177,034	\$460,594,022	\$225,467,551
2nd qtr 2002	\$392,164,368	\$346,584,414	\$245,038,500
3rd qtr 2002	\$293,763,572	\$350,566,838	\$223,245,817
4th qtr 2002	\$296,230,398	\$371,238,580	\$293,588,970
1st qtr 2003	\$473,722,924	\$473,509,831	\$339,023,171
2nd qtr 2003	\$460,000,875	\$450,544,223	\$207,970,445
3rd qtr 2003	\$471,126,731	\$482,640,180	\$269,465,874
4th qtr 2003	\$412,727,499	\$436,933,412	\$393,534,154
1st qtr 2004	\$493,759,655	\$493,758,137	\$285,017,073
2nd qtr 2004	\$467,058,967	\$424,331,005	\$187,188,675
3rd qtr 2004	\$452,021,439	\$441,580,967	\$238,041,282
4th qtr 2004	\$473,414,898	\$425,215,480	\$302,351,456
1st qtr 2005	\$528,494,689	\$446,829,044	\$239,281,520
2nd qtr 2005	\$433,621,815	\$432,710,837	\$233,189,003
3rd qtr 2005	\$426,986,451	\$498,301,487	\$205,392,237
4th qtr 2005	\$429,159,506	\$423,634,799	\$287,946,218
1st qtr 2006	\$421,696,238	\$446,246,301	\$213,971,187
2nd qtr 2006	\$505,876,407	\$491,526,564	\$195,131,093
3rd qtr 2006	\$496,580,231	\$588,708,694	\$251,085,318
4th qtr 2006	\$446,838,771	\$481,713,438	\$373,533,228

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>
1995	96.7%
1996	99.0%
1997	51.8%
1998	58.6%
1999	63.8%
2000	74.1%
2001	74.4%
2002	114.5%
2003	77.0%
2004	74.8%
2005	77.6%
2006	52.3%

Commercial Fire & Allied

There were 78 groups, 167 companies, that had direct written premium for Commercial Fire & Allied in the fourth quarter of 2006, as compared to 76 groups, 168 companies, in the fourth quarter of 2005.

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

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR COMMERCIAL FIRE & ALLIED

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 4thQuarter 2006	% Change 4thQuarter 2005 to 2006	4 Quarters Ending 4thQtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	FM Global Group	17.01%	\$34,681,081	23.83%	\$134,363,262	35.64%
2	St. Paul Travelers Group	13.39%	\$25,555,104	7.13%	\$105,784,893	(2.09%)
3	Texas Windstorm Insurance Association	9.73%	\$25,361,614	192.71%	\$76,847,921	114.78%
4	Liberty Mutual Group	6.76%	\$13,188,348	46.61%	\$53,418,737	66.11%
5	Zurich Insurance Group	6.69%	\$9,134,856	70.27%	\$52,870,290	63.22%
6	Fairfax Financial	5.77%	\$11,589,284	12.30%	\$45,536,627	59.01%
7	XL America	4.15%	\$5,090,781	(17.19%)	\$32,780,750	27.27%
8	Allianz Insurance Group	4.09%	\$5,981,183	36.61%	\$32,333,646	12.34%
9	American International Group	3.66%	\$6,824,672	11.06%	\$28,874,523	40.12%
10	CNA Insurance Group	3.31%	\$5,273,207	3.29%	\$26,174,464	27.58%
11	Alleghany Group	2.82%	\$6,647,183	(35.61%)	\$22,272,399	(32.17%)
12	United Fire & Casualty Group	2.58%	\$4,958,418	16.69%	\$20,374,686	7.35%
13	Swiss Re Group	2.16%	\$2,878,360	0.78%	\$17,070,424	110.10%
14	Unitrin Group	1.73%	\$3,285,814	35.63%	\$13,701,694	11.07%
15	Hartford Fire & Casualty Group	1.23%	\$2,852,543	(47.16%)	\$9,725,281	(43.68%)
16	Sentry Insurance Group	1.23%	\$2,177,821	7.92%	\$9,725,094	10.51%
17	Federated Mutual	1.21%	\$2,032,397	(8.96%)	\$9,554,152	(2.12%)
18	Safeco Insurance Group	1.05%	\$2,285,035	22.97%	\$8,313,050	12.04%
19	AXIS Capital Group	1.02%	\$3,065,445	(5.46%)	\$8,020,877	0.82%
20	Texas Farm Bureau Mutual	0.94%	\$1,755,300	4.16%	\$7,414,200	7.65%
21	ACE Ltd.	0.81%	\$453,677	(83.43%)	\$6,423,046	(29.79%)
22	American Modern Insurance Group	0.74%	\$1,546,849	0.17%	\$5,858,276	(1.06%)
23	EMC Insurance Company	0.62%	\$47,851	(96.89%)	\$4,911,800	(20.22%)
24	Republic Companies Group	0.59%	\$706,111	58.27%	\$4,671,267	95.71%
25	Central Mutual Insurance Company of Ohio	0.58%	\$1,301,919	23.87%	\$4,553,058	23.45%

Top 25 Groups Total	93.90%	\$178,674,853	18.65%	\$741,574,417	25.82%
----------------------------	---------------	----------------------	---------------	----------------------	---------------

Total Market	100.00%	\$190,804,225	16.11%	\$789,781,907	25.13%
---------------------	----------------	----------------------	---------------	----------------------	---------------

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 2001	\$110,652,458	\$136,274,047	\$106,360,613
1st qtr 2002	\$121,765,027	\$144,529,151	\$87,595,818
2nd qtr 2002	\$142,072,436	\$147,304,541	\$101,597,550
3rd qtr 2002	\$142,288,616	\$173,299,909	\$50,900,077
4th qtr 2002	\$149,281,329	\$175,544,341	\$63,757,351
1st qtr 2003	\$150,575,522	\$150,510,180	\$52,417,619
2nd qtr 2003	\$149,459,207	\$154,045,193	\$73,322,891
3rd qtr 2003	\$156,429,967	\$166,651,464	\$85,200,157
4th qtr 2003	\$157,575,182	\$194,283,221	\$60,940,889
1st qtr 2004	\$134,224,476	\$144,604,148	\$86,505,791
2nd qtr 2004	\$139,660,137	\$143,999,941	\$44,266,295
3rd qtr 2004	\$149,274,509	\$158,633,773	\$64,946,351
4th qtr 2004	\$159,276,932	\$149,694,785	\$41,045,200
1st qtr 2005	\$131,595,520	\$140,498,795	\$39,127,065
2nd qtr 2005	\$142,548,701	\$166,400,075	\$97,172,178
3rd qtr 2005	\$126,386,251	\$159,953,424	\$92,935,446
4th qtr 2005	\$135,073,221	\$164,333,350	\$149,287,503
1st qtr 2006	\$142,987,428	\$174,639,020	\$182,333,401
2nd qtr 2006	\$183,247,499	\$210,583,956	\$195,511,527
3rd qtr 2006	\$170,261,627	\$213,754,706	\$169,009,779
4th qtr 2006	\$156,505,914	\$190,804,225	\$155,949,921

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>
1995	97.1%
1996	49.9%
1997	38.3%
1998	57.4%
1999	53.1%
2000	81.9%
2001	107.7%
2002	55.8%
2003	48.9%
2004	32.4%
2005	109.7%
2006	39.7%

Commercial Multiple Peril

There were 79 groups, 190 companies, that had direct written premium for Commercial Multiple Peril in the fourth quarter of 2006, as compared to 83 groups, 200 companies, in the fourth quarter of 2005.

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

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR COMMERCIAL MULTIPLE PERIL

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 4thQuarter 2006	% Change 4thQuarter 2005 to 2006	4 Quarters Ending 4thQtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	Zurich Insurance Group	11.76%	\$46,018,244	(0.61%)	\$195,542,783	5.98%
2	St. Paul Travelers Group	11.36%	\$46,660,648	(0.75%)	\$188,920,237	3.70%
3	Hartford Fire & Casualty Group	9.08%	\$39,433,227	22.44%	\$150,952,039	21.24%
4	Liberty Mutual Group	5.63%	\$17,822,416	(5.58%)	\$93,614,053	38.62%
5	Chubb & Son Inc.	5.33%	\$21,338,022	23.34%	\$88,680,109	5.32%
6	CNA Insurance Group	5.32%	\$23,088,319	2.14%	\$88,521,531	1.63%
7	Safeco Insurance Group	4.14%	\$17,893,216	9.17%	\$68,816,460	9.65%
8	State Farm IL	4.11%	\$16,386,844	7.26%	\$68,348,967	5.10%
9	Nationwide Corp.	3.83%	\$19,689,788	39.71%	\$63,648,664	40.21%
10	ACE Ltd.	3.50%	\$12,697,244	165.20%	\$58,220,865	143.33%
11	Allianz Insurance Group	3.31%	\$15,154,973	35.55%	\$55,076,680	32.07%
12	Maguire Corp. Group	3.25%	\$10,099,225	(15.97%)	\$54,050,450	14.73%
13	Church Mutual Insurance Company	3.04%	\$11,781,113	12.18%	\$50,505,659	7.48%
14	WR Berkley Corp.	2.45%	\$9,654,272	(4.28%)	\$40,760,761	(0.38%)
15	Republic Companies Group	2.07%	\$9,010,839	21.67%	\$34,381,926	12.01%
16	Guideone Insurance Group	1.83%	\$7,058,399	(6.61%)	\$30,350,765	(2.23%)
17	Amerisure Company	1.79%	\$7,148,923	9.81%	\$29,707,526	14.58%
18	Allstate Insurance Group	1.67%	\$6,282,281	(11.20%)	\$27,846,888	(5.53%)
19	Ohio Casualty Group	1.54%	\$6,609,542	7.32%	\$25,589,528	3.18%
20	Old Republic Group	1.44%	\$5,294,061	(11.71%)	\$24,009,655	(3.77%)
21	Central Mutual Insurance Company Ohio	1.44%	\$6,114,764	8.43%	\$23,926,477	2.61%
22	American International Group	0.98%	\$4,561,124	25.96%	\$16,317,935	16.78%
23	Allmerica Financial Group	0.96%	\$3,958,056	(0.39%)	\$15,981,891	17.99%
24	American Financial Group	0.87%	\$1,781,495	21.18%	\$14,510,879	37.23%
25	American Hallmark Ins. Company of Texas	0.86%	\$4,236,676	11.94%	\$14,267,790	142.71%
Top 25 Groups Total		91.58%	\$369,773,711	9.46%	\$1,522,550,518	13.79%
Total Market		100.00%	\$404,899,288	9.83%	\$1,662,611,073	13.39%

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 2001	\$279,841,512	\$321,838,153	\$219,799,574
1st qtr 2002	\$294,721,061	\$330,504,083	\$175,072,730
2nd qtr 2002	\$298,739,904	\$277,160,208	\$182,769,240
3rd qtr 2002	\$302,860,146	\$332,693,541	\$215,367,089
4th qtr 2002	\$325,691,823	\$343,217,776	\$159,953,409
1st qtr 2003	\$312,373,288	\$323,997,599	\$197,453,601
2nd qtr 2003	\$310,339,353	\$335,111,601	\$197,135,720
3rd qtr 2003	\$317,313,938	\$334,740,459	\$202,029,594
4th qtr 2003	\$322,146,304	\$375,868,718	\$173,532,706
1st qtr 2004	\$319,759,466	\$347,252,304	\$136,183,192
2nd qtr 2004	\$316,652,533	\$344,012,546	\$151,816,651
3rd qtr 2004	\$319,893,569	\$353,710,833	\$149,406,964
4th qtr 2004	\$413,998,130	\$364,497,009	\$147,217,410
1st qtr 2005	\$347,173,478	\$353,804,319	\$128,881,468
2nd qtr 2005	\$360,167,502	\$372,484,461	\$145,118,895
3rd qtr 2005	\$364,455,186	\$371,387,386	\$143,782,433
4th qtr 2005	\$348,682,107	\$368,645,363	\$242,997,366
1st qtr 2006	\$363,225,947	\$393,741,158	\$217,202,768
2nd qtr 2006	\$399,021,376	\$428,002,464	\$213,502,320
3rd qtr 2006	\$403,480,584	\$435,968,163	\$190,725,911
4th qtr 2006	\$385,264,510	\$404,899,288	\$192,586,790

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>
1995	97.5%
1996	59.0%
1997	54.1%
1998	51.2%
1999	67.1%
2000	89.8%
2001	85.6%
2002	59.8%
2003	58.0%
2004	47.0%
2005	69.4%
2006	45.4%

Private Passenger Auto (All Companies, All Coverages)

There were 70 groups, 171 companies, that had direct written premium for Private Passenger Auto in the fourth quarter of 2006, as compared to 66 groups, 186 companies, in the fourth quarter of 2005.

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

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRIVATE PASSENGER AUTO

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 4thQuarter 2006	% Change 4thQuarter 2005 to 2006	4 Quarters Ending 4thQtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	State Farm IL	21.50%	\$585,989,186	(2.62%)	\$2,500,933,937	0.39%
2	Allstate Insurance Group	14.60%	\$416,724,258	(2.49%)	\$1,698,445,481	(1.66%)
3	Zurich Insurance Group	12.57%	\$358,798,054	4.20%	\$1,462,232,848	(1.22%)
4	Progressive Group	8.07%	\$214,045,505	(4.65%)	\$938,804,890	(4.88%)
5	Berkshire Hathaway	5.82%	\$165,220,488	17.93%	\$677,313,938	20.41%
6	United Services Automobile Assn. Group	5.48%	\$144,350,946	(1.71%)	\$637,890,265	5.07%
7	Old American County Mutual Fire Ins. Co.	3.64%	\$101,529,700	(16.77%)	\$423,608,039	(25.98%)
8	Southern Farm Bureau Casualty	3.31%	\$93,518,339	(0.93%)	\$385,473,318	(0.54%)
9	Nationwide Corp.	3.28%	\$90,707,193	(3.47%)	\$381,646,258	(3.52%)
10	Home State Insurance Group	2.71%	\$71,734,957	(5.13%)	\$314,996,743	(7.16%)
11	Titus Group	2.35%	\$63,306,486	6.54%	\$273,914,055	14.84%
12	Safeco Insurance Group	1.62%	\$45,519,136	(4.32%)	\$188,782,571	(3.86%)
13	Loya Group	1.53%	\$57,875,234	*	\$177,935,784	*
14	Unitrin Group	1.52%	\$45,710,773	21.55%	\$177,206,574	16.09%
15	Liberty Mutual Group	1.30%	\$37,099,897	14.77%	\$151,554,385	6.97%
16	Republic Companies Group	1.28%	\$38,849,621	11.58%	\$148,369,592	13.39%
17	American International Group	1.06%	\$55,023,005	200.76%	\$123,077,174	131.02%
18	Interins Exchange of the Automobile Club	0.79%	\$22,840,831	18.30%	\$92,463,121	16.26%
19	Mercury General Group	0.79%	\$21,021,330	(8.71%)	\$91,828,961	(7.12%)
20	St. Paul Travelers Group	0.65%	\$16,137,735	(19.08%)	\$75,206,488	(20.42%)
21	Metropolitan Group	0.56%	\$16,146,063	19.58%	\$64,762,760	19.24%
22	Germania Insurance Group	0.52%	\$14,123,168	11.95%	\$61,018,336	9.11%
23	Sentry Insurance Group	0.50%	\$12,307,766	(6.93%)	\$58,672,393	(3.53%)
24	Texas State National Group	0.50%	\$12,093,365	(32.54%)	\$58,174,963	(47.82%)
25	Amica Mutual Group	0.46%	\$12,732,745	13.75%	\$53,107,918	7.54%

Top 25 Groups Total	96.42%	\$2,713,405,781	3.11%	\$11,217,420,792	1.35%
----------------------------	---------------	------------------------	--------------	-------------------------	--------------

Total Market	100.00%	\$2,822,138,016	3.82%	\$11,634,316,692	1.63%
---------------------	----------------	------------------------	--------------	-------------------------	--------------

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

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 2001	\$2,448,928,343	\$2,320,483,155	\$1,687,667,681
1st qtr 2002	\$2,868,833,850	\$2,672,814,060	\$1,679,834,023
2nd qtr 2002	\$2,825,505,496	\$2,591,123,687	\$1,896,294,072
3rd qtr 2002	\$3,001,045,878	\$2,749,095,031	\$1,679,170,055
4th qtr 2002	\$2,773,416,367	\$2,457,170,529	\$1,688,163,691
1st qtr 2003	\$3,100,617,381	\$2,924,121,925	\$1,602,582,885
2nd qtr 2003	\$2,916,379,355	\$2,741,087,516	\$2,098,762,515
3rd qtr 2003	\$3,087,789,849	\$2,926,507,123	\$1,682,022,598
4th qtr 2003	\$2,850,599,167	\$2,735,086,984	\$1,638,953,802
1st qtr 2004	\$3,144,326,853	\$3,007,086,941	\$1,804,166,491
2nd qtr 2004	\$2,947,729,931	\$2,792,861,085	\$1,606,658,907
3rd qtr 2004	\$3,119,399,801	\$2,956,845,728	\$1,604,332,880
4th qtr 2004	\$2,900,265,185	\$2,728,013,653	\$1,595,587,508
1st qtr 2005	\$3,103,271,206	\$2,974,668,675	\$1,563,989,740
2nd qtr 2005	\$2,936,532,493	\$2,765,341,841	\$1,884,963,993
3rd qtr 2005	\$3,105,148,346	\$2,989,589,211	\$1,675,759,014
4th qtr 2005	\$2,895,029,366	\$2,718,222,529	\$1,653,167,287
1st qtr 2006	\$3,237,304,011	\$2,994,701,190	\$1,685,075,447
2nd qtr 2006	\$3,010,331,321	\$2,813,716,206	\$1,819,021,713
3rd qtr 2006	\$3,204,799,983	\$3,003,761,280	\$1,675,272,215
4th qtr 2006	\$2,997,424,763	\$2,822,138,016	\$1,715,432,603

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>
1995	72.3%
1996	62.9%
1997	58.7%
1998	60.8%
1999	66.6%
2000	74.9%
2001	78.2%
2002	66.8%
2003	67.6%
2004	54.4%
2005	58.4%
2006	58.5%

Private Passenger Auto (All Voluntary Liability)

There were 68 groups, 162 companies, that had voluntary liability (no assigned risk nor physical damage) direct written premium for Private Passenger Auto in the fourth quarter of 2006, as compared to 66 groups, 183 companies, in the fourth quarter of 2005.

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

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRIVATE PASSENGER AUTO

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 4thQuarter 2006	% Change 4thQuarter 2005 to 2006	4 Quarters Ending 4thQtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	State Farm IL	20.95%	\$315,882,081	(5.62%)	\$1,360,301,617	(2.18%)
2	Allstate Insurance Group	14.30%	\$232,104,317	(0.49%)	\$928,767,342	(1.99%)
3	Zurich Insurance Group	12.74%	\$200,534,984	3.93%	\$826,932,685	3.42%
4	Progressive Group	7.75%	\$114,224,683	(6.57%)	\$503,401,519	(6.38%)
5	Berkshire Hathaway	5.82%	\$91,282,576	15.08%	\$377,830,245	17.43%
6	United Services Automobile Assn. Group	5.59%	\$82,436,970	(1.15%)	\$363,135,912	4.74%
7	Old American County Mutual Fire Ins. Co.	4.29%	\$65,181,219	(16.60%)	\$278,331,611	(25.91%)
8	Nationwide Corp.	3.27%	\$49,178,904	(6.74%)	\$212,534,927	(4.66%)
9	Southern Farm Bureau Casualty	3.10%	\$48,588,222	(2.29%)	\$201,425,600	(1.75%)
10	Home State Insurance Group	2.82%	\$41,184,596	(7.03%)	\$183,354,762	(6.93%)
11	Titus Group	2.12%	\$31,890,669	11.34%	\$137,610,600	24.29%
12	Loya Group	1.95%	\$40,029,561	*	\$126,775,979	*
13	Safeco Insurance Group	1.60%	\$24,422,035	(10.36%)	\$104,178,592	(5.41%)
14	Unitrin Group	1.54%	\$25,902,775	20.17%	\$99,735,086	14.00%
15	Republic Companies Group	1.36%	\$22,986,904	23.97%	\$88,235,058	16.29%
16	Liberty Mutual Group	1.30%	\$20,491,238	13.80%	\$84,632,418	6.22%
17	Mercury General Group	0.80%	\$11,867,616	(8.09%)	\$51,624,701	(8.02%)
18	Interins Exchange of the Automobile Club	0.75%	\$11,945,010	17.13%	\$48,686,999	17.10%
19	American International Group	0.72%	\$8,988,612	(12.68%)	\$46,436,935	55.04%
20	Texas State National Group	0.67%	\$9,845,873	(23.51%)	\$43,436,030	(48.02%)
21	St. Paul Travelers Group	0.67%	\$9,226,202	(19.78%)	\$43,180,868	(21.01%)
22	Sentry Insurance Group	0.62%	\$8,472,475	(10.52%)	\$40,535,945	(5.06%)
23	Metropolitan Group	0.57%	\$9,099,392	19.16%	\$36,829,215	20.32%
24	Amica Mutual Group	0.51%	\$7,851,360	12.70%	\$32,892,137	7.45%
25	Germania Insurance Group	0.49%	\$7,374,076	9.42%	\$32,021,501	6.87%

Top 25 Groups Total	96.30%	\$1,490,992,350	1.20%	\$6,252,828,284	0.72%
----------------------------	---------------	------------------------	--------------	------------------------	--------------

Total Market	100.00%	\$1,552,817,090	1.87%	\$6,493,127,628	0.95%
---------------------	----------------	------------------------	--------------	------------------------	--------------

* 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
4th qtr 2001	\$1,379,295,208	\$1,305,335,597	\$970,029,517
1st qtr 2002	\$1,606,318,038	\$1,513,140,256	\$981,906,602
2nd qtr 2002	\$1,590,558,659	\$1,474,062,620	\$1,070,390,058
3rd qtr 2002	\$1,680,894,368	\$1,546,620,167	\$962,685,922
4th qtr 2002	\$1,554,205,465	\$1,364,681,127	\$949,408,579
1st qtr 2003	\$1,748,560,932	\$1,649,198,567	\$930,288,533
2nd qtr 2003	\$1,635,686,421	\$1,545,253,717	\$940,676,080
3rd qtr 2003	\$1,736,176,675	\$1,646,201,715	\$947,133,974
4th qtr 2003	\$1,597,308,702	\$1,540,237,588	\$949,002,521
1st qtr 2004	\$1,778,736,180	\$1,694,026,366	\$1,170,500,420
2nd qtr 2004	\$1,657,819,149	\$1,568,037,833	\$927,789,409
3rd qtr 2004	\$1,751,591,077	\$1,657,373,307	\$934,579,333
4th qtr 2004	\$1,645,319,107	\$1,553,468,955	\$951,410,649
1st qtr 2005	\$1,766,455,541	\$1,686,982,703	\$923,428,190
2nd qtr 2005	\$1,638,765,846	\$1,563,745,477	\$1,124,509,875
3rd qtr 2005	\$1,747,242,711	\$1,656,707,946	\$978,989,204
4th qtr 2005	\$1,636,150,324	\$1,524,298,123	\$936,367,719
1st qtr 2006	\$1,851,687,384	\$1,684,045,515	\$975,584,216
2nd qtr 2006	\$1,691,843,890	\$1,574,483,210	\$963,181,981
3rd qtr 2006	\$1,813,421,088	\$1,681,781,813	\$846,252,294
4th qtr 2006	\$1,689,436,358	\$1,552,817,090	\$985,427,753

Private Passenger Auto (All Assigned Risk)

There were 15 groups, 16 companies, that had assigned risk (no voluntary liability nor physical damage) direct written premium for Private Passenger Auto in the fourth quarter of 2006, as compared to 15 groups, 18 companies, in the fourth quarter of 2005.

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

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRIVATE PASSENGER AUTO

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 4thQuarter 2006	% Change 4thQuarter 2005 to 2006	4 Quarters Ending 4thQtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	State Farm IL	28.17%	\$521,897	(41.81%)	\$3,022,959	(33.59%)
2	White Mountains Group	21.06%	\$295,876	(3.90%)	\$2,260,597	(1.47%)
3	Allstate Insurance Group	11.12%	\$243,773	(38.45%)	\$1,193,259	(47.92%)
4	Zurich Insurance Group	10.26%	\$182,161	(46.03%)	\$1,100,699	(42.20%)
5	American International Group	5.94%	\$149,500	(52.24%)	\$637,962	(60.48%)
6	Southern Farm Bureau Casualty	5.79%	\$99,128	(61.61%)	\$621,877	(31.32%)
7	Berkshire Hathaway	4.46%	\$104,869	(36.94%)	\$478,821	(22.07%)
8	Nationwide Corp.	3.75%	\$53,897	(20.68%)	\$402,385	(18.79%)
9	Kingsway Group	3.13%	\$40,724	*	\$335,499	*
10	Safeco Insurance Group	1.94%	\$25,124	(62.29%)	\$208,436	(40.26%)
11	St. Paul Travelers Group	1.52%	\$34,812	(45.39%)	\$162,786	(38.72%)
12	Liberty Mutual Group	1.36%	\$30,774	(41.34%)	\$145,770	(44.27%)
13	Mercury General Group	0.97%	\$28,986	1.28%	\$104,250	13.17%
14	Home State Insurance Group	0.53%	(\$1,491)	(104.22%)	\$56,385	(88.96%)
15	Service Life Group	0.00%	\$0	*	\$240	(92.59%)
16	Ameriprise Financial Group	0.00%	\$0	(100.00%)	(\$6)	99.85%

Top Groups Total	100.00%	\$1,810,030	(39.49%)	\$10,731,919	(33.55%)
-------------------------	----------------	--------------------	-----------------	---------------------	-----------------

Total Market	100.00%	\$1,810,030	(39.49%)	\$10,731,919	(33.55%)
---------------------	----------------	--------------------	-----------------	---------------------	-----------------

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

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 2001	\$8,829,104	\$5,584,345	\$4,363,346
1st qtr 2002	\$9,794,574	\$7,502,321	\$4,586,255
2nd qtr 2002	\$10,741,534	\$8,026,375	\$4,805,222
3rd qtr 2002	\$11,502,967	\$8,446,502	\$4,706,617
4th qtr 2002	\$11,768,796	\$8,289,878	\$5,585,323
1st qtr 2003	\$13,353,726	\$10,175,717	\$6,003,752
2nd qtr 2003	\$13,825,070	\$9,966,442	\$6,648,031
3rd qtr 2003	\$13,653,011	\$9,654,128	\$6,201,386
4th qtr 2003	\$12,535,481	\$8,767,404	\$6,042,045
1st qtr 2004	\$14,161,892	\$9,411,287	\$5,871,602
2nd qtr 2004	\$10,987,812	\$6,444,568	\$5,541,173
3rd qtr 2004	\$9,995,822	\$5,583,538	\$6,672,840
4th qtr 2004	\$7,198,957	\$4,860,681	\$4,665,648
1st qtr 2005	\$8,862,413	\$5,933,005	\$4,635,125
2nd qtr 2005	\$6,826,404	\$3,728,229	\$2,971,067
3rd qtr 2005	\$6,106,080	\$3,497,978	\$3,717,430
4th qtr 2005	\$5,558,905	\$2,991,348	\$3,120,298
1st qtr 2006	\$5,259,122	\$3,849,816	\$3,109,521
2nd qtr 2006	\$3,881,898	\$2,509,235	\$2,414,931
3rd qtr 2006	\$4,001,003	\$2,562,838	\$2,276,977
4th qtr 2006	\$3,221,996	\$1,810,030	\$2,517,631

Private Passenger Auto (All Physical Damage)

There were 68 groups, 161 companies, that had physical damage (no voluntary liability nor assigned risk) direct written premium for Private Passenger Auto in the fourth quarter of 2006, as compared to 64 groups, 177 companies, in the fourth quarter of 2005.

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

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRIVATE PASSENGER AUTO

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 4thQuarter 2006	% Change 4thQuarter 2005 to 2006	4 Quarters Ending 4thQtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	State Farm IL	22.17%	\$269,585,208	1.27%	\$1,137,609,361	3.80%
2	Allstate Insurance Group	14.98%	\$184,376,168	(4.82%)	\$768,484,880	(1.13%)
3	Zurich Insurance Group	12.36%	\$158,080,909	4.67%	\$634,199,464	(6.57%)
4	Progressive Group	8.49%	\$99,820,822	(2.34%)	\$435,403,371	(3.09%)
5	Berkshire Hathaway	5.83%	\$73,833,043	21.80%	\$299,004,872	24.50%
6	United Services Automobile Assn. Group	5.36%	\$61,913,976	(2.46%)	\$274,754,353	5.52%
7	Southern Farm Bureau Casualty	3.58%	\$44,830,989	0.95%	\$183,425,841	0.97%
8	Nationwide Corp.	3.29%	\$41,474,392	0.76%	\$168,708,946	(2.01%)
9	Old American County Mutual Fire Ins. Co.	2.83%	\$36,348,481	(17.08%)	\$145,276,428	(26.12%)
10	Titus Group	2.66%	\$31,415,817	2.06%	\$136,303,455	6.65%
11	Home State Insurance Group	2.56%	\$30,551,852	(2.32%)	\$131,585,596	(7.20%)
12	Safeco Insurance Group	1.64%	\$21,071,977	3.99%	\$84,395,543	(1.72%)
13	Unitrin Group	1.51%	\$19,807,998	23.41%	\$77,471,488	18.90%
14	American International Group	1.48%	\$45,884,893	496.92%	\$76,002,277	250.07%
15	Liberty Mutual Group	1.30%	\$16,577,885	16.19%	\$66,776,197	8.15%
16	Republic Companies Group	1.17%	\$15,862,717	(2.53%)	\$60,134,534	9.39%
17	Loya Group	1.00%	\$17,845,673	*	\$51,159,805	*
18	Interins Exchange of the Automobile Club	0.85%	\$10,895,821	19.61%	\$43,776,122	15.34%
19	Mercury General Group	0.78%	\$9,124,728	(9.52%)	\$40,100,010	(5.98%)
20	St. Paul Travelers Group	0.62%	\$6,876,721	(17.91%)	\$31,862,834	(19.49%)
21	Germania Insurance Group	0.57%	\$6,749,092	14.85%	\$28,996,835	11.69%
22	Metropolitan Group	0.54%	\$7,046,671	20.14%	\$27,933,545	17.84%
23	Amica Mutual Group	0.39%	\$4,881,385	15.49%	\$20,215,781	7.67%
24	Hartford Fire & Casualty Group	0.38%	\$4,285,559	(19.24%)	\$19,554,661	(20.26%)
25	Sentry Insurance Group	0.35%	\$3,835,291	2.12%	\$18,136,448	0.08%

Top 25 Groups Total	96.70%	\$1,222,978,068	5.81%	\$4,961,272,647	2.45%
----------------------------	---------------	------------------------	--------------	------------------------	--------------

Total Market	100.00%	\$1,267,510,896	6.43%	\$5,130,457,145	2.61%
---------------------	----------------	------------------------	--------------	------------------------	--------------

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

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 2001	\$1,060,804,031	\$1,009,563,213	\$713,274,818
1st qtr 2002	\$1,252,721,238	\$1,152,171,483	\$693,341,166
2nd qtr 2002	\$1,224,205,303	\$1,109,034,692	\$821,098,792
3rd qtr 2002	\$1,308,648,543	\$1,194,028,362	\$711,777,516
4th qtr 2002	\$1,207,442,106	\$1,084,199,524	\$733,169,789
1st qtr 2003	\$1,338,702,723	\$1,264,747,641	\$666,290,600
2nd qtr 2003	\$1,266,867,864	\$1,185,867,357	\$1,151,438,404
3rd qtr 2003	\$1,337,960,163	\$1,270,651,280	\$728,687,238
4th qtr 2003	\$1,240,754,984	\$1,186,081,992	\$683,909,236
1st qtr 2004	\$1,351,428,781	\$1,303,649,288	\$627,794,469
2nd qtr 2004	\$1,278,922,970	\$1,218,378,684	\$673,328,325
3rd qtr 2004	\$1,357,812,902	\$1,293,888,883	\$663,080,707
4th qtr 2004	\$1,247,747,121	\$1,169,684,017	\$639,511,211
1st qtr 2005	\$1,327,953,252	\$1,281,752,967	\$635,926,425
2nd qtr 2005	\$1,290,940,243	\$1,197,868,135	\$757,483,051
3rd qtr 2005	\$1,351,799,555	\$1,329,383,287	\$693,052,380
4th qtr 2005	\$1,253,320,137	\$1,190,933,058	\$713,679,270
1st qtr 2006	\$1,380,357,505	\$1,306,805,859	\$706,381,710
2nd qtr 2006	\$1,314,605,533	\$1,236,723,761	\$853,424,801
3rd qtr 2006	\$1,387,377,892	\$1,319,416,629	\$826,742,944
4th qtr 2006	\$1,304,766,409	\$1,267,510,896	\$727,487,310

Homeowners Multiple Peril (All Companies)

There were 59 groups, 95 companies, that had premiums on policies written for Homeowners Multiple Peril (includes renters' insurance) in the fourth quarter of 2006, as compared to 63 groups, 101 companies, in the fourth quarter of 2005.

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

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR HOMEOWNERS MULTIPLE PERIL

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 4thQuarter 2006	% Change 4thQuarter 2005 to 2006	4 Quarters Ending 4thQtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	State Farm IL	28.40%	\$319,644,647	5.66%	\$1,362,286,015	5.14%
2	Allstate Insurance Group	15.97%	\$179,706,926	(7.15%)	\$766,045,473	(5.61%)
3	Zurich Insurance Group	12.46%	\$119,878,768	(3.07%)	\$597,465,274	14.13%
4	United Services Automobile Assn. Group	7.56%	\$84,163,108	9.78%	\$362,666,842	9.18%
5	St. Paul Travelers Group	5.84%	\$63,043,326	4.24%	\$280,316,513	9.56%
6	Nationwide Corp.	4.03%	\$45,648,040	9.54%	\$193,131,278	7.06%
7	Texas Farm Bureau Mutual	2.68%	\$27,723,703	18.22%	\$128,538,150	15.31%
8	Chubb & Son Inc.	2.42%	\$29,023,484	1.71%	\$115,949,564	0.70%
9	Liberty Mutual Group	1.91%	\$22,092,648	9.35%	\$91,756,379	7.75%
10	Hartford Fire & Casualty Group	1.63%	\$19,326,258	14.27%	\$78,241,402	33.41%
11	Republic Companies Group	1.48%	\$11,498,005	(2.49%)	\$70,825,821	49.05%
12	Safeco Insurance Group	1.31%	\$14,395,896	35.85%	\$62,929,252	28.39%
13	NLASCO	1.05%	\$12,076,971	(5.29%)	\$50,438,522	(5.50%)
14	Texas Fair Plan Association	1.00%	\$11,388,941	30.64%	\$47,877,474	(3.00%)
15	ARX Holding Corp. Group	0.98%	\$11,695,867	26.88%	\$47,158,145	38.24%
16	Amica Mutual Group	0.95%	\$10,116,044	(5.16%)	\$45,464,464	(2.69%)
17	Vesta Insurance Group	0.86%	\$0	(100.00%)	\$41,137,594	(77.59%)
18	Interins Exchange of the Automobile Club	0.76%	\$8,942,669	16.97%	\$36,304,401	19.58%
19	Cypress Holdings Group	0.73%	\$8,675,846	24.20%	\$34,996,041	30.91%
20	Unitrin Group	0.73%	\$7,220,161	(12.11%)	\$34,899,833	(1.43%)
21	Texas State National Group	0.61%	\$6,359,360	122.02%	\$29,175,387	468.60%
22	American National Financial Group	0.60%	\$6,130,908	(16.44%)	\$28,591,260	(13.11%)
23	Allianz Insurance Group	0.53%	\$6,649,223	(0.75%)	\$25,328,843	0.01%
24	Metropolitan Group	0.52%	\$5,384,889	8.03%	\$25,014,017	38.63%
25	Colonial Savings Group	0.45%	\$5,808,908	20.28%	\$21,662,955	31.26%

Top 25 Groups Total	95.46%	\$1,036,594,596	(0.67%)	\$4,578,200,899	3.49%
----------------------------	---------------	------------------------	----------------	------------------------	--------------

Total Market	100.00%	\$1,079,625,873	(0.42%)	\$4,796,111,745	4.46%
---------------------	----------------	------------------------	----------------	------------------------	--------------

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 2001	\$841,023,405	\$810,336,096	\$801,350,605
1st qtr 2002	\$1,014,695,847	\$937,862,631	\$877,653,109
2nd qtr 2002	\$1,332,392,207	\$1,199,465,123	\$1,230,023,431
3rd qtr 2002	\$1,315,122,445	\$1,170,560,367	\$1,032,308,999
4th qtr 2002	\$1,069,629,533	\$866,207,429	\$780,590,201
1st qtr 2003	\$1,076,518,514	\$955,798,410	\$592,842,440
2nd qtr 2003	\$1,394,667,461	\$1,234,667,479	\$1,265,565,377
3rd qtr 2003	\$1,363,295,561	\$1,229,850,588	\$656,718,201
4th qtr 2003	\$1,127,403,509	\$992,576,934	\$417,580,410
1st qtr 2004	\$1,054,104,798	\$957,201,670	\$342,798,532
2nd qtr 2004	\$1,321,221,143	\$1,211,261,069	\$404,637,138
3rd qtr 2004	\$1,353,624,923	\$1,223,961,659	\$429,572,002
4th qtr 2004	\$1,148,310,976	\$1,062,604,303	\$284,080,246
1st qtr 2005	\$1,080,593,528	\$999,413,785	\$279,275,465
2nd qtr 2005	\$1,360,884,551	\$1,253,169,617	\$445,858,432
3rd qtr 2005	\$1,369,785,140	\$1,254,536,726	\$348,938,521
4th qtr 2005	\$1,174,051,166	\$1,084,214,908	\$1,219,355,935
1st qtr 2006	\$1,128,452,630	\$1,009,011,346	\$584,031,392
2nd qtr 2006	\$1,394,547,262	\$1,278,875,097	\$592,083,806
3rd qtr 2006	\$1,552,505,276	\$1,428,599,429	\$411,614,519
4th qtr 2006	\$1,195,376,889	\$1,079,625,873	\$318,620,906

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>
1995	92.6%
1996	59.4%
1997	45.3%
1998	45.4%
1999	50.7%
2000	82.4%
2001	115.4%
2002	108.7%
2003	58.7%
2004	27.8%
2005	56.8%
2006	34.0%

Workers' Compensation (All Companies)

There were 91 groups, 223 companies, that had direct written premium for Workers' Compensation in the fourth quarter of 2006, as compared to 92 groups, 235 companies, in the fourth quarter of 2005.

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

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR WORKERS' COMPENSATION

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 4th Quarter 2006	% Change 4th Quarter 2005 to 2006	4 Quarters Ending 4th Qtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	Texas Mutual Insurance Company	26.62%	\$179,123,475	3.26%	\$743,095,200	5.86%
2	American International Group	16.61%	\$146,711,096	51.67%	\$463,685,102	25.46%
3	Liberty Mutual Group	10.18%	\$72,610,255	0.04%	\$284,086,475	17.44%
4	Zurich Insurance Group	6.97%	\$43,107,785	(10.05%)	\$194,566,390	(8.54%)
5	Hartford Fire & Casualty Group	6.83%	\$49,597,728	(43.77%)	\$190,570,506	(14.20%)
6	St. Paul Travelers Group	5.38%	\$45,326,051	3.81%	\$150,239,887	(4.24%)
7	ACE Ltd.	3.86%	\$24,655,914	(7.34%)	\$107,854,057	4.47%
8	CNA Insurance Group	2.89%	\$14,559,285	(23.95%)	\$80,682,101	(15.67%)
9	Old Republic Group	2.02%	\$13,266,546	(17.73%)	\$56,393,826	(6.41%)
10	Chubb & Son Inc.	1.84%	\$12,096,538	0.19%	\$51,386,654	(3.58%)
11	Service Life Group	1.67%	\$9,102,782	(2.00%)	\$46,588,573	(6.79%)
12	Amerisure Company	1.53%	\$11,874,785	(2.27%)	\$42,577,652	(0.95%)
13	Zenith National Insurance Group	1.41%	\$10,107,511	5.22%	\$39,283,311	14.25%
14	Amcomp Group	1.03%	\$6,959,925	(2.98%)	\$28,741,221	14.05%
15	Amerisafe Group	0.69%	\$6,499,262	97.89%	\$19,194,675	49.29%
16	Sentry Insurance Group	0.66%	\$5,380,252	(4.42%)	\$18,340,882	(21.04%)
17	Republic Companies Group	0.57%	\$4,795,299	36.56%	\$15,933,504	24.71%
18	Fairfax Financial	0.46%	\$3,518,056	12.76%	\$12,724,710	(3.74%)
19	Utica National Insurance Group	0.43%	\$2,649,350	(13.54%)	\$12,064,917	(4.28%)
20	Federated Mutual	0.43%	\$2,502,933	38.92%	\$11,920,864	11.77%
21	WR Berkley Corp.	0.40%	\$2,067,279	23.35%	\$11,280,479	3.96%
22	AON Corp.	0.39%	\$0	(100.00%)	\$11,009,731	189.24%
23	Unitrin Group	0.37%	\$2,818,469	10.72%	\$10,385,312	(0.63%)
24	EMC Insurance Company	0.36%	\$2,002,728	(16.91%)	\$9,913,090	(12.26%)
25	Arch Insurance Group	0.34%	\$3,713,112	184.19%	\$9,596,299	335.94%

Top 25 Groups Total	93.93%	\$675,046,416	1.71%	\$2,622,115,418	5.13%
----------------------------	---------------	----------------------	--------------	------------------------	--------------

Total Market	100.00%	\$714,860,599	1.25%	\$2,791,648,176	5.20%
---------------------	----------------	----------------------	--------------	------------------------	--------------

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 2001	\$617,545,100	\$634,497,498	\$308,549,397
1st qtr 2002	\$768,044,281	\$708,007,441	\$366,225,328
2nd qtr 2002	\$637,425,256	\$607,898,696	\$385,529,414
3rd qtr 2002	\$761,779,998	\$613,468,787	\$333,914,604
4th qtr 2002	\$680,249,951	\$651,709,895	\$432,491,023
1st qtr 2003	\$796,149,213	\$707,747,906	\$316,874,393
2nd qtr 2003	\$706,219,464	\$613,925,986	\$336,901,199
3rd qtr 2003	\$704,043,168	\$609,081,068	\$294,735,473
4th qtr 2003	\$707,896,917	\$660,639,744	\$243,790,651
1st qtr 2004	\$784,464,632	\$760,481,464	\$237,434,415
2nd qtr 2004	\$735,090,648	\$600,764,258	\$250,008,705
3rd qtr 2004	\$660,662,627	\$641,679,414	\$259,068,273
4th qtr 2004	\$677,655,366	\$637,502,857	\$208,172,067
1st qtr 2005	\$715,844,213	\$701,739,909	\$248,862,256
2nd qtr 2005	\$675,246,053	\$622,070,351	\$246,527,826
3rd qtr 2005	\$608,614,039	\$623,825,962	\$244,820,427
4th qtr 2005	\$653,492,954	\$706,051,732	\$213,953,112
1st qtr 2006	\$694,800,854	\$753,124,492	\$254,429,955
2nd qtr 2006	\$694,826,696	\$674,938,563	\$198,140,330
3rd qtr 2006	\$666,346,650	\$648,724,522	\$179,234,022
4th qtr 2006	\$678,477,452	\$714,860,599	\$201,918,096

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>
1995	61.3%
1996	68.5%
1997	72.9%
1998	70.7%
1999	79.5%
2000	78.3%
2001	89.2%
2002	74.2%
2003	68.0%
2004	51.3%
2005	57.0%
2006	50.6%

Workers' Compensation (Voluntary Market)

There were 91 groups, 223 companies, that had voluntary direct written premium for Workers' Compensation in the fourth quarter of 2006, as compared to 92 groups, 235 companies, in the fourth quarter of 2005.

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

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR WORKERS' COMPENSATION

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 4thQuarter 2006	% Change 4thQuarter 2005 to 2006	4 Quarters Ending 4thQtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	Texas Mutual Insurance Company	26.45%	\$178,747,249	3.97%	\$736,826,210	6.06%
2	American International Group	16.65%	\$146,711,096	51.67%	\$463,685,102	25.46%
3	Liberty Mutual Group	10.20%	\$72,610,255	0.04%	\$284,086,475	17.44%
4	Zurich Insurance Group	6.99%	\$43,107,785	(10.05%)	\$194,566,390	(8.54%)
5	Hartford Fire & Casualty Group	6.84%	\$49,597,728	(43.77%)	\$190,570,506	(14.20%)
6	St. Paul Travelers Group	5.39%	\$45,326,051	3.81%	\$150,239,887	(4.24%)
7	ACE Ltd.	3.87%	\$24,655,914	(7.34%)	\$107,854,057	4.47%
8	CNA Insurance Group	2.90%	\$14,559,285	(23.95%)	\$80,682,101	(15.67%)
9	Old Republic Group	2.02%	\$13,266,546	(17.73%)	\$56,393,826	(6.41%)
10	Chubb & Son Inc.	1.84%	\$12,096,538	0.19%	\$51,386,654	(3.58%)
11	Service Life Group	1.67%	\$9,102,782	(2.00%)	\$46,588,573	(6.79%)
12	Amerisure Company	1.53%	\$11,874,785	(2.27%)	\$42,577,652	(0.95%)
13	Zenith National Insurance Group	1.41%	\$10,107,511	5.22%	\$39,283,311	14.25%
14	Amcomp Group	1.03%	\$6,959,925	(2.98%)	\$28,741,221	14.05%
15	Amerisafe Group	0.69%	\$6,499,262	97.89%	\$19,194,675	49.29%
16	Sentry Insurance Group	0.66%	\$5,380,252	(4.42%)	\$18,340,882	(21.04%)
17	Republic Companies Group	0.57%	\$4,795,299	36.56%	\$15,933,504	24.71%
18	Fairfax Financial	0.46%	\$3,518,056	12.76%	\$12,724,710	(3.74%)
19	Utica National Insurance Group	0.43%	\$2,649,350	(13.54%)	\$12,064,917	(4.28%)
20	Federated Mutual	0.43%	\$2,502,933	38.92%	\$11,920,864	11.77%
21	WR Berkley Corp.	0.40%	\$2,067,279	23.35%	\$11,280,479	3.96%
22	AON Corp.	0.40%	\$0	(100.00%)	\$11,009,731	189.24%
23	Unitrin Group	0.37%	\$2,818,469	10.72%	\$10,385,312	(0.63%)
24	EMC Insurance Company	0.36%	\$2,002,728	(16.91%)	\$9,913,090	(12.26%)
25	Arch Insurance Group	0.34%	\$3,713,112	184.19%	\$9,596,299	335.94%

Top 25 Groups Total	93.91%	\$674,670,190	1.89%	\$2,615,846,428	5.18%
----------------------------	---------------	----------------------	--------------	------------------------	--------------

Total Market	100.00%	\$714,484,373	1.42%	\$2,785,379,186	5.31%
---------------------	----------------	----------------------	--------------	------------------------	--------------

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 2001	\$607,546,853	\$625,167,853	\$302,389,408
1st qtr 2002	\$756,668,020	\$698,242,878	\$356,803,688
2nd qtr 2002	\$630,083,340	\$600,654,771	\$375,966,560
3rd qtr 2002	\$755,284,146	\$607,423,784	\$324,696,510
4th qtr 2002	\$672,513,987	\$644,898,391	\$423,374,512
1st qtr 2003	\$789,303,161	\$702,878,917	\$312,423,735
2nd qtr 2003	\$698,820,581	\$607,330,529	\$332,424,290
3rd qtr 2003	\$697,425,752	\$605,434,822	\$290,359,509
4th qtr 2003	\$703,053,211	\$656,032,121	\$237,963,992
1st qtr 2004	\$775,143,328	\$751,980,050	\$235,457,643
2nd qtr 2004	\$730,500,348	\$595,579,582	\$246,761,999
3rd qtr 2004	\$657,718,545	\$640,473,143	\$251,277,710
4th qtr 2004	\$674,509,968	\$634,513,919	\$208,914,706
1st qtr 2005	\$712,653,851	\$699,498,680	\$245,859,536
2nd qtr 2005	\$672,084,966	\$620,520,059	\$245,070,604
3rd qtr 2005	\$606,964,507	\$620,411,714	\$242,926,580
4th qtr 2005	\$651,678,557	\$704,507,634	\$206,376,037
1st qtr 2006	\$692,527,666	\$750,940,446	\$252,870,063
2nd qtr 2006	\$692,414,073	\$672,738,070	\$196,644,999
3rd qtr 2006	\$665,177,777	\$647,216,297	\$177,407,261
4th qtr 2006	\$669,584,370	\$714,484,373	\$200,007,661

Workers' Compensation (Residual Market)

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

For the four quarters ending with the fourth quarter of 2006, the START program reported \$6,268,990 in direct premiums written. This accounted for 100% of all Residual Market experience reported and was a decrease of (13.60%) over the same period one year prior. Of this amount \$376,226 was written in the fourth quarter of 2006 which was a (75.63%) decrease from the fourth quarter of 2005.

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

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

QUARTERLY EXPERIENCE All Groups

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 2001	\$9,998,247	\$9,329,645	\$6,159,989
1st qtr 2002	\$11,376,261	\$9,764,563	\$9,421,640
2nd qtr 2002	\$7,341,916	\$7,243,925	\$9,562,854
3rd qtr 2002	\$6,495,852	\$6,045,003	\$9,218,094
4th qtr 2002	\$7,735,964	\$6,811,504	\$9,116,511
1st qtr 2003	\$6,846,052	\$4,868,989	\$4,450,658
2nd qtr 2003	\$7,398,883	\$6,595,457	\$4,476,909
3rd qtr 2003	\$6,617,416	\$3,646,246	\$4,375,964
4th qtr 2003	\$4,843,706	\$4,607,623	\$5,826,659
1st qtr 2004	\$9,321,304	\$8,501,414	\$1,976,772
2nd qtr 2004	\$4,590,300	\$5,184,676	\$3,246,706
3rd qtr 2004	\$2,944,082	\$1,206,271	\$7,790,563
4th qtr 2004	\$3,145,398	\$2,988,938	(\$742,639)
1st qtr 2005	\$3,190,362	\$2,241,229	\$3,002,720
2nd qtr 2005	\$3,161,087	\$1,550,292	\$1,457,222
3rd qtr 2005	\$1,649,532	\$3,414,248	\$1,893,847
4th qtr 2005	\$1,814,397	\$1,544,098	\$7,577,075
1st qtr 2006	\$2,273,188	\$2,184,046	\$1,559,892
2nd qtr 2006	\$2,412,623	\$2,200,493	\$1,495,331
3rd qtr 2006	\$1,001,792	\$1,508,225	\$1,826,761
4th qtr 2006	\$1,168,873	\$376,226	\$1,910,435

QUARTERLY EXPERIENCE
Texas Mutual Insurance Company

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 2001	\$9,998,247	\$9,235,306	\$1,904,944
1st qtr 2002	\$11,376,261	\$9,737,212	\$1,607,940
2nd qtr 2002	\$7,341,916	\$7,147,894	\$1,465,267
3rd qtr 2002	\$6,495,852	\$5,992,338	\$1,663,833
4th qtr 2002	\$7,735,964	\$6,597,702	\$1,440,169
1st qtr 2003	\$6,846,052	\$4,852,376	\$1,332,155
2nd qtr 2003	\$7,398,883	\$6,594,934	\$1,130,990
3rd qtr 2003	\$6,617,416	\$3,646,246	\$1,028,397
4th qtr 2003	\$4,843,706	\$4,607,100	\$1,046,307
1st qtr 2004	\$9,321,304	\$8,501,414	\$848,612
2nd qtr 2004	\$4,590,300	\$5,184,676	\$982,492
3rd qtr 2004	\$2,944,082	\$1,206,271	\$1,169,864
4th qtr 2004	\$3,145,398	\$2,988,938	\$1,217,504
1st qtr 2005	\$3,190,362	\$2,241,229	\$1,479,063
2nd qtr 2005	\$3,161,087	\$1,550,292	\$2,001,118
3rd qtr 2005	\$1,649,532	\$1,920,420	\$1,844,449
4th qtr 2005	\$1,814,397	\$1,544,098	\$2,346,245
1st qtr 2006	\$2,273,188	\$2,184,046	\$2,079,484
2nd qtr 2006	\$2,412,623	\$2,200,493	\$1,622,476
3rd qtr 2006	\$1,001,792	\$1,508,225	\$2,084,985
4th qtr 2006	\$1,168,873	\$376,226	\$2,093,003

Workers' Compensation (Deductible Plans)

There were 91 groups, 223 companies which wrote voluntary policies for Workers' Compensation in the fourth quarter of 2006, as compared to 92 groups, 235 companies in the fourth quarter of 2005.

The data contained in the following table represents direct policies written as new or renewal policies in the fourth quarter of 2006. The policies are adjusted to an annual basis (a six month policy is reported as 0.5). The premiums on direct policies written are total premiums (estimated if initial premium collected was a deposit or fourth installment premium).

It should be noted that the Total Premiums on Direct Policies Written After Deductible Credit as shown in the table on the following page will not equal the Total Direct Premiums Written on page 26. As referenced on page 2 of this report, Premiums on Policies Written captures the Direct Premiums Written in the designated quarter without adjustments for cancellations or endorsements and, therefore, may not match the written premium figures in the statutory Annual Statement. In contrast, Direct Premiums Written are reported using the same methods/rules used in completing the statutory Annual Statement.

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

WORKERS' COMPENSATION DEDUCTIBLE PLANS

	Policies Written 4th Qtr 2006	Premium on Direct Policies Written Prior to Deductible Credit	Premium on Direct Policies Written After Deductible Credit	Percent of Reduction in Premiums
Per Accident Deductible Plan				
Premium of \$5,000 - \$9,999	59	\$362,222	\$320,750	11.45%
Premium of \$10,000 - \$24,999	63	\$1,068,969	\$919,033	14.03%
Premium of \$25,000 - \$49,999	53	\$1,969,260	\$1,614,856	18.00%
Premium of \$50,000 - \$74,999	25	\$1,573,189	\$1,278,877	18.71%
Premium of \$75,000 - \$100,000	8	\$713,845	\$644,174	9.76%
Total Per Accident Plan	208	\$5,687,485	\$4,777,690	16.00%
Aggregate Deductible Plan				
Premium of \$5,000 - \$9,999	18	\$130,942	\$110,705	15.45%
Premium of \$10,000 - \$24,999	19	\$283,008	\$242,684	14.25%
Premium of \$25,000 - \$49,999	13	\$417,590	\$341,780	18.15%
Premium of \$50,000 - \$74,999	10	\$604,409	\$502,320	16.89%
Premium of \$75,000 - \$100,000	4	\$473,828	\$378,085	20.21%
Total Aggregate Plan	64	\$1,909,777	\$1,575,574	17.50%
Per Accident/Aggregate Combination Deductible Plan				
Premium of \$5,000 - \$9,999	6	\$28,764	\$21,709	24.53%
Premium of \$10,000 - \$24,999	8	\$151,551	\$129,629	14.47%
Premium of \$25,000 - \$49,999	7	\$277,336	\$219,313	20.92%
Premium of \$50,000 - \$74,999	1	\$61,874	\$55,629	10.09%
Premium of \$75,000 - \$100,000	6	\$3,167,037	\$534,948	83.11%
Total Combination Plan	28	\$3,686,562	\$961,228	73.93%
Negotiated Deductible Plan				
Premium Up To \$100,000	759	\$15,992,077	\$5,539,018	65.36%
Premium of \$100,001 - \$150,000	95	\$13,614,785	\$4,869,470	64.23%
Premium of \$150,001 - \$250,000	116	\$22,892,099	\$7,251,823	68.32%
Premium of \$250,001 - \$350,000	58	\$17,152,396	\$4,926,497	71.28%
Premium of \$350,001 - \$500,000	61	\$25,874,402	\$8,803,289	65.98%
Premium of \$500,001 - \$750,000	54	\$32,799,157	\$8,455,358	74.22%
Premium of \$750,001 - \$1,000,000	33	\$29,039,148	\$6,175,390	78.73%
Premium of \$1,000,001 - \$2,500,000	79	\$130,196,990	\$31,803,237	75.57%
Premium of \$2,500,001 - \$5,000,000	20	\$67,929,138	\$17,322,623	74.50%
Premium of \$5,000,001 and above	7	\$56,706,544	\$14,081,746	75.17%
Total Negotiated Plan	1,282	\$412,196,736	\$109,228,451	73.50%
No Deductible Plan				
Premium Less Than \$5,000	22,152	\$25,140,793	\$37,778,790	0.00%
Premium of \$5,000 - \$9,999	5,038	\$22,723,021	\$35,520,513	0.00%
Premium of \$10,000 - \$24,999	4,254	\$40,997,912	\$66,501,629	0.00%
Premium of \$25,000 - \$49,999	1,989	\$43,167,105	\$69,454,089	0.00%
Premium of \$50,000 - \$74,999	665	\$26,065,547	\$40,815,923	0.00%
Premium of \$75,000 - \$100,000	395	\$21,911,099	\$34,440,808	0.00%
Premium Greater Than \$100,000	999	\$217,558,389	\$268,529,675	0.00%
Total No Deductible Plan	35,493	\$397,563,865	\$553,041,426	0.00%
TOTAL	37,075	\$821,044,425	\$669,584,370	18.45%

Boiler & Machinery

There were 40 groups, 90 companies, that had direct written premium for Boiler & Machinery in the fourth quarter of 2006, as compared to 38 groups, 83 companies, in the fourth quarter of 2005.

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

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR BOILER & MACHINERY

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 4th Quarter 2006	% Change 4th Quarter 2005 to 2006	4 Quarters Ending 4th Qtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	FM Global Group	31.47%	\$4,392,759	(6.64%)	\$24,880,234	24.46%
2	American International Group	15.17%	\$3,087,790	(0.90%)	\$11,993,829	1.76%
3	St. Paul Travelers Group	13.93%	\$2,880,993	12.38%	\$11,013,600	(3.06%)
4	Zurich Insurance Group	9.32%	\$1,811,293	(15.91%)	\$7,368,362	22.85%
5	Chubb & Son Inc.	8.37%	\$1,222,227	(21.78%)	\$6,614,677	(4.30%)
6	Liberty Mutual Group	5.77%	\$1,512,902	36.43%	\$4,564,168	22.81%
7	CNA Insurance Group	4.83%	\$787,963	(30.42%)	\$3,818,393	(10.04%)
8	Allianz Insurance Group	1.97%	\$182,767	(14.13%)	\$1,561,046	7.76%
9	Central Mutual Insurance Company of Ohio	1.41%	\$323,069	12.97%	\$1,118,391	31.66%
10	Nationwide Corp.	1.06%	\$249,387	58.71%	\$837,370	61.26%
11	Federated Mutual	1.04%	\$167,497	(12.63%)	\$819,372	(4.53%)
12	Swiss Re Group	0.84%	\$94,340	17.23%	\$662,010	250.53%
13	EMC Insurance Company	0.66%	\$135,482	12.36%	\$520,846	14.08%
14	American Financial Group	0.64%	\$28,936	21.30%	\$505,364	316.58%
15	Millea Holdings Inc	0.59%	\$216,133	119.21%	\$467,678	77.97%
16	Triangle Insurance Company Inc.	0.53%	\$21,216	42.08%	\$418,069	30.86%
17	Allstate Insurance Group	0.37%	\$71,854	(2.32%)	\$288,974	(10.88%)
18	United Fire & Casualty Group	0.33%	\$65,343	37.68%	\$259,144	31.57%
19	AXIS Capital Group	0.26%	\$150,806	5.81%	\$201,996	(16.03%)
20	Hartford Fire & Casualty Group	0.23%	\$46,182	24.35%	\$182,107	40.18%
21	Bancinsure Inc.	0.18%	\$22,614	26.07%	\$141,819	(0.81%)
22	Safeco Insurance Group	0.18%	\$45,887	*	\$139,853	*
23	Lumbermen's Underwriting Alliance	0.16%	\$35,782	95.25%	\$126,105	32.50%
24	XL America	0.14%	(\$651,218)	*	\$113,587	(66.39%)
25	Toyota Motor Insurance Company	0.14%	\$112,782	*	\$112,782	*

Top 25 Groups Total	99.57%	\$17,014,786	(5.11%)	\$78,729,776	11.67%
----------------------------	---------------	---------------------	----------------	---------------------	---------------

Total Market	100.00%	\$17,118,656	(5.47%)	\$79,070,900	11.61%
---------------------	----------------	---------------------	----------------	---------------------	---------------

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

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 2001	\$13,681,067	\$16,172,430	\$1,178,246
1st qtr 2002	\$14,135,435	\$18,237,147	\$3,762,748
2nd qtr 2002	\$23,340,551	\$21,437,169	\$3,650,728
3rd qtr 2002	\$18,658,119	\$24,062,071	\$10,173,007
4th qtr 2002	\$33,136,501	\$18,433,282	\$7,566,513
1st qtr 2003	\$17,637,255	\$19,160,434	\$2,609,649
2nd qtr 2003	\$18,174,135	\$19,667,485	\$2,628,907
3rd qtr 2003	\$16,781,415	\$18,589,775	\$21,170,824
4th qtr 2003	\$16,973,598	\$18,739,582	\$4,007,116
1st qtr 2004	\$15,243,995	\$16,259,983	\$1,988,536
2nd qtr 2004	\$15,247,946	\$16,327,909	\$17,676,387
3rd qtr 2004	\$16,318,317	\$19,417,778	\$4,121,378
4th qtr 2004	\$17,604,771	\$14,452,601	\$15,415,284
1st qtr 2005	\$14,222,180	\$15,291,463	\$1,454,857
2nd qtr 2005	\$14,320,385	\$16,667,555	\$4,596,582
3rd qtr 2005	\$15,899,068	\$20,779,919	\$1,553,656
4th qtr 2005	\$14,395,254	\$18,108,727	\$2,876,379
1st qtr 2006	\$14,240,688	\$16,389,717	\$2,942,034
2nd qtr 2006	\$15,116,521	\$18,416,711	\$2,632,101
3rd qtr 2006	\$16,244,883	\$27,145,816	\$4,561,400
4th qtr 2006	\$15,565,571	\$17,118,656	\$42,723,542

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>
1995	43.4%
1996	71.1%
1997	74.2%
1998	39.2%
1999	186.8%
2000	53.4%
2001	66.9%
2002	12.3%
2003	65.8%
2004	5.6%
2005	31.8%
2006	107.3%

Commercial Crime

There were 32 groups, 75 companies, that had direct written premium for Commercial Crime in the fourth quarter of 2006, as compared to 34 groups, 72 companies, in the fourth quarter of 2005.

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

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR COMMERCIAL CRIME

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 4th Quarter 2006	% Change 4th Quarter 2005 to 2006	4 Quarters Ending 4th Qtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	St. Paul Travelers Group	21.54%	\$402,303	(21.02%)	\$1,650,887	(5.65%)
2	Chubb & Son Inc.	19.25%	\$362,225	8.54%	\$1,475,652	0.34%
3	Zurich Insurance Group	14.80%	\$110,144	(54.45%)	\$1,134,522	(2.90%)
4	American International Group	12.28%	\$235,245	5.75%	\$940,925	49.01%
5	Hartford Fire & Casualty Group	12.13%	\$157,087	4.68%	\$929,730	20.13%
6	CNA Insurance Group	9.09%	\$146,458	27.43%	\$696,961	31.49%
7	Nationwide Corp.	1.96%	\$55,246	131.08%	\$150,426	132.11%
8	Sentry Insurance Group	1.28%	\$21,266	6.47%	\$97,843	(2.41%)
9	United Fire & Casualty Group	1.20%	\$13,627	(39.11%)	\$91,598	10.04%
10	ACE Ltd.	1.17%	\$51,347	(12.43%)	\$89,776	29.06%
11	Federated Mutual	1.14%	\$13,447	(5.57%)	\$87,020	15.90%
12	XL America	0.71%	\$21,914	245.32%	\$54,334	102.60%
13	Liberty Mutual Group	0.63%	\$10,550	31.66%	\$48,238	(36.01%)
14	American Financial Group	0.49%	\$12,924	18.85%	\$37,708	(18.63%)
15	Allstate Insurance Group	0.48%	\$9,266	(18.69%)	\$36,547	(2.38%)
16	Benchmark Insurance Company	0.44%	\$9,011	(31.77%)	\$34,060	102.67%
17	Harco National Insurance Company	0.32%	\$4,449	(1.61%)	\$24,889	(52.07%)
18	EMC Insurance Company	0.19%	\$3,632	41.38%	\$14,583	(13.17%)
19	Safeco Insurance Group	0.17%	\$6,400	147.87%	\$12,894	17.55%
20	Central Mutual Insurance Company of Ohio	0.12%	\$643	(2.43%)	\$8,882	5.37%
21	WR Berkley Corp.	0.11%	\$575	(85.54%)	\$8,634	170.83%
22	Motorists Mutual	0.10%	\$7,635	(43.41%)	\$7,763	(42.46%)
23	North Pointe Holdings Corp. Group	0.09%	\$0	(100.00%)	\$6,563	(25.79%)
24	Federated Rural Electric Insurance Exchange	0.06%	\$0	*	\$4,947	(23.66%)
25	Daimler Chrysler Group	0.05%	\$0	*	\$3,570	216.49%

Top 25 Groups Total	99.80%	\$1,655,394	(7.55%)	\$7,648,952	8.63%
----------------------------	---------------	--------------------	----------------	--------------------	--------------

Total Market	100.00%	\$1,640,512	(8.51%)	\$7,664,658	8.07%
---------------------	----------------	--------------------	----------------	--------------------	--------------

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

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 2001	\$2,550,031	\$2,490,497	\$3,137,605
1st qtr 2002	\$2,403,953	\$2,309,009	(\$134,651)
2nd qtr 2002	\$1,546,219	\$2,030,210	\$280,434
3rd qtr 2002	\$1,341,198	\$1,529,291	\$214,282
4th qtr 2002	\$1,616,520	\$1,782,790	\$419,686
1st qtr 2003	\$1,428,028	\$1,478,357	\$220,185
2nd qtr 2003	\$1,811,097	\$1,968,234	\$77,561
3rd qtr 2003	\$1,455,764	\$1,970,424	\$201,681
4th qtr 2003	\$1,485,574	\$1,867,930	\$424,135
1st qtr 2004	\$3,342,749	\$1,749,368	\$376,949
2nd qtr 2004	\$1,898,917	\$2,170,364	\$48,845
3rd qtr 2004	\$1,415,602	\$2,690,230	\$368,517
4th qtr 2004	\$1,836,630	\$2,046,419	\$15,145
1st qtr 2005	\$1,442,287	\$1,808,358	\$866,393
2nd qtr 2005	\$1,853,047	\$1,575,124	\$92,132
3rd qtr 2005	\$1,338,039	\$1,915,433	\$1,290,472
4th qtr 2005	\$1,468,162	\$1,793,090	\$364,705
1st qtr 2006	\$1,510,779	\$1,783,082	\$145,432
2nd qtr 2006	\$1,871,268	\$2,219,675	\$176,223
3rd qtr 2006	\$1,408,410	\$2,021,389	\$273,795
4th qtr 2006	\$1,278,935	\$1,640,512	\$130,086

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>
1995	16.1%
1996	19.4%
1997	13.2%
1998	13.3%
1999	19.6%
2000	21.2%
2001	34.7%
2002	16.3%
2003	27.1%
2004	20.4%
2005	15.3%
2006	16.9%

Commercial Glass

There were 7 groups, 8 companies, that had direct written premium for Commercial Glass in the fourth quarter of 2006, as compared to 8 groups, 11 companies, in the fourth quarter of 2005.

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

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR COMMERCIAL GLASS

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 4thQuarter 2006	% Change 4thQuarter 2005 to 2006	4 Quarters Ending 4thQtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	Zurich Insurance Group	26.36%	(\$3,312)	(135.72%)	\$15,183	(71.49%)
2	Motorists Mutual	19.18%	\$11,049	*	\$11,049	*
3	Ohio Casualty Group	17.83%	\$3,343	2.96%	\$10,271	(10.99%)
4	Federated Mutual	11.05%	\$2,487	81.53%	\$6,366	4.09%
5	Usplate Glass Insurance Company	7.67%	\$0	*	\$4,418	*
6	Liberty Mutual Group	7.28%	\$0	(100.00%)	\$4,192	(2.03%)
7	North Pointe Holdings Corp. Group	6.80%	\$0	*	\$3,919	*
8	State Farm IL	2.52%	\$520	0.00%	\$1,450	0.00%
9	Unitrin Group	0.81%	\$0	100.00%	\$469	(96.62%)
10	St. Paul Travelers Group	0.69%	\$260	20.93%	\$400	(27.93%)
11	United Fire & Casualty Group	0.35%	\$200	0.00%	\$200	85.19%
12	Hartford Fire & Casualty Group	(0.55%)	\$0	*	(\$316)	*

Top Groups Total	100.00%	\$14,547	(1.40%)	\$57,601	(37.05%)
-------------------------	----------------	-----------------	----------------	-----------------	-----------------

Total Market	100.00%	\$14,547	(1.40%)	\$57,601	(37.05%)
---------------------	----------------	-----------------	----------------	-----------------	-----------------

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

**Negative Market Share percentages due to Policy cancellations.

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 2001	\$94,672	\$76,658	\$14,463
1st qtr 2002	\$125,940	\$85,995	\$10,470
2nd qtr 2002	\$132,904	\$84,391	(\$191,664)
3rd qtr 2002	\$106,180	\$69,425	\$9,409
4th qtr 2002	\$118,781	\$87,929	\$17,945
1st qtr 2003	\$94,109	\$65,760	\$8,488
2nd qtr 2003	\$81,840	\$62,094	\$13,141
3rd qtr 2003	\$76,628	\$50,084	\$14,061
4th qtr 2003	\$112,205	\$55,552	\$7,445
1st qtr 2004	\$97,082	\$52,661	\$20,377
2nd qtr 2004	\$523,945	\$478,848	\$4,143
3rd qtr 2004	\$81,140	\$41,301	\$3,214
4th qtr 2004	\$81,385	\$32,903	\$6,261
1st qtr 2005	\$70,950	\$31,593	\$2,910
2nd qtr 2005	\$21,527	\$29,140	\$1,326
3rd qtr 2005	\$11,819	\$16,019	(\$1,360)
4th qtr 2005	\$18,836	\$14,753	\$1,334
1st qtr 2006	\$29,364	\$19,549	\$349
2nd qtr 2006	\$19,311	\$11,128	\$330
3rd qtr 2006	\$16,290	\$12,377	\$3,903
4th qtr 2006	\$22,315	\$14,547	\$0

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>
1995	32.9%
1996	23.7%
1997	31.2%*
1998	56.3%
1999	60.9%
2000	98.9%
2001	155.0%
2002	63.6%
2003	59.5%
2004	40.7%
2005	56.7%
2006	42.4%

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

Medical Professional Liability

There were 32 groups, 40 companies, that had direct written premium for Medical Professional Liability (includes regulated and non-rate-regulated companies) in the fourth quarter of 2006, as compared to 32 groups, 40 companies, in the fourth quarter of 2005.

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

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR MEDICAL PROFESSIONAL LIABILITY

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 4thQuarter 2006	% Change 4thQuarter 2005 to 2006	4 Quarters Ending 4thQtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	Health Care Indemnity Inc.	22.90%	\$4,063,596	62.88%	\$82,905,814	(12.80%)
2	GE Global Group	20.37%	\$11,879,013	(25.01%)	\$73,744,096	(20.39%)
3	American Physicians Ins. Exchange	17.87%	\$11,673,504	(13.01%)	\$64,670,154	(2.80%)
4	Texas Medical Liability Underwriting Assoc.	6.25%	\$4,720,187	(50.15%)	\$22,638,057	(55.90%)
5	Advocate, MD Ins. Of The Southwest Inc.	6.02%	\$4,071,397	(2.23%)	\$21,780,061	29.59%
6	Doctors Company Group	4.42%	(\$12,710,590)	*	\$16,011,706	(7.11%)
7	Texas Hospital Insurance Exchange	2.13%	\$1,263,053	(32.80%)	\$7,698,464	0.44%
8	Preferred Professional Insurance Company	1.99%	\$872,179	(62.01%)	\$7,201,948	(19.29%)
9	Everest Reinsurance Holding Inc.	1.92%	\$2,999,809	(12.48%)	\$6,936,282	(40.39%)
10	Allianz Insurance Group	1.76%	\$2,585,380	8.66%	\$6,370,847	(3.30%)
11	American International Group	1.66%	\$1,410,917	(16.24%)	\$5,993,844	4.91%
12	ProAssurance Corp. Group	1.59%	\$1,660,928	5.65%	\$5,769,635	(9.33%)
13	PICA Group	1.56%	\$680,814	(7.60%)	\$5,660,993	(0.01%)
14	CNA Insurance Group	1.51%	\$161,897	(89.42%)	\$5,450,512	(24.16%)
15	NCMIC Group	1.22%	\$948,407	(3.90%)	\$4,404,508	(4.43%)
16	Texas Medical Insurance Company	1.20%	\$748,661	(13.87%)	\$4,338,279	4.52%
17	National Group	0.98%	\$812,829	(15.63%)	\$3,532,131	16.34%
18	FPIC Insurance Group Inc.	0.86%	\$260,787	(35.51%)	\$3,129,300	(39.20%)
19	Medical Liability Ins. Company of America	0.84%	\$376,780	35.45%	\$3,036,664	(22.90%)
20	ACE Ltd.	0.83%	\$705,167	2.87%	\$3,019,744	(5.68%)
21	Alleghany Group	0.76%	\$491,034	(32.59%)	\$2,748,906	(8.91%)
22	Munich American Holding Corp.	0.42%	\$552,429	(1.50%)	\$1,509,837	10.78%
23	Zurich Insurance Group	0.32%	\$1,140,872	(30.68%)	\$1,163,485	(29.90%)
24	Medicus Insurance Company	0.23%	\$845,103	*	\$845,103	*
25	Nationwide Corp.	0.16%	\$259,452	73.14%	\$593,237	46.42%
Top 25 Groups Total		99.78%	\$42,473,605	(38.84%)	\$361,153,607	(15.99%)
Total Market		100.00%	\$42,739,910	(38.35%)	\$361,956,600	(15.96%)

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

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 2001	\$55,994,442	\$56,808,234	\$81,626,254
1st qtr 2002	\$187,765,477	\$194,494,874	\$61,414,577
2nd qtr 2002	\$66,087,372	\$78,286,136	\$79,470,717
3rd qtr 2002	\$117,743,019	\$132,910,095	\$65,631,228
4th qtr 2002	\$85,911,427	\$79,470,653	\$95,769,104
1st qtr 2003	\$227,003,710	\$244,370,356	\$45,576,971
2nd qtr 2003	\$93,947,674	\$88,666,548	\$55,106,913
3rd qtr 2003	\$126,579,512	\$135,323,248	\$57,388,785
4th qtr 2003	\$71,752,834	\$82,927,387	\$93,075,549
1st qtr 2004	\$193,451,843	\$205,340,648	\$41,830,082
2nd qtr 2004	\$82,158,142	\$72,023,021	\$49,479,085
3rd qtr 2004	\$115,940,146	\$103,495,609	\$64,828,248
4th qtr 2004	\$74,360,976	\$64,923,197	\$72,244,880
1st qtr 2005	\$167,300,880	\$177,538,015	\$42,747,053
2nd qtr 2005	\$67,243,302	\$76,862,860	\$41,556,716
3rd qtr 2005	\$103,894,380	\$106,955,899	\$40,278,667
4th qtr 2005	\$60,662,829	\$69,326,700	\$38,064,317
1st qtr 2006	\$150,569,921	\$151,061,293	\$29,286,855
2nd qtr 2006	\$59,661,846	\$68,936,624	\$34,070,598
3rd qtr 2006	\$81,786,940	\$99,218,773	\$26,284,732
4th qtr 2006	\$49,775,410	\$42,739,910	\$21,096,372

EARNED TO INCURRED LOSS RATIO BY YEAR

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

Year	Loss Ratio
1995	87.7%
1996	80.1%
1997	69.2%
1998	90.5%
1999	98.1%
2000	98.3%
2001	91.2%
2002	79.1%
2003	80.3%
2004	44.8%
2005	31.0%
2006	20.3%

Miscellaneous Professional Liability

There were 25 groups, 65 companies, that had direct written premium for Miscellaneous Professional Liability in the fourth quarter of 2006, as compared to 30 groups, 65 companies, in the fourth quarter of 2005.

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

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR MISC. PROFESSIONAL LIABILITY

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 4th Quarter 2006	% Change 4th Quarter 2005 to 2006	4 Quarters Ending 4th Qtr 2006	% Change 4 Qtrs Ending 2005 to 2006
1	Chubb & Son Inc.	23.77%	\$24,369,160	2.31%	\$90,868,182	(2.67%)
2	XL America	20.37%	\$15,634,971	4.41%	\$77,871,717	18.97%
3	Hartford Fire & Casualty Group	13.09%	\$16,841,098	41.42%	\$50,045,901	7.65%
4	St. Paul Travelers Group	12.86%	\$13,185,913	(9.07%)	\$49,185,653	(2.41%)
5	HCC Insurance Holdings Group	9.19%	\$11,650,500	(13.45%)	\$35,145,083	(6.21%)
6	ACE Ltd.	6.72%	\$8,571,738	64.09%	\$25,689,570	23.62%
7	RLI Insurance Group	3.54%	\$3,945,423	20.59%	\$13,516,400	6.36%
8	Swiss Re Group	2.19%	\$5,087,261	628.64%	\$8,368,680	(35.36%)
9	Nationwide Corp.	1.25%	\$2,147,174	62.36%	\$4,784,211	12.56%
10	Old Republic Group	1.03%	\$699,424	367.81%	\$3,954,147	43.66%
11	Allianz Insurance Group	0.97%	\$2,488,188	(6.57%)	\$3,719,414	(35.10%)
12	CNA Insurance Group	0.81%	\$2,181,313	*	\$3,085,405	*
13	Berkshire Hathaway	0.78%	\$605,153	(49.59%)	\$2,970,814	(45.79%)
14	Liberty Mutual Group	0.70%	\$730,186	173.11%	\$2,689,128	11.49%
15	Arch Insurance Group	0.69%	\$0	*	\$2,630,858	189.50%
16	Markel Corp. Group	0.48%	\$317,890	(43.36%)	\$1,849,964	(17.79%)
17	Utica National Insurance Group	0.32%	\$355,529	(4.51%)	\$1,223,013	6.80%
18	AETNA	0.29%	\$0	*	\$1,092,800	3.17%
19	United National Group	0.23%	\$230,986	(80.48%)	\$889,376	(65.45%)
20	Navigators Group Inc.	0.22%	\$0	(100.00%)	\$847,394	(52.65%)
21	Texas State National Group	0.08%	\$200,299	217.20%	\$293,668	365.07%
22	Alleghany Grp	0.07%	\$259,700	*	\$259,700	*
23	Fairfax Financial	0.07%	\$117,860	*	\$252,740	*
24	State Farm IL	0.06%	\$37,294	(0.44%)	\$237,950	15.73%
25	Zurich Insurance Group	0.06%	\$0	(100.00%)	\$234,782	(24.74%)

Top 25 Groups Total	99.84%	\$109,657,060	13.55%	\$381,706,550	3.01%
----------------------------	---------------	----------------------	---------------	----------------------	--------------

Total Market	100.00%	\$109,913,338	13.50%	\$382,334,133	2.60%
---------------------	----------------	----------------------	---------------	----------------------	--------------

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

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
4th qtr 2001	\$47,854,726	\$48,876,850	\$25,510,077
1st qtr 2002	\$44,193,075	\$38,539,396	\$21,611,170
2nd qtr 2002	\$45,639,859	\$50,579,721	\$31,951,912
3rd qtr 2002	\$44,287,561	\$46,129,965	\$32,132,723
4th qtr 2002	\$39,794,746	\$40,468,853	\$24,789,968
1st qtr 2003	\$65,301,029	\$64,300,341	\$23,052,586
2nd qtr 2003	\$72,527,779	\$84,367,349	\$41,720,752
3rd qtr 2003	\$78,673,242	\$80,572,101	\$73,006,385
4th qtr 2003	\$72,099,487	\$78,115,601	\$15,837,639
1st qtr 2004	\$78,583,973	\$78,663,654	\$19,091,166
2nd qtr 2004	\$79,027,029	\$80,952,491	\$25,411,999
3rd qtr 2004	\$88,221,507	\$84,958,945	\$12,873,254
4th qtr 2004	\$70,978,554	\$75,843,090	\$1,731,964
1st qtr 2005	\$62,933,404	\$65,015,052	\$112,729,581
2nd qtr 2005	\$105,738,944	\$102,001,411	\$29,708,476
3rd qtr 2005	\$109,824,539	\$108,786,798	\$19,339,409
4th qtr 2005	\$92,079,636	\$96,843,121	\$52,554,252
1st qtr 2006	\$70,353,199	\$71,955,149	\$31,408,641
2nd qtr 2006	\$96,823,182	\$97,849,485	\$39,078,539
3rd qtr 2006	\$99,908,322	\$102,616,161	\$20,323,311
4th qtr 2006	\$100,416,498	\$109,913,338	\$24,733,858

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> *
1995	96.7%
1996	99.0%
1997	51.8%
1998	58.6%
1999	63.8%
2000	74.1%
2001	74.4%
2002	114.5%
2003	77.0%
2004	74.8%
2005	77.6%
2006	52.3%

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

Complaint Data

The following chart presents a comparison of written complaints received and closed by TDI in the fourth quarter of 2006 and the fourth quarter of 2005. Also included are the number of direct policies written and the percent of complaints per policy for each line of business.

Line of Business	4TH QUARTER 2006			4TH QUARTER 2005		
	Number of Complaints	Number of Policies Written	Percent of Complaints per Policy	Number of Complaints	Number of Policies Written	Percent of Complaints per Policy
Product Liability	0	12,619	0.00000%	0	9,768	0.00000%
General Liability - Other ⁺	38	199,370	0.01906%	42	207,423	0.02025%
Fire & Allied Lines	17	30,882	0.05505%	10	37,397	0.02674%
Commercial Multiple Peril	40	92,398	0.04329%	25	83,030	0.03011%
Private Passenger Auto ⁺⁺	1,641	5,231,518	0.03137%	1,663	4,870,915	0.03414%
Homeowners	497	1,132,636	0.04388%	1,333	1,130,798	0.11788%
Workers' Compensation ⁺⁺⁺	478	37,107	1.28817%	89	35,674	0.24948%
Boiler & Machinery	**	**	**	**	**	**
Commercial Crime	**	**	**	**	**	**
Commercial Glass	**	**	**	**	**	**
Medical Professional Liability	5	8,451	0.05916%	3	10,889	0.02755%
Misc. Professional Liability	6	4,434	0.13532%	4	5,101	0.07842%
Commercial Glass	**	**	**	**	**	**

⁺ The General Electric Group wrote -0- small premium pre-paid legal policies in the 4th quarter of 2006 and 3,578 policies in the 4th quarter of 2005 that were excluded from the above table.

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

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

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

The number of complaints attributable to any one insurer was not significant, except for Private Passenger Auto and Homeowners. The complaint data for the top 25 groups (ranking based on number of policies written in the fourth quarter of 2006) for these two lines of insurance are presented on the next two pages.

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

2006 Policies Written Rank	Group Name	4TH QUARTER 2006			4TH QUARTER 2005		
		Number of Complaints	Number of Policies Written	Percent of Complaints per Policy	Number of Complaints	Number of Policies Written	Percent of Complaints per Policy
23	Mercury General Group	29	22,456	0.12914%	15	25,209	0.05950%
13	Loya Group	90	86,806	0.10368%	37	0	0.00000%
5	Old American County Mutual Fire Ins. Co.	270	261,080	0.10342%	266	280,565	0.09481%
21	American Century Casualty Company	19	23,651	0.08033%	2	11,355	0.01761%
15	Unitrin Group	41	55,054	0.07447%	30	42,111	0.07124%
11	Home State Insurance Group	67	92,208	0.07266%	72	91,043	0.07908%
17	American International Group	31	48,762	0.06357%	21	36,722	0.05719%
24	St Paul Travelers Group	13	22,198	0.05856%	17	28,435	0.05979%
16	Liberty Mutual Group	29	49,541	0.05854%	24	38,009	0.06314%
25	Metropolitan Group	12	21,731	0.05522%	5	17,722	0.02821%
18	Interins Exch Of The Automobile Club	16	32,663	0.04899%	26	27,505	0.09453%
14	Safeco Insurance Group	28	59,520	0.04704%	28	53,768	0.05208%
9	Nationwide Corp.	53	119,594	0.04432%	56	117,111	0.04782%
4	Progressive Group	110	405,635	0.02712%	136	416,240	0.03267%
7	Berkshire Hathaway	56	209,971	0.02667%	53	179,004	0.02961%
22	Germania Insurance Group	6	22,788	0.02633%	3	22,824	0.01314%
12	Titus Group	24	92,067	0.02607%	31	91,698	0.03381%
3	Allstate Insurance Group	164	653,893	0.02508%	217	571,886	0.03794%
19	Sentry Insurance Group	8	32,325	0.02475%	9	26,559	0.03389%
20	Texas State National Group	7	28,531	0.02453%	36	40,393	0.08912%
2	Zurich Insurance Group	176	872,249	0.02018%	154	795,708	0.01935%
10	Republic Companies Group	19	99,636	0.01907%	24	78,593	0.03054%
6	United Services Automobile Assoc. Group	34	220,044	0.01545%	50	202,838	0.02465%
8	Southern Farm Bureau Casualty	20	155,495	0.01286%	29	159,086	0.01823%
1	State Farm IL	119	1,305,848	0.00911%	135	1,300,002	0.01038%
	(All other licensed insurers)	200	237,772	0.08411%	187	216,529	0.08636%
	(No company identified)*	0			0		
TOTALS		1,641	5,231,518	0.03137%	1,663	4,870,915	0.03414%

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

Complaint Data

HOMEOWNERS FOURTH QUARTER DATA LISTED BY PERCENT OF COMPLAINTS PER POLICY

2006 Policies Written Rank	Group Name	4TH QUARTER 2006			4TH QUARTER 2005		
		Number of Complaints	Number of Policies Written	Percent of Complaints per Policy	Number of Complaints	Number of Policies Written	Percent of Complaints per Policy
22	Assurant Inc. Group	4	5,579	0.10811%	3	5,489	0.05465%
13	ARX Holding Corp. Group	2	16,119	0.08822%	6	11,069	0.05421%
23	Unitrin Group	6	5,550	0.07753%	80	2,374	3.36984%
21	Chubb & Son Inc.	0	5,927	0.07170%	0	5,440	0.00000%
14	Texas Fair Plan Association	14	15,870	0.05957%	23	13,662	0.00000%
11	Safeco Insurance Group	2	19,068	0.04782%	6	10,583	0.05669%
8	Hartford Fire & Casualty Group	7	24,318	0.04514%	4	19,055	0.02099%
24	Wellington Insurance Company	4	5,159	0.04027%	1	1,496	0.06684%
4	United Services Automobile Assoc. Group	6	87,836	0.03744%	14	80,450	0.01740%
3	Zurich Insurance Group	50	148,900	0.03358%	139	144,302	0.09633%
2	Allstate Insurance Group	70	221,163	0.03165%	485	226,999	0.21366%
7	Texas Farm Bureau Mutual	3	30,655	0.02879%	17	27,682	0.06141%
18	American National Financial Group	1	7,989	0.02719%	8	6,873	0.11640%
25	Texas State National Group	2	4,966	0.02600%	1	3,787	0.02641%
16	Interins Exchange Of The Automobile Club	1	9,604	0.02319%	2	8,288	0.02413%
5	St. Paul Travelers Group	24	64,111	0.02230%	59	60,506	0.09751%
1	State Farm IL	44	273,201	0.01611%	82	269,933	0.03038%
9	Republic Companies Group	9	19,937	0.01520%	10	14,720	0.06793%
19	Amica Mutual Group	2	7,355	0.01453%	1	7,214	0.01386%
17	Colonial Savings Group	2	8,623	0.01252%	9	7,372	0.12208%
12	NLASCO	8	16,730	0.01241%	56	18,477	0.30308%
10	Liberty Mutual Group	3	19,742	0.01049%	15	17,697	0.08476%
15	Cypress Holdings Group	6	10,072	0.01041%	9	8,166	0.00000%
6	Nationwide Corporation	11	49,327	0.00979%	9	43,971	0.02047%
20	Dallas General Group	1	6,884	0.00000%	0	0	0.00000%
	(All other licensed insurers)	215	47,951	0.44837%	294	115,193	0.25522%
	(No company identified)*	0			0		

TOTALS

497

1,132,636

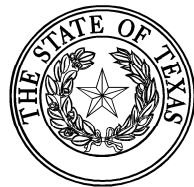
0.04388%

1,333

1,130,798

0.11788%

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



Texas Department of Insurance

333 Guadalupe

Austin, Texas 78701