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

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

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

Terms

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Lines of Insurance

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

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

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

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

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

Summary of Four Quarters

CUMULATIVE TOTALS FOR FOUR QUARTERS ENDING JUNE 1998

	Number Of Groups/Companies	Number Of Policies Written	Premiums On Policies Written	Direct Written Premiums	Direct Losses Paid
PRODUCT LIABILITY	69 / 185	35,107	\$105,923,380	\$102,176,456	\$68,172,914
GENERAL LIABILITY - OTHER	154 / 350	773,356 ⁺	\$982,787,178	\$955,429,888	\$591,611,938
COMMERCIAL FIRE & ALLIED	105 / 251	274,240	\$350,000,468	\$323,443,183	\$165,805,985
COMMERCIAL MULTIPLE PERIL	101 / 267	300,466	\$958,812,605	\$916,700,495	\$496,535,605
PRIVATE PASSENGER AUTO					
VOLUNTARY (VOL) LIABILITY	83 / 214	11,111,432	\$5,942,690,608	\$5,397,877,917	\$3,085,229,775
ASSIGNED RISK LIABILITY	33 / 37	87,351	\$63,986,441	\$41,619,481	\$81,368,948
PHYSICAL DAMAGE	82 / 213	7,733,993	\$3,076,352,192	\$2,841,026,450	\$1,881,969,885
TOTAL PPA	89 / 223	18,932,776 ⁺⁺	\$9,083,029,241	\$8,280,523,848	\$5,048,568,608
HOMEOWNERS MULTIPLE PERIL	70 / 158	3,495,926	\$2,826,213,530	\$2,640,726,196	\$1,138,853,566
WORKERS' COMPENSATION					
VOL PREMIUMS < \$5,000		83,790	\$143,751,240	**	**
VOL PREMIUMS \$5,000 - \$100,000		43,714	\$803,465,300	**	**
VOL PREMIUMS > \$100,000		2,615	\$876,990,179	**	**
TOTAL VOLUNTARY	110 / 262	130,119	\$1,824,206,719	\$1,788,451,151	\$1,058,358,313
RESIDUAL MARKET ***	1 / 1	557	\$8,294,727	(\$2,395,460)	\$64,916,517
TOTAL WC	110 / 262	130,676	\$1,832,501,446	\$1,786,055,691	\$1,123,274,830
BOILER & MACHINERY	43 / 93	13,643	\$46,796,252	\$42,870,380	\$40,789,240
COMMERCIAL CRIME	54 / 105	7,949	\$10,628,141	\$11,108,555	\$3,245,405
COMMERCIAL GLASS	38 / 68	3,317	\$670,212	\$526,365	\$151,206
MEDICAL PROFESSIONAL LIABILITY	45 / 64	40,778	\$290,043,699	\$309,027,698	\$190,761,724
MISC. PROFESSIONAL LIABILITY	38 / 70	24,254	\$132,454,027	\$122,998,445	\$29,659,349

⁺ The General Electric Group wrote 193,243 small premium pre-paid legal policies that were excluded from the above table.

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

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

^{***} Policies reported in this category were written under the START program by the Texas Workers' Compensation Insurance Fund.

NUMBER OF GROUPS / COMPANIES WRITING POLICIES PER QUARTER

Line of Business	First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
	'97	'98	'97	'98	'97	'98	'97	'98
Product Liability	63 / 149	63 / 144	60 / 149	65 / 146	66 / 152	-- / --	61 / 149	-- / --
General Liability	136 / 302	136 / 304	138 / 307	139 / 303	143 / 305	-- / --	142 / 314	-- / --
Commercial Fire & Allied	94 / 212	95 / 205	95 / 216	92 / 198	95 / 212	-- / --	97 / 209	-- / --
Commercial Multiple Peril	95 / 236	96 / 243	95 / 243	96 / 232	97 / 239	-- / --	98 / 243	-- / --
Private Passenger Auto	84 / 211	81 / 204	85 / 213	82 / 205	85 / 211	-- / --	83 / 205	-- / --
Homeowners Multiple Peril	69 / 154	68 / 148	69 / 155	66 / 138	70 / 153	-- / --	69 / 149	-- / --
Workers' Compensation	99 / 237	101 / 240	99 / 230	99 / 233	100 / 233	-- / --	100 / 231	-- / --
Boiler & Machinery	36 / 72	40 / 76	34 / 75	35 / 70	37 / 75	-- / --	36 / 73	-- / --
Commercial Crime	38 / 73	45 / 74	41 / 74	40 / 66	41 / 75	-- / --	42 / 72	-- / --
Commercial Glass	32 / 48	27 / 40	28 / 43	24 / 37	29 / 43	-- / --	27 / 42	-- / --
Medical Prof. Liability	37 / 52	38 / 51	35 / 45	35 / 48	38 / 51	-- / --	40 / 52	-- / --
Misc. Professional Liability	33 / 54	31 / 55	35 / 63	33 / 53	34 / 60	-- / --	36 / 62	-- / --

Product Liability

There were 68 groups, 172 companies, that had direct written premium for Product Liability in the second quarter of 1998, as compared to 63 groups, 166 companies, in the second quarter of 1997.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the second quarter of 1998 to direct written premium in the second quarter of 1997 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRODUCT LIABILITY

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 1998	% Change 2nd Quarter 1997 to 1998	4 Quarters Ending 2nd Qtr 1998	% Change 4 Qtrs Ending 1997 to 1998
1	American International Group	13.13%	\$442,681	(86.32%)	\$13,412,880	110.29%
2	Travelers Insurance Group	8.10%	\$1,019,692	(29.38%)	\$8,271,451	2.02%
3	Chubb & Son Inc.	7.89%	\$3,455,583	119.86%	\$8,057,566	21.74%
4	St. Paul Companies	7.19%	\$1,863,258	(5.40%)	\$7,345,366	1.39%
5	Zurich American Insurance Group	6.58%	\$914,291	(48.52%)	\$6,728,272	15.60%
6	CNA Insurance Group	4.79%	\$1,104,296	(46.96%)	\$4,893,761	(37.55%)
7	TIG Insurance Group	4.05%	\$875,669	14.97%	\$4,139,249	7.69%
8	Liberty Mutual Insurance Group	4.02%	\$633,012	(56.17%)	\$4,104,679	(17.36%)
9	American Financial Insurance Group	3.84%	\$1,178,911	35.50%	\$3,927,462	22.60%
10	Cigna Group	3.71%	\$1,148,036	29.32%	\$3,793,837	9.19%
11	Hartford Fire & Casualty Group	2.78%	\$1,085,636	164.36%	\$2,843,757	63.90%
12	Lumbermans Mutual Casualty Group	2.65%	\$969,897	206.55%	\$2,705,949	(3.34%)
13	Crum & Forster Insurance Companies	2.45%	\$1,454,381	14.00%	\$2,506,254	(22.88%)
14	Winterthur U.S. Holding Group	2.06%	\$1,041,729	417.53%	\$2,108,080	427.37%
15	Federated Mutual Group	2.04%	\$627,366	1.97%	\$2,088,722	2.77%
16	UNITRIN Inc.	1.67%	\$484,564	(3.02%)	\$1,706,103	4.42%
17	Allianz Insurance Group	1.50%	\$930,911	259.29%	\$1,536,975	37.32%
18	Fairfax Financial	1.49%	\$407,358	(15.69%)	\$1,518,346	15.63%
19	Royal & Sun Alliance USA	1.39%	\$122,478	(76.50%)	\$1,415,736	(27.31%)
20	Nationwide Corporation	1.21%	\$110,526	(44.46%)	\$1,233,891	(4.30%)
21	Reliance Group Incorporated	1.14%	\$1,065	(99.54%)	\$1,166,142	(50.86%)
22	Gerling Global RE Group	1.12%	\$476,344	45.97%	\$1,139,348	(12.36%)
23	National American Insurance Company	1.02%	\$355,829	187.35%	\$1,041,080	119.53%
24	Dallas Fire Insurance Company	1.00%	\$241,095	(8.85%)	\$1,023,024	(8.68%)
25	Deere & Company Group	1.00%	\$269,128	33.91%	\$1,019,596	31.94%
Top 25 Groups Total		87.82%	\$21,213,736	(3.45%)	\$89,727,526	10.70%
Total Market		100.00%	\$24,189,678	(2.21%)	\$102,176,456	8.58%

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1993	\$23,107,019	\$23,472,096	\$24,354,166
3rd qtr 1993	\$17,668,245	\$20,259,804	\$15,830,194
4th qtr 1993	\$22,262,147	\$24,560,244	\$39,305,617
1st qtr 1994	\$20,231,239	\$20,357,429	\$28,282,730
2nd qtr 1994	\$26,967,374	\$26,891,734	\$27,862,495
3rd qtr 1994	\$18,917,614	\$23,384,264	\$8,961,108
4th qtr 1994	\$22,081,038	\$35,792,466	\$23,094,082
1st qtr 1995	\$18,878,258	\$23,402,023	\$26,080,618
2nd qtr 1995	\$22,024,356	\$22,953,841	\$26,164,539
3rd qtr 1995	\$22,052,132	\$21,630,743	\$14,900,318
4th qtr 1995	\$19,560,413	\$22,451,585	\$7,609,800
1st qtr 1996	\$22,937,729	\$22,878,769	\$12,219,407
2nd qtr 1996	\$27,574,425	\$28,758,460	\$19,491,138
3rd qtr 1996	\$19,424,296	\$22,075,380	\$14,044,152
4th qtr 1996	\$19,414,599	\$20,544,777	\$26,084,042
1st qtr 1997	\$24,110,801	\$26,744,882	\$21,241,495
2nd qtr 1997	\$26,219,023	\$24,735,908	\$13,692,581
3rd qtr 1997	\$24,250,597	\$23,072,180	\$13,786,634
4th qtr 1997	\$28,665,155	\$23,792,071	\$25,384,125
1st qtr 1998	\$30,277,053	\$31,122,527	\$12,511,980
2nd qtr 1998	\$22,730,575	\$24,189,678	\$16,490,175

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>
1987	41.4%
1988	73.2%
1989	65.9%
1990	93.6%
1991	83.2%
1992	122.7%
1993	164.5%
1994	152.1%
1995	113.4%
1996	178.0%
1997	60.4%

General Liability

There were 150 groups, 334 companies, that had direct written premium for General Liability in the second quarter of 1998, as compared to 144 groups, 330 companies, in the second quarter of 1997.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the second quarter of 1998 to direct written premium in the second quarter of 1997 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR GENERAL LIABILITY

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 1998	% Change 2nd Quarter 1997 to 1998	4 Quarters Ending 2nd Qtr 1998	% Change 4 Qtrs Ending 1997 to 1998
1	American International Group	21.95%	\$67,525,775	166.55%	\$209,762,395	32.23%
2	Travelers Insurance Group	6.44%	\$13,052,525	13.15%	\$61,520,388	2.96%
3	Zurich American Insurance Group	5.44%	\$8,985,527	(18.01%)	\$51,930,155	(4.87%)
4	CNA Insurance Group	4.66%	\$14,054,830	(14.21%)	\$44,540,446	(36.21%)
5	American Financial Insurance Group	3.82%	\$9,246,169	1.32%	\$36,518,776	4.03%
6	Lumbermans Mutual Casualty Group	3.41%	\$26,513,453	*	\$32,594,065	269.87%
7	St. Paul Companies	3.07%	\$6,261,149	(16.18%)	\$29,364,018	(4.46%)
8	Chubb & Son Inc.	3.03%	\$5,997,202	(27.59%)	\$28,924,073	(2.30%)
9	Reliance Group Incorporated	2.86%	\$7,288,426	96.58%	\$27,360,440	17.03%
10	UNITRIN Inc.	2.27%	\$6,072,969	3.58%	\$21,698,331	10.24%
11	State Farm Group	2.18%	\$5,341,900	(1.03%)	\$20,861,137	1.29%
12	Allianz Insurance Group	2.07%	\$4,566,207	(5.87%)	\$19,788,073	0.32%
13	Hartford Fire & Casualty Group	1.80%	\$4,543,928	36.32%	\$17,185,933	35.86%
14	Liberty Mutual Insurance Group	1.78%	\$2,407,199	0.04%	\$17,000,073	2.64%
15	Orion Capital Group	1.58%	\$4,280,193	14.41%	\$15,093,091	(7.33%)
16	Texas Lawyers Insurance Exchange	1.53%	\$2,867,309	(11.27%)	\$14,631,639	(10.29%)
17	Cigna Group	1.51%	\$4,094,657	(0.73%)	\$14,468,684	4.22%
18	General Electric Group	1.42%	\$3,372,036	6.68%	\$13,542,916	(5.04%)
19	TIG Insurance Group	1.33%	\$2,618,805	(15.38%)	\$12,717,532	(9.02%)
20	Old Republic Group	1.26%	\$2,773,536	(28.21%)	\$12,028,026	(26.93%)
21	Nationwide Corporation	1.22%	\$3,524,467	27.70%	\$11,668,886	11.12%
22	Farmers Insurance Group	1.20%	\$2,689,429	105.53%	\$11,434,526	13.31%
23	Royal & Sun Alliance USA	1.18%	\$2,011,669	(32.12%)	\$11,306,410	(6.71%)
24	Winterthur U.S. Holding Group	1.14%	\$1,638,495	726.43%	\$10,862,776	110.11%
25	USAA Group	0.86%	\$2,130,895	(1.40%)	\$8,222,194	(0.24%)

Top 25 Groups Total	79.02%	\$213,858,750	45.37%	\$755,024,983	8.33%
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Total Market	100.00%	\$268,681,810	37.57%	\$955,429,888	4.69%
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* Premiums from prior reporting period were \$0, less than \$0, or negligible.

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1993	\$206,375,391	\$304,105,475	\$236,668,509
3rd qtr 1993	\$195,836,841	\$246,929,728	\$185,652,727
4th qtr 1993	\$196,677,010	\$270,371,399	\$237,345,193
1st qtr 1994	\$210,110,210	\$228,697,226	\$184,352,799
2nd qtr 1994	\$214,492,954	\$247,084,229	\$139,328,008
3rd qtr 1994	\$214,217,868	\$325,377,385	\$203,772,691
4th qtr 1994	\$177,497,488	\$352,054,769	\$232,418,046
1st qtr 1995	\$208,131,222	\$204,414,157	\$170,863,929
2nd qtr 1995	\$215,787,868	\$299,959,772	\$167,557,128
3rd qtr 1995	\$213,155,710	\$195,424,165	\$152,226,766
4th qtr 1995	\$222,334,436	\$252,160,703	\$219,597,885
1st qtr 1996	\$200,489,979	\$222,560,666	\$128,506,977
2nd qtr 1996	\$221,064,794	\$241,831,779	\$122,234,565
3rd qtr 1996	\$209,186,262	\$264,844,763	\$278,472,876
4th qtr 1996	\$210,026,932	\$254,144,903	\$173,801,943
1st qtr 1997	\$170,973,798	\$198,324,982	\$148,062,249
2nd qtr 1997	\$216,202,142	\$195,305,092	\$131,353,273
3rd qtr 1997	\$249,568,281	\$253,887,370	\$166,148,627
4th qtr 1997	\$239,217,274	\$232,936,693	\$154,278,350
1st qtr 1998	\$209,987,323	\$199,924,015	\$145,327,367
2nd qtr 1998	\$284,014,300	\$268,681,810	\$125,857,594

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>
1987	86.1%
1988	78.9%
1989	77.6%
1990	89.2%
1991	91.3%
1992	102.9%
1993	102.8%
1994	64.8%
1995	96.7%
1996	99.0%
1997	51.8%

Commercial Fire & Allied

There were 99 groups, 228 companies, that had direct written premium for Commercial Fire & Allied in the second quarter of 1998, as compared to 97 groups, 240 companies, in the second quarter of 1997.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the second quarter of 1998 to direct written premium in the second quarter of 1997 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR COMMERCIAL FIRE & ALLIED

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 1998	% Change 2nd Quarter 1997 to 1998	4 Quarters Ending 2nd Qtr 1998	% Change 4 Qtrs Ending 1997 to 1998
1	Travelers Insurance Group	14.48%	\$10,527,620	(17.56%)	\$46,838,908	(4.68%)
2	Zurich American Insurance Group	6.70%	\$5,850,212	(9.05%)	\$21,683,177	6.71%
3	Allianz Insurance Group	5.99%	\$6,038,730	28.87%	\$19,371,295	24.46%
4	UNITRIN Inc.	5.28%	\$4,705,426	4.23%	\$17,078,811	0.68%
5	Texas Windstorm Insurance Association	5.23%	\$4,669,167	0.97%	\$16,925,686	7.23%
6	Allendale Group	4.98%	\$4,939,203	(2.14%)	\$16,093,811	1.34%
7	Arkwright Boston Group	4.44%	\$1,984,466	(14.08%)	\$14,355,596	(6.63%)
8	St. Paul Companies	4.33%	\$3,882,981	(2.10%)	\$14,004,358	(7.36%)
9	Protection Mutual Insurance Company	4.23%	\$3,518,069	8.88%	\$13,689,952	21.66%
10	Royal & Sun Alliance USA	4.20%	\$3,723,358	36.56%	\$13,598,657	20.44%
11	Mortgage Bankers Group	2.47%	\$2,307,052	1.06%	\$7,990,596	(1.14%)
12	American International Group	2.40%	\$1,196,910	(18.96%)	\$7,776,690	7.63%
13	CNA Insurance Group	1.85%	\$1,252,929	(15.25%)	\$5,975,487	(25.76%)
14	Lincoln National Corporation	1.81%	\$515,318	(71.82%)	\$5,855,213	(12.16%)
15	Hartford Steam Boiler Group	1.79%	\$952,668	39.19%	\$5,798,340	191.49%
16	Crum & Forster Insurance Companies	1.71%	\$1,578,151	8.91%	\$5,542,447	34.89%
17	Nationwide Corporation	1.53%	\$1,382,562	(48.40%)	\$4,939,652	(38.08%)
18	State Farm Group	1.46%	\$1,230,534	(3.05%)	\$4,709,555	1.36%
19	Texas Farm Bureau Mutual	1.36%	\$1,223,796	1.58%	\$4,414,527	1.00%
20	Federated Mutual Group	1.21%	\$1,115,443	3.97%	\$3,921,289	1.93%
21	Commercial Union Insurance Co's.	1.06%	\$1,031,570	30.38%	\$3,435,872	(4.39%)
22	EMC Insurance Companies	0.96%	\$736,307	13.26%	\$3,116,347	25.05%
23	Farmers Insurance Group	0.94%	\$1,154,420	378.94%	\$3,029,452	25.66%
24	Cigna Group	0.93%	\$220,329	(51.53%)	\$2,999,100	(52.92%)
25	American Financial Insurance Group	0.92%	\$1,235,950	(58.50%)	\$2,966,963	(34.82%)

Top 25 Groups Total	82.27%	\$66,973,171	(4.59%)	\$266,111,781	1.16%
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Total Market	100.00%	\$79,555,889	(6.37%)	\$323,443,183	(0.65%)
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QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1993	\$61,842,052	\$79,888,854	\$47,739,398
3rd qtr 1993	\$70,393,773	\$81,458,493	\$39,898,258
4th qtr 1993	\$82,076,105	\$87,081,326	\$88,817,704
1st qtr 1994	\$70,892,138	\$71,165,404	\$25,157,261
2nd qtr 1994	\$76,751,485	\$83,445,946	\$37,084,310
3rd qtr 1994	\$86,808,182	\$89,538,987	\$39,209,578
4th qtr 1994	\$87,927,774	\$105,348,631	\$53,697,890
1st qtr 1995	\$68,915,469	\$75,587,966	\$40,973,765
2nd qtr 1995	\$84,082,608	\$89,450,574	\$69,884,695
3rd qtr 1995	\$84,231,340	\$83,943,064	\$88,823,326
4th qtr 1995	\$79,027,494	\$91,913,918	\$88,563,479
1st qtr 1996	\$69,705,990	\$71,176,002	\$53,392,028
2nd qtr 1996	\$82,622,348	\$84,722,614	\$47,910,206
3rd qtr 1996	\$78,756,443	\$89,232,789	\$54,245,819
4th qtr 1996	\$79,498,023	\$84,401,758	\$54,816,796
1st qtr 1997	\$67,972,488	\$66,968,427	\$41,973,100
2nd qtr 1997	\$94,878,881	\$84,964,287	\$44,346,429
3rd qtr 1997	\$93,203,794	\$82,379,493	\$38,505,580
4th qtr 1997	\$109,429,688	\$93,140,851	\$38,975,899
1st qtr 1998	\$70,670,105	\$68,366,950	\$36,238,678
2nd qtr 1998	\$76,696,881	\$79,555,889	\$52,085,828

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>
1987	51.3%
1988	54.7%
1989	130.7%
1990	106.1%
1991	67.1%
1992	84.3%
1993	58.4%
1994	69.6%
1995	97.1%
1996	49.9%
1997	38.3%

Commercial Multiple Peril

There were 100 groups, 271 companies, that had direct written premium for Commercial Multiple Peril in the second quarter of 1998, as compared to 97 groups, 266 companies, in the second quarter of 1997.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the second quarter of 1998 to direct written premium in the second quarter of 1997 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR COMMERCIAL MULTIPLE PERIL

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 1998	% Change 2nd Quarter 1997 to 1998	4 Quarters Ending 2nd Qtr 1998	% Change 4 Qtrs Ending 1997 to 1998
1	CNA Insurance Group	10.38%	\$27,288,495	(3.23%)	\$95,160,671	(1.89%)
2	Travelers Insurance Group	9.04%	\$23,503,568	23.38%	\$82,831,728	2.45%
3	State Farm Group	6.81%	\$16,123,095	(0.03%)	\$62,446,233	(13.65%)
4	Hartford Fire & Casualty Group	4.50%	\$10,843,198	15.08%	\$41,253,904	6.87%
5	Lumbermans Mutual Casualty Group	3.88%	\$8,985,037	14.49%	\$35,571,553	(3.18%)
6	Commercial Union Insurance Co's.	3.82%	\$9,153,429	17.36%	\$35,005,538	(0.38%)
7	Chubb & Son Inc.	3.78%	\$9,577,696	12.20%	\$34,640,257	9.62%
8	Farmers Insurance Group	3.64%	\$11,488,126	(39.20%)	\$33,404,211	(30.47%)
9	Zurich American Insurance Group	3.59%	\$6,866,989	(36.42%)	\$32,893,013	(12.26%)
10	General Accident Insurance	3.35%	\$7,335,207	(10.81%)	\$30,668,758	(2.32%)
11	Allianz Insurance Group	2.86%	\$5,887,689	(11.05%)	\$26,225,866	(0.40%)
12	Lincoln National Corporation	2.13%	\$5,160,098	9.98%	\$19,487,868	11.15%
13	Cigna Group	2.10%	\$4,678,066	(27.67%)	\$19,264,830	(37.39%)
14	Church Mutual Insurance Company	1.93%	\$4,465,285	2.53%	\$17,735,982	14.63%
15	Old Republic Group	1.90%	\$4,305,328	12.88%	\$17,378,902	(2.66%)
16	American Financial Insurance Group	1.72%	\$2,515,221	(37.53%)	\$15,746,768	5.01%
17	Nationwide Corporation	1.70%	\$4,254,534	*	\$15,559,713	71.45%
18	Liberty Mutual Insurance Group	1.64%	\$3,342,121	12.77%	\$15,074,120	(2.44%)
19	Crum & Forster Insurance Companies	1.53%	\$3,098,085	(26.60%)	\$14,070,460	(8.51%)
20	Allstate Insurance Group	1.53%	\$4,007,871	27.33%	\$14,002,389	27.57%
21	Utica National Insurance Group	1.49%	\$2,906,846	(1.65%)	\$13,625,115	(9.87%)
22	Ohio Casualty Group	1.46%	\$3,449,467	188.11%	\$13,351,745	28.84%
23	Safeco Insurance Group	1.40%	\$3,971,936	37.13%	\$12,878,057	17.07%
24	American Indemnity Financial	1.38%	\$3,551,289	(9.80%)	\$12,641,683	(15.88%)
25	St. Paul Companies	1.33%	\$1,897,142	(15.57%)	\$12,183,101	(2.07%)

Top 25 Groups Total	78.88%	\$188,655,818	0.05%	\$723,102,465	(3.19%)
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Total Market	100.00%	\$239,483,168	(0.52%)	\$916,700,495	(2.81%)
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* Premiums from prior reporting period were \$0, less than \$0, or negligible.

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1993	\$179,137,284	\$193,536,514	\$142,176,177
3rd qtr 1993	\$180,321,872	\$187,642,648	\$103,242,145
4th qtr 1993	\$186,269,229	\$192,758,872	\$134,167,977
1st qtr 1994	\$191,752,683	\$197,167,950	\$89,728,402
2nd qtr 1994	\$191,492,489	\$206,572,731	\$134,971,763
3rd qtr 1994	\$194,856,544	\$213,520,070	\$143,303,430
4th qtr 1994	\$209,887,874	\$215,131,389	\$123,693,241
1st qtr 1995	\$208,792,368	\$209,682,860	\$122,622,567
2nd qtr 1995	\$221,148,851	\$225,562,005	\$219,445,390
3rd qtr 1995	\$211,922,064	\$227,572,367	\$245,078,699
4th qtr 1995	\$222,621,890	\$205,094,011	\$157,508,677
1st qtr 1996	\$204,491,933	\$216,580,221	\$139,187,222
2nd qtr 1996	\$224,998,043	\$234,684,985	\$148,362,523
3rd qtr 1996	\$219,366,065	\$237,222,314	\$164,569,429
4th qtr 1996	\$223,598,956	\$241,571,163	\$149,166,884
1st qtr 1997	\$214,127,261	\$223,686,375	\$106,833,793
2nd qtr 1997	\$244,652,674	\$240,735,128	\$122,586,328
3rd qtr 1997	\$248,380,424	\$217,959,546	\$118,272,489
4th qtr 1997	\$264,003,023	\$227,796,168	\$122,000,210
1st qtr 1998	\$222,600,898	\$231,461,613	\$118,739,450
2nd qtr 1998	\$223,828,260	\$239,483,168	\$137,523,456

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>
1987	51.3%
1988	59.8%
1989	100.1%
1990	81.1%
1991	75.3%
1992	88.4%
1993	77.8%
1994	61.8%
1995	97.5%
1996	59.0%
1997	54.1%

Private Passenger Auto (All Companies, All Coverages)

There were 86 groups, 223 companies, that had direct written premium for Private Passenger Auto in the second quarter of 1998, as compared to 90 groups, 238 companies, in the second quarter of 1997.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the second quarter of 1998 to direct written premium in the second quarter of 1997 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRIVATE PASSENGER AUTO

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 1998	% Change 2nd Quarter 1997 to 1998	4 Quarters Ending 2nd Qtr 1998	% Change 4 Qtrs Ending 1997 to 1998
1	State Farm Group	25.82%	\$504,967,020	(5.03%)	\$2,137,816,316	(1.26%)
2	Allstate Insurance Group	14.49%	\$303,738,262	1.03%	\$1,199,518,320	1.04%
3	Farmers Insurance Group	13.42%	\$264,851,610	(6.51%)	\$1,111,345,361	(1.94%)
4	Progressive Group	5.83%	\$113,730,671	(2.49%)	\$482,746,418	18.86%
5	USAA Group	5.61%	\$108,206,126	1.09%	\$464,187,442	3.55%
6	Nationwide Corporation	2.69%	\$53,350,260	(0.48%)	\$222,404,782	7.49%
7	Texas State National Group	2.64%	\$52,597,956	(17.92%)	\$218,785,664	(9.72%)
8	Home State County Mutual Ins. Co.	2.47%	\$56,398,419	26.30%	\$204,428,509	4.23%
9	Southern Farm Bureau Casualty	2.46%	\$48,365,272	(5.60%)	\$203,477,049	1.44%
10	Berkshire-Hathaway (GEICO)	2.46%	\$53,624,106	16.45%	\$203,445,805	14.51%
11	Old American County Mutual Fire Ins. Co.	1.79%	\$41,540,308	(23.56%)	\$147,929,001	(22.58%)
12	Travelers Insurance Group	1.51%	\$32,201,975	13.26%	\$125,026,554	9.69%
13	Titus Group	1.38%	\$32,686,374	75.95%	\$114,232,092	99.64%
14	Sentry Insurance Group	1.05%	\$20,876,283	(28.03%)	\$86,597,556	(22.52%)
15	Safeco Insurance Group	1.02%	\$20,133,481	(0.59%)	\$84,372,089	(4.20%)
16	UNITRIN Inc.	0.98%	\$18,718,134	(6.04%)	\$81,147,679	(1.92%)
17	Vesta Insurance Group	0.80%	\$17,261,363	82.27%	\$66,410,580	572.08%
18	Hartford Fire & Casualty Group	0.79%	\$18,385,039	24.22%	\$65,614,855	7.64%
19	White Mountains Insurance Group	0.76%	\$13,283,513	(1.16%)	\$62,838,018	(1.14%)
20	Winterthur U.S. Holding Group	0.75%	\$15,341,350	(11.32%)	\$62,393,193	(19.01%)
21	Liberty Mutual Insurance Group	0.72%	\$14,540,699	1.74%	\$59,981,113	4.34%
22	American Financial Insurance Group	0.70%	\$13,995,312	(20.37%)	\$57,873,571	(22.15%)
23	Texas Farm Bureau Mutual	0.68%	\$12,687,157	(20.68%)	\$56,244,097	(26.63%)
24	Safeway Insurance Group	0.68%	\$11,424,237	(34.67%)	\$56,157,308	2.16%
25	CNA Insurance Group	0.57%	\$11,586,548	1.13%	\$47,340,107	8.13%

Top 25 Groups Total	92.05%	\$1,854,491,475	(2.46%)	\$7,622,313,479	1.26%
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Total Market	100.00%	\$2,010,286,458	(2.27%)	\$8,280,523,848	1.11%
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QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1993	\$1,770,457,333	\$1,632,149,532	\$1,115,859,288
3rd qtr 1993	\$1,943,814,030	\$1,776,460,082	\$1,073,188,674
4th qtr 1993	\$1,793,822,636	\$1,650,368,721	\$1,155,739,987
1st qtr 1994	\$1,955,266,902	\$1,827,210,592	\$1,090,456,016
2nd qtr 1994	\$1,896,421,968	\$1,740,208,597	\$1,241,533,949
3rd qtr 1994	\$1,952,642,206	\$1,824,893,294	\$1,177,728,454
4th qtr 1994	\$1,891,370,124	\$1,766,292,039	\$1,264,469,772
1st qtr 1995	\$2,053,044,626	\$1,912,370,440	\$1,198,580,142
2nd qtr 1995	\$1,995,115,657	\$1,868,117,962	\$1,604,219,663
3rd qtr 1995	\$2,056,887,655	\$1,908,754,632	\$1,280,107,609
4th qtr 1995	\$1,995,177,681	\$1,829,547,520	\$1,262,790,164
1st qtr 1996	\$2,159,009,100	\$1,988,391,676	\$1,216,101,135
2nd qtr 1996	\$2,102,208,805	\$1,959,926,690	\$1,277,540,110
3rd qtr 1996	\$2,175,273,732	\$1,998,392,730	\$1,242,758,476
4th qtr 1996	\$2,173,860,092	\$1,989,975,743	\$1,357,470,066
1st qtr 1997	\$2,320,966,088	\$2,144,145,763	\$1,228,828,688
2nd qtr 1997	\$2,226,054,558	\$2,056,880,944	\$1,277,845,763
3rd qtr 1997	\$2,312,417,636	\$2,119,816,468	\$1,266,342,373
4th qtr 1997	\$2,207,163,570	\$1,965,352,779	\$1,237,611,661
1st qtr 1998	\$2,381,750,898	\$2,185,068,143	\$1,264,992,639
2nd qtr 1998	\$2,181,697,137	\$2,010,286,458	\$1,279,621,935

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>
1987	69.6%
1988	71.1%
1989	81.1%
1990	82.4%
1991	74.8%
1992	72.8%
1993	70.0%
1994	70.9%
1995	72.3%
1996	62.9%
1997	58.7%

Private Passenger Auto (All Rate-Regulated Companies)

There were 74 groups, 201 rate-regulated companies, that had direct written premium for Private Passenger Auto in the second quarter of 1998, as compared to 78 groups, 215 companies, in the second quarter of 1997.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the second quarter of 1998 to direct written premium in the second quarter of 1997 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRIVATE PASSENGER AUTO

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 1998	% Change 2nd Quarter 1997 to 1998	4 Quarters Ending 2nd Qtr 1998	% Change 4 Qtrs Ending 1997 to 1998
1	State Farm Group	35.28%	\$491,882,865	(4.75%)	\$2,079,908,839	(0.85%)
2	Farmers Insurance Group	16.81%	\$237,990,665	(4.68%)	\$990,953,674	(0.09%)
3	Allstate Insurance Group	14.16%	\$215,666,061	2.68%	\$834,847,972	(0.83%)
4	USAA Group	5.04%	\$79,120,084	27.78%	\$297,376,263	12.72%
5	Berkshire-Hathaway (GEICO)	3.45%	\$53,624,106	16.45%	\$203,445,805	14.51%
6	Southern Farm Bureau Casualty	3.41%	\$48,365,272	0.45%	\$201,093,559	9.05%
7	Nationwide Corporation	3.09%	\$45,102,702	6.88%	\$182,387,691	11.60%
8	Travelers Insurance Group	2.12%	\$32,201,975	13.26%	\$125,026,554	9.69%
9	Safeco Insurance Group	1.43%	\$20,133,481	(0.59%)	\$84,372,089	(4.20%)
10	UNITRIN Inc.	1.38%	\$18,718,134	(6.04%)	\$81,147,679	(1.92%)
11	Hartford Fire & Casualty Group	1.11%	\$18,385,039	24.22%	\$65,614,855	7.64%
12	Liberty Mutual Insurance Group	1.02%	\$14,540,699	1.74%	\$59,981,113	4.34%
13	Texas Farm Bureau Mutual	0.95%	\$12,687,157	(20.68%)	\$56,244,097	(26.63%)
14	CNA Insurance Group	0.80%	\$11,586,548	1.13%	\$47,340,107	8.13%
15	Germania Insurance Group	0.67%	\$9,440,575	28.30%	\$39,476,328	39.25%
16	Amica Mutual Group	0.66%	\$8,800,116	(9.25%)	\$39,184,255	(1.36%)
17	Prudential of America Group	0.63%	\$9,275,037	(4.11%)	\$37,103,042	(12.22%)
18	Lincoln National Corporation	0.61%	\$8,568,958	(3.66%)	\$35,877,987	0.55%
19	Metropolitan Group	0.58%	\$8,262,124	(4.54%)	\$34,117,015	(3.35%)
20	American National Financial Group	0.56%	\$8,378,562	10.78%	\$32,758,794	16.31%
21	Horace Mann Group	0.46%	\$6,760,132	(0.71%)	\$27,057,246	4.57%
22	Agricultural Workers Mut. Auto Ins. Co.	0.45%	\$6,291,659	0.02%	\$26,431,643	0.67%
23	Lumbermans Mutual Casualty Group	0.45%	\$5,242,222	(19.41%)	\$26,275,939	(9.74%)
24	Winterthur U.S. Holding Group	0.42%	\$5,854,635	8.58%	\$24,899,290	20.15%
25	Beacon Insurance Group	0.35%	\$5,217,139	12.22%	\$20,643,304	16.11%

Top 25 Groups Total	95.89%	\$1,382,095,947	0.08%	\$5,653,565,140	1.43%
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Total Market	100.00%	\$1,438,903,482	-0.32%	\$5,895,784,668	1.06%
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QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1993	\$1,372,418,467	\$1,293,676,023	\$915,050,012
3rd qtr 1993	\$1,518,376,359	\$1,412,085,548	\$876,412,103
4th qtr 1993	\$1,407,622,338	\$1,307,588,074	\$937,566,494
1st qtr 1994	\$1,542,604,294	\$1,445,361,368	\$883,056,566
2nd qtr 1994	\$1,481,066,558	\$1,375,194,024	\$1,005,639,591
3rd qtr 1994	\$1,546,026,153	\$1,443,303,487	\$964,231,383
4th qtr 1994	\$1,481,106,839	\$1,389,914,506	\$1,017,728,145
1st qtr 1995	\$1,602,309,779	\$1,507,766,432	\$959,650,992
2nd qtr 1995	\$1,519,192,019	\$1,437,840,293	\$1,324,602,290
3rd qtr 1995	\$1,595,570,564	\$1,489,944,898	\$1,009,272,591
4th qtr 1995	\$1,510,641,621	\$1,424,047,686	\$997,305,435
1st qtr 1996	\$1,593,598,399	\$1,495,566,614	\$948,404,098
2nd qtr 1996	\$1,519,968,128	\$1,435,811,542	\$988,591,314
3rd qtr 1996	\$1,542,622,784	\$1,435,090,680	\$940,246,766
4th qtr 1996	\$1,536,582,495	\$1,434,728,468	\$1,035,748,512
1st qtr 1997	\$1,607,138,755	\$1,520,439,964	\$905,825,081
2nd qtr 1997	\$1,521,416,968	\$1,443,576,180	\$924,094,108
3rd qtr 1997	\$1,574,395,365	\$1,486,649,228	\$918,988,749
4th qtr 1997	\$1,512,331,077	\$1,415,163,554	\$901,766,944
1st qtr 1998	\$1,635,478,488	\$1,555,068,404	\$920,931,252
2nd qtr 1998	\$1,504,943,613	\$1,438,903,482	\$927,196,307

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

There were 22 groups, 22 non-rate-regulated (County Mutual) companies, that had direct written premium for Private Passenger Auto in the second quarter of 1998, as compared to 23 groups, 23 companies, in the second quarter of 1997.

The table below represents the top groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the second quarter of 1998 to direct written premium in the second quarter of 1997 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRIVATE PASSENGER AUTO

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 1998	% Change 2nd Quarter 1997 to 1998	4 Quarters Ending 2nd Qtr 1998	% Change 4 Qtrs Ending 1997 to 1998
1	Progressive Group	20.24%	\$113,730,671	(2.49%)	\$482,746,418	18.86%
2	Allstate Insurance Group	15.29%	\$88,072,201	(2.81%)	\$364,670,348	5.60%
3	Texas State National Group	9.17%	\$52,597,956	(17.92%)	\$218,785,664	(9.72%)
4	Home State County Mutual Ins. Co.	8.57%	\$56,398,419	26.30%	\$204,428,509	4.23%
5	USAA Group	6.99%	\$29,086,042	(35.54%)	\$166,811,179	(9.57%)
6	Old American County Mutual Fire Ins. Co.	6.20%	\$41,540,308	(23.56%)	\$147,929,001	(22.58%)
7	Farmers Insurance Group	5.05%	\$26,860,945	(20.04%)	\$120,391,687	(14.88%)
8	Titus Group	4.79%	\$32,686,374	75.95%	\$114,232,092	99.64%
9	Sentry Insurance Group	3.50%	\$20,183,220	(28.57%)	\$83,457,315	(23.21%)
10	Vesta Insurance Group	2.78%	\$17,261,363	82.27%	\$66,410,580	572.08%
11	White Mountains Insurance Group	2.64%	\$13,283,513	(1.16%)	\$62,838,018	(1.14%)
12	State Farm Group	2.43%	\$13,084,155	(14.43%)	\$57,907,477	(14.04%)
13	American Financial Insurance Group	2.43%	\$13,991,741	(20.38%)	\$57,853,532	(22.18%)
14	Safeway Insurance Group	2.35%	\$11,424,237	(34.67%)	\$56,157,308	2.16%
15	Nationwide Corporation	1.68%	\$8,247,558	(27.71%)	\$40,017,091	(7.96%)
16	General Agents Group	1.65%	\$10,356,416	45.01%	\$39,255,927	16.13%
17	Winterthur U.S. Holding Group	1.57%	\$9,486,715	(20.33%)	\$37,493,903	(33.42%)
18	TIG Insurance Group	1.03%	\$2,834,604	(15.05%)	\$24,611,353	(28.62%)
19	Independent County Mutual Ins. Co.	0.51%	\$4,217,612	201.88%	\$12,212,230	130.23%
20	Orion Capital Group	0.49%	\$2,947,520	5.04%	\$11,598,393	8.41%
21	Allianz Insurance Group	0.34%	\$1,871,731	(5.87%)	\$8,017,313	(4.35%)
22	Foremost Corporation America	0.19%	\$1,219,675	12.21%	\$4,530,352	14.25%
23	Southern Farm Bureau Casualty	0.10%	\$0	(100.00%)	\$2,383,490	(85.27%)
Top Groups Total		100.00%	\$571,382,976	(6.84%)	\$2,384,739,180	1.24%
Total Market		100.00%	\$571,382,976	(6.84%)	\$2,384,739,180	1.24%

Note: A list of groups and corresponding County Mutual Companies can be found on page 61 of this report.

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1993	\$398,038,866	\$338,473,509	\$200,809,276
3rd qtr 1993	\$425,437,671	\$364,374,534	\$196,776,571
4th qtr 1993	\$386,200,298	\$342,780,647	\$218,173,493
1st qtr 1994	\$412,662,608	\$381,849,224	\$207,399,450
2nd qtr 1994	\$415,355,410	\$365,014,573	\$235,894,358
3rd qtr 1994	\$406,616,053	\$381,589,807	\$213,497,071
4th qtr 1994	\$410,263,285	\$376,377,533	\$246,741,627
1st qtr 1995	\$450,734,847	\$404,604,008	\$238,929,150
2nd qtr 1995	\$475,923,638	\$430,277,669	\$279,617,373
3rd qtr 1995	\$461,317,091	\$418,809,734	\$270,835,018
4th qtr 1995	\$484,536,060	\$405,499,834	\$265,484,729
1st qtr 1996	\$565,410,701	\$492,825,062	\$267,697,037
2nd qtr 1996	\$582,240,677	\$524,115,148	\$288,948,796
3rd qtr 1996	\$632,650,948	\$563,302,050	\$302,511,710
4th qtr 1996	\$637,277,597	\$555,247,275	\$321,721,554
1st qtr 1997	\$713,827,333	\$623,705,799	\$323,003,607
2nd qtr 1997	\$704,637,590	\$613,304,764	\$353,751,655
3rd qtr 1997	\$738,022,271	\$633,167,240	\$347,353,624
4th qtr 1997	\$694,832,493	\$550,189,225	\$335,844,717
1st qtr 1998	\$746,272,410	\$629,999,739	\$344,061,387
2nd qtr 1998	\$676,753,524	\$571,382,976	\$352,425,628

Private Passenger Auto (All Voluntary Liability)

There were 81 groups, 215 companies, that had voluntary liability (no assigned risk nor physical damage) direct written premium for Private Passenger Auto in the second quarter of 1998, as compared to 82 groups, 227 companies, in the second quarter of 1997.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the second quarter of 1998 to direct written premium in the second quarter of 1997 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRIVATE PASSENGER AUTO

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 1998	% Change 2nd Quarter 1997 to 1998	4 Quarters Ending 2nd Qtr 1998	% Change 4 Qtrs Ending 1997 to 1998
1	State Farm Group	26.22%	\$319,656,319	(11.02%)	\$1,415,089,002	(3.49%)
2	Allstate Insurance Group	14.01%	\$188,398,466	(4.52%)	\$756,309,181	(3.25%)
3	Farmers Insurance Group	13.73%	\$170,407,257	(11.23%)	\$741,328,726	(4.58%)
4	USAA Group	5.53%	\$66,359,475	(6.88%)	\$298,476,885	(0.47%)
5	Progressive Group	5.33%	\$65,248,711	(9.83%)	\$287,789,610	12.83%
6	Nationwide Corporation	2.80%	\$35,516,375	(3.91%)	\$151,071,971	5.59%
7	Home State County Mutual Ins. Co.	2.79%	\$40,934,181	23.92%	\$150,839,776	4.88%
8	Texas State National Group	2.61%	\$34,596,445	(15.27%)	\$140,680,622	(12.83%)
9	Southern Farm Bureau Casualty	2.40%	\$30,840,184	(4.50%)	\$129,380,448	1.77%
10	Berkshire-Hathaway (GEICO)	2.38%	\$33,814,485	10.72%	\$128,634,161	9.81%
11	Old American County Mutual Fire Ins. Co.	1.62%	\$25,411,049	(22.82%)	\$87,543,826	(20.74%)
12	Travelers Insurance Group	1.59%	\$21,017,881	4.80%	\$86,056,938	7.22%
13	Sentry Insurance Group	1.16%	\$14,737,073	(30.54%)	\$62,431,066	(24.50%)
14	Safeco Insurance Group	1.01%	\$12,233,136	(9.20%)	\$54,389,727	(7.94%)
15	UNITRIN Inc.	1.00%	\$11,815,747	(12.09%)	\$53,764,426	(3.22%)
16	Titus Group	0.96%	\$15,635,628	158.34%	\$51,644,567	257.37%
17	Safeway Insurance Group	0.85%	\$9,391,894	(33.84%)	\$45,789,572	2.91%
18	Vesta Insurance Group	0.84%	\$11,652,740	75.67%	\$45,494,845	556.12%
19	Hartford Fire & Casualty Group	0.84%	\$12,291,430	15.10%	\$45,428,600	4.12%
20	White Mountains Insurance Group	0.78%	\$8,609,571	(4.66%)	\$42,061,419	(2.81%)
21	Liberty Mutual Insurance Group	0.73%	\$8,968,237	(9.19%)	\$39,580,117	0.44%
22	Winterthur U.S. Holding Group	0.72%	\$9,152,234	(14.41%)	\$38,989,634	(17.31%)
23	American Financial Insurance Group	0.69%	\$8,907,351	(23.95%)	\$37,483,246	(22.93%)
24	Texas Farm Bureau Mutual	0.65%	\$7,723,479	(26.24%)	\$35,340,604	(31.06%)
25	CNA Insurance Group	0.60%	\$7,433,180	(7.36%)	\$32,208,267	4.44%
Top 25 Groups Total		91.85%	\$1,170,752,528	(7.40%)	\$4,957,807,236	(1.45%)
Total Market		100.00%	\$1,270,068,231	(7.25%)	\$5,397,877,917	(1.43%)

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1993	\$985,685,091	\$909,767,336	\$645,956,649
3rd qtr 1993	\$1,153,261,606	\$1,076,706,550	\$660,584,789
4th qtr 1993	\$1,089,976,377	\$1,020,213,844	\$707,537,725
1st qtr 1994	\$1,173,980,445	\$1,096,345,846	\$679,671,501
2nd qtr 1994	\$1,127,329,586	\$1,042,886,582	\$689,901,120
3rd qtr 1994	\$1,190,834,566	\$1,125,951,270	\$707,722,268
4th qtr 1994	\$1,162,594,127	\$1,105,617,576	\$752,654,979
1st qtr 1995	\$1,273,529,988	\$1,188,306,165	\$733,246,469
2nd qtr 1995	\$1,231,055,611	\$1,151,084,100	\$726,804,810
3rd qtr 1995	\$1,348,649,594	\$1,275,973,876	\$723,597,168
4th qtr 1995	\$1,313,885,160	\$1,209,226,907	\$755,036,499
1st qtr 1996	\$1,420,233,554	\$1,308,304,593	\$720,860,232
2nd qtr 1996	\$1,370,514,207	\$1,275,270,164	\$720,987,502
3rd qtr 1996	\$1,441,420,117	\$1,321,903,123	\$740,095,071
4th qtr 1996	\$1,465,871,724	\$1,344,946,334	\$828,019,416
1st qtr 1997	\$1,564,462,607	\$1,440,223,843	\$737,672,033
2nd qtr 1997	\$1,488,442,939	\$1,369,347,023	\$763,680,249
3rd qtr 1997	\$1,521,853,988	\$1,391,699,925	\$773,454,184
4th qtr 1997	\$1,470,221,189	\$1,304,147,553	\$777,642,637
1st qtr 1998	\$1,565,827,427	\$1,431,962,208	\$766,849,370
2nd qtr 1998	\$1,384,788,004	\$1,270,068,231	\$767,283,584

Private Passenger Auto (Voluntary Liability Rate-Regulated Companies)

There were 69 groups, 193 rate-regulated companies, that had voluntary liability (no assigned risk nor physical damage) direct written premium for Private Passenger Auto in the second quarter of 1998, as compared to 70 groups, 204 companies, in the second quarter of 1997.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the second quarter of 1998 to direct written premium in the second quarter of 1997 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRIVATE PASSENGER AUTO

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 1998	% Change 2nd Quarter 1997 to 1998	4 Quarters Ending 2nd Qtr 1998	% Change 4 Qtrs Ending 1997 to 1998
1	State Farm Group	35.49%	\$311,084,139	(10.75%)	\$1,375,612,268	(3.06%)
2	Farmers Insurance Group	16.97%	\$151,772,244	(10.00%)	\$657,700,477	(3.19%)
3	Allstate Insurance Group	13.80%	\$135,681,696	(4.59%)	\$535,004,143	(6.70%)
4	USAA Group	4.86%	\$47,433,253	15.84%	\$188,220,375	7.49%
5	Berkshire-Hathaway (GEICO)	3.32%	\$33,814,485	10.72%	\$128,634,161	9.81%
6	Southern Farm Bureau Casualty	3.30%	\$30,840,184	2.38%	\$127,750,506	10.42%
7	Nationwide Corporation	3.22%	\$30,047,715	2.24%	\$124,910,415	9.48%
8	Travelers Insurance Group	2.22%	\$21,017,881	4.80%	\$86,056,938	7.22%
9	Safeco Insurance Group	1.40%	\$12,233,136	(9.20%)	\$54,389,727	(7.94%)
10	UNITRIN Inc.	1.39%	\$11,815,747	(12.09%)	\$53,764,426	(3.22%)
11	Hartford Fire & Casualty Group	1.17%	\$12,291,430	15.10%	\$45,428,600	4.12%
12	Liberty Mutual Insurance Group	1.02%	\$8,968,237	(9.19%)	\$39,580,117	0.44%
13	Texas Farm Bureau Mutual	0.91%	\$7,723,479	(26.24%)	\$35,340,604	(31.06%)
14	CNA Insurance Group	0.83%	\$7,433,180	(7.36%)	\$32,208,267	4.44%
15	Amica Mutual Group	0.72%	\$5,899,078	(16.98%)	\$27,957,303	(2.46%)
16	Germania Insurance Group	0.68%	\$5,848,724	15.31%	\$26,351,854	34.55%
17	Prudential of America Group	0.67%	\$5,854,286	(15.06%)	\$26,017,767	(12.24%)
18	Lincoln National Corporation	0.60%	\$5,191,066	(13.39%)	\$23,261,474	(3.36%)
19	Metropolitan Group	0.59%	\$5,413,108	(8.12%)	\$22,828,005	(4.71%)
20	American National Financial Group	0.58%	\$5,496,181	3.94%	\$22,304,874	13.70%
21	Horace Mann Group	0.47%	\$4,395,943	(5.86%)	\$18,144,928	3.16%
22	Lumbermans Mutual Casualty Group	0.47%	\$3,362,067	(27.56%)	\$18,134,999	(12.37%)
23	Winterthur U.S. Holding Group	0.44%	\$3,869,841	3.05%	\$16,929,189	17.75%
24	Agricultural Workers Mut. Auto Ins. Co.	0.42%	\$3,710,833	(9.33%)	\$16,422,141	(2.56%)
25	Beacon Insurance Group	0.33%	\$3,128,887	5.99%	\$12,922,887	14.63%

Top 25 Groups Total	95.87%	\$874,326,820	(6.26%)	\$3,715,876,445	(1.70%)
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Total Market	100.00%	\$910,104,317	(6.51%)	\$3,876,139,576	(1.92%)
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QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1993	\$762,813,440	\$713,187,276	\$518,225,327
3rd qtr 1993	\$912,498,618	\$862,871,680	\$532,744,236
4th qtr 1993	\$854,617,447	\$804,578,963	\$564,322,947
1st qtr 1994	\$922,028,673	\$871,134,306	\$543,570,518
2nd qtr 1994	\$870,007,187	\$817,380,807	\$544,808,115
3rd qtr 1994	\$939,991,375	\$893,393,554	\$572,314,192
4th qtr 1994	\$911,071,026	\$874,300,299	\$592,432,511
1st qtr 1995	\$989,447,532	\$941,701,479	\$576,779,658
2nd qtr 1995	\$931,154,531	\$889,515,442	\$575,330,097
3rd qtr 1995	\$1,051,246,478	\$1,000,537,851	\$558,079,208
4th qtr 1995	\$1,000,448,241	\$947,973,701	\$588,579,674
1st qtr 1996	\$1,050,550,791	\$992,668,317	\$558,359,983
2nd qtr 1996	\$996,434,655	\$941,792,407	\$554,211,632
3rd qtr 1996	\$1,027,236,601	\$961,056,143	\$557,446,658
4th qtr 1996	\$1,046,181,516	\$982,577,912	\$633,040,004
1st qtr 1997	\$1,094,951,038	\$1,034,912,330	\$544,785,462
2nd qtr 1997	\$1,031,122,699	\$973,499,745	\$545,653,841
3rd qtr 1997	\$1,052,626,921	\$990,137,088	\$559,166,890
4th qtr 1997	\$1,018,492,824	\$948,239,907	\$563,109,351
1st qtr 1998	\$1,086,603,980	\$1,027,658,264	\$554,722,335
2nd qtr 1998	\$957,220,723	\$910,104,317	\$550,226,899

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

There were 22 groups, 22 non-rate-regulated (County Mutual) companies, that had voluntary liability (no assigned risk nor physical damage) direct written premium for Private Passenger Auto in the second quarter of 1998, as compared to 23 groups, 23 companies, in the second quarter of 1997.

The table below represents the top groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the second quarter of 1998 to direct written premium in the second quarter of 1997 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRIVATE PASSENGER AUTO

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 1998	% Change 2nd Quarter 1997 to 1998	4 Quarters Ending 2nd Qtr 1998	% Change 4 Qtrs Ending 1997 to 1998
1	Progressive Group	18.91%	\$65,248,711	(9.83%)	\$287,789,610	12.83%
2	Allstate Insurance Group	14.54%	\$52,716,770	(4.33%)	\$221,305,038	6.25%
3	Home State County Mutual Ins. Co.	9.91%	\$40,934,181	23.92%	\$150,839,776	4.88%
4	Texas State National Group	9.24%	\$34,596,445	(15.27%)	\$140,680,622	(12.83%)
5	USAA Group	7.25%	\$18,926,222	(37.57%)	\$110,256,510	(11.64%)
6	Old American County Mutual Fire Ins. Co.	5.75%	\$25,411,049	(22.82%)	\$87,543,826	(20.74%)
7	Farmers Insurance Group	5.50%	\$18,635,013	(20.13%)	\$83,628,249	(14.23%)
8	Sentry Insurance Group	3.96%	\$14,279,907	(30.94%)	\$60,273,567	(25.13%)
9	Titus Group	3.39%	\$15,635,628	158.34%	\$51,644,567	257.37%
10	Safeway Insurance Group	3.01%	\$9,391,894	(33.84%)	\$45,789,572	2.91%
11	Vesta Insurance Group	2.99%	\$11,652,740	75.67%	\$45,494,845	556.12%
12	White Mountains Insurance Group	2.76%	\$8,609,571	(4.66%)	\$42,061,419	(2.81%)
13	State Farm Group	2.59%	\$8,572,180	(19.86%)	\$39,476,734	(16.39%)
14	American Financial Insurance Group	2.46%	\$8,906,789	(23.95%)	\$37,477,849	(22.94%)
15	Nationwide Corporation	1.72%	\$5,468,660	(27.77%)	\$26,161,556	(9.74%)
16	General Agents Group	1.60%	\$6,374,672	34.79%	\$24,318,717	7.14%
17	Winterthur U.S. Holding Group	1.45%	\$5,282,393	(23.86%)	\$22,060,445	(32.69%)
18	TIG Insurance Group	1.24%	\$2,613,298	3.88%	\$18,872,406	(15.73%)
19	Orion Capital Group	0.63%	\$2,406,844	2.70%	\$9,568,198	8.04%
20	Independent County Mutual Ins. Co.	0.51%	\$2,631,435	186.44%	\$7,694,272	123.71%
21	Allianz Insurance Group	0.36%	\$1,209,935	(12.96%)	\$5,469,269	(3.45%)
22	Foremost Corporation America	0.11%	\$459,577	23.25%	\$1,701,352	31.51%
23	Southern Farm Bureau Casualty	0.11%	\$0	(100.00%)	\$1,629,942	(85.74%)
Top Groups Total		100.00%	\$359,963,914	(9.06%)	\$1,521,738,341	(0.17%)
Total Market		100.00%	\$359,963,914	(9.06%)	\$1,521,738,341	(0.17%)

Note: A list of groups and corresponding County Mutual Companies can be found on page 61 of this report.

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1993	\$222,871,651	\$196,580,060	\$127,731,322
3rd qtr 1993	\$240,762,988	\$213,834,870	\$127,840,553
4th qtr 1993	\$235,358,930	\$215,634,881	\$143,214,778
1st qtr 1994	\$251,951,772	\$225,211,540	\$136,100,983
2nd qtr 1994	\$257,322,399	\$225,505,775	\$145,093,005
3rd qtr 1994	\$250,843,191	\$232,557,716	\$135,408,076
4th qtr 1994	\$251,523,101	\$231,317,277	\$160,222,468
1st qtr 1995	\$284,082,456	\$246,604,686	\$156,466,811
2nd qtr 1995	\$299,901,080	\$261,568,658	\$151,474,713
3rd qtr 1995	\$297,403,116	\$275,436,025	\$165,517,960
4th qtr 1995	\$313,436,919	\$261,253,206	\$166,456,825
1st qtr 1996	\$369,682,763	\$315,636,276	\$162,500,249
2nd qtr 1996	\$374,079,552	\$333,477,757	\$166,775,870
3rd qtr 1996	\$414,183,516	\$360,846,980	\$182,648,413
4th qtr 1996	\$419,690,208	\$362,368,422	\$194,979,412
1st qtr 1997	\$469,511,569	\$405,311,513	\$192,886,571
2nd qtr 1997	\$457,320,240	\$395,847,278	\$218,026,408
3rd qtr 1997	\$469,227,067	\$401,562,837	\$214,287,294
4th qtr 1997	\$451,728,365	\$355,907,646	\$214,533,286
1st qtr 1998	\$479,223,447	\$404,303,944	\$212,127,035
2nd qtr 1998	\$427,567,281	\$359,963,914	\$217,056,685

Private Passenger Auto (All Assigned Risk)

There were 30 groups, 35 companies, that had assigned risk (no voluntary liability nor physical damage) direct written premium for Private Passenger Auto in the second quarter of 1998, as compared to 34 groups, 38 companies, in the second quarter of 1997.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the second quarter of 1998 to direct written premium in the second quarter of 1997 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRIVATE PASSENGER AUTO

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 1998	% Change 2nd Quarter 1997 to 1998	4 Quarters Ending 2nd Qtr 1998	% Change 4 Qtrs Ending 1997 to 1998
1	State Farm Group	43.21%	\$3,722,625	(51.81%)	\$17,983,662	(47.05%)
2	Farmers Insurance Group	11.97%	\$973,722	(83.84%)	\$4,983,740	(65.70%)
3	Allstate Insurance Group	9.41%	\$823,083	(60.40%)	\$3,916,724	(57.46%)
4	Southern Farm Bureau Casualty	8.75%	\$868,733	(52.40%)	\$3,642,320	(55.00%)
5	American International Group	5.72%	\$686,429	(2.25%)	\$2,379,697	(18.41%)
6	Eagle Insurance Group	4.14%	\$471,395	(35.21%)	\$1,723,183	(28.12%)
7	Nationwide Corporation	3.07%	\$324,189	(42.46%)	\$1,277,589	(38.60%)
8	Berkshire-Hathaway (GEICO)	2.59%	\$228,723	(54.82%)	\$1,076,326	(47.31%)
9	Leucadia Group	1.94%	\$210,803	(78.86%)	\$808,324	(85.32%)
10	Safeco Insurance Group	1.27%	\$138,302	(47.36%)	\$527,353	(42.89%)
11	Travelers Insurance Group	1.02%	\$160,565	(49.69%)	\$424,854	(61.75%)
12	AEGON U.S.A. Incorporated	0.93%	\$95,456	(19.41%)	\$388,210	(28.49%)
13	Liberty Mutual Insurance Group	0.93%	\$81,789	(62.65%)	\$385,978	(56.58%)
14	Hartford Fire & Casualty Group	0.80%	\$110,532	33.95%	\$333,021	(41.97%)
15	Lincoln National Corporation	0.67%	\$68,957	(51.54%)	\$280,598	(53.76%)
16	Lumbermans Mutual Casualty Group	0.56%	\$9,505	(89.40%)	\$232,495	(50.16%)
17	UNITRIN Inc.	0.46%	\$65,580	(68.75%)	\$190,363	(80.09%)
18	Commercial Union Insurance Co's.	0.45%	\$39,246	(51.55%)	\$186,432	(41.23%)
19	American National Financial Group	0.44%	(\$18,230)	(121.46%)	\$181,962	(47.44%)
20	Beacon Insurance Group	0.42%	(\$7,761)	(105.59%)	\$173,103	(69.24%)
21	American Indemnity Financial	0.32%	\$15,715	(63.54%)	\$132,064	(55.83%)
22	W. R. Berkley Corporation	0.30%	\$42,605	(30.30%)	\$126,611	(11.74%)
23	Prudential of America Group	0.30%	(\$53,907)	(122.26%)	\$126,268	(88.94%)
24	Allmerica Financial Corporation	0.19%	\$8,145	(86.69%)	\$78,685	(69.14%)
25	Royal & Sun Alliance USA	0.12%	\$8,676	(64.95%)	\$50,695	(11.94%)

Top 25 Groups Total	99.98%	\$9,074,877	(61.11%)	\$41,610,257	(53.73%)
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Total Market	100.00%	\$9,086,640	(61.02%)	\$41,619,481	(54.06%)
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QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1993	\$153,229,776	\$131,034,818	\$99,546,835
3rd qtr 1993	\$149,871,433	\$115,396,037	\$105,415,578
4th qtr 1993	\$127,431,913	\$93,422,097	\$111,112,087
1st qtr 1994	\$157,420,604	\$128,362,242	\$111,042,039
2nd qtr 1994	\$163,550,340	\$130,231,246	\$118,324,597
3rd qtr 1994	\$145,653,655	\$100,016,648	\$127,905,942
4th qtr 1994	\$139,232,084	\$97,352,374	\$134,117,427
1st qtr 1995	\$141,686,848	\$110,611,264	\$127,859,913
2nd qtr 1995	\$142,664,825	\$112,500,562	\$126,667,662
3rd qtr 1995	\$85,718,832	\$45,466,007	\$114,131,962
4th qtr 1995	\$77,551,462	\$48,191,503	\$107,964,333
1st qtr 1996	\$76,194,589	\$52,583,419	\$86,795,091
2nd qtr 1996	\$73,127,973	\$58,083,179	\$69,677,406
3rd qtr 1996	\$52,886,905	\$28,594,730	\$58,544,626
4th qtr 1996	\$33,281,834	\$15,933,008	\$49,967,021
1st qtr 1997	\$32,483,574	\$22,762,711	\$37,599,798
2nd qtr 1997	\$28,508,169	\$23,312,768	\$32,763,924
3rd qtr 1997	\$21,059,308	\$12,374,849	\$28,456,385
4th qtr 1997	\$15,600,099	\$8,667,694	\$22,468,763
1st qtr 1998	\$14,923,415	\$11,490,298	\$15,833,804
2nd qtr 1998	\$12,403,619	\$9,086,640	\$14,609,996

Private Passenger Auto (All Physical Damage)

There were 81 groups, 212 companies, that had physical damage (no voluntary liability nor assigned risk) direct written premium for Private Passenger Auto in the second quarter of 1998, as compared to 83 groups, 224 companies, in the second quarter of 1997.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the second quarter of 1998 to direct written premium in the second quarter of 1997 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRIVATE PASSENGER AUTO

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 1998	% Change 2nd Quarter 1997 to 1998	4 Quarters Ending 2nd Qtr 1998	% Change 4 Qtrs Ending 1997 to 1998
1	State Farm Group	24.81%	\$181,588,076	10.24%	\$704,743,652	6.00%
2	Allstate Insurance Group	15.46%	\$114,516,713	13.09%	\$439,292,415	10.87%
3	Farmers Insurance Group	12.85%	\$93,470,631	9.59%	\$365,032,895	6.78%
4	Progressive Group	6.86%	\$48,481,960	9.51%	\$194,956,808	29.05%
5	USAA Group	5.83%	\$41,846,651	16.97%	\$165,710,557	11.67%
6	Texas State National Group	2.75%	\$18,001,511	(22.58%)	\$78,105,042	(3.52%)
7	Berkshire-Hathaway (GEICO)	2.60%	\$19,580,898	30.53%	\$73,735,318	26.08%
8	Southern Farm Bureau Casualty	2.48%	\$16,656,355	(2.69%)	\$70,454,281	7.79%
9	Nationwide Corporation	2.47%	\$17,509,696	8.87%	\$70,055,222	13.46%
10	Titus Group	2.20%	\$17,050,746	36.13%	\$62,587,525	46.34%
11	Old American County Mutual Fire Ins. Co.	2.13%	\$16,129,259	(24.69%)	\$60,385,175	(25.10%)
12	Home State County Mutual Ins. Co.	1.89%	\$15,464,238	33.07%	\$53,588,733	2.43%
13	Travelers Insurance Group	1.36%	\$11,023,529	36.80%	\$38,544,762	18.19%
14	Safeco Insurance Group	1.04%	\$7,762,043	19.09%	\$29,455,009	4.93%
15	UNITRIN Inc.	0.96%	\$6,836,807	9.02%	\$27,192,890	3.71%
16	Sentry Insurance Group	0.85%	\$6,139,210	(21.20%)	\$24,166,490	(16.88%)
17	Winterthur U.S. Holding Group	0.82%	\$6,189,116	(6.31%)	\$23,403,559	(21.69%)
18	Vesta Insurance Group	0.74%	\$5,608,623	97.69%	\$20,915,735	609.61%
19	Texas Farm Bureau Mutual	0.74%	\$4,963,678	(10.14%)	\$20,903,493	(17.67%)
20	White Mountains Insurance Group	0.73%	\$4,673,942	6.00%	\$20,776,599	2.41%
21	American Financial Insurance Group	0.72%	\$5,087,961	(13.22%)	\$20,390,325	(20.67%)
22	Liberty Mutual Insurance Group	0.70%	\$5,490,673	30.81%	\$20,015,018	16.44%
23	Hartford Fire & Casualty Group	0.70%	\$5,983,077	48.15%	\$19,853,234	18.53%
24	CNA Insurance Group	0.53%	\$4,153,368	20.97%	\$15,131,840	16.92%
25	General Agents Group	0.53%	\$3,981,744	65.05%	\$14,937,210	34.50%

Top 25 Groups Total	92.72%	\$678,190,505	10.04%	\$2,634,333,787	8.73%
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Total Market	100.00%	\$731,131,587	10.07%	\$2,841,026,450	8.34%
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QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1993	\$631,542,466	\$591,347,378	\$370,355,804
3rd qtr 1993	\$640,680,991	\$584,357,495	\$307,188,307
4th qtr 1993	\$576,414,346	\$536,732,780	\$337,090,175
1st qtr 1994	\$623,865,853	\$602,502,504	\$299,742,476
2nd qtr 1994	\$605,542,042	\$567,090,769	\$433,308,232
3rd qtr 1994	\$616,153,985	\$598,925,376	\$342,100,244
4th qtr 1994	\$589,543,913	\$563,322,089	\$377,697,366
1st qtr 1995	\$637,827,790	\$613,453,011	\$337,473,760
2nd qtr 1995	\$621,395,221	\$604,533,300	\$750,747,191
3rd qtr 1995	\$622,519,229	\$587,314,749	\$442,378,479
4th qtr 1995	\$603,741,059	\$572,129,110	\$399,789,332
1st qtr 1996	\$662,580,957	\$627,503,664	\$408,445,812
2nd qtr 1996	\$658,566,625	\$626,573,347	\$486,875,202
3rd qtr 1996	\$680,966,710	\$647,894,877	\$444,118,779
4th qtr 1996	\$674,706,534	\$629,096,401	\$479,483,629
1st qtr 1997	\$724,019,907	\$681,159,209	\$453,556,857
2nd qtr 1997	\$709,103,450	\$664,221,153	\$481,401,590
3rd qtr 1997	\$769,504,340	\$715,741,694	\$464,431,804
4th qtr 1997	\$721,342,282	\$652,537,532	\$437,500,261
1st qtr 1998	\$801,000,056	\$741,615,637	\$482,309,465
2nd qtr 1998	\$784,505,514	\$731,131,587	\$497,728,355

Private Passenger Auto (Physical Damage Rate-Regulated Companies)

There were 69 groups, 190 rate-regulated companies, that had physical damage (no voluntary liability nor assigned risk) direct written premium for Private Passenger Auto in the second quarter of 1998, as compared to 71 groups, 201 companies, in the second quarter of 1997.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the second quarter of 1998 to direct written premium in the second quarter of 1997 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRIVATE PASSENGER AUTO

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 1998	% Change 2nd Quarter 1997 to 1998	4 Quarters Ending 2nd Qtr 1998	% Change 4 Qtrs Ending 1997 to 1998
1	State Farm Group	34.70%	\$177,076,101	10.58%	\$686,312,909	6.46%
2	Farmers Insurance Group	16.60%	\$85,244,699	13.62%	\$328,269,457	10.18%
3	Allstate Insurance Group	14.96%	\$79,161,282	20.41%	\$295,927,105	14.17%
4	USAA Group	5.52%	\$31,686,831	51.11%	\$109,155,888	23.03%
5	Berkshire-Hathaway (GEICO)	3.73%	\$19,580,898	30.53%	\$73,735,318	26.08%
6	Southern Farm Bureau Casualty	3.52%	\$16,656,355	2.82%	\$69,700,733	14.99%
7	Nationwide Corporation	2.84%	\$14,730,798	20.29%	\$56,199,687	18.94%
8	Travelers Insurance Group	1.95%	\$11,023,529	36.80%	\$38,544,762	18.19%
9	Safeco Insurance Group	1.49%	\$7,762,043	19.09%	\$29,455,009	4.93%
10	UNITRIN Inc.	1.37%	\$6,836,807	9.02%	\$27,192,890	3.71%
11	Texas Farm Bureau Mutual	1.06%	\$4,963,678	(10.14%)	\$20,903,493	(17.67%)
12	Liberty Mutual Insurance Group	1.01%	\$5,490,673	30.81%	\$20,015,018	16.44%
13	Hartford Fire & Casualty Group	1.00%	\$5,983,077	48.15%	\$19,853,234	18.53%
14	CNA Insurance Group	0.76%	\$4,153,368	20.97%	\$15,131,840	16.92%
15	Germania Insurance Group	0.66%	\$3,591,851	57.13%	\$13,124,474	49.68%
16	Lincoln National Corporation	0.62%	\$3,308,935	19.95%	\$12,335,915	12.09%
17	Metropolitan Group	0.57%	\$2,849,016	3.09%	\$11,289,010	(0.47%)
18	Amica Mutual Group	0.57%	\$2,901,038	11.94%	\$11,226,952	1.49%
19	Prudential of America Group	0.55%	\$3,474,658	36.88%	\$10,959,007	(4.52%)
20	American National Financial Group	0.52%	\$2,900,611	32.44%	\$10,271,958	25.24%
21	Agricultural Workers Mut. Auto Ins. Co.	0.51%	\$2,580,826	16.60%	\$10,016,598	10.01%
22	Horace Mann Group	0.45%	\$2,364,189	10.52%	\$8,929,234	9.94%
23	Winterthur U.S. Holding Group	0.40%	\$1,984,794	21.27%	\$7,970,101	25.60%
24	Lumbermans Mutual Casualty Group	0.40%	\$1,870,650	5.43%	\$7,908,445	(0.50%)
25	Beacon Insurance Group	0.38%	\$2,096,013	34.51%	\$7,547,314	27.01%

Top 25 Groups Total	96.16%	\$500,272,720	16.94%	\$1,901,976,351	10.88%
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Total Market	100.00%	\$519,712,525	16.33%	\$1,978,025,611	10.43%
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QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1993	\$456,375,251	\$449,453,929	\$297,277,850
3rd qtr 1993	\$456,006,308	\$433,817,831	\$238,252,289
4th qtr 1993	\$425,572,978	\$409,587,014	\$262,131,460
1st qtr 1994	\$463,155,017	\$445,864,820	\$228,444,009
2nd qtr 1994	\$447,509,031	\$427,581,971	\$342,506,879
3rd qtr 1994	\$460,381,123	\$449,893,285	\$264,011,249
4th qtr 1994	\$430,803,729	\$418,261,833	\$291,178,207
1st qtr 1995	\$471,175,399	\$455,453,689	\$255,011,421
2nd qtr 1995	\$445,372,663	\$435,824,289	\$622,604,531
3rd qtr 1995	\$458,605,254	\$443,941,040	\$337,061,421
4th qtr 1995	\$432,641,918	\$427,882,482	\$300,761,428
1st qtr 1996	\$466,853,019	\$450,314,878	\$303,249,024
2nd qtr 1996	\$450,405,500	\$435,935,956	\$364,702,276
3rd qtr 1996	\$462,499,278	\$445,439,807	\$324,255,482
4th qtr 1996	\$457,119,145	\$436,217,548	\$352,741,487
1st qtr 1997	\$479,704,143	\$462,764,923	\$323,439,821
2nd qtr 1997	\$461,786,100	\$446,763,667	\$345,676,343
3rd qtr 1997	\$500,709,136	\$484,137,291	\$331,365,474
4th qtr 1997	\$478,238,154	\$458,255,953	\$316,188,830
1st qtr 1998	\$533,951,093	\$515,919,842	\$350,375,113
2nd qtr 1998	\$535,319,271	\$519,712,525	\$362,359,412

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

There were 22 groups, 22 non-rate-regulated (County Mutual) companies, that had physical damage (no voluntary liability nor assigned risk) direct written premium for Private Passenger Auto in the second quarter of 1998, as compared to 23 groups, 23 companies, in the second quarter of 1997.

The table below represents the top groups based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the second quarter of 1998 to direct written premium in the second quarter of 1997 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRIVATE PASSENGER AUTO

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 1998	% Change 2nd Quarter 1997 to 1998	4 Quarters Ending 2nd Qtr 1998	% Change 4 Qtrs Ending 1997 to 1998
1	Progressive Group	22.59%	\$48,481,960	9.51%	\$194,956,808	29.05%
2	Allstate Insurance Group	16.61%	\$35,355,431	(0.45%)	\$143,365,310	4.61%
3	Texas State National Group	9.05%	\$18,001,511	(22.58%)	\$78,105,042	(3.52%)
4	Titus Group	7.25%	\$17,050,746	36.13%	\$62,587,525	46.34%
5	Old American County Mutual Fire Ins. Co.	7.00%	\$16,129,259	(24.69%)	\$60,385,175	(25.10%)
6	USAA Group	6.55%	\$10,159,820	(31.38%)	\$56,554,669	(5.23%)
7	Home State County Mutual Ins. Co.	6.21%	\$15,464,238	33.07%	\$53,588,733	2.43%
8	Farmers Insurance Group	4.26%	\$8,225,932	(19.85%)	\$36,763,438	(16.31%)
9	Sentry Insurance Group	2.69%	\$5,903,313	(22.11%)	\$23,183,748	(17.71%)
10	Vesta Insurance Group	2.42%	\$5,608,623	97.69%	\$20,915,735	609.61%
11	White Mountains Insurance Group	2.41%	\$4,673,942	6.00%	\$20,776,599	2.41%
12	American Financial Insurance Group	2.36%	\$5,084,952	(13.26%)	\$20,375,683	(20.73%)
13	State Farm Group	2.14%	\$4,511,975	(1.78%)	\$18,430,743	(8.55%)
14	Winterthur U.S. Holding Group	1.79%	\$4,204,322	(15.40%)	\$15,433,458	(34.44%)
15	General Agents Group	1.73%	\$3,981,744	65.05%	\$14,937,210	34.50%
16	Nationwide Corporation	1.61%	\$2,778,898	(27.58%)	\$13,855,535	(4.41%)
17	Safeway Insurance Group	1.20%	\$2,032,343	(38.23%)	\$10,367,736	(1.00%)
18	TIG Insurance Group	0.66%	\$221,306	(73.05%)	\$5,738,947	(52.51%)
19	Independent County Mutual Ins. Co.	0.52%	\$1,586,177	231.52%	\$4,517,958	142.24%
20	Foremost Corporation America	0.33%	\$760,098	6.45%	\$2,829,000	5.89%
21	Allianz Insurance Group	0.30%	\$661,796	10.57%	\$2,548,044	(6.24%)
22	Orion Capital Group	0.24%	\$540,676	16.90%	\$2,030,195	10.23%
23	Southern Farm Bureau Casualty	0.09%	\$0	(100.00%)	\$753,548	(84.14%)
Top Groups Total		100.00%	\$211,419,062	(2.78%)	\$863,000,839	3.83%
Total Market		100.00%	\$211,419,062	(2.78%)	\$863,000,839	3.83%

Note: A list of groups and corresponding County Mutual Companies can be found on page 61 of this report.

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1993	\$175,167,215	\$141,893,449	\$73,077,954
3rd qtr 1993	\$184,674,683	\$150,539,664	\$68,936,018
4th qtr 1993	\$150,841,368	\$127,145,766	\$74,958,715
1st qtr 1994	\$160,710,836	\$156,637,684	\$71,298,467
2nd qtr 1994	\$158,033,011	\$139,508,798	\$90,801,353
3rd qtr 1994	\$155,772,862	\$149,032,091	\$78,088,995
4th qtr 1994	\$158,740,184	\$145,060,256	\$86,519,159
1st qtr 1995	\$166,652,391	\$157,999,322	\$82,462,339
2nd qtr 1995	\$176,022,558	\$168,709,011	\$128,142,660
3rd qtr 1995	\$163,913,975	\$143,373,709	\$105,317,058
4th qtr 1995	\$171,099,141	\$144,246,628	\$99,027,904
1st qtr 1996	\$195,727,938	\$177,188,786	\$105,196,788
2nd qtr 1996	\$208,161,125	\$190,637,391	\$122,172,926
3rd qtr 1996	\$218,467,432	\$202,455,070	\$119,863,297
4th qtr 1996	\$217,587,389	\$192,878,853	\$126,742,142
1st qtr 1997	\$244,315,764	\$218,394,286	\$130,117,036
2nd qtr 1997	\$247,317,350	\$217,457,486	\$135,725,247
3rd qtr 1997	\$268,795,204	\$231,604,403	\$133,066,330
4th qtr 1997	\$243,104,128	\$194,281,579	\$121,311,431
1st qtr 1998	\$267,048,963	\$225,695,795	\$131,934,352
2nd qtr 1998	\$249,186,243	\$211,419,062	\$135,368,943

Homeowners Multiple Peril (All Companies)

There were 69 groups, 161 companies, that had premiums on policies written for Homeowners Multiple Peril (includes renters' insurance) in the second quarter of 1998, as compared to 73 groups, 169 companies, in the second quarter of 1997.

The table below represents the top 25 groups for premiums on policies written based on a sum of the most recent four quarters. Also included is a comparison of premiums on policies written in the second quarter of 1998 to premiums on policies written in the second quarter of 1997 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR HOMEOWNERS MULTIPLE PERIL

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 1998	% Change 2nd Quarter 1997 to 1998	4 Quarters Ending 2nd Qtr 1998	% Change 4 Qtrs Ending 1997 to 1998
1	State Farm Group	32.68%	\$241,385,112	2.54%	\$863,050,481	3.97%
2	Farmers Insurance Group	17.56%	\$132,031,771	12.88%	\$463,763,239	8.58%
3	Allstate Insurance Group	13.92%	\$100,002,771	10.13%	\$367,641,647	13.06%
4	USAA Group	6.40%	\$48,088,717	8.89%	\$168,996,039	7.87%
5	Travelers Insurance Group	5.00%	\$36,933,102	15.32%	\$132,053,646	12.32%
6	Nationwide Corporation	2.75%	\$19,590,523	17.88%	\$72,720,215	23.03%
7	Safeco Insurance Group	1.94%	\$14,378,010	4.02%	\$51,257,905	0.68%
8	Chubb & Son Inc.	1.79%	\$13,353,762	17.42%	\$47,306,853	16.75%
9	Texas Farm Bureau Mutual	1.67%	\$11,591,822	(1.41%)	\$44,088,444	0.79%
10	Titus Group	1.35%	\$9,485,026	(9.14%)	\$35,654,712	(10.70%)
11	Winterthur U.S. Holding Group	1.22%	\$8,680,294	(1.92%)	\$32,304,080	(4.37%)
12	CNA Insurance Group	1.17%	\$10,128,721	17.20%	\$30,895,255	2.25%
13	Liberty Mutual Insurance Group	1.14%	\$9,007,024	17.37%	\$30,066,409	15.42%
14	UNITRIN Inc.	1.00%	\$7,318,784	(4.75%)	\$26,441,278	(4.66%)
15	Hartford Fire & Casualty Group	0.88%	\$6,605,877	5.92%	\$23,232,010	2.98%
16	American National Financial Group	0.84%	\$6,238,019	21.73%	\$22,172,032	23.38%
17	Amica Mutual Group	0.79%	\$6,152,208	6.01%	\$20,976,108	7.47%
18	Allianz Insurance Group	0.79%	\$5,768,903	5.51%	\$20,850,570	8.95%
19	Lumbermans Mutual Casualty Group	0.59%	\$3,873,594	(10.55%)	\$15,560,729	(11.83%)
20	Metropolitan Group	0.51%	\$3,445,797	(12.74%)	\$13,597,688	(15.95%)
21	Lincoln National Corporation	0.48%	\$3,695,831	4.72%	\$12,606,671	(2.34%)
22	Central Mutual Insurance Co. of Ohio	0.45%	\$3,496,808	13.91%	\$11,850,865	12.59%
23	Beacon Insurance Group	0.44%	\$3,418,795	36.20%	\$11,541,326	35.42%
24	Service Life Group	0.42%	\$3,387,897	85.41%	\$11,015,572	174.07%
25	General Accident Insurance	0.40%	\$3,216,859	19.11%	\$10,548,369	1.96%

Top 25 Groups Total	96.19%	\$711,276,027	7.64%	\$2,540,192,143	7.27%
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Total Market	100.00%	\$739,281,303	7.36%	\$2,640,726,196	6.73%
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QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1993	\$554,660,445	\$518,767,754	\$410,541,425
3rd qtr 1993	\$598,360,601	\$555,192,226	\$307,695,463
4th qtr 1993	\$529,999,658	\$482,257,180	\$321,328,737
1st qtr 1994	\$532,541,239	\$489,509,443	\$276,372,563
2nd qtr 1994	\$621,560,643	\$577,721,290	\$542,624,658
3rd qtr 1994	\$633,996,205	\$584,424,492	\$394,990,949
4th qtr 1994	\$544,112,881	\$506,794,681	\$317,850,063
1st qtr 1995	\$536,873,920	\$504,912,643	\$295,828,219
2nd qtr 1995	\$633,519,474	\$601,610,199	\$780,554,937
3rd qtr 1995	\$649,398,755	\$610,273,315	\$511,610,477
4th qtr 1995	\$583,421,900	\$544,747,718	\$416,544,143
1st qtr 1996	\$574,036,357	\$536,605,208	\$306,300,976
2nd qtr 1996	\$682,266,879	\$644,031,987	\$414,718,637
3rd qtr 1996	\$694,357,203	\$653,987,932	\$352,051,094
4th qtr 1996	\$607,523,506	\$569,123,474	\$317,853,967
1st qtr 1997	\$599,777,586	\$562,411,851	\$278,678,194
2nd qtr 1997	\$731,452,232	\$688,609,475	\$323,506,670
3rd qtr 1997	\$752,969,190	\$699,285,807	\$305,340,928
4th qtr 1997	\$651,833,039	\$608,527,435	\$233,428,098
1st qtr 1998	\$632,867,488	\$593,631,651	\$293,021,128
2nd qtr 1998	\$788,543,813	\$739,281,303	\$307,063,412

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>
1987	61.3%
1988	66.7%
1989	112.7%
1990	84.8%
1991	67.2%
1992	107.6%
1993	66.1%
1994	73.3%
1995	92.6%
1996	59.4%
1997	45.3%

Homeowners Multiple Peril (Rate-Regulated Companies)

There were 51 groups, 118 rate-regulated (no Lloyds or Reciprocal) companies, that had direct written premium for Homeowners Multiple Peril in the second quarter of 1998, as compared to 55 groups, 126 companies, in the second quarter of 1997.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the second quarter of 1998 to direct written premium in the second quarter of 1997 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR HOMEOWNERS MULTIPLE PERIL

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 1998	% Change 2nd Quarter 1997 to 1998	4 Quarters Ending 2nd Qtr 1998	% Change 4 Qtrs Ending 1997 to 1998
1	Allstate Insurance Group	18.39%	\$18,217,346	(12.97%)	\$84,347,799	3.50%
2	Travelers Insurance Group	15.75%	\$19,385,805	10.62%	\$72,247,731	8.49%
3	USAA Group	11.73%	\$15,846,345	17.93%	\$53,797,520	16.52%
4	Farmers Insurance Group	10.36%	\$12,698,407	(5.02%)	\$47,524,483	(7.56%)
5	Liberty Mutual Insurance Group	6.55%	\$9,007,024	17.37%	\$30,066,409	15.42%
6	UNITRIN Inc.	5.65%	\$7,152,525	(4.98%)	\$25,899,943	(5.11%)
7	Amica Mutual Group	4.57%	\$6,152,208	6.01%	\$20,976,108	7.47%
8	CNA Insurance Group	3.26%	\$4,392,997	(3.15%)	\$14,966,346	(11.39%)
9	Lincoln National Corporation	2.75%	\$3,695,831	4.72%	\$12,606,671	(2.34%)
10	Beacon Insurance Group	2.52%	\$3,418,795	36.20%	\$11,541,326	35.42%
11	State Farm Group	2.39%	\$1,683,578	(95.68%)	\$10,972,188	(93.96%)
12	General Accident Insurance	2.30%	\$3,216,859	19.11%	\$10,548,369	1.96%
13	Lumbermans Mutual Casualty Group	2.04%	(\$79,733)	(101.84%)	\$9,352,885	(47.00%)
14	Nationwide Corporation	1.95%	\$2,354,095	(0.41%)	\$8,965,064	4.61%
15	Horace Mann Group	1.79%	\$2,276,967	24.73%	\$8,208,147	20.05%
16	American National Financial Group	1.63%	\$1,948,991	(13.27%)	\$7,469,111	(12.08%)
17	Zurich American Insurance Group	0.91%	\$1,662,660	4.49%	\$4,163,517	(29.91%)
18	American Indemnity Financial	0.71%	\$864,826	(0.29%)	\$3,245,028	(4.33%)
19	Germania Insurance Group	0.59%	\$657,986	(5.25%)	\$2,715,563	0.49%
20	American Bankers Florida Group	0.54%	\$505,519	(14.28%)	\$2,458,684	10.41%
21	Guidant Insurance Group	0.43%	\$528,685	(0.29%)	\$1,983,120	(7.88%)
22	Prudential of America Group	0.40%	\$753,656	93.26%	\$1,832,020	14.43%
23	Allmerica Financial Corporation	0.39%	\$206,033	(74.42%)	\$1,800,062	(44.90%)
24	Texas RVOS Insurance Company	0.34%	\$440,579	13.64%	\$1,564,795	11.66%
25	Sentry Insurance Group	0.31%	\$356,020	11.34%	\$1,442,108	9.83%

Top 25 Groups Total	98.24%	\$117,344,004	(24.51%)	\$450,694,997	(26.63%)
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Total Market	100.00%	\$119,386,603	(28.64%)	\$458,756,885	(31.45%)
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QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1993	\$218,431,355	\$202,850,231	\$157,726,557
3rd qtr 1993	\$224,357,457	\$206,338,238	\$112,311,598
4th qtr 1993	\$187,224,520	\$169,608,716	\$120,857,223
1st qtr 1994	\$190,370,776	\$174,098,266	\$103,310,814
2nd qtr 1994	\$218,982,630	\$197,086,754	\$172,948,979
3rd qtr 1994	\$214,592,708	\$189,673,807	\$132,320,512
4th qtr 1994	\$181,369,312	\$169,322,107	\$107,207,059
1st qtr 1995	\$185,284,260	\$172,484,830	\$103,753,971
2nd qtr 1995	\$209,812,583	\$196,039,192	\$250,996,642
3rd qtr 1995	\$208,073,323	\$192,609,387	\$163,504,705
4th qtr 1995	\$180,673,488	\$167,430,221	\$122,077,376
1st qtr 1996	\$180,260,031	\$167,421,166	\$95,359,982
2nd qtr 1996	\$204,028,311	\$191,730,434	\$118,565,329
3rd qtr 1996	\$200,016,548	\$189,332,184	\$99,681,001
4th qtr 1996	\$177,362,736	\$165,157,360	\$94,731,554
1st qtr 1997	\$159,480,463	\$147,419,925	\$84,056,283
2nd qtr 1997	\$179,139,562	\$167,295,430	\$98,305,532
3rd qtr 1997	\$141,301,692	\$128,371,782	\$89,511,100
4th qtr 1997	\$120,850,580	\$110,545,470	\$65,243,600
1st qtr 1998	\$109,261,495	\$100,453,030	\$81,174,250
2nd qtr 1998	\$131,977,520	\$119,386,603	\$76,158,287

Homeowners Multiple Peril (Non-Rate-Regulated Companies)

There were 41 groups, 43 non-rate-regulated (Lloyds and Reciprocal) companies, that had direct written premium for Homeowners Multiple Peril in the second quarter of 1998, as compared to 41 groups, 43 companies, in the second quarter of 1997.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the second quarter of 1998 to direct written premium in the second quarter of 1997 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR HOMEOWNERS MULTIPLE PERIL

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 1998	% Change 2nd Quarter 1997 to 1998	4 Quarters Ending 2nd Qtr 1998	% Change 4 Qtrs Ending 1997 to 1998
1	State Farm Group	39.05%	\$239,701,534	22.01%	\$852,078,293	31.38%
2	Farmers Insurance Group	19.08%	\$119,333,364	15.19%	\$416,238,756	10.79%
3	Allstate Insurance Group	12.98%	\$81,785,425	17.05%	\$283,293,848	16.26%
4	USAA Group	5.28%	\$32,242,372	4.94%	\$115,198,519	4.25%
5	Nationwide Corporation	2.92%	\$17,236,428	20.91%	\$63,755,151	26.16%
6	Travelers Insurance Group	2.74%	\$17,547,297	20.99%	\$59,805,915	17.32%
7	Safeco Insurance Group	2.35%	\$14,378,010	3.81%	\$51,277,360	7.54%
8	Chubb & Son Inc.	2.17%	\$13,353,762	17.42%	\$47,306,874	16.75%
9	Texas Farm Bureau Mutual	2.02%	\$11,591,822	(1.41%)	\$44,088,444	0.79%
10	Titus Group	1.63%	\$9,485,026	(9.14%)	\$35,654,712	(10.70%)
11	Winterthur U.S. Holding Group	1.47%	\$8,706,665	578.05%	\$32,100,630	711.07%
12	Hartford Fire & Casualty Group	1.06%	\$6,606,771	5.93%	\$23,235,692	2.99%
13	Allianz Insurance Group	0.96%	\$5,768,903	5.51%	\$20,850,570	8.96%
14	CNA Insurance Group	0.73%	\$5,735,724	39.68%	\$15,928,909	19.55%
15	American National Financial Group	0.67%	\$4,289,028	49.07%	\$14,702,921	55.16%
16	Metropolitan Group	0.62%	\$3,300,532	(16.39%)	\$13,435,927	(16.91%)
17	Central Mutual Insurance Co. of Ohio	0.54%	\$3,496,808	13.91%	\$11,850,865	12.59%
18	Service Life Group	0.50%	\$3,387,897	85.41%	\$11,015,572	174.07%
19	Commercial Union Insurance Co's.	0.42%	\$2,366,668	83.86%	\$9,252,049	618.75%
20	Mortgage Bankers Group	0.35%	\$2,356,477	20.12%	\$7,737,698	23.65%
21	W. R. Berkley Corporation	0.31%	\$2,275,085	52.99%	\$6,824,338	32.31%
22	National Group Insurance Companies	0.30%	\$1,936,172	33.07%	\$6,471,352	24.05%
23	Lumbermans Mutual Casualty Group	0.28%	\$3,953,327	*	\$6,207,844	*
24	Apex Lloyds Insurance Company	0.22%	\$1,508,552	(7.65%)	\$4,882,228	(12.73%)
25	Armed Forces Insurance Exchange	0.22%	\$1,316,719	(2.29%)	\$4,837,302	(3.00%)

Top 25 Groups Total	98.90%	\$613,660,368	19.20%	\$2,158,031,769	21.27%
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Total Market	100.00%	\$619,894,700	18.91%	\$2,181,969,311	20.89%
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* Premiums from prior reporting period were \$0, less than \$0, or negligible.

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1993	\$336,229,090	\$315,917,523	\$252,814,868
3rd qtr 1993	\$374,003,144	\$348,853,988	\$195,383,865
4th qtr 1993	\$342,775,138	\$312,648,464	\$200,471,514
1st qtr 1994	\$342,170,463	\$315,411,177	\$173,061,749
2nd qtr 1994	\$402,578,013	\$380,634,536	\$369,675,679
3rd qtr 1994	\$419,403,497	\$394,750,685	\$262,670,437
4th qtr 1994	\$362,743,569	\$337,472,574	\$210,643,004
1st qtr 1995	\$351,589,660	\$332,427,813	\$192,074,248
2nd qtr 1995	\$423,706,891	\$405,571,007	\$529,558,295
3rd qtr 1995	\$441,325,432	\$417,663,928	\$348,105,772
4th qtr 1995	\$402,748,412	\$377,317,497	\$294,466,767
1st qtr 1996	\$393,776,326	\$369,184,042	\$210,940,994
2nd qtr 1996	\$478,238,568	\$452,301,553	\$296,153,308
3rd qtr 1996	\$494,340,655	\$464,655,748	\$252,370,093
4th qtr 1996	\$430,160,770	\$403,966,114	\$223,122,413
1st qtr 1997	\$440,297,123	\$414,991,926	\$194,621,911
2nd qtr 1997	\$552,312,670	\$521,314,045	\$225,201,138
3rd qtr 1997	\$611,667,498	\$570,914,025	\$215,829,828
4th qtr 1997	\$530,982,459	\$497,981,965	\$168,184,498
1st qtr 1998	\$523,605,993	\$493,178,621	\$211,846,878
2nd qtr 1998	\$656,566,293	\$619,894,700	\$230,905,125

Workers' Compensation (All Companies)

There were 110 groups, 276 companies, that had direct written premium for Workers' Compensation in the second quarter of 1998, as compared to 107 groups, 274 companies, in the second quarter of 1997.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the second quarter of 1998 to direct written premium in the second quarter of 1997 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR WORKERS' COMPENSATION

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 1998	% Change 2nd Quarter 1997 to 1998	4 Quarters Ending 2nd Qtr 1998	% Change 4 Qtrs Ending 1997 to 1998
1	Texas Workers Compensation Ins. Fund	11.71%	\$50,368,223	(21.20%)	\$209,200,435	(29.05%)
2	Liberty Mutual Insurance Group	8.14%	\$32,465,620	21.71%	\$145,370,151	80.22%
3	CNA Insurance Group	7.78%	\$31,782,365	(25.42%)	\$138,924,110	(1.47%)
4	American International Group	6.94%	\$36,879,829	18.67%	\$123,974,734	2.86%
5	Lumbermans Mutual Casualty Group	6.00%	\$23,286,080	5.96%	\$107,114,706	17.93%
6	Travelers Insurance Group	4.87%	\$18,496,050	(3.11%)	\$86,903,130	16.89%
7	Reliance Group Incorporated	4.48%	\$22,822,343	129.09%	\$79,979,272	6.48%
8	Hartford Fire & Casualty Group	3.03%	\$15,851,578	19.28%	\$54,182,369	5.50%
9	Zurich American Insurance Group	2.90%	\$16,009,349	53.41%	\$51,779,833	45.84%
10	Nationwide Corporation	2.51%	\$13,715,331	38.70%	\$44,760,172	18.62%
11	Orion Capital Group	2.19%	\$8,620,686	(3.30%)	\$39,165,771	3.79%
12	Colonial Casualty Insurance Company	2.04%	\$15,683,557	118.65%	\$36,465,682	37.23%
13	Allianz Insurance Group	1.68%	\$7,447,764	17.99%	\$30,048,536	20.43%
14	Old Republic Group	1.64%	\$5,151,300	(14.98%)	\$29,259,632	9.03%
15	Clarendon Insurance Group	1.60%	\$6,663,220	96.23%	\$28,647,219	77.71%
16	Cigna Group	1.57%	\$8,618,610	351.37%	\$28,059,206	59.53%
17	General Accident Insurance	1.46%	\$6,070,547	(12.54%)	\$26,105,113	2.33%
18	Transport Holdings Inc.	1.42%	\$4,092,297	(23.13%)	\$25,426,068	(22.96%)
19	St. Paul Companies	1.25%	\$5,038,307	2.14%	\$22,329,839	(5.61%)
20	Zenith National Insurance Group	1.23%	\$5,127,637	(37.15%)	\$21,906,669	(31.50%)
21	Farmers Insurance Group	1.12%	\$5,331,710	0.89%	\$20,069,433	13.11%
22	Chubb & Son Inc.	1.08%	\$4,605,359	(1.96%)	\$19,310,162	15.62%
23	Foundation Health Corporation	1.00%	\$3,893,044	(24.25%)	\$17,894,461	4.91%
24	Association Casualty	0.99%	\$4,294,434	(21.57%)	\$17,644,700	(12.96%)
25	Amerisure Companies	0.90%	\$3,735,119	(28.65%)	\$16,025,758	(20.16%)

Top 25 Groups Total	79.54%	\$356,050,359	6.64%	\$1,420,547,161	4.63%
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Total Market	100.00%	\$454,678,314	8.26%	\$1,786,055,691	6.17%
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QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1993	\$541,731,426	\$534,139,479	\$425,510,814
3rd qtr 1993	\$564,433,127	\$569,136,516	\$361,113,470
4th qtr 1993	\$534,631,999	\$496,039,169	\$340,634,109
1st qtr 1994	\$561,608,543	\$555,113,578	\$304,252,933
2nd qtr 1994	\$563,048,156	\$472,902,994	\$293,759,081
3rd qtr 1994	\$490,402,099	\$486,126,245	\$288,584,623
4th qtr 1994	\$519,438,875	\$491,491,380	\$275,369,102
1st qtr 1995	\$510,842,803	\$508,795,889	\$258,197,622
2nd qtr 1995	\$438,857,516	\$433,896,159	\$259,507,992
3rd qtr 1995	\$469,589,330	\$455,898,476	\$259,707,366
4th qtr 1995	\$402,555,729	\$401,696,092	\$266,005,328
1st qtr 1996	\$579,559,857	\$509,511,182	\$282,536,912
2nd qtr 1996	\$409,563,674	\$378,400,229	\$276,137,126
3rd qtr 1996	\$403,782,391	\$409,781,331	\$271,110,812
4th qtr 1996	\$375,796,251	\$395,841,983	\$303,408,073
1st qtr 1997	\$518,369,386	\$456,591,310	\$233,563,552
2nd qtr 1997	\$411,119,792	\$420,002,038	\$304,193,123
3rd qtr 1997	\$394,852,366	\$449,776,152	\$276,405,692
4th qtr 1997	\$400,005,300	\$414,469,778	\$279,869,817
1st qtr 1998	\$558,865,076	\$467,131,447	\$276,549,673
2nd qtr 1998	\$478,778,704	\$454,678,314	\$290,449,648

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>
1987	104.7%
1988	109.6%
1989	104.2%
1990	95.0%
1991	79.6%
1992	71.5%
1993	63.3%
1994	38.7%
1995	61.3%
1996	68.5%
1997	72.9%

Workers' Compensation (Voluntary Market)

There were 110 groups, 275 companies, that had voluntary direct written premium for Workers' Compensation in the second quarter of 1998, as compared to 107 groups, 274 companies, in the second quarter of 1997.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the second quarter of 1998 to direct written premium in the second quarter of 1997 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR WORKERS' COMPENSATION

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 1998	% Change 2nd Quarter 1997 to 1998	4 Quarters Ending 2nd Qtr 1998	% Change 4 Qtrs Ending 1997 to 1998
1	Texas Workers Compensation Ins. Fund	11.82%	\$49,934,231	(16.81%)	\$211,442,756	(24.86%)
2	Liberty Mutual Insurance Group	8.12%	\$32,465,620	21.74%	\$145,255,699	80.05%
3	CNA Insurance Group	7.77%	\$31,818,793	(25.34%)	\$139,012,426	(1.40%)
4	American International Group	6.93%	\$36,879,829	18.67%	\$123,974,734	2.86%
5	Lumbermans Mutual Casualty Group	5.99%	\$23,292,355	5.99%	\$107,120,981	17.95%
6	Travelers Insurance Group	4.86%	\$18,496,050	(3.21%)	\$86,876,604	14.59%
7	Reliance Group Incorporated	4.47%	\$22,822,343	129.09%	\$79,979,272	6.48%
8	Hartford Fire & Casualty Group	3.03%	\$15,851,578	19.28%	\$54,182,369	5.17%
9	Zurich American Insurance Group	2.90%	\$16,009,349	53.42%	\$51,779,833	45.85%
10	Nationwide Corporation	2.50%	\$13,715,331	38.70%	\$44,760,172	18.34%
11	Orion Capital Group	2.19%	\$8,620,686	(3.30%)	\$39,165,771	3.79%
12	Colonial Casualty Insurance Company	2.04%	\$15,683,557	118.65%	\$36,465,682	37.23%
13	Allianz Insurance Group	1.68%	\$7,447,764	17.99%	\$30,048,536	20.43%
14	Old Republic Group	1.64%	\$5,151,300	(14.98%)	\$29,259,632	9.03%
15	Clarendon Insurance Group	1.60%	\$6,663,220	96.23%	\$28,647,219	77.71%
16	Cigna Group	1.57%	\$8,618,610	351.37%	\$28,059,206	59.53%
17	General Accident Insurance	1.46%	\$6,070,547	(12.54%)	\$26,105,113	2.33%
18	Transport Holdings Inc.	1.42%	\$4,092,297	(23.13%)	\$25,426,068	(22.96%)
19	St. Paul Companies	1.25%	\$5,038,307	2.14%	\$22,329,839	(5.61%)
20	Zenith National Insurance Group	1.22%	\$5,127,637	(37.15%)	\$21,906,669	(31.50%)
21	Farmers Insurance Group	1.12%	\$5,331,710	0.89%	\$20,069,433	13.11%
22	Chubb & Son Inc.	1.08%	\$4,605,359	(1.96%)	\$19,310,162	15.62%
23	Foundation Health Corporation	1.00%	\$3,893,044	(24.25%)	\$17,894,461	4.91%
24	Association Casualty	0.99%	\$4,294,434	(21.57%)	\$17,644,700	(12.96%)
25	Amerisure Companies	0.90%	\$3,735,119	(28.65%)	\$16,025,758	(20.16%)

Top 25 Groups Total	79.55%	\$355,659,070	7.78%	\$1,422,743,095	5.70%
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Total Market	100.00%	\$454,287,025	9.18%	\$1,788,451,151	7.05%
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QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1993	\$472,109,429	\$423,661,580	\$294,794,251
3rd qtr 1993	\$507,508,855	\$484,922,584	\$258,420,593
4th qtr 1993	\$498,034,258	\$442,770,748	\$246,898,632
1st qtr 1994	\$556,524,252	\$528,861,443	\$221,491,441
2nd qtr 1994	\$555,381,758	\$455,732,983	\$238,330,685
3rd qtr 1994	\$483,106,382	\$471,587,659	\$209,727,272
4th qtr 1994	\$514,174,416	\$485,215,899	\$239,877,979
1st qtr 1995	\$504,395,626	\$503,795,920	\$214,640,626
2nd qtr 1995	\$431,833,136	\$432,487,193	\$225,639,769
3rd qtr 1995	\$461,824,200	\$453,894,311	\$224,489,104
4th qtr 1995	\$396,357,091	\$389,435,824	\$232,077,588
1st qtr 1996	\$573,290,273	\$508,598,211	\$251,351,695
2nd qtr 1996	\$402,772,171	\$365,766,167	\$240,044,757
3rd qtr 1996	\$398,598,974	\$406,123,320	\$245,300,728
4th qtr 1996	\$373,057,831	\$395,421,448	\$282,512,093
1st qtr 1997	\$513,174,272	\$452,981,332	\$213,481,480
2nd qtr 1997	\$408,122,341	\$416,106,534	\$283,131,638
3rd qtr 1997	\$391,478,516	\$447,980,785	\$257,491,933
4th qtr 1997	\$397,952,485	\$420,604,994	\$264,596,740
1st qtr 1998	\$557,273,941	\$465,578,347	\$260,858,093
2nd qtr 1998	\$477,501,777	\$454,287,025	\$275,411,547

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 Workers' Compensation Insurance Fund (the Fund).

For the four quarters ending with the second quarter of 1998 the START program reported (\$2,242,321) in direct premiums written. This accounted for 93.61% of all Residual Market experience reported and was a decrease of 116.65% over the same period one year prior. Of this amount \$433,992 was written in the second quarter of 1998 which was an 88.86% decrease from the second quarter of 1997.

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

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

QUARTERLY EXPERIENCE All Groups

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1993	\$69,621,997	\$110,477,899	\$130,716,563
3rd qtr 1993	\$56,924,272	\$84,213,932	\$102,692,877
4th qtr 1993	\$36,597,741	\$53,268,421	\$93,735,477
1st qtr 1994	\$5,084,291	\$26,252,135	\$82,761,492
2nd qtr 1994	\$7,666,398	\$17,170,011	\$55,428,396
3rd qtr 1994	\$7,295,717	\$14,538,586	\$78,857,351
4th qtr 1994	\$5,264,459	\$6,275,481	\$35,491,123
1st qtr 1995	\$6,447,177	\$4,999,969	\$43,556,996
2nd qtr 1995	\$7,024,380	\$1,408,966	\$33,868,223
3rd qtr 1995	\$7,765,130	\$2,004,165	\$35,218,262
4th qtr 1995	\$6,198,638	\$12,260,268	\$33,927,740
1st qtr 1996	\$6,269,584	\$912,971	\$31,185,217
2nd qtr 1996	\$6,791,503	\$12,634,062	\$36,092,369
3rd qtr 1996	\$5,183,417	\$3,658,011	\$25,810,084
4th qtr 1996	\$2,738,420	\$420,535	\$20,895,980
1st qtr 1997	\$5,195,114	\$3,609,978	\$20,082,072
2nd qtr 1997	\$2,997,451	\$3,895,504	\$21,061,485
3rd qtr 1997	\$3,373,850	\$1,795,367	\$18,913,759
4th qtr 1997	\$2,052,815	(\$6,135,216)	\$15,273,077
1st qtr 1998	\$1,591,135	\$1,553,100	\$15,691,580
2nd qtr 1998	\$1,276,927	\$391,289	\$15,038,101

QUARTERLY EXPERIENCE
Texas Workers' Compensation Insurance Fund

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1993	\$0	\$0	\$0
3rd qtr 1993	\$0	\$0	\$0
4th qtr 1993	\$0	\$0	\$0
1st qtr 1994	\$5,084,291	\$5,084,291	\$7,298
2nd qtr 1994	\$7,666,398	\$7,666,398	\$232,318
3rd qtr 1994	\$7,295,717	\$5,623,596	\$555,306
4th qtr 1994	\$5,264,459	\$6,326,840	\$1,454,285
1st qtr 1995	\$6,447,177	\$6,766,829	\$1,104,601
2nd qtr 1995	\$7,024,380	\$4,424,113	\$1,985,824
3rd qtr 1995	\$7,765,130	\$4,932,138	\$2,124,768
4th qtr 1995	\$6,198,638	\$10,213,355	\$2,256,434
1st qtr 1996	\$6,269,584	\$985,350	\$4,402,318
2nd qtr 1996	\$6,791,503	\$12,905,623	\$758,010
3rd qtr 1996	\$5,183,417	\$2,722,400	\$2,354,828
4th qtr 1996	\$2,738,420	\$3,134,810	\$2,435,900
1st qtr 1997	\$5,195,114	\$3,709,751	\$2,085,326
2nd qtr 1997	\$2,997,451	\$3,897,390	\$1,965,869
3rd qtr 1997	\$3,373,850	\$2,010,153	\$2,380,981
4th qtr 1997	\$2,052,815	(\$6,127,062)	\$1,904,944
1st qtr 1998	\$1,591,135	\$1,440,596	\$1,607,940
2nd qtr 1998	\$1,276,927	\$433,992	\$1,465,267

Workers' Compensation (Deductible Plans)

There were 99 groups, 230 companies which wrote voluntary policies for Workers' Compensation in the second quarter of 1998, as compared to 98 groups, 234 companies in the second quarter of 1997.

The data contained in the following table represents direct policies written as new or renewal policies in the second quarter of 1998. 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 first installment premium).

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

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

WORKERS' COMPENSATION DEDUCTIBLE PLANS

	Policies Written 2nd Qtr 1998	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	26	\$185,999	\$171,390	7.85%
Premium of \$10,000 - \$24,999	28	\$403,024	\$357,107	11.39%
Premium of \$25,000 - \$49,999	11	\$386,559	\$301,478	22.01%
Premium of \$50,000 - \$74,999	5	\$326,044	\$267,721	17.89%
Premium of \$75,000 - \$100,000	4	\$356,423	\$282,165	20.83%
Total Per Accident Plan	74	\$1,658,049	\$1,379,861	16.78%
Aggregate Deductible Plan				
Premium of \$5,000 - \$9,999	28	\$213,887	\$192,302	10.09%
Premium of \$10,000 - \$24,999	21	\$301,830	\$260,622	13.65%
Premium of \$25,000 - \$49,999	7	\$261,307	\$211,002	19.25%
Premium of \$50,000 - \$74,999	7	\$413,441	\$330,395	20.09%
Premium of \$75,000 - \$100,000	2	\$167,266	\$70,319	57.96%
Total Aggregate Plan	65	\$1,357,731	\$1,064,640	21.59%
Per Accident/Aggregate Combination Deductible Plan				
Premium of \$5,000 - \$9,999	10	\$73,893	\$67,433	8.74%
Premium of \$10,000 - \$24,999	11	\$173,361	\$159,133	8.21%
Premium of \$25,000 - \$49,999	6	\$214,632	\$198,336	7.59%
Premium of \$50,000 - \$74,999	6	\$380,656	\$314,735	17.32%
Premium of \$75,000 - \$100,000	2	\$199,354	\$185,221	7.09%
Total Combination Plan	35	\$1,041,896	\$924,858	11.23%
Negotiated Deductible Plan				
Premium Up To \$100,000	502	\$10,533,154	\$2,807,839	73.34%
Premium of \$100,001 - \$150,000	72	\$8,789,461	\$1,865,209	78.78%
Premium of \$150,001 - \$250,000	70	\$13,527,069	\$3,785,074	72.02%
Premium of \$250,001 - \$350,000	48	\$14,116,730	\$3,836,094	72.83%
Premium of \$350,001 - \$500,000	47	\$20,343,905	\$4,145,175	79.62%
Premium of \$500,001 - \$750,000	47	\$28,511,326	\$5,464,126	80.84%
Premium of \$750,001 - \$1,000,000	26	\$22,407,812	\$3,167,427	85.86%
Premium of \$1,000,001 - \$2,500,000	51	\$80,157,565	\$13,861,938	82.71%
Premium of \$2,500,001 - \$5,000,000	15	\$49,050,009	\$7,709,570	84.28%
Premium of \$5,000,001 and above	11	\$112,470,866	\$42,127,730	62.54%
Total Negotiated Plan	889	\$359,907,897	\$88,770,182	75.34%
No Deductible Plan				
Premium Less Than \$5,000	22,973	\$39,897,758	\$39,897,758	0.00%
Premium of \$5,000 - \$9,999	5,206	\$37,020,740	\$37,020,740	0.00%
Premium of \$10,000 - \$24,999	3,880	\$60,219,789	\$60,219,789	0.00%
Premium of \$25,000 - \$49,999	1,525	\$53,168,749	\$53,168,749	0.00%
Premium of \$50,000 - \$74,999	467	\$28,645,111	\$28,645,111	0.00%
Premium of \$75,000 - \$100,000	225	\$19,380,339	\$19,380,339	0.00%
Premium Greater Than \$100,000	484	\$147,029,750	\$147,029,750	0.00%
Total No Deductible Plan	34,760	\$385,362,236	\$385,362,236	0.00%
TOTAL ALL PLANS	35,823	\$749,327,809	\$477,501,777	36.28%

Boiler & Machinery

There were 39 groups, 84 companies, that had direct written premium for Boiler & Machinery in the second quarter of 1998, as compared to 35 groups, 78 companies, in the second quarter of 1997.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the second quarter of 1998 to direct written premium in the second quarter of 1997 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR BOILER & MACHINERY

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 1998	% Change 2nd Quarter 1997 to 1998	4 Quarters Ending 2nd Qtr 1998	% Change 4 Qtrs Ending 1997 to 1998
1	Hartford Steam Boiler Group	19.30%	\$2,164,017	22.59%	\$8,273,964	(2.64%)
2	Protection Mutual Insurance Company	12.72%	\$1,420,198	87.47%	\$5,452,996	22.78%
3	Travelers Insurance Group	11.66%	\$1,042,913	(10.44%)	\$4,998,203	5.51%
4	Arkwright Boston Group	10.78%	\$979,271	13.94%	\$4,619,800	13.96%
5	Lumbermans Mutual Casualty Group	10.76%	\$1,150,620	24.06%	\$4,614,110	(3.10%)
6	Allendale Group	7.12%	\$1,068,786	(5.52%)	\$3,054,002	(13.61%)
7	Chubb & Son Inc.	6.74%	\$533,419	(14.05%)	\$2,888,829	(15.48%)
8	Zurich American Insurance Group	4.49%	\$838,360	(45.99%)	\$1,925,674	(46.19%)
9	Reliance Group Incorporated	4.01%	\$797,746	(35.24%)	\$1,720,316	(11.77%)
10	American International Group	2.52%	\$269,425	372.58%	\$1,080,265	41.10%
11	CNA Insurance Group	2.26%	\$179,005	(23.09%)	\$967,014	8.62%
12	Nationwide Corporation	1.72%	\$142,401	(7.19%)	\$737,532	(3.88%)
13	TIG Insurance Group	1.33%	\$410,311	*	\$569,526	(60.24%)
14	St. Paul Companies	0.82%	\$45,203	3.35%	\$351,767	(11.19%)
15	Allianz Insurance Group	0.80%	\$115,667	137.87%	\$344,544	27.54%
16	Commercial Union Insurance Co's.	0.55%	\$35,764	(11.00%)	\$233,927	(14.06%)
17	Guidant Insurance Group	0.53%	\$57,746	14.69%	\$227,442	2.33%
18	Cigna Group	0.33%	\$20,985	71.00%	\$142,175	12.82%
19	Allstate Insurance Group	0.30%	\$37,974	23.34%	\$127,488	22.91%
20	Lincoln National Corporation	0.15%	\$15,558	*	\$65,599	395.12%
21	Hartford Fire & Casualty Group	0.14%	\$5,398	(96.22%)	\$58,004	(87.51%)
22	Deere & Company Group	0.12%	\$11,584	(11.36%)	\$53,010	43.02%
23	Mercury General Group	0.10%	\$334	(96.16%)	\$43,197	(22.33%)
24	Sentry Insurance Group	0.09%	\$8,581	(18.51%)	\$39,747	(16.78%)
25	Tokio Marine Consolidated	0.09%	\$12,108	230.46%	\$36,651	69.21%

Top 25 Groups Total	99.43%	\$11,363,374	4.65%	\$42,625,782	(4.98%)
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Total Market	100.00%	\$11,427,808	4.72%	\$42,870,380	(5.06%)
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* Premiums from prior reporting period were \$0, less than \$0, or negligible.

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1993	*	*	*
3rd qtr 1993	*	*	*
4th qtr 1993	\$16,353,022	\$15,229,377	\$7,934,921
1st qtr 1994	\$11,237,463	\$9,649,143	\$7,740,284
2nd qtr 1994	\$15,872,695	\$13,375,863	\$9,071,133
3rd qtr 1994	\$12,743,548	\$11,929,997	\$6,267,187
4th qtr 1994	\$18,860,735	\$16,864,685	\$994,800
1st qtr 1995	\$9,279,746	\$8,572,978	\$4,745,626
2nd qtr 1995	\$13,326,698	\$12,929,400	\$3,207,036
3rd qtr 1995	\$12,214,712	\$9,798,039	\$4,014,279
4th qtr 1995	\$15,535,917	\$14,318,246	\$9,245,111
1st qtr 1996	\$10,029,771	\$8,503,251	\$7,323,439
2nd qtr 1996	\$12,146,756	\$11,061,403	\$6,202,512
3rd qtr 1996	\$12,193,289	\$13,335,666	\$4,673,537
4th qtr 1996	\$11,635,320	\$12,211,138	\$12,159,442
1st qtr 1997	\$8,908,324	\$8,695,587	\$3,146,684
2nd qtr 1997	\$11,483,811	\$10,912,224	\$3,983,044
3rd qtr 1997	\$11,503,183	\$11,059,002	\$24,580,956
4th qtr 1997	\$16,282,971	\$12,296,349	\$9,237,517
1st qtr 1998	\$8,919,827	\$8,087,221	\$3,930,327
2nd qtr 1998	\$10,090,271	\$11,427,808	\$3,040,440

* Data not collected prior to the 4th Quarter of 1993.

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>
1987	16.9%
1988	73.5%
1989	40.8%
1990	225.6%
1991	124.5%
1992	13.0%
1993	79.5%
1994	39.9%
1995	43.4%
1996	71.1%
1997	74.2%

Commercial Crime

There were 44 groups, 79 companies, that had direct written premium for Commercial Crime in the second quarter of 1998, as compared to 44 groups, 79 companies, in the second quarter of 1997.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the second quarter of 1998 to direct written premium in the second quarter of 1997 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR COMMERCIAL CRIME

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 1998	% Change 2nd Quarter 1997 to 1998	4 Quarters Ending 2nd Qtr 1998	% Change 4 Qtrs Ending 1997 to 1998
1	Chubb & Son Inc.	52.08%	\$1,903,106	7.26%	\$5,784,856	(6.18%)
2	Zurich American Insurance Group	12.51%	\$255,880	(17.51%)	\$1,389,827	4.55%
3	Reliance Group Incorporated	7.85%	\$5,628	14.83%	\$872,496	77.69%
4	American International Group	6.13%	\$217,030	12.74%	\$680,701	(6.46%)
5	Travelers Insurance Group	5.86%	\$86,630	(28.87%)	\$650,648	34.54%
6	Guidant Insurance Group	2.73%	\$76,036	9.14%	\$303,436	(4.12%)
7	Hartford Fire & Casualty Group	2.65%	\$53,407	(14.10%)	\$293,938	58.11%
8	St. Paul Companies	1.91%	\$22,802	41.24%	\$211,868	(7.79%)
9	Crum & Forster Insurance Companies	1.32%	\$17,166	(43.28%)	\$146,184	(2.18%)
10	Executive Risk Companies	1.02%	\$47,662	567.16%	\$113,769	319.07%
11	NUCORP Insurance Group	0.86%	\$29,774	657.99%	\$95,831	*
12	Federated Mutual Group	0.84%	\$27,075	48.22%	\$92,975	86.85%
13	UNITRIN Inc.	0.70%	\$10,265	(33.42%)	\$77,300	(0.31%)
14	American Financial Insurance Group	0.57%	\$20,258	*	\$63,125	132.89%
15	Lumbermans Mutual Casualty Group	0.36%	\$5,456	(64.28%)	\$40,280	(14.33%)
16	Nationwide Corporation	0.32%	\$2,115	144.05%	\$35,873	129.18%
17	Liberty Mutual Insurance Group	0.27%	\$12,409	(1.66%)	\$29,917	47.32%
18	Deere & Company Group	0.26%	\$7,335	23.24%	\$29,127	(0.96%)
19	Chrysler Group	0.25%	\$2,993	(79.00%)	\$28,018	(23.17%)
20	Royal & Sun Alliance USA	0.21%	\$17,759	0.91%	\$23,169	4.48%
21	Protection Mutual Insurance Company	0.20%	\$14,375	0.00%	\$21,669	(41.51%)
22	EMC Insurance Companies	0.15%	\$2,968	(14.66%)	\$16,149	40.63%
23	Legion Insurance Group	0.14%	\$0	*	\$15,678	*
24	Sentry Insurance Group	0.11%	\$2,285	(25.93%)	\$11,701	(2.87%)
25	Millers First Insurance Companies	0.10%	\$1,950	(60.57%)	\$11,004	(9.21%)

Top 25 Groups Total	99.38%	\$2,842,364	4.72%	\$11,039,539	7.29%
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Total Market	100.00%	\$2,755,087	(0.13%)	\$11,108,555	5.92%
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* Premiums from prior reporting period were \$0, less than \$0, or negligible.

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1993	*	*	*
3rd qtr 1993	*	*	*
4th qtr 1993	\$1,677,118	\$1,627,562	\$490,506
1st qtr 1994	\$1,324,383	\$1,407,041	\$284,766
2nd qtr 1994	\$1,358,269	\$1,419,309	\$198,911
3rd qtr 1994	\$1,116,845	\$1,196,386	\$354,516
4th qtr 1994	\$1,291,067	\$1,312,913	\$225,445
1st qtr 1995	\$2,276,387	\$2,431,816	\$209,079
2nd qtr 1995	\$2,593,418	\$2,953,801	\$555,103
3rd qtr 1995	\$2,292,688	\$2,448,400	\$662,813
4th qtr 1995	\$2,749,095	\$2,861,398	(\$7,850)
1st qtr 1996	\$1,996,866	\$2,543,225	\$404,653
2nd qtr 1996	\$2,848,677	\$3,148,500	\$395,857
3rd qtr 1996	\$2,630,416	\$2,672,105	\$559,800
4th qtr 1996	\$2,865,948	\$2,817,165	(\$261,036)
1st qtr 1997	\$2,326,215	\$2,240,161	\$685,650
2nd qtr 1997	\$2,596,971	\$2,758,586	\$479,870
3rd qtr 1997	\$2,452,389	\$3,084,964	\$337,194
4th qtr 1997	\$2,992,214	\$2,659,011	\$901,799
1st qtr 1998	\$2,494,468	\$2,609,493	\$1,506,546
2nd qtr 1998	\$2,689,070	\$2,755,087	\$499,866

* Data not collected prior to the 4th Quarter of 1993.

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>
1987	23.8%
1988	41.8%
1989	29.9%
1990	27.3%
1991	29.7%
1992	24.6%
1993	18.5%
1994	22.5%
1995	16.1%
1996	19.4%
1997	13.2%

Commercial Glass

There were 27 groups, 50 companies, that had direct written premium for Commercial Glass in the second quarter of 1998, as compared to 34 groups, 55 companies, in the second quarter of 1997.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the second quarter of 1998 to direct written premium in the second quarter of 1997 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR COMMERCIAL GLASS

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 1998	% Change 2nd Quarter 1997 to 1998	4 Quarters Ending 2nd Qtr 1998	% Change 4 Qtrs Ending 1997 to 1998
1	UNITRIN Inc.	35.77%	\$54,267	(0.77%)	\$188,283	(4.19%)
2	Ohio Casualty Group	7.81%	\$14,590	*	\$41,085	512.30%
3	EMC Insurance Companies	7.50%	\$12,613	63.42%	\$39,497	44.21%
4	W. R. Berkley Corporation	5.81%	\$3,939	23.29%	\$30,574	334.35%
5	Zurich American Insurance Group	5.79%	\$6,421	(48.88%)	\$30,457	(27.17%)
6	Travelers Insurance Group	5.46%	(\$84)	(101.17%)	\$28,737	11.43%
7	Federated Mutual Group	4.98%	\$7,176	10.62%	\$26,233	17.76%
8	Mercury General Group	4.51%	\$7,949	(10.41%)	\$23,756	(26.53%)
9	St. Paul Companies	3.29%	\$2,471	(60.00%)	\$17,294	(22.90%)
10	Deere & Company Group	2.91%	\$3,398	47.04%	\$15,291	7.50%
11	Royal & Sun Alliance USA	2.66%	\$1,826	(1.03%)	\$14,023	(14.03%)
12	Farmers Insurance Group	2.61%	\$3,757	(18.75%)	\$13,755	(12.06%)
13	Lincoln National Corporation	2.08%	(\$4,427)	(184.47%)	\$10,925	(49.43%)
14	American Indemnity Financial	1.52%	\$2,164	(31.93%)	\$7,984	(30.36%)
15	American International Group	1.49%	\$0	*	\$7,844	*
16	Miller Insurance Group	0.64%	\$310	761.11%	\$3,395	8.09%
17	Chrysler Group	0.64%	\$58	(33.33%)	\$3,343	22.05%
18	Beacon Insurance Group	0.60%	\$768	(16.16%)	\$3,174	(4.66%)
19	CNA Insurance Group	0.52%	(\$35)	(103.96%)	\$2,756	(47.90%)
20	General Accident Insurance	0.40%	\$169	(66.00%)	\$2,094	1.80%
21	Reliance Group Incorporated	0.39%	\$0	*	\$2,076	(7.03%)
22	Guidant Insurance Group	0.38%	\$997	44.49%	\$2,020	(16.43%)
23	Harco National Insurance Company	0.35%	\$0	(100.00%)	\$1,825	(28.18%)
24	Utica National Insurance Group	0.31%	\$1,023	35.32%	\$1,622	0.75%
25	American Financial Insurance Group	0.29%	\$0	100.00%	\$1,546	(21.72%)

Top 25 Groups Total	98.71%	\$119,350	(7.67%)	\$519,589	6.28%
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Total Market	100.00%	\$121,423	(8.97%)	\$526,365	1.52%
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* Premiums from prior reporting period were \$0, less than \$0, or negligible.

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1993	*	*	*
3rd qtr 1993	*	*	*
4th qtr 1993	\$301,807	\$300,314	\$44,559
1st qtr 1994	\$308,808	\$293,190	\$77,724
2nd qtr 1994	\$360,864	\$370,068	\$91,810
3rd qtr 1994	\$323,022	\$302,674	\$78,742
4th qtr 1994	\$227,999	\$242,272	\$138,473
1st qtr 1995	\$257,568	\$239,536	\$67,507
2nd qtr 1995	\$317,840	\$286,183	\$106,654
3rd qtr 1995	\$245,865	\$229,668	\$78,672
4th qtr 1995	\$233,805	\$193,433	\$41,606
1st qtr 1996	\$141,382	\$127,967	\$30,823
2nd qtr 1996	\$158,795	\$140,729	\$33,810
3rd qtr 1996	\$165,453	\$140,389	\$36,889
4th qtr 1996	\$156,778	\$121,243	\$36,288
1st qtr 1997	\$144,373	\$123,484	\$21,580
2nd qtr 1997	\$165,662	\$133,383	\$21,667
3rd qtr 1997	\$183,474	\$148,195	\$29,200
4th qtr 1997	\$178,081	\$127,958	\$78,633
1st qtr 1998	\$152,653	\$128,789	\$30,881
2nd qtr 1998	\$156,004	\$121,423	\$12,492

* Data not collected prior to the 4th Quarter of 1993.

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>
1987	26.4%
1988	19.3%
1989	30.2%
1990	24.9%
1991	36.9%
1992	8.0%
1993	25.2%
1994	17.4%
1995	32.9%
1996	23.7%
1997	31.2%*

* Beginning 1997, Commercial Glass is reported under Allied Lines on the Annual Statement; therefore, this Loss Ratio represents all coverages reported under Allied Lines.

Medical Professional Liability

There were 38 groups, 58 companies, that had direct written premium for Medical Professional Liability (includes regulated and nonregulated companies) in the second quarter of 1998, as compared to 41 groups, 54 companies, in the second quarter of 1997.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the second quarter of 1998 to direct written premium in the second quarter of 1997 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR MEDICAL PROFESSIONAL LIABILITY

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 1998	% Change 2nd Quarter 1997 to 1998	4 Quarters Ending 2nd Qtr 1998	% Change 4 Qtrs Ending 1997 to 1998
1	Health Care Indemnity Inc.	28.26%	(\$2,040,558)	(617.30%)	\$87,335,010	9.24%
2	Medical Protective Company	14.84%	\$16,089,607	5.57%	\$45,851,410	4.20%
3	Western Indemnity Insurance Co.	7.11%	\$10,264,781	182.31%	\$21,965,010	6.20%
4	Medical Inter-Insurance Exchange Group	5.94%	\$6,156,933	*	\$18,356,997	*
5	American Physicians Ins. Exchange	5.04%	\$3,078,794	(13.41%)	\$15,562,341	(23.65%)
6	CNA Insurance Group	4.43%	\$1,857,513	50.44%	\$13,686,779	30.06%
7	Frontier Insurance Group	4.09%	\$2,267,588	(63.67%)	\$12,652,217	(13.76%)
8	St. Paul Companies	3.49%	\$2,144,461	(45.54%)	\$10,790,993	(30.70%)
9	PHICO Insurance Company	3.47%	\$2,192,921	*	\$10,716,921	117.68%
10	MMI Companies Group	3.11%	\$707,709	(34.13%)	\$9,604,997	46.75%
11	Mutual Assurance Companies	2.00%	\$1,250,311	140.25%	\$6,167,809	(21.90%)
12	Texas Hospital Insurance Exchange	1.91%	\$1,468,151	(6.23%)	\$5,916,521	(14.34%)
13	American International Group	1.88%	\$708,640	(47.85%)	\$5,802,835	(5.88%)
14	Allianz Insurance Group	1.80%	\$563,085	(63.27%)	\$5,552,124	4.37%
15	Doctors Company Group	1.75%	\$1,366,239	11.96%	\$5,398,342	27.56%
16	Florida Physicians Insurance Company	1.55%	\$1,506,188	90.13%	\$4,798,951	505.78%
17	Preferred Physicians Insurance Company	1.17%	\$83,804	684.83%	\$3,630,989	(4.96%)
18	Texas Medical Liab. Underwriting Assoc.	1.10%	\$406,035	(27.91%)	\$3,401,314	(10.55%)
19	Travelers Insurance Group	1.05%	\$88,696	(77.66%)	\$3,230,039	(2.75%)
20	Century American Insurance Group	0.97%	\$620,238	(29.26%)	\$3,004,376	221.44%
21	National Chiropractic Mutual Ins. Co.	0.97%	\$585,327	(2.47%)	\$2,996,086	(2.08%)
22	Farmers Insurance Group	0.57%	\$215,097	(9.97%)	\$1,748,578	(58.26%)
23	Zurich American Insurance Group	0.54%	\$115,036	184.14%	\$1,682,458	18.75%
24	SCPIE Companies	0.51%	\$648,085	330.34%	\$1,564,410	108.20%
25	Podiatry Insurance Co. of America RRG	0.45%	\$77,341	(28.02%)	\$1,390,349	1.50%
Top 25 Groups Total		97.99%	\$52,422,022	15.38%	\$302,807,856	12.21%
Total Market		100.00%	\$50,408,924	9.09%	\$309,027,698	8.59%

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

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1993	*	*	*
3rd qtr 1993	*	*	*
4th qtr 1993	\$36,934,978	\$37,758,945	\$46,810,592
1st qtr 1994	\$57,343,312	\$51,175,364	\$50,776,887
2nd qtr 1994	\$77,251,913	\$77,474,973	\$51,492,736
3rd qtr 1994	\$68,985,647	\$70,360,691	\$2,553,192
4th qtr 1994	\$40,468,946	\$43,092,539	\$74,035,442
1st qtr 1995	\$68,464,527	\$72,369,916	\$48,182,784
2nd qtr 1995	\$54,151,497	\$75,090,427	\$40,820,995
3rd qtr 1995	\$69,941,692	\$111,217,428	\$47,612,275
4th qtr 1995	\$43,145,176	\$58,247,051	\$67,315,494
1st qtr 1996	\$114,189,070	\$114,738,793	\$56,684,025
2nd qtr 1996	\$45,514,973	\$54,716,151	\$47,353,607
3rd qtr 1996	\$63,825,546	\$66,636,774	\$49,184,495
4th qtr 1996	\$44,450,328	\$37,813,818	\$62,181,423
1st qtr 1997	\$135,310,533	\$133,934,292	\$43,211,466
2nd qtr 1997	\$41,238,656	\$46,207,164	\$47,743,217
3rd qtr 1997	\$69,152,199	\$67,960,393	\$45,288,575
4th qtr 1997	\$40,887,870	\$38,739,726	\$39,743,157
1st qtr 1998	\$140,239,837	\$151,918,655	\$59,734,296
2nd qtr 1998	\$39,763,793	\$50,408,924	\$45,995,696

* Data not collected prior to the 4th Quarter of 1993.

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>
1987	123.4%
1988	118.6%
1989	100.5%
1990	131.2%
1991	113.6%
1992	105.9%
1993	102.5%
1994	92.0%
1995	87.7%
1996	80.1%
1997	69.2%

Miscellaneous Professional Liability

There were 34 groups, 55 companies, that had direct written premium for Miscellaneous Professional Liability in the second quarter of 1998, as compared to 35 groups, 65 companies, in the second quarter of 1997.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the second quarter of 1998 to direct written premium in the second quarter of 1997 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR MISC. PROFESSIONAL LIABILITY

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 2nd Quarter 1998	% Change 2nd Quarter 1997 to 1998	4 Quarters Ending 2nd Qtr 1998	% Change 4 Qtrs Ending 1997 to 1998
1	Chubb & Son Inc.	31.64%	\$10,777,043	12.08%	\$38,912,461	20.61%
2	Executive Risk Companies	29.57%	\$9,687,059	(11.45%)	\$36,369,791	(3.36%)
3	Reliance Group Incorporated	13.17%	\$4,367,430	(27.59%)	\$16,194,086	(15.69%)
4	St. Paul Companies	7.55%	\$1,600,988	(23.35%)	\$9,280,892	(12.23%)
5	General Electric Group	6.21%	\$1,638,175	(18.14%)	\$7,643,323	(7.31%)
6	Legion Insurance Group	2.57%	\$724,412	37.64%	\$3,161,154	182.89%
7	Nationwide Corporation	2.46%	\$935,516	(19.78%)	\$3,021,356	(34.61%)
8	U.S. Fidelity & Guaranty Group	1.17%	\$34,003	(95.90%)	\$1,433,336	(39.27%)
9	AON Corporation	0.88%	\$0	(100.00%)	\$1,081,334	(27.91%)
10	Allianz Insurance Group	0.81%	\$308,731	22.36%	\$994,391	1.88%
11	Oakley Insurance Group	0.70%	\$196,397	72.38%	\$860,946	50.70%
12	Utica National Insurance Group	0.62%	\$167,435	(41.23%)	\$760,036	(42.14%)
13	Mt. Hawley Insurance Group	0.46%	\$183,752	(53.08%)	\$563,019	(53.85%)
14	American RE Group	0.31%	\$58,210	7.30%	\$382,852	24.65%
15	W. R. Berkley Corporation	0.25%	\$127,574	449.25%	\$307,474	*
16	Union Labor Group	0.25%	\$89,301	(42.84%)	\$305,474	(62.13%)
17	Northland Group	0.24%	\$89,496	23.24%	\$295,497	(8.88%)
18	US Investment Corporation	0.21%	\$99,180	180.34%	\$254,594	295.89%
19	Lumbermans Mutual Casualty Group	0.17%	\$44,552	13.05%	\$208,786	1.06%
20	Zurich American Insurance Group	0.16%	\$27,788	(4.90%)	\$191,889	49.16%
21	Triangle Insurance Company Inc.	0.13%	\$54,149	3.87%	\$156,404	200.00%
22	Safeco Insurance Group	0.11%	\$23,460	(14.43%)	\$131,319	31.69%
23	Intercargo Corporation Group	0.10%	\$23,417	*	\$121,141	*
24	UNITRIN Inc.	0.08%	\$10,320	7.81%	\$94,249	(0.09%)
25	General America Fidelity & Guar. Corp.	0.07%	\$0	*	\$89,187	*

Top 25 Groups Total	99.85%	\$31,268,388	(11.29%)	\$122,814,991	(0.72%)
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Total Market	100.00%	\$31,297,353	(11.30%)	\$122,998,445	(2.70%)
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* Premiums from prior reporting period were \$0, less than \$0, or negligible.

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
2nd qtr 1993	*	*	*
3rd qtr 1993	*	*	*
4th qtr 1993	\$20,324,250	\$15,362,507	\$11,018,151
1st qtr 1994	\$18,707,583	\$21,325,110	\$6,229,518
2nd qtr 1994	\$19,240,620	\$22,841,578	\$3,700,887
3rd qtr 1994	\$22,065,616	\$21,347,076	\$6,146,661
4th qtr 1994	\$22,095,790	\$20,963,889	\$16,514,895
1st qtr 1995	\$22,080,891	\$20,526,056	\$13,948,832
2nd qtr 1995	\$21,914,469	\$22,212,007	\$12,204,127
3rd qtr 1995	\$20,230,545	\$20,209,532	\$15,784,680
4th qtr 1995	\$23,742,729	\$24,108,975	\$10,623,777
1st qtr 1996	\$23,960,280	\$23,622,954	\$6,150,305
2nd qtr 1996	\$34,215,304	\$32,735,648	\$1,757,243
3rd qtr 1996	\$32,715,492	\$31,248,128	\$3,969,627
4th qtr 1996	\$37,389,967	\$35,404,034	\$8,312,629
1st qtr 1997	\$26,180,108	\$24,480,345	\$11,126,143
2nd qtr 1997	\$37,729,953	\$35,283,484	\$4,273,960
3rd qtr 1997	\$37,815,158	\$33,745,952	\$6,644,389
4th qtr 1997	\$33,119,109	\$31,800,346	\$9,039,612
1st qtr 1998	\$27,705,025	\$26,154,794	\$9,246,158
2nd qtr 1998	\$33,814,735	\$31,297,353	\$4,729,190

* Data not collected prior to the 4th Quarter of 1993.

EARNED TO INCURRED LOSS RATIO BY YEAR

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

Year	Loss Ratio *
1987	86.1%
1988	78.9%
1989	77.6%
1990	89.2%
1991	91.3%
1992	102.9%
1993	102.8%
1994	64.8%
1995	96.7%
1996	99.0%
1997	51.8%

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

Complaint Data

The following chart presents a comparison of written complaints received and closed by TDI in the second quarter of 1998 and the second quarter of 1997. Also included are the number of direct policies written and the percent of complaints per policy for each line of business.

Line of Business	2ND QUARTER 1998			2ND QUARTER 1997		
	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	1	8,346	0.01198%	5	9,254	0.05403%
General Liability - Other ⁺	76	205,364	0.03701%	79	201,149	0.03927%
Fire & Allied Lines	15	70,444	0.02129%	19	70,598	0.02691%
Commercial Multiple Peril	27	72,906	0.03703%	39	71,439	0.05459%
Private Passenger Auto ⁺⁺	1,875	4,709,874	0.03981%	2,027	4,490,594	0.04514%
Homeowners	417	899,679	0.04635%	524	923,801	0.05672%
Workers' Compensation ⁺⁺⁺	41	35,899	0.11421%	38	32,399	0.11729%
Boiler & Machinery	**	**	**	**	**	**
Commercial Crime	**	**	**	**	**	**
Commercial Glass	**	**	**	**	**	**
Medical Professional Liability	6	11,247	0.05335%	1	8,739	0.01144%
Misc. Professional Liability	2	6,594	0.03033%	5	5,664	0.08828%

⁺ The General Electric Group wrote 45,802 small premium pre-paid legal policies in the 2nd quarter of 1998 and 53,028 policies in the 2nd quarter of 1997 that were excluded from the above table.

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

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

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

The number of complaints attributable to any one insurer was not significant, except for Private Passenger Auto and Homeowners. The complaint data for the top 25 groups (ranking based on number of policies written in the second quarter of 1998) for these two lines of insurance are presented on the next two pages.

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

1998 Policies Written Rank	Group Name	2ND QUARTER 1998			2ND QUARTER 1997		
		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	Liberty Mutual Insurance Group	24	21,830	0.10994%	18	20,990	0.08576%
15	Titus Group	48	49,638	0.09670%	18	33,090	0.05440%
7	Texas State National Group	114	129,416	0.08809%	140	127,510	0.10980%
6	Old American Co. Mutual Fire Ins. Co.	117	139,688	0.08376%	118	148,282	0.07958%
8	Home State County Mutual Ins. Co.	87	107,634	0.08083%	90	74,293	0.12114%
13	Travelers Insurance Group	43	55,635	0.07729%	34	44,222	0.07688%
16	Vesta Insurance Group	29	46,017	0.06302%	0	12,795	0.00000%
19	Safeco Insurance Group	17	28,701	0.05923%	19	27,233	0.06977%
10	Nationwide Corporation	52	92,691	0.05610%	40	90,234	0.04433%
4	Allstate Insurance Group	232	433,883	0.05347%	209	418,302	0.04996%
11	Berkshire-Hathaway (GEICO)	43	89,852	0.04786%	31	73,217	0.04234%
17	Winterthur U.S. Holding Group	15	38,119	0.03935%	16	42,446	0.03769%
24	Texas Farm Bureau Mutual	8	21,128	0.03786%	10	26,992	0.03705%
14	Sentry Insurance Group	16	51,813	0.03088%	20	59,762	0.03347%
9	Southern Farm Bureau Casualty	31	100,876	0.03073%	26	101,789	0.02554%
21	UNITRIN Inc.	8	27,259	0.02935%	10	29,218	0.03423%
18	Hartford Fire & Casualty Group	9	30,874	0.02915%	11	23,761	0.04629%
25	CNA Insurance Group	5	19,001	0.02631%	8	17,729	0.04512%
12	White Mountains Insurance Group	18	70,181	0.02565%	19	66,414	0.02861%
5	USAA Group	29	167,802	0.01728%	28	150,101	0.01865%
1	State Farm Group	187	1,219,731	0.01533%	213	1,231,692	0.01729%
3	Progressive Group	108	717,954	0.01504%	113	637,138	0.01774%
22	Mercury General Group	4	26,789	0.01493%	4	4,256	0.09398%
20	Lincoln National Corporation	4	27,742	0.01442%	2	27,968	0.00715%
2	Farmers Insurance Group	9	724,421	0.00124%	6	723,068	0.00083%
	(All other licensed insurers)	415	271,199	0.15302%	458	278,092	0.16469%
	(No company identified)*	203			366		
TOTALS		1,875	4,709,874	0.03981%	2,027	4,490,594	0.04514%

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

Complaint Data

HOMEOWNERS SECOND QUARTER DATA LISTED BY PERCENT OF COMPLAINTS PER POLICY

1998 Policies Written Rank	Group Name	2ND QUARTER 1998			2ND QUARTER 1997		
		Number of Complaints	Number of Policies Written	Percent of Complaints per Policy	Number of Complaints	Number of Policies Written	Percent of Complaints per Policy
24	National Group Insurance Companies	9	3,500	0.25714%	5	2,736	0.18275%
22	Chubb & Son Inc.	4	3,972	0.10070%	0	4,604	0.00000%
6	Nationwide Corporation	19	26,423	0.07191%	12	23,822	0.05037%
3	Farmers Insurance Group	81	118,843	0.06816%	93	166,596	0.05582%
7	Safeco Insurance Group	9	15,464	0.05820%	4	14,682	0.02724%
15	Hartford Fire & Casualty Group	4	7,790	0.05135%	1	7,053	0.01418%
21	Central Mutual Insurance Co. of Ohio	2	4,160	0.04808%	1	4,102	0.02438%
8	Texas Farm Bureau Mutual	7	14,863	0.04710%	7	15,077	0.04643%
10	Winterthur U.S. Holding Group	5	11,342	0.04408%	11	11,569	0.09508%
18	Mortgage Bankers Group	2	4,981	0.04015%	6	3,792	0.15823%
9	Liberty Mutual Insurance Group	5	12,599	0.03969%	7	11,560	0.06055%
17	Beacon Insurance Group	2	5,746	0.03481%	2	4,391	0.04555%
16	Amica Mutual Group	2	5,797	0.03450%	2	5,736	0.03487%
1	State Farm Group	93	302,613	0.03073%	114	307,744	0.03704%
25	Commercial Union Insurance Co's.	1	3,390	0.02950%	2	3,653	0.05475%
23	Metropolitan Group	1	3,745	0.02670%	9	4,437	0.20284%
5	Travelers Insurance Group	13	51,269	0.02536%	7	45,409	0.01542%
14	American National Financial Group	2	8,515	0.02349%	4	6,887	0.05808%
19	Lincoln National Corporation	1	4,309	0.02321%	2	4,336	0.04613%
2	Allstate Insurance Group	34	160,458	0.02119%	52	139,297	0.03733%
11	Titus Group	2	11,063	0.01808%	1	12,739	0.00785%
13	UNITRIN Inc.	1	9,428	0.01061%	3	10,196	0.02942%
4	USAA Group	4	55,775	0.00717%	8	57,205	0.01398%
12	CNA Insurance Group	0	10,439	0.00000%	4	9,829	0.04070%
20	Lumbermans Mutual Casualty Group	0	4,218	0.00000%	4	4,357	0.09181%
	(All other licensed insurers)	53	38,977	0.13598%	96	41,992	0.22861%
	(No company identified)*	61			67		
TOTALS		417	899,679	0.04635%	524	923,801	0.05672%

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

County Mutual Companies

NAMES OF GROUPS AND CORRESPONDING COUNTY MUTUAL COMPANIES

GROUPS

COUNTY MUTUAL COMPANIES

Allianz Insurance Group -----	Fireman's Fund County Mutual Insurance Co.
Allstate Insurance Group -----	Allstate County Mutual Insurance Co.
American Financial Insurance Group -----	Great Texas County Mutual Insurance Co.
Farmers Insurance Group -----	Farmers Texas County Mutual Insurance Co.
Foremost Corporation America -----	Foremost County Mutual Insurance Co.
General Agents Group -----	Gainsco County Mutual Insurance Co.
Home State County Mutual Ins. Co. -----	Home State County Mutual Insurance Co.
Independent County Mutual Insurance Co. -----	Independent County Mutual Insurance Co.
Nationwide Corporation -----	Colonial County Mutual Insurance Co.
Old American County Mutual Fire Insurance Co. -----	Old American County Mutual Fire Insurance Co.
Orion Capital Group -----	Viking County Mutual Insurance Co.
Progressive Casualty Group -----	Progressive County Mutual Insurance Co.
Safeway Insurance Group -----	Oak Brook County Mutual Insurance Co.
Sentry Insurance Group -----	Dairyland County Mutual Of Texas
Southern Farm Bureau Casualty -----	Farm Bureau County Mutual Insurance Co. of Texas
State Farm Group -----	State Farm County Mutual Insurance Co. of Texas
Texas State National Group -----	State And County Mutual Fire Insurance Co.
TIG Insurance Group -----	Industrial County Mutual Insurance Co.
Titus Group -----	Consumers County Mutual Insurance Co.
USAA Group -----	USAA County Mutual Insurance Co.
Vesta Insurance Group -----	Vesta County Mutual Insurance Co.
White Mountains Insurance Group -----	Charter County Mutual Insurance Co.
Winterthur US Holding Group -----	Southern County Mutual Insurance Co.