



**Texas Department
of Insurance**

**Quarterly Legislative Report
on Market Conditions**

*3rd Quarter
2007*

Published 12/15/2007
Property & Casualty Program/Data Services
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The Texas Department of Insurance (TDI) publishes this report pursuant to *Texas Insurance Code* Article 5.13-2 Section 5 which requires that the TDI issue to the Governor, Lieutenant Governor, and Speaker of the House of Representatives a *Quarterly Legislative Report on Market Conditions* reflecting changes in losses, premiums, market share, and complaints for certain lines of insurance.

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

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

Terms

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Lines of Insurance

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

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

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

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

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

Summary of Four Quarters

CUMULATIVE TOTALS FOR FOUR QUARTERS ENDING SEPTEMBER 2007

	Number Of Groups/Companies	Number Of Policies Written	Premiums On Policies Written	Direct Written Premiums	Direct Losses Paid
PRODUCT LIABILITY	59 / 161	33,422	\$207,973,014	\$156,977,116	\$48,932,031
GENERAL LIABILITY - OTHER	137 / 326	926,917	\$1,973,034,388	\$2,156,712,575	\$1,010,994,037
COMMERCIAL FIRE & ALLIED	80 / 180	136,834	\$691,898,496	\$815,047,449	\$437,542,380
COMMERCIAL MULTIPLE PERIL	81 / 196	426,187	\$1,636,434,576	\$1,717,397,835	\$740,415,178
PRIVATE PASSENGER AUTO					
VOLUNTARY (VOL) LIABILITY	72 / 162	12,306,408	\$7,018,722,906	\$6,542,909,214	\$4,046,902,086
ASSIGNED RISK LIABILITY	13 / 14	20,452	\$12,090,754	\$7,977,404	\$7,620,472
PHYSICAL DAMAGE	71 / 163	9,545,157	\$5,480,569,894	\$5,193,198,879	\$3,164,269,685
TOTAL PPA	73 / 170	21,872,017 +	\$12,511,383,554	\$11,744,085,497	\$7,218,792,243
HOMEOWNERS MULTIPLE PERIL	65 / 101	5,157,294	\$5,440,403,028	\$4,975,640,616	\$1,777,463,945
WORKERS' COMPENSATION					
VOL PREMIUMS < \$5,000		98,499	\$164,423,594	**	**
VOL PREMIUMS \$5,000 - \$100,000		57,747	\$1,132,201,432	**	**
VOL PREMIUMS > \$100,000		5,346	\$1,367,050,429	**	**
TOTAL VOLUNTARY	94 / 236	161,591	\$2,663,675,455	\$2,754,184,905	\$949,084,287
RESIDUAL MARKET ***	1 / 1	151	\$6,508,914	\$5,241,510	\$5,677,458
TOTAL WC	94 / 236	161,742	\$2,670,184,369	\$2,759,426,415	\$954,761,745
BOILER & MACHINERY	39 / 93	38,297	\$66,264,687	\$94,608,788	\$67,850,531
COMMERCIAL CRIME	32 / 76	9,154	\$5,702,066	\$7,441,833	\$975,298
COMMERCIAL GLASS	4 / 5	147	\$52,419	\$9,922	\$3,567
MEDICAL PROFESSIONAL LIABILITY	35 / 43	45,997	\$252,479,987	\$269,306,185	\$135,008,152
MISC. PROFESSIONAL LIABILITY	32 / 67	22,313	\$377,159,580	\$403,987,365	\$89,555,545

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

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

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

NUMBER OF GROUPS / COMPANIES WRITING POLICIES PER QUARTER

Line of Business	First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
	2006	2007	2006	2007	2006	2007	2006	2007
Product Liability	50 / 132	50 / 131	55 / 133	53 / 132	51 / 138	58 / 145	50 / 136	- / -
General Liability	128 / 285	124 / 286	129 / 287	133 / 290	125 / 279	128 / 292	125 / 282	- / -
Commercial Fire & Allied	75 / 160	76 / 153	75 / 157	76 / 160	69 / 149	78 / 160	74 / 151	- / -
Commercial Multiple Peril	74 / 176	75 / 181	74 / 181	75 / 178	72 / 171	77 / 179	73 / 174	- / -
Private Passenger Auto	61 / 142	72 / 162	65 / 149	73 / 162	67 / 152	72 / 158	67 / 158	- / -
Homeowners Multiple Peril	61 / 86	59 / 89	60 / 87	60 / 90	58 / 86	63 / 94	57 / 85	- / -
Workers' Compensation	81 / 203	88 / 207	84 / 202	89 / 211	81 / 205	88 / 211	83 / 200	- / -
Boiler & Machinery	36 / 70	38 / 85	37 / 75	37 / 75	33 / 65	38 / 77	38 / 72	- / -
Commercial Crime	30 / 64	30 / 62	28 / 58	29 / 63	27 / 59	31 / 64	27 / 58	- / -
Commercial Glass	6 / 10	5 / 7	6 / 9	6 / 8	6 / 10	5 / 7	8 / 10	- / -
Medical Professional Liability	29 / 36	31 / 37	27 / 33	29 / 34	27 / 34	30 / 37	29 / 36	- / -
Misc. Professional Liability	27 / 59	32 / 67	28 / 61	29 / 63	29 / 57	31 / 65	24 / 59	- / -

Product Liability

There were 59 groups, 161 companies, that had direct written premium for Product Liability in the third quarter of 2007, as compared to 60 groups, 154 companies, in the third quarter of 2006.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the third quarter of 2007 to direct written premium in the third quarter of 2006 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRODUCT LIABILITY

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 3rd Quarter 2007	% Change 3rd Quarter 2006 to 2007	4 Quarters Ending 3rd Qtr 2007	% Change 4 Qtrs Ending 2006 to 2007
1	American Financial Group	20.32%	\$7,087,497	(20.98%)	\$31,896,408	12.12%
2	Zurich Insurance Group	10.10%	\$5,474,747	(29.45%)	\$15,850,397	(27.46%)
3	Travelers Group	9.33%	\$3,649,860	(11.79%)	\$14,650,524	1.10%
4	Liberty Mutual Group	9.02%	\$2,980,173	(29.86%)	\$14,159,890	(6.60%)
5	Chubb & Son Inc.	6.81%	\$2,715,612	24.45%	\$10,683,191	5.13%
6	Hartford Fire & Casualty Group	6.34%	\$1,799,454	14.75%	\$9,947,292	52.75%
7	ACE Ltd.	5.84%	(\$8,474)	(100.36%)	\$9,169,390	(28.01%)
8	Sentry Insurance Group	2.40%	\$848,478	11.43%	\$3,774,655	13.33%
9	Federated Mutual	2.30%	\$1,027,876	(10.81%)	\$3,604,804	(11.15%)
10	United Fire & Casualty Group	2.16%	\$753,757	6.26%	\$3,384,080	0.34%
11	Old Republic Group	1.86%	\$998,285	53.04%	\$2,925,924	19.04%
12	Central Mutual Insurance Company Ohio	1.76%	\$852,396	61.12%	\$2,755,145	20.83%
13	Electric Insurance Group	1.72%	\$0	*	\$2,699,857	(16.77%)
14	EMC Insurance Company	1.47%	\$561,445	17.73%	\$2,305,015	36.72%
15	Allianz Insurance Group	1.44%	\$462,857	26.68%	\$2,253,270	3.11%
16	Nationwide Corp.	1.42%	\$631,883	113.88%	\$2,234,483	32.96%
17	Fairfax Financial	1.41%	\$301,348	(53.88%)	\$2,216,653	(42.27%)
18	American International Group	1.38%	(\$30,369)	(109.09%)	\$2,160,448	15.16%
19	Unitrin Group	1.26%	\$599,558	2.41%	\$1,975,611	1.71%
20	21st Century Holding Group	1.18%	\$1,206,836	*	\$1,849,742	*
21	National American Insurance Company	1.17%	\$478,096	15.53%	\$1,841,243	(16.92%)
22	CNA Insurance Group	1.09%	\$56,684	(91.25%)	\$1,712,975	(6.26%)
23	Ohio Casualty Group	1.09%	\$462,656	24.47%	\$1,706,848	30.27%
24	Medmark Insurance Group	1.02%	\$485,214	(9.97%)	\$1,602,436	50.47%
25	WR Berkley Corp.	0.82%	\$295,404	32.52%	\$1,286,280	33.09%
Top 25 Groups Total		94.69%	\$33,691,273	(15.61%)	\$148,646,561	(0.04%)
Total Market		100.00%	\$35,908,795	(13.30%)	\$156,977,116	(0.63%)

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

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
3rd qtr 2002	\$32,987,561	\$33,566,694	\$42,898,905
4th qtr 2002	\$54,386,459	\$39,509,606	\$72,291,341
1st qtr 2003	\$50,349,221	\$31,216,417	\$23,752,695
2nd qtr 2003	\$51,648,244	\$31,977,119	\$37,961,745
3rd qtr 2003	\$55,011,830	\$32,688,880	\$84,564,221
4th qtr 2003	\$64,276,692	\$48,008,507	\$57,933,430
1st qtr 2004	\$59,601,182	\$48,610,314	\$13,046,283
2nd qtr 2004	\$63,656,660	\$39,190,779	\$59,471,931
3rd qtr 2004	\$57,250,949	\$39,501,613	\$16,782,694
4th qtr 2004	\$71,100,716	\$40,485,016	\$43,446,411
1st qtr 2005	\$59,579,406	\$36,994,120	\$97,688,241
2nd qtr 2005	\$56,230,850	\$37,217,878	\$32,123,365
3rd qtr 2005	\$51,108,883	\$42,466,267	\$36,337,905
4th qtr 2005	\$47,688,104	\$38,393,965	\$36,773,871
1st qtr 2006	\$55,287,591	\$43,417,571	\$16,986,885
2nd qtr 2006	\$53,027,882	\$34,740,247	\$26,098,985
3rd qtr 2006	\$65,733,209	\$41,416,463	\$7,433,214
4th qtr 2006	\$51,262,901	\$45,787,192	(\$3,974,498)
1st qtr 2007	\$47,342,222	\$37,478,153	\$14,484,977
2nd qtr 2007	\$47,602,394	\$37,802,976	\$19,003,644
3rd qtr 2007	\$61,765,497	\$35,908,795	\$19,417,908

EARNED TO INCURRED LOSS RATIO BY YEAR

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

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

General Liability

There were 137 groups, 326 companies, that had direct written premium for General Liability in the third quarter of 2007, as compared to 133 groups, 308 companies, in the third quarter of 2006.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the third quarter of 2007 to direct written premium in the third quarter of 2006 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR GENERAL LIABILITY

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 3rd Quarter 2007	% Change 3rd Quarter 2006 to 2007	4 Quarters Ending 3rd Qtr 2007	% Change 4 Qtrs Ending 2006 to 2007
1	American International Group	25.68%	\$235,878,037	68.94%	\$553,832,364	25.80%
2	Zurich Insurance Group	10.46%	\$68,490,563	27.54%	\$225,598,473	13.89%
3	Travelers Group	8.54%	\$47,515,766	14.50%	\$184,186,355	8.44%
4	ACE Ltd.	6.91%	\$19,247,329	(78.93%)	\$148,958,918	23.42%
5	American Financial Group	4.22%	\$19,596,221	(23.26%)	\$91,048,700	(17.60%)
6	Liberty Mutual Group	3.46%	\$17,010,622	21.35%	\$74,716,391	33.15%
7	Hartford Fire & Casualty Group	2.81%	\$10,303,571	(58.51%)	\$60,569,592	(23.91%)
8	Chubb & Son Inc.	2.71%	\$15,680,608	10.70%	\$58,457,440	(0.10%)
9	Dallas General Group	2.54%	\$10,017,469	(15.32%)	\$54,761,434	43.67%
10	CNA Insurance Group	2.29%	\$8,130,159	(52.15%)	\$49,448,729	(27.21%)
11	State Farm IL	1.64%	\$9,983,178	11.92%	\$35,275,517	16.43%
12	Alleghany Group	1.55%	\$8,037,595	(8.63%)	\$33,333,629	(6.70%)
13	Texas Lawyers Insurance Exchange	1.26%	\$7,782,796	(1.55%)	\$27,123,835	(0.45%)
14	Nationwide Corp.	1.20%	\$6,482,086	65.22%	\$25,814,088	41.48%
15	Arch Insurance Group	1.14%	\$5,687,700	(0.56%)	\$24,686,212	18.93%
16	Allianz Insurance Group	1.07%	\$5,066,564	(7.24%)	\$22,989,933	(1.77%)
17	Caterpillar Group	1.06%	\$8,961,977	165.19%	\$22,867,599	130.90%
18	Philadelphia Consolidated Holding Group	1.02%	\$4,412,905	37.44%	\$22,029,737	82.77%
19	Unitrin Group	1.01%	\$5,601,421	9.27%	\$21,847,151	24.80%
20	Highmark Inc.	0.87%	\$4,370,755	(15.35%)	\$18,659,887	(0.40%)
21	Ohio Casualty Group	0.86%	\$4,599,141	(5.80%)	\$18,456,513	(2.65%)
22	Everest Reinsurance Holding, Inc.	0.82%	\$3,801,886	204.16%	\$17,785,112	256.87%
23	AXIS Capital Group	0.77%	\$2,948,799	25.66%	\$16,608,640	12.57%
24	EMC Insurance Company	0.77%	\$4,144,753	15.65%	\$16,526,431	14.87%
25	Old Republic Group	0.76%	\$4,415,018	(20.54%)	\$16,357,455	(13.50%)
Top 25 Groups Total		85.40%	\$538,166,919	5.77%	\$1,841,940,135	13.31%
Total Market		100.00%	\$619,238,814	5.19%	\$2,156,712,575	10.59%

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
3rd qtr 2002	\$293,763,572	\$350,566,838	\$223,245,817
4th qtr 2002	\$296,230,398	\$371,238,580	\$293,588,970
1st qtr 2003	\$473,722,924	\$473,509,831	\$339,023,171
2nd qtr 2003	\$460,000,875	\$450,544,223	\$207,970,445
3rd qtr 2003	\$471,126,731	\$482,640,180	\$269,465,874
4th qtr 2003	\$412,727,499	\$436,933,412	\$393,534,154
1st qtr 2004	\$493,759,655	\$493,758,137	\$285,017,073
2nd qtr 2004	\$467,058,967	\$424,331,005	\$187,188,675
3rd qtr 2004	\$452,021,439	\$441,580,967	\$238,041,282
4th qtr 2004	\$473,414,898	\$425,215,480	\$302,351,456
1st qtr 2005	\$528,494,689	\$446,829,044	\$239,281,520
2nd qtr 2005	\$433,621,815	\$432,710,837	\$233,189,003
3rd qtr 2005	\$426,986,451	\$498,301,487	\$205,392,237
4th qtr 2005	\$429,159,506	\$423,634,799	\$287,946,218
1st qtr 2006	\$421,696,238	\$446,246,301	\$213,971,187
2nd qtr 2006	\$505,876,407	\$491,526,564	\$195,131,093
3rd qtr 2006	\$496,580,231	\$588,708,694	\$251,085,318
4th qtr 2006	\$446,838,771	\$481,713,438	\$373,533,228
1st qtr 2007	\$423,342,469	\$476,277,873	\$249,640,914
2nd qtr 2007	\$512,717,339	\$579,482,450	\$185,390,804
3rd qtr 2007	\$590,135,809	\$619,238,814	\$202,429,092

EARNED TO INCURRED LOSS RATIO BY YEAR

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

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

Commercial Fire & Allied

There were 80 groups, 180 companies, that had direct written premium for Commercial Fire & Allied in the third quarter of 2007, as compared to 72 groups, 169 companies, in the third quarter of 2006.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the third quarter of 2007 to direct written premium in the third quarter of 2006 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR COMMERCIAL FIRE & ALLIED

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 3rd Quarter 2007	% Change 3rd Quarter 2006 to 2007	4 Quarters Ending 3rd Qtr 2007	% Change 4 Qtrs Ending 2006 to 2007
1	FM Global Group	17.41%	\$41,058,192	10.99%	\$141,926,084	11.15%
2	Texas Windstorm Insurance Association	13.90%	\$34,575,445	42.65%	\$113,298,532	88.36%
3	Travelers Group	12.95%	\$28,359,798	8.00%	\$105,560,521	1.42%
4	Zurich Insurance Group	6.39%	\$14,073,788	(21.98%)	\$52,046,452	6.00%
5	Liberty Mutual Group	6.31%	\$8,135,376	(42.06%)	\$51,400,071	4.42%
6	American International Group	4.66%	\$6,207,718	(24.41%)	\$37,963,305	34.65%
7	Allianz Insurance Group	4.59%	\$8,434,920	2.82%	\$37,412,483	21.74%
8	Fairfax Financial	4.43%	\$1,928,340	(78.57%)	\$36,091,506	(18.47%)
9	CNA Insurance Group	3.07%	\$5,577,018	(37.01%)	\$24,984,242	(3.93%)
10	Alleghany Group	2.60%	\$1,941,097	(54.69%)	\$21,174,579	(18.40%)
11	United Fire & Casualty Group	2.41%	\$4,531,931	(8.88%)	\$19,637,714	(0.14%)
12	Unitrin Group	1.87%	\$3,964,576	5.41%	\$15,221,129	18.56%
13	XL America	1.57%	(\$3,476,154)	(135.95%)	\$12,789,710	(62.20%)
14	Swiss Re Group	1.49%	\$1,444,541	(68.85%)	\$12,158,580	(28.68%)
15	Sentry Insurance Group	1.29%	\$2,524,840	13.19%	\$10,545,185	10.24%
16	Safeco Insurance Group	1.20%	\$2,342,572	0.36%	\$9,774,597	23.95%
17	Federated Mutual	1.16%	\$2,801,971	(2.85%)	\$9,467,645	(2.94%)
18	AXIS Capital Group	1.05%	\$1,750,020	0.24%	\$8,554,697	4.35%
19	Arch Insurance Group	1.01%	\$976,915	(18.52%)	\$8,271,989	42.42%
20	Texas Farm Bureau Mutual	0.96%	\$2,008,905	9.18%	\$7,837,242	6.72%
21	ACE Ltd.	0.77%	\$2,841,485	(14.49%)	\$6,314,379	(27.49%)
22	American Modern Insurance Group	0.77%	\$1,793,169	13.95%	\$6,307,295	7.71%
23	Central Mutual Insurance Company of Ohio	0.67%	\$1,327,731	27.37%	\$5,441,515	26.48%
24	EMC Insurance Company	0.56%	\$1,469,240	(9.37%)	\$4,564,392	(28.70%)
25	WR Berkley Corp.	0.54%	\$1,019,070	(21.69%)	\$4,377,974	6.58%

Top 25 Groups Total	93.63%	\$177,612,504	(12.19%)	\$763,121,818	7.98%
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Total Market	100.00%	\$192,717,333	(9.84%)	\$815,047,449	6.78%
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QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
3rd qtr 2002	\$142,288,616	\$173,299,909	\$50,900,077
4th qtr 2002	\$149,281,329	\$175,544,341	\$63,757,351
1st qtr 2003	\$150,575,522	\$150,510,180	\$52,417,619
2nd qtr 2003	\$149,459,207	\$154,045,193	\$73,322,891
3rd qtr 2003	\$156,429,967	\$166,651,464	\$85,200,157
4th qtr 2003	\$157,575,182	\$194,283,221	\$60,940,889
1st qtr 2004	\$134,224,476	\$144,604,148	\$86,505,791
2nd qtr 2004	\$139,660,137	\$143,999,941	\$44,266,295
3rd qtr 2004	\$149,274,509	\$158,633,773	\$64,946,351
4th qtr 2004	\$159,276,932	\$149,694,785	\$41,045,200
1st qtr 2005	\$131,595,520	\$140,498,795	\$39,127,065
2nd qtr 2005	\$142,548,701	\$166,400,075	\$97,172,178
3rd qtr 2005	\$126,386,251	\$159,953,424	\$92,935,446
4th qtr 2005	\$135,073,221	\$164,333,350	\$149,287,503
1st qtr 2006	\$142,987,428	\$174,639,020	\$182,333,401
2nd qtr 2006	\$183,247,499	\$210,583,956	\$195,511,527
3rd qtr 2006	\$170,261,627	\$213,754,706	\$169,009,779
4th qtr 2006	\$156,505,914	\$190,804,225	\$155,949,921
1st qtr 2007	\$165,284,666	\$189,509,294	\$107,606,504
2nd qtr 2007	\$208,816,759	\$242,016,597	\$89,922,182
3rd qtr 2007	\$161,291,157	\$192,717,333	\$84,063,773

EARNED TO INCURRED LOSS RATIO BY YEAR

**Based on Annual Statement data from NAIC: incurred losses (LAE excluded) / earned premium
(includes personal Fire & Allied lines)**

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

Commercial Multiple Peril

There were 81 groups, 196 companies, that had direct written premium for Commercial Multiple Peril in the third quarter of 2007, as compared to 81 groups, 197 companies, in the third quarter of 2006.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the third quarter of 2007 to direct written premium in the third quarter of 2006 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR COMMERCIAL MULTIPLE PERIL

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 3rd Quarter 2007	% Change 3rd Quarter 2006 to 2007	4 Quarters Ending 3rd Qtr 2007	% Change 4 Qtrs Ending 2006 to 2007
1	Zurich Insurance Group	11.52%	\$49,943,185	(7.27%)	\$198,754,662	1.49%
2	Travelers Group	10.70%	\$45,195,840	(6.69%)	\$184,578,761	(2.48%)
3	Hartford Fire & Casualty Group	9.55%	\$42,619,620	8.69%	\$164,838,189	14.69%
4	Chubb & Son Inc.	5.20%	\$25,051,668	4.19%	\$89,686,786	5.96%
5	CNA Insurance Group	4.73%	\$16,647,571	(21.79%)	\$81,693,233	(7.21%)
6	Nationwide Corp.	4.60%	\$20,022,808	34.89%	\$79,350,457	36.69%
7	Liberty Mutual Group	4.40%	\$20,537,432	(24.07%)	\$75,973,292	(19.75%)
8	State Farm IL	4.17%	\$18,398,088	6.57%	\$72,023,589	7.11%
9	Safeco Insurance Group	4.14%	\$17,055,696	(0.63%)	\$71,369,162	6.02%
10	ACE Ltd.	4.13%	\$16,936,526	(20.57%)	\$71,264,503	41.65%
11	Philadelphia Consolidated Holding Group	3.56%	\$14,848,423	2.42%	\$61,456,531	9.80%
12	Allianz Insurance Group	3.38%	\$19,734,919	19.67%	\$58,367,533	14.22%
13	Church Mutual Insurance Company	3.23%	\$13,115,982	14.38%	\$55,793,740	13.34%
14	WR Berkley Corp.	2.34%	\$10,322,372	5.16%	\$40,361,911	(2.02%)
15	Delek Group	2.26%	\$9,587,797	10.34%	\$39,019,105	19.04%
16	Amerisure Company	1.86%	\$9,172,628	15.84%	\$32,157,466	10.62%
17	Guideone Insurance Group	1.61%	\$6,813,973	(9.01%)	\$27,851,825	(9.72%)
18	Ohio Casualty Group	1.49%	\$6,360,976	2.17%	\$25,756,845	2.46%
19	Central Mutual Insurance Company Ohio	1.45%	\$6,495,287	3.89%	\$25,052,773	6.83%
20	Allstate Insurance Group	1.34%	\$5,600,142	(23.07%)	\$23,174,719	(19.08%)
21	The Hanover Insurance Group	1.24%	\$4,556,301	30.17%	\$21,479,992	34.27%
22	Old Republic Group	1.24%	\$5,810,619	3.56%	\$21,469,168	(13.12%)
23	American Financial Group	1.00%	\$6,235,277	35.13%	\$17,208,178	21.19%
24	Hallmark Financial Services Group	0.80%	\$3,679,696	6.89%	\$13,844,265	0.21%
25	American International Group	0.77%	\$3,053,787	(26.69%)	\$13,256,407	(13.80%)
Top 25 Groups Total		91.17%	\$397,796,613	(1.03%)	\$1,565,783,092	5.04%
Total Market		100.00%	\$439,620,520	0.84%	\$1,717,397,835	5.60%

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
3rd qtr 2002	\$302,860,146	\$332,693,541	\$182,769,240
4th qtr 2002	\$325,691,823	\$343,217,776	\$159,953,409
1st qtr 2003	\$312,373,288	\$323,997,599	\$197,453,601
2nd qtr 2003	\$310,339,353	\$335,111,601	\$197,135,720
3rd qtr 2003	\$317,313,938	\$334,740,459	\$202,029,594
4th qtr 2003	\$322,146,304	\$375,868,718	\$173,532,706
1st qtr 2004	\$319,759,466	\$347,252,304	\$136,183,192
2nd qtr 2004	\$316,652,533	\$344,012,546	\$151,816,651
3rd qtr 2004	\$319,893,569	\$353,710,833	\$149,406,964
4th qtr 2004	\$413,998,130	\$364,497,009	\$147,217,410
1st qtr 2005	\$347,173,478	\$353,804,319	\$128,881,468
2nd qtr 2005	\$360,167,502	\$372,484,461	\$145,118,895
3rd qtr 2005	\$364,455,186	\$371,387,386	\$143,782,433
4th qtr 2005	\$348,682,107	\$368,645,363	\$242,997,366
1st qtr 2006	\$363,152,000	\$393,646,773	\$217,096,280
2nd qtr 2006	\$399,021,376	\$428,002,464	\$213,502,320
3rd qtr 2006	\$403,480,584	\$435,968,163	\$190,725,911
4th qtr 2006	\$385,264,510	\$404,899,288	\$192,586,790
1st qtr 2007	\$401,616,595	\$414,930,501	\$164,561,172
2nd qtr 2007	\$417,093,798	\$457,947,526	\$189,637,503
3rd qtr 2007	\$432,459,673	\$439,620,520	\$193,629,714

EARNED TO INCURRED LOSS RATIO BY YEAR

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

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

Private Passenger Auto (All Companies, All Coverages)

There were 73 groups, 170 companies, that had direct written premium for Private Passenger Auto in the third quarter of 2007, as compared to 69 groups, 164 companies, in the third quarter of 2006.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the third quarter of 2007 to direct written premium in the third quarter of 2006 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRIVATE PASSENGER AUTO

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 3rd Quarter 2007	% Change 3rd Quarter 2006 to 2007	4 Quarters Ending 3rd Qtr 2007	% Change 4 Qtrs Ending 2006 to 2007
1	State Farm IL	20.67%	\$626,039,576	(3.22%)	\$2,427,241,700	(3.56%)
2	Allstate Insurance Group	14.29%	\$429,115,269	(0.49%)	\$1,677,658,912	(1.84%)
3	Zurich Insurance Group	12.82%	\$399,026,612	5.11%	\$1,506,066,406	4.03%
4	Progressive Group	7.65%	\$226,774,460	(4.69%)	\$898,689,892	(5.32%)
5	Berkshire Hathaway	6.32%	\$202,410,609	10.62%	\$741,721,295	13.73%
6	United Services Automobile Assn. Group	5.37%	\$171,900,802	2.20%	\$631,125,044	(1.45%)
7	Old American County Mutual Fire Ins. Co.	3.61%	\$105,101,409	(0.90%)	\$424,412,402	(4.43%)
8	Southern Farm Bureau Casualty	3.25%	\$99,631,783	(0.32%)	\$382,112,655	(1.10%)
9	Nationwide Corp.	3.17%	\$94,466,332	(3.17%)	\$372,695,136	(3.17%)
10	Home State Insurance Group	2.56%	\$76,648,088	(4.12%)	\$300,415,335	(5.79%)
11	Titus Group	2.50%	\$76,498,299	9.43%	\$294,009,049	8.88%
12	Loya Group	2.03%	\$58,736,298	4.99%	\$238,173,445	98.38%
13	Safeco Insurance Group	1.64%	\$50,833,017	6.28%	\$193,076,933	1.17%
14	Unitrin Group	1.46%	\$43,438,035	(3.67%)	\$171,238,448	0.23%
15	Liberty Mutual Group	1.45%	\$51,780,631	14.64%	\$169,853,306	15.72%
16	Delek Group	1.39%	\$44,307,491	15.93%	\$163,553,571	13.31%
17	American International Group	1.03%	\$39,594,926	119.36%	\$120,541,072	39.60%
18	Auto Club Enterprises Insurance Group	0.87%	\$29,686,515	11.96%	\$102,464,644	15.22%
19	Mercury General Group	0.70%	\$20,027,076	(14.07%)	\$82,136,731	(12.47%)
20	Metropolitan Group	0.64%	\$21,356,847	19.77%	\$74,617,419	20.12%
21	Germania Insurance Group	0.57%	\$19,727,757	18.38%	\$67,455,206	13.35%
22	Travelers Group	0.56%	\$15,188,261	(16.57%)	\$65,243,616	(17.42%)
23	Amica Mutual Group	0.49%	\$17,134,899	8.12%	\$57,810,684	12.10%
24	Sentry Insurance Group	0.48%	\$13,887,580	(4.48%)	\$55,905,746	(6.18%)
25	Infinity Property & Casualty Ins. Group	0.38%	\$11,338,367	18.70%	\$44,552,138	44.14%
Top 25 Groups Total		95.90%	\$2,944,650,939	1.78%	\$11,262,770,785	1.43%
Total Market		100.00%	\$3,086,232,118	2.75%	\$11,744,085,497	1.85%

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
3rd qtr 2002	\$3,001,045,878	\$2,749,095,031	\$1,679,170,055
4th qtr 2002	\$2,773,416,367	\$2,457,170,529	\$1,688,163,691
1st qtr 2003	\$3,100,617,381	\$2,924,121,925	\$1,602,582,885
2nd qtr 2003	\$2,916,379,355	\$2,741,087,516	\$2,098,762,515
3rd qtr 2003	\$3,087,789,849	\$2,926,507,123	\$1,682,022,598
4th qtr 2003	\$2,850,599,167	\$2,735,086,984	\$1,638,953,802
1st qtr 2004	\$3,144,326,853	\$3,007,086,941	\$1,804,166,491
2nd qtr 2004	\$2,947,729,931	\$2,792,861,085	\$1,606,658,907
3rd qtr 2004	\$3,119,399,801	\$2,956,845,728	\$1,604,332,880
4th qtr 2004	\$2,900,265,185	\$2,728,013,653	\$1,595,587,508
1st qtr 2005	\$3,103,271,206	\$2,974,668,675	\$1,563,989,740
2nd qtr 2005	\$2,936,532,493	\$2,765,341,841	\$1,884,963,993
3rd qtr 2005	\$3,105,148,346	\$2,989,589,211	\$1,675,759,014
4th qtr 2005	\$2,895,029,366	\$2,718,222,529	\$1,653,167,287
1st qtr 2006	\$3,237,304,011	\$2,994,701,190	\$1,685,075,447
2nd qtr 2006	\$3,010,331,321	\$2,813,716,206	\$1,819,021,713
3rd qtr 2006	\$3,204,799,983	\$3,003,761,280	\$1,675,272,115
4th qtr 2006	\$2,997,424,763	\$2,822,138,016	\$1,715,432,959
1st qtr 2007	\$3,189,044,551	\$3,004,175,363	\$1,741,312,826
2nd qtr 2007	\$3,015,522,557	\$2,831,540,000	\$1,891,965,506
3rd qtr 2007	\$3,309,391,683	\$3,086,232,118	\$1,870,080,952

EARNED TO INCURRED LOSS RATIO BY YEAR

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

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

Private Passenger Auto (All Voluntary Liability)

There were 72 groups, 162 companies, that had voluntary liability (no assigned risk nor physical damage) direct written premium for Private Passenger Auto in the third quarter of 2007, as compared to 67 groups, 158 companies, in the third quarter of 2006.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the third quarter of 2007 to direct written premium in the third quarter of 2006 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRIVATE PASSENGER AUTO

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 3rd Quarter 2007	% Change 3rd Quarter 2006 to 2007	4 Quarters Ending 3rd Qtr 2007	% Change 4 Qtrs Ending 2006 to 2007
1	State Farm IL	20.38%	\$349,283,524	(0.42%)	\$1,333,416,428	(3.31%)
2	Allstate Insurance Group	14.02%	\$233,655,451	(1.25%)	\$917,061,478	(1.38%)
3	Zurich Insurance Group	12.81%	\$214,681,712	(3.09%)	\$838,453,647	2.33%
4	Progressive Group	7.25%	\$118,784,321	(6.82%)	\$474,611,868	(7.20%)
5	Berkshire Hathaway	6.29%	\$112,434,135	10.67%	\$411,655,750	12.51%
6	United Services Automobile Assn. Group	5.48%	\$97,850,268	1.80%	\$358,553,648	(1.52%)
7	Old American County Mutual Fire Ins. Co.	4.14%	\$65,926,315	(3.33%)	\$271,194,810	(6.90%)
8	Nationwide Corp.	3.18%	\$53,424,600	0.27%	\$207,872,393	(3.80%)
9	Southern Farm Bureau Casualty	3.08%	\$53,394,470	2.51%	\$201,389,568	(0.58%)
10	Home State Insurance Group	2.60%	\$43,141,014	(5.11%)	\$170,403,199	(8.62%)
11	Loya Group	2.49%	\$39,766,268	2.72%	\$163,079,014	88.00%
12	Titus Group	2.31%	\$39,172,502	11.62%	\$151,005,841	12.39%
13	Safeco Insurance Group	1.55%	\$26,805,747	3.18%	\$101,524,358	(5.12%)
14	Delek Group	1.47%	\$25,986,153	14.59%	\$96,267,761	14.89%
15	Unitrin Group	1.47%	\$24,458,892	(3.88%)	\$96,021,975	(0.38%)
16	Liberty Mutual Group	1.43%	\$28,345,558	12.43%	\$93,385,043	13.68%
17	American International Group	1.03%	\$22,196,476	125.61%	\$67,643,533	41.68%
18	Auto Club Enterprises Insurance Group	0.81%	\$15,231,963	9.27%	\$53,150,625	13.23%
19	Mercury General Group	0.70%	\$11,170,452	(14.05%)	\$46,038,112	(12.59%)
20	Metropolitan Group	0.64%	\$12,053,891	18.42%	\$42,095,156	19.03%
21	Travelers Group	0.57%	\$8,652,919	(17.31%)	\$37,254,158	(18.04%)
22	Sentry Insurance Group	0.56%	\$9,056,116	(8.29%)	\$36,956,864	(11.02%)
23	Amica Mutual Group	0.54%	\$10,511,911	7.11%	\$35,527,080	11.00%
24	Germania Insurance Group	0.53%	\$10,072,426	15.83%	\$34,782,882	10.82%
25	American Century Casualty Company	0.41%	\$7,233,312	29.15%	\$26,619,378	29.68%
Top 25 Groups Total		95.77%	\$1,633,290,396	0.97%	\$6,265,964,569	0.90%
Total Market		100.00%	\$1,711,241,028	1.75%	\$6,542,909,214	1.21%

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
3rd qtr 2002	\$1,680,894,368	\$1,546,620,167	\$962,685,922
4th qtr 2002	\$1,554,205,465	\$1,364,681,127	\$949,408,579
1st qtr 2003	\$1,748,560,932	\$1,649,198,567	\$930,288,533
2nd qtr 2003	\$1,635,686,421	\$1,545,253,717	\$940,676,080
3rd qtr 2003	\$1,736,176,675	\$1,646,201,715	\$947,133,974
4th qtr 2003	\$1,597,308,702	\$1,540,237,588	\$949,002,521
1st qtr 2004	\$1,778,736,180	\$1,694,026,366	\$1,170,500,420
2nd qtr 2004	\$1,657,819,149	\$1,568,037,833	\$927,789,409
3rd qtr 2004	\$1,751,591,077	\$1,657,373,307	\$934,579,333
4th qtr 2004	\$1,645,319,107	\$1,553,468,955	\$951,410,649
1st qtr 2005	\$1,766,455,541	\$1,686,982,703	\$923,428,190
2nd qtr 2005	\$1,638,765,846	\$1,563,745,477	\$1,124,509,875
3rd qtr 2005	\$1,747,242,711	\$1,656,707,946	\$978,989,204
4th qtr 2005	\$1,636,150,324	\$1,524,298,123	\$936,367,719
1st qtr 2006	\$1,851,687,384	\$1,684,045,515	\$975,584,216
2nd qtr 2006	\$1,691,843,890	\$1,574,483,210	\$963,181,981
3rd qtr 2006	\$1,813,421,088	\$1,681,781,813	\$846,252,294
4th qtr 2006	\$1,689,436,358	\$1,552,817,090	\$985,427,753
1st qtr 2007	\$1,791,480,568	\$1,695,277,918	\$995,340,812
2nd qtr 2007	\$1,691,086,487	\$1,583,573,178	\$1,024,468,385
3rd qtr 2007	\$1,846,719,493	\$1,711,241,028	\$1,041,665,136

Private Passenger Auto (All Assigned Risk)

There were 13 groups, 14 companies, that had assigned risk (no voluntary liability nor physical damage) direct written premium for Private Passenger Auto in the third quarter of 2007, as compared to 15 groups, 16 companies, in the third quarter of 2006.

The table below represents the top groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the third quarter of 2007 to direct written premium in the third quarter of 2006 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRIVATE PASSENGER AUTO

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 3rd Quarter 2007	% Change 3rd Quarter 2006 to 2007	4 Quarters Ending 3rd Qtr 2007	% Change 4 Qtrs Ending 2006 to 2007
1	White Mountains Group	25.12%	\$520,232	14.87%	\$2,003,684	(11.83%)
2	State Farm IL	23.11%	\$381,838	(47.56%)	\$1,843,713	(45.74%)
3	Allstate Insurance Group	13.65%	\$236,099	(38.05%)	\$1,088,931	(19.07%)
4	Zurich Insurance Group	12.62%	\$160,029	(37.70%)	\$1,007,002	(19.83%)
5	Southern Farm Bureau Casualty	5.60%	\$129,706	(10.29%)	\$446,383	(42.84%)
6	Kingsway Group	4.45%	\$98,978	598.60%	\$355,365	20.55%
7	Berkshire Hathaway	4.12%	\$77,146	(40.95%)	\$328,615	(39.17%)
8	American International Group	3.04%	\$50,176	(79.11%)	\$242,472	(69.75%)
9	Nationwide Corp.	2.34%	\$25,339	(68.96%)	\$187,057	(55.08%)
10	American Financial Group	1.94%	\$154,759	*	\$154,759	*
11	Liberty Mutual Group	1.60%	\$19,978	(23.59%)	\$127,487	(23.87%)
12	Mercury General Group	1.45%	\$25,865	9.26%	\$115,864	11.53%
13	Travelers Group	0.99%	\$12,679	(41.66%)	\$79,194	(58.69%)
14	Safeco Insurance Group	0.03%	\$0	(100.00%)	\$2,776	(98.89%)
15	Home State Ins Grp	(0.07%)	\$0	(100.00%)	(\$5,898)	(128.39%)

Top Groups Total	100.00%	\$1,892,824	(26.14%)	\$7,977,404	(33.04%)
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Total Market	100.00%	\$1,892,824	(26.14%)	\$7,977,404	(33.04%)
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* Premiums from prior reporting period were \$0, less than \$0, or negligible.

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
3rd qtr 2002	\$11,502,967	\$8,446,502	\$4,706,617
4th qtr 2002	\$11,768,796	\$8,289,878	\$5,585,323
1st qtr 2003	\$13,353,726	\$10,175,717	\$6,003,752
2nd qtr 2003	\$13,825,070	\$9,966,442	\$6,648,031
3rd qtr 2003	\$13,653,011	\$9,654,128	\$6,201,386
4th qtr 2003	\$12,535,481	\$8,767,404	\$6,042,045
1st qtr 2004	\$14,161,892	\$9,411,287	\$5,871,602
2nd qtr 2004	\$10,987,812	\$6,444,568	\$5,541,173
3rd qtr 2004	\$9,995,822	\$5,583,538	\$6,672,840
4th qtr 2004	\$7,198,957	\$4,860,681	\$4,665,648
1st qtr 2005	\$8,862,413	\$5,933,005	\$4,635,125
2nd qtr 2005	\$6,826,404	\$3,728,229	\$2,971,067
3rd qtr 2005	\$6,106,080	\$3,497,978	\$3,717,430
4th qtr 2005	\$5,558,905	\$2,991,348	\$3,120,298
1st qtr 2006	\$5,259,122	\$3,849,816	\$3,109,521
2nd qtr 2006	\$3,881,898	\$2,509,235	\$2,414,931
3rd qtr 2006	\$4,001,003	\$2,562,838	\$2,276,877
4th qtr 2006	\$3,221,996	\$1,810,030	\$2,517,631
1st qtr 2007	\$3,440,605	\$2,610,343	\$1,887,998
2nd qtr 2007	\$2,637,407	\$1,664,207	\$1,600,730
3rd qtr 2007	\$2,790,746	\$1,892,824	\$1,614,113

Private Passenger Auto (All Physical Damage)

There were 71 groups, 163 companies, that had physical damage (no voluntary liability nor assigned risk) direct written premium for Private Passenger Auto in the third quarter of 2007, as compared to 65 groups, 154 companies, in the third quarter of 2006.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the third quarter of 2007 to direct written premium in the third quarter of 2006 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR PRIVATE PASSENGER AUTO

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 3rd Quarter 2007	% Change 3rd Quarter 2006 to 2007	4 Quarters Ending 3rd Qtr 2007	% Change 4 Qtrs Ending 2006 to 2007
1	State Farm IL	21.03%	\$276,374,214	(6.43%)	\$1,091,981,559	(3.72%)
2	Allstate Insurance Group	14.63%	\$195,223,719	0.50%	\$759,508,503	(2.35%)
3	Zurich Insurance Group	12.84%	\$184,184,871	16.68%	\$666,605,757	6.29%
4	Progressive Group	8.17%	\$107,990,139	(2.24%)	\$424,078,024	(3.13%)
5	Berkshire Hathaway	6.35%	\$89,899,328	10.65%	\$329,736,930	15.38%
6	United Services Automobile Assn. Group	5.25%	\$74,050,534	2.73%	\$272,571,396	(1.35%)
7	Southern Farm Bureau Casualty	3.47%	\$46,107,607	(3.38%)	\$180,276,704	(1.49%)
8	Nationwide Corp.	3.17%	\$41,016,393	(7.21%)	\$164,635,686	(2.23%)
9	Old American County Mutual Fire Ins. Co.	2.95%	\$39,175,094	3.47%	\$153,217,592	0.30%
10	Titus Group	2.75%	\$37,325,797	7.22%	\$143,003,208	5.41%
11	Home State Insurance Group	2.50%	\$33,507,074	(2.76%)	\$130,018,034	(1.73%)
12	Safeco Insurance Group	1.76%	\$24,027,270	10.19%	\$91,549,799	9.53%
13	Liberty Mutual Group	1.47%	\$23,415,095	17.49%	\$76,340,776	18.42%
14	Unitrin Group	1.45%	\$18,979,143	(3.40%)	\$75,216,473	1.02%
15	Loya Group	1.45%	\$18,970,030	10.10%	\$75,094,431	125.41%
16	Delek Group	1.30%	\$18,321,338	17.88%	\$67,285,810	11.13%
17	American International Group	1.01%	\$17,348,274	117.63%	\$52,655,067	39.28%
18	Auto Club Enterprises Insurance Group	0.95%	\$14,454,552	14.94%	\$49,314,019	17.44%
19	Mercury General Group	0.69%	\$8,830,759	(14.15%)	\$35,982,755	(12.37%)
20	Germania Insurance Group	0.63%	\$9,655,331	21.16%	\$32,672,324	16.17%
21	Metropolitan Group	0.63%	\$9,302,956	21.57%	\$32,522,263	21.57%
22	Travelers Group	0.54%	\$6,522,663	(15.48%)	\$27,910,264	(16.35%)
23	Infinity Property & Casualty Ins. Group	0.44%	\$5,761,208	17.76%	\$22,664,163	50.62%
24	Amica Mutual Group	0.43%	\$6,622,988	9.77%	\$22,283,604	13.92%
25	Sentry Insurance Group	0.36%	\$4,831,464	3.59%	\$18,948,882	4.94%

Top 25 Groups Total	96.20%	\$1,311,897,841	2.96%	\$4,996,074,023	2.18%
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Total Market	100.00%	\$1,373,098,266	4.07%	\$5,193,198,879	2.76%
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QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
3rd qtr 2002	\$1,308,648,543	\$1,194,028,362	\$711,777,516
4th qtr 2002	\$1,207,442,106	\$1,084,199,524	\$733,169,789
1st qtr 2003	\$1,338,702,723	\$1,264,747,641	\$666,290,600
2nd qtr 2003	\$1,266,867,864	\$1,185,867,357	\$1,151,438,404
3rd qtr 2003	\$1,337,960,163	\$1,270,651,280	\$728,687,238
4th qtr 2003	\$1,240,754,984	\$1,186,081,992	\$683,909,236
1st qtr 2004	\$1,351,428,781	\$1,303,649,288	\$627,794,469
2nd qtr 2004	\$1,278,922,970	\$1,218,378,684	\$673,328,325
3rd qtr 2004	\$1,357,812,902	\$1,293,888,883	\$663,080,707
4th qtr 2004	\$1,247,747,121	\$1,169,684,017	\$639,511,211
1st qtr 2005	\$1,327,953,252	\$1,281,752,967	\$635,926,425
2nd qtr 2005	\$1,290,940,243	\$1,197,868,135	\$757,483,051
3rd qtr 2005	\$1,351,799,555	\$1,329,383,287	\$693,052,380
4th qtr 2005	\$1,253,320,137	\$1,190,933,058	\$713,679,270
1st qtr 2006	\$1,380,357,505	\$1,306,805,859	\$706,381,710
2nd qtr 2006	\$1,314,605,533	\$1,236,723,761	\$853,424,801
3rd qtr 2006	\$1,387,377,892	\$1,319,416,629	\$826,742,944
4th qtr 2006	\$1,304,766,409	\$1,267,510,896	\$727,487,575
1st qtr 2007	\$1,394,123,378	\$1,306,287,102	\$744,084,016
2nd qtr 2007	\$1,321,798,663	\$1,246,302,616	\$865,896,391
3rd qtr 2007	\$1,459,881,444	\$1,373,098,266	\$826,801,703

Homeowners Multiple Peril (All Companies)

There were 65 groups, 101 companies, that had premiums on policies written for Homeowners Multiple Peril (includes renters' insurance) in the third quarter of 2007, as compared to 60 groups, 90 companies, in the third quarter of 2006.

The table below represents the top 25 groups for premiums on policies written based on a sum of the most recent four quarters. Also included is a comparison of premiums on policies written in the third quarter of 2007 to premiums on policies written in the third quarter of 2006 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR HOMEOWNERS MULTIPLE PERIL

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 3rd Quarter 2007	% Change 3rd Quarter 2006 to 2007	4 Quarters Ending 3rd Qtr 2007	% Change 4 Qtrs Ending 2006 to 2007
1	State Farm IL	28.66%	\$399,765,675	5.53%	\$1,426,118,594	6.02%
2	Allstate Insurance Group	15.41%	\$215,888,845	(5.83%)	\$766,983,747	(1.65%)
3	Zurich Insurance Group	12.81%	\$191,552,376	(0.02%)	\$637,373,820	6.01%
4	United Services Automobile Assn. Group	7.77%	\$112,747,471	7.13%	\$386,697,725	8.88%
5	Travelers Group	5.63%	\$77,107,007	(2.31%)	\$280,040,395	0.82%
6	Nationwide Corp.	4.18%	\$61,387,457	8.43%	\$208,230,057	10.08%
7	Texas Farm Bureau Mutual	2.73%	\$36,773,267	6.92%	\$136,058,191	9.49%
8	Chubb & Son Inc.	2.35%	\$31,092,993	0.53%	\$116,737,597	1.10%
9	Liberty Mutual Group	2.03%	\$30,354,365	13.40%	\$101,016,217	12.41%
10	Hartford Fire & Casualty Group	1.80%	\$27,811,857	14.71%	\$89,329,018	20.42%
11	Delek Group	1.74%	\$40,947,844	18.85%	\$86,673,663	21.87%
12	Safeco Insurance Group	1.54%	\$28,173,855	16.29%	\$76,565,382	29.49%
13	Texas Fair Plan Association	1.17%	\$16,042,486	5.33%	\$58,070,656	28.46%
14	NLASCO	1.01%	\$12,338,737	2.34%	\$50,384,700	(1.42%)
15	ARX Holding Corp. Group	0.95%	\$14,469,394	(21.99%)	\$47,308,027	5.88%
16	Amica Mutual Group	0.90%	\$13,054,732	(1.28%)	\$44,595,159	(3.09%)
17	Auto Club Enterprises Insurane Group	0.81%	\$11,888,438	11.00%	\$40,258,662	15.00%
18	Cypress Holdings Group	0.74%	\$10,923,896	2.67%	\$36,863,721	10.68%
19	Unitrin Group	0.65%	\$9,112,880	(8.72%)	\$32,550,845	(9.32%)
20	State National Group	0.64%	\$17,131,722	9.16%	\$31,996,462	24.60%
21	Metropolitan Group	0.58%	\$10,265,648	10.41%	\$28,617,050	16.27%
22	Allianz Insurance Group	0.53%	\$7,384,975	5.70%	\$26,281,346	3.56%
23	American National Financial Group	0.53%	\$6,941,686	(10.32%)	\$26,202,093	(12.07%)
24	Colonial Savings Group	0.39%	\$2,757,991	(56.39%)	\$19,577,627	(5.35%)
25	Kingsway Group	0.39%	\$10,925,169	24.42%	\$19,351,841	120.38%
Top 25 Groups Total		95.95%	\$1,396,840,766	2.66%	\$4,773,882,595	5.88%
Total Market		100.00%	\$1,466,629,983	2.66%	\$4,975,640,616	3.68%

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
3rd qtr 2002	\$1,315,122,445	\$1,170,560,367	\$1,032,308,999
4th qtr 2002	\$1,069,629,533	\$866,207,429	\$780,590,201
1st qtr 2003	\$1,076,518,514	\$955,798,410	\$592,842,440
2nd qtr 2003	\$1,394,667,461	\$1,234,667,479	\$1,265,565,377
3rd qtr 2003	\$1,363,295,561	\$1,229,850,588	\$656,718,201
4th qtr 2003	\$1,127,403,509	\$992,576,934	\$417,580,410
1st qtr 2004	\$1,054,104,798	\$957,201,670	\$342,798,690
2nd qtr 2004	\$1,321,221,143	\$1,211,261,069	\$404,637,138
3rd qtr 2004	\$1,353,624,923	\$1,223,961,659	\$429,572,002
4th qtr 2004	\$1,148,310,976	\$1,062,604,303	\$284,080,246
1st qtr 2005	\$1,080,593,528	\$999,413,785	\$279,275,465
2nd qtr 2005	\$1,360,884,551	\$1,253,169,617	\$445,858,432
3rd qtr 2005	\$1,369,785,140	\$1,254,536,726	\$348,938,521
4th qtr 2005	\$1,174,051,166	\$1,084,214,908	\$1,219,355,935
1st qtr 2006	\$1,128,452,630	\$1,007,367,516	\$584,031,392
2nd qtr 2006	\$1,394,547,262	\$1,278,875,097	\$592,083,806
3rd qtr 2006	\$1,552,505,276	\$1,428,599,429	\$410,738,798
4th qtr 2006	\$1,195,376,889	\$1,079,625,873	\$318,620,906
1st qtr 2007	\$1,165,290,553	\$1,059,274,834	\$332,114,102
2nd qtr 2007	\$1,493,286,081	\$1,370,109,926	\$619,158,606
3rd qtr 2007	\$1,586,449,506	\$1,466,629,983	\$507,570,330

EARNED TO INCURRED LOSS RATIO BY YEAR

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

<u>Year</u>	<u>Loss Ratio</u>
1995	92.6%
1996	59.4%
1997	45.3%
1998	45.4%
1999	50.7%
2000	82.4%
2001	115.4%
2002	108.7%
2003	58.7%
2004	27.8%
2006	56.8%
2006	34.0%

Workers' Compensation (All Companies)

There were 94 groups, 236 companies, that had direct written premium for Workers' Compensation in the third quarter of 2007, as compared to 89 groups, 228 companies, in the third quarter of 2006.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the third quarter of 2007 to direct written premium in the third quarter of 2006 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR WORKERS' COMPENSATION

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 3rd Quarter 2007	% Change 3rd Quarter 2006 to 2007	4 Quarters Ending 3rd Qtr 2007	% Change 4 Qtrs Ending 2006 to 2007
1	Texas Mutual Insurance Company	26.91%	\$174,320,574	2.10%	\$742,575,100	0.70%
2	American International Group	14.91%	\$88,914,139	(23.06%)	\$411,383,572	(0.56%)
3	Liberty Mutual Group	8.83%	\$57,941,760	4.63%	\$243,608,570	(14.24%)
4	Zurich Insurance Group	7.44%	\$53,343,874	5.51%	\$205,405,520	3.02%
5	Hartford Fire & Casualty Group	6.80%	\$46,818,864	4.67%	\$187,633,738	(18.13%)
6	Travelers Group	6.47%	\$43,819,075	26.66%	\$178,514,143	20.15%
7	ACE Ltd.	4.04%	\$17,766,642	(33.21%)	\$111,498,529	1.54%
8	CNA Insurance Group	2.80%	\$20,460,925	19.81%	\$77,286,816	(9.36%)
9	Old Republic Group	1.93%	\$12,626,697	(11.28%)	\$53,393,250	(9.89%)
10	Chubb & Son Inc.	1.87%	\$12,542,892	2.40%	\$51,606,407	0.47%
11	Service Life Group	1.65%	\$8,159,815	(1.39%)	\$45,432,238	(2.87%)
12	Amerisure Company	1.59%	\$12,050,225	19.77%	\$43,879,223	2.39%
13	Zenith National Insurance Group	1.35%	\$8,677,369	(12.30%)	\$37,229,619	(4.00%)
14	Amcomp Group	1.04%	\$6,559,823	(5.39%)	\$28,817,309	(0.48%)
15	Atlantic American	0.89%	\$1,774,622	(18.27%)	\$24,484,955	190.73%
16	Sentry Insurance Group	0.82%	\$4,760,521	95.22%	\$22,621,750	21.69%
17	Delek Group	0.81%	\$6,096,605	53.65%	\$22,467,211	53.36%
18	Amerisafe Group	0.64%	\$1,880,029	(51.79%)	\$17,641,411	10.40%
19	Fairfax Financial	0.52%	\$3,583,322	100.33%	\$14,221,259	15.37%
20	Federated Mutual	0.44%	\$3,467,996	12.17%	\$12,219,430	8.91%
21	Seabright Insurance Company	0.43%	\$4,265,153	124.32%	\$11,889,131	97.57%
22	Utica National Insurance Group	0.41%	\$2,889,452	3.67%	\$11,418,020	(8.51%)
23	Unitrin Group	0.41%	\$3,468,022	9.02%	\$11,385,603	12.59%
24	WR Berkley Corp.	0.38%	\$2,263,313	47.62%	\$10,620,019	(2.47%)
25	Safeco Insurance Group	0.36%	\$1,918,345	8.46%	\$9,996,222	21.31%

Top 25 Groups Total	93.76%	\$600,370,054	(0.83%)	\$2,587,229,045	(0.66%)
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Total Market	100.00%	\$640,415,415	(1.28%)	\$2,759,426,415	(0.84%)
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QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
3rd qtr 2002	\$761,150,461	\$610,519,387	\$332,945,669
4th qtr 2002	\$679,826,862	\$651,098,886	\$431,854,746
1st qtr 2003	\$796,149,213	\$707,747,906	\$316,874,393
2nd qtr 2003	\$706,219,464	\$613,925,986	\$336,901,199
3rd qtr 2003	\$704,043,168	\$609,081,068	\$294,735,473
4th qtr 2003	\$707,896,917	\$660,639,744	\$243,790,651
1st qtr 2004	\$784,464,632	\$760,481,464	\$237,434,415
2nd qtr 2004	\$735,090,648	\$600,764,258	\$250,008,705
3rd qtr 2004	\$660,662,627	\$641,679,414	\$259,068,273
4th qtr 2004	\$677,655,366	\$637,502,857	\$208,172,067
1st qtr 2005	\$715,844,213	\$701,739,909	\$248,862,256
2nd qtr 2005	\$675,246,053	\$622,070,351	\$246,527,826
3rd qtr 2005	\$608,614,039	\$623,825,962	\$244,820,427
4th qtr 2005	\$653,492,954	\$706,051,732	\$213,953,112
1st qtr 2006	\$694,800,854	\$753,124,492	\$254,429,955
2nd qtr 2006	\$694,826,696	\$674,938,563	\$198,140,330
3rd qtr 2006	\$666,179,569	\$648,724,522	\$179,234,022
4th qtr 2006	\$670,753,243	\$714,860,599	\$201,918,096
1st qtr 2007	\$688,726,123	\$730,176,496	\$236,193,314
2nd qtr 2007	\$666,275,933	\$673,973,905	\$272,981,604
3rd qtr 2007	\$644,429,070	\$640,415,415	\$243,668,731

EARNED TO INCURRED LOSS RATIO BY YEAR

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

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

Workers' Compensation (Voluntary Market)

There were 94 groups, 236 companies, that had voluntary direct written premium for Workers' Compensation in the third quarter of 2007, as compared to 89 groups, 228 companies, in the third quarter of 2006.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the third quarter of 2007 to direct written premium in the third quarter of 2006 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR WORKERS' COMPENSATION

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 3rd Quarter 2007	% Change 3rd Quarter 2006 to 2007	4 Quarters Ending 3rd Qtr 2007	% Change 4 Qtrs Ending 2006 to 2007
1	Texas Mutual Insurance Company	26.77%	\$172,263,146	1.80%	\$737,290,167	1.00%
2	American International Group	14.94%	\$88,914,139	(23.06%)	\$411,383,572	(0.56%)
3	Liberty Mutual Group	8.85%	\$57,941,760	4.63%	\$243,608,570	(14.24%)
4	Zurich Insurance Group	7.46%	\$53,343,874	5.51%	\$205,405,520	3.02%
5	Hartford Fire & Casualty Group	6.81%	\$46,818,864	4.67%	\$187,633,738	(18.13%)
6	Travelers Group	6.48%	\$43,819,075	26.66%	\$178,514,143	20.15%
7	ACE Ltd.	4.05%	\$17,766,642	(33.21%)	\$111,498,529	1.54%
8	CNA Insurance Group	2.81%	\$20,460,925	19.81%	\$77,330,239	(9.31%)
9	Old Republic Group	1.94%	\$12,626,697	(11.28%)	\$53,393,250	(9.89%)
10	Chubb & Son Inc.	1.87%	\$12,542,892	2.40%	\$51,606,407	0.47%
11	Service Life Group	1.65%	\$8,159,815	(1.39%)	\$45,432,238	(2.87%)
12	Amerisure Company	1.59%	\$12,050,225	19.77%	\$43,879,223	2.39%
13	Zenith National Insurance Group	1.35%	\$8,677,369	(12.30%)	\$37,229,619	(4.00%)
14	Amcomp Group	1.05%	\$6,559,823	(5.39%)	\$28,817,309	(0.48%)
15	Atlantic American	0.89%	\$1,774,622	(18.27%)	\$24,484,955	190.73%
16	Sentry Insurance Group	0.82%	\$4,760,521	95.22%	\$22,621,750	21.69%
17	Delek Group	0.82%	\$6,096,605	53.65%	\$22,467,211	53.36%
18	Amerisafe Group	0.64%	\$1,880,029	(51.79%)	\$17,641,411	10.40%
19	Fairfax Financial	0.52%	\$3,583,322	100.33%	\$14,221,259	15.37%
20	Federated Mutual	0.44%	\$3,467,996	12.17%	\$12,219,430	8.91%
21	Seabright Insurance Company	0.43%	\$4,265,153	124.32%	\$11,889,131	97.57%
22	Utica National Insurance Group	0.41%	\$2,889,452	3.67%	\$11,418,020	(8.51%)
23	Unitrin Group	0.41%	\$3,468,022	9.02%	\$11,385,603	12.59%
24	WR Berkley Corp.	0.39%	\$2,263,313	47.62%	\$10,620,019	(2.47%)
25	Safeco Insurance Group	0.36%	\$1,918,345	8.46%	\$9,996,222	21.31%

Top 25 Groups Total	93.75%	\$598,312,626	(0.93%)	\$2,581,987,535	(0.57%)
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Total Market	100.00%	\$638,357,987	(1.37%)	\$2,754,184,905	(0.76%)
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QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
3rd qtr 2002	\$754,654,609	\$604,474,384	\$323,727,575
4th qtr 2002	\$672,090,898	\$644,287,382	\$422,738,235
1st qtr 2003	\$789,303,161	\$702,878,917	\$312,423,735
2nd qtr 2003	\$698,820,581	\$607,330,529	\$332,424,290
3rd qtr 2003	\$697,425,752	\$605,434,822	\$290,359,509
4th qtr 2003	\$703,053,211	\$656,032,121	\$237,963,992
1st qtr 2004	\$775,143,328	\$751,980,050	\$235,457,643
2nd qtr 2004	\$730,500,348	\$595,579,582	\$246,761,999
3rd qtr 2004	\$657,718,545	\$640,473,143	\$251,277,710
4th qtr 2004	\$674,509,968	\$634,513,919	\$208,914,706
1st qtr 2005	\$712,653,851	\$699,498,680	\$245,859,536
2nd qtr 2005	\$672,084,966	\$620,520,059	\$245,070,604
3rd qtr 2005	\$606,964,507	\$620,411,714	\$242,926,580
4th qtr 2005	\$651,678,557	\$704,507,634	\$206,376,037
1st qtr 2006	\$692,527,666	\$750,940,446	\$252,870,063
2nd qtr 2006	\$692,414,073	\$672,738,070	\$196,644,999
3rd qtr 2006	\$665,177,777	\$647,216,297	\$177,407,261
4th qtr 2006	\$669,584,370	\$714,484,373	\$200,007,661
1st qtr 2007	\$686,427,838	\$728,348,698	\$234,584,622
2nd qtr 2007	\$665,062,574	\$672,993,847	\$271,669,544
3rd qtr 2007	\$642,600,673	\$638,357,987	\$242,822,460

Workers' Compensation (Residual Market)

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

For the four quarters ending with the third quarter of 2007, the START program reported \$5,284,933 in direct premiums written. This accounted for 100% of all Residual Market experience reported and was a decrease of (28.94%) over the same period one year prior. Of this amount \$2,057,428 was written in the third quarter of 2007 which was a 36.41% increase from the third quarter of 2006.

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

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

QUARTERLY EXPERIENCE **All Groups**

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
3rd qtr 2002	\$6,495,852	\$6,045,003	\$9,218,094
4th qtr 2002	\$7,735,964	\$6,811,504	\$9,116,511
1st qtr 2003	\$6,846,052	\$4,868,989	\$4,450,658
2nd qtr 2003	\$7,398,883	\$6,595,457	\$4,476,909
3rd qtr 2003	\$6,617,416	\$3,646,246	\$4,375,964
4th qtr 2003	\$4,843,706	\$4,607,623	\$5,826,659
1st qtr 2004	\$9,321,304	\$8,501,414	\$1,976,772
2nd qtr 2004	\$4,590,300	\$5,184,676	\$3,246,706
3rd qtr 2004	\$2,944,082	\$1,206,271	\$7,790,563
4th qtr 2004	\$3,145,398	\$2,988,938	(\$742,639)
1st qtr 2005	\$3,190,362	\$2,241,229	\$3,002,720
2nd qtr 2005	\$3,161,087	\$1,550,292	\$1,457,222
3rd qtr 2005	\$1,649,532	\$3,414,248	\$1,893,847
4th qtr 2005	\$1,814,397	\$1,544,098	\$7,577,075
1st qtr 2006	\$2,273,188	\$2,184,046	\$1,559,892
2nd qtr 2006	\$2,412,623	\$2,200,493	\$1,495,331
3rd qtr 2006	\$1,001,792	\$1,508,225	\$1,826,761
4th qtr 2006	\$1,168,873	\$376,226	\$1,910,435
1st qtr 2007	\$2,298,285	\$1,827,798	\$1,608,692
2nd qtr 2007	\$1,213,359	\$980,058	\$1,312,060
3rd qtr 2007	\$1,828,397	\$2,057,428	\$846,271

QUARTERLY EXPERIENCE
Texas Mutual Insurance Company

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
3rd qtr 2002	\$6,495,852	\$5,992,338	\$2,084,985
4th qtr 2002	\$7,735,964	\$6,597,702	\$2,093,003
1st qtr 2003	\$6,846,052	\$4,852,376	\$1,988,494
2nd qtr 2003	\$7,398,883	\$6,594,934	\$1,904,942
3rd qtr 2003	\$6,617,416	\$3,646,246	\$2,186,906
4th qtr 2003	\$4,843,706	\$4,607,100	\$1,625,440
1st qtr 2004	\$9,321,304	\$8,501,414	\$1,856,570
2nd qtr 2004	\$4,590,300	\$5,184,676	\$2,205,266
3rd qtr 2004	\$2,944,082	\$1,206,271	\$2,068,334
4th qtr 2004	\$3,145,398	\$2,988,938	\$1,682,701
1st qtr 2005	\$3,190,362	\$2,241,229	\$1,916,106
2nd qtr 2005	\$3,161,087	\$1,550,292	\$1,504,557
3rd qtr 2005	\$1,649,532	\$1,920,420	\$1,356,660
4th qtr 2005	\$1,814,397	\$1,544,098	\$1,253,731
1st qtr 2006	\$2,273,188	\$2,184,046	\$1,092,585
2nd qtr 2006	\$2,412,623	\$2,200,493	\$968,681
3rd qtr 2006	\$1,001,792	\$1,508,225	\$1,201,165
4th qtr 2006	\$1,168,873	\$376,226	\$845,290
1st qtr 2007	\$2,298,285	\$1,871,221	\$763,651
2nd qtr 2007	\$1,212,375	\$980,058	\$707,542
3rd qtr 2007	\$1,828,397	\$2,057,428	\$757,347

Workers' Compensation (Deductible Plans)

There were 94 groups, 236 companies which wrote voluntary policies for Workers' Compensation in the third quarter of 2007, as compared to 89 groups, 228 companies in the third quarter of 2006.

The data contained in the following table represents direct policies written as new or renewal policies in the third quarter of 2007. The policies are adjusted to an annual basis (a six month policy is reported as 0.5). The premiums on direct policies written are total premiums (estimated if initial premium collected was a deposit or third installment premium).

It should be noted that the Total Premiums on Direct Policies Written After Deductible Credit as shown in the table on the following page will not equal the Total Direct Premiums Written on page 31. As referenced on page 2 of this report, Premiums on Policies Written captures the Direct Premiums Written in the designated quarter without adjustments for cancellations or endorsements and, therefore, may not match the written premium figures in the statutory Annual Statement. In contrast, Direct Premiums Written are reported using the same methods/rules used in completing the statutory Annual Statement.

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

WORKERS' COMPENSATION DEDUCTIBLE PLANS

	Policies Written 3rd Qtr 2007	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	69	\$410,109	\$390,752	4.72%
Premium of \$10,000 - \$24,999	89	\$1,391,880	\$1,227,445	11.81%
Premium of \$25,000 - \$49,999	41	\$1,319,428	\$1,182,980	10.34%
Premium of \$50,000 - \$74,999	28	\$1,706,910	\$1,405,545	17.66%
Premium of \$75,000 - \$100,000	13	\$4,628,144	\$1,460,290	68.45%
Total Per Accident Plan	240	\$9,456,471	\$5,667,012	40.07%
Aggregate Deductible Plan				
Premium of \$5,000 - \$9,999	15	\$107,503	\$93,242	13.27%
Premium of \$10,000 - \$24,999	24	\$397,209	\$335,498	15.54%
Premium of \$25,000 - \$49,999	11	\$420,065	\$342,822	18.39%
Premium of \$50,000 - \$74,999	2	\$122,980	\$99,985	18.70%
Premium of \$75,000 - \$100,000	4	\$582,097	\$427,280	26.60%
Total Aggregate Plan	56	\$1,629,854	\$1,298,827	20.31%
Per Accident/Aggregate Combination Deductible Plan				
Premium of \$5,000 - \$9,999	8	\$32,992	\$26,620	19.31%
Premium of \$10,000 - \$24,999	13	\$200,536	\$153,473	23.47%
Premium of \$25,000 - \$49,999	4	\$177,214	\$136,542	22.95%
Premium of \$50,000 - \$74,999	3	\$188,021	\$132,872	29.33%
Premium of \$75,000 - \$100,000	2	\$361,888	\$112,944	68.79%
Total Combination Plan	30	\$960,651	\$562,451	41.45%
Negotiated Deductible Plan				
Premium Up To \$100,000	2,173	\$21,020,505	\$8,282,359	60.60%
Premium of \$100,001 - \$150,000	154	\$9,914,892	\$3,987,982	59.78%
Premium of \$150,001 - \$250,000	165	\$25,535,548	\$8,812,432	65.49%
Premium of \$250,001 - \$350,000	90	\$25,616,315	\$6,765,781	73.59%
Premium of \$350,001 - \$500,000	64	\$27,438,548	\$6,541,147	76.16%
Premium of \$500,001 - \$750,000	69	\$41,241,164	\$8,858,924	78.52%
Premium of \$750,001 - \$1,000,000	37	\$32,126,392	\$6,828,342	78.75%
Premium of \$1,000,001 - \$2,500,000	49	\$78,530,556	\$14,144,052	81.99%
Premium of \$2,500,001 - \$5,000,000	21	\$75,434,139	\$11,721,642	84.46%
Premium of \$5,000,001 and above	17	\$139,101,771	\$25,311,956	81.80%
Total Negotiated Plan	2,839	\$475,959,830	\$101,254,617	78.73%
No Deductible Plan				
Premium Less Than \$5,000	23,179	\$39,116,126	\$39,116,126	0.00%
Premium of \$5,000 - \$9,999	5,582	\$39,631,767	\$39,631,767	0.00%
Premium of \$10,000 - \$24,999	4,643	\$72,460,157	\$72,460,157	0.00%
Premium of \$25,000 - \$49,999	1,993	\$69,656,337	\$69,656,337	0.00%
Premium of \$50,000 - \$74,999	720	\$43,569,837	\$43,569,837	0.00%
Premium of \$75,000 - \$100,000	356	\$30,626,937	\$30,626,937	0.00%
Premium Greater Than \$100,000	913	\$238,756,605	\$238,756,605	0.00%
Total No Deductible Plan	37,386	\$533,817,766	\$533,817,766	0.00%
TOTAL	40,551	\$1,021,824,572	\$642,600,673	37.11%

Boiler & Machinery

There were 39 groups, 93 companies, that had direct written premium for Boiler & Machinery in the third quarter of 2007, as compared to 38 groups, 90 companies, in the third quarter of 2006.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the third quarter of 2007 to direct written premium in the third quarter of 2006 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR BOILER & MACHINERY

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 3rd Quarter 2007	% Change 3rd Quarter 2006 to 2007	4 Quarters Ending 3rd Qtr 2007	% Change 4 Qtrs Ending 2006 to 2007
1	FM Global Group	33.13%	\$16,308,508	43.31%	\$31,344,401	24.42%
2	American International Group	17.31%	\$5,053,452	59.70%	\$16,379,939	36.25%
3	Travelers Group	11.04%	\$2,242,307	(0.50%)	\$10,443,653	(2.36%)
4	Zurich Insurance Group	7.11%	\$1,324,136	(39.34%)	\$6,729,908	(12.73%)
5	Chubb & Son Inc.	6.04%	\$1,740,634	(18.15%)	\$5,717,728	(17.79%)
6	Liberty Mutual Group	4.92%	\$1,853,469	(3.07%)	\$4,656,978	11.94%
7	American Financial Group	4.51%	\$3,781,602	*	\$4,270,630	*
8	CNA Insurance Group	4.46%	\$1,063,456	(19.34%)	\$4,217,396	1.31%
9	X L America	1.96%	\$496,223	6.76%	\$1,856,798	123.49%
10	Allianz Insurance Group	1.74%	\$329,991	(1.78%)	\$1,645,360	3.41%
11	Central Mutual Insurance Company of Ohio	1.20%	\$318,157	0.11%	\$1,137,000	5.15%
12	Nationwide Corp.	1.18%	\$300,870	44.81%	\$1,120,600	50.39%
13	Federated Mutual	0.84%	\$219,029	(6.33%)	\$799,323	(5.25%)
14	EMC Insurance Company	0.57%	\$144,751	(2.82%)	\$538,190	6.37%
15	Millea Holdings Inc.	0.49%	\$83,365	(21.79%)	\$463,638	32.41%
16	Swiss Re Group	0.48%	\$15,913	(82.79%)	\$455,919	(29.66%)
17	Triangle Insurance Company, Inc.	0.48%	\$409,379	12.56%	\$449,905	9.26%
18	Beazley Insurance Company, Inc.	0.38%	\$357,990	*	\$357,990	*
19	Allstate Insurance Group	0.28%	\$59,437	(18.68%)	\$265,862	(8.54%)
20	United Fire & Casualty Group	0.28%	\$63,266	(20.48%)	\$261,377	8.34%
21	AXIS Capital Group	0.24%	\$120	(99.24%)	\$226,117	16.73%
22	Safeco Insurance Group	0.22%	\$60,145	64.53%	\$205,424	118.62%
23	QBE Insurance Group, Ltd.	0.19%	\$54,601	371.76%	\$184,383	112.69%
24	Hartford Fire & Casualty Group	0.19%	\$66,154	30.34%	\$184,024	6.33%
25	Bancinsure Inc.	0.15%	\$25,705	(26.37%)	\$146,420	6.76%

Top 25 Groups Total	99.42%	\$36,372,660	34.59%	\$94,058,963	18.13%
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Total Market	100.00%	\$36,490,785	34.43%	\$94,608,788	18.17%
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*Premiums from prior reporting period were \$0, less than \$0, or negligible.

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
3rd qtr 2002	\$18,658,119	\$24,062,071	\$10,173,007
4th qtr 2002	\$33,136,501	\$18,433,282	\$7,566,513
1st qtr 2003	\$17,637,255	\$19,160,434	\$2,609,649
2nd qtr 2003	\$18,174,135	\$19,667,485	\$2,628,907
3rd qtr 2003	\$16,781,415	\$18,589,775	\$21,170,824
4th qtr 2003	\$16,973,598	\$18,739,582	\$4,007,116
1st qtr 2004	\$15,243,995	\$16,259,983	\$1,988,536
2nd qtr 2004	\$15,247,946	\$16,327,909	\$17,676,387
3rd qtr 2004	\$16,318,317	\$19,417,778	\$4,121,378
4th qtr 2004	\$17,604,771	\$14,452,601	\$15,415,284
1st qtr 2005	\$14,222,180	\$15,291,463	\$1,454,857
2nd qtr 2005	\$14,320,385	\$16,667,555	\$4,596,582
3rd qtr 2005	\$15,899,068	\$20,779,919	\$1,553,656
4th qtr 2005	\$14,395,254	\$18,108,727	\$2,876,379
1st qtr 2006	\$14,240,688	\$16,389,717	\$2,942,034
2nd qtr 2006	\$15,116,521	\$18,416,711	\$2,632,101
3rd qtr 2006	\$16,244,874	\$27,145,816	\$4,561,400
4th qtr 2006	\$15,565,571	\$17,118,656	\$42,723,542
1st qtr 2007	\$14,685,122	\$19,578,161	\$2,055,206
2nd qtr 2007	\$19,519,540	\$21,421,186	\$17,694,738
3rd qtr 2007	\$16,494,455	\$36,490,785	\$5,377,045

EARNED TO INCURRED LOSS RATIO BY YEAR

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

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

Commercial Crime

There were 32 groups, 76 companies, that had direct written premium for Commercial Crime in the third quarter of 2007, as compared to 33 groups, 76 companies, in the third quarter of 2006.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the third quarter of 2007 to direct written premium in the third quarter of 2006 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR COMMERCIAL CRIME

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 3rd Quarter 2007	% Change 3rd Quarter 2006 to 2007	4 Quarters Ending 3rd Qtr 2007	% Change 4 Qtrs Ending 2006 to 2007
1	Travelers Group	23.70%	\$491,742	10.15%	\$1,763,782	0.33%
2	Chubb & Son Inc.	20.34%	\$395,259	5.27%	\$1,513,540	4.59%
3	American International Group	11.98%	\$103,415	28.71%	\$891,746	(3.92%)
4	Zurich Insurance Group	11.52%	\$290,842	(3.61%)	\$857,668	(32.26%)
5	CNA Insurance Group	10.31%	\$186,696	(0.06%)	\$767,087	15.28%
6	Hartford Fire & Casualty Group	10.11%	\$298,018	(25.56%)	\$752,100	(18.49%)
7	Nationwide Corp.	3.12%	\$89,424	200.38%	\$232,338	95.10%
8	Sentry Insurance Group	1.41%	\$24,543	5.72%	\$105,114	8.87%
9	ACE Ltd.	1.29%	\$24,639	(0.41%)	\$95,980	(1.12%)
10	Federated Mutual	1.00%	\$27,441	(21.72%)	\$74,657	(14.98%)
11	United Fire & Casualty Group	0.83%	\$25,734	(37.68%)	\$61,909	(38.31%)
12	American Financial Group	0.80%	\$20,798	111.56%	\$59,753	67.57%
13	Liberty Mutual Group	0.74%	\$14,081	132.97%	\$54,790	19.89%
14	XL America	0.71%	\$16,876	37.11%	\$53,138	37.07%
15	Allstate Insurance Group	0.38%	\$5,297	(47.51%)	\$28,497	(26.32%)
16	Benchmark Insurance Company	0.35%	\$0	(100.00%)	\$26,395	(31.00%)
17	IAT Reinsurance Company Group	0.30%	\$10,146	(6.74%)	\$22,171	(11.18%)
18	Central Mutual Insurance Company of Ohio	0.20%	\$205	(42.09%)	\$15,000	68.58%
19	North Pointe Holdings Corp. Group	0.16%	\$900	23.12%	\$11,980	50.39%
20	EMC Insurance Company	0.15%	\$4,032	(36.25%)	\$11,510	(14.87%)
21	Safeco Insurance Group	0.15%	\$913	(53.49%)	\$10,870	19.77%
22	The Hanover Insurance Group	0.12%	\$200	*	\$9,047	312.92%
23	Philadelphia Consolidated Holding Group	0.11%	\$3,018	*	\$8,299	*
24	Motorists Mutual	0.10%	\$0	*	\$7,635	(43.94%)
25	QBE Insurance Group, Ltd.	0.08%	\$2,196	*	\$6,096	641.61%

Top 25 Groups Total	99.99%	\$2,036,415	1.27%	\$7,441,102	(4.19%)
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Total Market	100.00%	\$2,044,281	1.13%	\$7,441,833	(4.80%)
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*Premiums from prior reporting period were \$0, less than \$0, or negligible.

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
3rd qtr 2002	\$1,341,198	\$1,529,291	\$214,282
4th qtr 2002	\$1,616,520	\$1,782,790	\$419,686
1st qtr 2003	\$1,428,028	\$1,478,357	\$220,185
2nd qtr 2003	\$1,811,097	\$1,968,234	\$77,561
3rd qtr 2003	\$1,455,764	\$1,970,424	\$201,681
4th qtr 2003	\$1,485,574	\$1,867,930	\$424,135
1st qtr 2004	\$3,342,749	\$1,749,368	\$376,949
2nd qtr 2004	\$1,898,917	\$2,170,364	\$48,845
3rd qtr 2004	\$1,415,602	\$2,690,230	\$368,517
4th qtr 2004	\$1,836,630	\$2,046,419	\$15,145
1st qtr 2005	\$1,442,287	\$1,808,358	\$866,393
2nd qtr 2005	\$1,853,047	\$1,575,124	\$92,132
3rd qtr 2005	\$1,338,039	\$1,915,433	\$1,290,472
4th qtr 2005	\$1,468,162	\$1,793,090	\$364,705
1st qtr 2006	\$1,510,779	\$1,783,082	\$145,432
2nd qtr 2006	\$1,871,268	\$2,219,675	\$176,223
3rd qtr 2006	\$1,408,410	\$2,021,389	\$273,795
4th qtr 2006	\$1,279,076	\$1,640,653	\$130,086
1st qtr 2007	\$1,189,270	\$1,628,636	\$112,029
2nd qtr 2007	\$1,800,582	\$2,128,263	\$500,850
3rd qtr 2007	\$1,433,138	\$2,044,281	\$232,333

EARNED TO INCURRED LOSS RATIO BY YEAR

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

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

Commercial Glass

There were 4 groups, 5 companies, that had direct written premium for Commercial Glass in the third quarter of 2007, as compared to 7 groups, 11 companies, in the third quarter of 2006.

The table below represents the top groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the third quarter of 2007 to direct written premium in the third quarter of 2006 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR COMMERCIAL GLASS

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 3rd Quarter 2007	% Change 3rd Quarter 2006 to 2007	4 Quarters Ending 3rd Qtr 2007	% Change 4 Qtrs Ending 2006 to 2007
1	Motorists Mutual	111.36%	\$0	*	\$11,049	*
2	Ohio Casualty Group	103.57%	\$2,741	(7.59%)	\$10,276	0.99%
3	Federated Mutual	35.96%	\$0	(100.00%)	\$3,568	(32.03%)
4	State Farm IL	14.61%	\$271	0.00%	\$1,450	0.00%
5	Travelers Group	2.62%	(\$377)	(369.29%)	\$260	(26.76%)
6	United Fire & Casualty Group	2.02%	\$0	*	\$200	0.00%
7	Liberty Mutual Group	0.01%	\$0	(100.00%)	\$1	(99.98%)
8	North Pointe Holdings Corp. Group	**(0.43%)	\$0	*	(\$43)	(101.10%)
9	Zurich Insurance Group	**(169.71%)	(\$6,233)	(430.66%)	(\$16,839)	(160.64%)

Top Groups Total	100.00%	(\$3,598)	(129.07%)	\$9,922	(82.84%)
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Total Market	100.00%	(\$3,598)	(129.07%)	\$9,922	(82.84%)
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* Premiums from prior reporting period were \$0, less than \$0, or negligible.

** Negative Market Share due to Policy Cancellations.

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
3rd qtr 2002	\$106,180	\$69,425	\$9,409
4th qtr 2002	\$118,781	\$87,929	\$17,945
1st qtr 2003	\$94,109	\$65,760	\$8,488
2nd qtr 2003	\$81,840	\$62,094	\$13,141
3rd qtr 2003	\$76,628	\$50,084	\$14,061
4th qtr 2003	\$112,205	\$55,552	\$7,445
1st qtr 2004	\$97,082	\$52,661	\$20,377
2nd qtr 2004	\$523,945	\$478,848	\$4,143
3rd qtr 2004	\$81,140	\$41,301	\$3,214
4th qtr 2004	\$81,385	\$32,903	\$6,261
1st qtr 2005	\$70,950	\$31,593	\$2,910
2nd qtr 2005	\$21,527	\$29,140	\$1,326
3rd qtr 2005	\$11,819	\$16,019	(\$1,360)
4th qtr 2005	\$18,836	\$14,753	\$1,334
1st qtr 2006	\$29,364	\$19,549	\$349
2nd qtr 2006	\$19,311	\$11,128	\$330
3rd qtr 2006	\$16,290	\$12,377	\$3,903
4th qtr 2006	\$22,315	\$14,547	\$0
1st qtr 2007	\$9,400	\$1,342	\$734
2nd qtr 2007	\$12,873	(\$2,369)	\$2,833
3rd qtr 2007	\$7,831	(\$3,598)	\$0

EARNED TO INCURRED LOSS RATIO BY YEAR

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

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

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

Medical Professional Liability

There were 35 groups, 43 companies, that had direct written premium for Medical Professional Liability (includes regulated and non-rate-regulated companies) in the third quarter of 2007, as compared to 30 groups, 38 companies, in the third quarter of 2006.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the third quarter of 2007 to direct written premium in the third quarter of 2006 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR MEDICAL PROFESSIONAL LIABILITY

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 3rd Quarter 2007	% Change 3rd Quarter 2006 to 2007	4 Quarters Ending 3rd Qtr 2007	% Change 4 Qtrs Ending 2006 to 2007
1	American Physicians Ins. Exchange	29.44%	\$21,871,304	5.48%	\$79,271,897	19.36%
2	Berkshire Hathaway	23.26%	\$23,124,068	(15.17%)	\$62,638,470	(19.39%)
3	Advocate, MD Ins. Of The Southwest Inc.	7.60%	\$8,639,752	(10.90%)	\$20,469,799	(6.41%)
4	Texas Medical Liability Underwriting Assoc.	6.24%	\$5,010,383	(20.21%)	\$16,803,789	(38.64%)
5	Health Care Indemnity Inc.	5.51%	\$130,748	115.29%	\$14,846,964	(81.75%)
6	Allianz Insurance Group	2.63%	\$1,619,220	21.90%	\$7,072,933	14.73%
7	Preferred Professional Insurance Company	2.28%	\$1,742,224	(21.40%)	\$6,144,841	(28.76%)
8	Everest Reinsurance Holding Inc.	2.20%	(\$43,876)	(222.07%)	\$5,935,035	(19.40%)
9	PICA Group	2.07%	\$3,064,975	(0.31%)	\$5,578,123	(2.43%)
10	Texas Hospital Insurance Exchange	2.05%	\$2,218,885	(20.56%)	\$5,522,780	(33.58%)
11	CNA Insurance Group	1.93%	\$2,745,841	32.49%	\$5,203,506	(23.69%)
12	American International Group	1.81%	\$1,526,689	(14.13%)	\$4,862,638	(22.41%)
13	NCMIC Grp	1.68%	\$1,101,740	15.58%	\$4,515,612	1.63%
14	Texas Medical Insurance Company	1.67%	\$1,947,665	(0.28%)	\$4,493,885	0.79%
15	ProAssurance Corp. Group	1.53%	\$708,846	(33.18%)	\$4,112,213	(27.61%)
16	National Group	1.48%	\$2,008,106	8.00%	\$3,980,637	8.09%
17	ACE Ltd.	1.07%	\$838,748	(7.90%)	\$2,890,974	(3.64%)
18	Medicus Insurance Company	0.90%	\$1,003,716	*	\$2,435,177	*
19	Doctors Company Group	0.78%	\$6,090,000	(54.17%)	\$2,103,547	(92.99%)
20	FPIC Insurance Group Inc.	0.78%	\$562,646	(2.24%)	\$2,093,598	(36.03%)
21	Alleghany Group	0.70%	\$512,539	(33.35%)	\$1,887,068	(36.81%)
22	Medical Liability Ins. Company of America	0.66%	\$488,884	(36.56%)	\$1,764,038	(39.96%)
23	Zurich Insurance Group	0.63%	\$550,310	*	\$1,691,182	1.37%
24	Munich American Holding Corp.	0.61%	\$330,115	(4.61%)	\$1,643,343	8.24%
25	Nationwide Corp.	0.22%	\$157,949	(8.84%)	\$591,984	22.40%

Top 25 Groups Total	99.72%	\$87,951,477	(11.23%)	\$268,554,033	(30.81%)
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Total Market	100.00%	\$87,981,748	(11.33%)	\$269,306,185	(30.69%)
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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
3rd qtr 2002	\$117,743,019	\$132,910,095	\$65,631,228
4th qtr 2002	\$85,911,427	\$79,470,653	\$95,769,104
1st qtr 2003	\$227,003,710	\$244,370,356	\$45,576,971
2nd qtr 2003	\$93,947,674	\$88,666,548	\$55,106,913
3rd qtr 2003	\$126,579,512	\$135,323,248	\$57,388,785
4th qtr 2003	\$71,752,834	\$82,927,387	\$93,075,549
1st qtr 2004	\$193,451,843	\$205,340,648	\$41,830,082
2nd qtr 2004	\$82,158,142	\$72,023,021	\$49,479,085
3rd qtr 2004	\$115,940,146	\$103,495,609	\$64,828,248
4th qtr 2004	\$74,360,976	\$64,923,197	\$72,244,880
1st qtr 2005	\$167,300,880	\$177,538,015	\$42,747,053
2nd qtr 2005	\$67,243,302	\$76,862,860	\$41,556,716
3rd qtr 2005	\$103,894,380	\$106,955,899	\$40,278,667
4th qtr 2005	\$60,662,829	\$69,326,700	\$38,064,317
1st qtr 2006	\$150,569,921	\$151,061,293	\$29,286,855
2nd qtr 2006	\$59,661,846	\$68,936,624	\$34,070,598
3rd qtr 2006	\$81,786,940	\$99,218,773	\$26,284,732
4th qtr 2006	\$48,930,307	\$41,894,807	\$21,096,372
1st qtr 2007	\$68,656,804	\$72,935,402	\$20,225,813
2nd qtr 2007	\$51,307,987	\$66,494,228	\$73,179,297
3rd qtr 2007	\$83,584,889	\$87,981,748	\$20,506,670

EARNED TO INCURRED LOSS RATIO BY YEAR

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

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

Miscellaneous Professional Liability

There were 32 groups, 67 companies, that had direct written premium for Miscellaneous Professional Liability in the third quarter of 2007, as compared to 29 groups, 61 companies, in the third quarter of 2006.

The table below represents the top 25 groups for direct written premium based on a sum of the most recent four quarters. Also included is a comparison of direct written premium in the third quarter of 2007 to direct written premium in the third quarter of 2006 for the same groups.

DIRECT PREMIUMS WRITTEN MARKET SHARE FOR MISC. PROFESSIONAL LIABILITY

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 3rd Quarter 2007	% Change 3rd Quarter 2006 to 2007	4 Quarters Ending 3rd Qtr 2007	% Change 4 Qtrs Ending 2006 to 2007
1	Chubb & Son Inc.	22.98%	\$26,341,627	(3.14%)	\$92,817,861	2.77%
2	XL America	18.81%	\$21,414,717	0.93%	\$76,009,765	(1.56%)
3	Travelers Group	11.92%	\$12,881,747	10.04%	\$48,162,209	(4.63%)
4	Hartford Fire & Casualty Group	11.92%	\$11,743,560	(10.71%)	\$48,156,162	6.74%
5	HCC Insurance Holdings Group	8.45%	\$8,083,060	(16.08%)	\$34,147,183	(7.60%)
6	ACE Ltd.	7.66%	\$7,379,253	69.27%	\$30,931,277	38.45%
7	Swiss Re Group	4.34%	\$2,473,097	(24.66%)	\$17,538,939	322.92%
8	RLI Insurance Group	2.78%	\$2,467,839	(39.13%)	\$11,226,231	(12.59%)
9	American Financial Group	1.61%	\$2,353,652	*	\$6,485,946	*
10	CNA Insurance Group	1.49%	\$872,479	*	\$6,002,102	563.88%
11	Nationwide Corp.	1.40%	\$1,457,836	21.41%	\$5,670,512	43.21%
12	Allianz Insurance Group	1.24%	\$634,972	33.31%	\$5,024,681	29.03%
13	Old Republic Group	0.87%	\$979,836	(1.97%)	\$3,527,256	3.61%
14	Berkshire Hathaway	0.66%	\$748,820	0.06%	\$2,665,741	(25.25%)
15	Liberty Mutual Group	0.57%	\$548,175	(11.17%)	\$2,304,328	3.50%
16	United National Group	0.50%	\$389,421	503.01%	\$2,035,151	10.52%
17	Beazley Insurance Company, Inc.	0.46%	\$873,062	*	\$1,841,153	*
18	Alleghany Group	0.44%	\$496,269	*	\$1,793,294	*
19	Markel Corp. Group	0.43%	\$436,997	0.38%	\$1,755,913	(16.12%)
20	Utica National Insurance Group	0.39%	\$353,788	140.56%	\$1,588,732	28.15%
21	AETNA	0.28%	\$0	*	\$1,146,921	4.95%
22	Safeco Insurance Group	0.17%	\$183,321	*	\$706,519	*
23	State National Group	0.17%	\$5,150	(37.81%)	\$681,068	335.15%
24	Navigators Group Inc.	0.15%	\$588,220	(30.58%)	\$588,220	(64.70%)
25	State Farm IL	0.07%	\$107,294	63.83%	\$300,338	26.13%
Top 25 Groups Total		99.78%	\$103,814,192	3.57%	\$403,107,502	10.20%
Total Market		100.00%	\$104,166,472	1.51%	\$403,987,365	9.40%

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

QUARTERLY EXPERIENCE

Reporting Period	Premiums on Policies Written	Direct Written Premium	Direct Losses Paid
3rd qtr 2002	\$44,287,561	\$46,129,965	\$32,132,723
4th qtr 2002	\$39,794,746	\$40,468,853	\$24,789,968
1st qtr 2003	\$65,301,029	\$64,300,341	\$23,052,586
2nd qtr 2003	\$72,527,779	\$84,367,349	\$41,720,752
3rd qtr 2003	\$78,673,242	\$80,572,101	\$73,006,385
4th qtr 2003	\$72,099,487	\$78,115,601	\$15,837,639
1st qtr 2004	\$78,583,973	\$78,663,654	\$19,091,166
2nd qtr 2004	\$79,027,029	\$80,952,491	\$25,411,999
3rd qtr 2004	\$88,221,507	\$84,958,945	\$12,873,254
4th qtr 2004	\$70,978,554	\$75,843,090	\$1,731,964
1st qtr 2005	\$62,933,404	\$65,015,052	\$112,729,581
2nd qtr 2005	\$105,738,944	\$102,001,411	\$29,708,476
3rd qtr 2005	\$109,824,539	\$108,786,798	\$19,339,409
4th qtr 2005	\$92,079,636	\$96,843,121	\$52,554,252
1st qtr 2006	\$70,353,199	\$71,955,149	\$31,408,641
2nd qtr 2006	\$96,823,182	\$97,849,485	\$39,078,539
3rd qtr 2006	\$99,908,322	\$102,616,161	\$20,323,311
4th qtr 2006	\$100,416,498	\$109,913,338	\$24,733,858
1st qtr 2007	\$75,659,007	\$82,048,748	\$41,244,494
2nd qtr 2007	\$102,704,290	\$107,858,807	\$15,542,821
3rd qtr 2007	\$98,379,785	\$104,166,472	\$8,034,372

EARNED TO INCURRED LOSS RATIO BY YEAR

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

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

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

Complaint Data

The following chart presents a comparison of written complaints received and closed by TDI in the third quarter of 2007 and the third quarter of 2006. Also included are the number of direct policies written and the percent of complaints per policy for each line of business.

Line of Business	3RD QUARTER 2007			3RD QUARTER 2006		
	Number of Complaints	Number of Policies Written	Percent of Complaints per Policy	Number of Complaints	Number of Policies Written	Percent of Complaints per Policy
Product Liability	0	9,326	0.00000%	0	9,812	0.00000%
General Liability - Other+	44	246,878	0.01782%	33	239,286	0.01379%
Fire & Allied Lines	12	37,998	0.03158%	29	36,441	0.07958%
Commercial Multiple Peril	37	104,045	0.03556%	37	92,960	0.03980%
Private Passenger Auto ⁺⁺	1,724	5,619,396	0.03068%	1,740	5,747,524	0.03027%
Homeowners	517	1,490,756	0.03468%	1,366	1,556,978	0.08773%
Workers' Compensation ⁺⁺⁺	425	40,590	1.04706%	544	38,077	1.42868%
Boiler & Machinery	**	**	**	**	**	**
Commercial Crime	**	**	**	**	**	**
Commercial Glass	**	**	**	**	**	**
Medical Professional Liability	2	19,989	0.01001%	6	13,645	0.04397%
Misc. Professional Liability	0	6,118	0.00000%	0	4,923	0.00000%

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

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

^{**} Complaints are not tracked for this line of business.

The number of complaints attributable to any one insurer was not significant, except for Private Passenger Auto and Homeowners. The complaint data for the top 25 groups (ranking based on number of policies written in the third quarter of 2007) for these two lines of insurance are presented on the next two pages.

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

2007 Policies Written Rank	Group Name	3RD QUARTER 2007			3RD QUARTER 2006		
		Number of Complaints	Number of Policies Written	Percent of Complaints per Policy	Number of Complaints	Number of Policies Written	Percent of Complaints per Policy
7	Old American County Mutual Fire Ins. Co.	230	230,962	0.09958%	280	239,459	0.11693%
14	Loya Grp	91	91,844	0.09908%	100	91,460	0.10934%
13	Home State Ins Grp	78	93,312	0.08359%	64	100,755	0.06352%
22	American Century Casualty Company	19	24,818	0.07656%	18	15,557	0.11570%
18	Auto Club Enterprises Insurance Group	21	32,784	0.06406%	22	34,391	0.06397%
24	Mercury General Group	12	21,182	0.05665%	24	25,165	0.09537%
16	Unitrin Group	25	48,367	0.05169%	37	60,278	0.06138%
19	Metropolitan Group	16	31,857	0.05022%	9	27,109	0.03320%
9	Nationwide Corp.	57	123,897	0.04601%	50	127,842	0.03911%
25	Travelers Group	9	20,878	0.04311%	8	25,150	0.03181%
12	Delek Group	41	96,533	0.04247%	32	93,953	0.03406%
15	Liberty Mutual Group	26	69,496	0.03741%	27	56,071	0.04815%
21	Safeway Insurance Group	11	30,062	0.03659%	3	21,495	0.01396%
17	Sentry Insurance Group	14	39,371	0.03556%	9	41,579	0.02165%
11	American International Group	31	97,826	0.03169%	40	46,055	0.08685%
10	Titus Group	34	112,159	0.03031%	30	106,183	0.02825%
3	Allstate Insurance Group	190	635,240	0.02991%	187	615,647	0.03037%
6	Berkshire Hathaway	72	256,891	0.02803%	71	234,494	0.03028%
5	United Services Automobile Assoc. Group	52	267,315	0.01945%	57	243,386	0.02342%
2	Zurich Insurance Group	166	875,102	0.01897%	172	903,280	0.01904%
23	Amica Mutual Group	4	23,454	0.01705%	3	21,157	0.01418%
4	Progressive Group	72	465,425	0.01547%	97	460,857	0.02105%
8	Southern Farm Bureau Casualty	25	161,744	0.01546%	23	167,333	0.01375%
20	Germania Insurance Group	4	30,233	0.01323%	7	24,974	0.02803%
1	State Farm IL	136	1,439,588	0.00945%	120	1,404,975	0.00854%
	(All other licensed insurers) (No company identified)*	288 0	299,056	0.09630%	250 0	558,919	0.04473%
TOTALS		1,724	5,619,396	0.03068%	1,740	5,747,524	0.03027%

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

Complaint Data

HOMEOWNERS THIRD QUARTER DATA LISTED BY PERCENT OF COMPLAINTS PER POLICY

2007 Policies Written	Group Name	3RD QUARTER 2007			3RD QUARTER 2006		
		Number of Complaints	Number of Policies Written	Percent of Complaints per Policy	Number of Complaints	Number of Policies Written	Percent of Complaints per Policy
21	Wellington Insurance Company	3	7,548	0.13740%	3	6,496	0.04618%
13	ARX Holding Corp. Group	4	18,134	0.09827%	4	29,213	0.01369%
15	Cypress Holdings Group	5	12,156	0.07963%	3	11,883	0.00000%
10	Liberty Mutual Group	6	26,953	0.05696%	7	23,534	0.02974%
17	Safeco Insurance Group	2	9,799	0.04294%	13	31,451	0.00000%
14	NL ASCO	17	17,300	0.04113%	11	18,422	0.00000%
4	United Services Automobile Assoc. Group	10	121,260	0.04077%	8	111,872	0.00715%
2	Allstate Insurance Group	100	250,299	0.03995%	91	301,596	0.03017%
20	Metropolitan Group	1	9,025	0.03975%	7	8,151	0.08588%
3	Zurich Insurance Group	81	230,179	0.03519%	64	226,554	0.02825%
25	American National Financial Group	1	7,116	0.02800%	4	7,776	0.05144%
9	Hartford Fire & Casualty Group	5	36,448	0.02226%	7	30,928	0.02263%
12	State National Group	2	18,209	0.02206%	5	17,510	0.02856%
18	Balboa Insurance Group	4	9,316	0.02152%	4	7,628	0.00000%
5	Travelers Group	32	78,491	0.02126%	27	78,901	0.03422%
16	Auto Club Enterprises Insurance Group	8	10,047	0.02041%	3	10,000	0.03000%
6	Nationwide Corporation	14	65,847	0.01965%	12	60,354	0.01988%
1	State Farm IL	59	343,883	0.01716%	69	330,699	0.02086%
7	Delek Group	9	45,795	0.01469%	14	37,685	0.03715%
24	Fidelity National Financial, Inc.	1	7,246	0.01405%	1	7,246	0.01380%
23	Assurant Inc. Group	1	7,248	0.01380%	3	6,189	0.04847%
22	Unitrin Group	10	7,278	0.01380%	16	6,005	0.26644%
8	Texas Farm Bureau Mutual	6	40,855	0.01372%	3	37,763	0.00794%
19	Amica Mutual Group	2	9,294	0.01108%	4	9,030	0.04430%
11	Texas Fair Plan Association	12	21,067	0.01098%	9	19,746	0.04558%
	(All other licensed insurers) (No company identified)*	122	79,963	0.15257%	974	120,346	0.80933%
		0			0		

TOTALS

517

1,490,756

0.03468%

1,366

1,556,978

0.08773%

* 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.
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Texas Department of Insurance

333 Guadalupe

Austin, Texas 78701