



Lone Star Lines Special Report

Surplus Lines Stamping Office of Texas

February 1, 2002

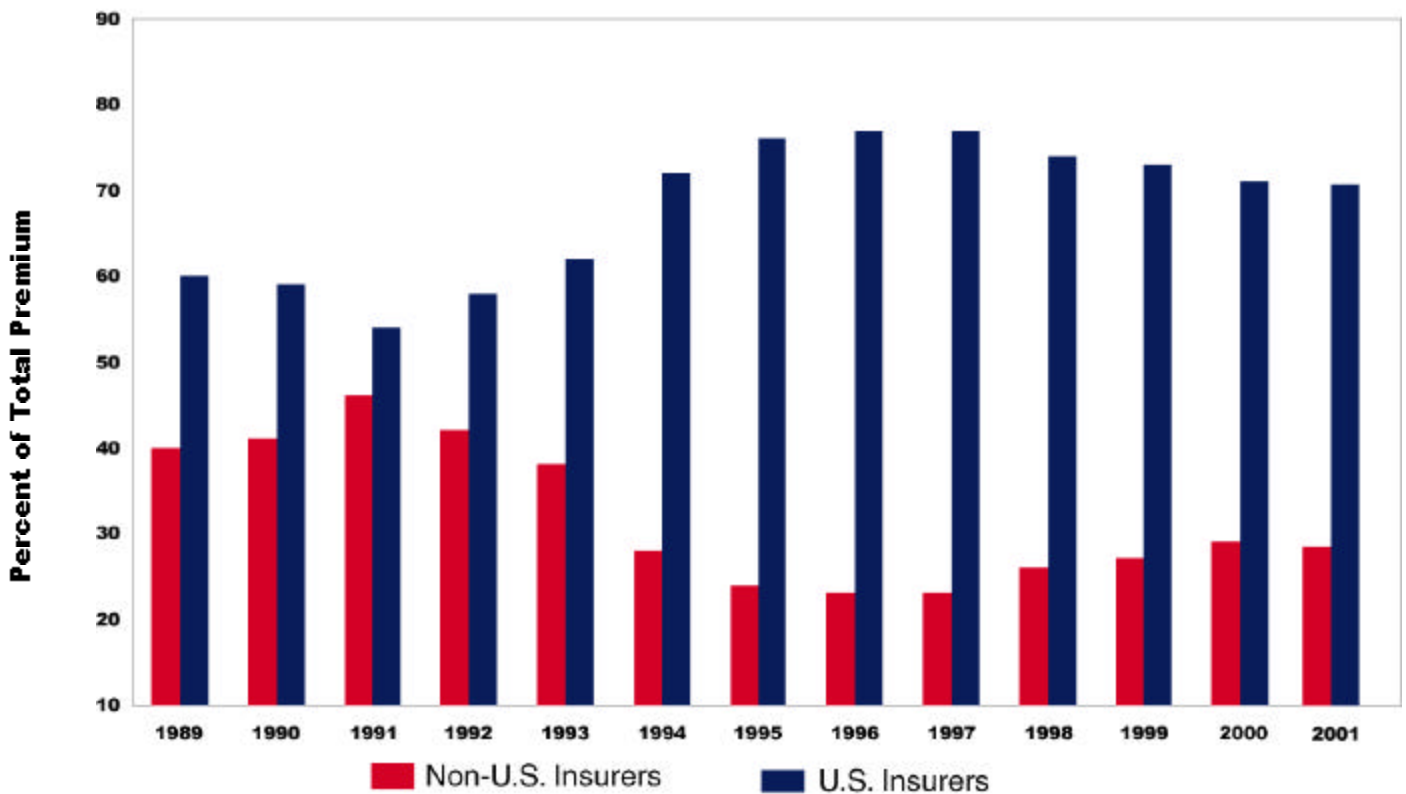
5 -Year Comparison of SLSOT Premium Processed by Line of Business

Annual Statement Line of Business	Premium through 12/01	Premium through 12/00	Premium through 12/99	Premium through 12/98	Premium through 12/97
1 Fire(incl. allied lines)	\$391,466,131	\$243,845,986	\$225,803,486	\$217,770,415	\$219,153,195
2 Allied lines	\$21,558,220	\$8,904,240	\$7,354,075	\$7,584,110	\$8,316,863
3 Farmowners multiple peril	\$1,510,535	\$1,868,636	\$2,158,366	\$2,046,939	\$2,180,957
4 Homeowners multiple peril	\$46,121,332	\$41,868,534	\$40,599,424	\$40,470,440	\$39,055,953
5 Commercial multiple peril	\$21,192,496	\$32,403,273	\$26,902,505	\$27,062,359	\$33,280,840
6 Mortgage guaranty	\$0	\$0	\$0	\$0	\$0
8 Ocean marine	\$6,616,414	\$10,645,967	\$10,520,620	\$8,839,499	\$16,468,595
9 Inland marine	\$39,792,253	\$28,451,500	\$20,427,678	\$18,230,569	\$12,916,203
10 Financial guaranty	\$0	\$0	\$0	\$0	\$0
11 Medical malpractice	\$28,357,070	\$23,175,060	\$19,281,405	\$16,029,940	\$27,098,718
12 Earthquake	\$183,215	\$47,688	\$173,939	\$11,882	\$80,060
13 Group accident & health	\$85,612,472	\$61,937,673	\$68,978,728	\$70,147,877	\$61,955,184
14 Credit A&H(group & indiv)	\$0	\$0	\$0	\$0	\$0
15 All other A&H	\$82,096	\$51,503	\$51,038	\$132,886	\$1,123,333
16 Workers' compensation	\$0	\$0	\$0	\$0	\$0
17 Other liability	\$675,211,354	\$523,384,442	\$474,990,205	\$465,452,056	\$503,136,152
18 Products liability	\$21,112,970	\$17,491,039	\$18,352,982	\$22,564,713	\$27,648,623
19.1 Priv pass auto no fault	\$0	\$0	\$0	\$0	\$0
19.2 Other priv pass auto-lia	\$19,688	\$51,405	\$53,007	\$65,200	\$50,239
19.3 Comm. auto no fault PIP	\$0	\$0	\$0	\$0	\$0
19.4 Other comm. auto liab	\$47,224,944	\$34,255,613	\$30,997,919	\$32,362,104	\$39,107,015
21.1 Priv pass auto physical	\$1,029,092	\$946,576	\$861,067	\$843,359	\$1,056,632
21.2 Comm auto phys.damage	\$56,592,758	\$47,869,336	\$35,829,445	\$32,453,688	\$34,510,196
22 Aircraft (all perils)	\$2,098,677	\$2,789,402	\$6,458,398	\$6,145,961	\$5,962,936
23 Fidelity	\$1,116,301	\$977,658	\$956,348	\$1,738,361	\$1,236,465
24 Surety	\$571,903	\$512,061	\$669,943	\$99,173	\$602,819
26 Burglary & theft	\$2,251,757	\$2,064,794	\$1,341,018	\$811,889	\$2,475,719
27 Boiler & machinery	\$29,982	\$197,149	\$591,165	\$1,454,626	\$345,739
28 Credit	\$57,341,862	\$42,975,459	\$34,290,612	\$34,964,020	\$30,861,680
31 Aggregate/other business	\$1,285,776	\$660,558	\$1,508,481	\$93,055	\$233,172
TOTAL	\$1,508,379,298	\$1,127,375,550	\$1,029,151,854	\$1,007,375,123	\$1,068,857,290

Source for all data unless otherwise stated: Surplus Lines Stamping Office of Texas

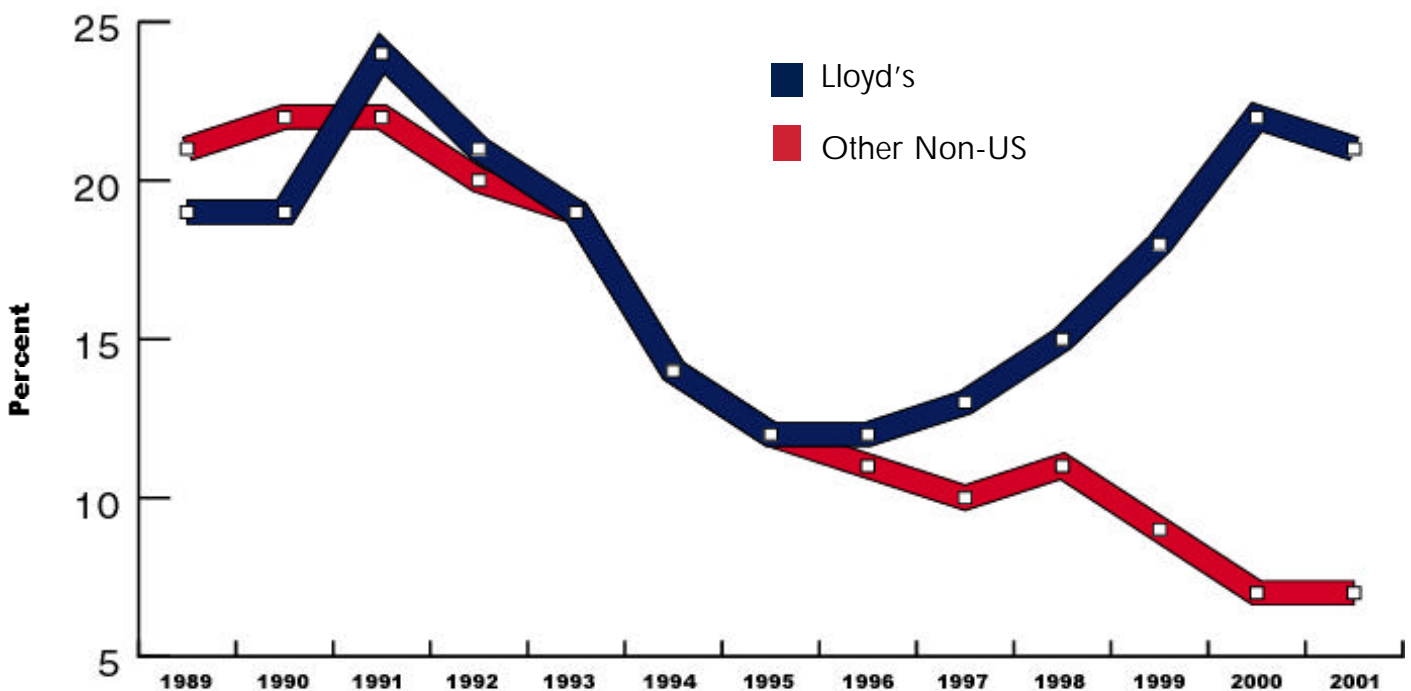
Texas Surplus Lines Market Share, 1989-2001

U.S. vs. Non-U.S. Insurers

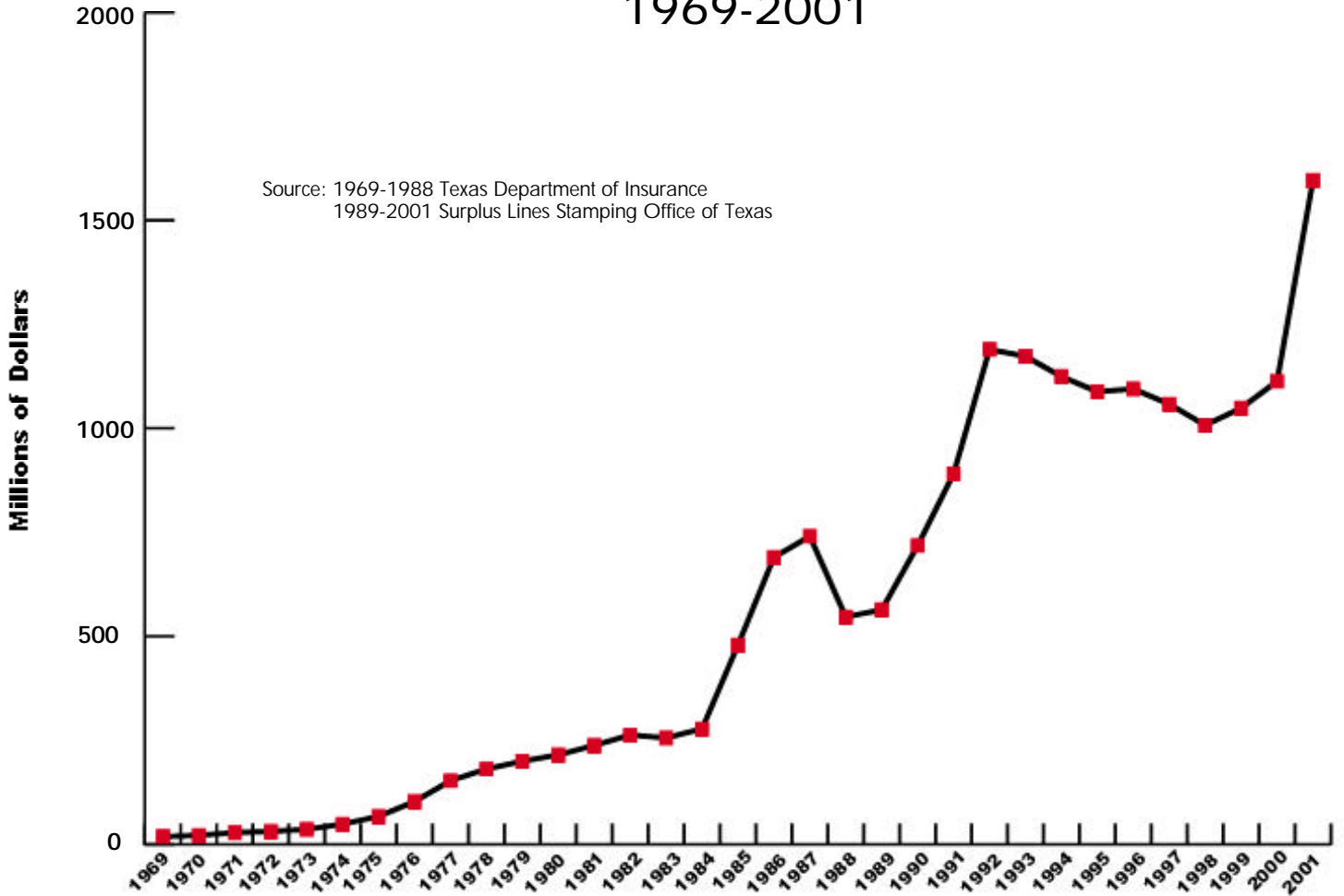


Texas Surplus Lines Market Share, 1989-2001

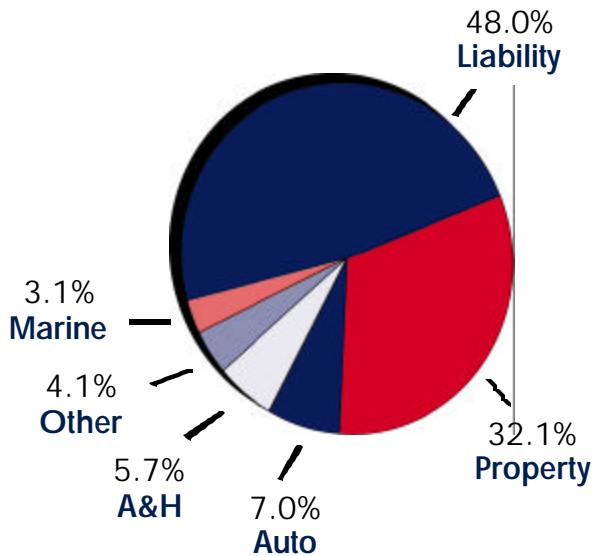
Underwriters at Lloyd's vs. Other Non-U.S. Insurers



Texas Surplus Lines Premiums 1969-2001



Texas Surplus Lines Premium 2001 - Comparison by Line of Business



2000 Top Ten Surplus Lines Premium States

State	Premium (000s)
California*	\$1,630,560
Texas*	\$1,127,376
Florida*	\$1,039,803
New York*	\$681,070
Pennsylvania*	\$352,856
Louisiana	\$342,000
New Jersey	\$338,415
Michigan	\$330,966
Georgia	\$270,699
Illinois*	\$239,609

Total, Top Ten \$6,353,354

Total, U.S. \$9,957,419

Top Ten as % of Total 63.8%

* Operating stamping offices Source: *Business Insurance & Stamping Offices*

Top 2001 Surplus Lines Insurance Groups in Texas

	2001	2000	1999	1998	1997
1 Underwriters at Lloyd's	\$313,582,179	\$253,453,514	\$184,354,813	\$153,471,429	\$137,667,859
2 American International Group	158,671,965	108,171,237	103,786,932	83,907,312	123,532,516
3 Nationwide Group	88,995,096	70,591,229	59,726,876	61,092,629	67,410,070
4 Market Corporation Group	65,482,588	40,375,223	23,637,516	29,289,603	31,590,242
5 Zurich Financial Sys. Group	65,066,585	43,773,041	34,404,384	35,294,490	38,279,493
6 St Paul Companies	62,097,386	37,573,079	31,490,171	105,117,878	33,509,606
7 United National Group	56,745,245	42,776,893	31,463,741	29,690,168	25,526,065
8 Berkshire Hathaway Ins. Group	52,058,788	29,816,759	24,317,254	30,397,311	29,010,560
9 Allianz Group	51,641,846	38,828,281	28,367,759	31,972,970	38,658,735
10 W R Berkley Group	49,466,094	39,065,887	35,956,940	37,299,431	33,193,539
11 Hartford Insurance Group	26,653,162	24,255,158	14,536,743	17,307,095	19,224,246
Total Group Premium	\$990,460,934	\$728,680,301	\$572,043,129	\$614,840,316	\$577,602,931
% of Total Texas Premium	66%	65%	56%	61%	54%

Items Processed & Average Premium Per Policy

	2001	2000	1999	1998	1997	1996	1995
	676,702	683,201	657,496	629,575	614,041	568,077	586,314
	\$4,304	\$3,248	\$3,057	\$3,208	\$3,456	\$3,871	\$3,853