



Lone Star Lines Special Report

Surplus Lines Stamping Office of Texas

February 1, 2004

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

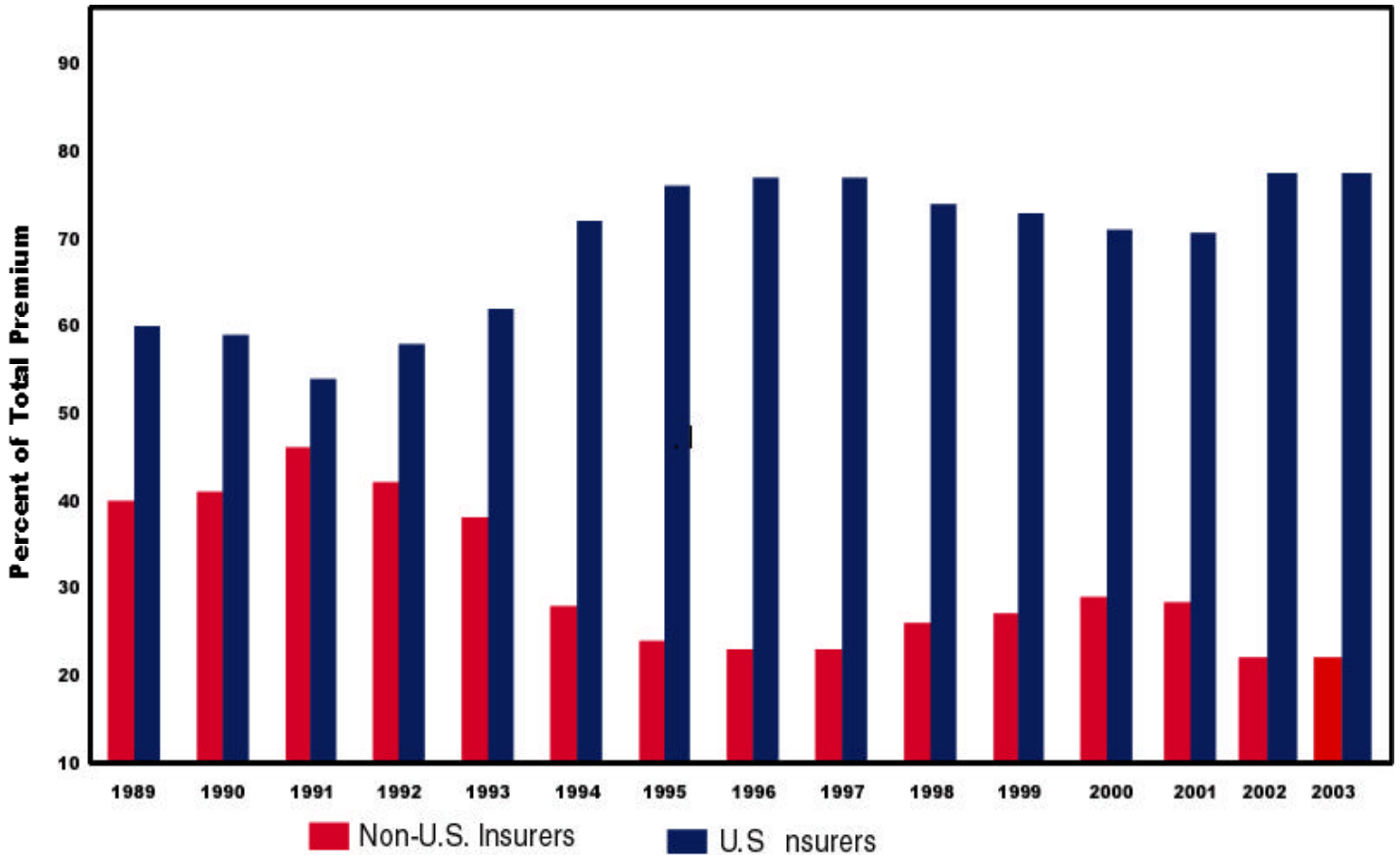
Annual Statement Line of Business	Premium through 12/03	Premium through 12/02	Premium through 12/01	Premium through 12/00	Premium through 12/99
1 Fire(incl. allied lines)	\$773,747,894	\$724,663,867	\$391,448,609	\$243,845,986	\$225,803,486
2 Allied lines	\$47,539,118	\$42,655,488	\$21,559,773	\$8,904,240	\$7,354,075
3 Farmowners multiple peril	\$1,559,732	\$1,227,132	\$1,510,535	\$1,868,636	\$2,158,366
4 Homeowners multiple peril	\$152,023,156	\$94,637,727	\$46,121,332	\$41,868,534	\$40,599,424
5 Commercial multiple peril	\$65,640,046	\$43,114,921	\$21,200,406	\$32,403,273	\$26,902,505
8 Ocean marine	\$9,031,000	\$12,131,234	\$6,616,414	\$10,645,967	\$10,520,620
9 Inland marine	\$52,381,333	\$54,557,670	\$39,804,385	\$28,451,500	\$20,427,678
11 Medical malpractice	\$63,274,038	\$58,083,094	\$28,364,313	\$23,175,060	\$19,281,405
12 Earthquake	\$513,067	\$420,473	\$183,215	\$47,688	\$173,939
13 Group accident & health	\$97,912,024	\$109,402,397	\$85,575,670	\$61,937,673	\$68,978,728
15 All other A&H	\$305,243	\$100,788	\$82,096	\$51,503	\$51,038
17 Other liability	\$1,377,832,913	\$1,108,373,708	\$681,083,754	\$523,384,442	\$474,990,205
18 Products liability	\$45,247,885	\$37,772,079	\$21,112,970	\$17,491,039	\$18,352,982
19.2 Other priv pass auto-lia	\$22,870	\$13,664	\$19,688	\$51,405	\$53,007
19.4 Other comm. auto liab	\$106,120,182	\$82,239,872	\$47,227,050	\$34,255,613	\$30,997,919
21.1 Priv pass auto physical	\$1,331,230	\$1,203,563	\$1,029,092	\$946,576	\$861,067
21.2 Comm auto phys.damage	\$65,753,739	\$69,102,373	\$56,593,738	\$47,869,336	\$35,829,445
22 Aircraft (all perils)	\$4,642,104	\$3,807,978	\$2,098,677	\$2,789,402	\$6,458,398
23 Fidelity	\$1,499,612	\$1,095,887	\$1,116,301	\$977,658	\$956,348
24 Surety	\$0	\$603,335	\$571,903	\$512,061	\$669,943
26 Burglary & theft	\$1,380,084	\$3,434,957	\$2,251,757	\$2,064,794	\$1,341,018
27 Boiler & machinery	\$125,855	\$67,415	\$29,982	\$197,149	\$591,165
28 Credit	\$77,268,367	\$56,089,715	\$51,491,862	\$42,975,459	\$34,290,612
31 Aggregate/other business	\$323,445	\$1,397,810	\$1,285,776	\$660,558	\$1,508,481
TOTAL	\$2,945,474,937	\$2,506,197,147	\$1,508,379,298	\$1,127,375,550	\$1,029,151,854

Note: Totals may not add due to rounding. Also, totals for some lines may change after year-end, due to corrections and policies replacing binders.

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

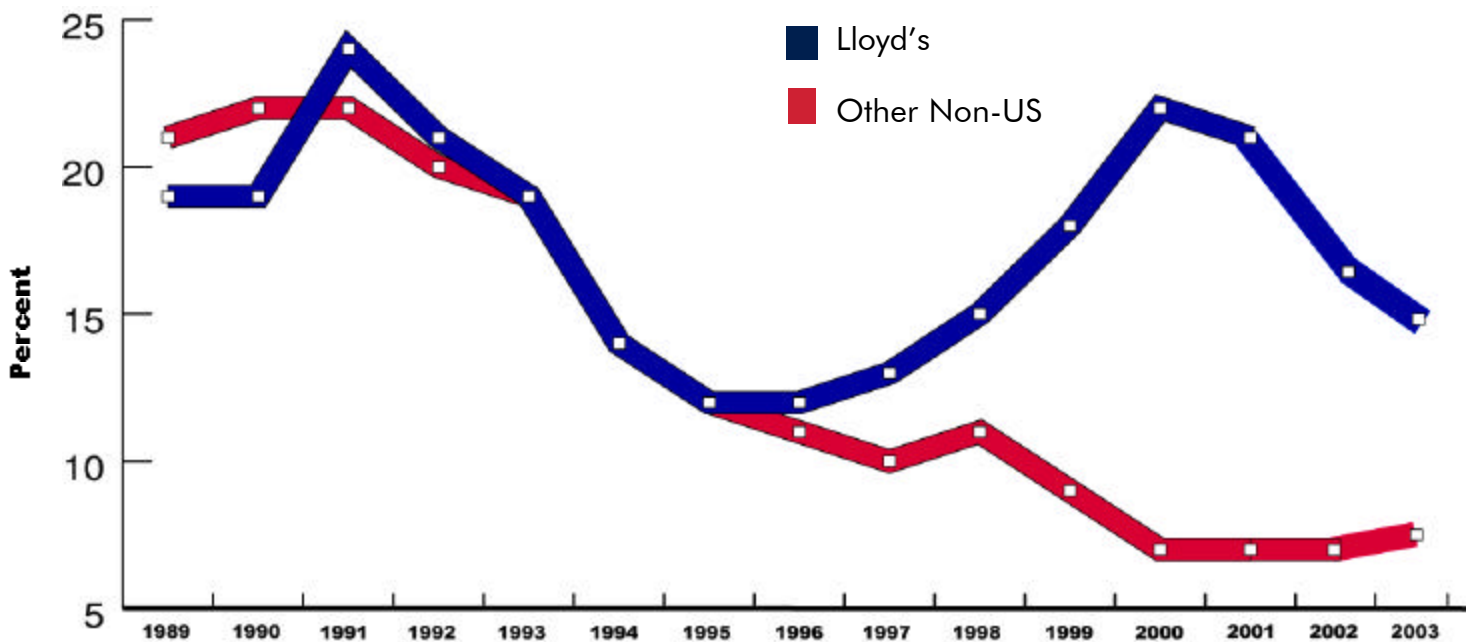
Texas Surplus Lines Market Share, 1989-2003

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

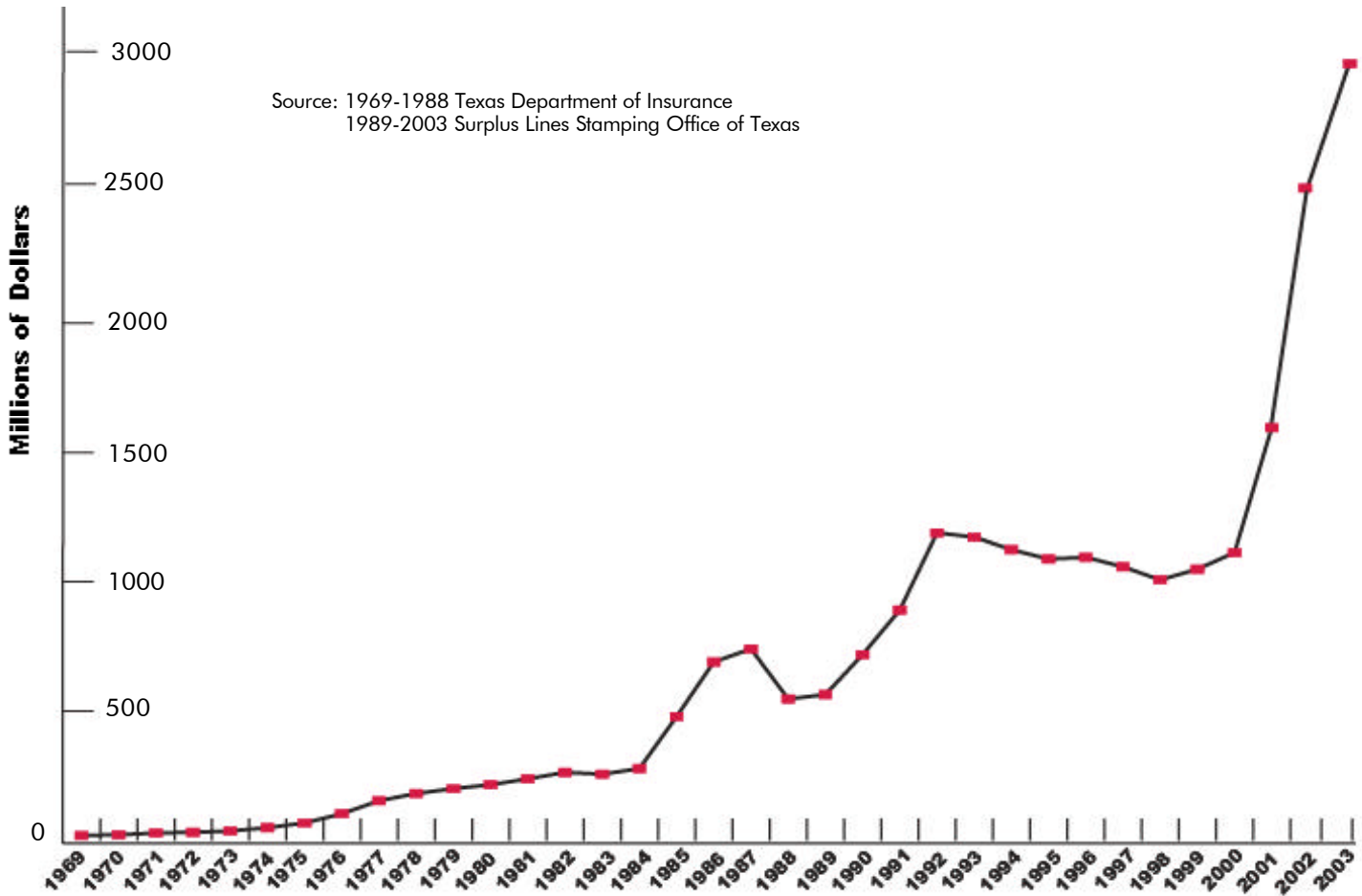


Texas Surplus Lines Market Share, 1989-2003

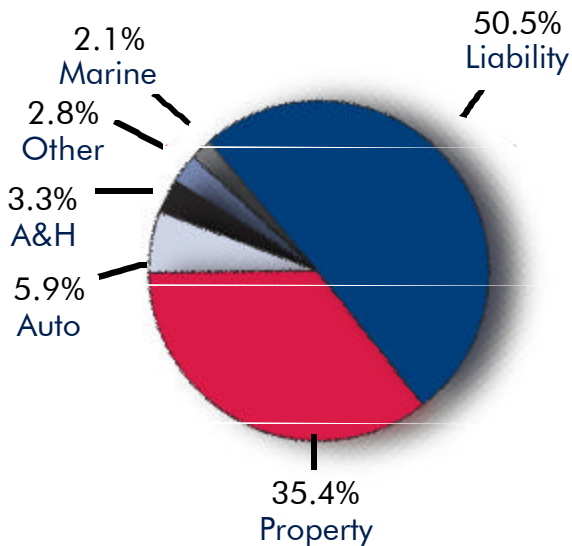
Underwriters at Lloyd's vs. Other Non-U.S. Insurers



Texas Surplus Lines Premiums 1969-2003



Texas Surplus Lines Premium 2003 - Comparison by Line of Business



2002 Top Ten Surplus Lines Premium States

State	Premium (000s)
California*	\$4,352,803
Texas*	\$2,506,197
Florida*	\$2,164,379
New York*	\$2,033,274
New Jersey	\$894,667
Pennsylvania*	\$844,023
Georgia	\$702,336
Louisiana	\$655,954
Massachusetts	\$567,188
Illinois*	\$511,057

Total, Top Ten \$15,231,878
Total, U.S. \$22,301,847

Top Ten as % of Total 68.3%

* Operating stamping offices Source: Business Insurance & Stamping Offices

Top 2003 Surplus Lines Insurance Groups in Texas

	Rank	2003	2002	2001	2000
	Current				
	Prior				
Underwriters at Lloyd's	1	\$441,779,064	\$405,861,154	\$313,582,179	\$253,453,514
American International Group	2	431,221,337	331,022,340	158,671,965	108,171,237
Zurich Financial Sys. Group	3	179,559,402	168,554,448	65,066,585	43,773,041
St. Paul Companies	4	156,459,502	114,126,107	62,097,386	37,573,079
Nationwide Group	5	137,303,756	125,527,498	88,995,096	70,591,229
Markel Corporation Group	6	126,964,531	124,727,454	65,482,588	40,375,223
W R Berkley Group	7	101,675,112	81,528,573	49,466,094	39,065,887
Royal & Sun Alliance	8	95,556,613	106,931,727	44,825,395	28,043,366
ACE USA Group	9	69,724,084	50,449,488	23,013,741	18,056,795
Berkshire Hathaway Ins. Group	10	68,659,073	70,088,725	52,058,788	29,816,759
Hartford Group	11	37,005,983	33,486,629	26,655,162	24,255,158
Total Premium-Top Groups		\$1,845,908,457	\$1,612,304,143	\$949,914,979	\$693,175,288

% of Total Texas Premium 66% 66% 65% 63%

Items Processed & Average Premium Per Policy

	2003	2002	2001	2000	1999	1998	1997	1996
	928,743	831,001	676,702	683,201	657,496	629,575	614,041	568,077
	\$5,915	\$5,831	\$4,304	\$3,248	\$3,057	\$3,208	\$3,456	\$3,871