



February 1, 2005

Lone Star Lines Special Report

Surplus Lines Stamping Office of Texas

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

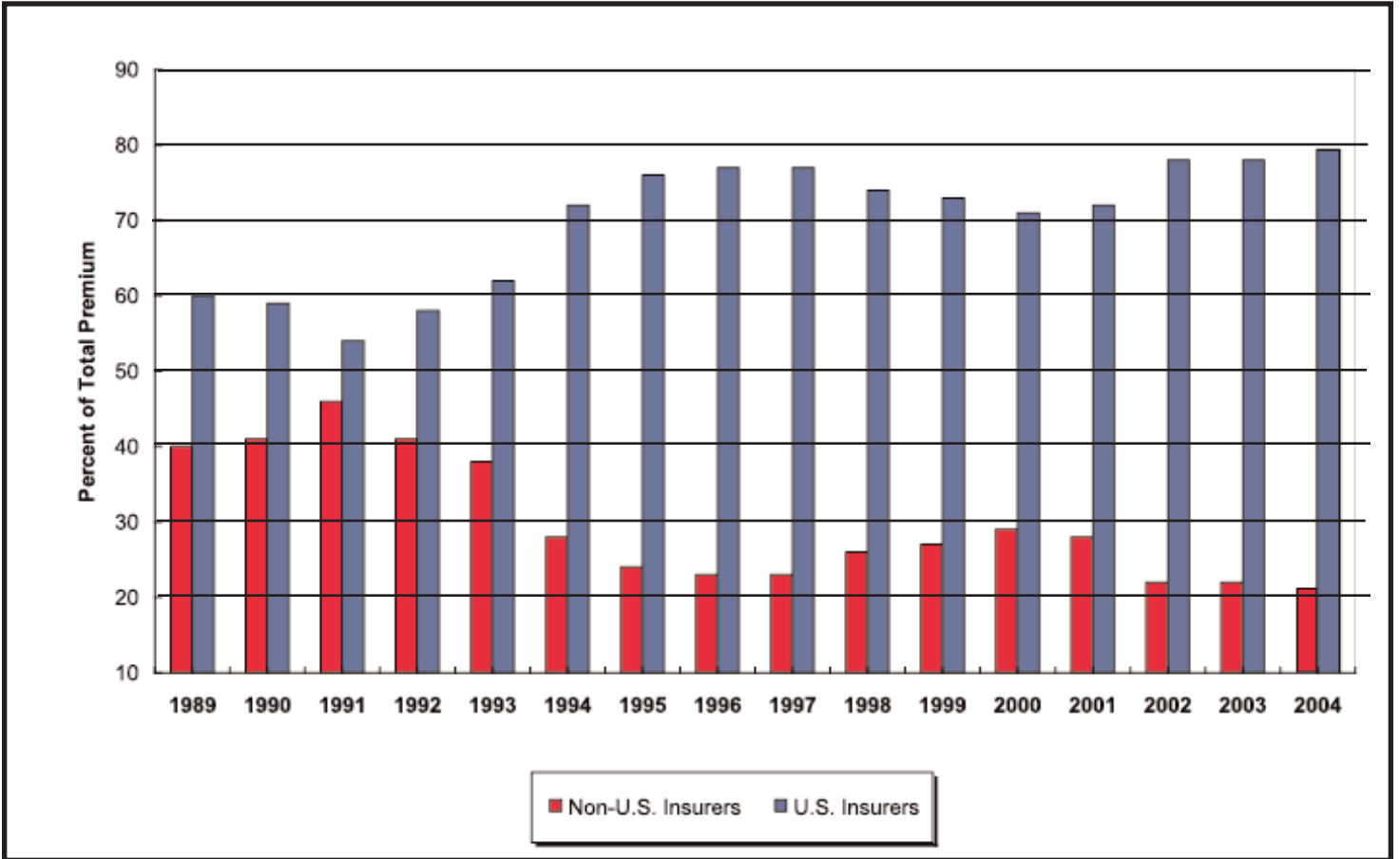
Annual Statement Line of Business	Premium through 12/04	Premium through 12/03	Premium through 12/02	Premium through 12/01	Premium through 12/00
1 Fire(incl. allied lines)	\$812,850,000	\$773,714,099	\$724,663,867	\$391,448,609	\$243,845,986
2 Allied lines	\$31,379,966	\$47,530,725	\$42,655,488	\$21,559,773	\$8,904,240
3 Farmowners multiple peril	\$1,958,823	\$1,559,384	\$1,227,132	\$1,510,535	\$1,868,636
4 Homeowners multiple peril	\$137,768,874	\$151,982,683	\$94,637,727	\$46,121,332	\$41,868,534
5 Commercial multiple peril	\$80,999,554	\$65,727,279	\$43,114,921	\$21,200,406	\$32,403,273
8 Ocean marine	\$11,794,308	\$9,031,000	\$12,131,234	\$6,616,414	\$10,645,967
9 Inland marine	\$72,266,932	\$52,385,970	\$54,557,670	\$39,804,385	\$28,451,500
11 Medical malpractice	\$75,670,282	\$63,274,038	\$58,083,094	\$28,364,313	\$23,175,060
12 Earthquake	\$3,806	\$513,067	\$420,473	\$183,215	\$47,688
13 Group accident & health	\$102,548,959	\$97,925,377	\$109,402,397	\$85,575,670	\$61,937,673
15 All other A&H	\$1,350,574	\$305,243	\$100,788	\$82,096	\$51,503
17 Other liability	\$1,626,157,332	\$1,377,877,187	\$1,108,373,708	\$681,083,754	\$523,384,442
18 Products liability	\$51,911,868	\$45,242,261	\$37,772,079	\$21,112,970	\$17,491,039
19.2 Other priv pass auto-lia	\$22,097	\$22,870	\$13,664	\$19,688	\$51,405
19.4 Other comm. auto liab	\$144,839,319	\$106,037,853	\$82,239,872	\$47,227,050	\$34,255,613
21.1 Priv pass auto physical	\$1,398,192	\$1,331,230	\$1,203,563	\$1,029,092	\$946,576
21.2 Comm auto phys.damage	\$70,973,859	\$65,762,701	\$69,102,373	\$56,593,738	\$47,869,336
22 Aircraft (all perils)	\$9,354,431	\$4,642,104	\$3,807,978	\$2,098,677	\$2,789,402
23 Fidelity	\$1,628,655	\$1,515,605	\$1,095,887	\$1,116,301	\$977,658
26 Burglary & theft	\$1,986,892	\$1,380,084	\$3,434,957	\$2,251,757	\$2,064,794
27 Boiler & machinery	\$213,506	\$125,855	\$67,415	\$29,982	\$197,149
28 Credit	\$84,252,255	\$77,265,408	\$56,089,715	\$51,491,862	\$42,975,459
31 Aggregate/other business	-\$213,990	\$322,913	\$1,397,810	\$1,285,776	\$660,558
TOTAL	\$3,321,116,494	\$2,945,474,936	\$2,505,593,812	\$1,508,379,298	\$1,127,375,550

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

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

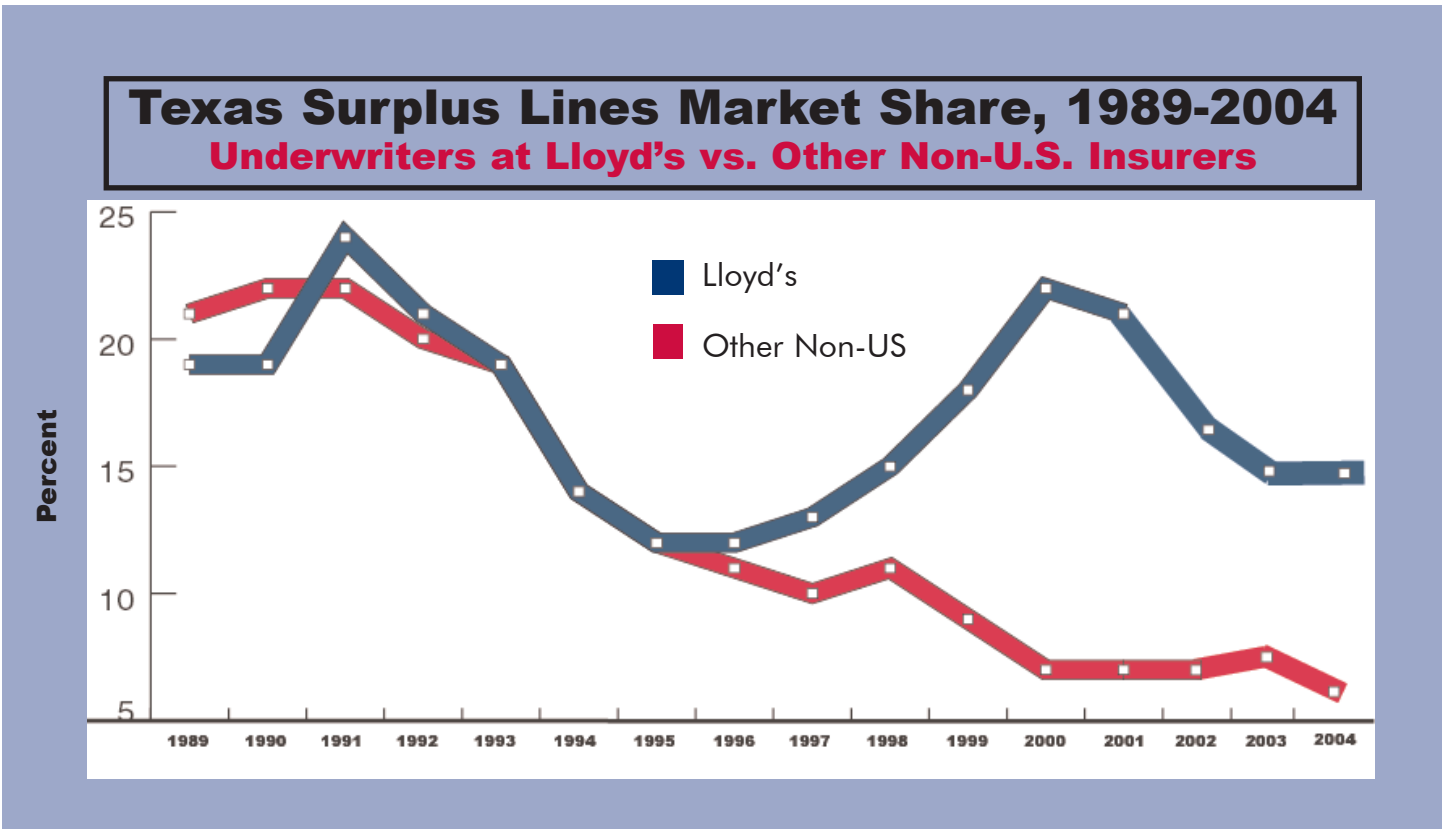
Texas Surplus Lines Market Share, 1989-2004

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

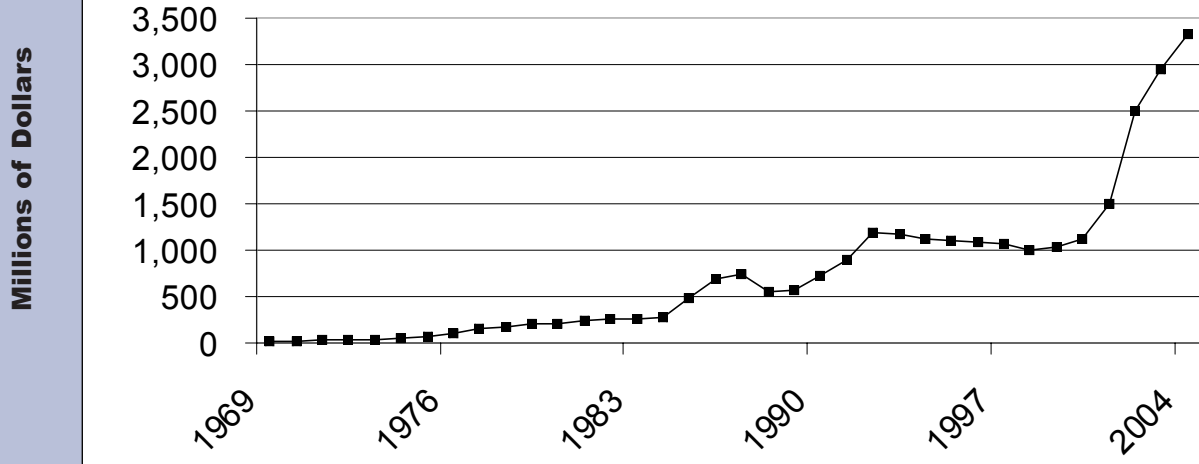


Texas Surplus Lines Market Share, 1989-2004

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

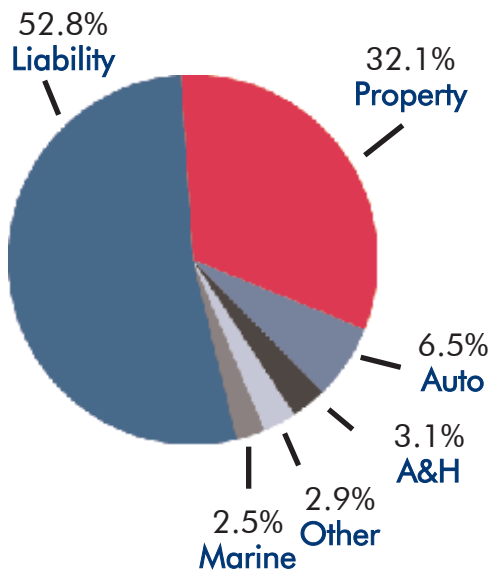


Texas Surplus Lines Premiums 1969-2004



Source: 1969-1988 Texas Department of Insurance
1989-2004 Surplus Lines Stamping Office of Texas

Texas Surplus Lines Premium 2004 - Comparison by Line of Business



2003 Top Ten Surplus Lines Premium States



State	Premium (000s)	State	Premium (000s)
California*	\$ 6,003,969	New Jersey	\$ 1,019,791
Texas*	\$ 2,945,475	Georgia	\$ 896,273
Florida*	\$ 2,821,580	Illinois*	\$ 815,042
New York*	\$ 2,661,008	Louisiana	\$ 758,735
Pennsylvania*	\$ 1,031,093	Massachusetts	\$ 675,784

* Operating stamping offices
Source: Business Insurance & Stamping Offices

Total, U.S. \$ 28,133,871
Total, Top 10 \$ 18,194,231
Top Ten as % of Total 64.7%

Top Surplus Lines Insurance Groups in Texas

	Rank		2004	2003	2002	2001	2000
	Current	Prior					
Underwriters at Lloyd's	1	1	\$499,028,892	\$441,779,064	\$405,861,154	\$313,582,179	\$253,453,514
American International Group	2	2	466,027,229	431,221,337	331,022,340	158,671,965	108,171,237
St Paul Companies	3	4	207,133,946	156,459,502	114,126,107	62,097,386	37,573,079
Zurich Financial Svcs. Group	4	3	176,277,491	179,559,402	168,554,448	65,066,585	43,773,041
Nationwide Group	5	5	147,388,573	137,303,756	125,527,498	88,995,096	70,591,229
Markel Corporation Group	6	6	139,856,529	126,964,531	124,727,454	65,482,588	40,375,223
ACE USA Group	7	9	118,054,707	69,724,084	50,449,488	23,013,741	18,056,795
W R Berkley Group	8	7	113,782,719	101,675,112	81,528,573	49,466,094	39,065,887
Assurant	9	-	91,591,667	83,210,226	46,061,797	16,948,526	22,396,921
AEGIS	10	-	78,640,926	73,351,199	37,857,986	19,449,846	8,115,894
Berkshire Hathaway	11	10	70,339,062	68,659,073	70,088,725	52,058,788	29,816,759
Total Premium-Top Groups			\$2,108,121,741	\$1,869,907,286	\$1,555,805,570	\$914,832,794	\$671,389,579
% of Total Texas SL Premium			63%	63%	62%	61%	60%

