



Lone Star Lines Special Report

Surplus Lines Stamping Office of Texas

February 1, 2007

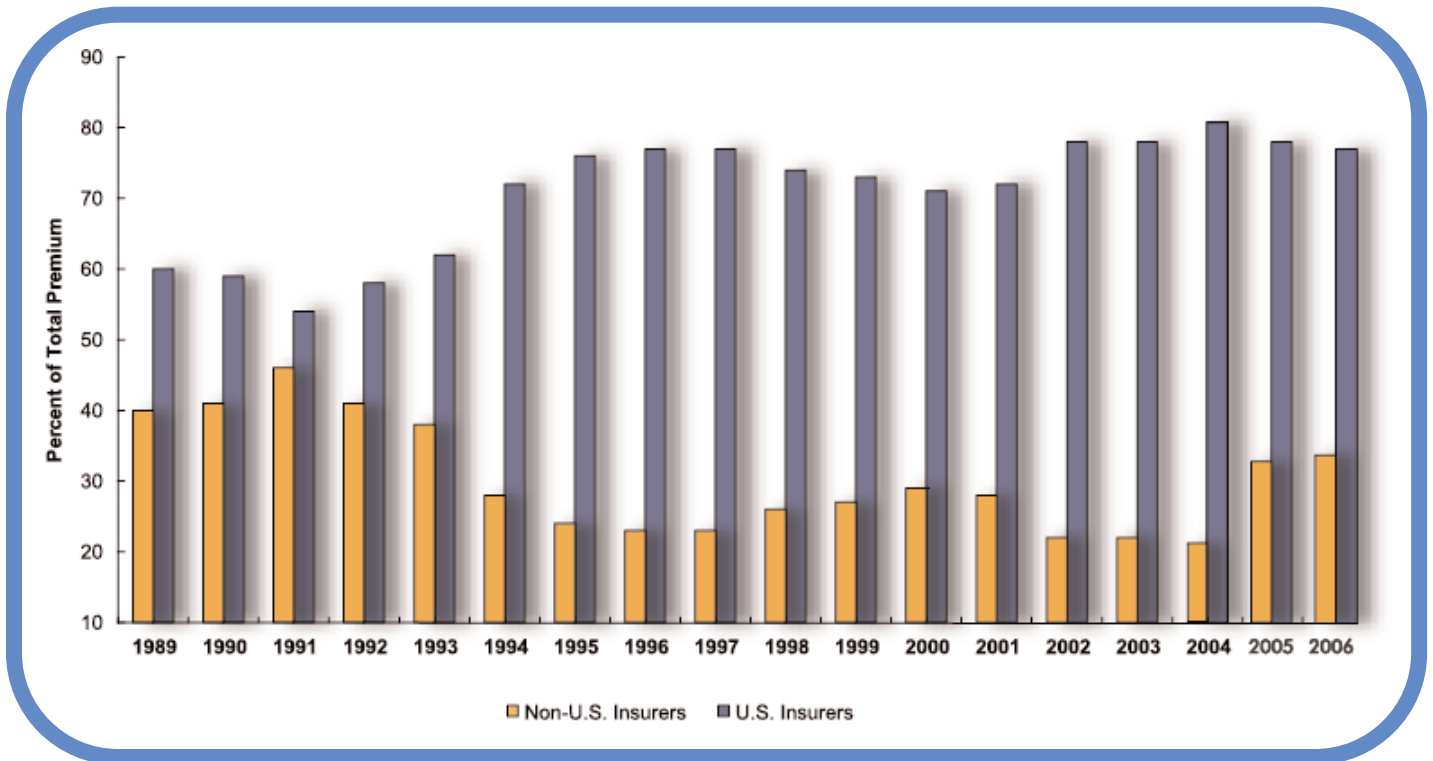
5-Year Comparison of SLSOT Premium Processed by Line of Business

Annual Statement Line of Business	Premium through 12/06	Premium through 12/05	Premium through 12/04	Premium through 12/03	Premium through 12/02
1 Fire(incl. allied lines)	\$817,094,262	\$632,355,451	\$812,850,000	\$773,747,894	\$724,663,867
2 Allied lines	\$33,679,769	\$22,187,874	\$31,379,966	\$47,539,118	\$42,655,488
3 Farmow ners multiple peril	\$1,536,579	\$2,008,587	\$1,958,823	\$1,559,732	\$1,227,132
4 Homeow ners multiple peril	\$93,434,219	\$109,908,736	\$137,768,874	\$152,023,156	\$94,637,727
5 Commercial multiple peril	\$142,664,244	\$98,788,632	\$80,999,554	\$65,640,046	\$43,114,921
8 Ocean marine	\$8,342,705	\$6,505,847	\$11,794,308	\$9,031,000	\$12,131,234
9 Inland marine	\$84,049,154	\$71,690,926	\$72,266,932	\$52,381,333	\$54,557,670
11 Medical malpractice	\$61,381,270	\$74,106,940	\$75,670,282	\$63,274,038	\$58,083,094
12 Earthquake	\$241,148	\$21,895	\$3,806	\$513,067	\$420,473
13 Group accident & health	\$94,428,139	\$85,188,762	\$102,548,959	\$97,912,024	\$109,402,397
15 All other A&H	\$2,736,833	\$1,962,121	\$1,350,574	\$305,243	\$100,788
17 Other liability	\$1,745,913,394	\$1,547,554,418	\$1,626,157,332	\$1,377,832,913	\$1,108,373,708
18 Products liability	\$40,807,173	\$30,908,367	\$51,911,868	\$45,247,885	\$37,772,079
19.2 Other priv pass auto-lia	\$4,464	\$7,000	\$22,097	\$22,870	\$13,664
19.4 Other comm. auto liab	\$149,587,488	\$134,386,844	\$144,839,319	\$106,120,182	\$82,239,872
21.1 Priv pass auto physical	\$1,591,001	\$1,181,000	\$1,398,192	\$1,331,230	\$1,203,563
21.2 Comm auto phys.damage	\$72,809,270	\$60,446,309	\$70,973,859	\$65,753,739	\$69,102,373
22 Aircraft (all perils)	\$16,997,357	\$8,871,352	\$9,354,431	\$4,642,104	\$3,807,978
23 Fidelity	\$2,285,809	\$3,106,134	\$1,628,655	\$1,499,612	\$1,095,887
24 Surety	\$400,465	\$3,815,165	\$0	\$0	\$0
26 Burglary & theft	\$2,270,613	\$2,113,329	\$1,986,892	\$1,380,084	\$3,434,957
27 Boiler & machinery	(\$62,326)	\$65,241	\$213,506	\$125,855	\$67,415
28 Credit	\$197,162,972	\$148,755,248	\$84,252,255	\$77,268,367	\$56,089,715
31 Aggregate/other business	\$749,493	\$427,724	-\$213,990	\$323,445	\$1,397,810
TOTAL	\$3,570,105,495	\$3,046,363,902	\$3,321,116,494	\$2,945,474,937	\$2,505,593,812

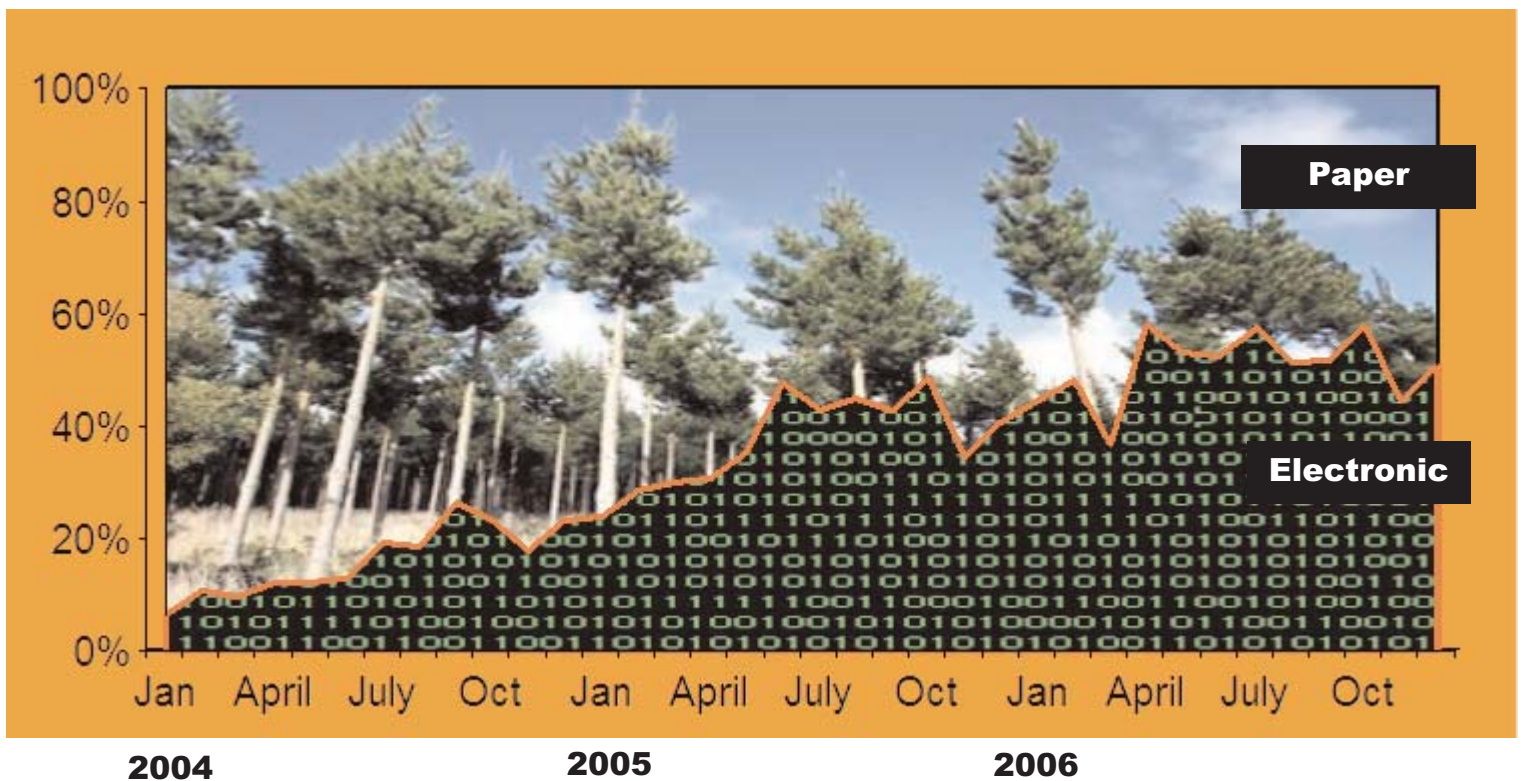
Source for all data unless otherwise stated: Surplus Lines Stamping Office of Texas

Texas Surplus Lines Market Share, 1989-2006

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



Paper vs. Electronic Policy Filing



2005 Top Ten Surplus Lines Premium States

California*	\$6,423.1
New York*	\$5,202.4
Florida*	\$3,467.2
Texas*	\$3,046.4
New Jersey	\$1,197.3
Illinois*	\$1,016.4
Pennsylvania*	\$ 987.7
Georgia	\$ 895.6
Louisiana	\$ 882.2
Massachusetts	\$ 760.8

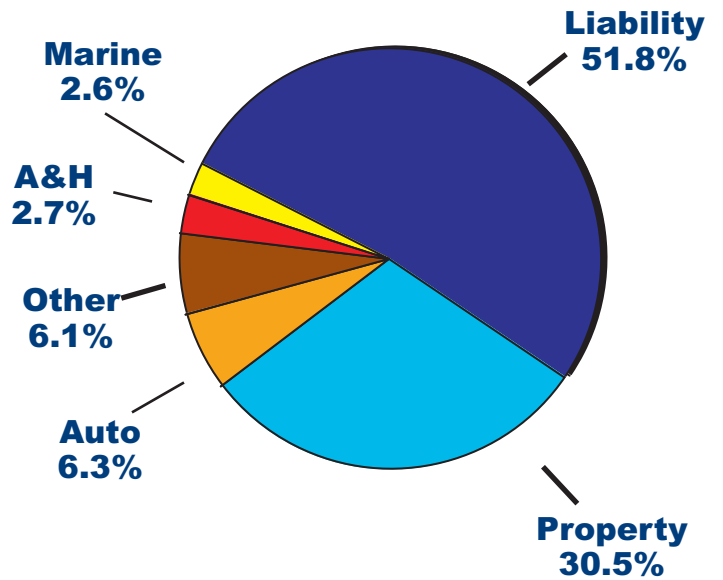
* Operating stamping offices

Total Top 10	\$23,879.1
Total U.S.	\$34,904.1
Top 10 as % of Total	68%

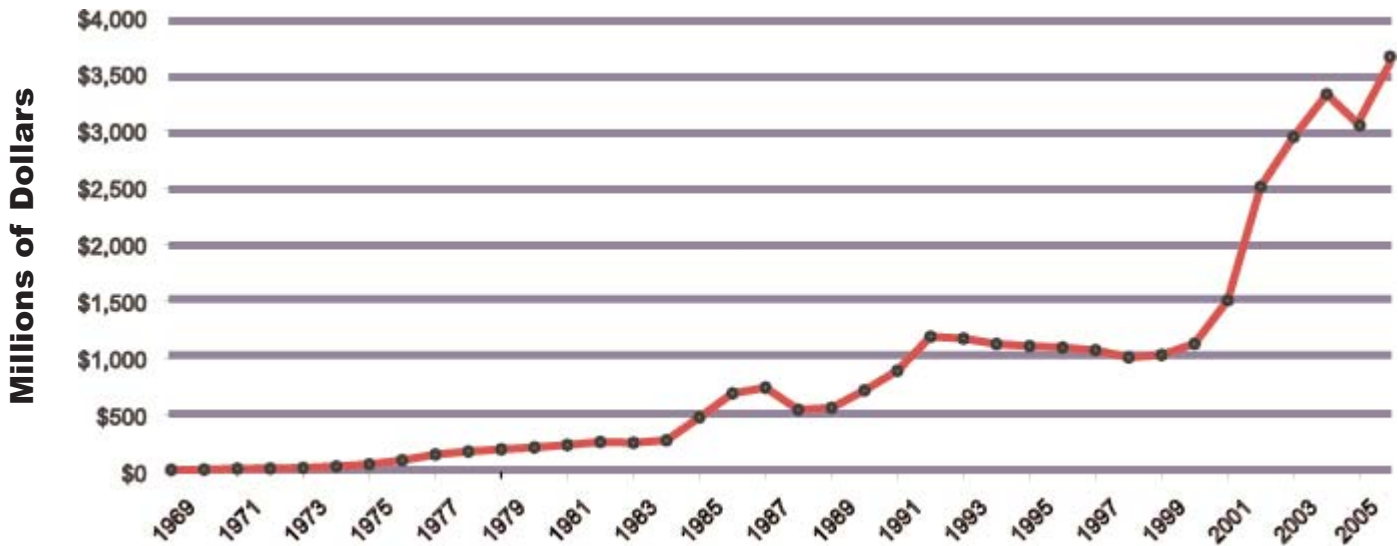
Source: Business Insurance

Texas Surplus Lines Premium

2006 - Comparison by Line of Business



Texas Surplus Lines Premiums - 1969 to 2006



Source: 1969-1988 Texas Department of Insurance
1989-2006 Surplus Lines Stamping Office of Texas

Top Surplus Lines Groups in Texas

		Rank	2006	2005	2004	2003	2002	2001	
		Current	Prior						
Underwriters at Lloyd's		1	2	\$573,993,592	\$462,284,585	\$498,988,165	\$442,670,499	\$407,668,542	\$313,582,179
American International Group		2	1	\$565,495,101	\$491,594,213	\$466,301,212	\$431,228,887	\$331,412,660	\$107,430,360
Zurich Financial Service Group		3	3	\$163,489,287	\$151,365,296	\$176,283,357	\$179,563,402	\$125,527,498	\$56,745,245
Nationwide Group		4	4	\$146,820,055	\$141,579,230	\$147,391,453	\$137,303,756	\$124,259,730	\$50,704,829
St Paul Travelers		5	5	\$145,226,237	\$154,317,785	\$207,142,276	\$200,543,264	\$168,681,029	\$70,400,130
W R Berkley Group		6	7	\$135,186,718	\$112,386,092	\$113,782,716	\$95,568,160	\$81,528,534	\$35,776,628
ACE USA Group		7	9	\$135,104,438	\$101,892,567	\$118,053,198	\$101,675,112	\$106,880,539	\$44,401,582
Assurant		8	8	\$122,481,985	\$101,945,874	\$91,592,664	\$83,210,226	\$70,388,529	\$34,771,149
Markel Corporation Group		9	6	\$116,345,865	\$105,594,001	\$135,857,203	\$126,978,584	\$114,104,073	\$45,388,987
Argonaut		10	10	\$90,593,758	\$72,112,886	\$69,080,481	-	-	-
Total Premium - Top Groups				\$2,194,737,036	\$1,432,787,944	\$1,525,484,560	\$1,356,071,391	\$1,122,782,592	\$445,618,910

Percent of Total Texas Surplus Lines Premium: 6.1% (2006), 6.2% (2005), 6.2% (2004), 6.1% (2003), 6.1% (2002), 4.3% (2001)

Policies Processed & Average Premium Per Policy

