



Lone Star Lines Special Report

Surplus Lines Stamping Office of Texas

February 1, 2001

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

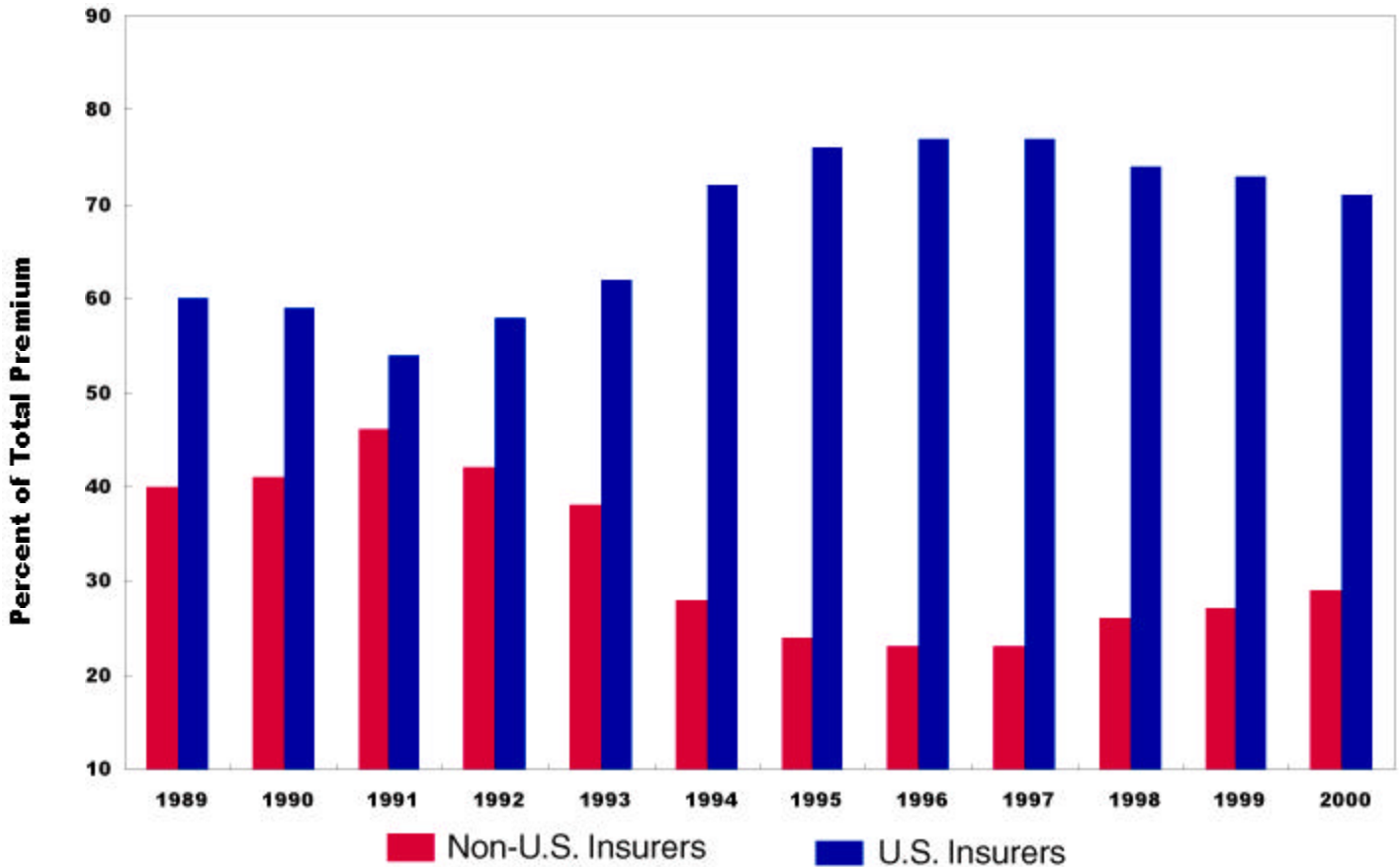
Annual Statement Line of Business	Premium through 12/00	Premium through 12/99	Premium through 12/98	Premium through 12/97	Premium through 12/96
1 Fire(incl. allied lines)	\$243,845,986	\$225,803,486	\$217,770,415	\$219,153,195	\$224,269,929
2 Allied lines	\$8,904,240	\$7,354,075	\$7,584,110	\$8,316,863	\$11,065,891
3 Farmowners multiple peril	\$1,868,636	\$2,158,366	\$2,046,939	\$2,180,957	\$2,660,426
4 Homeowners multiple peril	\$41,868,534	\$40,599,424	\$40,470,440	\$39,055,953	\$29,807,156
5 Commercial multiple peril	\$32,403,273	\$26,902,505	\$27,062,359	\$33,280,840	\$26,804,076
6 Mortgage guaranty	\$0	\$0	\$0	\$0	\$0
8 Ocean marine	\$10,645,967	\$10,520,620	\$8,839,499	\$16,468,595	\$15,018,958
9 Inland marine	\$28,451,500	\$20,427,678	\$18,230,569	\$12,916,203	\$11,159,927
10 Financial guaranty	\$0	\$0	\$0	\$0	\$0
11 Medical malpractice	\$23,175,060	\$19,281,405	\$16,029,940	\$27,098,718	\$28,381,195
12 Earthquake	\$47,688	\$173,939	\$11,882	\$80,060	\$406,780
13 Group accident & health	\$61,937,673	\$68,978,728	\$70,147,877	\$61,955,184	\$59,973,373
14 Credit A&H(group & indiv)	\$0	\$0	\$0	\$0	-\$25
15 All other A&H	\$51,503	\$51,038	\$132,886	\$1,123,333	\$2,041,317
16 Workers' compensation	\$0	\$0	\$0	\$0	\$0
17 Other liability	\$523,384,442	\$474,990,205	\$465,452,056	\$503,136,152	\$544,187,433
18 Products liability	\$17,491,039	\$18,352,982	\$22,564,713	\$27,648,623	\$29,605,604
19.1 Priv pass auto no fault	\$0	\$0	\$0	\$0	\$0
19.2 Other priv pass auto-lia	\$51,405	\$53,007	\$65,200	\$50,239	\$46,735
19.3 Comm. auto no fault PIP	\$0	\$0	\$0	\$0	\$0
19.4 Other comm. auto liab	\$34,255,613	\$30,997,919	\$32,362,104	\$39,107,015	\$42,767,172
21.1 Priv pass auto physical	\$946,576	\$861,067	\$843,359	\$1,056,632	\$449,773
21.2 Comm auto phys.damage	\$47,869,336	\$35,829,445	\$32,453,688	\$34,510,196	\$35,808,033
22 Aircraft (all perils)	\$2,789,402	\$6,458,398	\$6,145,961	\$5,962,936	\$7,651,428
23 Fidelity	\$977,658	\$956,348	\$1,738,361	\$1,236,465	\$2,993,734
24 Surety	\$512,061	\$669,943	\$99,173	\$602,819	\$708,143
26 Burglary & theft	\$2,064,794	\$1,341,018	\$811,889	\$2,475,719	\$1,936,579
27 Boiler & machinery	\$197,149	\$591,165	\$1,454,626	\$345,739	\$32,740
28 Credit	\$42,975,459	\$34,290,612	\$34,964,020	\$30,861,680	\$16,471,246
31 Aggregate/other business	\$660,558	\$1,508,481	\$93,055	\$233,172	\$31,575
TOTAL	\$1,127,375,550	\$1,029,151,854	\$1,007,375,123	\$1,068,857,290	\$1,094,279,197

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, 1989-2000

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



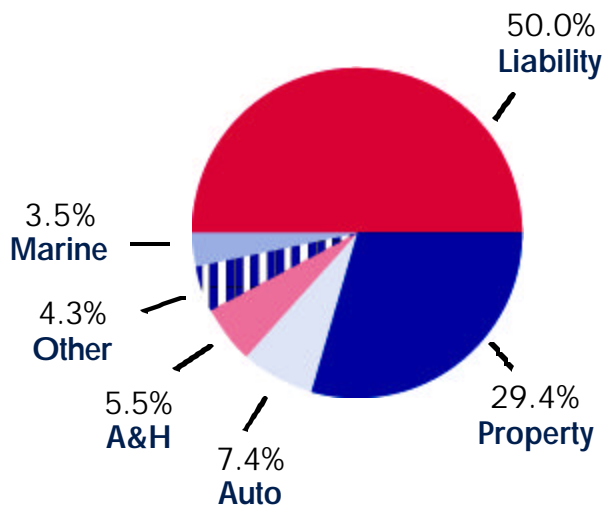
Items Processed & Average Premium Per Policy

Year	Items	Avg.\$/policy
1995	586,314	\$3,853
1996	568,077	\$3,871
1997	614,041	\$3,456
1998	629,575	\$3,208
1999	657,496	\$3,057
2000	683,201	\$3,248

Top Ten Surplus Lines Insurers in Texas in 2000

	Percent of (\$000,000)	Total
Underwriters at Lloyd's, London	\$253.0	22.4%
Scottsdale Insurance Company	62.1	5.5%
Lexington Insurance Company	60.8	5.4%
United National Insurance Company	42.7	3.8%
American Int'l Specialty Lines Ins. Co.	38.6	3.4%
Steadfast Insurance Company	31.3	2.8%
Admiral Insurance Company	24.7	2.2%
American Equity Insurance Company	23.0	2.0%
Evanston Insurance Company	22.6	2.0%
St. Paul Surplus Lines Insurance Co.	20.8	1.8%
Total of Top Ten	\$579.6	51.4%
Total 2000 Texas Surplus Lines Premium	\$1,127.4	100.0%

Texas Surplus Lines Premium 2000 - Comparison by Line of Business

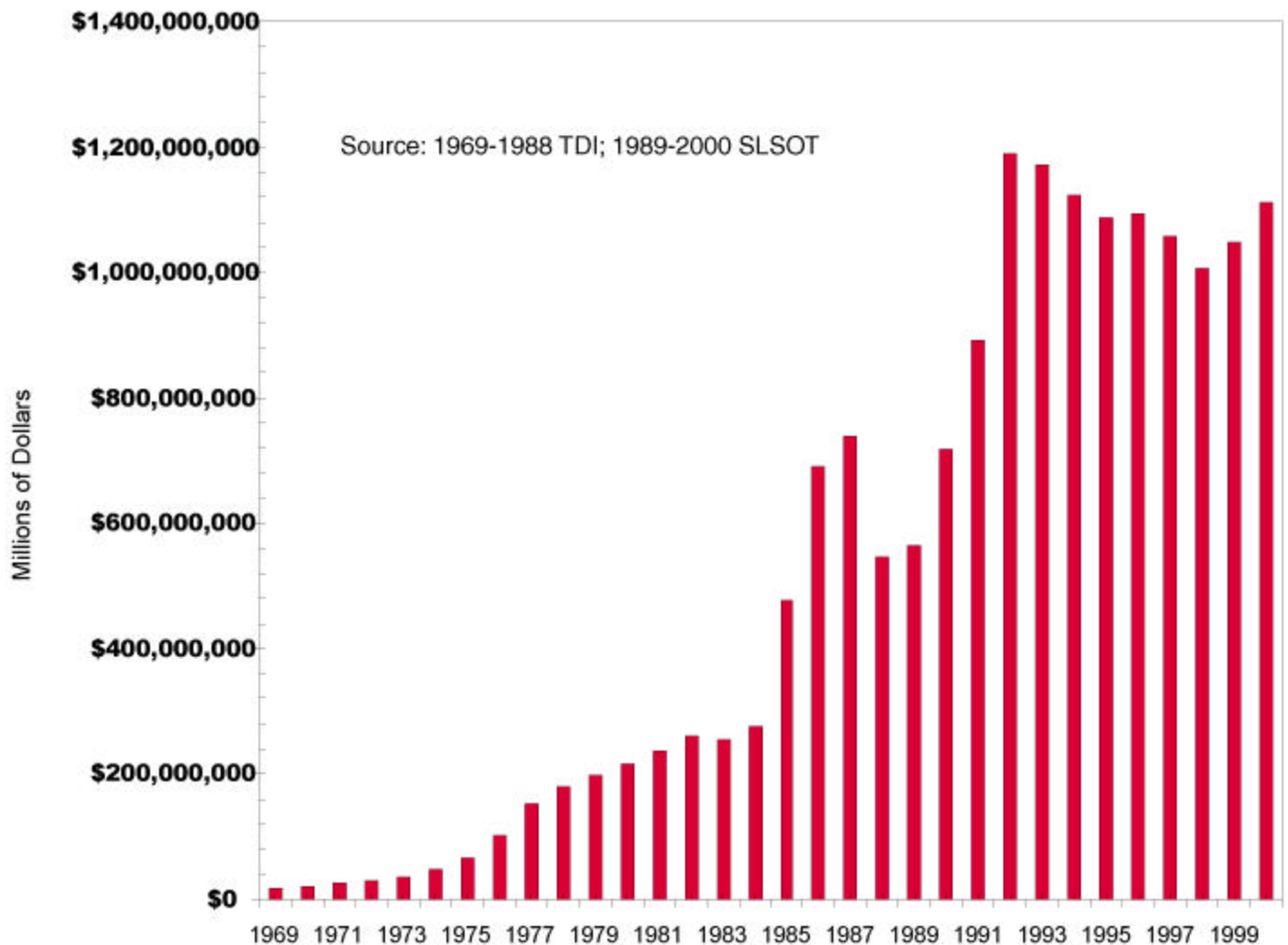


1999 Top Ten Surplus Lines Premium States

State	Premium (000s)
California*	\$1,524,697
Texas*	\$1,029,152
Florida*	\$875,823
New York*	\$593,287
Pennsylvania*	\$364,000
Louisiana	\$310,612
New Jersey	\$304,754
Michigan	\$272,992
Georgia	\$219,027
Illinois*	\$204,512
Total, Top Ten	\$5,698,856
Total, U.S.	\$8,641,372
Top Ten as % of Total	65.9%

* Operating stamping offices Source: *Business Insurance*

Texas Surplus Lines Premiums 1969 - 2000



1999 Texas Premium by Line of Business by Market Segment
(000's of Dollars)

	Rate Regulated	Pct	Co. Mutuals	Pct	Surp. Lines	Pct	Totals
Fire & Allied Lines	\$ 971,832	78.0%	\$ 41,154	3.3%	\$ 233,158	18.7%	\$ 1,246,144
Farmowners Multiple Peril	\$ 61,661	96.6%			\$ 2,158	3.4%	\$ 63,819
Homeowners Multiple Peril	\$ 2,847,706	98.3%	\$ 9,629	0.3%	\$ 40,599	1.4%	\$ 2,897,934
Commercial Multiple Peril	\$ 930,693	97.2%	\$ 259	0.0%	\$ 26,903	2.8%	\$ 957,855
Mortgage Guaranty	\$ 208,324	100.0%			\$ -		\$ 208,324
Ocean Marine	\$ 131,926	92.6%			\$ 10,521	7.4%	\$ 142,447
Inland Marine	\$ 465,690	89.4%	\$ 34,526	6.6%	\$ 20,428	3.9%	\$ 520,644
Financial Guaranty	\$ 55,616	100.0%			\$ -		\$ 55,616
Medical Malpractice	\$ 299,263	93.9%			\$ 19,281	6.1%	\$ 318,544
Earthquake	\$ 7,980	97.9%			\$ 174	2.1%	\$ 8,154
Group A&H	\$ 262,788	79.2%			\$ 68,979	20.8%	\$ 331,767
All Other A&H	\$ 118,957	100.0%			\$ 51	0.0%	\$ 119,008
Workers' Compensation	\$ 1,721,666	100.0%			\$ -		\$ 1,721,666
Other Liability	\$ 1,144,869	70.6%	\$ 1,987	0.1%	\$ 474,991	29.3%	\$ 1,621,847
Products Liability	\$ 67,918	78.7%			\$ 18,353	21.3%	\$ 86,271
Private Passenger Auto No Fault (PIP)	\$ 284,068	87.6%	\$ 40,150	12.4%	\$ -		\$ 324,218
Other Private Pass. Auto Liability	\$ 3,296,470	72.1%	\$ 1,277,676	27.9%	\$ 53	0.0%	\$ 4,574,199
Commercial Auto No Fault (PIP)	\$ 18,348	76.7%	\$ 5,570	23.3%	\$ -		\$ 23,918
Other Commercial Auto Liability	\$ 673,577	74.3%	\$ 201,577	22.2%	\$ 30,998	3.4%	\$ 906,152
Private Passenger Auto Physical Damage	\$ 2,445,000	72.6%	\$ 920,842	27.4%	\$ 861	0.0%	\$ 3,366,703
Commercial Auto Physical Damage	\$ 240,200	61.8%	\$ 112,951	29.0%	\$ 35,829	9.2%	\$ 388,980
Aircraft	\$ 82,930	92.8%			\$ 6,458	7.2%	\$ 89,388
Fidelity	\$ 40,641	97.7%			\$ 956	2.3%	\$ 41,597
Surety	\$ 256,233	99.7%			\$ 670	0.3%	\$ 256,903
Burglary & Theft	\$ 7,204	84.3%			\$ 1,341	15.7%	\$ 8,545
Boiler & Machinery	\$ 34,569	98.3%			\$ 591	1.7%	\$ 35,160
Credit	\$ 23,634	35.5%	\$ 8,630	13.0%	\$ 34,291	51.5%	\$ 66,555
Aggregate Write-Ins for Other Lines	\$ 109,429	47.1%	\$ 121,245	52.2%	\$ 1,508	0.6%	\$ 232,182
TOTAL	\$ 16,809,192	81.5%	\$ 2,776,196	13.5%	\$ 1,029,152	5.0%	\$ 20,614,540

Note: Rate regulated insurers include stock, mutual, reciprocal, and Texas lloyds companies.

Sources: TDI Page 14 Annual report; SL SOT Premiums Processed