



Lone Star Lines Special Report

Surplus Lines Stamping Office of Texas

February 1, 2003

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

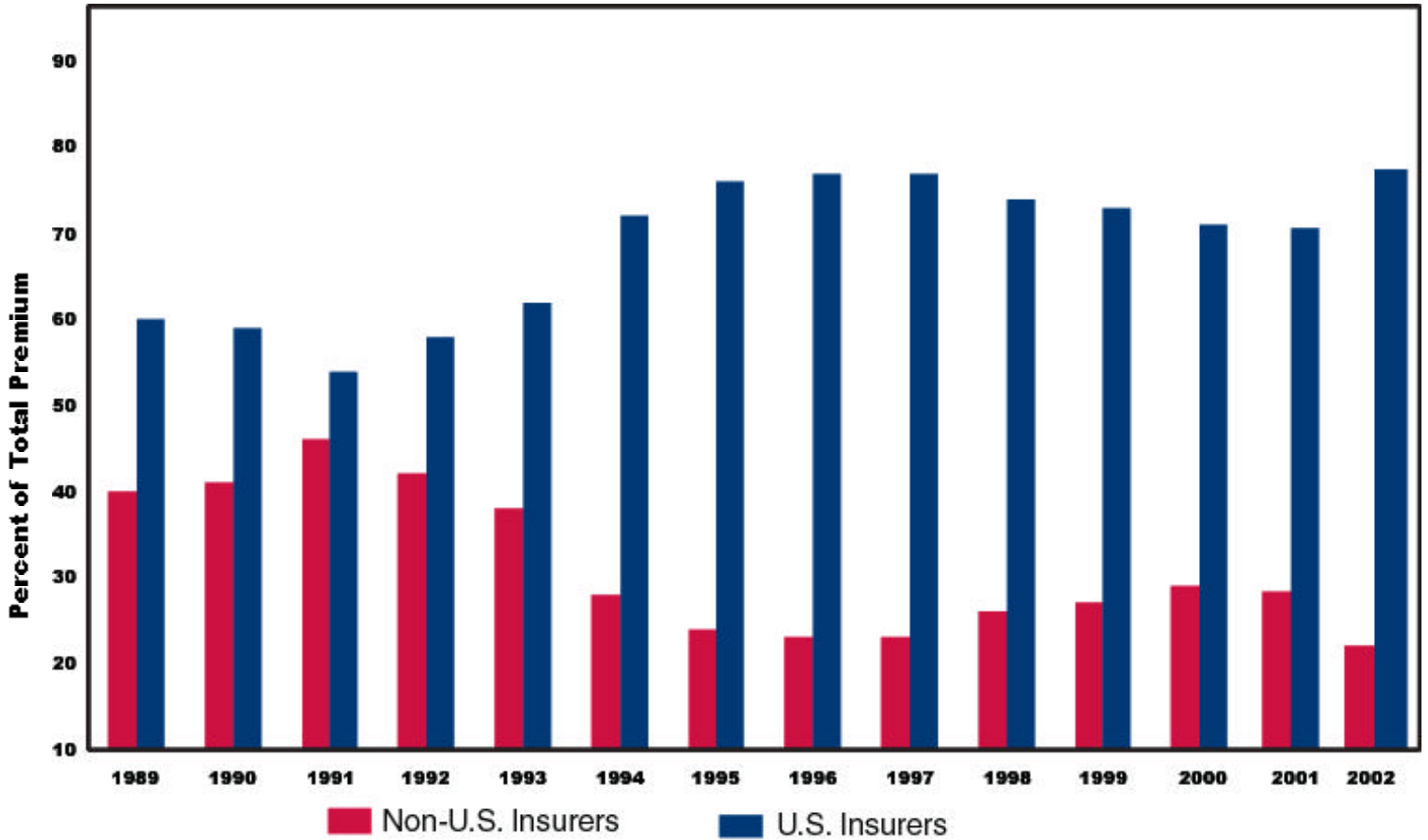
Annual Statement Line of Business	Premium through 12/02	Premium through 12/01	Premium through 12/00	Premium through 12/99	Premium through 12/98
1 Fire(incl. allied lines)	\$725,013,513	\$391,448,609	\$243,845,986	\$225,803,486	\$217,770,415
2 Allied lines	\$42,654,781	\$21,559,773	\$8,904,240	\$7,354,075	\$7,584,110
3 Farmowners multiple peril	\$1,225,199	\$1,510,535	\$1,868,636	\$2,158,366	\$2,046,939
4 Homeowners multiple peril	\$94,666,493	\$46,121,332	\$41,868,534	\$40,599,424	\$40,470,440
5 Commercial multiple peril	\$43,115,934	\$21,200,406	\$32,403,273	\$26,902,505	\$27,062,359
8 Ocean marine	\$12,131,234	\$6,616,414	\$10,645,967	\$10,520,620	\$8,839,499
9 Inland marine	\$54,549,413	\$39,804,385	\$28,451,500	\$20,427,678	\$18,230,569
11 Medical malpractice	\$58,083,094	\$28,364,313	\$23,175,060	\$19,281,405	\$16,029,940
12 Earthquake	\$54,588	\$183,215	\$47,688	\$173,939	\$11,882
13 Group accident & health	\$109,396,625	\$85,575,670	\$61,937,673	\$68,978,728	\$70,147,877
15 All other A&H	\$100,788	\$82,096	\$51,503	\$51,038	\$132,886
17 Other liability	\$1,106,635,320	\$681,083,754	\$523,384,442	\$474,990,205	\$465,452,056
18 Products liability	\$37,770,302	\$21,112,970	\$17,491,039	\$18,352,982	\$22,564,713
19.2 Other priv pass auto-lia	\$13,411	\$19,688	\$51,405	\$53,007	\$65,200
19.4 Other comm. auto liab	\$82,206,092	\$47,227,050	\$34,255,613	\$30,997,919	\$32,362,104
21.1 Priv pass auto physical	\$1,203,816	\$1,029,092	\$946,576	\$861,067	\$843,359
21.2 Comm auto phys.damage	\$69,101,823	\$56,593,738	\$47,869,336	\$35,829,445	\$32,453,688
22 Aircraft (all perils)	\$3,807,978	\$2,098,677	\$2,789,402	\$6,458,398	\$6,145,961
23 Fidelity	\$1,095,888	\$1,116,301	\$977,658	\$956,348	\$1,738,361
24 Surety	\$619,202	\$571,903	\$512,061	\$669,943	\$99,173
26 Burglary & theft	\$3,434,957	\$2,251,757	\$2,064,794	\$1,341,018	\$811,889
27 Boiler & machinery	\$67,415	\$29,982	\$197,149	\$591,165	\$1,454,626
28 Credit	\$57,844,715	\$51,491,862	\$42,975,459	\$34,290,612	\$34,964,020
31 Aggregate/other business	\$1,404,567	\$1,285,776	\$660,558	\$1,508,481	\$93,055
TOTAL	\$2,506,197,148	\$1,508,379,298	\$1,127,375,550	\$1,029,151,854	\$1,007,375,123

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

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

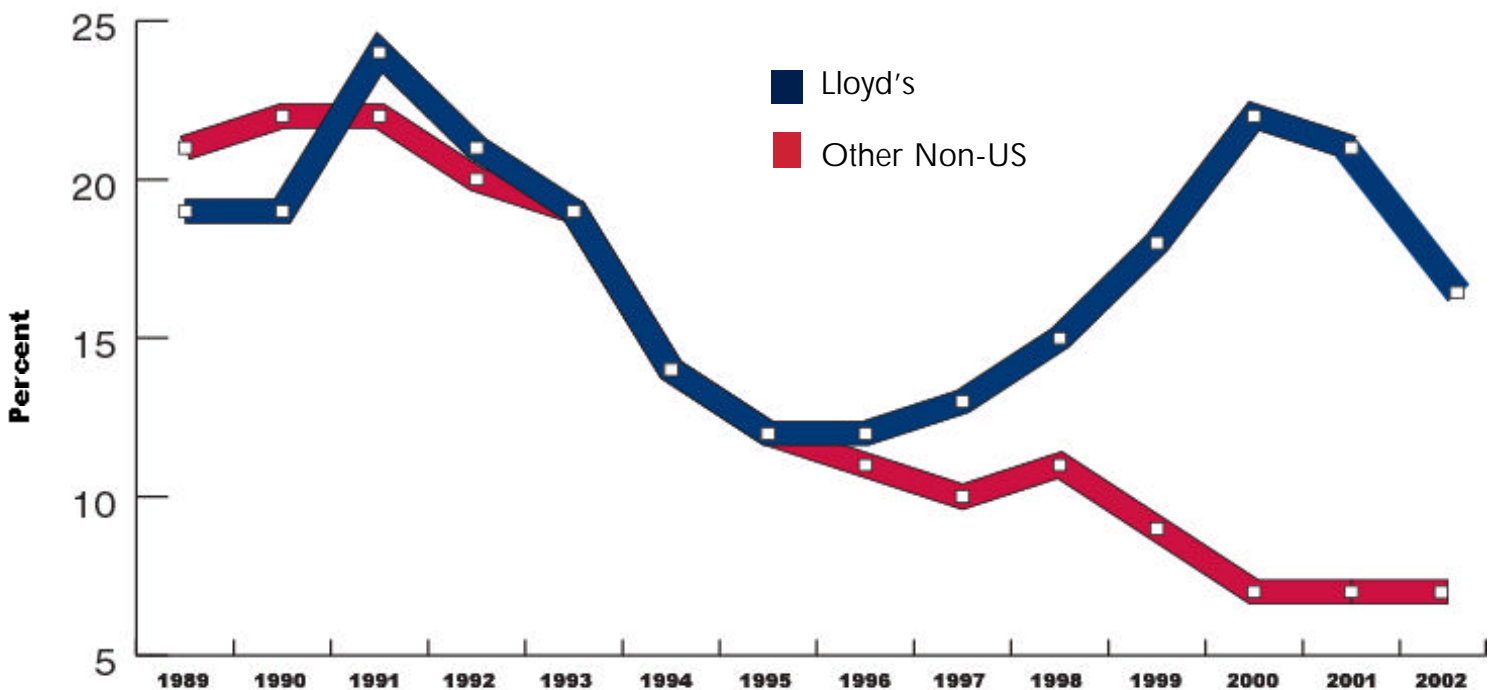
Texas Surplus Lines Market Share, 1989-2002

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



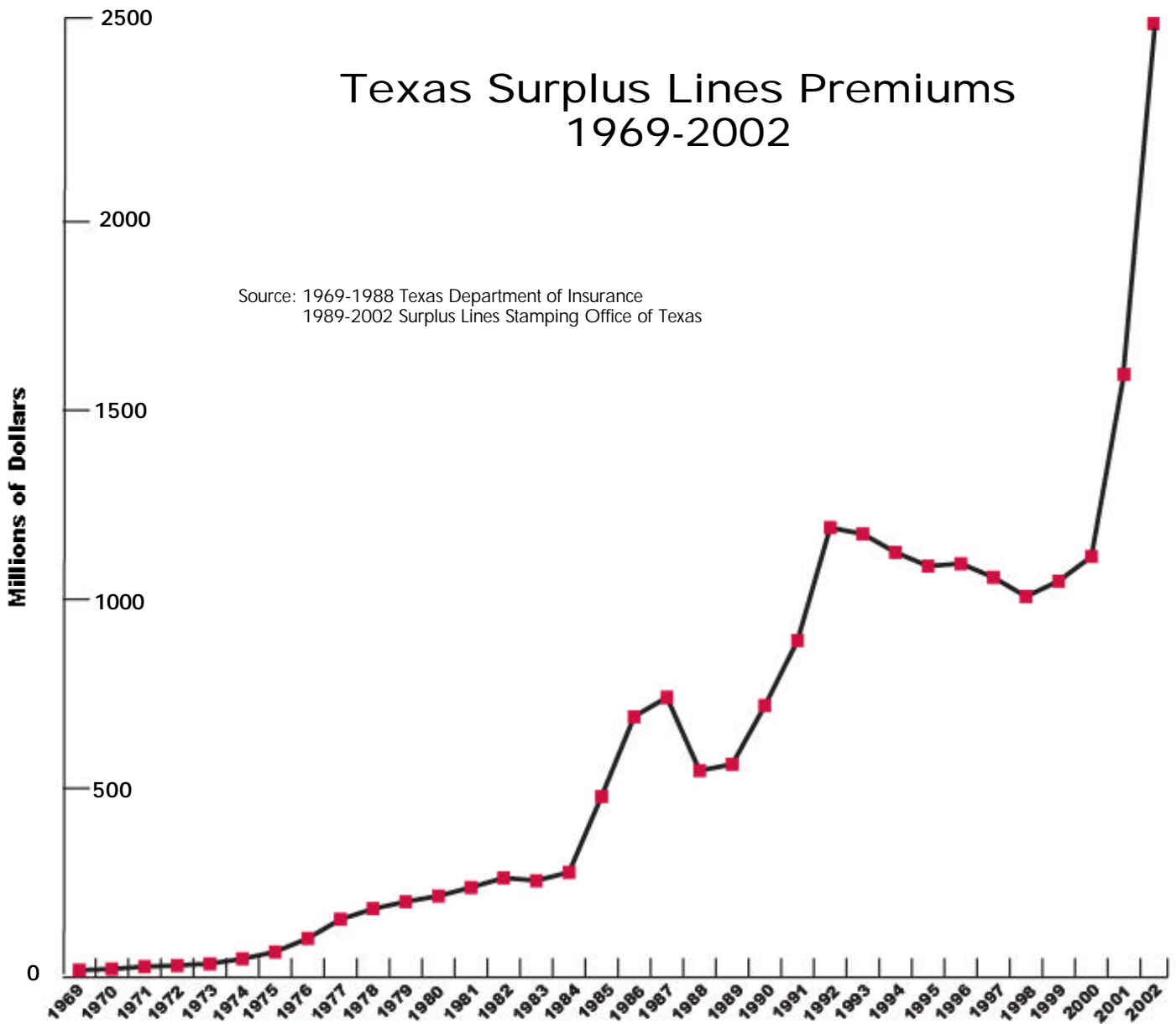
Texas Surplus Lines Market Share, 1989-2002

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

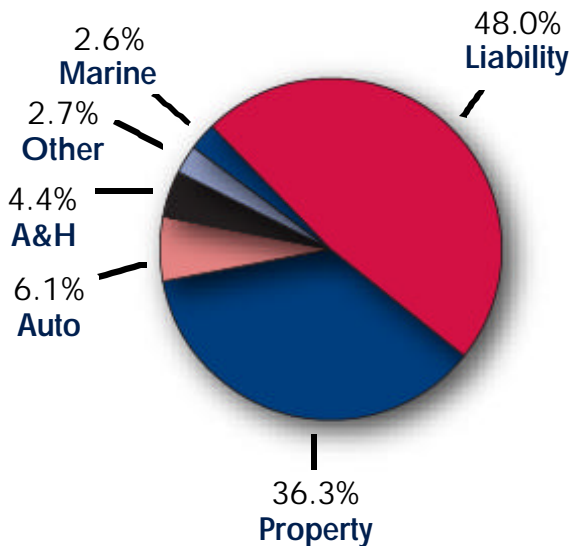


Texas Surplus Lines Premiums 1969-2002

Source: 1969-1988 Texas Department of Insurance
1989-2002 Surplus Lines Stamping Office of Texas



Texas Surplus Lines Premium 2002 - Comparison by Line of Business



2001 Top Ten Surplus Lines Premium States

State	Premium (000s)
California*	\$1,743,055
Texas*	\$1,508,379
Florida*	\$1,347,053
New York*	\$845,134
New Jersey	\$537,021
Louisiana	\$502,346
Georgia	\$478,035
Pennsylvania*	\$466,000
Massachusetts	\$340,106
Michigan	\$330,260

Total, Top Ten \$8,097,389
Total, U.S. \$12,591,705
Top Ten as % of Total 64.3%

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

Top 2001 Surplus Lines Insurance Groups in Texas

	Rank	2002	2001	2000	1999	1998
	Current					
	Prior					
Underwriters at Lloyd's	1	\$405,861,154	\$313,582,179	\$253,453,514	\$184,354,813	\$153,471,429
American International Group	2	331,022,340	158,671,965	108,171,237	103,786,932	83,907,312
Zurich Financial Sys. Group	3	168,554,448	65,066,585	43,773,041	34,404,384	35,294,490
Nationwide Group	4	125,527,498	88,995,096	70,591,229	59,726,876	61,092,629
Market Corporation Group	5	124,727,454	65,482,588	40,375,223	23,637,516	29,289,603
St. Paul Companies	6	114,126,107	62,097,386	37,573,079	31,490,171	105,117,878
Royal & Sun Alliance	7	106,931,727	44,825,395	28,043,366	23,167,515	21,651,992
W R Berkley Group	8	81,528,573	49,466,094	39,065,887	35,956,940	37,299,431
Berkshire Hathaway Ins. Group	9	70,088,725	52,058,788	29,816,759	24,317,254	30,397,311
United National Group	10	67,587,598	56,745,245	42,776,893	31,463,741	29,690,168
ACE USA Group	11	50,449,488	23,013,741	18,056,795	9,431,593	8,459,902
Total Premium-Top Groups		\$1,646,405,112	\$980,005,062	\$711,697,023	\$561,737,735	\$595,672,145

% of Total Texas Premium

66%

65%

63%

55%

59%

Items Processed & Average Premium Per Policy

	2002	2001	2000	1999	1998	1997	1996	1995
831,001	676,702	683,201	657,496	629,575	614,041	568,077	586,314	
\$5,831	\$4,304	\$3,248	\$3,057	\$3,208	\$3,456	\$3,871	\$3,853	