

February 1, 2010



# Lone Star Lines Special Report

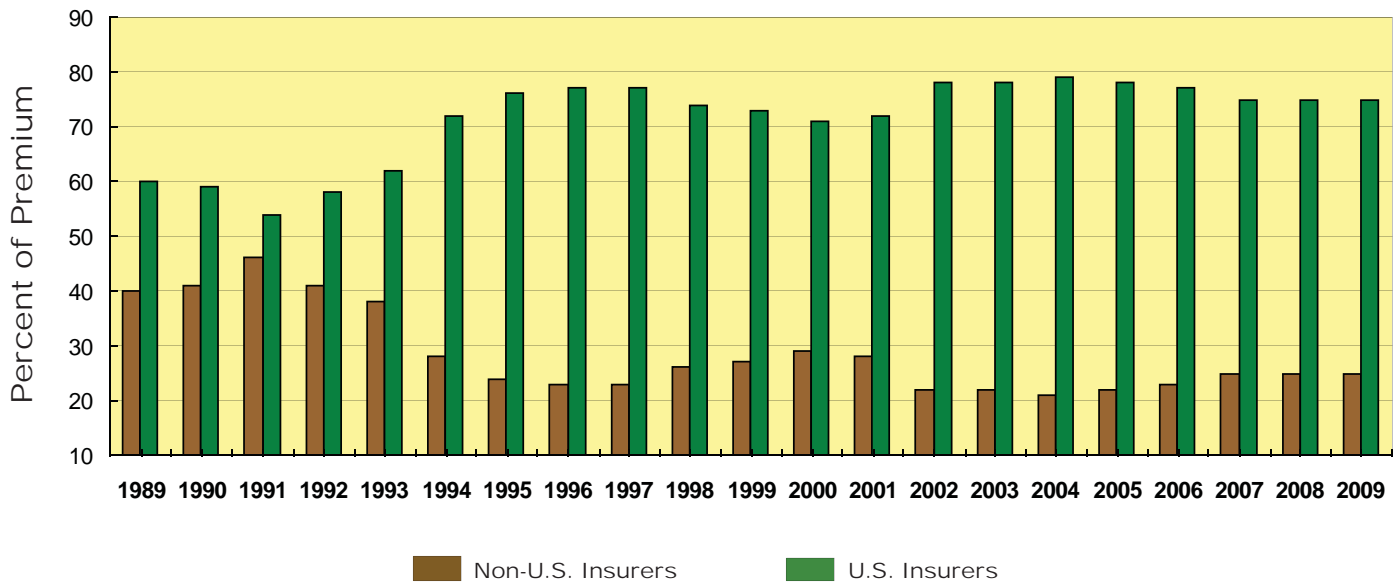
## 5 Year Comparison of SLSOT Premium Processed by Line of Business

Annual Statement Line of Business	2009	2008	2007	2006	2005
1 Fire (incl. allied lines)	\$904,399,772	\$695,632,676	\$802,846,778	\$813,893,674	\$632,355,451
2 Allied lines	\$62,960,748	\$44,513,398	\$42,142,703	\$33,677,905	\$22,187,874
3 Farmowners multiple peril	\$1,064,613	\$1,063,567	\$1,208,704	\$1,536,579	\$2,008,587
4 Homeowners multiple peril	\$80,232,109	\$72,807,157	\$84,634,590	\$93,435,403	\$109,908,736
5 Commercial multiple peril	\$175,884,636	\$173,859,621	\$211,521,372	\$142,666,094	\$98,788,632
8 Ocean marine	\$15,369,139	\$5,521,492	\$10,490,844	\$8,342,573	\$6,505,847
9 Inland marine	\$73,924,727	\$82,524,797	\$81,687,859	\$84,049,436	\$71,690,926
11 Medical malpractice	\$53,011,578	\$51,892,196	\$64,291,189	\$61,464,194	\$74,106,940
12 Earthquake	\$224,166	\$649,696	\$256,266	\$241,148	\$21,895
13 Group accident & health	\$88,946,815	\$91,482,519	\$84,746,797	\$94,471,635	\$85,188,762
15 All other A&H	\$4,383,331	\$3,198,249	\$2,387,829	\$2,733,132	\$1,962,121
17 Other liability	\$1,421,844,386	\$1,570,400,739	\$1,775,251,360	\$1,745,790,998	\$1,547,554,418
18 Products liability	\$25,126,116	\$24,617,846	\$34,851,950	\$40,805,801	\$30,908,367
19.2 Other priv. passenger auto liability	\$5,161	\$10,651	\$2,599	\$4,464	\$7,000
19.4 Other commercial auto liability	\$64,060,634	\$88,000,406	\$129,084,938	\$149,554,782	\$134,386,844
21.1 Private pass. auto physical damage	\$2,418,596	\$1,456,875	\$1,534,336	\$1,591,001	\$1,181,000
21.2 Commercial auto physical damage	\$63,870,074	\$53,293,358	\$67,725,512	\$72,813,966	\$60,446,309
22 Aircraft (all perils)	\$6,732,988	\$17,282,313	\$7,785,726	\$16,997,357	\$8,871,352
23 Fidelity	\$1,785,372	\$1,945,509	\$1,199,415	\$2,285,809	\$3,106,134
24 Surety	\$989,085	\$1,778,589	\$141,665	\$400,465	\$3,815,165
26 Burglary & theft	\$5,665,457	\$1,378,743	\$1,542,152	\$2,307,865	\$2,113,329
27 Boiler & machinery	\$507,708	\$2,732,038	\$699,895	(\$62,326)	\$65,241
28 Credit	\$366,844,600	\$296,269,399	\$319,935,794	\$200,364,046	\$148,755,248
31 Aggregate/other business	\$367,510	\$323,744	\$192,382	\$749,493	\$427,724
<b>TOTAL</b>	<b>\$3,420,619,324</b>	<b>\$3,282,635,577</b>	<b>\$3,726,162,655</b>	<b>\$3,570,105,497</b>	<b>\$3,046,363,902</b>
(Due to rounding figures may not total)					

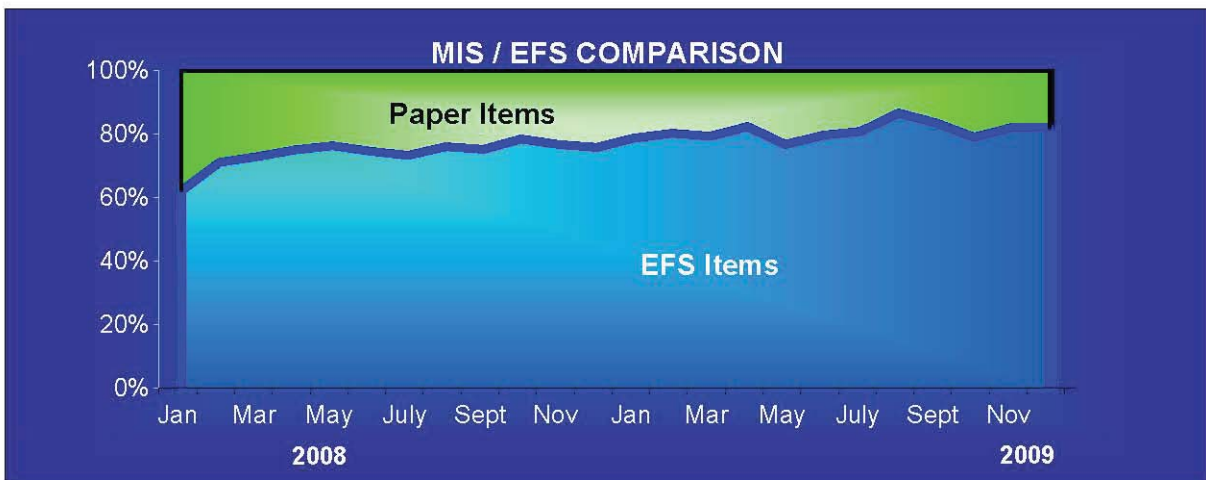
Source for all data unless otherwise stated: Surplus Lines Stamping Office of Texas

# Texas Surplus Lines Market Share, 1989 - 2009

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



## Paper vs. Electronic Policy Filing



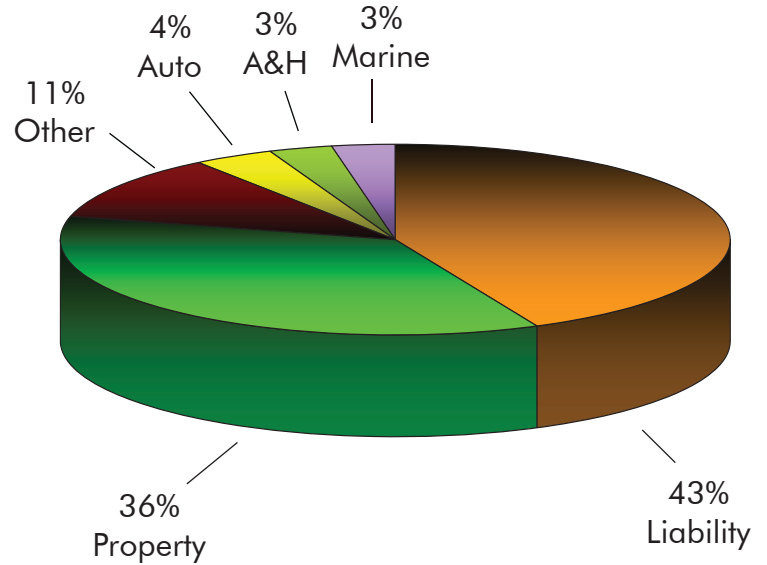
## 2008 Top Ten States Gross Surplus Lines Premium Written

	Millions
California*	\$5,671.7
Florida*	\$4,350.1
Texas*	\$3,912.4
New York*	\$3,282.2
Louisiana	\$1,303.3
New Jersey	\$1,062.3
Illinois*	\$1,062.0
Pennsylvania*	\$919.9
Georgia	\$773.0
Massachusetts	\$693.2
<b>Total, Top 10</b>	
	\$23,030.1
<b>Total, U.S.</b>	
	\$33,408.1
<b>Top 10 as % of Total</b>	
	68.9%

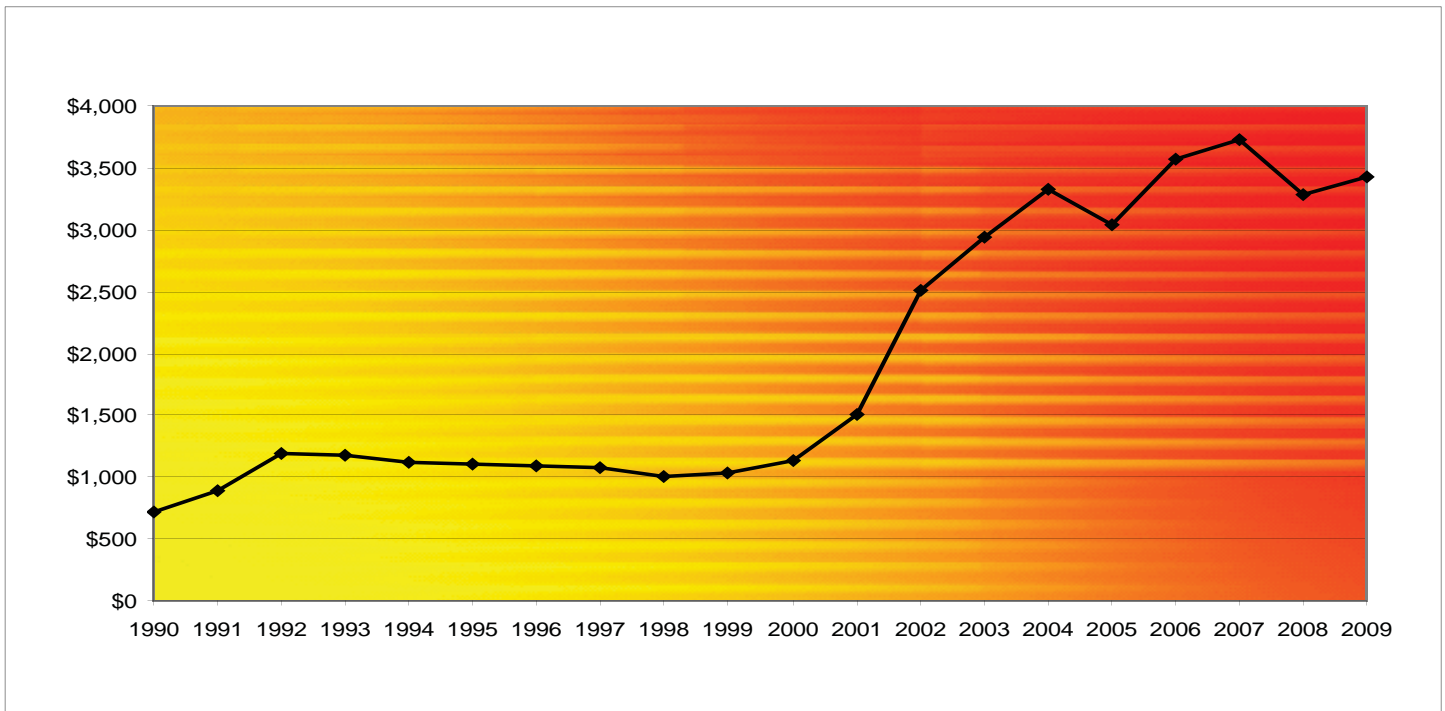
\*states with operating stamping office  
Source: Business Insurance

## Texas Surplus Lines Premium

### 2009 Comparison by Line of Business



## Texas Surplus Lines Premium 1990 - 2009



# Top Surplus Lines Groups in Texas

Group	Current Rank	Prior Year	2009	2008	2007	2006	2005
Underwriters at Lloyd's	1	1	\$659,863,945	\$614,739,560	\$697,037,799	\$574,053,553	\$462,284,585
American International Group	2	2	\$517,347,017	\$553,500,785	\$621,122,515	\$565,502,560	\$491,594,213
Assurant	3	3	\$148,793,219	\$169,530,856	\$156,265,031	\$122,481,985	\$101,945,874
Zurich Financial Services Group	4	6	\$133,645,530	\$120,387,179	\$152,011,427	\$161,907,552	\$151,365,296
Munich Group	5	-	\$129,638,995	\$80,274,960	\$109,297,163	\$42,918,193	\$15,935,988
Nationwide Group	6	5	\$128,519,613	\$125,666,932	\$132,787,378	\$146,820,055	\$141,579,230
W.R. Berkeley Group	7	4	\$116,753,081	\$142,465,144	\$146,693,091	\$1,351,867	\$112,386,092
ACE USA Group	8	9	\$116,058,869	\$105,870,400	\$137,328,011	\$135,105,107	\$101,892,567
St. Paul Travelers	9	7	\$95,844,537	\$117,646,225	\$129,860,257	\$145,226,237	\$154,317,785
Markel Corporation Group	10	-	\$93,336,128	\$112,178,399	\$114,406,452	\$116,348,914	\$105,594,001
Total Premium - Top Groups			\$2,139,800,934	\$2,142,260,440	\$2,396,809,124	\$2,011,716,023	\$1,895,072,529
% of Total Texas Surplus Lines Premium			63%	64%	64%	61%	62%

# Policies Processed & Average Premium Per Policy

