

2008 Report on Workers' Compensation Insurance



October, 2008

Executive Summary

- The National Council on Compensation Insurance, Inc. (“NCCI”) filed a decrease of 5.4 percent in pure premium loss cost/rates in July 2008, which was approved by the Maryland Insurance Administration and which will become effective January 1, 2009. This follows rate decreases for 2007 and 2008.
- Employers are required to purchase workers’ compensation insurance from an insurance company authorized to write workers’ compensation insurance in the State, from the Injured Workers’ Fund (“IWIF”), which is the insurer of last resort for workers’ compensation, or, subject to regulatory approval, some employers may self-insure.
- Over 100 insurers offer workers’ compensation insurance to Maryland employers. Workers’ compensation insurance is the third largest line in property and casualty insurance following auto insurance and homeowners insurance.
- The top eight workers’ compensation insurance groups wrote a little over 70 percent of the market in 2006 and 2007 (73.3 percent and 72.5 percent, respectively). IWIF is the largest writer of workers’ compensation insurance. The largest market share for any other single insurance group, not an individual company, is approximately eleven percent (11%) and is written by The Hartford Fire and Casualty Group.
- (NCCI) files “pure premium loss cost” rates with the MIA on behalf of all insurers except IWIF. No insurer may use the NCCI’s “pure premium loss cost” until approved by the MIA.
- The insurer’s rate is derived by multiplying NCCI’s “pure premium loss cost” by the expense multiplier. The expense multiplier includes provisions for profit, administrative expenses and loss adjustment expenses. Insurers may begin to charge premiums based on the specific expense multiplier as soon as it has been filed with the MIA.
- Three years of overall decreases in pure premium loss costs/rates is good news for Maryland’s employers.
- Maryland’s workers’ compensation insurance market remains competitive. With continued decreases in pure premium loss cost/rates, many employers should find their cost for workers’ compensation relatively stable.

Table of Contents

Topic	Page
Executive Summary	1
I Introduction	3
II Overview	3
III Workers' Compensation Insurers	4
IV Rates	5
V Terrorism Risk Insurance Program	7
VI Conclusion	7
VII Exhibits	8
Exhibit 1	Displays the major insurance groups by market share from 2001 through 2007.
Exhibit 2	Displays the direct premiums written and market share of all insurers reporting any written premium for workers compensation insurance.
Exhibit 3	Displays the name of carriers and their group affiliation.
Exhibit 4	Displays new carrier entrants/re-entrants for 2007.
Exhibit 5	Displays a comparison of changes in NCCI's pure premium filings with the MIA with effective dates for the years 2001 through 2009.
Exhibit 6	Displays a chronological history of changes by industry type from 2001 through 2009.

Introduction

Annually, the Maryland Insurance Administration (“MIA”) is required to provide information to the Workers’ Compensation Benefit and Insurance Oversight Committee about the condition of the workers’ compensation insurance market in Maryland. (See Chapter 590, Acts 1987; Chapter 119, Acts 1993; and Chapter 352, Acts 1995.) This report summarizes the workers’ compensation insurance market in Maryland through 2007, including an overview of this line of insurance, the insurers writing this business, market concentration, the process for determining rates, and the Terrorism Risk Insurance Program.

Overview

Since the early 1900s, every state has required employers to provide some form of protection for their employees who are injured while working. Workers’ compensation laws are based on a no-fault system designed to compensate workers who sustain accidental injuries arising out of and in the course of their employment. The forms of compensation may include payment for medical services, rehabilitation services, lost or replacement income, and any permanent partial or permanent total disability the worker may sustain as a result of the work-related injury or occupational disease. When a worker is killed or dies as a result of a work-related injury or disease, the benefits may also include funeral expenses and survivor benefits.

Workers’ compensation insurance provides workers with the assurance that, in the event of an accident, injury or occupational disease, they will be compensated. Employers may purchase workers’ compensation insurance from an insurance company authorized to write workers’ compensation insurance in the State, from the Injured Workers’ Fund (“IWIF”), which is the insurer of last resort for workers’ compensation, or, with regulatory approval, some employers may self-insure.¹

Workers’ compensation insurance has a “long-tail” as claims may be open for long periods of

¹ In order to be self-insured, approval must be obtained from either the Workers’ Compensation Commission or the MIA, depending on the nature of the employer seeking to self-insure.

time, benefits may be awarded in stages and in various combinations of disability determinations and claims may be reopened at a later point in time resulting in the payment of additional benefits. All of this makes it difficult to accurately predict costs.

Maryland's Workers' Compensation Commission's Fee Guide is one tool Maryland has used to curtail medical cost increases and make it easier for workers' compensation insurers to predict losses. In an effort to further decrease medical cost trends, some workers' compensation insurers have entered into contracts with Preferred Provider Organizations (PPOs). Providers contracting with a PPO may agree to accept a lower fee than that established by the Workers' Compensation Commission's Fee Guide. If an injured worker receives services from this provider, the workers' compensation insurer pays the provider in accordance with the PPO contracted rate or the Workers' Compensation Commission's Fee Guide, whichever is less.

Workers' Compensation Insurers

Over 100 insurers, including IWIF, offer workers' compensation insurance to Maryland employers. Together, these insurers had \$943,669,683 direct written premium in 2007. This represents 10.8 percent of the direct written premiums written by all property and casualty insurers, making workers' compensation insurance the third largest line in property and casualty insurance following auto insurance and homeowners insurance.

The top eight workers' compensation insurance groups wrote a little over 70 percent of the market in 2006 and 2007 (73.3 percent and 72.5 percent, respectively). Table 1 shows the market share for each of these insurance groups. (See Exhibit 2 for a complete list of the market share for all companies.)

As Table 1 shows, IWIF is the largest writer of workers' compensation insurance in the State. The largest market share for any other single insurance group, not an individual company, is approximately eleven percent (11%) as represented by the Hartford Fire and Casualty Group.

Insurance Group	Market Share, 2006 (in percent)	Market Share, 2007 (in percent)
IWIF	31	27.8
Hartford Fire and Casualty Group	10.2	10.7
American International Group	8.3	8.2
Liberty Mutual Group	7.2	8.0
Travelers Group	5.2	5.3
Erie Insurance Group	4.9	4.7
Zurich Insurance Group	3.7	4.3
Selective Insurance Group	2.9	4.3

A common measure used in insurance to determine how much of the premium dollar is used to cover benefits is the loss ratio. A loss ratio of 70 percent, for example, means the insurer spent 70 cents of each dollar collected through direct written premium on benefits.

As a group, workers' compensation insurers had a collective loss ratio of 74.64 percent in 2006 and 84.36 percent in 2007. The largest individual company, IWIF, had a loss ratio of 84.5 percent in 2006 and 95.32 percent in 2007.

Rates

There are two types of regulation of insurer rates, prior approval and competitive rating (also known as "file and use"). Under prior approval, insurers must file their proposed rates with the MIA and may only begin to use these rates to determine the premium for a particular risk after the company receives approval for the rates. Under competitive rating, insurers file their proposed rates with the MIA and may begin to use these rates to determine the premium for a particular risk as soon as the filing has been received.

In Maryland, workers' compensation insurance is a blend of prior approval and competitive rating. In this line, all insurers -- with the exception of IWIF -- are required to subscribe to the National Council on Compensation Insurance, Inc. ("NCCI"). NCCI is a licensed rating and advisory organization. NCCI files "pure premium loss cost" rates with the MIA. A "pure premium loss cost" rate reflects the actual loss costs which include the cost of medical care, the frequency and severity of injuries, the indemnity benefits which are tied to wages and the economic cycles. Pure premium loss cost does not, however, contemplate any other costs associated with writing workers' compensation insurance, such as

profit, commissions, taxes or the expenses associated with providing the benefits to the injured worker (known as the loss adjustment expenses). No insurer may use NCCI's "pure premium loss cost" until it has been approved by the MIA. The rates are usually effective beginning January 1 of each year.

Once the MIA has approved the NCCI's "pure premium loss cost", insurers submit independent rate filings. These filings adopt the NCCI pure premium loss cost and then include the insurer's expense multipliers. The expense multipliers include provisions for the insurer's profit, administrative expenses and loss adjustment expenses. The insurer's rate is derived by multiplying NCCI's "pure premium loss cost" by the expense multiplier. These rate filings are made under competitive rating which means that insurers may begin to charge premiums based on the specific expense multiplier as soon as it has been filed with the MIA.

Unlike other workers' compensation insurers, IWIF is not a subscriber to NCCI. IWIF is not required to file its rates either under prior approval or competitive rating with the MIA.

Data from NCCI shows the average bureau rate and loss cost changes increased modestly in all states (excluding California) for the period 2000 to 2007. For 2007 and 2008, there were modest rate decreases as the claim frequency declines in combination with payroll growth offset loss severity increases.

Maryland deviated slightly from this pattern. As shown in Exhibit 5, NCCI loss costs/pure premium rates decreased in 2004, 2007, 2008 and 2009 but increased in 2001, 2003, 2005 and 2006.

The NCCI filed its pure premium loss cost rate for Maryland with the MIA in July 2008 proposing an effective date of January 1, 2009. The overall change for this filing is a decrease of 5.4 percent. This reflects a change of negative 2.8 percent due to experience, a negative 5.2 percent change in trends and a positive 2.6 percent change due to an increase in the cost of benefits.

A decrease in pure premium loss cost rate does not mean all employers will see a premium decrease. The premium an employer is charged depends on the employer's classification and other factors. Some employers may receive premium decreases while others may see premium increases. Nonetheless, three years of overall decreases in pure premium loss cost rates is good news for Maryland's employers.

Although low investment income often foretells change, stable loss costs may help to moderate this underwriting cycle, keeping workers' compensation insurance premiums more predictable for Maryland's employers.

Terrorism Risk Insurance Program

In 2002, the Congress enacted the Terrorism Risk Insurance Program ("TRIP") to create a federal reinsurance program for insurance companies to assist them in paying for claims relating to acts of terrorism. As workers' compensation insurers cannot exclude terrorism coverage from its policies, these insurers benefit from this federal back stop. The program was intended to be a temporary measure to allow time for insurers to develop solutions and products to insure against acts of terrorism. The Act was set to expire in 2005 but was extended until 2007. In December of 2007, it was extended for another seven years or until December 31, 2014.

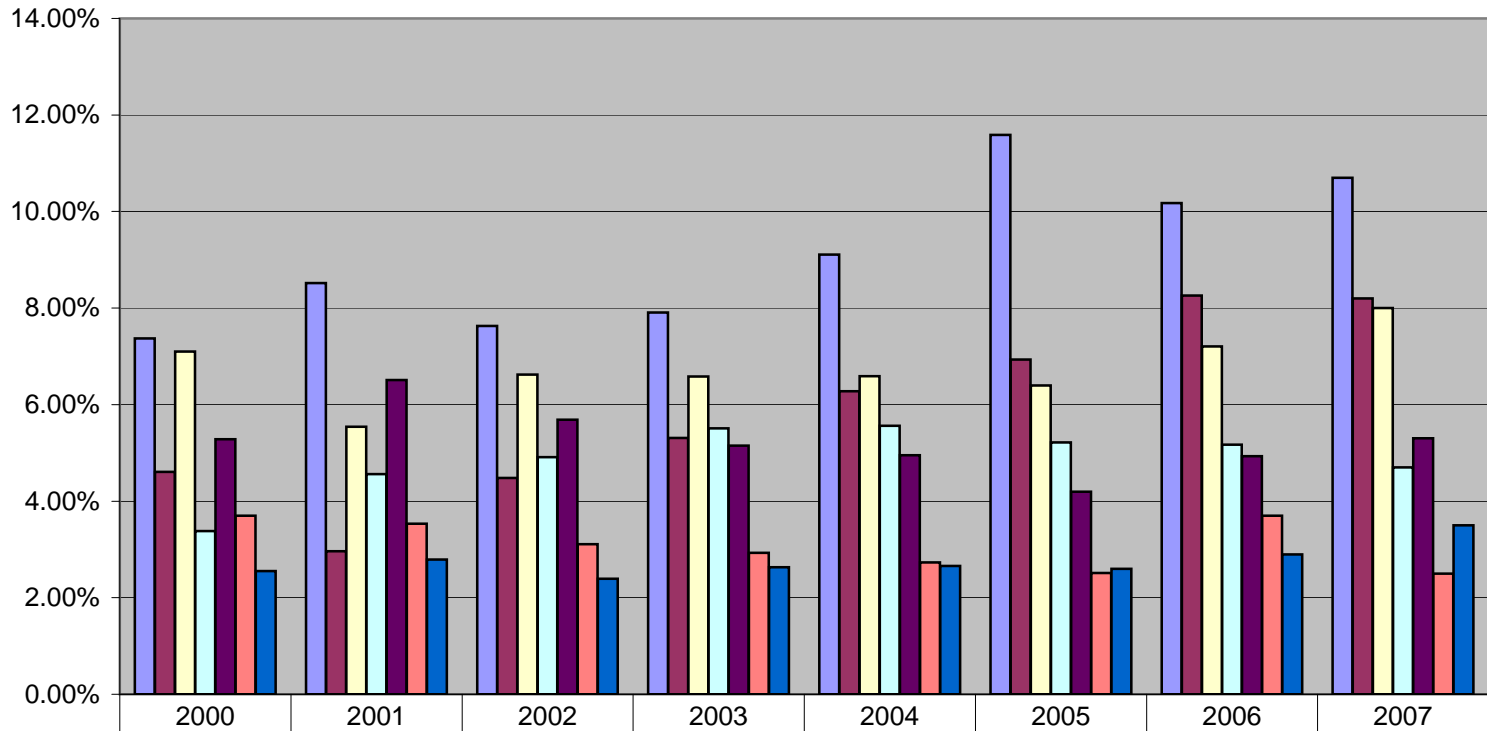
The seven year extension is expected to give more certainty to the market than the previous two year extensions. NCCI continues to work with a catastrophe modeler to remodel terrorism exposure.

Conclusion

With over 100 insurance groups reporting workers' compensation insurance premium earned in Maryland, this line of insurance remains competitive. Three years of decreases in NCCI pure premium loss cost rates has meant many employers have had relatively stable costs for workers' compensation insurance.

The MIA will continue to monitor trends in this insurance line, closely watching the impact of lower investment income on this business.

**Comparisons of the Major Insurance Groups by Market Share
Years 2000 through 2007**



	2000	2001	2002	2003	2004	2005	2006	2007
Hartford Group	7.37%	8.52%	7.63%	7.91%	9.11%	11.59%	10.17%	10.70%
American International Group	4.61%	2.96%	4.48%	5.31%	6.28%	6.94%	8.26%	8.20%
Liberty Mutual Group	7.10%	5.54%	6.62%	6.58%	6.59%	6.40%	7.21%	8.00%
Erie Insurance Group	3.38%	4.56%	4.91%	5.51%	5.56%	5.22%	5.17%	4.70%
St. Paul Travelers Group	5.28%	6.51%	5.69%	5.15%	4.95%	4.19%	4.93%	5.30%
CNA Group	3.70%	3.53%	3.11%	2.93%	2.73%	2.51%	3.70%	2.50%
Selective Insurance Group	2.55%	2.79%	2.39%	2.63%	2.66%	2.60%	2.90%	3.50%

St. Paul and Travelers merged at the end of 2003

Workers Compensation Market Share by Insurer Group

2007 Premium Rank	Group Code	Group Name	2007 Group Written Premium	2007 Market Share	Cumulative Market Share
1	0	Injured Workers Ins Fund	262,704,835	27.8%	27.8%
2	91	HARTFORD FIRE & CAS GRP	101,019,237	10.7%	38.5%
3	12	AMERICAN INTL GRP	77,062,787	8.2%	46.7%
4	111	LIBERTY MUT GRP	75,339,406	8.0%	54.7%
5	3548	Travelers Grp	50,020,351	5.3%	60.0%
6	213	ERIE INS GRP	44,651,821	4.7%	64.7%
7	212	ZURICH INS GRP	40,157,752	4.3%	69.0%
8	242	SELECTIVE INS GRP	32,766,079	3.5%	72.5%
9	767	Pennsylvania Manufacturers Grp	23,901,028	2.5%	75.0%
10	218	CNA INS GRP	23,449,055	2.5%	77.5%
11	140	NATIONWIDE CORP GRP	17,039,874	1.8%	79.3%
12	626	Ace Ltd Grp	13,767,859	1.5%	80.7%
13	38	CHUBB & SON INC GRP	13,028,657	1.4%	82.1%
14	244	CINCINNATI FIN GRP	12,599,627	1.3%	83.5%
15	98	WR Berkley Corp GRP	11,868,847	1.3%	84.7%
16	447	HARFORD GRP	11,639,828	1.2%	85.9%
17	176	STATE FARM GRP	11,168,097	1.2%	87.1%
18	457	ARGONAUT GRP	7,861,608	0.8%	88.0%
19	661	BCBS of SC Grp	7,552,533	0.8%	88.8%
20	680	AMERISAFE GRP	6,598,149	0.7%	89.5%
21	201	UTICA GRP	6,333,547	0.7%	90.1%
22	828	GUARD INS CO GRP	5,523,776	0.6%	90.7%
23	253	HARLEYSVILLE GRP	5,404,717	0.6%	91.3%
24	150	OLD REPUBLIC GRP	4,799,146	0.5%	91.8%
25	271	PENNSYLVANIA NATL INS GRP	4,745,049	0.5%	92.3%
26	0	Brethren Mut Ins Co	4,380,606	0.5%	92.8%
27	250	DONEGAL GRP	4,308,427	0.5%	93.2%
28	175	STATE AUTO MUT GRP	3,977,717	0.4%	93.6%
29	761	ALLIANZ INS GRP	3,899,266	0.4%	94.1%
30	640	MUTUAL BENEFIT GRP	3,708,520	0.4%	94.4%
31	2538	Amtrust Grp	3,633,905	0.4%	94.8%
32	1279	Arch Ins Grp	3,612,591	0.4%	95.2%
33	408	AMERICAN NATL FIN GRP	3,080,242	0.3%	95.5%
34	4381	Lightyear Delos Grp	2,624,223	0.3%	95.8%

Workers Compensation Market Share by Insurer Group

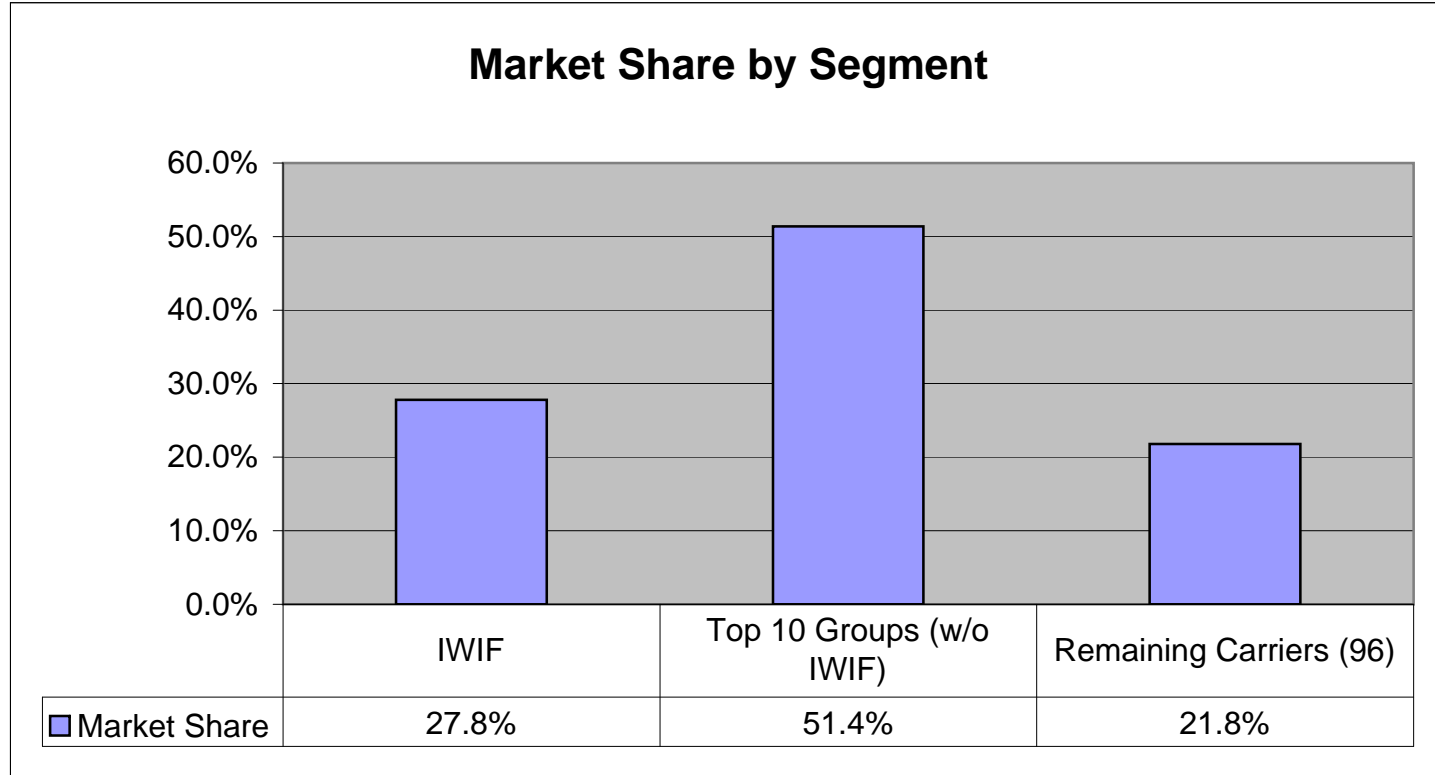
2007 Premium <u>Rank</u>	Group <u>Code</u>	<u>Group Name</u>	2007 Group Written <u>Premium</u>	2007 Market <u>Share</u>	Cumulative Market <u>Share</u>
35	169	SENTRY INS GRP	2,474,537	0.3%	96.1%
36	163	SAFECO INS GRP	2,328,083	0.2%	96.3%
37	1120	EVEREST REINS HOLDINGS GRP	2,066,742	0.2%	96.5%
38	311	Main Street Amer Grp	1,972,673	0.2%	96.8%
39	3158	Eastern Holding Co Grp	1,964,116	0.2%	97.0%
40	88	The Hanover Ins Grp	1,917,133	0.2%	97.2%
41	7	FEDERATED MUT GRP	1,535,885	0.2%	97.3%
42	3098	Millea Holdings Inc GRP	1,516,160	0.2%	97.5%
43	1129	WHITE MOUNTAINS GRP	1,463,324	0.2%	97.6%
44	0	SeaBright Ins Co	1,448,016	0.2%	97.8%
45	0	Brotherhood Mut Ins Co	1,392,020	0.1%	97.9%
46	158	FAIRFAX FIN GRP	1,364,333	0.1%	98.1%
47	0	Vanliner Ins Co	1,251,151	0.1%	98.2%
48	2978	Mitsui Sumitomo Ins Grp	1,237,929	0.1%	98.4%
49	748	Meadowbrook Ins Grp	1,009,581	0.1%	98.5%
50	57	ELECTRIC INS GRP	967,148	0.1%	98.6%
51	1285	XL AMER GRP	954,263	0.1%	98.7%
52	31	BERKSHIRE HATHAWAY GRP	926,467	0.1%	98.8%
53	84	American Financial Grp	924,666	0.1%	98.9%
54	306	CUNA MUT GRP	750,723	0.1%	98.9%
55	0	Church Mut Ins Co	665,746	0.1%	99.0%
56	572	BCBS OF MI GRP	648,023	0.1%	99.1%
57	74	DELPHI FIN GRP	642,625	0.1%	99.2%
58	0	Southern States Ins Exch	564,610	0.1%	99.2%
59	867	Baldwin & Lyons Grp	563,244	0.1%	99.3%
60	796	QBE INS GRP	546,919	0.1%	99.3%
61	1237	AMCOMP GRP	478,310	0.1%	99.4%
62	349	FLORISTS MUT GRP	449,824	0.0%	99.4%
63	124	AMERISURE CO GRP	415,147	0.0%	99.5%
64	303	GUIDEONE INS GRP	402,943	0.0%	99.5%
65	4254	The Warranty Grp	390,703	0.0%	99.6%
66	228	WESTFIELD Grp	372,947	0.0%	99.6%
67	594	AMERICAN CONTRACTORS INS GRP	338,660	0.0%	99.6%
68	336	ZENITH NATL INS GRP	285,523	0.0%	99.7%

Workers Compensation Market Share by Insurer Group

2007 Premium <u>Rank</u>	Group <u>Code</u>	<u>Group Name</u>	2007 Group Written <u>Premium</u>	2007 Market <u>Share</u>	Cumulative Market <u>Share</u>
69	853	PUBLIC SERV GRP	281,116	0.0%	99.7%
70	125	PENN MILLER GRP	268,792	0.0%	99.7%
71	4257	AIX Grp	242,276	0.0%	99.7%
72	775	PHARMACISTS MUT GRP	231,728	0.0%	99.8%
73	0	First Nonprofit Ins Co	212,281	0.0%	99.8%
74	0	Federated Rural Electric Ins Exch	208,868	0.0%	99.8%
75	181	SWISS RE GRP	158,168	0.0%	99.8%
76	222	GREATER NY GRP	153,411	0.0%	99.8%
77	812	HIGHMARK GRP	151,155	0.0%	99.9%
78	361	MUNICH AMER HOLDING GRP	142,590	0.0%	99.9%
79	3499	Providence Holdings Inc Grp	142,116	0.0%	99.9%
80	1141	NORTH POINTE GRP	121,871	0.0%	99.9%
81	3219	Sompo Japan Ins Grp	121,064	0.0%	99.9%
82	62	EMC INS CO GRP	109,242	0.0%	99.9%
83	225	IAT Reins Co Grp	104,467	0.0%	99.9%
84	108	LUMBERMENS MUT CAS GRP	79,567	0.0%	99.9%
85	0	Pennsylvania Lumbermens Mut Ins	54,950	0.0%	100.0%
86	0	Cherokee Ins Co	53,847	0.0%	100.0%
87	781	UNION LABOR GRP	49,471	0.0%	100.0%
88	0	T.H.E. Ins Co	43,772	0.0%	100.0%
89	1326	KINGSWAY GRP	42,073	0.0%	100.0%
90	1631	Dallas Gen Grp	39,732	0.0%	100.0%
91	0	Gateway Ins Co	35,421	0.0%	100.0%
92	0	Lumbermens Underwriting Alliance	30,310	0.0%	100.0%
93	0	Alea North America Ins Co	29,003	0.0%	100.0%
94	291	MOTORISTS MUT	25,160	0.0%	100.0%
95	0	Nipponkoa Ins Co Ltd US Br	22,451	0.0%	100.0%
96	1332	MAINE EMPLOYERS MUT INS GRP	19,438	0.0%	100.0%
97	0	Valiant Ins Co	19,073	0.0%	100.0%
98	0	Work First Cas Co	8,090	0.0%	100.0%
99	4463	Rockhill Holding Grp	7,698	0.0%	100.0%
100	0	Petroleum Cas Co	4,395	0.0%	100.0%
101	24	ATLANTIC CO GRP	3,040	0.0%	100.0%
102	0	Bancinsure Inc	2,694	0.0%	100.0%

Workers Compensation Market Share by Insurer Group

2007 Premium Rank	Group Code	Group Name	2007 Group Written Premium	2007 Market Share	Cumulative Market Share
103	553	Arrowpoint Capital Grp	696	0.0%	100.0%
104	984	HCC INS HOLDINGS GRP	62	0.0%	100.0%
105	0	National Amer Ins Co	-281	0.0%	100.0%
106	0	Laurier Ind Co	-1,068	0.0%	100.0%
107	517	HANNOVER GRP	-8,392	0.0%	100.0%
TOTALS			943,669,683		



2007 Premium Rank	Group Code	NAIC Company Code	<u>Group Name</u>	Company Name	2007 Company Written Premium	2007 Group Written Premium
1	0	11039	Injured Workers Ins Fund	INJURED WORKERS INS FUND	262,704,835	262,704,835
2	91	29459	HARTFORD FIRE & CAS GRP	TWIN CITY FIRE INS CO CO	41,783,180	101,019,237
	91	37478		HARTFORD INS CO OF THE MIDWEST	22,224,813	
	91	30104		HARTFORD UNDERWRITERS INS CO	13,480,073	
	91	19682		HARTFORD FIRE IN CO	9,303,918	
	91	29424		HARTFORD CAS INS CO	7,175,328	
	91	11000		SENTINEL INS CO LTD	5,303,874	
	91	22357		HARTFORD ACCIDENT & IND CO	1,748,051	
3	12	19380	AMERICAN INTRNL GRP	AMERICAN HOME ASSUR CO	31,746,923	77,062,787
	12	23841		NEW HAMPSHIRE INS CO	17,545,222	
	12	19410		COMMERCE & INDUSTRY INS CO	15,415,190	
	12	19429		INSURANCE CO OF THE STATE OF PA	4,881,393	
	12	19445		NATIONAL UNION FIRE INS CO OF PITTS	3,661,905	
	12	40258		AMERICAN INTL S INS CO	2,698,596	
	12	19402		AIG CAS CO	1,066,794	
	12	23809		GRANITE STATE INS CO	68,735	
	12	23817		ILLINOIS NATL INS CO	-7,512	
	12	19399		AIU INS CO	-14,459	
4	111	42404	LIBERTY MUT GRP	LIBERTY INS CORP	16,451,260	75,339,406
	111	23035		LIBERTY MUT FIRE INS CO	7,172,521	
	111	21458		EMPLOYERS INS OF WAUSAU	6,391,584	
	111	24171		NETHERLANDS INS CO THE	6,144,215	
	111	24198		PEERLESS INS CO	5,351,102	
	111	26042		WAUSAU UNDERWRITERS INS CO	4,941,933	
	111	14613		MONTGOMERY MUT INS CO	3,950,090	
	111	24066		AMERICAN FIRE & CAS CO	3,659,046	
	111	44393		WEST AMERICAN INS CO	3,378,532	
	111	24082		OHIO SECURITY INS CO	3,318,705	
	111	26069		WAUSAU BUSINESS INS CO	3,306,667	
	111	11045		EXCELSIOR INS CO	3,231,835	
	111	33588		FIRST LIBERTY INS CORP	2,758,460	
	111	23043		LIBERTY MUT INS CO	2,388,111	
	111	24074		OHIO CAS INS CO	2,062,020	
	111	33600		LM INS CORP	730,762	
	111	18333	PEERLESS IND INS CO	102,563		

2007 Premium Rank	Group Code	NAIC Company Code	<u>Group Name</u>	Company Name	2007 Company Written Premium	2007 Group Written Premium
5	3548	25615	Travelers Grp	CHARTER OAK FIRE INS CO	20,407,249	50,020,351
	3548	25658		TRAVELERS IND CO	6,663,394	
	3548	19038		TRAVELERS CAS & SURETY CO	4,169,483	
	3548	25674		TRAVELERS PROPERTY CAS CO OF AMER	3,950,609	
	3548	19046		TRAVELERS CAS INS CO OF AMER	3,317,058	
	3548	41483		FARMINGTON CAS CO	2,925,731	
	3548	25623		PHOENIX INS CO	2,913,986	
	3548	19070		STANDARD FIRE INS CO	2,064,940	
	3548	25666		TRAVELERS IND CO OF AMER	1,876,671	
	3548	35386		FIDELITY & GUAR INS CO	1,485,126	
	3548	25682		TRAVELERS IND CO OF CT	1,328,421	
	3548	24767		ST PAUL FIRE & MARINE INS CO	733,505	
	3548	25887		US FIDELITY & GUARANTY CO	202,404	
	3548	24791		ST PAUL MERCURY INS CO	71,482	
	3548	41769		ATHENA ASSUR CO	15,097	
	3548	24775		ST PAUL GUARDIAN INS CO	1,359	
	3548	19224		ST PAUL PROTECTIVE INS CO	181	
	3548	25879		FIDELITY & GUAR INS UNDERWRITERS INC	-12,618	
	3548	36463		DISCOVER PROP & CAS INS CO	-2,093,727	
6	213	26271	ERIE INS GRP	ERIE INS EXCH	35,816,052	44,651,821
	213	35585		FLAGSHIP CITY INS CO	4,354,194	
	213	26263		ERIE INS CO	2,906,350	
	213	26830		ERIE INS PROP & CAS CO	1,449,112	
	213	16233		ERIE INS CO OF NY	126,113	
7	212	16535	ZURICH INS GRP	ZURICH AMERICAN INS CO	27,307,855	40,157,752
	212	40142		AMERICAN ZURICH INS CO	5,949,507	
	212	19356		MARYLAND CAS CO	2,130,057	
	212	19372		NORTHERN INS CO OF NY	1,430,594	
	212	26247		AMERICAN GUAR & LIAB INS	863,243	
	212	27855		ZURICH AMERICAN INS CO OF IL	759,254	
	212	19305		ASSURANCE CO OF AMER	652,354	
	212	39306		FIDELITY & DEPOSIT CO OF MD	545,970	
	212	41181		UNIVERSAL UNDERWRITERS INS CO	424,170	
	212	21709		TRUCK INS EXCH	55,630	
	212	34347		COLONIAL AMER CAS & SURETY CO	39,118	

2007 Premium Rank	Group Code	NAIC Company Code	<u>Group Name</u>	Company Name	2007 Company Written Premium	2007 Group Written Premium
8	242	12572	SELECTIVE INS	SELECTIVE INS CO OF AMER	18,374,511	32,766,079
	242	26301		SELECTIVE WAY INS CO	8,973,399	
	242	19259		SELECTIVE INS CO OF SC	5,418,169	
9	767	12262	PENN MFR ASN INS	PENNSYLVANIA MANUFACTURERS ASN INS C	12,872,604	23,901,028
	767	36897		MANUFACTURERS ALLIANCE INS CO	8,180,977	
	767	41424		PENNSYLVANIA MANUFACTURERS IND CO	2,847,447	
10	218	20494	CNA INS GRP	TRANSPORTATION INS CO	6,798,132	23,449,055
	218	20508		VALLEY FORGE INS CO	6,373,589	
	218	20443		CONTINENTAL CAS CO	4,480,154	
	218	20478		NATIONAL FIRE INS CO OF HARTFORD	4,016,337	
	218	20427		AMERICAN CAS CO OF READING PA	1,679,369	
	218	35289		CONTINENTAL INS CO	101,474	
11	140	23787	NATIONWIDE CORP	NATIONWIDE MUT INS CO	8,201,623	17,039,874
	140	23779		NATIONWIDE MUT FIRE INS CO	5,285,228	
	140	19100		AMCO INS CO	1,494,187	
	140	37877		NATIONWIDE PROP & CAS INS CO	779,968	
	140	28223		NATIONWIDE AGRIBUSINESS INS CO	513,807	
	140	42587		DEPOSITORS INS CO	404,684	
	140	42579		ALLIED PROP & CAS INS CO	334,600	
	140	13838		FARMLAND MUT INS CO	25,777	
12	626	22667	ACE LTD	ACE AMER INS CO	5,490,615	13,767,859
	626	43575		INDEMNITY INS CO OF NORTH AMER	4,979,850	
	626	20699		ACE PROP & CAS INS CO	2,348,175	
	626	22748		PACIFIC EMPLOYERS INS CO	857,378	
	626	20702		ACE FIRE UNDERWRITERS INS CO	91,336	
	626	22713		INSURANCE CO OF N AMER	505	
13	38	20281	CHUBB & SON INC	FEDERAL INS CO	8,674,159	13,028,657
	38	20346		PACIFIC IND CO	2,140,039	
	38	12777		CHUBB IND INS CO	1,223,666	
	38	20303		GREAT NORTHERN INS CO	520,867	
	38	20397		VIGILANT INS CO	469,926	

2007 Premium Rank	Group Code	NAIC Company Code	<u>Group Name</u>	Company Name	2007 Company Written Premium	2007 Group Written Premium
14	244	28665	CINCINNATI FNCL CP	CINCINNATI CAS CO	4,945,364	12,599,627
	244	10677		CINCINNATI INS CO	3,986,263	
	244	23280		THE CINCINNATI INDEMNITY CO	3,668,000	
15	98	21784	WR Berkley Corp	FIREMENS INS CO OF WASHINGTON DC	6,552,046	11,868,847
	98	25844		UNION INS CO	2,658,621	
	98	15911		AMERICAN MINING INS CO INC	1,770,764	
	98	31325		ACADIA INS CO	607,687	
	98	23612		MIDWEST EMPLOYERS CAS CO	209,469	
	98	25224		GREAT DIVIDE INS CO	68,298	
	98	29580		BERKLEY REGIONAL INS CO	1,962	
16	447	14141	HARFORD GRP INC	HARFORD MUT INS CO	11,487,489	11,639,828
	447	40100		FIRSTLINE NATL INS CO	152,339	
17	176	25143	STATE FARM IL	STATE FARM FIRE AND CAS CO	11,168,097	11,168,097
18	457	35505	ARGONAUT GRP	ROCKWOOD CAS INS CO	6,757,903	7,861,608
	457	36927		COLONY SPECIALTY INS CO	538,870	
	457	19801		ARGONAUT INS CO	419,813	
	457	19828		ARGONAUT MIDWEST INS CO	145,022	
19	661	10794	COMPANION L I C	COMPANION COMMERCIAL INS CO	4,868,358	7,552,533
	661	12157		COMPANION PROP & CAS INS CO	2,684,175	
20	680	31895	AMERISAFE GRP	AMERICAN INTERSTATE INS CO	6,598,149	6,598,149
21	201	25984	UTICA NATL INS GRP	GRAPHIC ARTS MUT INS CO	2,598,142	6,333,547
	201	25976		UTICA MUT INS CO	2,208,513	
	201	12475		REPUBLIC-FRANKLIN INS CO	1,526,892	
22	828	31470	GUARD INS CO	NORGUARD INS CO	4,383,388	5,523,776
	828	42390		AMGUARD INS CO	1,077,592	
	828	14702		EASTGUARD INS CO	62,796	
23	253	14168	HARLEYSVILLE GRP	HARLEYSVILLE MUT INS CO	1,871,678	5,404,717
	253	23582		HARLEYSVILLE INS CO	1,802,602	
	253	35696		HARLEYSVILLE PREFERRED INS CO	1,730,437	4,799,146
24	150	24147	OLD REPUBLIC GRP	OLD REPUBLIC INS CO	2,222,273	
	150	24139		OLD REPUBLIC GEN INS CORP	1,301,957	
	150	20095		BITUMINOUS CAS CORP	1,122,341	
	150	20109		BITUMINOUS FIRE & MARINE INS CO	151,584	
	150	11371		GREAT WEST CAS CO	991	

2007 Premium Rank	Group Code	NAIC Company Code	<u>Group Name</u>	Company Name	2007 Company Written Premium	2007 Group Written Premium
25	271	14990	PENNSYLVANIA NATL INS GRP	PENNSYLVANIA NTL MUT CAS INS CO	3,591,907	4,745,049
	271	32441		PENN NATL SECURITY INS CO	1,153,142	
26	0	13501	Brethren Mut Ins Co	BRETHREN MUT INS CO	4,380,606	4,380,606
27	250	13692	DONEGAL GRP	DONEGAL MUT INS CO	1,828,803	4,308,427
	250	22586		ATLANTIC STATES INS CO	1,741,665	
	250	14958		PENINSULA INS CO	737,959	
28	175	25127	STATE AUTO MUT GRP	STATE AUTO PROP & CAS INS CO	2,958,299	3,977,717
	175	25135		STATE AUTOMOBILE MUT INS CO	876,767	
	175	23353		MERIDIAN SECURITY INS CO	142,651	
29	761	21857	ALLIANZ INS GRP	AMERICAN INS CO	2,395,864	3,899,266
	761	21865		ASSOCIATED IND CORP	715,712	
	761	21881		NATIONAL SURETY CORP	464,467	
	761	21873		FIREMANS FUND INS CO	236,713	
	761	21849		AMERICAN AUTOMOBILE INS CO	86,510	
30	640	14664	MUTUAL BENEFIT GRP	MUTUAL BENEFIT INS CO	3,390,205	3,708,520
	640	17752		SELECT RISK INS CO	318,315	
31	2538	42376	Amtrust Grp	TECHNOLOGY INS CO INC	3,607,357	3,633,905
	2538	25011		WESCO INS CO	26,548	
32	1279	11150	Arch Ins Grp	ARCH INS CO	3,612,591	3,612,591
33	408	29963	AMERICAN NATL FNCL GRP	UNITED FARM FAMILY INS CO	3,080,242	3,080,242
34	4381	35408	Lightyear Delos Grp	DELOS INS CO	2,624,223	2,624,223
35	169	24988	SENTRY INS GRP	SENTRY INS A MUT CO	1,362,723	2,474,537
	169	21180		SENTRY SELECT INS CO	1,108,840	
	169	23434		MIDDLESEX INS CO	2,974	
36	163	19704	SAFECO INS GRP	AMERICAN STATES INS CO	1,062,031	2,328,083
	163	19690		AMERICAN ECONOMY INS CO	655,490	
	163	24732		GENERAL INS CO OF AMER	440,220	
	163	24724		FIRST NATL INS CO OF AMER	203,905	
	163	24740		SAFECO INS CO OF AMER	-33,563	
37	1120	10120	EVEREST REIN HOL INC	EVEREST NATL INS CO	2,066,742	2,066,742
38	311	14788	Main Street Amer Grp	NGM INS CO	1,972,673	1,972,673
39	3158	10724	Eastern Holding Co Grp	EASTERN ALLIANCE INS CO	1,964,116	1,964,116
40	88	22306	The Hanover Ins Grp	MASSACHUSETTS BAY INS CO	1,076,115	1,917,133
	88	22292		HANOVER INS CO	640,465	
	88	36064		HANOVER AMER INS CO	200,553	
41	7	13935	FEDERATED MUT GRP	FEDERATED MUT INS CO	1,485,445	1,535,885
	7	28304		FEDERATED SERV INS CO	50,440	

2007 Premium Rank	Group Code	NAIC Company Code	<u>Group Name</u>	Company Name	2007 Company Written Premium	2007 Group Written Premium
42	3098	12904	Millea Holdings Inc	TOKIO MARINE & NICHIDO FIRE INS CO	1,511,292	1,516,160
	3098	41238		TRANS PACIFIC INS CO	4,868	
43	1129	20621	WHITE MOUNTAINS GRP	ONEBEACON AMER INS CO	901,597	1,463,324
	1129	20648		EMPLOYERS FIRE INS CO	559,749	
	1129	27154		ATLANTIC SPECIALTY INS CO	1,952	
	1129	21970		ONEBEACON INS CO	26	
44	0	15563	SeaBright Ins Co	SEABRIGHT INS CO	1,448,016	1,448,016
45	0	13528	Brotherhood Mut Ins Co	BROTHERHOOD MUT INS CO	1,392,020	1,392,020
46	158	21113	FAIRFAX FINANCIAL	UNITED STATES FIRE INS CO	1,099,198	1,364,333
	158	10936		SENECA INS CO INC	148,170	
	158	21105		NORTH RIVER INS CO	96,657	
	158	31348		CRUM & FORSTER IND CO	20,308	
47	0	21172	Vanliner Ins Co	VANLINER INS CO	1,251,151	1,251,151
48	2978	20362	Mitsui Sumitomo Ins Grp	MITSUI SUMITOMO INS CO OF AMER	1,207,521	1,237,929
	2978	22551		MITSUI SUMITOMO INS USA INC	30,408	
49	748	18023	Meadowbrook Ins Grp	STAR INS CO	1,009,581	1,009,581
50	57	21261	ELECTRIC INS GRP	ELECTRIC INS CO	967,148	967,148
51	1285	37885	X L AMER	XL SPECIALTY INS CO	953,060	954,263
	1285	22322		GREENWICH INS CO	1,203	
52	31	28258	BERKSHIRE HATHAWAY	CONTINENTAL IND CO	927,045	926,467
	31	44784		FAIRFIELD INS CO	-578	
53	84	32620	American Financial Grp	NATIONAL INTERSTATE INS CO	474,197	924,666
	84	22136		GREAT AMER INS CO OF NY	242,715	
	84	26832		GREAT AMER ALLIANCE INS CO	172,623	
	84	16691		GREAT AMER INS CO	22,490	
	84	26344		GREAT AMER ASSUR CO	12,641	
54	306	10847	CUNA MUT GRP	CUMIS INS SOCIETY INC	750,723	750,723
55	0	18767	Church Mut Ins Co	CHURCH MUT INS CO	665,746	665,746
56	572	10166	BCBS OF MI GRP	ACCIDENT FUND INS CO OF AMER	615,963	648,023
	572	29157		UNITED WI INS CO	32,060	
57	74	15105	DELPHI FIN GRP	SAFETY NATL CAS CORP	589,378	642,625
	74	11123		SAFETY FIRST INS CO	53,247	
58	0	15709	Southern States Ins Exch	SOUTHERN STATES INS EXCH	564,610	564,610
59	867	12416	PROTECTIVE INS GRP	PROTECTIVE INS CO	563,244	563,244

2007 Premium Rank	Group Code	NAIC Company Code	<u>Group Name</u>	Company Name	2007 Company Written Premium	2007 Group Written Premium
60	796	24414	QBE INS GRP	GENERAL CAS CO OF WI	289,911	546,919
	796	22861		SOUTHERN PILOT INS CO	119,284	
	796	37257		PRAETORIAN INS CO	100,010	
	796	24449		REGENT INS CO	37,714	
61	1237	10346	American Mining Ins Co Inc	AMCOMP PREFERRED INS CO	478,310	478,310
62	349	13978	FLORISTS MUT	FLORISTS MUT INS CO	449,823	449,824
	349	33278		FLORISTS INS CO	1	
63	124	23396	AMERISURE CO	AMERISURE MUT INS CO	372,008	415,147
	124	19488		AMERISURE INS CO	43,139	
64	303	15032	GUIDEONE INS GRP	GUIDEONE MUT INS CO	377,284	402,943
	303	14559		GUIDEONE SPECIALTY MUT INS CO	25,659	
65	4254	40827	The Warranty Grp	VIRGINIA SURETY CO INC	390,703	390,703
66	228	24112	WESTFIELD Grp	WESTFIELD INS CO	372,947	372,947
67	594	19984	AMERICAN CONTRACTORS INS GRP	ACIG INS CO	338,660	338,660
68	336	13269	ZENITH NATL INS GRP	ZENITH INS CO	285,523	285,523
69	853	15059	PUBLIC SERVICE GRP	PUBLIC SERVICE MUT INS CO	281,116	281,116
70	125	14982	PENN MILLER GRP	PENN MILLERS INS CO	268,792	268,792
71	4257	42552	AIX Group	NOVA CAS CO	242,276	242,276
72	775	13714	PHARMACISTS MUT	PHARMACISTS MUT INS CO	231,728	231,728
73	0	10859	First Nonprofit Ins Co	FIRST NONPROFIT INS CO	212,281	212,281
74	0	11118	Federated Rural Electric Ins Exch	FEDERATED RURAL ELECTRIC INS EXCH	208,868	208,868
75	181	39845	SWISS RE GRP	EMPLOYERS REINS CORP	80,355	158,168
	181	34207		WESTPORT INS CORP	74,867	
	181	29874		NORTH AMER SPECIALTY INS CO	2,946	
76	222	22187	GREATER NY	GREATER NY MUT INS CO	134,944	153,411
	222	22195		INSURANCE CO OF GREATER NY	18,467	
77	812	35599	HIGHMARK INC	HIGHMARK CAS INS CO	151,155	151,155
78	361	19720	MUNICH AMERICAN HOLDING CORP	AMERICAN ALT INS CORP	142,590	142,590
79	3499	11487	Providence Holdings Inc Grp	IMPERIAL CAS & IND CO	142,116	142,116
80	1141	30589	Capital City Ins Co Inc	CAPITAL CITY INS CO INC	121,871	121,871
81	3219	11126	Sompo Japan Ins Grp	SOMPO JAPAN INS CO OF AMER	121,064	121,064
82	62	21415	EMC INS CO	EMPLOYERS MUT CAS CO	100,077	109,242
	62	21407		EMCASCO INS CO	9,165	
83	225	28886	IAT Reins Co Grp	TRANSGUARD INS CO OF AMER INC	74,964	104,467
	225	26433		HARCO NATL INS CO	29,503	

2007 Premium Rank	Group Code	NAIC Company Code	<u>Group Name</u>	Company Name	2007 Company Written Premium	2007 Group Written Premium
84	108	22918	LUMBERMENS MUT CAS GRP	AMERICAN MOTORISTS INS CO	71,700	79,567
	108	22977		LUMBERMENS MUT CAS CO	12,121	
	108	30562		AMERICAN MANUFACTURERS MUT INS CO	-4,254	
85	0	14974	Pennsylvania Lumbermens Mut Ins	PENNSYLVANIA LUMBERMENS MUT INS	54,950	54,950
86	0	10642	CHEROKEE INS CO	CHEROKEE INS CO	53,847	53,847
87	781	37893	UNION LABOR GRP	ULLICO CAS CO	49,471	49,471
88	0	12866	T.H.E. Ins Co	T.H.E. INS CO	43,772	43,772
89	1326	33855	KINGSWAY GRP	LINCOLN GEN INS CO	42,073	42,073
90	1631	32271	Dallas Gen Grp	DALLAS NATL INS CO	39,732	39,732
91	0	28339	GATEWAY INS CO	GATEWAY INS CO	35,421	35,421
92	0	23108	Lumbermens Underwriting Alliance	LUMBERMENS UNDERWRITING ALLIANCE	30,310	30,310
93	0	24899	Alea North America Ins Co	ALEA NORTH AMERICA INS CO	29,003	29,003
94	291	13331	MOTORISTS MUT	AMERICAN HARDWARE MUT INS CO	25,160	25,160
95	0	27073	NIPPONKOA INS CO LTD US BR	NIPPONKOA INS CO LTD US BR	22,451	22,451
96	1332	11030	MAINE EMPLOYERS MUT INS CO	MEMIC IND CO	19,438	19,438
97	0	26611	Valiant Ins Co	VALIANT INS CO	19,073	19,073
98	0	31232	Work First Cas Co	WORK FIRST CAS CO	8,090	8,090
99	4463	45934	Rockhill Holding Grp	AMERICAN COMPENSATION INS CO	7,698	7,698
100	0	12297	Petroleum Cas Co	PETROLEUM CAS CO	4,395	4,395
101	24	19895	ATLANTIC CO	ATLANTIC MUT INS CO	3,040	3,040
102	0	18538	Bancinsure Inc	BANCINSURE INC	2,694	2,694
103	553	24678	Arrowpoint Capital Grp	ARROWOOD IND CO	696	696
104	984	29599	HCC INS HOLDINGS GRP	US SPECIALTY INS CO	62	62
105	0	23663	National American Ins Co	NATIONAL AMER INS CO	-281	-281
106	0	35246	LAURIER IND CO	LAURIER IND CO	-1,068	-1,068
107	517	20532	HANNOVER GRP	CLARENDON NATL INS CO	-8,392	-8,392

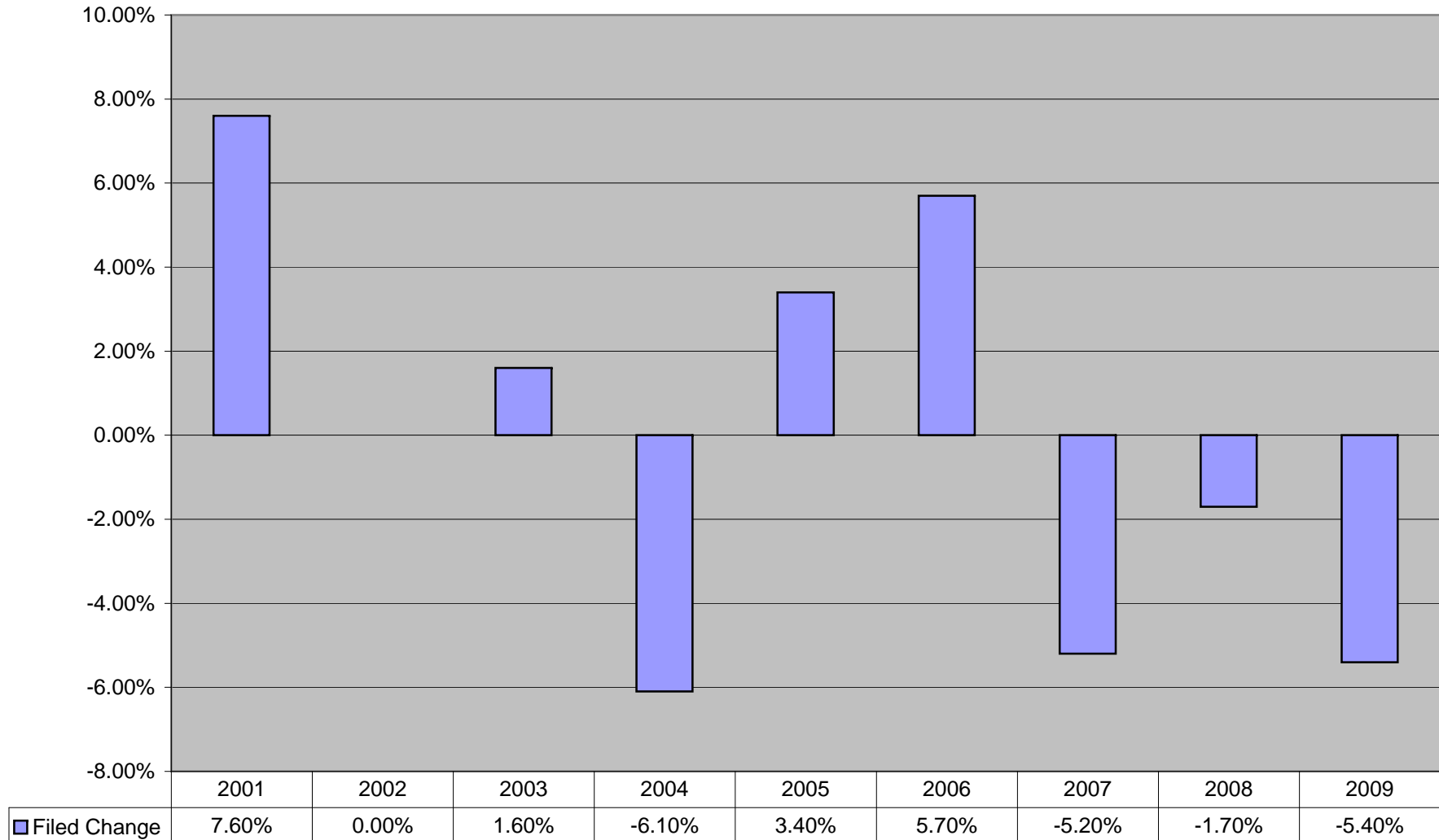
**NEW CARRIER ENTRANTS
2007**

Group <u>Code</u>	<u>Company Name</u>	<u>Group Name</u>	2007 <u>DWP</u>
4381	DELOS INS CO	LIGHTYEAR DELOS GRP	2,624,223
1237	AMCOMP PREFERRED INS CO	AMCOMP GRP	478,310
4257	NOVA CAS CO	AIX GROUP	242,276
175	MERIDIAN SECURITY INS CO	STATE AUTO INSURANCE GROUP	142,651
213	ERIE INS CO OF NY	ERIE INSURANCE GROUP	126,113
0	CHEROKEE INS CO	CHEROKEE INS CO	53,847
0	GATEWAY INS CO	GATEWAY INS CO	35,421
2538	WESCO INS CO	AMTRUST GROUP	26,548
0	WORK FIRST CAS CO	WORK FIRST CAS CO	8,090
4463	AMERICAN COMPENSATION INS CO	ROCKHILL HOLDING GROUP	7,698

**CARRIER RE-ENTRANTS
2007**

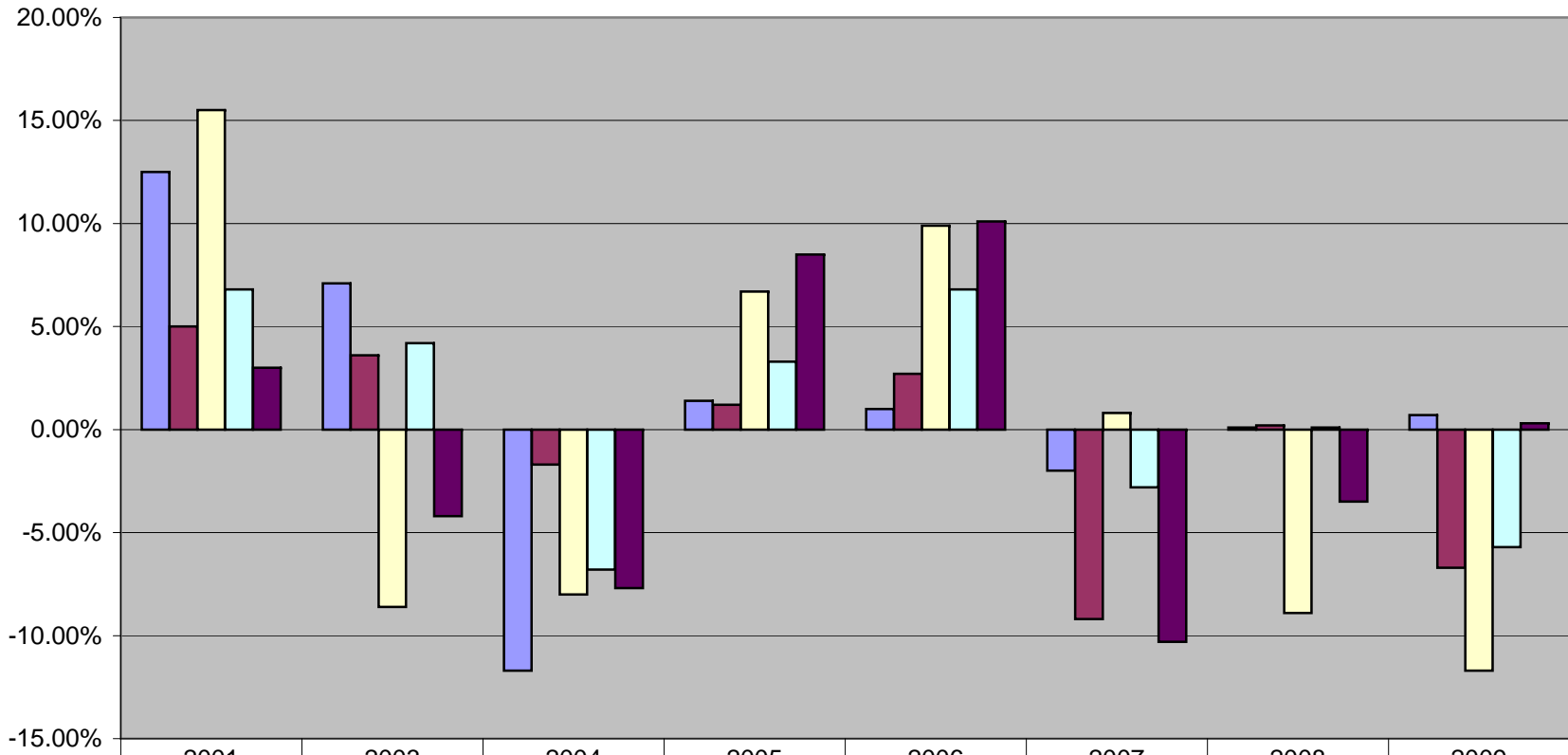
Group <u>Code</u>	<u>Company Name</u>	<u>Group Name</u>	2007 <u>DWP</u>
150	BITUMINOUS FIRE & MARINE INS CO	OLD REPUBLIC GROUP	151,584
12	GRANITE STATE INS CO	AIG GROUP	68,735
626	INSURANCE CO OF N AMER	ACE USA GROUP	505
3548	ST PAUL PROTECTIVE INS CO	ST PAUL / TRAVELERS	181
1129	ONEBEACON INS CO	WHITE MOUNTAIN GROUP	26
349	FLORISTS INS CO	FLORIST MUTUAL GROUP	1

**Comparison of Changes in NCCI's Pure Premium Filings with the MIA
For the Years 2001 to 2009**



1. No Pure Premium Filing was submitted for 2002
2. NCCI filed a Law Only revision effective 1/1/2002 with an impact of 1.3%

History of Changes by Industry Type For the Years 2001 to 2009



	2001	2003	2004	2005	2006	2007	2008	2009
■ Manufacturing	12.50%	7.10%	-11.70%	1.40%	1.00%	-2.00%	0.10%	0.70%
■ Contracting	5.00%	3.60%	-1.70%	1.20%	2.70%	-9.20%	0.20%	-6.70%
■ Office/Clerical	15.50%	-8.60%	-8.00%	6.70%	9.90%	0.80%	-8.90%	-11.70%
■ Goods/Services	6.80%	4.20%	-6.80%	3.30%	6.80%	-2.80%	0.10%	-5.70%
■ Miscellaneous	3.00%	-4.20%	-7.70%	8.50%	10.10%	-10.30%	-3.50%	0.30%

NCCI did not submit a loss cost filings for 2002