

**Maryland Insurance
Administration's
2003
Report on Workers'
Compensation**

Maryland Insurance



Administration

December 2003

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X Exhibits	
Exhibit 1	Displays the major insurance groups by market share for 1997, 1998, 1999, 2000, 2001, and 2002.
Exhibit 2	Displays the direct premiums written and market share of all insurers reporting any written premium for workers compensation insurance.
Exhibit 3	Displays a comparison of changes in NCCI's pure premium filings with the MIA for years 1995 through 2004.
Exhibit 4	Displays a chronological history of changes by industry group for 1995 through 2004.

Preface

The Maryland General Assembly created the Maryland Insurance Administration (“MIA”) as an independent state agency in 1993. Among other things, the MIA is charged with:

- * Ensuring the solvency of every Maryland entity that engages in the business of insurance;
- * Encouraging competition in the industry;
- * Protecting customers from fraud, misrepresentation, and unfair trade practices;
- * Ensuring that the customer is treated fairly and with respect; and
- * Combating insurance fraud.

Pursuant to Chapter 590, Acts 1987; Chapter 119, Acts 1993 and Chapter 352, Acts 1995 the Insurance Commissioner is called upon to make an annual report to the Joint Workers’ Compensation Oversight Committee. The following report provides an overview of the condition of the workers’ compensation insurance market in Maryland.

Overview

Workers’ compensation insurance differs from most other lines of insurance because the law sets the benefits and most employers are required to have coverage. This type of insurance is based upon a no-fault system which compensates eligible workers by funding replacement wages, providing unlimited medical and rehabilitation costs (in accordance with an approved Fee Guide) and compensates the injured worker for any permanent partial or permanent total disability, if applicable. In addition, it includes provisions for funeral expenses and death benefits for survivors.

Costs are more difficult to project in workers' compensation insurance as opposed to other lines of insurance as there is a "long tail" exposure and because benefits may be awarded in various combinations of disability determinations - temporary or permanent and partial or total. In addition, cases may be reopened and medical and indemnity benefits may be increased.

With the establishment of competitive rating laws for the workers' compensation products offered by private insurance companies, premiums have been driven in large part by competitive market forces. Under this system, the National Council on Compensation Insurance ("NCCI"), a licensed rating and advisory organization, files "pure premium loss cost" rates on behalf of its members (private insurance companies) with the MIA.

A "pure premium loss cost" rate reflects actual loss costs and related loss adjustment expenses. The pure premium considers the cost of medical care, the frequency and severity of injuries, indemnity benefits (which are tied to wages and litigation as it affects claims resolution) and economic cycles.

NCCI applies a rating methodology to the data supplied by its member insurance companies to calculate the proposed loss costs. The MIA reviews the NCCI's prior approval submission and all other supporting data to determine if the filing complies with relevant statutes. After the MIA has determined that the NCCI filing complies with Maryland rating laws, the filing is approved for use in Maryland.

Insurers submit independent rate filings to the MIA using NCCI's pure premium, including loss costs, as a basis for their individual company rates. These filings include the insurer's individual loss cost multipliers that are applied to the NCCI's

pure premium. Loss cost multipliers include provisions for an insurer's profit, and administrative expense. An insurer's actual rate can be calculated by multiplying the NCCI's loss cost times the insurer's loss cost multiplier. Loss cost multipliers are filed with the MIA, and unlike the NCCI filing, are subject to review under Maryland's competitive rating laws.

Exhibit 1 displays the major insurance groups by market share for 1997, 1998, 1999, 2000, 2001 and 2002.

Market Concentration

If one insurer possesses an inordinately large market share, it may possess the power to charge a price higher than might otherwise exist in a competitive market. In Maryland, the Injured Workers' Insurance Fund ("IWIF") is the major insurer with approximately twenty nine percent (29%) of the market share. IWIF is not a member of NCCI. Consequently, their written premiums and claims experience are not reflected in NCCI's loss cost filings. The largest market share for any other single group of insurers is eight percent (8%) (*See Exhibit 1*). The market share of companies is continually being monitored. Currently there are one hundred seven (107) insurance companies with direct written premiums in excess of \$1,000,000 for workers' compensation insurance in the State of Maryland. There are an additional one hundred fifty one (151) insurance companies with direct written premiums of less than \$1,000,000 (*See Exhibit 2*).

NCCI Rate Filings

Between January 1989 and September 2003, NCCI has submitted thirteen (13) pure premium filings to the MIA for approval.

Exhibit 3 displays a comparison of changes in NCCI's pure premium filings with the MIA for years 1995 through 2004.

The NCCI's most recent loss cost filing, submitted August 22, 2003, was approved in October and will become effective January 1, 2004. The overall average change for this filing was a decrease of 6.1 %. However, as is the case with most averages, some classifications will receive a greater percentage decrease, some classifications will receive a smaller percentage and some may even receive a percentage increase (*See Exhibit 4*). Additionally, it is unknown whether individual insurers will modify the loss cost multipliers that are currently being used. Consequently, Maryland consumers may experience premium increases, despite the overall negative filing by NCCI, if their particular workers' compensation insurer increases the loss cost multiplier the insurer applies to NCCI's loss costs.

The Terrorism Risk Insurance Act of 2002

In December 2001, NCCI submitted a filing that would have imposed a four percent "terrorism load" on all workers' compensation premiums in Maryland and countrywide. That filing was subsequently withdrawn by NCCI and no further "terrorism load" filings have been submitted. However, no one knows what the future may bring and it is likely that if another act of terrorism occurs in the United States NCCI may resubmit a terrorism filing.

The Harris Case

As many of you are aware, on June 6, 2003, the Court of Appeals of Maryland, Maryland's highest Court issued its Opinion in the case of Vernell Harris v

Board of Education of Howard County. This case is significant as it changed the definition of “accidental injury” under the Workers Compensation Act, which is §9-101 et seq. of the Labor and Employment Article.

I. Before the Harris decision: In order for an injured worker to have sustained a compensable “accidental injury”, the accident had to be the result of some “unusual activity” – a slip, twist or fall - and not as a result of the worker’s performance of his/her usual duty.

EXAMPLE: If the injured worker’s job required him/her to stock shelves and while stocking shelves one day, the worker herniated a disc in his/her back, that would not have been a compensable claim because the injury did not arise out of some “unusual activity.” In other words, sustaining an injury while performing duties as charged, did constitute a compensable claim.

II. After Harris: In the Harris case, the Court of Appeals noted that the definition of “accidental injury” as contained within the Statute, Labor & Employment Article, §9-101, defined “accidental injury” as “an accidental injury that arises out of and in the course of the employment.” Thus, the Court held that what had to be “*accidental*” would be the injury and **not** the activity or event that caused the injury.

EXAMPLE: Using the same scenario as previously given, if a worker, whose job it is to stock shelves, is stocking shelves one day and herniates a disc, this is now a compensable accidental injury as the herniated disc was accidental; that is it was neither expected nor intended.

This change in the definition of what constitutes a compensable “accidental injury” while a significant change from the past case law in Maryland, serves

to bring Maryland in line with the vast majority of other states as to what constitutes a compensable accidental injury.

However, this appellate decision has resulted in an uproar in the workers' compensation community concerning this case and the impact it will have on the Workers' Compensation arena in Maryland.

- First and foremost, many parties argue that because this is a dramatic change in the definition/interpretation of “accidental injury”, a number of those claims which were previously non-compensable, are now going to be compensable; thereby increasing the numbers of risk for the Employers and their Insurers. As such, premiums for Workers' Compensation insurance will increase.
- There are parties who argue that this new definition of “accidental injury” does nothing more than recognize what juries do anyway when the claims are appealed from the Workers' Compensation Commission to the Circuit Court. Jurors often have a difficult time understanding the distinction between an accident that happened at work being non-compensable and an accident that resulted out of some unusual activity at work being compensable. Thus, insurance loss experience will actually remain the same.
- There are parties who argue that the Harris case will actually result in a decrease in the cost of claims. This is based on the fact that carriers will no longer be challenging claims on the “technical defense” of whether or not the injured worker sustained an “accidental injury” which arose out of an unusual strain or exertion. Since more work-related injuries would be compensable, there would

- be less need for attorney involvement. Less need for attorney involvement would, in turn, mean lower costs.
- On the other hand, other parties argue that because more injuries are now compensable, more attorneys will become involved in claims they would have not have otherwise taken, meaning that more claims will be filed, found compensable and go on to permanency awards; thereby increasing the costs.
 - What the actual long-term impact of the Harris decision will be, remains to be seen; however, it is quite clear that it will have some impact on the insurance industry.
 - NCCI's most recent filing included a 2% increase in rates based on what they believe will be the impact of the Harris decision on the market. Previously, NCCI had suggested the impact of Harris could be as great as 20%.

Injured Workers Insurance Fund

The largest provider of workers' compensation insurance in the State of Maryland is the Injured Workers Insurance Fund ("IWIF"). With approximately twenty nine percent (29%) of the market, IWIF writes more than the next twenty private insurers combined. Their closest insurance group competitor is the Hartford Group of Insurance Companies that writes eight percent of the market. Their closest individual insurance company competitor is the Twin City Insurance Company with four percent of the market. *See Exhibit 2* for a listing of individual insurer companies and their respective market shares.

IWIF does not submit their premium and loss experience data to NCCI. In addition, IWIF is not required to file their rates with the Maryland Insurance

Administration. Therefore, the loss cost filings submitted by NCCI on behalf of the private insurance industry do not reflect IWIF's experience and the MIA has no authority to review the rates charged Maryland consumers by IWIF.

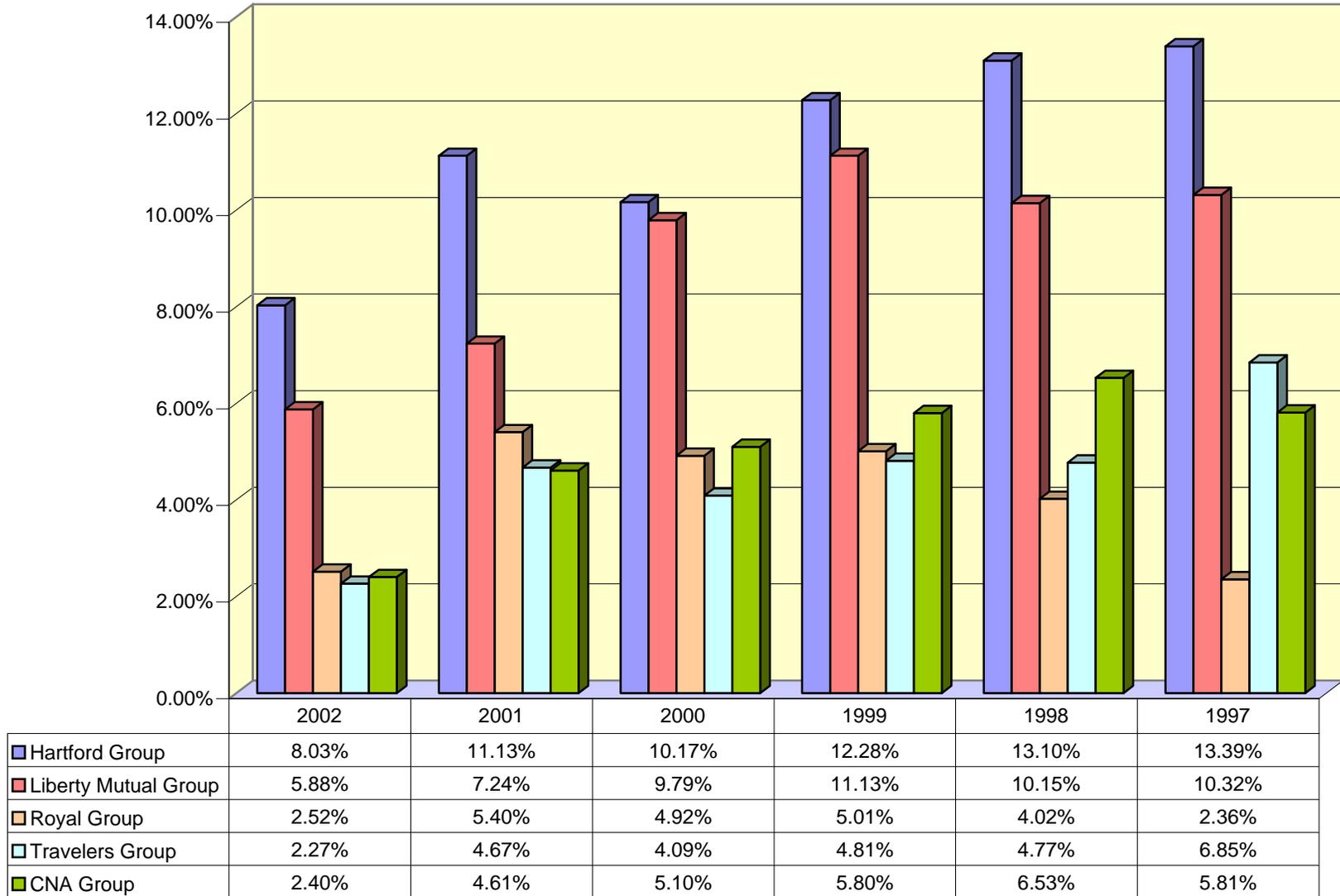
Attorney Fee Change

In the Spring of 2003, the Maryland Workers' Compensation Commission revised the schedule of attorney's fees allowable under the law for representation of injured workers. This revision was the first such change to the Attorney Fee Schedule in over 20 years. Subsequently, NCCI included a prospective adjustment of +3.1% in their most recent loss cost filing in anticipation of an increase in claim related expenses that insurers may encounter in the future. During the review process however, the MIA determined that there was insufficient information and data submitted to support any such proposed increase at this point in time. After discussions, NCCI removed the proposed Attorney Fee Schedule from their filing and recalculated the figures based upon their current data. This resulted in a revised overall decrease of -6.1% for Maryland businesses.

Summary

Although certain types of businesses may periodically experience difficulty in purchasing workers' compensation insurance, overall, Maryland's workers' compensation market is currently healthy and competitive. In 2002, there were over two hundred fifty (250) insurers that reported writing workers' compensation premium in Maryland. The Maryland Insurance Administration will continue to monitor this market in order to identify future issues and trends.

Comparisons of the Major Insurance Groups by Market Share for the Year 1997 Through 2002



The noted marketshare percentages do not include IWIF

Detail - Market Share and Loss Rat

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Selected Criteria - Year: 2002 State: MD Codelist Basis: Business Written
 Include Zero Companies: No Line Numbers: 16

Group Code	Cocode	Company Name	Domicile	Direct Premiums Written	Market Share	Cumulative Market Share
	11039	Injured Workers Ins Fund	MD	202,950	29.2963%	29.2963%
91	29459	Twin City Fire Ins Co Co	IN	27,053	3.9052%	33.2015%
213	26271	Erie Ins Exch	PA	24,668	3.5609%	36.7624%
164	24767	St Paul Fire & Marine Ins Co	MN	12,670	1.8289%	38.5913%
212	16535	Zurich American Ins Co	NY	12,314	1.7776%	40.3689%
111	23035	Liberty Mut Fire Ins Co	MA	12,306	1.7764%	42.1453%
91	30104	Hartford Underwriters Ins Co	CT	10,714	1.5466%	43.6919%
457	35505	Rockwood Cas Ins Co	PA	10,674	1.5408%	45.2327%
767	12262	Pennsylvania Manufacturers Asn Ins C	PA	9,915	1.4313%	46.6639%
12	19410	Commerce & Industry Ins Co	NY	9,570	1.3815%	48.0454%
447	14141	Harford Mut Ins Co	MD	9,343	1.3487%	49.3941%
108	22977	Lumbermens Mut Cas Co	IL	8,433	1.2173%	50.6114%
111	21458	Employers Ins of Wausau	WI	8,117	1.1717%	51.7831%
218	20494	Transportation Ins Co	IL	8,022	1.158%	52.9411%
12	19380	American Home Assur Co	NY	7,965	1.1498%	54.0909%
111	23043	Liberty Mut Ins Co	MA	7,926	1.1441%	55.235%
140	23787	Nationwide Mut Ins Co	OH	7,817	1.1284%	56.3634%
111	24198	Peerless Ins Co	NH	7,212	1.0411%	57.4045%
38	20281	Federal Ins Co	IN	6,583	0.9503%	58.3548%
91	37478	Hartford Ins Co Of The Midwest	IN	6,516	0.9406%	59.2954%
12	19429	Insurance Co Of The State Of PA	PA	6,509	0.9396%	60.2349%
212	19356	Maryland Cas Co	MD	6,496	0.9377%	61.1727%
271	14990	Pennsylvania Ntl Mut Cas Ins Co	PA	6,289	0.9078%	62.0805%
242	26301	Selective Way Ins Co	NJ	6,243	0.9012%	62.9817%
176	25143	State Farm Fire And Cas Co	IL	6,129	0.8847%	63.8664%
828	31470	Norguard Ins Co	PA	6,002	0.8664%	64.7328%
553	24589	American & Foreign Ins Co	DE	5,976	0.8627%	65.5955%
242	12572	Selective Ins Co Of Amer	NJ	5,696	0.8222%	66.4177%
218	20443	Continental Cas Co	IL	5,404	0.7801%	67.1978%
767	36897	Manufacturers Alliance Ins Co	PA	5,159	0.7447%	67.9425%
111	14613	Montgomery Mut Ins Co	MD	5,143	0.7424%	68.6849%
553	26980	Royal Ins Co Of Amer	IL	5,129	0.7404%	69.4253%
12	19445	National Union Fire Ins Co Of Pitts	PA	5,075	0.7326%	70.1579%
213	26830	Erie Ins Prop & Cas Co	PA	4,981	0.719%	70.8769%
253	14168	Harleysville Mut Ins Co	PA	4,746	0.6851%	71.562%
242	19259	Selective Ins Co Of SC	SC	4,595	0.6633%	72.2253%
626	22748	Pacific Employers Ins Co	PA	4,421	0.6382%	72.8635%
91	29424	Hartford Cas Ins Co	IN	4,294	0.6198%	73.4833%
91	19682	Hartford Fire In Co	CT	4,225	0.6099%	74.0932%
3321	25682	Travelers Ind Co Of CT	CT	3,996	0.5768%	74.67%

553	24678	Royal Ind Co	DE	3,785	0.5464%	75.2164%
148	24082	Ohio Security Ins Co	OH	3,719	0.5368%	75.7533%
148	24074	Ohio Cas Ins Co	OH	3,701	0.5342%	76.2875%
3321	25623	Phoenix Ins Co	CT	3,695	0.5334%	76.8209%
212	41181	Universal Underwriters Ins Co	KS	3,523	0.5086%	77.3295%
108	30562	American Manufacturers Mut Ins Co	IL	3,372	0.4868%	77.8162%
212	19305	Assurance Co Of Amer	NY	3,330	0.4807%	78.2969%
	13501	Brethren Mut Ins Co	MD	3,239	0.4676%	78.7645%
218	20508	Valley Forge Ins Co	PA	3,232	0.4665%	79.231%
680	31895	American Interstate Ins Co	LA	3,031	0.4375%	79.6685%
108	18910	American Protection Ins Co	IL	3,019	0.4358%	80.1043%
212	19372	Northern Ins Co Of NY	NY	2,939	0.4243%	80.5286%
3321	25615	Charter Oak Fire Ins Co	CT	2,688	0.388%	80.9166%
3321	19038	Travelers Cas & Surety Co	CT	2,638	0.3808%	81.2974%
212	40142	American Zurich Ins Co	IL	2,557	0.3691%	81.6665%
553	24902	Security Ins Co Of Hartford	CT	2,536	0.3661%	82.0326%
661	10794	Companion Commercial Ins Co	SC	2,488	0.3591%	82.3917%
164	24791	St Paul Mercury Ins Co	MN	2,465	0.3558%	82.7476%
271	32441	Penn Natl Security Ins Co	PA	2,448	0.3534%	83.1009%
3321	25666	Travelers Ind Co Of Amer	CT	2,366	0.3415%	83.4425%
148	44393	West American Ins Co	IN	2,355	0.3399%	83.7824%
1210	42226	Princeton Ins Co	NJ	2,260	0.3262%	84.1087%
213	35585	Flagship City Ins Co	PA	2,259	0.3261%	84.4348%
148	24066	American Fire & Cas Co	OH	2,137	0.3085%	84.7432%
3321	25658	Travelers Ind Co	CT	2,117	0.3056%	85.0488%
213	26263	Erie Ins Co	PA	2,110	0.3046%	85.3534%
218	20486	Transcontinental Ins Co	NY	2,041	0.2946%	85.648%
108	22918	American Motorists Ins Co	IL	2,009	0.29%	85.9381%
3321	25674	Travelers Ind Co Of IL	IL	1,964	0.2835%	86.2216%
158	21113	United States Fire Ins Co	NY	1,864	0.2691%	86.4906%
3321	22217	Gulf Ins Co	CT	1,848	0.2668%	86.7574%
218	20427	American Cas Co Of Reading PA	PA	1,807	0.2608%	87.0182%
	21172	Vanliner Ins Co	AZ	1,755	0.2533%	87.2716%
140	23779	Nationwide Mut Fire Ins Co	OH	1,737	0.2507%	87.5223%
828	42390	Amguard Ins Co	PA	1,736	0.2506%	87.7729%
244	28665	Cincinnati Cas Co	OH	1,685	0.2432%	88.0162%
212	26611	Valiant Ins Co	IA	1,654	0.2388%	88.2549%
201	25976	Utica Mut Ins Co	NY	1,643	0.2372%	88.4921%
175	25127	State Auto Prop & Cas Ins Co	SC	1,629	0.2352%	88.7272%
640	14664	Mutual Benefit Ins Co	PA	1,599	0.2308%	88.958%
553	24694	Safeguard Ins Co	CT	1,590	0.2295%	89.1876%
661	12157	Companion Prop & Cas Ins Co	SC	1,549	0.2236%	89.4112%
175	25135	State Automobile Mut Ins Co	OH	1,466	0.2116%	89.6228%
244	10677	Cincinnati Ins Co	OH	1,459	0.2106%	89.8334%
201	25984	Graphic Arts Mut Ins Co	NY	1,438	0.2076%	90.041%
111	26042	Wausau Underwriters Ins Co	WI	1,436	0.2073%	90.2483%
250	22586	Atlantic States Ins Co	PA	1,421	0.2051%	90.4534%
38	20397	Vigilant Ins Co	NY	1,397	0.2017%	90.6551%
626	22667	Ace American Ins Co	PA	1,385	0.1999%	90.855%

250	13692	Donegal Mut Ins Co	PA	1,359	0.1962%	91.0512%
761	21857	American Ins Co	NE	1,351	0.195%	91.2462%
	33812	Reciprocal of America	VA	1,338	0.1931%	91.4393%
24	19895	Atlantic Mut Ins Co	NY	1,327	0.1916%	91.6309%
111	42404	Liberty Ins Corp	IL	1,280	0.1848%	91.8157%
7	13935	Federated Mut Ins Co	MN	1,250	0.1804%	91.9961%
98	21784	Firemens Ins Co Of Washington DC	DE	1,232	0.1778%	92.1739%
244	23280	The Cincinnati Indemnity Co	OH	1,171	0.169%	92.343%
164	24775	St Paul Guardian Ins Co	MN	1,170	0.1689%	92.5119%
111	33588	First Liberty Ins Corp	IA	1,167	0.1685%	92.6803%
212	26247	American Guarantee & Liability Ins	NY	1,154	0.1666%	92.8469%
57	21261	Electric Ins Co	MA	1,143	0.165%	93.0119%
311	14788	Natl Grange Mut Ins Co	NH	1,085	0.1566%	93.1685%
158	25518	TIG Premier Ins Co	CA	1,078	0.1556%	93.3241%
457	36927	Colony Specialty Ins Co	OH	1,075	0.1552%	93.4793%
	13528	Brotherhood Mut Ins Co	IN	1,032	0.149%	93.6283%
218	20478	National Fire Ins Co Of Hartford	CT	1,016	0.1467%	93.7749%
12	19402	Birmingham Fire Ins Co Of PA	PA	1,014	0.1464%	93.9213%
38	20346	Pacific Ind Co	WI	995	0.1436%	94.0649%
163	19704	American States Ins Co	IN	978	0.1412%	94.2061%
400	22861	Southern Pilot Ins Co	NC	976	0.1409%	94.347%
457	19801	Argonaut Ins Co	CA	933	0.1347%	94.4817%
164	25887	US Fidelity & Guaranty Co	MD	925	0.1335%	94.6152%
761	21873	Firemans Fund Ins Co	CA	903	0.1304%	94.7456%
150	20095	Bituminous Cas Corp	IL	902	0.1302%	94.8758%
553	24880	Fire & Cas Ins Co Of CT	CT	873	0.126%	95.0018%
150	24147	Old Republic Ins Co	PA	855	0.1234%	95.1252%
457	19828	Argonaut-Midwest Ins Co	IL	815	0.1176%	95.2429%
761	21865	Associated Ind Corp	CA	799	0.1153%	95.3582%
	15911	American Mining Ins Co Inc	AL	772	0.1114%	95.4696%
767	41424	Pennsylvania Manufacturers Ind Co	PA	761	0.1099%	95.5795%
38	20303	Great Northern Ins Co	MN	758	0.1094%	95.6889%
164	35386	Fidelity & Guaranty Ins Co	IA	733	0.1058%	95.7947%
517	20532	Clarendon Natl Ins Co	NJ	730	0.1054%	95.9001%
163	24732	General Ins Co Of Amer	WA	726	0.1048%	96.0049%
84	22136	Great American Ins Co of NY	NY	661	0.0954%	96.1003%
111	11045	Excelsior Ins Co	NH	648	0.0935%	96.1939%
1129	20613	American Employers Ins Co	MA	647	0.0934%	96.2873%
169	24988	Sentry Ins A Mut Co	WI	641	0.0925%	96.3798%
212	39306	Fidelity & Deposit Co Of MD	MD	629	0.0908%	96.4706%
761	21881	National Surety Corp	IL	628	0.0907%	96.5612%
1129	14958	Peninsula Ins Co	MD	606	0.0875%	96.6487%
349	13978	Florists Mut Ins Co	IL	599	0.0865%	96.7352%
	36234	Preferred Professional Ins Co	NE	591	0.0853%	96.8205%
98	25844	Union Ins Co	NE	583	0.0842%	96.9047%
408	29963	United Farm Family Ins Co	NY	576	0.0831%	96.9878%
626	18279	Bankers Standard Ins Co	PA	575	0.083%	97.0708%
626	43575	Indemnity Ins Co Of North Amer	PA	555	0.0801%	97.1509%
12	40258	American Intl South Ins Co	PA	538	0.0777%	97.2286%

24	19909	Centennial Ins Co	NY	533	0.0769%	97.3055%
400	24414	General Cas Co Of WI	WI	529	0.0764%	97.3819%
1285	37885	XL Specialty Ins Co	DE	521	0.0752%	97.4571%
169	21180	Sentry Select Ins Co	WI	519	0.0749%	97.532%
626	20699	Ace Prop & Cas Ins Co	PA	513	0.0741%	97.6061%
640	17752	Select Risk Ins Co	PA	512	0.0739%	97.68%
781	37893	Ulico Cas Co	DE	510	0.0736%	97.7536%
88	22306	Massachusetts Bay Ins Co	NH	507	0.0732%	97.8268%
228	16853	Old Guard Fire Ins Co	PA	488	0.0704%	97.8972%
317	40827	Virginia Surety Co Inc	IL	470	0.0678%	97.9651%
1120	10120	Everest Natl Ins Co	AZ	467	0.0674%	98.0325%
1129	21970	OneBeacon Ins Co	PA	460	0.0664%	98.0989%
3098	12904	Tokio Marine & Fire Ins Co Ltd Us Br	NY	452	0.0652%	98.1641%
111	33600	LM Ins Corp	IA	448	0.0647%	98.2288%
74	11123	Safety First Ins Co	IL	410	0.0592%	98.288%
1335	14966	Penn Mut Ins Co	PA	409	0.059%	98.347%
553	24872	Connecticut Ind Co	CT	393	0.0567%	98.4038%
74	15105	Safety Natl Cas Corp	MO	381	0.055%	98.4587%
350	34207	Westport Ins Corp	MO	379	0.0547%	98.5135%
158	18864	Fairmont Ins Co	CA	366	0.0528%	98.5663%
349	33278	Florists Ins Co	IL	364	0.0525%	98.6188%
158	25534	TIG Ins Co	CA	356	0.0514%	98.6702%
150	20109	Bituminous Fire & Marine Ins Co	IL	349	0.0504%	98.7206%
	15709	Southern States Ins Exch	VA	345	0.0498%	98.7704%
336	13269	Zenith Ins Co	CA	344	0.0497%	98.8201%
84	16691	Great American Ins Co	OH	332	0.0479%	98.868%
306	10847	Cumis Ins Society Inc	WI	332	0.0479%	98.9159%
	14974	Pennsylvania Lumbermens Mut Ins	PA	323	0.0466%	98.9625%
84	26832	Great American Alliance Ins Co	OH	318	0.0459%	99.0084%
	18767	Church Mut Ins Co	WI	292	0.0422%	99.0506%
253	35696	Harleysville Preferred Ins Co	PA	289	0.0417%	99.0923%
163	24740	Safeco Ins Co Of Amer	WA	276	0.0398%	99.1322%
163	19690	American Economy Ins Co	IN	274	0.0396%	99.1717%
12	23841	New Hampshire Ins Co	PA	271	0.0391%	99.2108%
1129	20621	OneBeacon America Ins Co	MA	250	0.0361%	99.2469%
867	12416	Protective Ins Co	IN	247	0.0357%	99.2826%
140	37877	Nationwide Prop & Cas Ins Co	OH	216	0.0312%	99.3137%
228	17558	Old Guard Ins Co	PA	213	0.0307%	99.3445%
626	22713	Insurance Co Of North Amer	PA	206	0.0297%	99.3742%
303	15032	Guideone Mut Ins Co	IA	193	0.0279%	99.4021%
158	21105	North River Ins Co	NJ	192	0.0277%	99.4298%
88	22292	Hanover Ins Co	NH	190	0.0274%	99.4572%
84	26344	Great American Assur Co	OH	182	0.0263%	99.4835%
140	28223	Nationwide Agribusiness Ins Co	IA	170	0.0245%	99.508%
111	24171	Netherlands Ins Co The	NH	158	0.0228%	99.5309%
	23108	Lumbermens Underwriting Alliance	MO	145	0.0209%	99.5518%
984	29599	US Specialty Ins Co	TX	141	0.0204%	99.5721%
164	25879	Fidelity & Guaranty Ins Underwriters	WI	137	0.0198%	99.5919%
748	18023	Star Ins Co	MI	135	0.0195%	99.6114%

594	19984	ACIG Ins Co	IL	121	0.0175%	99.6289%
125	14982	Penn Millers Ins Co	PA	116	0.0167%	99.6456%
201	12475	Republic-Franklin Ins Co	OH	114	0.0165%	99.6621%
	23663	National American Ins Co	OK	114	0.0165%	99.6785%
124	23396	Amerisure Mut Ins Co	MI	108	0.0156%	99.6941%
	30589	Capital City Ins Co Inc	SC	105	0.0152%	99.7093%
1325	24899	Alea North America Ins Co	NY	97	0.014%	99.7233%
	10702	Madison Ins Co	GA	96	0.0139%	99.7371%
400	24503	Blue Ridge Ins Co	CT	94	0.0136%	99.7507%
38	12777	Chubb Ind Ins Co	NY	91	0.0131%	99.7638%
	11118	Federated Rural Electric Ins Corp	KS	85	0.0123%	99.7761%
553	24600	Globe Ind Co	DE	83	0.012%	99.7881%
222	22195	Insurance Co Of Greater NY	NY	82	0.0118%	99.7999%
253	23582	Harleysville Ins Co	MN	77	0.0111%	99.811%
181	29874	North American Specialty Ins Co	NH	74	0.0107%	99.8217%
12	23809	Granite State Ins Co	PA	74	0.0107%	99.8324%
158	31348	Crum & Forster Ind Co	NY	72	0.0104%	99.8428%
3219	11126	Sompo Japan Ins Co of Amer	NY	68	0.0098%	99.8526%
361	19720	American Alt Ins Corp	DE	64	0.0092%	99.8619%
62	21415	Employers Mut Cas Co	IA	58	0.0084%	99.8702%
31	44784	Fairfield Ins Co	CT	58	0.0084%	99.8786%
2538	42376	Technology Ins Co Inc	NH	58	0.0084%	99.887%
91	22357	Hartford Accid & Ind Co	CT	50	0.0072%	99.8942%
212	27855	Zurich American Ins Co Of IL	IL	49	0.0071%	99.9013%
1346	39969	American Safety Cas Ins Co	DE	48	0.0069%	99.9082%
775	13714	Pharmacists Mut Ins Co	IA	47	0.0068%	99.915%
1116	12661	State Capital Ins Co	NC	46	0.0066%	99.9216%
88	36064	Hanover Amer Ins Co	NH	45	0.0065%	99.9281%
1285	22322	Greenwich Ins Co	DE	43	0.0062%	99.9343%
828	14702	Eastguard Ins Co	PA	41	0.0059%	99.9402%
291	13331	American Hardware Mut Ins Co	OH	39	0.0056%	99.9459%
41	39357	Travelers Ins Co Accident Dept	CT	39	0.0056%	99.9515%
111	26069	Wausau Business Ins Co	WI	38	0.0055%	99.957%
517	37303	Redland Ins Co	NJ	37	0.0053%	99.9623%
212	21709	Truck Ins Exch	CA	37	0.0053%	99.9677%
1326	33855	Lincoln General Ins Co	PA	34	0.0049%	99.9726%
62	21407	Emcasco Ins Co	IA	34	0.0049%	99.9775%
	12297	Petroleum Cas Co	TX	34	0.0049%	99.9824%
240	10499	DaimlerChrysler Ins Co	MI	32	0.0046%	99.987%
1116	23906	Northwestern Natl Cas Co	TX	30	0.0043%	99.9913%
215	16063	Unitrin Auto & Home Ins Co	NY	30	0.0043%	99.9957%
447	40100	Firstline Natl Ins Co	MD	30	0.0043%	100%
1129	38369	Northern Assur Co Of Amer	MA	29	0.0042%	100.0042%
150	11371	Great West Cas Co	NE	29	0.0042%	100.0084%
853	15059	Public Service Mut Ins Co	NY	27	0.0039%	100.0123%
	12866	T.H.E. Ins Co	LA	25	0.0036%	100.0159%
2978	20362	Mitsui Sumitomo Ins Co of Amer	NY	25	0.0036%	100.0195%
1129	40134	Potomac Ins Co Of IL	IL	21	0.003%	100.0225%
1279	11150	Arch Ins Co	MO	20	0.0029%	100.0254%

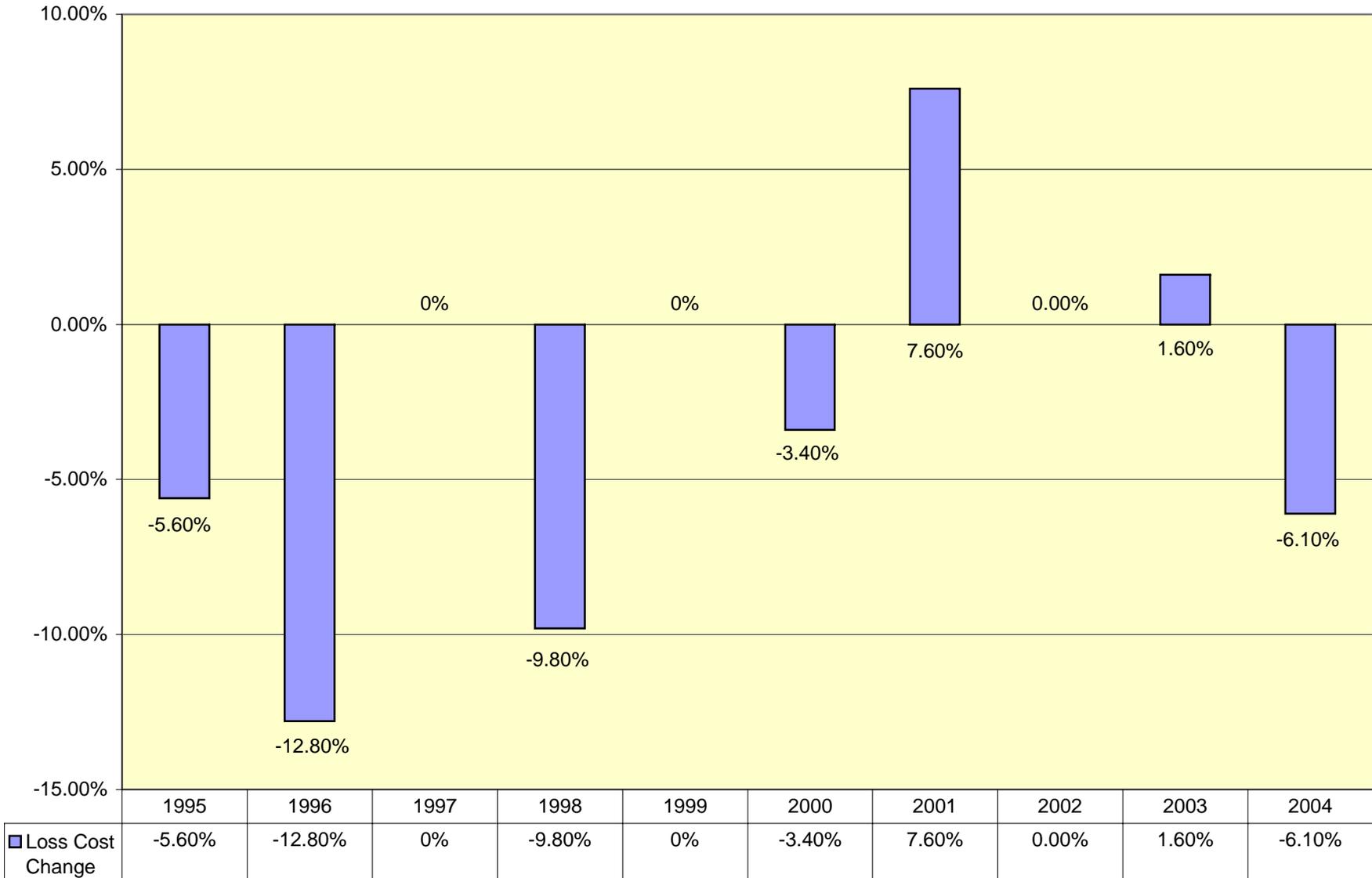
604	32190	Constitution Ins Co	NY	20	0.0029%	100.0283%
212	34347	Colonial American Cas & Surety Co	MD	19	0.0027%	100.031%
222	22187	Greater NY Mut Ins Co	NY	18	0.0026%	100.0336%
225	20010	Acceptance Ind Ins Co	NE	18	0.0026%	100.0362%
303	14559	Guideone Specialty Mut Ins Co	IA	15	0.0022%	100.0384%
98	23612	Midwest Employers Cas Co	DE	15	0.0022%	100.0406%
400	24449	Regent Ins Co	WI	14	0.002%	100.0426%
	26433	Harco Natl Ins Co	IL	13	0.0019%	100.0445%
98	31325	Acadia Ins Co	ME	12	0.0017%	100.0462%
626	10030	Ace Ind Ins Co	PA	11	0.0016%	100.0478%
12	23817	Illinois Natl Ins Co	IL	9	0.0013%	100.0491%
761	37273	Firemans Fund Ins Co Of WI	WI	8	0.0012%	100.0502%
150	24139	International Bus & Merc Reassur Co	IL	8	0.0012%	100.0514%
400	40754	Blue Ridge Ind Co	CT	8	0.0012%	100.0525%
156	24295	Providence Washington Ins Co	RI	6	0.0009%	100.0534%
175	23353	Meridian Security Ins Co	IN	6	0.0009%	100.0543%
553	40541	Grocers Ins Co	OR	4	0.0006%	100.0549%
228	24112	Westfield Ins Co	OH	4	0.0006%	100.0554%
124	19488	Amerisure Ins Co	MI	4	0.0006%	100.056%
12	19399	AIU Ins Co	NY	3	0.0004%	100.0564%
169	23434	Middlesex Ins Co	WI	3	0.0004%	100.0569%
218	35289	Continental Ins Co	NH	3	0.0004%	100.0573%
242	39926	Selective Ins Co Of The Southeast	NC	0	0%	100.0573%
91	39608	Nutmeg Ins Co	CT	0	0%	100.0573%
8	36455	Northbrook Ind Co	IL	0	0%	100.0573%
350	20796	GE Cas Ins Co	PA	0	0%	100.0573%
176	25151	State Farm General Ins Co	IL	0	0%	100.0573%
168	24953	South Carolina Ins Co	SC	0	0%	100.0573%
350	34789	GE Prop & Cas Ins Co	PA	0	0%	100.0573%
946	14435	Lumber Mut Ins Co	MA	0	0%	100.0573%
8	19240	Allstate Ind Co	IL	0	0%	100.0573%
143	23914	Northwestern Ntl Ins Co Milwaukee	WI	0	0%	100.0573%
218	20761	Boston Old Colony Ins Co	MA	0	0%	100.0573%
958	30503	Shelby Cas Ins Comp	IL	0	0%	100.0573%
228	24104	Ohio Farmers Ins Co	OH	0	0%	100.0573%
218	20818	Commercial Ins Co Of Newark NJ	NJ	0	0%	100.0573%
626	20710	Century Ind Co	PA	0	0%	100.0573%
164	36463	Discover Prop & Cas Ins Co	IL	0	0%	100.0573%
212	21687	Mid-Century Ins Co	CA	0	0%	100.0573%
31	20087	National Ind Co	NE	0	0%	100.0573%
226	23329	Merchants Mut Ins Co	NY	0	0%	100.0573%
156	24325	York Ins Co	IL	0	0%	100.0573%
36	20230	Central Mut Ins Co	OH	0	0%	100.0573%
218	35106	Niagara Fire Ins Co	DE	0	0%	100.0573%
212	34649	Centre Ins Co	DE	0	0%	100.0573%
84	35351	American Empire Surplus Lns Ins Co	DE	0	0%	100.0573%
217	20249	Central Natl Ins Co Of Omaha	NE	0	0%	100.0573%
2558	27073	Nipponkoa Ins Co Ltd U.S. Branch	NY	0	0%	100.0573%
226	23337	Merchants Ins Co Of NH Inc	NH	0	0%	100.0573%

218	20435	CNA Cas Of CA	CA	0	0%	100.0573%
761	35300	Allianz Global Risks US Ins Co	CA	0	0%	100.0573%
1129	37915	American Central Ins Co	MO	0	0%	100.0573%
1129	38849	Houston General Ins Co	TX	0	0%	100.0573%
3038	38512	Rampart Ins Co	NY	0	0%	100.0573%
31	38962	Genesis Ins Co	CT	0	0%	100.0573%
3321	19062	Automobile Ins Co Of Hartford CT	CT	0	0%	100.0573%
164	19224	St. Paul Protective Ins Co	IL	0	0%	100.0573%
785	38970	Markel Ins Co	IL	0	0%	100.0573%
84	33014	Transport Ins Co	OH	0	0%	100.0573%
218	35270	Fidelity & Cas Co Of NY	NH	0	0%	100.0573%
3321	41483	Farmington Cas Co	CT	0	0%	100.0573%
3321	36137	Travelers Commercial Ins Co	CT	0	0%	100.0573%
3321	36170	Travelers Cas Co Of CT	CT	0	0%	100.0573%
218	20885	Kansas City Fire & Marine Ins Co	SC	0	0%	100.0573%
31	11967	General Star Natl Ins Co	OH	0	0%	100.0573%
350	21318	Coregis Ins Co	IN	0	0%	100.0573%
3321	19046	Travelers Cas & Surety Co Of IL	IL	0	0%	100.0573%
553	35262	Phoenix Assur Co Of NY	NH	0	0%	100.0573%
3321	31194	Travelers Cas & Surety Co Of Amer	CT	0	0%	100.0573%
31	20052	National Liab & Fire Ins Co	CT	0	0%	100.0573%
	37621	Toyota Motor Ins Co	IA	0	0%	100.0573%
218	20850	Firemens Ins Co Of Newark NJ	NJ	0	0%	100.0573%
53	29157	United WI Ins Co	WI	-1	-0.0001%	100.0572%
8	19232	Allstate Ins Co	IL	-1	-0.0001%	100.057%
3321	22209	Atlantic Ins Co	TX	-1	-0.0001%	100.0569%
158	24384	Ranger Ins Co	DE	-2	-0.0003%	100.0566%
1129	21946	Camden Fire Ins Assoc	NJ	-2	-0.0003%	100.0563%
517	21806	Harbor Specialty Ins Co	NJ	-3	-0.0004%	100.0559%
3321	19070	Standard Fire Ins Co	CT	-14	-0.002%	100.0538%
111	16900	Montgomery Ind Co	MD	-16	-0.0023%	100.0515%
790	21040	Fremont Ind Co	CA	-17	-0.0025%	100.0491%
1129	20648	Employers Fire Ins Co	MA	-18	-0.0026%	100.0465%
163	24724	First Natl Ins Co Of Amer	WA	-21	-0.003%	100.0435%
1129	21962	Pennsylvania General Ins Co	PA	-23	-0.0033%	100.0401%
626	20702	Ace Fire Underwriters Ins Co	PA	-27	-0.0039%	100.0362%
	10859	First Nonprofit Ins Co	IL	-30	-0.0043%	100.0319%
163	39012	Safeco Ins Co Of IL	IL	-43	-0.0062%	100.0257%
1116	22489	Highlands Ins Co	TX	-67	-0.0097%	100.016%
761	21849	American Automobile Ins Co	MO	-111	-0.016%	100%
	325	Companies in Report		692,749	100%	100%

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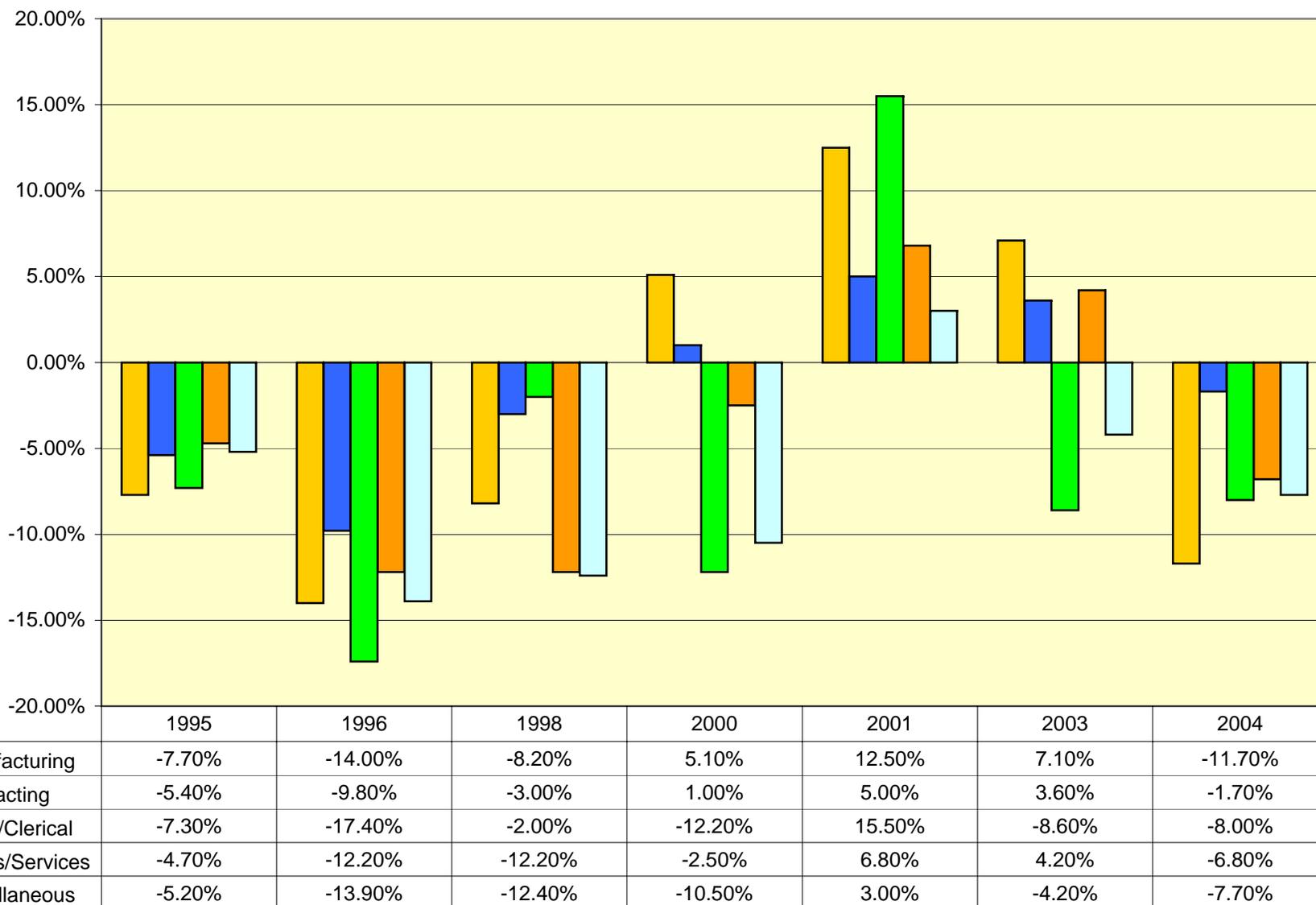
Comparison of Changes in NCCI's Pure Premium Filings with MIA for Years 1995 through 2004



1. No Loss Cost Filings were submitted for the years 1997, 1999, 2002

2. NCCI filed a Law Only Revision Effective 1/01/02 Overall Impact of 1.3%

Chronological History of Changes by Industry Group for the Years 1995 through 2004



NCCI did not submit loss cost filings for the years 1997, 1999, and 2002.