

**Maryland Insurance
Administration's
2005
Report on
Workers' Compensation
Insurance**



December 2005

Table of Contents

Topic	Page
I Preface	3
II Overview	4
III Market Concentration	6
IV NCCI's Rate Filings	6
V Terrorism Risk Insurance Act of 2002	7
VI The <u>Harris</u> Case	8
VII Injured Workers Insurance Fund	8
VIII Summary	9
IX Exhibits	
Exhibit 1	Displays the major insurance groups by market share from 1999 through 2004.
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 2003 and 2004.
Exhibit 5	Displays a comparison of changes in NCCI's pure premium filings with the MIA for years 1996 through 2006.
Exhibit 6	Displays a chronological history of changes by industry type from 1996 through 2006.

Preface

The Maryland General Assembly established 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 this type of 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 workers 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 most 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 also 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 cost including the cost of medical care, the frequency and severity of injuries, indemnity benefits (which are

ties to wages and litigation as it affects claims resolution) and economic cycles. They do not, however contemplate any other costs associated with providing workers' compensation insurance, such as commissions, taxes or expenses associated with providing these benefits (loss adjustment expenses).

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

Thereafter, insurers submit independent rate filings to the MIA adopting NCCI's pure premium as a basis for their individual company rates. These filings include the insurer's individual expense multipliers that are applied to NCCI's pure premium. Expense multipliers include provisions for an insurer's profit, administration expense and loss adjustment expense. An insurer's actual rate can be calculated by multiplying the NCCI's pure premium times the insurer's loss cost multiplier. Expense multipliers are filed with the MIA, and unlike the NCCI filing, are not subject to prior approval, but are reviewed under Maryland competitive rating laws.

Exhibit 1 displays the top seven major insurance groups by market share for 1999, 2000, 2001, 2002, 2003 and the latest data available which is for 2004.¹

¹ Does not include IWIF data, as IWIF is not subject to regulation by the MIA.

Market Concentration

If one insurer possesses an inordinately large market share, it may possess the power to charge a price higher or lower than might otherwise exist in a competitive market. In Maryland, the Injured Workers' Insurance Fund ("IWIF") is the major insurer with approximately thirty-four percent (34%) of the market share (See Exhibit 2). IWIF is not a member of NCCI. Consequently, their written premiums and claims experience is not reflected in NCCI's pure premium loss cost filings. The largest market share for any other single group of insurers is approximately nine percent (9%) (See Exhibit 1). The market share of companies is continually being monitored. Currently there are forty-five (45) insurance groups with direct written premiums in excess of \$1,000,000 and an additional fifty-six(56) with direct written premiums of less than \$1,000,000 for workers' compensation insurance in the State of Maryland (See Exhibit 2). Please refer to Exhibit 3 for a list of carriers and their group affiliation. In addition, the MIA continues to see new carriers entering the Maryland market place and offering workers' compensation insurance to Maryland businesses (See Exhibit 4).

NCCI Rate Filings

Between January 1989 and August 2005, NCCI has submitted fifteen (15) pure premium filings to the MIA for approval.

Exhibit 5 displays a comparison of changes in NCCI's pure premium filings with the MIA from 1996 through 2006. The NCCI's most recent filing was submitted in August 2005, approved on September 28, 2005, and will become effective January 1, 2006. The overall change for this filing is an increase of +5.7%. This +5.7% reflects a change of +5.4% due to experience, a -0.4% to reflect a change in trends, and a +0.7% due to a change in benefits. However, as is the case with most averages, some classifications will receive larger percentage increases, some will receive about the average, and some will receive a percentage decrease (See Exhibit 6). Subsequent to the NCCI filing, individual insurers will make a decision whether to adopt NCCI's pure premium and/or revise their expense multipliers. In addition, the filing also included revisions to NCCI's Excess Loss Factors (ELF's). NCCI files ELF's annually as part of each state's experience filing. For the most part, the update is based on adjusting the loss distributions for overall state severity trends.

The Terrorism Risk Insurance Act of 2002

In December 2002, NCCI submitted a filing that would have imposed a three percent "terrorism load" on all workers' compensation premiums in Maryland and countrywide. The filing was approved. In September, 2004 NCCI submitted Item B-1393-Miscellaneous Values for Domestic Terrorism, Earthquakes and Catastrophic Industrial Accidents with loss cost of .001 for Maryland. This filing was approved in December, 2004.

The Harris Case

As 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.

NCCI's filing, in January, 2004 included a +1.6% based on experience. Previously, NCCI had suggested the impact of Harris could be as great as 20%. However, as the Harris case is still relatively new, there is little experience to document its impact at this point in time. The Workers' Compensation Commission and NCCI continue to monitor the impact of the Harris decision. NCCI's filing, which is effective January, 2006, does not have any increase for Harris.

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 percent (34%) 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 approximately nine (9%) percent of the market. IWIF's closest individual insurance company competitor is the Twin City Insurance Company, which is a member of The Hartford Group, with approximately four (4%) percent of the market. Please see Exhibit 2 for a listing

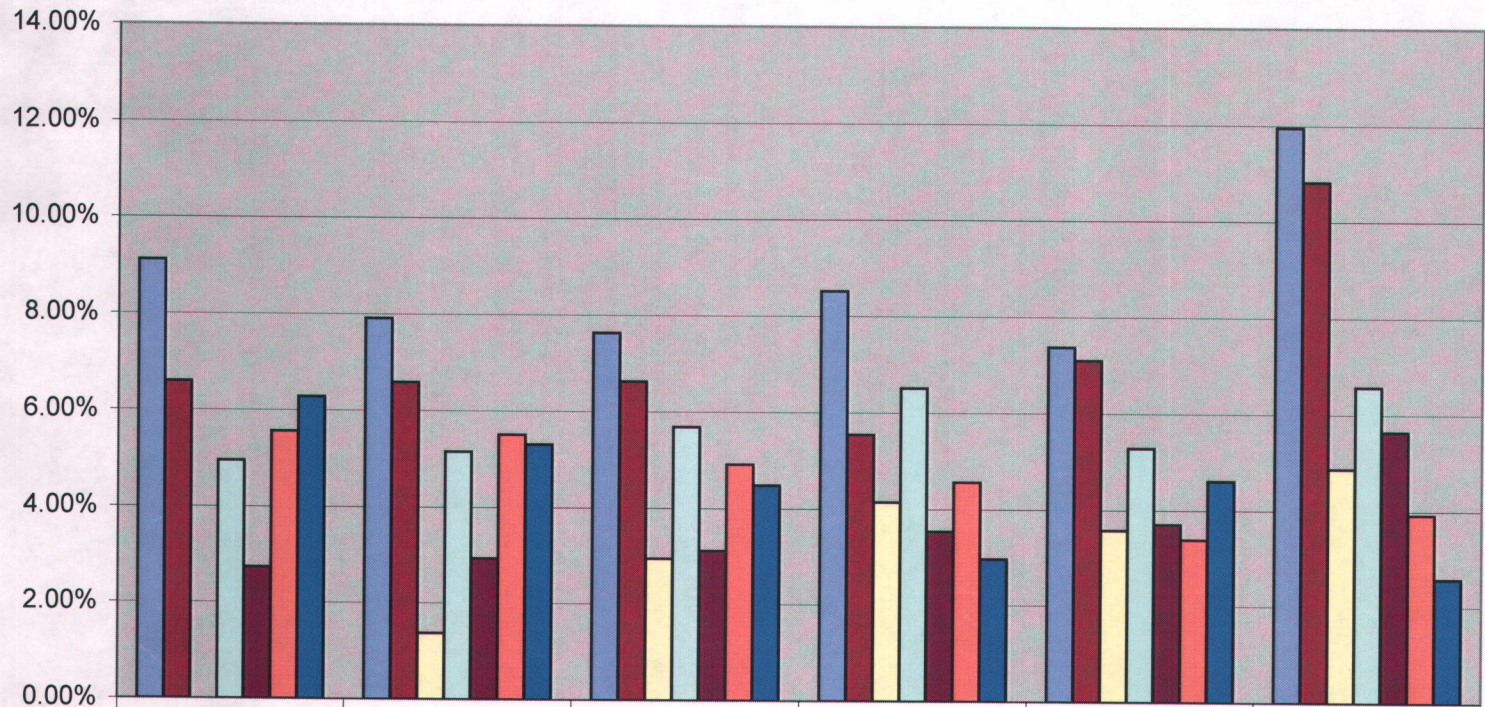
of individual insurer companies and groups and their respective 2004 written premium.

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 pure premium 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 being charged to Maryland businesses by IWIF.

Summary

In 2004, there were one hundred seven (107) insurance groups that reported earned workers' compensation premium in Maryland. 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 enough to fulfill employers' statutory requirements. The Maryland Insurance Administration will continue to monitor this market in order to identify future issues and trends.

**Comparisons of the Major Insurance Group by Market Share
Years 1998 Through 2004**



■ Hartford Group	9.11%	7.91%	7.63%	8.52%	7.37%	11.95%
■ Liberty Mutual Group	6.59%	6.58%	6.62%	5.54%	7.10%	10.82%
■ Royal Group	0.00%	1.37%	2.94%	4.14%	3.57%	4.87%
■ St. Paul Travelers Group	4.95%	5.15%	5.69%	6.51%	5.28%	6.57%
■ CNA Group	2.73%	2.93%	3.11%	3.53%	3.70%	5.64%
■ Erie Insurance Group	5.56%	5.51%	4.91%	4.56%	3.38%	3.92%
■ American International Group	6.28%	5.31%	4.48%	2.96%	4.61%	2.58%

St. Paul and Travelers merger the end of 2003

Exhibit 1

2004 Premium			2004 Group	2004 Market	Cumulative
Rank	Group Code	Group Name	Written Premium	Share	market Share
1	0	Injured Workers Ins Fund	299,899,807	34.20%	34.2%
2	91	HARTFORD FIRE & CAS GRP	79,840,397	9.11%	43.3%
3	111	LIBERTY MUT GRP	57,819,801	6.59%	49.9%
4	12	AMERICAN INTRNL GRP	55,043,384	6.28%	56.2%
5	213	ERIE INS GRP	48,766,144	5.56%	61.7%
6	3548	St Paul Travelers Grp	43,427,352	4.95%	66.7%
7	212	ZURICH INS GRP	40,434,836	4.61%	71.3%
8	218	CNA INS GRP	23,908,492	2.73%	74.0%
9	242	SELECTIVE INS	23,321,443	2.66%	76.7%
10	626	ACE LTD	13,919,487	1.59%	78.3%
11	457	ARGONAUT GRP	13,321,436	1.52%	79.8%
12	140	NATIONWIDE CORP	12,562,764	1.43%	81.2%
13	767	PENN MFR ASN INS	11,861,626	1.35%	82.6%
14	148	OHIO CAS GRP	11,743,810	1.34%	83.9%
15	38	CHUBB & SON INC	10,927,635	1.25%	85.2%
16	447	HARFORD GRP INC	10,570,916	1.2%	86.4%
17	271	PENNSYLVANIA NATL INS GRP	10,407,397	1.2%	87.6%
18	176	STATE FARM IL	9,493,281	1.1%	88.6%
19	661	COMPANION L I C	8,640,969	1.0%	89.6%
20	828	GUARD INS CO	7,840,513	0.9%	90.5%
21	244	CINCINNATI FNCL CP	7,741,841	0.9%	91.4%
22	98	WR Berkley Corp	5,367,379	0.6%	92.0%
23	761	ALLIANZ INS GRP	4,623,050	0.5%	92.5%
24	250	DONEGAL GRP	4,441,433	0.5%	93.1%
25	201	UTICA NATL INS GRP	4,112,158	0.5%	93.5%
26	680	AMERISAFE GRP	3,991,385	0.5%	94.0%
27	0	Brethren Mut Ins Co	3,935,703	0.4%	94.4%
28	253	HARLEYSVILLE GRP	3,913,536	0.4%	94.9%
29	175	STATE AUTO MUT GRP	3,659,824	0.4%	95.3%
30	150	OLD REPUBLIC GRP	3,380,698	0.4%	95.7%
31	158	FAIRFAX FINANCIAL	2,909,604	0.3%	96.0%
32	640	MUTUAL BENEFIT GRP	2,385,261	0.3%	96.3%
33	0	Vanliner Ins Co	2,217,433	0.3%	96.5%
34	400	CREDIT SUISSE GRP	2,107,353	0.2%	96.8%
35	2538	Amtrust Grp	1,885,765	0.2%	97.0%
36	169	SENTRY INS GRP	1,806,681	0.2%	97.2%
37	748	Meadowbrook Ins Grp	1,621,789	0.2%	97.4%

EXHIBIT 2

2004 Premium			2004 Group	2004 Market	Cumulative
Rank	Group Code	Group Name	Written Premium	Share	market Share
38	311	NATL GRANGE MUT INS GRP	1,581,146	0.2%	97.6%
39	57	ELECTRIC INS GRP	1,397,231	0.2%	97.7%
40	0	Brotherhood Mut Ins Co	1,391,603	0.2%	97.9%
41	1279	Arch Ins Grp	1,330,000	0.2%	98.0%
42	349	FLORISTS MUT	1,302,613	0.1%	98.2%
43	7	FEDERATED MUT	1,222,585	0.1%	98.3%
44	163	SAFECO INS GRP	1,214,891	0.1%	98.5%
45	408	AMERICAN NATL FNCL GRP	1,061,009	0.1%	98.6%
46	2978	Mitsui Sumitomo Ins Grp	982,994	0.1%	98.7%
47	317	AON CORP	870,175	0.1%	98.8%
48	336	ZENITH NATL INS GRP	783,528	0.1%	98.9%
49	0	Preferred Professional Ins Co	777,809	0.1%	99.0%
50	0	American Mining Ins Co Inc	729,139	0.1%	99.0%
51	1325	RHINE RE GRP	565,254	0.1%	99.1%
52	74	DELPHI FIN GRP	564,698	0.1%	99.2%
53	0	Transguard Ins Co Of Amer Inc	542,781	0.1%	99.2%
54	306	CUNA MUT GRP	525,209	0.1%	99.3%
55	3098	Millea Holdings Inc	524,091	0.1%	99.4%
56	0	Church Mut Ins Co	450,482	0.1%	99.4%
57	1129	WHITE MOUNTAINS GRP	443,735	0.1%	99.5%
58	88	ALLMERICA FINANCIAL CORP	443,147	0.1%	99.5%
59	1285	X L AMER	442,650	0.1%	99.6%
60	350	GE GLOBAL GRP	439,310	0.1%	99.6%
61	0	Pennsylvania Lumbermens Mut Ins	402,307	0.0%	99.7%
62	0	Southern States Ins Exch	399,860	0.0%	99.7%
63	24	ATLANTIC CO	360,966	0.0%	99.7%
64	867	PROTECTIVE INS GRP	354,955	0.0%	99.8%
65	84	American Financial Grp	335,497	0.0%	99.8%
66	125	PENN MILLER GRP	228,336	0.0%	99.8%
67	303	GUIDEONE INS GRP	225,534	0.0%	99.9%
68	853	PUBLIC SERVICE GRP	213,815	0.0%	99.9%
69	222	GREATER NY	188,322	0.0%	99.9%
70	108	LUMBERMENS MUT CAS GRP	144,606	0.0%	99.9%
71	517	HANNOVER GRP	138,097	0.0%	100.0%
72	0	Capital City Ins Co Inc	123,288	0.0%	100.0%
73	0	Federated Rural Electric Ins Exch	120,497	0.0%	100.0%
74	775	PHARMACISTS MUT	108,612	0.0%	100.0%

EXHIBIT 2

2004 Premium			2004 Group Written Premium	2004 Market Share	Cumulative market Share
Rank	Group Code	Group Name			
75	228	WESTFIELD Grp	98,617	0.0%	100.0%
76	62	EMC INS CO	90,430	0.0%	100.0%
77	3499	Providence Holdings Inc Grp	88,774	0.0%	100.0%
78	3219	Sompo Japan Ins Grp	62,295	0.0%	100.0%
79	1346	AMERICAN SAFETY HOLDING GRP	60,967	0.0%	100.0%
80	0	National American Ins Co	59,315	0.0%	100.0%
81	31	BERKSHIRE HATHAWAY	58,390	0.0%	100.1%
82	291	MOTORISTS MUT	57,606	0.0%	100.1%
83	0	First Nonprofit Ins Co	43,057	0.0%	100.1%
84	0	T.H.E. Ins Co	42,521	0.0%	100.1%
85	984	HCC INS HOLDINGS GRP	39,217	0.0%	100.1%
86	240	DAIMLER CHRYSLER GRP	28,473	0.0%	100.1%
87	594	AMERICAN CONTRACTORS INS GRP	27,514	0.0%	100.1%
88	1210	MLMIC Grp	26,710	0.0%	100.1%
89	1326	KINGSWAY GRP	22,615	0.0%	100.1%
90	0	Lumbermens Underwriting Alliance	19,263	0.0%	100.1%
91	812	HIGHMARK INC	16,430	0.0%	100.1%
92	2558	Nipponkoa Ins Co Ltd	15,781	0.0%	100.1%
93	0	Harco Natl Ins Co	9,549	0.0%	100.1%
94	124	AMERISURE CO	6,736	0.0%	100.1%
95	0	Petroleum Cas Co	6,359	0.0%	100.1%
96	572	BCBS OF MI GRP	4,783	0.0%	100.1%
97	0	Bancinsure Inc	1,609	0.0%	100.1%
98	181	SWISS RE GRP	1,044	0.0%	100.1%
99	671	Wellpoint Inc Grp	560	0.0%	100.1%
100	225	MCMILLEN GRP	102	0.0%	100.1%
101	961	FRONTIER INS GRP	37	0.0%	100.1%
102	0	Laurier Ind Co	-995	0.0%	100.1%
103	781	UNION LABOR GRP	-2,709	0.0%	100.1%
104	604	GERLING GLOBAL RE GRP	-7,312	0.0%	100.1%
105	41	CITIGROUP	-100,505	0.0%	100.1%
106	553	ROYAL & SUN ALLIANCE USA	-350,060	0.0%	100.0%
107	1120	EVEREST REIN HOL INC	-371,649	0.0%	100.0%

Industry Totals

876,838,679

EXHIBIT 2

2004 Rank	Group Code	Company Name	Group Name	2004 Company Written Premium	2004 Group Written Premium
1	0	Injured Workers Ins Fund	Injured Workers Ins Fund	299,899,807	299,899,807
2	91	Hartford Accid & Ind Co	HARTFORD FIRE & CAS GRP	116,511	79,840,397
2	91	Twin City Fire Ins Co Co	HARTFORD FIRE & CAS GRP	37,457,962	
2	91	Hartford Underwriters Ins Co	HARTFORD FIRE & CAS GRP	18,220,992	
2	91	Hartford Ins Co Of The Midwest	HARTFORD FIRE & CAS GRP	14,732,672	
2	91	Hartford Fire In Co	HARTFORD FIRE & CAS GRP	5,108,636	
2	91	Hartford Cas Ins Co	HARTFORD FIRE & CAS GRP	4,203,624	
3	111	Wausau Business Ins Co	LIBERTY MUT GRP	185,993	57,819,801
3	111	Peerless Ins Co	LIBERTY MUT GRP	10,615,741	
3	111	Liberty Mut Fire Ins Co	LIBERTY MUT GRP	9,465,790	
3	111	Wausau Underwriters Ins Co	LIBERTY MUT GRP	8,218,244	
3	111	Liberty Ins Corp	LIBERTY MUT GRP	8,054,165	
3	111	Liberty Mut Ins Co	LIBERTY MUT GRP	7,100,814	
3	111	Employers Ins of Wausau	LIBERTY MUT GRP	5,549,894	
3	111	Montgomery Mut Ins Co	LIBERTY MUT GRP	4,439,886	
3	111	LM Ins Corp	LIBERTY MUT GRP	1,610,221	
3	111	Excelsior Ins Co	LIBERTY MUT GRP	1,260,381	
3	111	First Liberty Ins Corp	LIBERTY MUT GRP	1,072,491	
3	111	Netherlands Ins Co The	LIBERTY MUT GRP	246,181	
4	12	Illinois Natl Ins Co	AMERICAN INTRNL GRP	-46,495	55,043,384
4	12	Commerce & Industry Ins Co	AMERICAN INTRNL GRP	24,099,473	
4	12	American Home Assur Co	AMERICAN INTRNL GRP	21,726,720	
4	12	Insurance Co Of The State Of PA	AMERICAN INTRNL GRP	3,956,021	
4	12	American Intl South Ins Co	AMERICAN INTRNL GRP	2,330,021	
4	12	National Union Fire Ins Co Of Pitts	AMERICAN INTRNL GRP	1,841,956	
4	12	New Hampshire Ins Co	AMERICAN INTRNL GRP	571,341	
4	12	Lexington Ins Co	AMERICAN INTRNL GRP	296,798	
4	12	AIU Ins Co	AMERICAN INTRNL GRP	199,235	
4	12	Birmingham Fire Ins Co Of PA	AMERICAN INTRNL GRP	43,085	
4	12	Granite State Ins Co	AMERICAN INTRNL GRP	25,229	

EXHIBIT 3

2004 Rank	Group Code	Company Name	Group Name	2004 Company Written Premium	2004 Group Written Premium
5	213	Erie Ins Co	ERIE INS GRP	2,682,983	48,766,144
5	213	Erie Ins Exch	ERIE INS GRP	38,013,665	
5	213	Erie Ins Prop & Cas Co	ERIE INS GRP	5,207,140	
5	213	Flagship City Ins Co	ERIE INS GRP	2,862,356	
6	3548	Standard Fire Ins Co	St Paul Travelers Grp	5,445	43,427,352
6	3548	St Paul Fire & Marine Ins Co	St Paul Travelers Grp	15,029,613	
6	3548	Phoenix Ins Co	St Paul Travelers Grp	4,820,078	
6	3548	Charter Oak Fire Ins Co	St Paul Travelers Grp	4,615,991	
6	3548	Travelers Cas & Surety Co	St Paul Travelers Grp	3,219,005	
6	3548	Travelers Property Cas Co Of Amer	St Paul Travelers Grp	2,859,633	
6	3548	Travelers Ind Co Of Amer	St Paul Travelers Grp	2,486,459	
6	3548	Travelers Ind Co Of CT	St Paul Travelers Grp	2,305,614	
6	3548	St Paul Mercury Ins Co	St Paul Travelers Grp	1,731,273	
6	3548	Gulf Ins Co	St Paul Travelers Grp	1,597,735	
6	3548	Discover Prop & Cas Ins Co	St Paul Travelers Grp	1,096,383	
6	3548	Travelers Ind Co	St Paul Travelers Grp	933,671	
6	3548	Fidelity & Guaranty Ins Co	St Paul Travelers Grp	916,222	
6	3548	US Fidelity & Guaranty Co	St Paul Travelers Grp	748,605	
6	3548	St Paul Protective Ins Co	St Paul Travelers Grp	514,155	
6	3548	St Paul Guardian Ins Co	St Paul Travelers Grp	426,606	
6	3548	Fidelity & Guaranty Ins Underwriters	St Paul Travelers Grp	72,150	
6	3548	Athena Assur Co	St Paul Travelers Grp	48,714	
7	212	Farmers Ins Exch	ZURICH INS GRP	7,293	40,434,836
7	212	Zurich American Ins Co	ZURICH INS GRP	21,995,257	
7	212	Universal Underwriters Ins Co	ZURICH INS GRP	5,972,516	
7	212	Maryland Cas Co	ZURICH INS GRP	4,592,830	
7	212	American Zurich Ins Co	ZURICH INS GRP	2,981,242	
7	212	American Guarantee & Liability Ins	ZURICH INS GRP	1,363,701	
7	212	Northern Ins Co Of NY	ZURICH INS GRP	951,959	
7	212	Assurance Co Of Amer	ZURICH INS GRP	924,835	
7	212	Fidelity & Deposit Co Of MD	ZURICH INS GRP	805,715	
7	212	Truck Ins Exch	ZURICH INS GRP	312,909	
7	212	Colonial American Cas & Surety Co	ZURICH INS GRP	312,767	
7	212	Zurich American Ins Co Of IL	ZURICH INS GRP	200,885	
7	212	Valiant Ins Co	ZURICH INS GRP	12,927	

2004 Rank	Group Code	Company Name	Group Name	2004 Company Written Premium	2004 Group Written Premium
8	218	Continental Ins Co	CNA INS GRP	-2,348	23,908,492
8	218	Transportation Ins Co	CNA INS GRP	6,537,814	
8	218	Valley Forge Ins Co	CNA INS GRP	6,420,840	
8	218	Continental Cas Co	CNA INS GRP	5,687,644	
8	218	Transcontinental Ins Co	CNA INS GRP	1,996,624	
8	218	American Cas Co Of Reading PA	CNA INS GRP	1,971,497	
8	218	National Fire Ins Co Of Hartford	CNA INS GRP	1,296,421	
9	242	Selective Ins Co Of SC	SELECTIVE INS	4,773,192	23,321,443
9	242	Selective Ins Co Of Amer	SELECTIVE INS	13,753,184	
9	242	Selective Way Ins Co	SELECTIVE INS	4,795,067	
10	626	Pacific Employers Ins Co	ACE LTD	-294,944	13,919,487
10	626	Ace American Ins Co	ACE LTD	11,151,174	
10	626	Indemnity Ins Co Of North Amer	ACE LTD	1,905,424	
10	626	Ace Prop & Cas Ins Co	ACE LTD	1,372,588	
10	626	Ace Fire Underwriters Ins Co	ACE LTD	59,246	
10	626	Bankers Standard Ins Co	ACE LTD	39,597	
10	626	Westchester Surplus Lines Ins Co	ACE LTD	-42,999	
10	626	Insurance Co Of North Amer	ACE LTD	-270,599	
11	457	Argonaut-Midwest Ins Co	ARGONAUT GRP	481,870	13,321,436
11	457	Rockwood Cas Ins Co	ARGONAUT GRP	11,214,275	
11	457	Colony Specialty Ins Co	ARGONAUT GRP	1,050,299	
11	457	Argonaut Ins Co	ARGONAUT GRP	574,992	
12	140	Nationwide Prop & Cas Ins Co	NATIONWIDE CORP	160,127	12,562,764
12	140	Nationwide Mut Ins Co	NATIONWIDE CORP	9,239,748	
12	140	Nationwide Mut Fire Ins Co	NATIONWIDE CORP	2,933,695	
12	140	Nationwide Agribusiness Ins Co	NATIONWIDE CORP	229,194	

EXHIBIT 3

2004 Rank	Group Code	Company Name	Group Name	2004 Company Written Premium	2004 Group Written Premium
13	767	Pennsylvania Manufacturers Ind Co	PENN MFR ASN INS	-305,166	11,861,626
13	767	Pennsylvania Manufacturers Asn Ins C	PENN MFR ASN INS	7,471,194	
13	767	Manufacturers Alliance Ins Co	PENN MFR ASN INS	4,695,598	
14	148	American Fire & Cas Co	OHIO CAS GRP	2,334,288	11,743,810
14	148	Ohio Security Ins Co	OHIO CAS GRP	3,367,555	
14	148	Ohio Cas Ins Co	OHIO CAS GRP	3,193,565	
14	148	West American Ins Co	OHIO CAS GRP	2,848,402	
15	38	Great Northern Ins Co	CHUBB & SON INC	-7,475	10,927,635
15	38	Federal Ins Co	CHUBB & SON INC	8,502,173	
15	38	Pacific Ind Co	CHUBB & SON INC	1,439,284	
15	38	Vigilant Ins Co	CHUBB & SON INC	929,515	
15	38	Chubb Ind Ins Co	CHUBB & SON INC	64,138	

EXHIBIT 3

2004 Rank	Group Code	Company Name	Group Name	2004 Company Written Premium	2004 Group Written Premium
16	447	Firstline Natl Ins Co	HARFORD GRP INC	31,909	10,570,916
16	447	Harford Mut Ins Co	HARFORD GRP INC	10,539,007	
17	271	Penn Natl Security Ins Co	PENNSYLVANIA NATL INS GRP	2,420,528	10,407,397
17	271	Pennsylvania Ntl Mut Cas Ins Co	PENNSYLVANIA NATL INS GRP	7,986,869	
18	176	State Farm Fire And Cas Co	STATE FARM IL	9,493,281	9,493,281
19	661	Companion Prop & Cas Ins Co	COMPANION L I C	3,195,378	8,640,969
19	661	Companion Commercial Ins Co	COMPANION L I C	5,445,591	
20	828	Eastguard Ins Co	GUARD INS CO	-3,306	7,840,513
20	828	Norguard Ins Co	GUARD INS CO	6,438,619	
20	828	Amguard Ins Co	GUARD INS CO	1,405,200	
21	244	Cincinnati Ins Co	CINCINNATI FNCL CP	2,034,435	7,741,841
21	244	The Cincinnati Indemnity Co	CINCINNATI FNCL CP	2,907,524	
21	244	Cincinnati Cas Co	CINCINNATI FNCL CP	2,799,882	
22	98	Acadia Ins Co	WR Berkley Corp	802	5,367,379
22	98	Firemens Ins Co Of Washington DC	WR Berkley Corp	4,767,353	
22	98	Union Ins Co	WR Berkley Corp	514,662	
22	98	Midwest Employers Cas Co	WR Berkley Corp	84,562	
23	761	American Automobile Ins Co	ALLIANZ INS GRP	96,859	4,623,050
23	761	American Ins Co	ALLIANZ INS GRP	2,826,562	
23	761	Associated Ind Corp	ALLIANZ INS GRP	763,693	
23	761	National Surety Corp	ALLIANZ INS GRP	475,902	
23	761	Firemans Fund Ins Co	ALLIANZ INS GRP	460,034	
24	250	Peninsula Ins Co	DONEGAL GRP	770,679	4,441,433
24	250	Atlantic States Ins Co	DONEGAL GRP	1,965,619	
24	250	Donegal Mut Ins Co	DONEGAL GRP	1,705,135	
25	201	Republic-Franklin Ins Co	UTICA NATL INS GRP	268,660	4,112,158
25	201	Utica Mut Ins Co	UTICA NATL INS GRP	2,011,989	
25	201	Graphic Arts Mut Ins Co	UTICA NATL INS GRP	1,831,509	
26	680	American Interstate Ins Co	AMERISAFE GRP	3,991,385	3,991,385
27	0	Brethren Mut Ins Co	Brethren Mut Ins Co	3,935,703	3,935,703
28	253	Harleysville Preferred Ins Co	HARLEYSVILLE GRP	204,295	3,913,536
28	253	Harleysville Mut Ins Co	HARLEYSVILLE GRP	3,479,489	
28	253	Harleysville Ins Co	HARLEYSVILLE GRP	229,752	
29	175	State Automobile Mut Ins Co	STATE AUTO MUT GRP	904,233	3,659,824
29	175	State Auto Prop & Cas Ins Co	STATE AUTO MUT GRP	2,755,591	
30	150	Bituminous Fire & Marine Ins Co	OLD REPUBLIC GRP	-31,321	3,380,698

EXHIBIT 3

2004 Rank	Group Code	Company Name	Group Name	2004 Company Written Premium	2004 Group Written Premium
30	150	Old Republic Ins Co	OLD REPUBLIC GRP	1,769,806	
30	150	Bituminous Cas Corp	OLD REPUBLIC GRP	1,501,388	
30	150	Great West Cas Co	OLD REPUBLIC GRP	124,579	
30	150	International Bus & Merc Reassur Co	OLD REPUBLIC GRP	16,246	
31	158	Seneca Ins Co Inc	FAIRFAX FINANCIAL	425	2,909,604
31	158	United States Fire Ins Co	FAIRFAX FINANCIAL	2,739,587	
31	158	Crum & Forster Ind Co	FAIRFAX FINANCIAL	136,215	
31	158	TIG Ins Co	FAIRFAX FINANCIAL	28,184	
31	158	North River Ins Co	FAIRFAX FINANCIAL	5,193	
32	640	Select Risk Ins Co	MUTUAL BENEFIT GRP	289,464	2,385,261
32	640	Mutual Benefit Ins Co	MUTUAL BENEFIT GRP	2,095,797	
33	0	Vanliner Ins Co	Vanliner Ins Co	2,217,433	2,217,433
34	400	Blue Ridge Ins Co	CREDIT SUISSE GRP	-1,772	2,107,353
34	400	Southern Pilot Ins Co	CREDIT SUISSE GRP	1,440,683	
34	400	General Cas Co Of WI	CREDIT SUISSE GRP	665,651	
34	400	Regent Ins Co	CREDIT SUISSE GRP	2,791	
35	2538	Technology Ins Co Inc	Amtrust Grp	1,885,765	1,885,765
36	169	Middlesex Ins Co	SENTRY INS GRP	-65	1,806,681
36	169	Sentry Select Ins Co	SENTRY INS GRP	1,146,386	
36	169	Sentry Ins A Mut Co	SENTRY INS GRP	660,360	
37	748	Star Ins Co	Meadowbrook Ins Grp	1,621,789	1,621,789
38	311	Natl Grange Mut Ins Co	NATL GRANGE MUT INS GRP	1,581,146	1,581,146
39	57	Electric Ins Co	ELECTRIC INS GRP	1,397,231	1,397,231
40	0	Brotherhood Mut Ins Co	Brotherhood Mut Ins Co	1,391,603	1,391,603
41	1279	Arch Ins Co	Arch Ins Grp	1,330,000	1,330,000
42	349	Florists Ins Co	FLORISTS MUT	219,103	1,302,613
42	349	Florists Mut Ins Co	FLORISTS MUT	1,083,510	
43	7	Federated Mut Ins Co	FEDERATED MUT	1,222,585	1,222,585
44	163	General Ins Co Of Amer	SAFECO INS GRP	-321,505	1,214,891
44	163	American States Ins Co	SAFECO INS GRP	873,001	
44	163	American Economy Ins Co	SAFECO INS GRP	365,555	
44	163	First Natl Ins Co Of Amer	SAFECO INS GRP	290,158	
44	163	Safeco Ins Co Of Amer	SAFECO INS GRP	7,682	
45	408	United Farm Family Ins Co	AMERICAN NATL FNCL GRP	1,061,009	1,061,009
46	2978	Mitsui Sumitomo Ins USA Inc	Mitsui Sumitomo Ins Grp	286,015	982,994
47	317	Virginia Surety Co Inc	AON CORP	870,175	870,175
48	336	Zenith Ins Co	ZENITH NATL INS GRP	783,528	783,528

EXHIBIT 3

2004 Rank	Group Code	Company Name	Group Name	2004 Company Written Premium	2004 Group Written Premium
49	0	Preferred Professional Ins Co	Preferred Professional Ins Co	777,809	777,809
50	0	American Mining Ins Co Inc	American Mining Ins Co Inc	729,139	729,139
51	1325	Alea North America Ins Co	RHINE RE GRP	565,254	565,254
52	74	Safety First Ins Co	DELPHI FIN GRP	71,112	564,698
52	74	Safety Natl Cas Corp	DELPHI FIN GRP	493,586	
0		Transguard Ins Co Of Amer Inc	Transguard Ins Co Of Amer Inc	542,781	542,781
0		Church Mut Ins Co	Church Mut Ins Co	450,482	450,482
0		Pennsylvania Lumbermens Mut Ins	Pennsylvania Lumbermens Mut Ins	402,307	402,307
0		Southern States Ins Exch	Southern States Ins Exch	399,860	399,860
0		Capital City Ins Co Inc	Capital City Ins Co Inc	123,288	123,288
0		Federated Rural Electric Ins Exch	Federated Rural Electric Ins Exch	120,497	120,497
0		National American Ins Co	National American Ins Co	59,315	59,315
0		First Nonprofit Ins Co	First Nonprofit Ins Co	43,057	43,057
0		T.H.E. Ins Co	T.H.E. Ins Co	42,521	42,521
0		Lumbermens Underwriting Alliance	Lumbermens Underwriting Alliance	19,263	19,263
0		Harco Natl Ins Co	Harco Natl Ins Co	9,549	9,549
0		Petroleum Cas Co	Petroleum Cas Co	6,359	6,359
0		Bancinsure Inc	Bancinsure Inc	1,609	1,609
0		Laurier Ind Co	Laurier Ind Co	-995	-995
24		Centennial Ins Co	ATLANTIC CO	166,424	360,966
24		Atlantic Mut Ins Co	ATLANTIC CO	194,542	
31		Fairfield Ins Co	BERKSHIRE HATHAWAY	58,390	58,390
41		Travelers Ins Co Accident Dept	CITIGROUP	-100,505	-100,505
62		Emcasco Ins Co	EMC INS CO	16,851	90,430
62		Employers Mut Cas Co	EMC INS CO	73,579	
84		Great American Assur Co	American Financial Grp	656	335,497
84		Great American Ins Co of NY	American Financial Grp	264,027	
84		National Interstate Ins Co	American Financial Grp	53,037	
84		Great American Ins Co	American Financial Grp	15,481	
84		Great American Alliance Ins Co	American Financial Grp	2,296	
88		Hanover Amer Ins Co	ALLMERICA FINANCIAL CORP	2,710	443,147
88		Hanover Ins Co	ALLMERICA FINANCIAL CORP	282,006	
88		Massachusetts Bay Ins Co	ALLMERICA FINANCIAL CORP	158,431	

EXHIBIT 3

2004 Rank	Group Code	Company Name	Group Name	2004 Company Written Premium	2004 Group Written Premium
	108	American Manufacturers Mut Ins Co	LUMBERMENS MUT CAS GRP	-55,559	144,606
	108	American Motorists Ins Co	LUMBERMENS MUT CAS GRP	213,712	
	108	Lumbermens Mut Cas Co	LUMBERMENS MUT CAS GRP	-13,547	
	124	Amerisure Ins Co	AMERISURE CO	-3,220	6,736
	124	Amerisure Mut Ins Co	AMERISURE CO	9,956	
	125	Penn Millers Ins Co	PENN MILLER GRP	228,336	228,336
	181	North American Specialty Ins Co	SWISS RE GRP	1,044	1,044
	222	Insurance Co Of Greater NY	GREATER NY	89,705	188,322
	222	Greater NY Mut Ins Co	GREATER NY	98,617	
	225	Acceptance Ind Ins Co	MCMILLEN GRP	102	102
	228	Old Guard Ins Co	WESTFIELD Grp	4,352	98,617
	228	Westfield Ins Co	WESTFIELD Grp	94,265	
	240	DaimlerChrysler Ins Co	DAIMLER CHRYSLER GRP	28,473	28,473
	291	American Hardware Mut Ins Co	MOTORISTS MUT	57,606	57,606
	303	Guideone Specialty Mut Ins Co	GUIDEONE INS GRP	26,863	225,534
	303	Guideone Mut Ins Co	GUIDEONE INS GRP	198,671	
	306	Cumis Ins Society Inc	CUNA MUT GRP	525,209	525,209
	350	Westport Ins Corp	GE GLOBAL GRP	210,573	439,310
	350	Coregis Ins Co	GE GLOBAL GRP	228,737	
	361	American Alt Ins Corp	MUNICH AMERICAN HOLDING CORP	82,142	
	517	Redland Ins Co	HANNOVER GRP	2,125	138,097
	517	Clarendon Natl Ins Co	HANNOVER GRP	125,185	
	517	Harbor Specialty Ins Co	HANNOVER GRP	10,787	
	553	Royal Ind Co	ROYAL & SUN ALLIANCE USA	-892,409	-350,060
	553	Security Ins Co Of Hartford	ROYAL & SUN ALLIANCE USA	542,349	
	572	Accident Fund Ins Co of Amer	BCBS OF MI GRP	4,783	4,783
	594	ACIG Ins Co	AMERICAN CONTRACTORS INS GRP	27,514	27,514
	604	Constitution Ins Co	GERLING GLOBAL RE GRP	-7,312	-7,312
	671	United WI Ins Co	Wellpoint Inc Grp	560	560
	775	Pharmacists Mut Ins Co	PHARMACISTS MUT	108,612	108,612
	781	Ulico Cas Co	UNION LABOR GRP	-2,709	-2,709
	812	Highmark Cas Ins Co	HIGHMARK INC	16,430	16,430
	853	Public Service Mut Ins Co	PUBLIC SERVICE GRP	213,815	213,815
	867	Protective Ins Co	PROTECTIVE INS GRP	354,955	354,955
	961	Frontier Ins Co	FRONTIER INS GRP	37	37
	984	US Specialty Ins Co	HCC INS HOLDINGS GRP	39,217	39,217
	1120	Everest Natl Ins Co	EVEREST REIN HOL INC	-371,649	-371,649

EXHIBIT 3

2004 Rank	Group Code	Company Name	Group Name	2004 Company Written Premium	2004 Group Written Premium
	1129	American Employers Ins Co	WHITE MOUNTAINS GRP	3,315	443,735
	1129	Allantlc Specialty Ins Co	WHITE MOUNTAINS GRP	321,094	
	1129	OneBeacon Ins Co	WHITE MOUNTAINS GRP	77,791	
	1129	OneBeacon America Ins Co	WHITE MOUNTAINS GRP	23,637	
	1129	Pennsylvania General Ins Co	WHITE MOUNTAINS GRP	6,248	
	1129	Northern Assur Co Of Amer	WHITE MOUNTAINS GRP	5,895	
	1129	Employers Fire Ins Co	WHITE MOUNTAINS GRP	5,755	
	1210	Princeton Ins Co	MLMIC Grp	26,710	26,710
	1285	Greenwich Ins Co	X L AMER	6,451	442,650
	1285	XL Specialty Ins Co	X L AMER	436,199	
	1326	Lincoln General Ins Co	KINGSWAY GRP	22,615	22,615
	1346	American Safety Cas Ins Co	AMERICAN SAFETY HOLDING GRP	60,967	60,967
	2558	Nipponkoa Ins Co Ltd U.S. Branch	Nipponkoa Ins Co Ltd	15,781	15,781
	2978	Mitsui Sumitomo Ins Co of Amer	Mitsui Sumitomo Ins Grp	696,979	
	3098	Tokio Marine & Nichido Fire Ins Co	Millea Holdings Inc	524,091	524,091
	3219	Sompo Japan Ins Co of Amer	Sompo Japan Ins Grp	62,295	62,295
	3499	Imperial Cas & Ind Co	Providence Holdings Inc Grp	88,774	88,774

New Carrier Entrants/Re-Entrants

2004

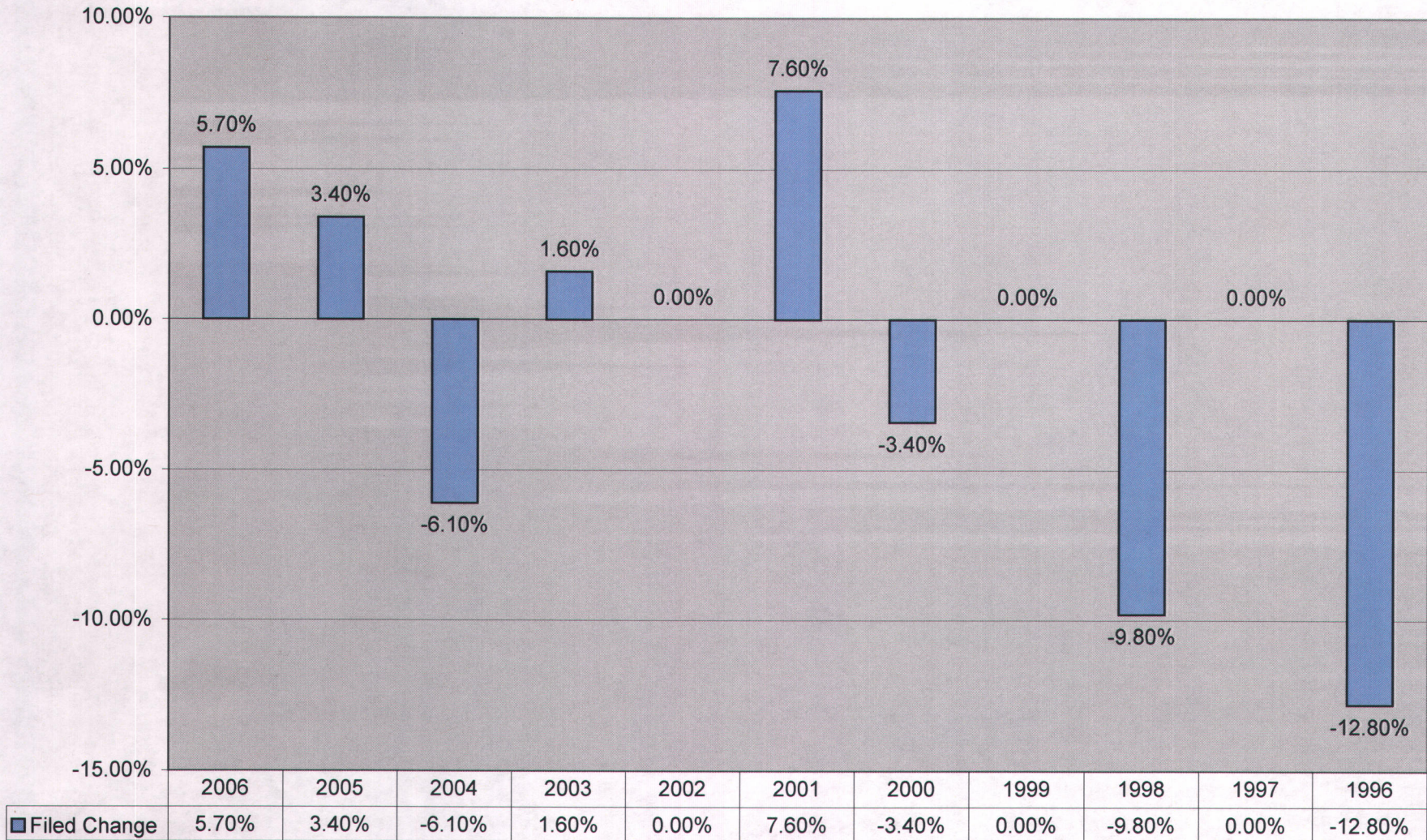
Group Code	Company Name	Group Name	2004 DWP
0	Transguard Ins Co Of Amer Inc	Transguard Ins Co Of Amer Inc	542,781
1129	Atlantic Specialty Ins Co	WHITE MOUNTAINS GRP	321,094
3499	Imperial Cas & Ind Co	Providence Holdings Inc Grp	88,774
517	Harbor Specialty Ins Co	HANNOVER GRP	10,787
572	Accident Fund Ins Co of Amer	BCBS OF MI GRP	4,783
671	United WI Ins Co	Wellpoint Inc Grp	560

2003

Group Code	Company Name	Group Name	2003 DWP
2978	Mitsui Sumitomo Ins USA Inc	Mitsui Sumitomo Ins Grp	329,992
350	Coregis Ins Co	GE GLOBAL GRP	193,757
212	Farmers Ins Exch	ZURICH INS GRP	65,731
12	Lexington Ins Co	AMERICAN INTRNL GRP	56,696
84	National Interstate Ins Co	American Financial Grp	28,301
812	Highmark Cas Ins Co	HIGHMARK INC	15,574
0	Bancinsure Inc	Bancinsure Inc	1,417
3548	Athena Assur Co	St Paul Travelers Grp	507
158	Seneca Ins Co Inc	FAIRFAX FINANCIAL	360

Exhibit 4

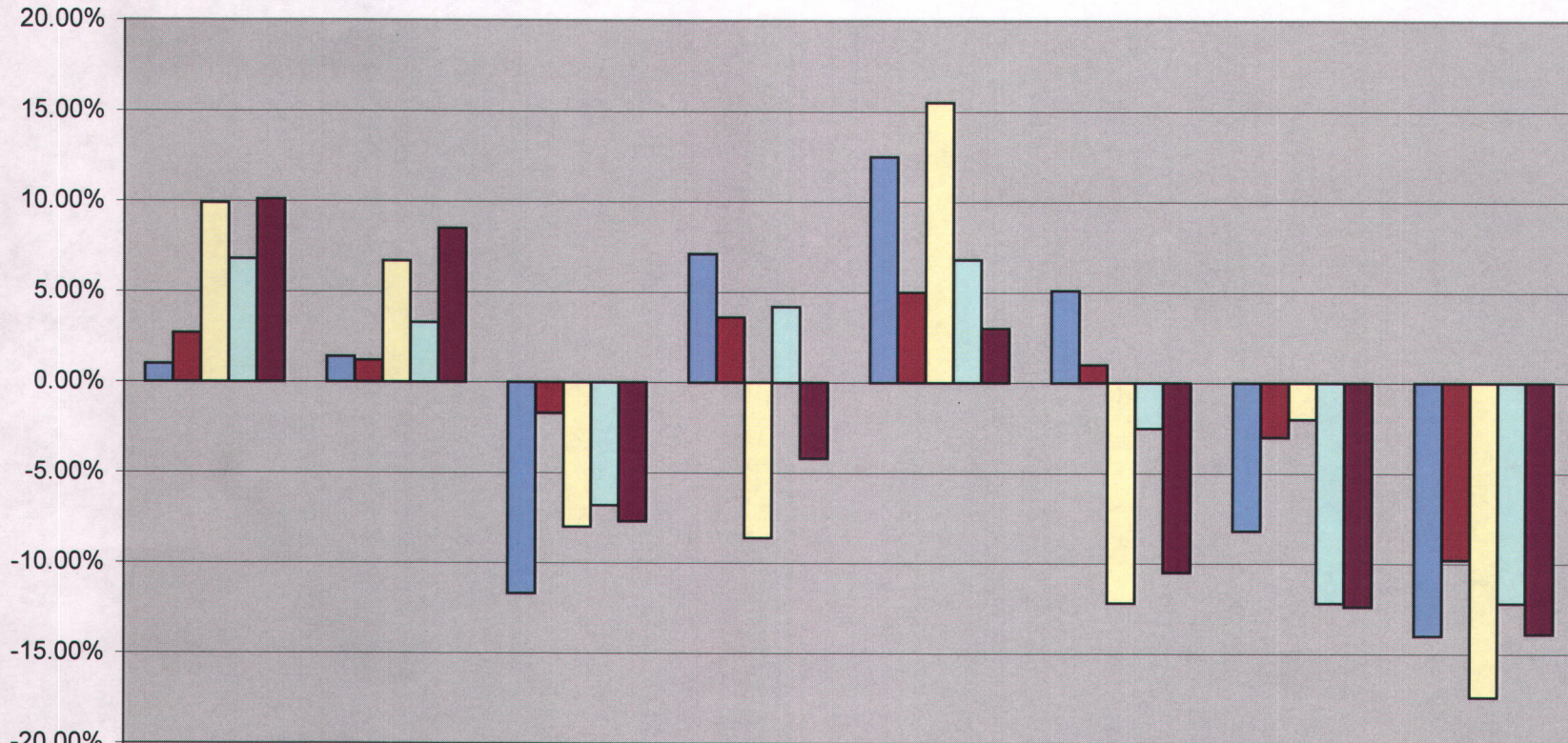
**Comparison of Changes in NCCI's Pure Premium Filings with MIA
Years 1996 to 2006**



1. No Loss Cost Filings were submitted for years 1997, 1999, 2002
2. NCCI filed a Law Only Revision Effective 01/01/02 Overall Impact of 1.3%

Exhibit 5

Chronological History of Changes by Industry Type Years 1996 Through 2006



	2006	2005	2004	2003	2001	2000	1998	1996
■ Manufacturing	1.00%	1.40%	-11.70%	7.10%	12.50%	5.10%	-8.20%	-14.00%
■ Contracting	2.70%	1.20%	-1.70%	3.60%	5.00%	1.00%	-3.00%	-9.80%
■ Office/Clerical	9.90%	6.70%	-8.00%	-8.60%	15.50%	-12.20%	-2.00%	-17.40%
■ Goods/Services	6.80%	3.30%	-6.80%	4.20%	6.80%	-2.50%	-12.20%	-12.20%
■ Miscellaneous	10.10%	8.50%	-7.70%	-4.20%	3.00%	-10.50%	-12.40%	-13.90%

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

Exhibit 6