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Insurance Investing in Brief:
First Look at 1997 Market Share

The single most important set of industry statistics for insurance trendwatchers became available last Friday and we are publishing it today: by-line premium growth and market share data¹. Some major conclusions about what happened to the industry and to specific companies in 1997 can be derived from this data. Following are our major conclusions; detailed statistics are in the attached tables. The big picture:

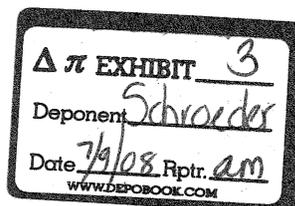
- Personal auto saved the industry's premium growth last year by rising 5.4%. Auto liability grew 3.4%, while physical damage grew 8.7%. Progressive was the big winner, and will soon be the fourth largest writer of personal auto in the U.S. State Farm was the big loser, dropping nearly a point of market share. The auto market grew slightly more concentrated during 1997. We project increased competition, but not as bad as in the commercial lines.
- The standard commercial lines had a terrible year in 1997, driven by a 9.9% decline in workers' compensation premiums and anemic results in other liability, commercial auto, and commercial multi-peril. Workers' compensation premiums have fallen 27.4% over the past five years. Liberty Mutual displaced AIG as the number one writer of workers' comp, while CNA dropped from second to third place. The workers' compensation market became significantly more concentrated in 1997. The standard commercial lines are the battleground for market share today, and companies in this area will suffer eroding profitability.
- Specialty lines posted mixed results. Aviation, ocean marine, products liability and medical malpractice all posted sharp drops. The medical malpractice line became significantly more concentrated, with AIG, CNA, EPIC and others rising while market leader St. Paul dropped 0.5% points of share. Prospects in this sector are mixed; St. Paul recently suggested medical malpractice will improve in 1999-2000 while some market observers believe the workers' compensation market is beginning to stabilize.

¹ Data are derived from statutory filings, which trickle in throughout the spring. The data we are using, which are as of May 1, represent about 95% of the industry's volume. The data differ slightly from A.M. Best data, and are more comprehensive. However, entities that do not file with state insurance regulators, such as trusts, offshore companies and risk retention groups, are excluded.

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Personal Auto Trends, Winners and Losers

Personal auto—savior of the industry. Personal auto provided the main engine for the industry's premium growth last year. This line of business, which all by itself accounts for 40.5% of reported premiums, grew 5.4% in 1997. Without personal auto, the industry's total premiums would have shrunk by one-half of 1%. In short, personal auto saved the industry from a very bad year. Don't look for a repeat in 1998, however—auto growth should be modest this year.

Winners and losers in 1997: The biggest winner in auto liability, the largest sector of the personal lines, was Progressive, whose frenzied growth led to a 0.8% increase in national market share. Progressive is now the fifth largest writer of personal auto insurance, advancing one place to leap over USAA. Next year, Progressive will also leapfrog over Nationwide to become the fourth largest auto insurer in the U.S. It will take a few more years for Progressive to bury Farmers, and by the time that happens, we will be looking at an entirely different auto insurance market.

State Farm was the big loser in 1997, falling from 21.7% to 21.0% of the market. As competition reignites in this sector, State Farm's response to its loss of share will be a swing factor determining how fast deterioration occurs. Rounding out the list, Farmers was also a winner in 1997, gaining 0.1% market share while maintaining its third-place ranking. Nationwide lost 0.1% of share. The only insurer in the top 20 whose market share changed more than a tenth was sixth-ranked Berkshire Hathaway (which owns GEICO). Berkshire gained 0.3% and now writes 3.2% of the market, ahead of USAA, which fell to seventh place from fifth place in 1996.

The personal auto market grew only slightly more concentrated in 1997, with the top 10 controlling 58.4% of the market vs. 58.3% a year ago. The top 30 control 77.8% now, up from 77.6%. The share of the top five was essentially unchanged at 46.8% vs. 46.7%, with Progressive snatching up the market share lost by State Farm. In 1997, agency and direct distributors gained share at the expense of the captive agency writers. Stamp direct writers do not appear to have made meaningful market share gains in 1997. Over the next few years we expect the top five to increase their share as (1) Progressive and Farmers continue their growth; and (2) State Farm, Allstate, and Nationwide regain share at the expense of the national agency writers.

Personal auto growth will reverse beginning in 1998. Looked at over a longer period, personal auto liability has cumulatively increased 18.7% over the past five years vs. the 12.1% total industry growth rate. Physical damage premiums increased 26% over the same period. We expect personal auto volume to be flat to slightly down in

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1998. Over the next 2-3 years, premiums will shrink in this line. However, we continue to believe that the deterioration in the auto sector will be less dramatic, in the near term, than in the commercial lines.

Homeowners continued its recovery in 1997.

Homeowners, the secondary engine of growth for the industry, rose 5.3% in 1997. This line, which is 9.5% of total volume, has been recovering from years of underpricing, and rose a cumulative 24.2% over the past five years (the period beginning after Hurricane Andrew). Risk-adjusted price increases are much larger than this number implies because the industry has been rigorously reunderwriting this line—raising deductibles, tightening policy terms, and restricting overly generous claims practices. From this point forward, homeowners rates can continue to increase slightly faster than inflation—but not as fast as the current trend.

The biggest individual change in the homeowners line was posted by Travelers, whose share rose from 2.5% to 3.3%. Travelers surpassed USAA to become the fifth largest homeowners writer in 1997. Allstate, whose share fell from 12.2% to 11.4%, concluded its planned shedding of businesses in catastrophe-prone markets and is on track to report high-single-digit growth in 1998. Because of Allstate, the top five writers' share fell slightly in 1997, to 48.9% from 49.1%. The homeowners market became slightly more concentrated in 1997, with 78% of the market controlled by the top 30 companies as opposed to 76.7% in 1996.

Standard commercial lines—ouch!

The four sectors we lump into the description "standard commercial lines"—workers' compensation, commercial multi-peril, commercial auto, and other liability—are in terrible shape premium-wise. From 1996, these lines collectively shrank 3.0%. Only the other liability line showed growth in 1997, and its 2.6% increase was miserly. Commercial lines in total fell 1.7% in 1997—less than the standard lines—because the specialty commercial lines on average performed better.

Commercial lines premium volume as a percent of the total industry has hardly changed in the past five years—from 48.9% to 48.5%. However, the standard lines as a percent of total commercial lines has shrunk dramatically, from 67.0% to 55.4%. And, as a percent of the total industry, the standard lines are now only 27.1% of premiums vs. 32.5% five years ago.

	1996	1997	% Change	1996	% of Total
Workers' compensation	\$26,272	\$29,168	-9.9%	\$36,193	-27.4%
Other liability	\$18,259	\$17,788	2.6%	\$15,917	14.7%
Commercial auto liability	\$12,774	\$12,663	0.9%	\$12,169	5.0%
Commercial multi-peril	\$18,881	\$18,898	-0.1%	\$17,303	9.1%
Total	\$76,187	\$78,517	-3.0%	\$81,581	-6.6%
Total commercial lines	\$137,473	\$139,870	-1.7%	\$121,753	12.9%
% of total industry	27.1%	28.4%	-1.3%	32.5%	-5.4%
% of total commercial	55.4%	56.1%	-0.7%	67.0%	-11.6%

Workers' compensation—Premiums drained, pricing's insane, profits strained. In addition, 1997 was a bad year for the workers' compensation industry. The impact of loss cost disinflation has ended, and some signs of reinflation have reappeared. Yet premiums fell 9.9% on average last year. The industry's third most important

line of business, as workers' compensation goes, so go the fortunes of the national insurers (as well as some smaller carriers). Workers' compensation now represents only 9.4% of the industry's total premium volume, down from 14.4% five years ago. Cumulatively, this line has shrunk 27.4% over the past five years.

Big changes in market share appeared in the workers' comp line in 1997. Market leader Liberty Mutual displaced AIG as the number one carrier by gaining 1.4% of additional share, and now commands 6.9% of the U.S. market. Other carriers with big growth were fourth-place Travelers (up 0.3%), fifth-place Lumbermans (up 0.7%), the seventh-ranked California state fund (up 0.6%), Fremont General (up 0.7% to a ninth-place ranking), CNA (up 0.4%), Hartford (up 0.2%), Reliance (up 0.2%), TIG (up 0.2%), American Financial (up 0.2%), Orion Capital (up 0.2%), and Zenith National (up 0.2%). Foundation Health's BIG operation, up 0.3% in 1997, has now been sold to Superior National after getting itself into trouble over inadequate pricing in California. Big decliners included CNA (down 0.6% and dropping from second to third place), and Zurich (down 0.2%).

Overall, the workers' compensation market became significantly more concentrated in 1997, with the top 10 carriers controlling 67.5% of the market vs. 63.6% in 1996. The top five control 27.2% vs. 25.3%, while the top 10 now control 44.2% vs. 41.1% a year ago.

Specialty lines—a mix of good and bad news.

Some of the specialty commercial lines had a great year in 1997. For example, mortgage guaranty insurance rose 15.0%, financial guaranty insurance rose 17.3%, group accident and health rose 9.0%, and credit rose 12.3%. The market did not treat other lines so kindly: ocean marine fell 4.8%, medical malpractice fell 5.7%, products liability fell 5.4%, aviation fell 6.5%, and fidelity insurance fell 6.1%.

Some of these changes are the continuation of long-standing trends. For example, mortgage guaranty insurance is 75.9% larger than five years ago; group A&H 38.8%; and credit 187.6%. However, ocean marine and aviation's downturns in 1997 are cyclical reversals of strong gains in the earlier part of the decade.

The medical malpractice line showed a marked trend toward consolidation, which we expect to continue. The top five companies now control 32.7% of the market, up from 29.6%. The top 10 control 48.3%, up from 44.7%. The top 30 control 79.7% as opposed to 72.8% a year ago.

Dramatic gains in market share were shown by CNA (up 0.8%), AIG (up 1.3%), Health Care Indemnity (up 1.0%), Zurich American (up 0.6%), and FPIC (up 0.6%). Share losers were market leader St. Paul (down 0.5% to 8.5%), Frontier (down 0.2%), and Promutual (down 0.3%).

Reinsurance shows typical early-cycle patterns. The reinsurance line is difficult to analyze because it includes only offshore business and excludes business that is allocated to a primary line by the reinsurer. However, this line's results are consistent with market conditions, shrinking 1.0% in 1997 after a 5.8% decline in 1996, following strong growth in the "hard reinsurance market" of 1993-95. A leading indicator of the cycle, we believe reinsurance will be flat or perhaps even slightly higher in 1998, preparing for improved demand in 1999.

What happens next? Traditionally, cyclical lines such as medical malpractice, ocean marine, aviation, and commercial multi-peril are likely to shrink more in 1998 than in 1997, before beginning to rebound in 1999. Meanwhile, lines that have been growing rapidly, such as personal auto, mortgage guaranty, and financial guaranty, should experience some slowing in 1998. The net result: we believe industry premiums are likely to be low flat to down, in the aggregate, in 1998.

Stock prices (as of mm/dd/yy) of companies mentioned in this report:

Allstate (ALL-NYSE \$97, Strong Buy)
American Financial Group (AFG-NYSE \$44, not rated)
American International (AIG-NYSE \$129, Strong Buy)
Berkshire Hathaway (BRK-NYSE \$xx, not rated)
Chubb Corp. (CB-NYSE \$76, not rated)
CNA Financial (CNA-NYSE \$145, not rated)
Foundation Health Systems (FHS-NYSE \$xx, not rated)
FPIC Insurance Group Inc. (FPIC-OTC \$34, Strong Buy)
Fremont General (FMT-NYSE \$56, not rated)
Frontier Insurance Group (FTR-NYSE \$26, Hold)
Hartford (The) (HIG-NYSE \$109, Hold)
Nationwide Financial Services (NFS-NYSE \$xx, Hold)
Orion Capital (OC-NYSE \$54, not rated)
Progressive (PGR-NYSE \$139, Hold)
Reliance Group Holdings (REL-NYSE \$17, Strong Buy)
St. Paul Cos. (SPC-NYSE \$44, not rated)
TIG Holdings (TIG-NYSE \$24, not rated)
Travelers (TRV-NYSE \$xx, Strong Buy)
Travelers Property Casualty Corp. (TAP-NYSE \$39, not rated)
Zenith National (ZNT-NYSE \$2, not rated)

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Net Written Premiums

Line	2014	2013	% Chg	2014	2013	% Chg	2014	2013	% Chg	
Fire	3.2%	\$4,919,120	-1.5%	\$5,117,161	1.3%	\$5,198,428	1.8%	\$5,207,330	1.6%	\$4,944,354
Allier Lincx	34.0%	\$1,497,878	2.6%	\$3,403,761	1.3%	\$3,177,286	6.3%	\$2,773,107	14.4%	\$2,397,698
Firmwex multiple peril	33.4%	\$1,370,215	3.3%	\$1,237,711	3.9%	\$1,212,700	5.9%	\$1,145,734	4.9%	\$1,091,384
Homeowner multiple peril	24.3%	\$26,301,142	5.3%	\$25,469,129	6.1%	\$24,902,876	3.3%	\$22,100,512	5.1%	\$21,379,739
Commercial multiple peril	9.1%	\$18,881,026	-0.1%	\$18,199,151	0.3%	\$18,899,394	3.7%	\$17,790,918	2.8%	\$17,301,789
Boatage warranty	25.6%	\$1,722,109	13.0%	\$2,410,328	21.3%	\$1,935,695	15.9%	\$1,681,048	21.1%	\$1,351,610
Ocean marine	24.6%	\$1,389,508	-4.8%	\$2,004,296	1.4%	\$1,940,410	2.3%	\$1,601,867	11.0%	\$1,322,684
Inland marine	13.1%	\$3,613,686	2.1%	\$5,531,163	1.1%	\$5,137,658	4.3%	\$4,974,059	7.9%	\$4,608,932
Financial guaranty	-13.5%	\$1,131,849	17.3%	\$199,684	21.6%	\$871,206	-6.6%	\$171,949	-31.1%	\$1,354,913
Medical malpractice	0.2%	\$4,722,700	-5.7%	\$3,006,938	1.8%	\$4,976,286	-4.8%	\$3,161,574	9.9%	\$4,701,432
Earthquake	-2.3%	\$711,663	-1.1%	\$1,209,132	13.3%	\$1,048,716	5.6%	\$661,696	-1.3%	\$724,273
Group resident and health	11.1%	\$1,277,194	9.0%	\$6,671,238	13.3%	\$5,730,153	-0.2%	\$5,984,238	7.8%	\$5,550,094
Credit accident and health	28.8%	\$239,401	-4.8%	\$1,019,989	18.7%	\$336,055	-25.1%	\$321,178	42.3%	\$701,411
Other accident and health	-0.3%	\$1,418,204	-1.3%	\$1,531,908	-3.5%	\$1,593,703	7.6%	\$2,430,947	-2.0%	\$2,496,132
Workers' compensation	-22.4%	\$34,373,456	-0.3%	\$21,167,322	-1.9%	\$3,411,303	-10.6%	\$35,153,920	-3.9%	\$36,192,610
Other liability	14.7%	\$1,238,967	2.6%	\$17,145,678	5.9%	\$16,861,059	0.1%	\$16,448,267	3.8%	\$15,916,610
Product liability	-6.1%	\$1,740,013	-3.4%	\$1,819,398	4.5%	\$1,760,534	-11.9%	\$1,991,360	7.7%	\$1,853,118
Private passenger auto liability	18.7%	\$70,635,453	3.4%	\$61,246,705	4.2%	\$63,302,069	3.4%	\$63,173,081	6.5%	\$59,506,133
Auto physical damage	24.0%	\$44,410,200	7.6%	\$64,489,477	7.6%	\$41,719,610	1.9%	\$35,544,214	2.9%	\$38,451,371
Commercial auto liability	3.0%	\$13,714,473	0.9%	\$12,461,370	1.3%	\$12,246,191	1.0%	\$12,136,744	-0.3%	\$12,181,532
Aircraft	31.6%	\$914,466	-5.5%	\$382,441	1.9%	\$909,065	5.6%	\$860,300	24.3%	\$693,141
Fidelity	-3.6%	\$357,474	-0.1%	\$913,032	-1.1%	\$923,110	2.2%	\$903,038	1.6%	\$889,124
Surety	26.3%	\$7,324,673	5.0%	\$1,604,400	2.1%	\$1,533,234	7.3%	\$1,461,914	6.3%	\$1,161,404
Burglary and theft	17.3%	\$135,810	1.8%	\$124,432	-0.1%	\$124,906	-0.3%	\$123,896	10.4%	\$111,796
Boiler and machinery	12.8%	\$157,547	1.1%	\$146,215	3.0%	\$121,151	-0.5%	\$121,319	8.1%	\$111,566
Credit	137.6%	\$640,886	12.3%	\$700,781	13.2%	\$501,152	27.0%	\$396,391	78.0%	\$322,865
International	6.3%	\$620,805	14.7%	\$483,177	-1.8%	\$523,338	10.0%	\$471,638	20.3%	\$394,990
Reinsurance	18.1%	\$11,791,847	-1.0%	\$11,315,564	-1.6%	\$12,579,728	12.1%	\$11,181,417	12.5%	\$9,936,337
Aggregate write-ins	30.7%	\$3,316,311	12.1%	\$4,115,467	9.9%	\$1,974,139	12.4%	\$1,712,358	-6.3%	\$1,124,317

Source: Operations Manual in Exhibit (A) of 2014 Annual Report

Top 30 Personal Auto Liability - Ranked By 1997 Net Premiums Written

Company	1997 Net Premiums Written	% of Total	1996 Net Premiums Written	% of Total
State Farm	\$14,816,230	21.0%	\$14,829,728	21.7%
Allstate	\$8,464,732	12.0%	\$8,206,120	12.0%
Farmers	\$4,192,914	5.9%	\$3,990,641	5.8%
Nationwide	\$2,823,337	4.0%	\$2,796,421	4.1%
Progressive	\$2,764,163	3.9%	\$2,137,187	3.1%
Berkshire-Hathaway	\$2,228,862	3.2%	\$1,952,659	2.9%
USAA	\$2,193,807	3.1%	\$2,167,511	3.2%
Travelers	\$1,304,572	1.8%	\$1,277,393	1.9%
Liberty Mutual	\$1,259,627	1.8%	\$1,203,651	1.8%
American Family	\$1,212,926	1.7%	\$1,141,448	1.7%
Hartford	\$1,039,190	1.5%	\$993,862	1.5%
SAFECO	\$1,032,048	1.5%	\$981,416	1.4%
AIG	\$1,009,600	1.4%	\$925,714	1.4%
American Financial	\$941,574	1.3%	\$879,426	1.3%
California State Auto Assn Inter	\$910,182	1.3%	\$851,037	1.2%
Prudential	\$843,799	1.2%	\$942,115	1.4%
CNA	\$784,794	1.1%	\$758,293	1.1%
Erie	\$764,325	1.1%	\$727,201	1.1%
Metropolitan	\$740,243	1.0%	\$727,166	1.1%
Mercury General	\$663,446	0.9%	\$526,876	0.8%
Interins Exch of the Automobile Club	\$644,221	0.9%	\$627,970	0.9%
AMBAC Assurance	\$535,789	0.8%	\$599,483	0.9%
Southern Farm Bureau Casualty	\$535,751	0.8%	\$521,898	0.8%
Allmerica Financial	\$510,424	0.7%	\$517,416	0.8%
20th Century	\$492,630	0.7%	\$521,628	0.8%
General Accident	\$479,742	0.7%	\$473,192	0.7%
Lumbermans Mut Casualty	\$473,213	0.7%	\$460,269	0.7%
Commerce Group	\$463,540	0.7%	\$441,141	0.6%
Amica Mutual	\$420,901	0.6%	\$410,043	0.6%
GE	\$404,812	0.6%	\$322,515	0.5%
Top 30 Total	\$54,951,394	77.8%	\$52,961,420	77.6%
Total Personal Auto Liability	\$70,631,153		\$68,286,705	
% Change				

Source: OneSource Information Services, Inc. and statutory financial statements

Top 30 Homeowners - Ranked By 1997 Net Premiums Written

Company	1997 Net Premiums Written	% of Total	1996 Net Premiums Written	% of Total
State Farm	\$6,473,962	24.2%	\$6,357,273	24.2%
Allstate	\$3,051,491	11.4%	\$3,107,465	12.2%
Farmers	\$1,621,793	6.0%	\$1,413,573	5.6%
Nationwide	\$1,006,639	3.8%	\$918,905	3.6%
Travelers	\$927,585	3.5%	\$642,875	2.5%
USAA	\$913,463	3.4%	\$880,689	3.5%
SAFECO	\$664,914	2.5%	\$623,554	2.4%
Chubb	\$629,382	2.3%	\$546,684	2.1%
American Family	\$504,759	1.9%	\$450,343	1.8%
Liberty Mutual	\$454,650	1.7%	\$384,797	1.5%
CNA	\$432,774	1.6%	\$400,351	1.6%
Hartford	\$432,295	1.6%	\$421,424	1.7%
Prudential	\$412,137	1.5%	\$440,888	1.7%
Farmers Ins	\$320,638	1.2%	\$302,957	1.2%
Allmerica Financial	\$265,038	1.0%	\$243,108	1.0%
Eric	\$255,997	1.0%	\$227,175	0.9%
Auto-Owners	\$249,800	0.9%	\$217,824	0.9%
Metropolitan	\$218,170	0.8%	\$241,614	0.9%
General Accident	\$217,486	0.8%	\$207,423	0.8%
Commercial Union	\$215,696	0.8%	\$198,906	0.8%
Credit Suisse	\$215,397	0.8%	\$227,987	0.9%
St Paul	\$205,793	0.8%	\$190,848	0.7%
Lumbermans Mut Cas	\$178,208	0.7%	\$181,058	0.7%
AIG	\$168,408	0.6%	\$94,417	0.4%
Ohio Casualty	\$168,229	0.6%	\$166,458	0.7%
Amica Mutual	\$162,363	0.6%	\$149,015	0.6%
ALLIED Group	\$156,858	0.6%	\$140,337	0.6%
Cincinnati Financial	\$140,085	0.5%	\$125,119	0.5%
California State Auto Ass Inter	\$127,336	0.5%	\$119,780	0.5%
Andover	\$126,906	0.5%	\$123,492	0.5%
Top 30 Total	\$20,918,252	78.0%	\$19,546,339	76.7%

Source: OneSource Information Services, Inc. and statutory financial statements

Top 30 Workers' compensation - Ranked By 1997 Net Premiums Written

Company	1997 Net Premiums Written (\$)	% of Total	1997 Net Premiums Written (\$)	% of Total
Liberty Mutual	\$1,803,647	6.9%	\$1,609,155	5.5%
AIG	\$1,597,392	6.1%	\$1,744,559	6.0%
CNA	\$1,372,955	5.2%	\$1,701,414	5.8%
Travelers	\$1,176,737	4.5%	\$1,228,253	4.2%
Lumbermans Mut Cas	\$1,172,564	4.5%	\$1,095,918	3.8%
Hartford	\$1,094,869	4.2%	\$1,161,088	4.0%
State Compensation Insurance Fund	\$1,030,265	3.9%	\$972,880	3.3%
Zurich American	\$795,820	3.0%	\$923,808	3.2%
Fremont General Group	\$794,590	3.0%	\$679,478	2.3%
Nationwide	\$755,080	2.9%	\$870,967	3.0%
Farmers Ins	\$519,223	2.0%	\$623,148	2.1%
Foundation Health (BIG)	\$511,240	1.9%	\$480,524	1.6%
American Financial	\$489,194	1.6%	\$396,367	1.4%
Onion Capital	\$386,872	1.5%	\$382,172	1.3%
Chubb	\$358,459	1.4%	\$298,596	1.0%
Signal Health Group	\$342,323	1.3%	\$391,972	1.3%
SAFECO	\$332,123	1.3%	\$334,804	1.1%
Reliance Group	\$324,793	1.2%	\$304,439	1.0%
TIG	\$313,144	1.2%	\$279,184	1.0%
General Accident	\$284,589	1.1%	\$319,892	1.1%
FCCI Mutual Ins	\$266,333	1.0%	\$285,713	1.0%
St Paul	\$258,694	1.0%	\$285,006	1.0%
Zenith National Ins	\$236,972	0.9%	\$210,188	0.7%
SAIF	\$233,740	0.9%	\$252,921	0.9%
Texas Workers Compensation Ins Fund	\$231,734	0.9%	\$376,777	1.3%
Arizona State Compensation Fund	\$228,505	0.9%	\$280,851	1.0%
Royal & Sun Alliance USA	\$227,147	0.9%	\$276,590	0.9%
State Farm	\$226,592	0.9%	\$267,539	0.9%
American Re	\$225,853	0.9%	\$233,276	0.8%
NJ Manufacturers	\$220,899	0.8%	\$283,677	1.0%
Top 30 Total	\$17,732,348	67.5%	\$18,551,156	63.6%

Source: OneSource Information Services, Inc. and company financial statements

Top 30 Medical malpractice - Ranked By 1997 Net Premiums Written

Company	1997 Net Premiums Written (\$)	1997 Net Premiums Written (% of Total)	1996 Net Premiums Written (\$)	1996 Net Premiums Written (% of Total)
St Paul	\$399,999	8.5%	\$451,866	9.0%
CNA	\$364,118	7.7%	\$345,625	6.9%
MLMIC Group	\$307,857	6.5%	\$299,978	6.0%
Health Care Indemnity	\$254,126	5.4%	\$217,923	4.4%
AIG	\$216,312	4.6%	\$165,681	3.3%
Medical Protective Co	\$199,696	4.2%	\$208,725	4.2%
MMI Cos Group	\$151,648	3.2%	\$151,843	3.0%
Norcal Mutual Ins Co	\$133,552	2.8%	\$123,629	2.5%
Medical Inter-Insurance Exch Group	\$128,962	2.7%	\$108,701	2.2%
American Healthcare Specialty	\$126,436	2.7%	\$117,838	2.4%
Physicians Reciprocal Insurers	\$125,285	2.7%	\$129,311	2.6%
Mutual Assurance Companies	\$122,649	2.6%	\$116,890	2.3%
Frontier Ins Group	\$121,149	2.6%	\$142,413	2.8%
PHICO Ins Co	\$113,429	2.4%	\$97,348	1.9%
Illinois State Med Interins Exch	\$104,950	2.2%	\$85,532	1.7%
Promutual Companies	\$95,785	2.0%	\$116,965	2.3%
Medical Ins	\$83,844	1.8%	\$75,998	1.5%
Florida Physicians Ins Co	\$82,256	1.7%	\$57,116	1.1%
Zurich American	\$77,647	1.6%	\$50,919	1.0%
Farmers Ins	\$75,298	1.6%	\$89,427	1.8%
Health Care Ins Exchange	\$67,577	1.4%	\$70,805	1.4%
State Volunteer Mutual Ins Co	\$67,201	1.4%	\$66,663	1.3%
MAG Mutual Insurance Group	\$56,223	1.2%	\$54,627	1.1%
NCMIC Ins Co	\$44,185	0.9%	\$48,338	1.0%
Medical Ins Exch of Ca	\$43,145	0.9%	\$41,768	0.8%
Mutual Ins Co of Arizona	\$43,072	0.9%	\$46,479	0.9%
Ohio Insurance Company	\$41,446	0.9%	\$34,759	0.7%
Washington State Health	\$41,379	0.9%	\$45,005	0.9%
COPIC Ins Co	\$38,375	0.8%	\$37,816	0.8%
PICOM Group	\$35,900	0.8%	\$44,575	0.9%
Top 30 Total	\$3,763,501	79.7%	\$3,644,563	72.8%

Source: OneSource Information Services, Ltd. and statutory financial statements