

WARD'S RESULTS

Property-Casualty, 2011 User's Guide

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Empowering Companies Through Knowledge®

How To Use Ward's Results

◆
To Locate an Insurance Company

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**Section I
Alphabetical Index**

- Basic geographic information
- State of domicile
- State of licensing
- Ownership structure
- Cross-reference to other sections of *Ward's Results*

◆
To Determine Holding Company and Group Affiliation

↓
**Section II
Group Hierarchy**

- Holding company or group name
- List of all affiliated property-casualty companies

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To Review Industry Ranking Tables

↓
**Section III
Industry Ranking Tables**

- Ward's 50
- Over 60 other ranking tables based on size and performance criteria

◆
To Review 2010 Summary Information

↓
**Section IV
2010 Highlights**

- Summary of 2010 balance sheet and income statement information
- Snap-shot of 2010 ratios
- Companies are listed in premium sequence to all for a quick comparison of companies similar in size

◆
To Analyze Industry and Peer Group Benchmarks and Five Year Trends

↓
**Section V
Peer Group Analysis -
Five Year Trend**

- Comprehensive statistical comparisons for 2010 and five year trends
- Industry and peer group benchmarks, including:
 - Ward's 50
 - Total Industry
 - All Stock Companies
 - All Mutual Companies

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To Locate a Small Company

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**Section VI
Companies with 2010 Premiums
Earned Less than \$10 Million**

- Summary balance sheet and income statement amounts
- Condensed ratio analysis
- Peer group analysis

Ward's Results

2011 Property & Casualty Edition

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Source of Information: Data used for *Ward's Results* was obtained from the National Association of Insurance Commissioners (NAIC) and SNL Financial, LC. In essence, the data used represents the annual filings (or yellow books) for each of the last five years (2006-2010) for every property and casualty insurance company domiciled in the United States. In total, approximately 3,000 companies are included in this edition.

ALPHABETICAL INDEX

Overview

The Alphabetical Index lists each company alphabetically and indicates the page number from other sections of the book where the company appears. Separate subsections are presented for consolidated groups and individual companies. This section provides general demographic information about the company such as NAIC group number (if applicable), address, telephone number, ownership structure, an executive's name, state of domicile and a summary of states and territories in which the company is licensed to do business. This section indicates the Peer Group to which the insurer has been assigned. The Alphabetical Index is the only section that lists the companies alphabetically. All other sections of the book are organized so that companies with similar business attributes are included together.

Left page

Consolidated Groups/ Individual Companies	NAIC Code	Grp. Code	Peer Grp. #	Sec. IV Page #	Sec. V Page #	Sec. VI Page #	Own. Str.	Address	City	St.	Zip Code
①	②	③	④	⑤	⑥	⑦	⑧	⑨			

Right page

Telephone Number	Officer	St. Dom.	States and Territories Licensed In
⑩	⑪	⑫	⑬

- Consolidated Groups/Individual Companies - The name of each property-casualty company included in *Ward's Results*, listed alphabetically. Every company that filed an annual statement with the NAIC is included. Separate subsections are presented for consolidated groups and individual companies.
- NAIC Code - The five digit company code assigned by the NAIC.
- Grp. Code - The three digit group code assigned by the NAIC. It indicates common ownership relationships among individual companies.
- Peer Grp. # - The two digit peer group number assigned by Ward Group. Each company is assigned to one of 34 peer groups that consider the company's product mix premium volume, geographic mix and ownership structure. Detailed peer group definitions are presented at the front of section V.
- Sec. IV, Page # - The page number on which 2010 Highlights information for each company is presented.
- Sec. V, Page # - The page number on which 2010 Peer Group and five year trend information is presented.
- Sec. VI, Page # - This section includes summary information about small property-casualty companies with 2010 gross premiums written less than \$10 million.
- Own. Str. - The ownership structure for the company.
 - S = stock form of ownership
 - M = mutual form of ownership
 - L = Lloyds form of ownership
 - R = Reciprocal form of ownership
- The full mailing address for each company, including address, city, state and zip code.
- The telephone number of each company.
- A key officer of the company, normally the president.
- St. Dom. - The state of domicile for the company.
- A complete list of states and territories in which the company is licensed to do business.

GROUP HIERARCHY

Overview

This section is sequenced in NAIC group number order and lists each property-casualty company that is associated with a common group. The group code listed for each company in the Alphabetical Index is the cross-reference to this section of *Ward's Results*.

Group Code	NAIC Code	State Dom.	Own. Str.	Name	Group Code	NAIC Code	State Dom.	Own. Str.	Name
①	②	③	④		①	②	③	④	

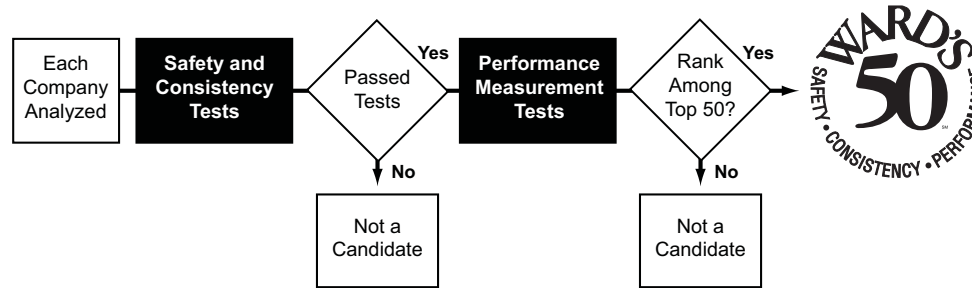
1. Group Code - The three digit group code assigned by the NAIC. It indicates common ownership relationships among individual companies.
2. NAIC Code - The five digit company code assigned by the NAIC.
3. State Dom. - The state of domicile for the company.
4. Own. Str. - The ownership structure for the company.
 - S = stock form of ownership
 - M = mutual form of ownership
 - L = Lloyds form of ownership
 - R = Reciprocal form of ownership

INDUSTRY RANKING TABLES

User's Guide

Overview

This section includes over 30 ranking tables based on various size and performance criteria. For each ranking table, important industry comparisons and benchmarks are presented. The first ranking table in this section is the Ward's 50 benchmark. Ward's 50 is a benchmark group of 50 companies that, over the past five years, have excelled at balancing safety, consistency and performance. Ward Group has developed a methodology to identify the 50 companies that comprise the annual Ward's 50 benchmark. This approach is purely quantitative and is not intended to evaluate qualitative issues and/or other issues that may impact, or be of interest to, policyholders and/or agents and risk managers. It merely provides a unique comparative benchmark that may be used to analyze a specific insurance company. When consolidated group filings are available, they are utilized instead of individual company filings. The following summarizes the Ward's 50 benchmark methodology:



- Must be an insurance company with at least five consecutive years of operating history.
- Must meet the following criteria:
 - Surplus and premiums of at least \$50 million for each of the 5 years analyzed
 - Net income in at least 4 of the last 5 years
 - Leverage ratio over 1 year and 5 year periods does not deteriorate beyond minimum thresholds
 - Risk-based capital ratio of at least 100% for each of the 5 years analyzed
 - Compound annual growth in premiums between -10% and +40%
 - Net written premium divided by Gross Written Premium is greater than 50%
 - Gross Written Premium divided by Net Written Premium is less than 130%
 - Rank in top 10% of peer business mix benchmark group
 - Must pass Ward Group's evaluation of company operations
- Companies are measured and ranked in performance based on the following metrics:
 - Five year average Return on Average Equity
 - Five year average Return on Average Assets
 - Five year average Return on Total Revenue
 - Five year growth in Net Premiums Written
 - Five year improvement in Leverage Ratio
 - Five year average Combined Ratio

2010 HIGHLIGHTS

Overview

This section lists companies in descending premiums sequence based on 2010 premiums earned. A summary balance sheet and income statement is provided for each company, along with key ratios. This premiums ranking sequence allows for a quick comparison of companies similar in size. The presentation spans two pages. The left page includes company name, a summary balance sheet, and selected ratios. The right page includes a summary income statement and changes in capital, along with additional ratios.

Left page

2010 HIGHLIGHTS CONSOLIDATED GROUPS/ INDIVIDUAL COMPANIES	ASSET MIX					ASSET QUALITY		CAPITAL ADEQUACY					
	% OF INV. ASSETS			% OF TOTAL ASSETS		% OF INV. ASSETS		RATIO		% OF SURPLUS		%	
	Bonds	Preferred Stocks	Common Stocks	Invested Assets	Agent. Bal.	Reins. Recov.	Mtg. Lns. & R.E.	Non-Invs. Gr. Bonds	G.P.W./ Surplus	N.P.W./ Surplus	Liabilities	Surplus Notes	Risk-Based Cap. Ratio
	①					②		③					

Right page

INVESTMENT YIELD				LOSS RES. DEV.		LIABILITIES MIX				SUMMARY OF OPERATIONS							PERFORMANCE MEAS.			
%				%		% OF TOTAL LIABILITIES				% OF PREMIUMS EARNED				%			% RETURN ON			
Overall Yield	Bonds	Total Stocks	Mtg. Loans	One Year	Two Year	Loss Reserves	L.A.E. Reserves	Unearn. Prem.	Prov. Reinsur.	Losses Inc.	L.A.E. Exp.	Net U.W. Gain (Loss)	Net Invest. Gain (Loss)	Div. to P.H.	U.W. Exp./ N.P.W.	Tot. Exp./ N.P.W.	Comb. Ratio	Avg. Equity	Avg. Assets	Total Revenue
④				⑤		⑥				⑦							⑧			

1. **ASSET MIX** - The relationship of a particular category of asset (i.e. bonds, etc.) to either invested assets or total assets.
 - Use these relationships to compare the mix of assets among various property-casualty companies.
 - These relationships do not evaluate the quality of the assets, rather the relative mix in total.
 - The relationship of invested assets to total assets is a key indicator of performance.
2. **ASSET QUALITY** - The portion of high-risk asset categories (non-investment grade bonds, etc.) in relationship to the total of all invested assets.
 - These are key indicators of a property-casualty company's asset quality.
3. **CAPITAL ADEQUACY** - The measure of capital, or surplus, adequacy. The risk-based capital ratio measures the relationship of actual capital to required capital, based on the risk profile of a specific company.
 - High ratio is unfavorable.
 - Low ratio is favorable.
 - Compare these ratios to various peer group and industry benchmarks included in *Ward's Results*.
 - High risk-based capital ratio is favorable

2010 HIGHLIGHTS

User's Guide

- (target is to be 100% or higher).
 - Low risk-based capital ratio (less than 100%) may be an indicator of inadequate capital levels.
 - Compare these ratios to various peer group and industry benchmarks included in *Ward's Results*.
4. INVESTMENT YIELD - The yield of the investment portfolio in total and by major categories of assets (i.e. bonds, etc.).
- Yields do not consider the quality of the investments and do not consider the tax aspects of the bond portfolio.
 - High % is generally favorable.
 - Low % is generally unfavorable.
 - Compare these ratios to various peer group and industry benchmarks included in *Ward's Results*.
5. LOSS RES. DEV. - A measure of the adequacy of the company's loss reserves.
- Negative % is favorable, indicating loss reserves may be redundant, or more than adequate.
 - Positive % is unfavorable, indicating loss reserves may be deficient, or understated.
 - Compare these ratios to various peer group and industry benchmarks included in *Ward's Results*.
6. LIABILITIES MIX - The relationship of a particular category of reserves or liabilities, to total liabilities.
- Indicates the estimated future obligations of the company.
 - Use these relationships to compare the mix of liabilities among various property-casualty companies.
7. SUMMARY OF OPERATIONS - The major components of the company's income statement, expressed in relationship to either premiums earned or net premiums written.
- Combined ratio is a key performance indicator and measures the company's overall underwriting results.
 - High ratio is unfavorable.
 - Low ratio is favorable.
 - Combined ratio under 100% indicates that a company is achieving an underwriting profit.
 - Compare these ratios to various peer group and industry benchmarks included in *Ward's Results*.
8. PERFORMANCE MEAS. - The three key indicators of a company's overall profitability. They indicate earnings efficiency and whether the company has achieved a favorable return.
- High ratios are favorable.
 - Low ratios are unfavorable.
- Compare these ratios to various peer group and industry benchmarks included in *Ward's Results*.

PEER GROUP ANALYSIS – FIVE YEAR TREND

User's Guide

Peer Group	Page #	Product Mix	Size	Geographic Mix	Ownership Structure
1	V.10	Reinsurers	All	All	All
2	V.14	Medical Malpractice Writers	All	All	All
3	V.26	Personal Lines	Premiums Over \$500 Million	All	All
4	V.34	Personal Lines	Premiums Less Than \$500 Million	Southwest	All
5	V.38	Personal Lines	Premiums Less Than \$500 Million	Southeast	All
6	V.46	Personal Lines	Premiums Less Than \$500 Million	Pacific Southwest	All
7	V.50	Personal Lines	Premiums Less Than \$500 Million	Pacific Northwest	All
8	V.54	Personal Lines	Premiums Less Than \$500 Million	Northeast	All
9	V.58	Personal Lines	Premiums Less Than \$500 Million	Midwest	All Except Stock
10	V.62	Personal Lines	Premiums Less Than \$500 Million	Midwest	Stock
11	V.66	Personal Lines	Premiums Less Than \$500 Million	Balanced	All
12	V.70	Commercial & Other Lines	Premiums Over \$500 Million	All	All
13	V.78	Commercial & Other Lines	Premiums Less Than \$500 Million	Southwest	All Except Stock
14	V.82	Commercial & Other Lines	Premiums Less Than \$500 Million	Southwest	Stock
15	V.86	Commercial & Other Lines	Premiums Less Than \$500 Million	Southeast	All
16	V.94	Commercial & Other Lines	Premiums Less Than \$500 Million	Pacific Southwest	All
17	V.98	Commercial & Other Lines	Premiums Less Than \$500 Million	Pacific Northwest	All
18	V.102	Commercial & Other Lines	Premiums Less Than \$500 Million	Northeast	All Except Stock
19	V.106	Commercial & Other Lines	Premiums Less Than \$500 Million	Northeast	Stock
20	V.110	Commercial & Other Lines	Premiums Less Than \$500 Million	Midwest	All Except Stock
21	V.114	Commercial & Other Lines	Premiums Less Than \$500 Million	Midwest	Stock
22	V.118	Commercial & Other Lines	Premiums Less Than \$500 Million	Balanced	All Except Stock
23	V.122	Commercial & Other Lines	Premiums \$100 Million - \$500 Million	Balanced	Stock
24	V.130	Commercial & Other Lines	Premiums Less Than \$100 Million	Balanced	Stock

PEER GROUP ANALYSIS – FIVE YEAR TREND

User's Guide

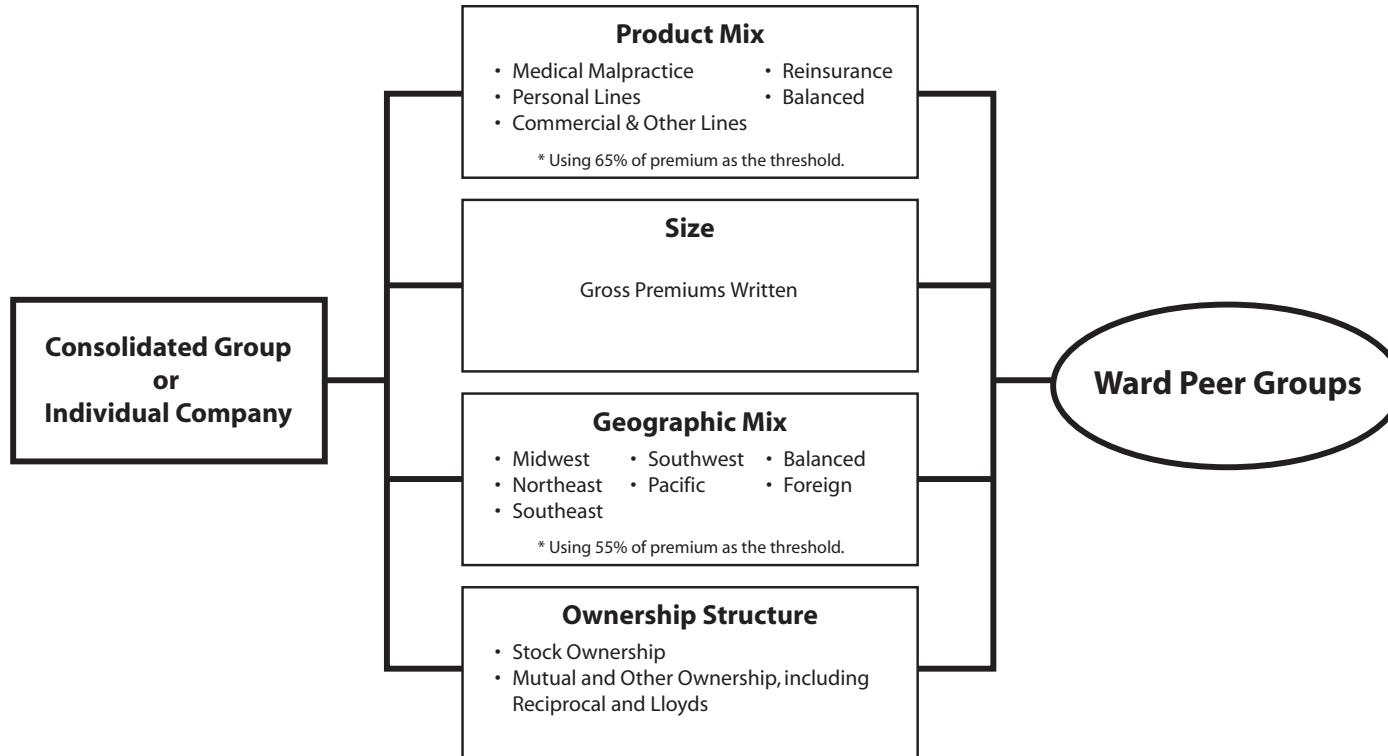
Peer Group	Page #	Product Mix	Size	Geographic Mix	Ownership Structure
25	V.138	Balanced Lines	Premiums Over \$500 Million	All	All
26	V.142	Balanced Lines	Premiums Less Than \$500 Million	Southwest	All
27	V.146	Balanced Lines	Premiums Less Than \$500 Million	Southeast	All
28	V.150	Balanced Lines	Premiums Less Than \$500 Million	Pacific	All
29	V.154	Balanced Lines	Premiums Less Than \$500 Million	Northeast	All Except Stock
30	V.158	Balanced Lines	Premiums Less Than \$500 Million	Northeast	Stock
31	V.162	Balanced Lines	Premiums Less Than \$500 Million	Midwest	All
32	V.166	Balanced Lines	Premiums Less Than \$500 Million	Balanced	All
33	V.170	All	Premiums Less Than \$500 Million	Foreign	All
34	–	Miscellaneous & All Other	Miscellaneous & All Other	All	All

Overview

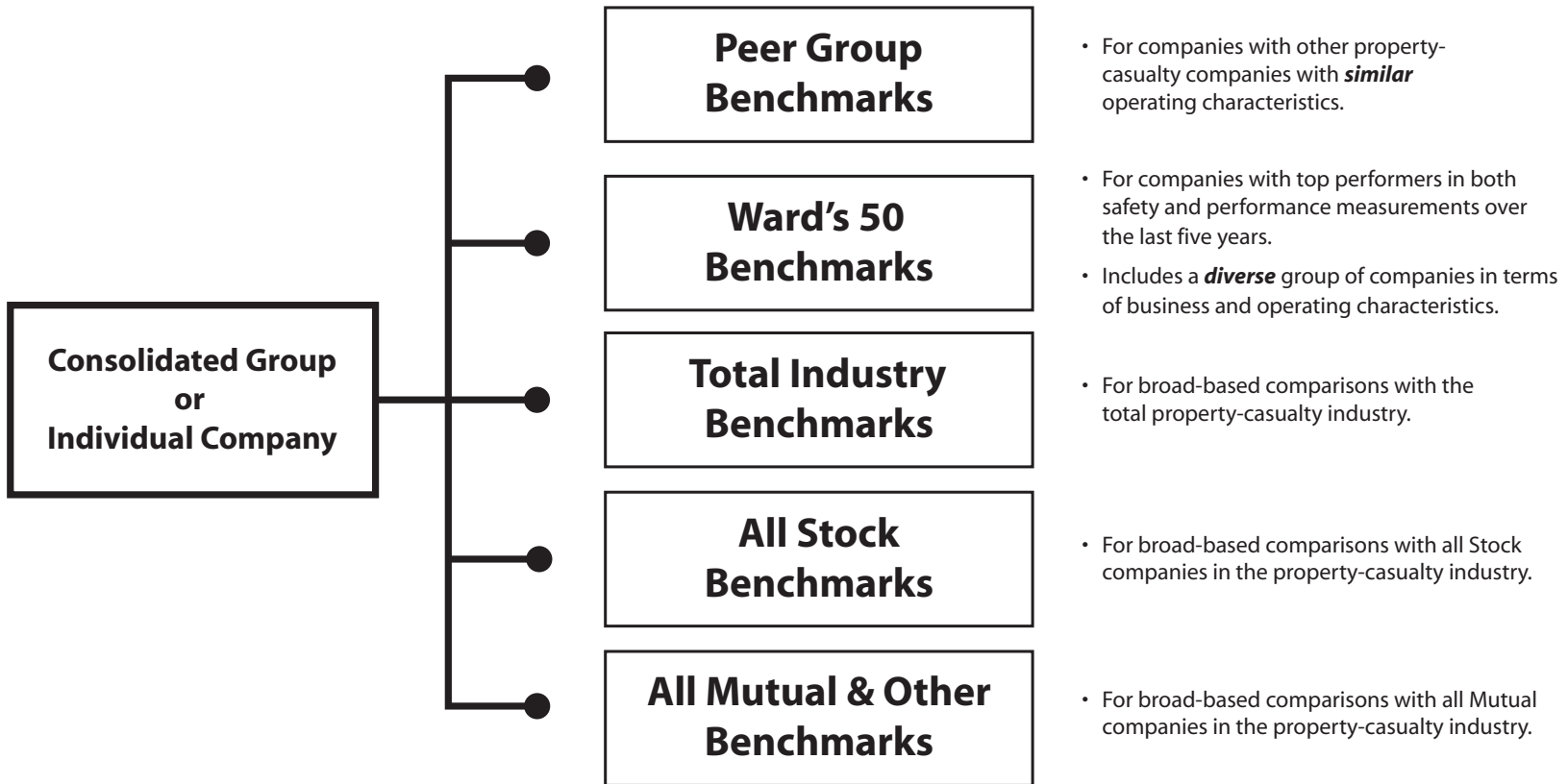
This section lists companies together with other companies assigned to the same peer group. Within a particular peer group subsection, companies are listed in descending premium sequence. The presentation spans four pages. For each ratio, a 2010 and five year average is presented. Industry and peer group benchmarks are listed at the bottom of each page for quick reference.

Defining Peer Groups

Each company is assigned to one of 34 peer groups that consider the company's product mix, premium volume, geographic mix and ownership structure. The peer group assignments are determined as follows:



Benchmarking as an Analytical Tool



First set - left page

PEER GROUP ANALYSIS FIVE YEAR TREND		ASSET MIX						ASSET QUALITY				CAPITAL ADEQUACY								
		% OF INV. ASSETS				%		% OF INV. ASSETS				RATIO		%						
		2010 Gross Premiums	Bonds		Total Stocks		Invested Assets/ Tot. Assets		Mort. Lns. & R.E.		Non-Invest. Grd. Bonds		N.P.W./ Surplus		Liabilities/ Surplus		Risk-Based Cap. Ratio		Surplus/ Assets	
(000's of \$)	2010		5 Yr.	2010	5 Yr.	2010	5 Yr.	2010	5 Yr.	2010	5 Yr.	2010	5 Yr.	2010	5 Yr.	2010	5 Yr.	2010	5 Yr.	
COMPANY (Premiums Sequence)																				
①						②				③										

Second set - left page

PEER GROUP ANALYSIS FIVE YEAR TREND		EXPENSE MANAGEMENT										PRODUCT MIX									
		% OF NET PREMIUMS WRITTEN										%		PRODUCT GPW AS A % OF TOTAL GPW							
		2010 Gross Premiums	Net Claims Adj.		Net Comm. & Brokerage		Salaries & Benefits		Total Expenses/ N.P.W.		Total Expenses/ Avg. Assets		Homeowners Multiple Peril		Auto Liability Personal		Commercial Auto		Auto P.D. Total		
(000's of \$)	2010		5 Yr.	2010	5 Yr.	2010	5 Yr.	2010	5 Yr.	2010	5 Yr.	2010	5 Yr.	2010	5 Yr.	2010	5 Yr.	2010	5 Yr.		
COMPANY (Premiums Sequence)																					
⑦										⑧											

1. ASSET MIX - The relationship of a particular category of asset (i.e. bonds, etc.) to either invested assets or total assets.

 - Use these relationships to compare the mix of assets among various property-casualty companies.
 - These relationships do not evaluate the quality of the assets, rather the relative mix in total.
 - The relationship of invested assets to total assets is a key indicator of performance.
 - high ratio is favorable.
 - low ratio is unfavorable.
2. ASSET QUALITY - The portion of high-risk asset categories (non-investment grade bonds, etc.) in relationship to the total of all invested assets.

 - These are key indicators of a property-casualty company's asset quality.
 - High ratio is unfavorable.
 - Low ratio is favorable.
 - Compare these ratios to various peer group and industry benchmarks included in *Ward's Results*.
3. CAPITAL ADEQUACY - The measure of capital, or surplus, adequacy. The risk-based capital ratio measures the relationship of actual capital to required capital, based on the risk profile of a specific company.

 - High risk-based capital ratio is favorable (target is to be 100% or higher).
 - Low risk-based capital ratio (less than 100%) may be an indicator of inadequate capital levels.
 - Compare these ratios to various peer group and industry benchmarks included in *Ward's Results*.

First set - right page

INVESTMENT YIELD								LIABILITIES MIX						SUMMARY OF OPERATIONS															
%								% OF TOTAL LIAB.						% OF PREMIUMS EARNED					%										
Overall Yield		Bonds		Total Stocks		Mortgage Loans		Loss Reserves		L.A.E. Reserves		Unearned Premiums		Losses Inc.		L.A.E. Expenses		Net U.W. Gain (Loss)		Net Investment Gain (Loss)		Div. to P.H.		U.W. Exp./N.P.W.		Combined Ratio w/o P.H. Div.		Combined Ratio w/ P.H. Div.	
2010	5 Yr.	2010	5 Yr.	2010	5 Yr.	2010	5 Yr.	2010	5 Yr.	2010	5 Yr.	2010	5 Yr.	2010	5 Yr.	2010	5 Yr.	2010	5 Yr.	2010	5 Yr.	2010	5 Yr.	2010	5 Yr.	2010	5 Yr.	2010	5 Yr.
④								⑤						⑥															

Second set - right page

PRODUCT MIX								LOSS DEV.		PERFORMANCE MEAS.						GROWTH RATE ANALYSIS							
PRODUCT GPW AS A % OF TOTAL GPW								%		% RETURN ON						%							
Workers' Comp.		Other Liability		Special Liability		Commercial Multiple Peril		Loss Reserve Development		Average Equity		Average Assets		Total Revenue		Gross Prem. Writ.	Losses Inc.	Loss Exp. Inc.	U.W. Exp. Inc.	Net U.W. Gain (Loss)	Net Inv. Gain (Loss)	Total Exp.	Surplus
2010	5 Yr.	2010	5 Yr.	2010	5 Yr.	2010	5 Yr.	1 Yr.	2 Yr.	2010	5 Yr.	2010	5 Yr.	2010	5 Yr.	5 Yr.	5 Yr.	5 Yr.	5 Yr.	5 Yr.	5 Yr.	5 Yr.	5 Yr.
⑧								⑨		⑩						⑪							

4. INVESTMENT YIELD - The yield of the investment portfolio in total and by major categories of assets (i.e. bonds, etc.).
 - Yields do not consider the quality of the investments and do not consider the tax aspects of the bond portfolio.
 - High % is generally favorable.
 - Low % is generally unfavorable.
 - Compare these ratios to various peer group and industry benchmarks included in *Ward's Results*.
5. LIABILITIES MIX - The relationship of a particular category of reserves or liabilities, to total liabilities.
 - Indicates the estimated future obligations of the company.
 - Use these relationships to compare the mix of liabilities among various property-casualty companies.
6. SUMMARY OF OPERATIONS - The major components of the company's income statement, expressed in relationship to either premiums earned or net premiums written.
 - Combined ratio is a key performance indicator and measures the company's overall underwriting results.
 - High ratio is unfavorable.
 - Low ratio is favorable.
 - Combined ratio under 100% indicates that a company is achieving an underwriting profit.
 - Compare these ratios to various peer group and industry benchmarks included in *Ward's Results*.
7. EXPENSE MANAGEMENT - The relationship of operating expenses to either premiums or average assets.

PEER GROUP ANALYSIS – FIVE YEAR TREND

- A measure of performance or efficiency, in the area of operating expenses.
 - High ratio is unfavorable.
 - Low ratio is favorable.
 - Compare these ratios to various peer group and industry benchmarks included in *Ward's Results*.
8. PRODUCT MIX - The relationship of the premiums generated by a particular product line (i.e., commercial auto) to total premiums.
- Use the relationship to compare the mix of business among various property-casualty companies.
 - These relationships do not evaluate the profitability of a product line, rather the relative mix in total.
9. LOSS DEV. - A measure of the adequacy of the company's loss reserves.
- Negative % is favorable, indicating loss reserves may be redundant, or more than adequate.
 - Positive % is unfavorable, indicating loss reserves may be deficient, or understated.
 - Compare these ratios to various peer group and industry benchmarks included in *Ward's Results*.
10. PERFORMANCE MEAS. - The three key indicators of a company's overall profitability. They indicate earnings efficiency and whether the company has achieved a favorable return.
- High ratios are favorable.
 - Low ratios are unfavorable.
 - Compare these ratios to various peer group and industry benchmarks included in *Ward's Results*.
11. GROWTHRATE ANALYSIS - The change in key income statement and balance sheet categories over the past five years.
- Compare these ratios to various peer group and industry benchmarks included in *Ward's Results*.

COMPANIES WITH 2010 PREMIUMS EARNED LESS THAN \$10 MILLION

Overview

This section includes condensed information about smaller property-casualty companies with 2010 premiums earned less than \$10 million. It is a supplement to the previous sections and completes the analysis of all property-casualty companies.

COMPANIES WITH 2010 PREMIUMS EARNED < \$10 MILLION	2010 FINANCIAL STATEMENT AMOUNTS			RATIO ANALYSIS							
	Assets	Surplus	Premiums Earned	Mtg. Loans & R.E./ Invested Assets		Risk-Based Capital Ratio		Combined Ratio		Liabilities/ Surplus	
COMPANY (Alphabetical Sequence)	\$	\$	\$	2010	5 Yr.	2010	5 Yr.	2010	5 Yr.	2010	5 Yr.

①

②

③

1. **COMPANY** - The name of each property-casualty company listed alphabetically, with 2010 premiums earned less than \$10 million.
2. **2010 FINANCIAL STATEMENT AMOUNTS** - Selected 2010 financial statement items.
3. **RATIO ANALYSIS** - Selected 2010 and five year trend ratios that focus on asset quality and capital adequacy.