

2015 Ward's 50 Top Performing P&C Insurers



To develop its annual list of the top 50 performing insurance companies, Ward Group analyzes the financial performance of nearly 3,000 property-casualty insurance companies domiciled in the United States and identifies the top performers based on objective data and subjective quality measures. Each company has passed all safety and consistency screens and achieved superior performance over the five years analyzed. This is the 25th consecutive year Ward Group has conducted the analysis.

The Ward's 50 property-casualty group of insurance companies produced a 10.9% statutory return on average equity from 2010 to 2014 compared to 7.8% for the property-casualty industry overall.

"Most insurers saw improvements in overall premium levels, however, these premium gains were tempered by slightly lower financial returns," explained Jeff Rieder, Partner and Head of Ward Group. "Our research finds that companies are cautiously optimistic about continued growth in revenue in 2015 but they responded that maintaining profitability is becoming more difficult. Growth in technology and business analytics investments are at the highest levels we have ever measured. While companies expect to achieve efficiency gains and improvements in customer satisfaction from these investments, the costs may negatively impact expense ratios. Fortunately, total policyholder surplus continues to grow and overall financial stability for the industry remains very strong. In selecting the Ward's 50, we identified companies that pass financial stability requirements and measure their ability to grow while maintaining strong capital positions and underwriting results."

Safety and Consistency

Insurance companies are evaluated and must pass minimum thresholds to be considered for the Ward's 50 designation.

Each company must pass primary safety and consistency tests, including:

- Surplus and premiums of at least \$50 million for each of the five years analyzed
- Net income in at least four of the last five years
- Compound annual growth in premiums between -10% and +40%

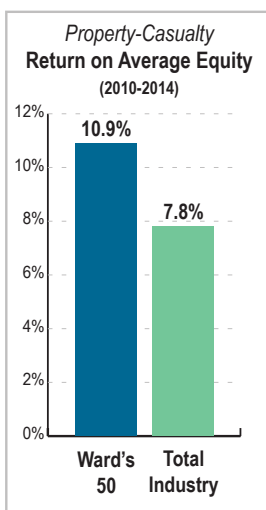
Performance Measurements

Companies that pass the safety and consistency tests are measured and scored on the following elements:

- Five Year Avg. Return on Avg. Equity
- Five Year Avg. Return on Avg. Assets
- Five Year Avg. Return on Total Revenue
- Five Year Growth in Revenue
- Five Year Improvement in Surplus to Written Premium
- Five Year Avg. Combined Ratio

Key Performance Benchmarks

An important objective of the Ward's 50 is to compare their performance as a group with the rest of the industry. In addition to achieving greater levels of income returns, the Ward's 50 benchmarks also outperformed in other key performance benchmarks. The Ward's 50 property-casualty group compared 6.8 points lower for the five year combined ratio (94.5% compared to 101.3%) and grew policyholder surplus by 30.2% compared to 21.9% for the industry since 2010. Net premiums written for the Ward's 50 property-casualty group grew 28.5% compared to the industry's 18.4% growth.



In addition to achieving higher financial returns, the Ward's 50 benchmark continues to achieve lower expense ratios. "The expense ratio declined slightly in 2014 for both the property-casualty and the life-health benchmark. We still find the Ward's 50 benchmarks comparing better than the industry average," said Rieder. In 2014, expenses relative to revenue were 9.8% lower for the Ward's 50 property-casualty group of companies.

2015 Ward's 50® Companies

Property-Casualty

(listed alphabetically)

ACUIITY
 Alaska National Insurance Company
 Alleghany Group
 Allstate Insurance Company
 American Financial Group
 AMERISAFE
 Amica Mutual Insurance Group
 The Andover Companies
 Assurant, Inc.
 Auto Club Enterprises Insurance Group
 Chubb Group
 Church Mutual Insurance Company
 Cincinnati Insurance Group
 Coverys
 The Doctors Company
 Farm Bureau Property & Casualty Insurance Co
 Federated Mutual Group
 First Insurance Company of Hawaii, LTD
 FM Global
 Franklin Mutual Insurance Group
 GEICO*
 Goodville Mutual Casualty Company
 HCC Insurance Holdings Group
 ICW Group
 Island Insurance Companies
 Jewelers Mutual Insurance Company
 Louisiana Workers' Compensation Corporation
 Markel Corporation Group
 Metropolitan Property and Casualty Insur. Co.
 Munich Reinsurance America, Inc.
 Nodak Mutual Insurance Company
 North Star Mutual Insurance Company
 Old Republic Insurance Group
 Philadelphia Insurance Companies
 ProAssurance
 Progressive Insurance Group
 RLI Insurance Company*
 Rural Mutual Insurance Company
 SECURA Insurance Companies
 Texas Mutual Insurance Company
 Travelers Insurance Group
 United Educators Insurance
 USAA Group*
 Utica First Insurance Company
 Vermont Mutual Insurance Company
 W.R. Berkley Corporation
 West Bend Mutual Insurance Company
 Western Mutual Insurance Group
 Western National Insurance Group
 Zurich American Insurance Company
 *25-year recipient (1991-2015)

An important objective of the Ward's 50 is to compare their performance as a group with the rest of the industry. Comparisons based on benchmarks set by the Ward's 50 group of companies are available for individual companies and the total industry. Visit www.wardinc.com for more information.