

**Maryland Insurance  
Administration's  
2006  
Report on  
Workers' Compensation  
Insurance**



**October, 2006**

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<b>Exhibit 6</b>	<b>Displays a chronological history of changes by industry type from 1998 through 2007.</b>

# 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 who sustain bodily injury arising out of and in the course of their employment 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 they may sustain as a result of their work-related injury, 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 at a later point in time.

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, Inc. ("NCCI"), a licensed rating and advisory organization, files "pure premium loss cost" rates on behalf of its members (private

insurance companies) with the MIA. The filing is subject to prior approval by the MIA.

A “pure premium loss cost” rate reflects actual loss cost which includes 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. The pure premium loss cost does 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 expenses and loss adjustment expenses. 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's competitive rating laws.

Exhibit 1 displays the top seven major insurance groups by market share for 1999 through 2005, which is the latest data available.<sup>1</sup>

## 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-three percent (33%) 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 twelve percent (12%) (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-seven (57) 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 and carriers who are re-entering<sup>2</sup> the Maryland market place and offering workers' compensation insurance to Maryland businesses (See Exhibit

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1 This exhibit does not include IWIF data, as IWIF is not subject to regulation by the MIA.

2 Re-entrants are carriers who had no direct written premium in 2004, but did in 2005.

4).

## **NCCI Rate Filings**

Between January 1989 and August 2006, NCCI has submitted sixteen (16) pure premium filings to the MIA for prior approval. Exhibit 5 displays a comparison of changes in NCCI's pure premium filings with the MIA with effective dates from 1998 through 2007. The NCCI's most recent filing was submitted in August of 2006 and approved on September 5, 2006 with an effective date of January 1, 2007. The overall change for this filing is a decrease of 5.2%. This -5.2% pure premium loss cost reflects a change of -6.0% due to experience, a -0.9% to reflect a change in trends, and a +1.7% due to a change in benefits. However, as is the case with most averages, some classifications will receive larger percentage decreases, some will receive about the average decrease, and some may even receive a percentage increase (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.**

## **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 thirty-three percent (33%) 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 twelve (12%) 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 five (5%) percent of the market. Please see Exhibit 3 for a listing of individual insurer companies and groups and their respective 2005 written premium.**

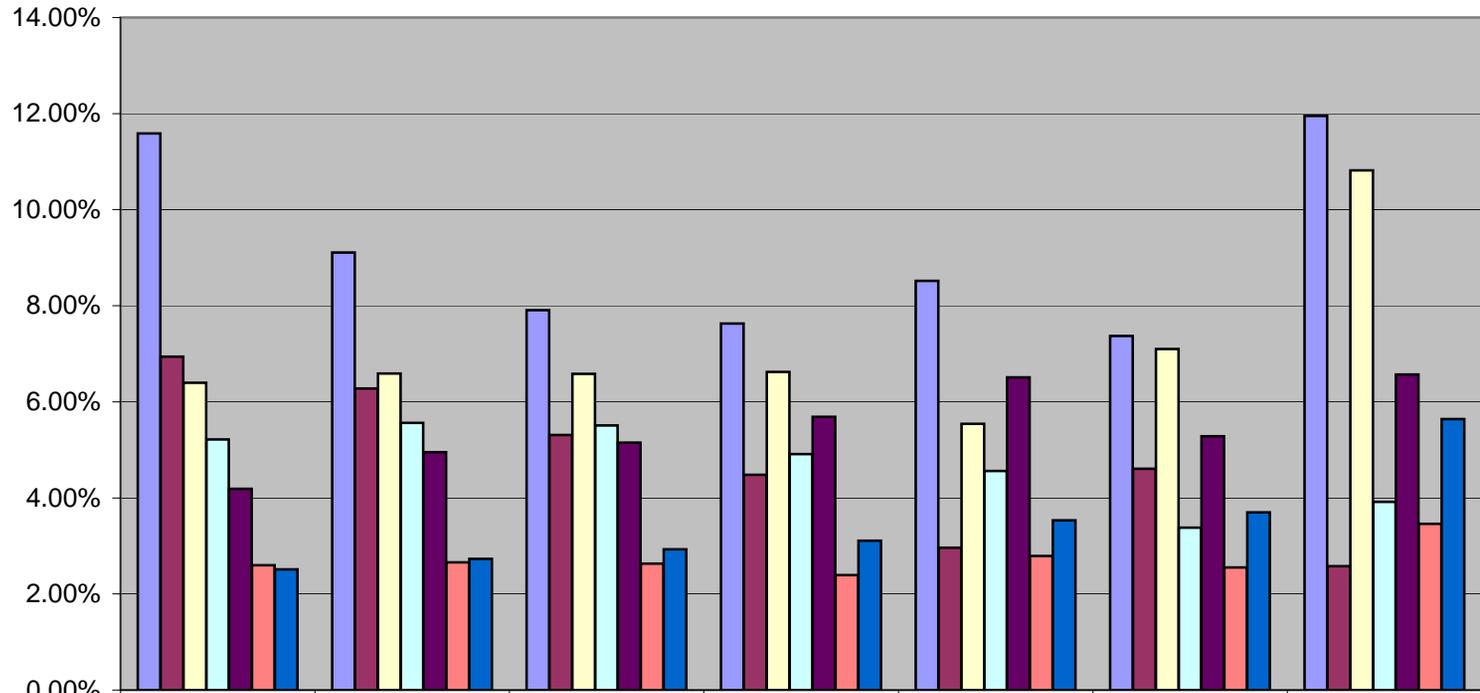
**IWIF does not submit their premium and loss experience data to NCCI. In addition, IWIF is not required to file their rates with the Maryland Insurance Administration. Therefore, the pure premium filings submitted by NCCI on behalf of the private insurance industry do not reflect IWIF's experience and the MIA has no authority to review the rates being charged to Maryland businesses by IWIF.**

## **Summary**

**In 2005, there were one hundred two (102) insurance groups that reported**

**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 1999 Through 2005



	2005	2004	2003	2002	2001	2000	1999
Hartford Group	11.59%	9.11%	7.91%	7.63%	8.52%	7.37%	11.95%
American International Group	6.94%	6.28%	5.31%	4.48%	2.96%	4.61%	2.58%
Liberty Mutual Group	6.40%	6.59%	6.58%	6.62%	5.54%	7.10%	10.82%
Erie Insurance Group	5.22%	5.56%	5.51%	4.91%	4.56%	3.38%	3.92%
St. Paul Travelers Group	4.19%	4.95%	5.15%	5.69%	6.51%	5.28%	6.57%
Selective Insurance Group	2.60%	2.66%	2.63%	2.39%	2.79%	2.55%	3.46%
CNA Group	2.51%	2.73%	2.93%	3.11%	3.53%	3.70%	5.64%

St. Paul and Travelers merger the end of 2003

**Exhibit 1**

2005 Premium	2005 Group	2005 Group Written Premium	2005 Market Share	Cumulative Market Share
Rank	Code	Group Name		
1	0	Injured Workers Ins Fund	320,410,472	33.2%
2	91	HARTFORD FIRE & CAS GRP	111,902,615	11.6%
3	12	AMERICAN INTRNL GRP	66,986,522	6.9%
4	111	LIBERTY MUT GRP	61,786,399	6.4%
5	213	ERIE INS GRP	50,403,717	5.2%
6	3548	St Paul Travelers Grp	40,508,548	4.2%
7	212	ZURICH INS GRP	37,494,268	3.9%
8	242	SELECTIVE INS	25,346,593	2.6%
9	218	CNA INS GRP	24,253,403	2.5%
10	626	ACE LTD	16,082,021	1.7%
11	767	PENN MFR ASN INS	15,349,634	1.6%
12	140	NATIONWIDE CORP	14,421,087	1.5%
13	148	OHIO CAS GRP	13,533,425	1.4%
14	38	CHUBB & SON INC	13,008,854	1.3%
15	457	ARGONAUT GRP	12,400,106	1.3%
16	447	HARFORD GRP INC	12,221,530	1.3%
17	176	STATE FARM IL	9,676,738	1.0%
18	271	PENNSYLVANIA NATL INS GRP	9,627,585	1.0%
19	244	CINCINNATI FNCL CP	9,440,597	1.0%
20	661	COMPANION L I C	8,575,868	0.9%
21	98	WR Berkley Corp	7,729,769	0.8%
22	828	GUARD INS CO	7,515,846	0.8%
23	150	OLD REPUBLIC GRP	5,251,134	0.5%
24	680	AMERISAFE GRP	5,014,186	0.5%
25	761	ALLIANZ INS GRP	4,949,929	0.5%
26	250	DONEGAL GRP	4,530,171	0.5%
27	201	UTICA NATL INS GRP	4,483,121	0.5%
28	0	Brethren Mut Ins Co	4,429,664	0.5%
29	175	STATE AUTO MUT GRP	3,970,167	0.4%
30	253	HARLEYSVILLE GRP	3,615,498	0.4%
31	640	MUTUAL BENEFIT GRP	3,053,161	0.3%
32	2538	Amtrust Grp	2,372,015	0.2%
33	169	SENTRY INS GRP	2,338,591	0.2%
34	408	AMERICAN NATL FNCL GRP	2,027,460	0.2%
35	0	Vanliner Ins Co	1,815,757	0.2%
36	163	SAFECO INS GRP	1,759,036	0.2%
37	400	CREDIT SUISSE GRP	1,739,446	0.2%
38	311	NATL GRANGE MUT INS GRP	1,648,252	0.2%
39	0	American Mining Ins Co Inc	1,621,435	0.2%
40	748	Meadowbrook Ins Grp	1,423,325	0.1%
41	0	Brotherhood Mut Ins Co	1,306,129	0.1%
42	7	FEDERATED MUT	1,203,253	0.1%
43	158	FAIRFAX FINANCIAL	1,178,532	0.1%
44	1120	EVEREST REIN HOL INC	1,149,828	0.1%
45	2978	Mitsui Sumitomo Ins Grp	1,013,855	0.1%
46	1279	Arch Ins Grp	875,753	0.1%
47	317	AON CORP	857,275	0.1%
48	1129	WHITE MOUNTAINS GRP	752,913	0.1%
49	553	ROYAL & SUN ALLIANCE USA	730,814	0.1%
50	57	ELECTRIC INS GRP	724,817	0.1%
51	3098	Millea Holdings Inc	678,126	0.1%

## Exhibit 2

52	84	American Financial Grp	651,087	0.1%	99.0%
53	1285	X L AMER	638,115	0.1%	99.0%
54	306	CUNA MUT GRP	629,248	0.1%	99.1%
55	225	IAT Reins Co Grp	591,718	0.1%	99.2%
56	336	ZENITH NATL INS GRP	556,051	0.1%	99.2%
57	1325	RHINE RE GRP	555,665	0.1%	99.3%
58	74	DELPHI FIN GRP	551,959	0.1%	99.3%
59	0	Church Mut Ins Co	537,195	0.1%	99.4%
60	88	The Hanover Ins Grp	526,284	0.1%	99.5%
61	0	Pennsylvania Lumbermens Mut Ins	489,657	0.1%	99.5%
62	349	FLORISTS MUT	435,309	0.0%	99.6%
63	241	METROPOLITAN GRP	386,546	0.0%	99.6%
64	0	Southern States Ins Exch	380,442	0.0%	99.6%
65	867	PROTECTIVE INS GRP	317,121	0.0%	99.7%
66	303	GUIDEONE INS GRP	302,242	0.0%	99.7%
67	124	AMERISURE CO	288,678	0.0%	99.7%
68	125	PENN MILLER GRP	281,221	0.0%	99.8%
69	228	WESTFIELD Grp	257,693	0.0%	99.8%
70	0	Federated Rural Electric Ins Exch	194,434	0.0%	99.8%
71	853	PUBLIC SERVICE GRP	189,494	0.0%	99.8%
72	350	GE GLOBAL GRP	168,877	0.0%	99.8%
73	222	GREATER NY	167,899	0.0%	99.9%
74	361	MUNICH AMERICAN HOLDING CORP	164,402	0.0%	99.9%
75	108	LUMBERMENS MUT CAS GRP	163,808	0.0%	99.9%
76	3499	Providence Holdings Inc Grp	161,032	0.0%	99.9%
77	812	HIGHMARK INC	135,877	0.0%	99.9%
78	775	PHARMACISTS MUT	131,034	0.0%	99.9%
79	3219	Sompo Japan Ins Grp	120,297	0.0%	99.9%
80	0	First Nonprofit Ins Co	119,514	0.0%	100.0%
81	572	BCBS OF MI GRP	112,448	0.0%	100.0%
82	62	EMC INS CO	106,681	0.0%	100.0%
83	0	Capital City Ins Co Inc	101,338	0.0%	100.0%
84	0	T.H.E. Ins Co	71,249	0.0%	100.0%
85	517	HANNOVER GRP	64,167	0.0%	100.0%
86	781	UNION LABOR GRP	54,118	0.0%	100.0%
87	3158	Eastern Holding Co Grp	45,481	0.0%	100.0%
88	594	AMERICAN CONTRACTORS INS GRP	39,283	0.0%	100.0%
89	31	BERKSHIRE HATHAWAY	37,937	0.0%	100.0%
90	984	HCC INS HOLDINGS GRP	28,869	0.0%	100.0%
91	240	DAIMLER CHRYSLER GRP	27,621	0.0%	100.0%
92	1326	KINGSWAY GRP	26,102	0.0%	100.0%
93	2558	Nipponkoa Ins Co Ltd	20,874	0.0%	100.0%
94	0	Petroleum Cas Co	2,899	0.0%	100.0%
95	291	MOTORISTS MUT	2,857	0.0%	100.0%
96	0	Bancinsure Inc	1,880	0.0%	100.0%
97	961	FRONTIER INS GRP	251	0.0%	100.0%
98	0	National American Ins Co	-1,189	0.0%	100.0%
99	0	Lumbermens Underwriting Alliance	-5,868	0.0%	100.0%
100	1210	MLMIC Grp	-9,969	0.0%	100.0%
101	0	Preferred Professional Ins Co	-30,502	0.0%	100.0%
102	24	ATLANTIC CO	-318,135	0.0%	100.0%

INDUSTRY TOTALS

965,660,531

**Exhibit 2**

<u>2005 Rank</u>	<u>Group Code</u>	<u>Company Name</u>	<u>Group Name</u>	<u>2005 Company Written Premium</u>	<u>2005 Group Written Premium</u>
1	0	Injured Workers Ins Fund	Injured Workers Ins Fund	320,410,472	320,410,472
2	91	Twin City Fire Ins Co Co	HARTFORD FIRE & CAS GRP	48,298,756	111,902,615
2	91	Hartford Underwriters Ins Co	HARTFORD FIRE & CAS GRP	24,939,416	
2	91	Hartford Ins Co Of The Midwest	HARTFORD FIRE & CAS GRP	18,346,903	
2	91	Hartford Fire In Co	HARTFORD FIRE & CAS GRP	13,996,199	
2	91	Hartford Cas Ins Co	HARTFORD FIRE & CAS GRP	5,165,632	
2	91	Hartford Accid & Ind Co	HARTFORD FIRE & CAS GRP	1,155,709	
3	12	American Home Assur Co	AMERICAN INTRNL GRP	26,992,340	66,986,522
3	12	Commerce & Industry Ins Co	AMERICAN INTRNL GRP	23,124,193	
3	12	Insurance Co Of The State Of PA	AMERICAN INTRNL GRP	5,678,404	
3	12	New Hampshire Ins Co	AMERICAN INTRNL GRP	5,236,310	
3	12	National Union Fire Ins Co Of Pitts	AMERICAN INTRNL GRP	3,313,480	
3	12	American Intl South Ins Co	AMERICAN INTRNL GRP	2,289,151	
3	12	AIU Ins Co	AMERICAN INTRNL GRP	246,639	
3	12	Birmingham Fire Ins Co Of PA	AMERICAN INTRNL GRP	213,781	
3	12	American Intl Specialty Lines Ins Co	AMERICAN INTRNL GRP	42,545	
3	12	Granite State Ins Co	AMERICAN INTRNL GRP	19,737	
3	12	Illinois Natl Ins Co	AMERICAN INTRNL GRP	-170,058	
4	111	Liberty Ins Corp	LIBERTY MUT GRP	10,723,245	61,786,399
4	111	Liberty Mut Fire Ins Co	LIBERTY MUT GRP	10,228,056	
4	111	Peerless Ins Co	LIBERTY MUT GRP	9,932,245	
4	111	Wausau Underwriters Ins Co	LIBERTY MUT GRP	8,989,292	
4	111	Liberty Mut Ins Co	LIBERTY MUT GRP	6,671,794	
4	111	Employers Ins of Wausau	LIBERTY MUT GRP	4,571,471	
4	111	Montgomery Mut Ins Co	LIBERTY MUT GRP	4,454,902	
4	111	Excelsior Ins Co	LIBERTY MUT GRP	2,940,731	
4	111	Netherlands Ins Co The	LIBERTY MUT GRP	1,350,117	
4	111	Wausau Business Ins Co	LIBERTY MUT GRP	1,095,418	
4	111	First Liberty Ins Corp	LIBERTY MUT GRP	613,107	
4	111	LM Ins Corp	LIBERTY MUT GRP	214,795	
4	111	Peerless Ind Ins Co	LIBERTY MUT GRP	1,226	

5	213	Erie Ins Exch	ERIE INS GRP	38,737,961	50,403,717
5	213	Erie Ins Prop & Cas Co	ERIE INS GRP	5,410,062	
5	213	Flagship City Ins Co	ERIE INS GRP	3,252,500	
5	213	Erie Ins Co	ERIE INS GRP	3,003,194	
6	3548	Charter Oak Fire Ins Co	St Paul Travelers Grp	11,612,291	40,508,548
6	3548	St Paul Fire & Marine Ins Co	St Paul Travelers Grp	5,019,668	
6	3548	Travelers Property Cas Co Of Amer	St Paul Travelers Grp	4,462,673	
6	3548	Travelers Cas & Surety Co	St Paul Travelers Grp	4,381,563	
6	3548	Phoenix Ins Co	St Paul Travelers Grp	3,174,028	
6	3548	Travelers Ind Co	St Paul Travelers Grp	3,114,125	
6	3548	Fidelity & Guaranty Ins Co	St Paul Travelers Grp	2,027,922	
6	3548	Travelers Ind Co Of Amer	St Paul Travelers Grp	2,022,892	
6	3548	Travelers Ind Co Of CT	St Paul Travelers Grp	1,603,151	
6	3548	St Paul Mercury Ins Co	St Paul Travelers Grp	1,455,754	
6	3548	US Fidelity & Guaranty Co	St Paul Travelers Grp	636,799	
6	3548	Discover Prop & Cas Ins Co	St Paul Travelers Grp	582,965	
6	3548	Fidelity & Guaranty Ins Underwriters	St Paul Travelers Grp	169,106	
6	3548	St Paul Guardian Ins Co	St Paul Travelers Grp	139,535	
6	3548	Athena Assur Co	St Paul Travelers Grp	94,747	
6	3548	St Paul Protective Ins Co	St Paul Travelers Grp	11,329	
7	212	Zurich American Ins Co	ZURICH INS GRP	22,835,034	37,494,268
7	212	Universal Underwriters Ins Co	ZURICH INS GRP	3,974,217	
7	212	Maryland Cas Co	ZURICH INS GRP	2,928,095	
7	212	American Zurich Ins Co	ZURICH INS GRP	2,471,781	
7	212	American Guarantee & Liability Ins	ZURICH INS GRP	1,467,945	
7	212	Fidelity & Deposit Co Of MD	ZURICH INS GRP	973,798	
7	212	Northern Ins Co Of NY	ZURICH INS GRP	784,480	
7	212	Assurance Co Of Amer	ZURICH INS GRP	654,402	
7	212	Colonial American Cas & Surety Co	ZURICH INS GRP	514,944	
7	212	Zurich American Ins Co Of IL	ZURICH INS GRP	473,634	
7	212	Truck Ins Exch	ZURICH INS GRP	244,424	
7	212	Valiant Ins Co	ZURICH INS GRP	171,077	
7	212	Farmers Ins Exch	ZURICH INS GRP	437	

8	242	Selective Ins Co Of Amer	SELECTIVE INS	14,179,341	25,346,593
8	242	Selective Way Ins Co	SELECTIVE INS	5,911,164	
8	242	Selective Ins Co Of SC	SELECTIVE INS	5,256,088	
9	218	Transportation Ins Co	CNA INS GRP	6,333,731	24,253,403
9	218	Valley Forge Ins Co	CNA INS GRP	6,001,649	
9	218	Continental Cas Co	CNA INS GRP	5,467,985	
9	218	Transcontinental Ins Co	CNA INS GRP	2,664,301	
9	218	National Fire Ins Co Of Hartford	CNA INS GRP	2,486,016	
9	218	American Cas Co Of Reading PA	CNA INS GRP	1,241,368	
9	218	Continental Ins Co	CNA INS GRP	58,353	
10	626	Ace American Ins Co	ACE LTD	8,694,261	16,082,021
10	626	Ace Prop & Cas Ins Co	ACE LTD	4,664,425	
10	626	Indemnity Ins Co Of North Amer	ACE LTD	2,371,878	
10	626	Pacific Employers Ins Co	ACE LTD	165,185	
10	626	Ace Fire Underwriters Ins Co	ACE LTD	145,113	
10	626	Insurance Co Of North Amer	ACE LTD	44,313	
10	626	Bankers Standard Ins Co	ACE LTD	-3,154	
11	767	Pennsylvania Manufacturers Asn Ins C	PENN MFR ASN INS	8,590,639	15,349,634
11	767	Manufacturers Alliance Ins Co	PENN MFR ASN INS	6,098,415	
11	767	Pennsylvania Manufacturers Ind Co	PENN MFR ASN INS	660,580	
12	140	Nationwide Mut Ins Co	NATIONWIDE CORP	9,534,576	14,421,087
12	140	Nationwide Mut Fire Ins Co	NATIONWIDE CORP	3,976,424	
12	140	Nationwide Agribusiness Ins Co	NATIONWIDE CORP	420,898	
12	140	Depositors Ins Co	NATIONWIDE CORP	220,710	
12	140	Allied Prop & Cas Ins Co	NATIONWIDE CORP	121,892	
12	140	Nationwide Prop & Cas Ins Co	NATIONWIDE CORP	74,173	
12	140	Amco Ins Co	NATIONWIDE CORP	72,414	
13	148	Ohio Security Ins Co	OHIO CAS GRP	3,750,797	13,533,425
13	148	West American Ins Co	OHIO CAS GRP	3,544,550	
13	148	American Fire & Cas Co	OHIO CAS GRP	3,185,316	
13	148	Ohio Cas Ins Co	OHIO CAS GRP	3,052,762	

14	38	Federal Ins Co	CHUBB & SON INC	10,347,532	13,008,854
14	38	Pacific Ind Co	CHUBB & SON INC	1,012,272	
14	38	Vigilant Ins Co	CHUBB & SON INC	892,234	
14	38	Great Northern Ins Co	CHUBB & SON INC	498,749	
14	38	Chubb Ind Ins Co	CHUBB & SON INC	258,067	
15	457	Rockwood Cas Ins Co	ARGONAUT GRP	10,688,929	12,400,106
15	457	Colony Specialty Ins Co	ARGONAUT GRP	992,573	
15	457	Argonaut Ins Co	ARGONAUT GRP	551,579	
15	457	Argonaut-Midwest Ins Co	ARGONAUT GRP	167,025	
16	447	Harford Mut Ins Co	HARFORD GRP INC	12,169,906	12,221,530
16	447	Firstline Natl Ins Co	HARFORD GRP INC	51,624	
17	176	State Farm Fire And Cas Co	STATE FARM IL	9,676,738	9,676,738
18	271	Pennsylvania Ntl Mut Cas Ins Co	PENNSYLVANIA NATL INS GRP	8,159,478	9,627,585
18	271	Penn Natl Security Ins Co	PENNSYLVANIA NATL INS GRP	1,468,107	
19	244	The Cincinnati Indemnity Co	CINCINNATI FNCL CP	3,454,857	9,440,597
19	244	Cincinnati Cas Co	CINCINNATI FNCL CP	3,412,240	
19	244	Cincinnati Ins Co	CINCINNATI FNCL CP	2,573,500	
20	661	Companion Commercial Ins Co	COMPANION L I C	4,924,798	8,575,868
20	661	Companion Prop & Cas Ins Co	COMPANION L I C	3,651,070	
21	98	Firemens Ins Co Of Washington DC	WR Berkley Corp	7,107,196	7,729,769
21	98	Union Ins Co	WR Berkley Corp	502,285	
21	98	Midwest Employers Cas Co	WR Berkley Corp	92,661	
21	98	Acadia Ins Co	WR Berkley Corp	27,299	
21	98	Berkley Regional Ins Co	WR Berkley Corp	328	
22	828	Norguard Ins Co	GUARD INS CO	6,459,873	7,515,846
22	828	Amguard Ins Co	GUARD INS CO	1,054,836	
22	828	Eastguard Ins Co	GUARD INS CO	1,137	
23	150	Old Republic Ins Co	OLD REPUBLIC GRP	2,944,507	5,251,134
23	150	Bituminous Cas Corp	OLD REPUBLIC GRP	2,116,824	
23	150	International Bus & Merc Reassur Co	OLD REPUBLIC GRP	152,290	
23	150	Bituminous Fire & Marine Ins Co	OLD REPUBLIC GRP	24,788	
23	150	Great West Cas Co	OLD REPUBLIC GRP	12,725	
24	680	American Interstate Ins Co	AMERISAFE GRP	5,014,186	5,014,186
25	761	American Ins Co	ALLIANZ INS GRP	2,744,343	4,949,929
25	761	Associated Ind Corp	ALLIANZ INS GRP	1,111,672	

25	761	National Surety Corp	ALLIANZ INS GRP	525,573	
25	761	Firemans Fund Ins Co	ALLIANZ INS GRP	386,994	
25	761	American Automobile Ins Co	ALLIANZ INS GRP	181,347	
26	250	Donegal Mut Ins Co	DONEGAL GRP	1,931,938	4,530,171
26	250	Atlantic States Ins Co	DONEGAL GRP	1,709,873	
26	250	Peninsula Ins Co	DONEGAL GRP	888,360	
27	201	Graphic Arts Mut Ins Co	UTICA NATL INS GRP	2,214,317	4,483,121
27	201	Utica Mut Ins Co	UTICA NATL INS GRP	1,711,706	
27	201	Republic-Franklin Ins Co	UTICA NATL INS GRP	557,098	
28	0	Brethren Mut Ins Co	Brethren Mut Ins Co	4,429,664	4,429,664
29	175	State Auto Prop & Cas Ins Co	STATE AUTO MUT GRP	3,232,307	3,970,167
29	175	State Automobile Mut Ins Co	STATE AUTO MUT GRP	737,860	
30	253	Harleysville Mut Ins Co	HARLEYSVILLE GRP	2,561,112	3,615,498
30	253	Harleysville Ins Co	HARLEYSVILLE GRP	622,951	
30	253	Harleysville Preferred Ins Co	HARLEYSVILLE GRP	431,435	
31	640	Mutual Benefit Ins Co	MUTUAL BENEFIT GRP	2,872,629	3,053,161
31	640	Select Risk Ins Co	MUTUAL BENEFIT GRP	180,532	
32	2538	Technology Ins Co Inc	Amtrust Grp	2,372,015	2,372,015
33	169	Sentry Select Ins Co	SENTRY INS GRP	1,261,735	2,338,591
33	169	Sentry Ins A Mut Co	SENTRY INS GRP	1,075,415	
33	169	Middlesex Ins Co	SENTRY INS GRP	1,441	
34	408	United Farm Family Ins Co	AMERICAN NATL FNCL GRP	2,027,460	2,027,460
35	0	Vanliner Ins Co	Vanliner Ins Co	1,815,757	1,815,757
36	163	American States Ins Co	SAFECO INS GRP	881,739	1,759,036
36	163	American Economy Ins Co	SAFECO INS GRP	380,352	
36	163	General Ins Co Of Amer	SAFECO INS GRP	339,878	
36	163	First Natl Ins Co Of Amer	SAFECO INS GRP	97,930	
36	163	Safeco Ins Co Of Amer	SAFECO INS GRP	59,137	
37	400	Southern Pilot Ins Co	CREDIT SUISSE GRP	1,038,599	1,739,446
37	400	General Cas Co Of WI	CREDIT SUISSE GRP	693,067	
37	400	Regent Ins Co	CREDIT SUISSE GRP	7,780	
38	311	NGM Ins Co	NATL GRANGE MUT INS GRP	1,648,252	1,648,252
39	0	American Mining Ins Co Inc	American Mining Ins Co Inc	1,621,435	1,621,435
40	748	Star Ins Co	Meadowbrook Ins Grp	1,423,325	1,423,325
41	0	Brotherhood Mut Ins Co	Brotherhood Mut Ins Co	1,306,129	1,306,129
42	7	Federated Mut Ins Co	FEDERATED MUT	1,169,168	1,203,253
42	7	Federated Service Ins Co	FEDERATED MUT	34,085	

43	158	United States Fire Ins Co	FAIRFAX FINANCIAL	846,726	1,178,532
43	158	North River Ins Co	FAIRFAX FINANCIAL	195,999	
43	158	Seneca Ins Co Inc	FAIRFAX FINANCIAL	130,106	
43	158	Crum & Forster Ind Co	FAIRFAX FINANCIAL	75,941	
43	158	TIG Ins Co	FAIRFAX FINANCIAL	-70,240	
44	1120	Everest Natl Ins Co	EVEREST REIN HOL INC	1,149,828	1,149,828
45	2978	Mitsui Sumitomo Ins Co of Amer	Mitsui Sumitomo Ins Grp	801,848	1,013,855
45	2978	Mitsui Sumitomo Ins USA Inc	Mitsui Sumitomo Ins Grp	212,007	
46	1279	Arch Ins Co	Arch Ins Grp	875,753	875,753
47	317	Virginia Surety Co Inc	AON CORP	857,275	857,275
48	1129	Atlantic Specialty Ins Co	WHITE MOUNTAINS GRP	586,553	752,913
48	1129	Employers Fire Ins Co	WHITE MOUNTAINS GRP	151,869	
48	1129	OneBeacon America Ins Co	WHITE MOUNTAINS GRP	19,148	
48	1129	OneBeacon Ins Co	WHITE MOUNTAINS GRP	8,371	
48	1129	American Employers Ins Co	WHITE MOUNTAINS GRP	1,203	
48	1129	Pennsylvania General Ins Co	WHITE MOUNTAINS GRP	-14,231	
49	553	Royal Ind Co	ROYAL & SUN ALLIANCE USA	785,075	730,814
49	553	Security Ins Co Of Hartford	ROYAL & SUN ALLIANCE USA	-54,261	
50	57	Electric Ins Co	ELECTRIC INS GRP	724,817	724,817
51	3098	Tokio Marine & Nichido Fire Ins Co	Millea Holdings Inc	677,489	678,126
51	3098	Trans Pacific Ins Co	Millea Holdings Inc	637	
52	84	National Interstate Ins Co	American Financial Grp	367,863	651,087
52	84	Great American Ins Co of NY	American Financial Grp	249,328	
52	84	Great American Assur Co	American Financial Grp	22,510	
52	84	Great American Alliance Ins Co	American Financial Grp	10,756	
52	84	Great American Ins Co	American Financial Grp	630	
53	1285	XL Specialty Ins Co	X L AMER	610,343	638,115
53	1285	Greenwich Ins Co	X L AMER	27,772	
54	306	Cumis Ins Society Inc	CUNA MUT GRP	629,248	629,248
55	225	Transguard Ins Co Of Amer Inc	IAT Reins Co Grp	561,535	591,718
55	225	Harco Natl Ins Co	IAT Reins Co Grp	30,183	
56	336	Zenith Ins Co	ZENITH NATL INS GRP	556,051	556,051
57	1325	Alea North America Ins Co	RHINE RE GRP	555,665	555,665
58	74	Safety Natl Cas Corp	DELPHI FIN GRP	527,763	551,959
58	74	Safety First Ins Co	DELPHI FIN GRP	24,196	
59	0	Church Mut Ins Co	Church Mut Ins Co	537,195	537,195
60	88	Massachusetts Bay Ins Co	The Hanover Ins Grp	371,832	526,284

60	88	Hanover Ins Co	The Hanover Ins Grp	141,917	
60	88	Hanover Amer Ins Co	The Hanover Ins Grp	12,535	
61	0	Pennsylvania Lumbermens Mut Ins	Pennsylvania Lumbermens Mut Ins	489,657	489,657
62	349	Florists Mut Ins Co	FLORISTS MUT	427,167	435,309
62	349	Florists Ins Co	FLORISTS MUT	8,142	
63	241	Travelers Ins Co Accident Dept	METROPOLITAN GRP	386,546	386,546
64	0	Southern States Ins Exch	Southern States Ins Exch	380,442	380,442
65	867	Protective Ins Co	PROTECTIVE INS GRP	317,121	317,121
66	303	Guideone Mut Ins Co	GUIDEONE INS GRP	271,990	302,242
66	303	Guideone Specialty Mut Ins Co	GUIDEONE INS GRP	30,252	
67	124	Amerisure Mut Ins Co	AMERISURE CO	284,268	288,678
67	124	Amerisure Ins Co	AMERISURE CO	4,410	
68	125	Penn Millers Ins Co	PENN MILLER GRP	281,221	281,221
69	228	Westfield Ins Co	WESTFIELD Grp	257,693	257,693
70	0	Federated Rural Electric Ins Exch	Federated Rural Electric Ins Exch	194,434	194,434
71	853	Public Service Mut Ins Co	PUBLIC SERVICE GRP	189,494	189,494
72	350	Westport Ins Corp	GE GLOBAL GRP	131,822	168,877
72	350	Employers Reins Corp	GE GLOBAL GRP	30,963	
72	350	Coregis Ins Co	GE GLOBAL GRP	6,092	
73	222	Insurance Co Of Greater NY	GREATER NY	96,557	167,899
73	222	Greater NY Mut Ins Co	GREATER NY	71,342	
74	361	American Alt Ins Corp	MUNICH AMERICAN HOLDING CORP	164,402	164,402
75	108	American Motorists Ins Co	LUMBERMENS MUT CAS GRP	142,453	163,808
75	108	Lumbermens Mut Cas Co	LUMBERMENS MUT CAS GRP	39,405	
75	108	American Manufacturers Mut Ins Co	LUMBERMENS MUT CAS GRP	-18,050	
76	3499	Imperial Cas & Ind Co	Providence Holdings Inc Grp	161,032	161,032
77	812	Highmark Cas Ins Co	HIGHMARK INC	135,877	135,877
78	775	Pharmacists Mut Ins Co	PHARMACISTS MUT	131,034	131,034
79	3219	Sompo Japan Ins Co of Amer	Sompo Japan Ins Grp	120,297	120,297
80	0	First Nonprofit Ins Co	First Nonprofit Ins Co	119,514	119,514
81	572	Accident Fund Ins Co of Amer	BCBS OF MI GRP	108,777	112,448
81	572	United WI Ins Co	BCBS OF MI GRP	3,671	
82	62	Employers Mut Cas Co	EMC INS CO	92,648	106,681
82	62	Emcasco Ins Co	EMC INS CO	14,033	
83	0	Capital City Ins Co Inc	Capital City Ins Co Inc	101,338	101,338
84	0	T.H.E. Ins Co	T.H.E. Ins Co	71,249	71,249
85	517	Clarendon Natl Ins Co	HANNOVER GRP	64,167	64,167

86	781	Ulico Cas Co	UNION LABOR GRP	54,118	54,118
87	3158	Eastern Alliance Ins Co	Eastern Holding Co Grp	45,481	45,481
88	594	ACIG Ins Co	AMERICAN CONTRACTORS INS GRP	39,283	39,283
89	31	Fairfield Ins Co	BERKSHIRE HATHAWAY	37,937	37,937
90	984	US Specialty Ins Co	HCC INS HOLDINGS GRP	28,869	28,869
91	240	DaimlerChrysler Ins Co	DAIMLER CHRYSLER GRP	27,621	27,621
92	1326	Lincoln General Ins Co	KINGSWAY GRP	26,102	26,102
93	2558	Nipponkoa Ins Co Ltd U.S. Branch	Nipponkoa Ins Co Ltd	20,874	20,874
94	0	Petroleum Cas Co	Petroleum Cas Co	2,899	2,899
95	291	American Hardware Mut Ins Co	MOTORISTS MUT	2,857	2,857
96	0	Bancinsure Inc	Bancinsure Inc	1,880	1,880
97	961	Frontier Ins Co	FRONTIER INS GRP	251	251
98	0	National American Ins Co	National American Ins Co	-1,189	-1,189
99	0	Lumbermens Underwriting Alliance	Lumbermens Underwriting Alliance	-5,868	-5,868
100	1210	Princeton Ins Co	MLMIC Grp	-9,969	-9,969
101	0	Preferred Professional Ins Co	Preferred Professional Ins Co	-30,502	-30,502
102	24	Centennial Ins Co	ATLANTIC CO	7,831	-318,135
102	24	Atlantic Mut Ins Co	ATLANTIC CO	-325,966	

**NEW CARRIER ENTRANTS  
2005**

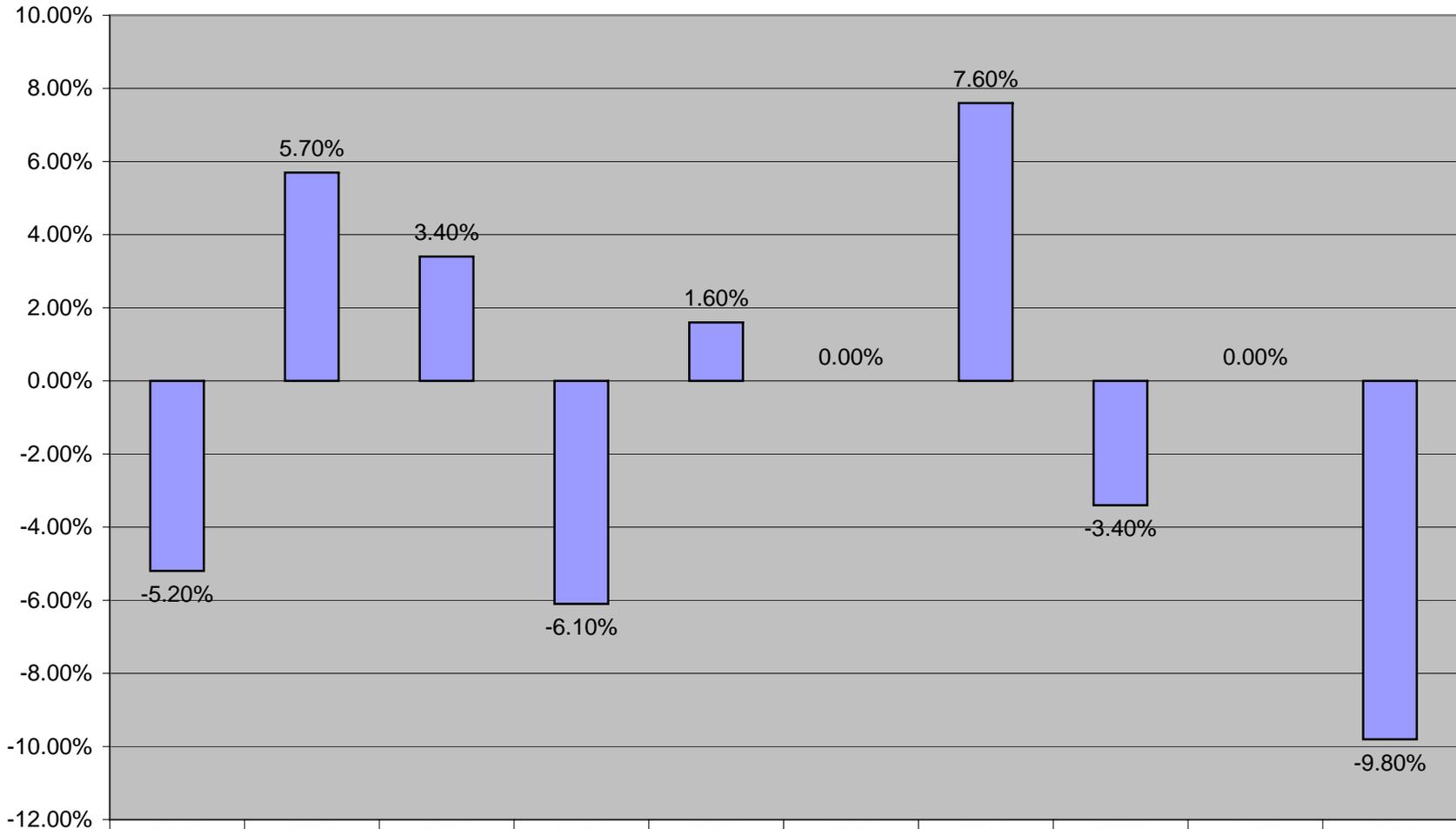
Group

<u>Code</u>	<u>Company Name</u>	<u>Group Name</u>	<u>2005 DWP</u>
140	Depositors Ins Co	NATIONWIDE CORP	220,710
140	Allied Prop & Cas Ins Co	NATIONWIDE CORP	121,892
140	Amco Ins Co	NATIONWIDE CORP	72,414
3158	Eastern Alliance Ins Co	Eastern Holding Co Grp	45,481
12	American Intl Specialty Lines Ins Co	AMERICAN INTRNL GRP	42,545
7	Federated Service Ins Co	FEDERATED MUT	34,085
350	Employers Reins Corp	GE GLOBAL GRP	30,963
3098	Trans Pacific Ins Co	Millea Holdings Inc	637
98	Berkley Regional Ins Co	WR Berkley Corp	328

**CARRIER RE-ENTRANTS  
2005**

<u>Code</u>	<u>Company Name</u>	<u>Group Name</u>	<u>2005 DWP</u>
1120	Everest Natl Ins Co	EVEREST REIN HOL INC	1,149,828
553	Royal Ind Co	ROYAL & SUN ALLIANCE USA	785,075
767	Pennsylvania Manufacturers Ind Co	PENN MFR ASN INS	660,580
38	Great Northern Ins Co	CHUBB & SON INC	498,749
241	Travelers Ins Co Accident Dept	METROPOLITAN GRP	386,546
163	General Ins Co Of Amer	SAFECO INS GRP	339,878
626	Pacific Employers Ins Co	ACE LTD	165,185
218	Continental Ins Co	CNA INS GRP	58,353
781	Ulico Cas Co	UNION LABOR GRP	54,118
626	Insurance Co Of North Amer	ACE LTD	44,313
108	Lumbermens Mut Cas Co	LUMBERMENS MUT CAS GRP	39,405
150	Bituminous Fire & Marine Ins Co	OLD REPUBLIC GRP	24,788
124	Amerisure Ins Co	AMERISURE CO	4,410
169	Middlesex Ins Co	SENTRY INS GRP	1,441
828	Eastguard Ins Co	GUARD INS CO	1,137

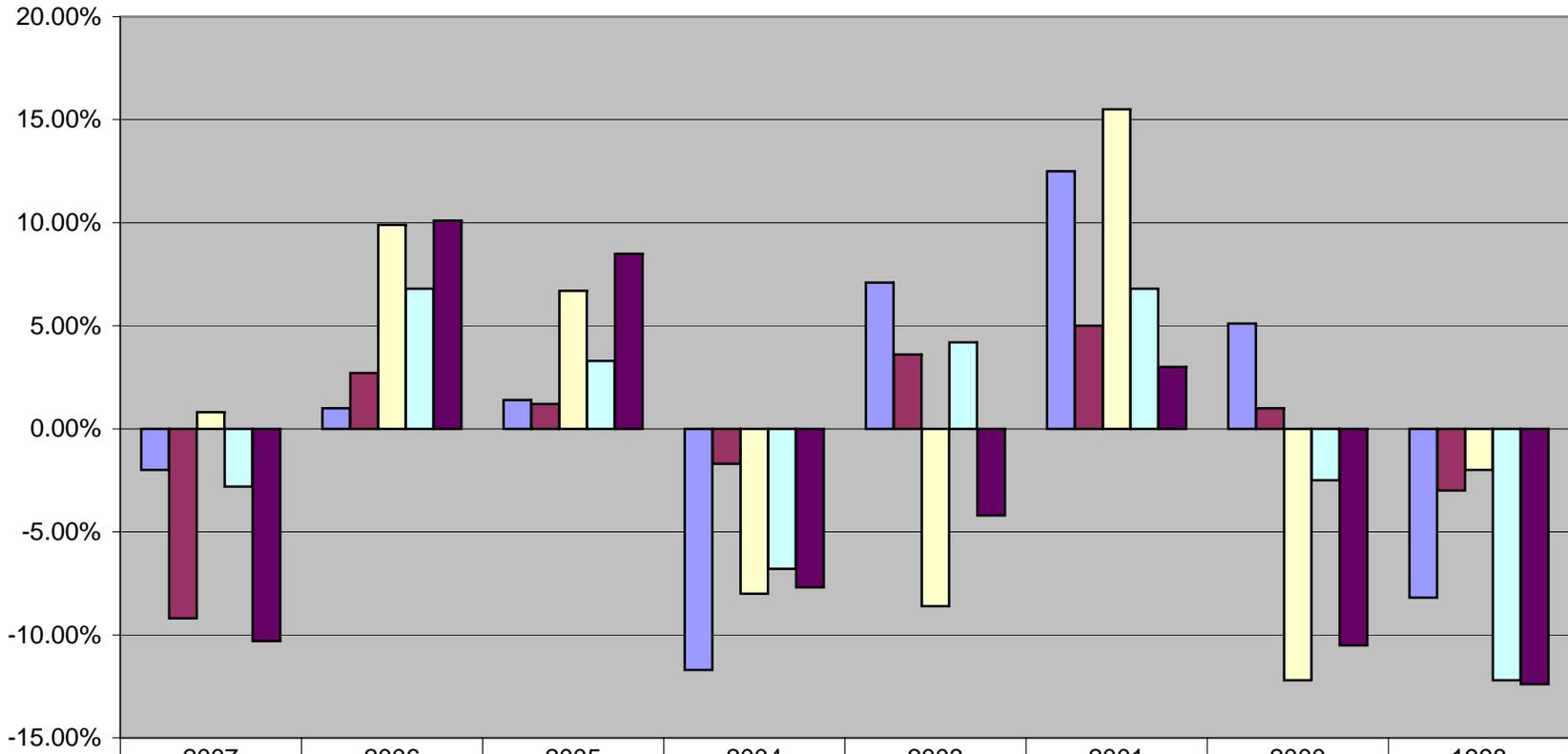
### Comparison of Changes in NCCI's Pure Premium Filings with MIA Years 1998 to 2007



■ Filed Change

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

### Chronology History of Changes by Industry Type Years 1998 through 2007



	2007	2006	2005	2004	2003	2001	2000	1998
Manufacturing	-2.00%	1.00%	1.40%	-11.70%	7.10%	12.50%	5.10%	-8.20%
Contracting	-9.20%	2.70%	1.20%	-1.70%	3.60%	5.00%	1.00%	-3.00%
Office/Clerical	0.80%	9.90%	6.70%	-8.00%	-8.60%	15.50%	-12.20%	-2.00%
Goods/Services	-2.80%	6.80%	3.30%	-6.80%	4.20%	6.80%	-2.50%	-12.20%
Miscellaneous	-10.30%	10.10%	8.50%	-7.70%	-4.20%	3.00%	-10.50%	-12.40%

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