



The Insurance FACT BOOK 2012

WORLD INSURANCE MARKET

U.S. INSURANCE INDUSTRY, ALL SECTORS

LIFE/HEALTH FINANCIAL DATA

PROPERTY/CASUALTY FINANCIAL DATA

U.S. PROPERTY/CASUALTY INSURANCE BY LINE

LOSSES

FACTORS AFFECTING COSTS

The Insurance **FACT BOOK** 2012



TO THE READER

Since its inception more than 40 years ago, the Insurance Information Institute's Insurance Fact Book has provided information to help reporters, businesses, regulators, legislators and researchers understand the trends and statistics shaping the insurance industry. The industry's role as a provider of essential products and services was especially crucial in 2011, as the nation confronted continued economic challenges and an exceptional string of natural disasters impacting millions of American families and businesses.

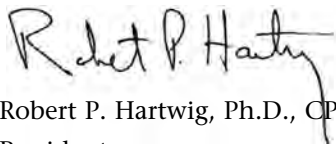
The 2012 edition includes hundreds of tables and charts on the workings of the property/casualty and life/health insurance sectors. New tables have been introduced, including those with information on personal injury lawsuits, home accidents and nuclear liability. As always information is included on:

- World and U.S. catastrophes
- Property/casualty and life/health insurance results and investments
- Personal expenditures on auto and homeowners insurance
- Major types of insurance losses, including vehicle accidents, homeowners claims, crime and workplace accidents
- Medical expenses, litigation and other factors affecting insurance costs
- State auto insurance laws

The I.I.I. Insurance Fact Book is meant to be used along with the Institute's website, www.iii.org, which features a wealth of information for consumers, researchers, public policymakers and businesses alike. The I.I.I. also remains a vital source for the media, who rely on the I.I.I.'s spokespersons, fact books, Insurance Handbook and other materials for creditable, timely information.

Social networks are another great way to stay in touch with the I.I.I. We welcome you to "like" the I.I.I. Facebook page at www.facebook.com/InsuranceInformationInstitute and follow us on Twitter at twitter.com/iiiorg.

In conclusion, we would like to thank the many associations, consultants and others who collect industry statistics and who have generously given permission to use their data.



Robert P. Hartwig, Ph.D., CPCU
President
Insurance Information Institute

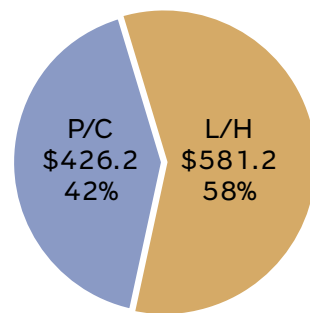
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Insurance Industry at a Glance

- The U.S. insurance industry's net premiums written totaled \$1.0 trillion in 2010, with premiums recorded by life/health (L/H) insurers accounting for 58 percent and premiums by property/casualty (P/C) insurers accounting for 42 percent, according to SNL Financial LC.
- P/C insurance consists primarily of auto, home and commercial insurance. Net premiums written for the sector totaled \$426 billion in 2010.
- The L/H insurance sector consists primarily of annuities and life insurance. Net premiums written for the sector totaled \$581 billion in 2010.
- Health insurance is generally considered separate. The sector includes private health insurance companies as well as government programs. P/C and L/H insurers also write some health insurance.
- There were 2,689 P/C insurance companies and 1,061 L/H insurance companies in the United States in 2010.
- Insurance carriers and related activities accounted for \$425 billion, or 3.0 percent of U.S. gross domestic product in 2009.
- The U.S. insurance industry employed 2.2 million people in 2010. Of those, 1.4 million worked for insurance companies, including life, health and medical insurers (807,300 workers), P/C insurers (533,100 workers) and reinsurers (27,100 workers). The remaining 870,500 people worked for insurance agencies, brokers and other insurance-related enterprises.
- Total P/C cash and invested assets were \$1.3 trillion in 2010. L/H cash and invested assets totaled \$3.2 trillion in 2010. The majority of these assets were in bonds (66 percent of P/C assets and 76 percent of L/H assets).
- P/C and L/H insurance companies paid \$15.8 billion in premium taxes in 2010, or \$51 for every person living in the United States.
- P/C insurers paid out \$14.1 billion in property losses related to catastrophes in 2010, \$3.5 billion above 2009's \$10.6 billion, according to ISO. There were 33 catastrophes in 2010, six more than in 2009.

U.S. P/C AND L/H INSURANCE PREMIUMS, 2010
(\$ billions)



Source: SNL Financial LC.

World Life and Nonlife Insurance in 2010

Outside the United States, the insurance industry is divided into life and nonlife or general insurance rather than life/health and property/casualty. World insurance premiums increased from \$4.11 trillion in 2009 to \$4.34 trillion in 2010, as economic growth helped drive up premiums, according to the latest Swiss Re *sigma* study. The study found that while capital continued to recover in the nonlife sector, it remained below pre-crisis levels in the life sector.

In 2010 life and nonlife insurance premiums (excluding cross-border business) accounted for 18.4 percent of gross domestic product (GDP) in Taiwan, the highest share in the Swiss Re study, followed by 14.8 percent in South Africa, 12.4 percent in the United Kingdom and in the Netherlands and 11.4 percent in Hong Kong. Premiums represented 8.0 percent of GDP in the United States. Among the 10 largest insurance markets, premiums per capita ranged from a high of \$5,845 in the Netherlands to a low of \$158 in China. In the United States premiums per capita totaled \$3,759, including \$1,632 for life insurance and \$2,127 for nonlife insurance.

TOP TEN COUNTRIES BY LIFE AND NONLIFE DIRECT PREMIUMS WRITTEN, 2010¹
(U.S. \$ MILLIONS)

Rank	Country	Life premiums	Nonlife premiums ²	Total premiums		
				Amount	Percent change from prior year	Percent of total world premiums
1	United States ^{3,4}	\$506,228	\$659,915	\$1,166,142	1.4%	26.88%
2	Japan ^{4,5}	440,950	116,489	557,439	6.8	12.85
3	United Kingdom ⁶	213,831	96,191	310,022	-0.7	7.15
4	France ⁶	192,428	87,654	280,082	-1.4	6.46
5	Germany ⁶	114,868	124,949	239,817	-0.1	5.53
6	China ⁴	142,999	71,628	214,626	31.6	4.95
7	Italy ⁶	122,063	52,285	174,347	2.9	4.02
8	Canada ^{6,7}	51,574	63,947	115,521	16.1	2.66
9	South Korea ^{4,5}	71,131	43,291	114,422	16.3	2.64
10	Netherlands ⁶	25,102	71,954	97,057	-6.1	2.24

¹Before reinsurance transactions.

²Includes accident and health insurance. Does not correspond to grouping of U.S. data shown elsewhere in this book.

³Life premiums include an estimate of group pension business; nonlife premiums include state funds.

⁴Provisional.

⁵April 1, 2010-March 31, 2011.

⁶Estimated.

⁷Life premiums are net premiums.

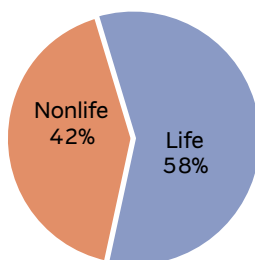
Source: Swiss Re, *sigma*, No. 2/2011.

World Insurance Markets

Premiums

Swiss Re's 2010 world insurance study is based on direct premium data from 147 countries, with detailed information on the largest 88 markets. World insurance premiums rose 5.6 percent in 2010, reflecting a 6.4 percent rise in life premiums and a 4.4 increase in nonlife premiums. When adjusted for inflation, world insurance premiums rose 2.7 percent. This follows two years of inflation-adjusted declines. Inflation-adjusted life premiums were up 3.2 percent in 2010, mostly as a result of increases in emerging Asian markets and a number of large continental European markets. Inflation-adjusted nonlife premiums rose 2.1 percent, driven by increases in newly industrialized nations in Asia. In the United States, the world's largest insurance market, inflation-adjusted life premiums fell 0.7 percent while inflation-adjusted nonlife premiums rose 0.2 percent.

WORLD LIFE AND NONLIFE INSURANCE PREMIUMS, 2010



Source: Swiss Re, *sigma*, No. 2/2011.

WORLD LIFE AND NONLIFE INSURANCE PREMIUMS, 2008-2010¹ (DIRECT PREMIUMS WRITTEN, U.S. \$ MILLIONS)

Year	Life	Nonlife ²	Total
2008	\$2,438,966	\$1,780,013	\$4,218,979
2009	2,367,442	1,742,193	4,109,635
2010	2,520,072	1,818,893	4,338,964

¹Before reinsurance transactions.

²Includes accident and health insurance.

Source: Swiss Re, *sigma* database, *sigma* 2/2011.

Reinsurance

Each year the Reinsurance Association of America provides an overview of the countries from which U.S. insurance companies obtain reinsurance, i.e., the countries to which they have ceded, or transferred, some of their risk. The analysis includes premiums that a U.S. insurance company cedes to “offshore” i.e., foreign, reinsurance companies that are not part of the insurer’s own corporate group (“unaffiliated offshore insurers” in the chart below), as well as business ceded to overseas reinsurers that are part of the insurer’s corporate family (“affiliated offshore reinsurers” in the chart below).

Foreign reinsurers’ share of U.S. premiums written increased from 57.8 percent in 2009 to 59.9 percent in 2010 based on premiums that U.S. insurers ceded to foreign-based reinsurers not part of their own corporate group. However, a number of U.S. based reinsurers are owned by foreign companies. If the ultimate parents of these reinsurance companies are taken into account, foreign (or foreign-owned) reinsurance companies accounted for 86.8 percent of the market in 2010, up from 84.5 percent in 2009.

U.S. REINSURANCE PREMIUMS CEDED TO UNAFFILIATED AND AFFILIATED OFFSHORE REINSURERS BY COUNTRY, 2008-2010¹

(\$ millions)

Rank	Country	Unaffiliated offshore reinsurers			Affiliated offshore reinsurers			2010 total
		2008	2009	2010	2008	2009	2010	
1	Bermuda	\$11,420	\$10,013	\$9,821	\$20,813	\$22,612	\$19,506	\$29,327
2	Switzerland	955	1,129	1,178	7,578	8,361	7,430	8,608
3	United Kingdom	4,428	4,706	4,536	823	765	2,109	6,645
4	Germany	2,793	2,490	2,387	1,222	781	875	3,262
5	Cayman Islands	2,003	2,086	2,271	389	398	413	2,684
6	Channel Islands	49	56	853	NA	NA	NA	853
7	Ireland	485	489	505	155	227	258	763
8	Turks and Caicos	518	500	555	NA	NA	NA	555
9	Barbados	553	413	448	NA	NA	NA	448
10	France	NA	NA	NA	296	228	420	420
11	British Virgin Islands	171	149	353	NA	NA	NA	353
12	Singapore	NA	NA	NA	3	3	195	195
13	Sweden	NA	NA	NA	411	433	189	189
14	Japan	NA	NA	NA	191	199	180	180
	Total, countries shown	23,375	22,031	22,907	31,881	34,007	31,575	54,482
	Total	\$25,031	\$23,630	\$24,549	\$33,158	\$34,464	\$32,167	\$56,716

¹Ranked by 2010 total reinsurance premiums. NA=Data not available.

Source: Reinsurance Association of America.

Leading Companies

TOP TEN GLOBAL INSURANCE COMPANIES BY REVENUES, 2010¹

(\$ millions)

Rank	Company	Revenues ²	Country	Industry
1	Japan Post Holdings	\$203,958	Japan	Life/health
2	AXA	162,236	France	Life/health
3	Berkshire Hathaway	136,185	U.S.	Property/casualty
4	Allianz	127,379	Germany	Property/casualty
5	Assicurazioni Generali	120,234	Italy	Life/health
6	American International Group	104,417	U.S.	Property/casualty
7	Aviva	90,211	U.K.	Life/health
8	Nippon Life Insurance	78,571	Japan	Life/health
9	Munich Re Group	76,220	Germany	Property/casualty
10	Prudential	73,598	U.K.	Life/health

¹Based on an analysis of companies in the Global Fortune 500. Includes stock and mutual companies.

²Revenues include premium and annuity income, investment income and capital gains or losses, but excludes deposits; includes consolidated subsidiaries, excludes excise taxes.

Source: Fortune.

TOP TEN GLOBAL PROPERTY/CASUALTY INSURANCE COMPANIES BY REVENUES, 2010¹

(\$ millions)

Rank	Company	Revenues ²	Country
1	Berkshire Hathaway	\$136,185	U.S.
2	Allianz	127,379	Germany
3	American International Group	104,417	U.S.
4	Munich Re Group	76,220	Germany
5	Zurich Financial Services	67,850	Switzerland
6	State Farm Insurance Cos.	63,177	U.S.
7	MS&AD Insurance Group Holdings	39,754	Japan
8	Tokio Marine Holdings	38,396	Japan
9	Liberty Mutual Insurance Group	33,193	U.S.
10	People's Insurance Co. of China	32,579	China

¹Based on an analysis of companies in the Global Fortune 500. Includes stock and mutual companies.

²Revenues include premium and annuity income, investment income and capital gains or losses, but excludes deposits; includes consolidated subsidiaries, excludes excise taxes.

Source: Fortune.

TOP TEN GLOBAL LIFE/HEALTH INSURANCE COMPANIES BY REVENUES, 2010¹

(\$ millions)

Rank	Company	Revenues ²	Country
1	Japan Post Holdings	\$203,958	Japan
2	AXA	162,236	France
3	Assicurazioni Generali	120,234	Italy
4	Aviva	90,211	U.K.
5	Nippon Life Insurance	78,571	Japan
6	Prudential	73,598	U.K.
7	Aegon	65,136	Netherlands
8	China Life Insurance	64,635	China
9	Legal & General Group	59,377	U.K.
10	CNP Assurances	59,320	France

¹Based on an analysis of companies in the Global Fortune 500. Includes stock and mutual companies.

²Revenues include premium and annuity income, investment income and capital gains or losses, but excludes deposits; includes consolidated subsidiaries, excludes excise taxes.

Source: Fortune.

TOP TEN GLOBAL REINSURERS BY NET REINSURANCE PREMIUMS WRITTEN, 2010¹

(\$ millions)

Rank	Company	Net reinsurance premiums written	Country
1	Munich Re	\$29,149.9 ²	Germany
2	Swiss Re Group	19,433.0	Switzerland
3	Berkshire Hathaway Reinsurance Group/General Re Corp.	14,669.0	U.S.
4	Hanover Re	14,034.1 ²	Germany
5	Lloyd's of London	9,728.6	U.K.
6	SCOR S.E.	8,146.2	France
7	PartnerRe Ltd.	4,705.1	Bermuda
8	Everest Re Group Ltd.	3,945.6	Bermuda
9	Transatlantic Holdings, Inc.	3,881.7	U.S.
10	Korean Re	2,653.8 ³	South Korea

- Net reinsurance premiums written by the top 10 global reinsurers fell from \$112.2 billion in 2009 to \$110.3 billion in 2010, according to Business Insurance.

¹Excludes reinsurers which only underwrite life insurance.

²Business Insurance estimate.

³Fiscal year ending March 31.

Source: Business Insurance, September 26, 2011.

World Insurance Markets

Leading Companies

- Commercial retail business accounted for 52.0 percent of the largest brokers' revenues in 2010. The next largest segments were employee benefits (17.9 percent) and services (7.7 percent).

TOP TEN GLOBAL INSURANCE BROKERS BY REVENUES, 2010¹

(\$ millions)

Rank	Company	Brokerage revenues	Country
1	Aon Corp.	\$10,606	U.S.
2	Marsh & McLennan Cos. Inc.	10,596	U.S.
3	Willis Group Holdings P.L.C.	3,300	U.K.
4	Arthur J. Gallagher & Co.	1,790	U.S.
5	Wells Fargo Insurance Services USA Inc.	1,650	U.S.
6	Jardine Lloyd Thompson Group P.L.C. ²	1,138	U.K.
7	BB&T Insurance Services Inc.	1,079	U.S.
8	Brown & Brown Inc.	967	U.S.
9	Lockton Cos. L.L.C. ³	827	U.S.
10	Hub International Ltd.	762	U.S.

¹Gross revenues generated by insurance brokerage, consulting and related services.

²Fiscal year ending December 31.

³Fiscal year ending April 30.

Source: Business Insurance, July 18, 2011.

TOP TEN GLOBAL REINSURANCE BROKERS BY REINSURANCE GROSS REVENUES, 2010¹

(\$'000)

Rank	Company	Reinsurance gross revenues	Country
1	Aon Benfield	\$1,444,000	U.S.
2	Guy Carpenter & Co. L.L.C. ²	975,000	U.S.
3	Willis Re	664,000	U.K.
4	JLT Reinsurance Brokers Ltd.	198,713	U.K.
5	Towers Watson & Co.	172,289	U.S.
6	Cooper Gay Swett & Crawford Ltd.	120,400	U.K.
7	BMS Group	77,569	U.K.
8	Miller Insurance Services Ltd. ³	68,158	U.K.
9	UIB Holdings Ltd.	49,446	U.K.
10	Lockton Cos. International Ltd. ³	35,556	U.K.

¹Includes all reinsurance revenue reported through holding and/or subsidiary companies.

²Includes aviation reinsurance business placed by Marsh Inc.

³Fiscal year ending April 30.

Source: Business Insurance, October 24, 2011.

Subsidiaries of foreign insurance companies wrote over \$216 billion in premiums in the United States in 2009, up from \$172 billion in 2005, according to data compiled by the Organization for Economic Cooperation and Development (OECD). Foreign subsidiaries of U.S. insurance companies wrote nearly \$50 billion abroad in 2009, the first year that the OECD published such data for the United States.

INSURANCE PREMIUMS WRITTEN ABROAD BY SUBSIDIARIES OF U.S. COMPANIES, 2009

(\$ millions)

	Gross premiums written
Life	\$27,652
Nonlife	22,055
Total	\$49,707

Source: Organization for Economic Cooperation and Development.

INSURANCE BUSINESS IN THE U.S. WRITTEN BY SUBSIDIARIES OF FOREIGN CONTROLLED COMPANIES, 2005-2009

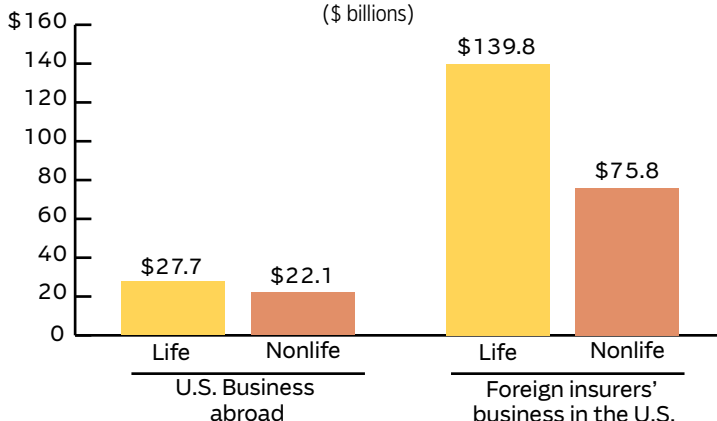
(\$ millions)

	Gross premiums written				
	2005	2006	2007	2008	2009
Life	\$102,339	\$133,288	\$147,425	\$149,256	\$139,810
Nonlife	69,247	71,427	73,075	78,846	75,788
Total	\$171,586	\$204,715	\$220,500	\$228,102	\$215,598

Source: Organization for Economic Cooperation and Development.

INSURANCE INDUSTRY CROSS-BORDER SALES, 2009¹

(\$ billions)

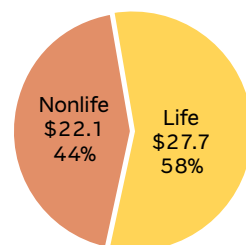


¹Sales are gross premiums written.

Source: Organization for Economic Cooperation and Development.

INSURANCE PREMIUMS WRITTEN ABROAD BY SUBSIDIARIES OF U.S. COMPANIES, 2009

(\$ billions)

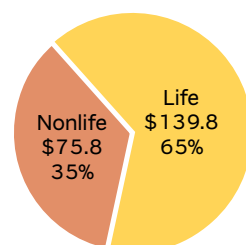


**Total:
\$49.7 billion**

Source: Organization for Economic Cooperation and Development.

INSURANCE BUSINESS IN THE U.S. WRITTEN BY SUBSIDIARIES OF FOREIGN CONTROLLED COMPANIES, 2009

(\$ billions)



**Total:
\$215.6 billion**

Source: Organization for Economic Cooperation and Development.

World Insurance Markets

Captives and Other Risk-Financing Options

Over the years, a number of alternatives to traditional commercial insurance have emerged to respond to fluctuations in the marketplace. Captives—a special type of insurance company set up by a parent company, trade association or group of companies to insure the risks of its owner or owners—emerged during the 1980s, when businesses had trouble obtaining some types of commercial insurance coverage. Today alternative risk transfer (ART) arrangements include self insurance, risk retention groups and risk purchasing groups, as well as more recent innovations such as catastrophe bonds and microinsurance.

LEADING CAPTIVE DOMICILES, 2009-2010

Rank	Domicile	Number of captives	
		2009	2010
1	Bermuda	885	845
2	Cayman Islands	780	738
3	Vermont	560	572
4	Guernsey	355	341
5	Anguilla	209	252
6	Luxembourg	251	244
7	Barbados	230	242
8	British Virgin Islands	285	219
9	Turks and Caicos Islands	203 ¹	211 ¹
10	Utah	148	188
11	Hawaii	162	168
12	South Carolina	156	160
13	Isle of Man	145	143
14	District of Columbia	124	139
15	Kentucky	105	127
16	Nevada	125	124
17	Nevis	63	108
18	Arizona	99	96
19	Delaware	49	95
20	Dublin	114	82
	Total, top 20	5,048	5,094
	Total, all captives	5,617	5,525

¹Excludes credit life insurers.

Source: Business Insurance, March 14, 2011.

The Securitization of Insurance Risk: Catastrophe Bonds

Catastrophe (cat) bonds are one of a number of innovative risk transfer products that have emerged as an alternative to traditional insurance and reinsurance products. Insurers and reinsurers typically issue cat bonds through a special purpose vehicle, a company set up specifically for this purpose. Cat bonds pay high interest rates and diversify an investor's portfolio because natural disasters occur randomly and are not associated with economic factors. Depending on how the cat bond is structured, if losses reach the threshold specified in the bond offering, the investor may lose all or part of the principal or interest.

In 2010 cat bonds representing \$4.6 billion of risk capital were issued, marking a 35.6 percent increase over 2009, according to an analysis by GC Securities. Cat bond activity further accelerated during the first quarter of 2011, with \$1.02 billion in new issuances. This was a significant rise from the \$300 million issued during the first quarter of 2010 and marked the most active first quarter on record for new issuances. A string of devastating disasters during first-quarter 2011, including the Great Tohoku Japan earthquake, Cyclone Yasi in Australia and the Christchurch earthquake in New Zealand, took a toll on the market, causing a decline in valuations of catastrophe bonds during the second half of March.

TOP TEN CATASTROPHE BOND TRANSACTIONS, 2010

(\$ millions)

Rank	Special purpose vehicle	Sponsor	Risk amount	Peril	Risk location
1	Lodestone Re Ltd. 2010-2	National Union (Chartis)	\$450.0	Multiple	U.S.
2	Lodestone Re Ltd.	National Union (Chartis)	425.0	Multiple	U.S.
3	Residential Re 2010	USAA	405.0	Multiple	U.S.
4	Calypso Capital Limited	AXA Global P&C	€275.0	Windstorm	Europe
5	Merna Re II Ltd.	State Farm	350.0	U.S. earthquake	U.S.
6	Johnston Re Ltd. Series 2010-1	NC JUA/IUA ¹	305.0	Hurricane	U.S.
7	Residential Re 2010-II	USAA	300.0	Multiple	U.S.
8	Montana Re Ltd. 2010-1	Flagstone Re	210.0	Multiple	Multiple
9	Caelus Re II Limited	Nationwide	185.0	Multiple	U.S.
10	Foundation Re III Ltd.	Hartford Fire Insurance Co.	180.0	Hurricane	U.S.

¹Sponsored through Munich Re.

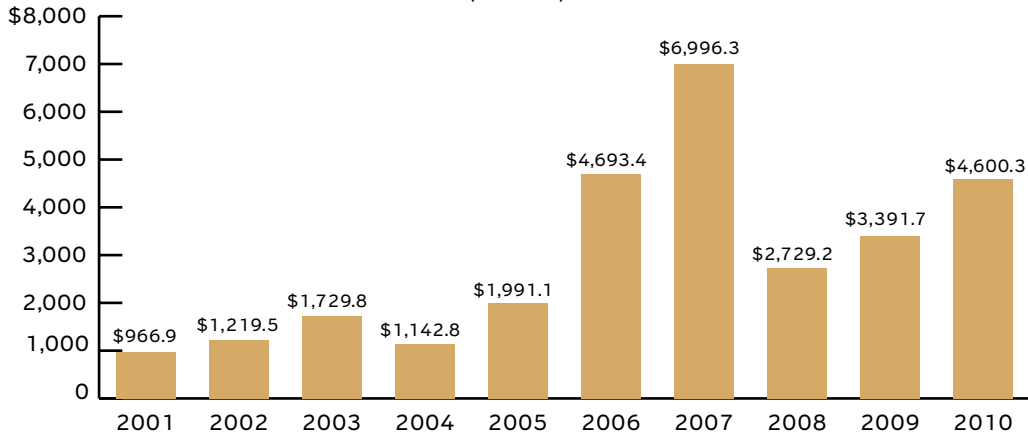
Source: GC Securities and Guy Carpenter & Company, LLC.

World Insurance Markets

Captives and Other Risk-Financing Options

CATASTROPHE BONDS, ANNUAL RISK CAPITAL ISSUED, 2001-2010

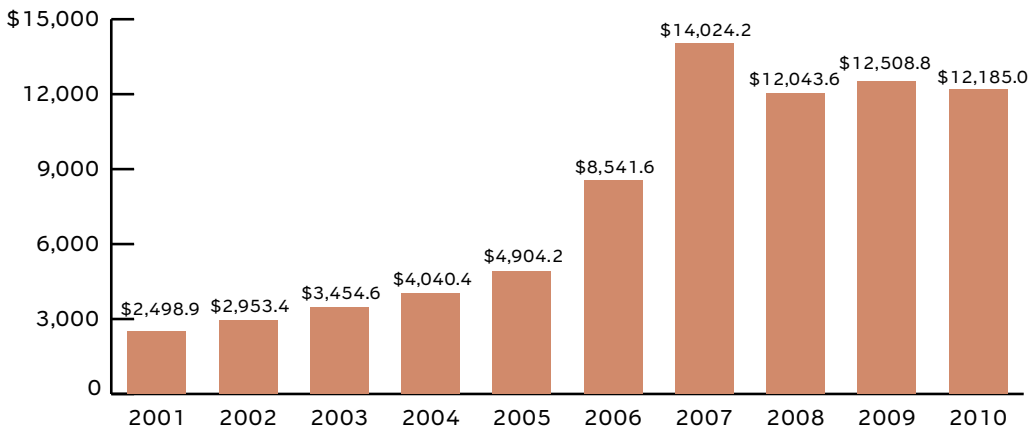
(\$ millions)



Source: GC Securities and Guy Carpenter & Company, LLC.

CATASTROPHE BONDS, RISK CAPITAL OUTSTANDING, 2001-2010

(\$ millions)



Source: GC Securities and Guy Carpenter & Company, LLC.

Microinsurance and Emerging Markets

A growing number of insurers are tapping into markets in developing countries through microinsurance projects, which provide low-cost insurance to individuals generally not covered by traditional insurance or government programs. Microinsurance products tend to be much less costly than traditional products and thus extend protection to a much wider market. The approach is an outgrowth of the microfinancing projects developed by Bangladeshi Nobel Prize-winning banker and economist Muhammad Yunus, which helped millions of low-income individuals in Asia and Africa to set up businesses and buy houses.

American International Group Inc. (AIG) was one of the first companies to offer microinsurance and began selling policies in Uganda in 1997. Swiss Re, Munich Re, Allianz and Zurich Financial Services have also entered the microinsurance arena. In 2010 Munich Re rolled out its first microinsurance product in the Philippines to provide protection against extreme weather events to entities that make loans to low-income groups. Also in 2010 Zurich Re collaborated with the International Labor Organization to offer grants for projects that use technology and other innovations to protect low-income households in developing countries. The same year, Allianz launched savings-linked life insurance in India. In 2011 Guy Carpenter and Swiss Re spearheaded the establishment of a microinsurance program to provide protection for small business entrepreneurs in Haiti.

With limited growth prospects in the insurance markets of developed countries, which are largely saturated, insurers see microinsurance in emerging economies as presenting significant potential for growth and profitability. According to a 2010 Swiss Re study, the Asia Pacific region, which is home to 70 percent of the world's low-income population, presents the largest market for microinsurance products. Other key findings of the study include:

- Microinsurance has the potential to cover 4 billion people, translating to direct premiums written of \$40 billion.
- Africa presents a vast and largely untapped market for microinsurance.
- Credit life insurance is the most prevalent microinsurance product.
- Private-public partnerships can help improve the viability of microinsurance projects in extremely poor regions where commercial microinsurance products may not be feasible.

Insurance in Emerging Markets

Swiss Re's 2011 *sigma* update on world insurance markets found that premium growth in emerging markets outpaced growth in industrialized countries in 2010. While premiums in industrialized countries rose by 1.4 percent in 2010, premiums increased by 11.0 percent in emerging markets (on an inflation-adjusted basis). Emerging markets accounted for 15 percent of total global premium volume in 2010.

Swiss Re identifies emerging markets as countries in South and East Asia, Latin America and the Caribbean, Central and Eastern Europe, Africa, the Middle East and Central Asia. While growth was strong in emerging Asian markets and in Latin America and in the Middle East in 2010, premiums shrank in Africa and in Central Eastern Europe. Premiums in China, which represents a third of the total emerging market premium volume, rose by 26 percent.

INSURANCE IN EMERGING MARKETS, 2010

(\$ millions)

	Direct premiums written, 2010	Percent change from 2009 ¹	Share of world market	Premiums as percent of GDP	Premiums per capita
Total industry					
Industrialized countries	\$3,688,758	1.4%	85.0%	8.7%	\$3,526.7
Emerging markets	650,206	11.0	15.0	3.0	110.1
World	4,338,964	2.7	100.0	6.9	627.3
Life					
Industrialized countries	2,156,248	1.8	85.6	5.1	2,068.7
Emerging markets	363,824	13.1	14.4	1.7	61.6
World	2,520,072	3.2	100.0	4.0	364.3
Nonlife					
Industrialized countries	1,532,510	1.0	84.3	3.6	1,458.0
Emerging markets	286,383	8.5	15.7	1.3	48.5
World	1,818,893	2.1	100.0	2.9	263.0

¹Inflation-adjusted.

Source: Swiss Re, *sigma*, No. 2/2011.

Net Premiums Written, Property/Casualty and Life/Health

There are three main insurance sectors. Property/casualty (P/C) consists mainly of auto, home and commercial insurance. Life/health (L/H) consists mainly of life insurance and annuity products. P/C and L/H net premiums written rose by 0.8 percent and 14.2 percent, respectively, in 2010. The third sector, health insurance, is offered by private health insurance companies, and to a lesser degree by L/H and P/C insurers.

P/C AND L/H INSURANCE NET PREMIUMS WRITTEN, 2001-2010
(\$000)

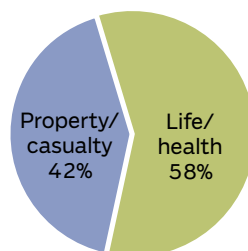
Year	Property/casualty ¹	Life/health ²	Total
2001	\$320,763,542	\$458,704,906	\$779,468,448
2002	367,545,259	489,038,709	856,583,968
2003	404,214,743	478,033,311	882,248,054
2004	425,059,714	507,613,338	932,673,052
2005	426,794,082	520,607,848	947,401,930
2006	448,930,825	575,663,027	1,024,593,852
2007	446,938,523	610,322,595	1,057,261,118
2008	440,231,323	624,238,629	1,064,469,952
2009	422,917,708	508,923,002	931,840,710
2010	426,207,884	581,185,851	1,007,393,735
Percent change 2001-2010	32.9%	26.7%	29.2%

¹Net premiums written, excluding state funds.

²Premiums, annuity considerations (fees for annuity contracts) and deposit-type funds for life/health insurance companies.

Source: SNL Financial LC.

U.S. P/C AND L/H INSURANCE PREMIUMS, 2010



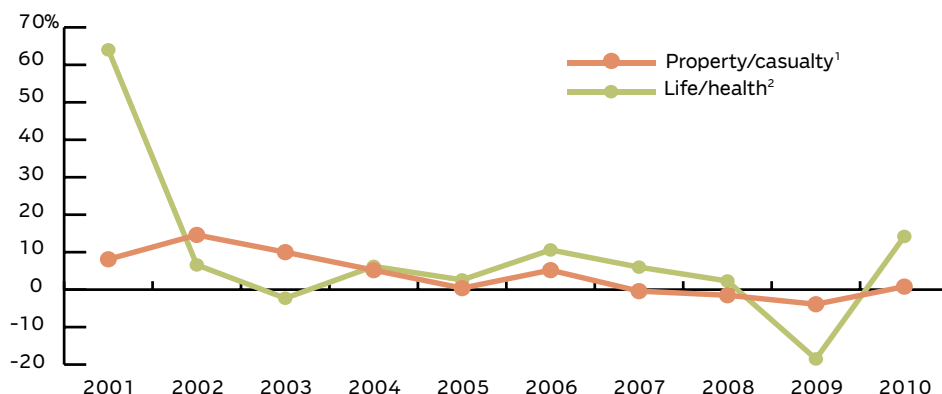
Source: SNL Financial LC.

U.S. Insurance Industry, All Sectors

Premiums

GROWTH IN U.S. PREMIUMS, PROPERTY/CASUALTY AND LIFE/HEALTH INSURANCE, 2001-2010

(Percent change from prior year)



¹Net premiums written, excluding state funds.

²Premiums and annuity considerations (fees for annuity contracts) for life/health insurance companies. Includes deposit-type funds beginning in 2001.

Source: SNL Financial LC.

Direct Premiums Written, Property/Casualty and Life/Health

P/C AND L/H INSURANCE DIRECT PREMIUMS WRITTEN, 2001-2010

(\$'000)

Year	Property/casualty ¹	Life/health ²	Total
2001	\$354,659,890	\$479,516,829	\$834,176,720
2002	406,068,050	514,675,535	920,743,585
2003	446,309,053	518,113,686	964,422,739
2004	479,264,272	544,834,658	1,024,098,930
2005	489,798,278	560,085,003	1,049,883,281
2006	506,131,909	611,685,248	1,117,817,158
2007	508,456,469	660,160,784	1,168,617,252
2008	496,632,311	678,680,796	1,175,313,107
2009	481,285,046	624,812,509	1,106,097,555
2010	482,735,754	632,848,400	1,115,584,155
Percent change, 2001-2010	36.1%	32.0%	33.7%

¹Direct premiums written, excluding state funds.

²Premiums, annuity considerations (fees for annuity contracts) and deposit-type funds for life/health insurance companies.

Source: SNL Financial LC.

Leading Companies

TOP TEN WRITERS OF PROPERTY/CASUALTY INSURANCE BY DIRECT PREMIUMS WRITTEN, 2010 (\$000)

Rank	Group	Direct premiums written ¹	Market share ²
1	State Farm Mutual Automobile Insurance	\$52,378,166	10.9%
2	Zurich Financial Services Ltd.	27,442,024	5.7
3	Allstate Corp.	25,863,277	5.4
4	American International Group	25,569,346	5.3
5	Liberty Mutual Holding Co.	25,318,187	5.3
6	Travelers Cos.	21,541,289	4.5
7	Berkshire Hathaway Inc.	16,560,344	3.4
8	Nationwide Mutual Group	14,875,572	3.1
9	Progressive Corp.	14,699,901	3.1
10	USAA Insurance Group	11,235,772	2.3

¹Before reinsurance transactions.

²Based on U.S. total including territories.

Source: SNL Financial LC.

TOP TEN WRITERS OF LIFE/HEALTH INSURANCE BY DIRECT PREMIUMS WRITTEN, 2010 (\$000)

Rank	Group	Direct premiums written ¹	Market share ²
1	MetLife Inc.	\$100,537,632	19.1%
2	Prudential Financial Inc.	46,600,755	8.9
3	New York Life Insurance Group	25,490,993	4.8
4	Manulife Financial Corp.	21,925,761	4.2
5	Lincoln National Corp.	19,449,441	3.7
6	ING Group N.V.	18,222,110	3.5
7	Jackson National Life Group	18,206,802	3.5
8	AEGON NV	17,052,511	3.2
9	American International Group	16,631,038	3.2
10	Principal Financial Group Inc.	13,804,217	2.6

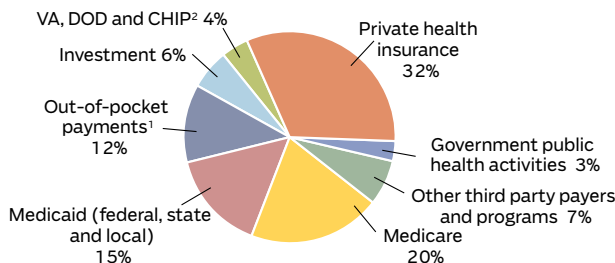
¹Includes life insurance, annuity considerations, deposit-type contract funds, other considerations; excludes accident and health insurance from life/health insurers. Before reinsurance transactions.

Source: SNL Financial LC.

Healthcare Expenditures

Nearly half of the nation's healthcare costs are covered under Medicaid, Medicare and other public programs.

THE NATION'S HEALTHCARE DOLLAR: WHERE IT CAME FROM, 2009



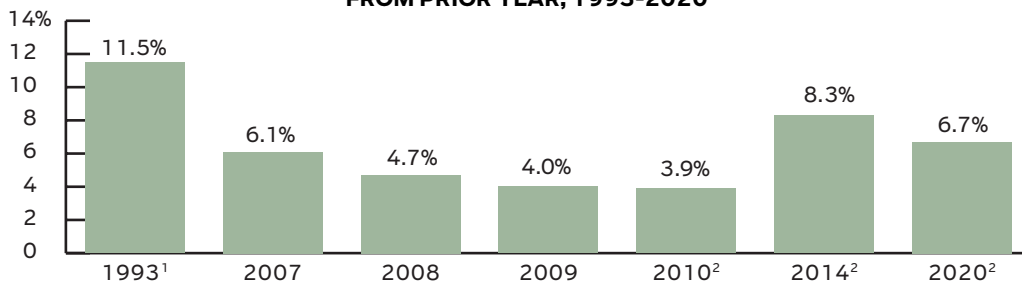
¹Includes co-payments, deductibles, and any amounts not covered by health insurance.

²Department of Veterans Affairs, Department of Defense and Children's Health Insurance Program.

Source: Centers for Medicare and Medicaid Services, Office of the Actuary, National Health Statistics Group.

According to the U.S. Department of Health and Human Services' Centers for Medicare and Medicaid Services (CMS), national healthcare expenditures reached \$2.5 trillion, or \$8,086 per capita, in 2009. Healthcare expenditures were up 4.0 percent from 2008, the slowest rise in 50 years. Nevertheless, the increase outpaced overall nominal economic growth, which fell 1.7 percent, as measured by the gross domestic product (GDP). In 1993, the beginning of the shift to managed care, national healthcare expenditures were 13.4 percent of the GDP. By 2009 they had grown to 17.6 percent, the highest share on record.

NATIONAL HEALTH EXPENDITURES, AVERAGE ANNUAL PERCENT GROWTH FROM PRIOR YEAR, 1993-2020



¹Average annual growth from 1970 through 1993; marks the beginning of the shift to managed care.

²Projected.

Source: Centers for Medicare and Medicaid Services, Office of the Actuary.

Employment and Other Economic Contributions

Property/casualty and life/health insurance contribute to our economy far beyond their core function of helping to manage risk. Insurers contributed \$425 billion to the nation's gross domestic product in 2009. The taxes they pay include special levies on insurance premiums, which amounted to \$15.8 billion in 2010, or 2.2 percent of all taxes collected by the states (see page 50). Insurance companies invest the premiums they collect in state and local municipal bonds, helping to fund the building of roads, schools and other public projects. They provide businesses with capital for research, expansions and other ventures through their holdings in stocks and bonds, a figure which totaled \$3.6 trillion in 2010. The industry is also a major contributor to charitable causes. In 2009, 15 of the top 50 corporate foundations based on total giving were financial services firms, including five insurers with over \$129 million in contributions, according to data from the Foundation Center. The sector is also a very large employer, providing some 2.2 million jobs, or 2.1 percent of U.S. employment in 2010.

EMPLOYMENT IN INSURANCE, 2001-2010

(Annual averages, 000)

Year	Insurance carriers				Insurance agencies, brokerages and related services			Total industry	Insurance and employee benefit funds
	Direct insurers ¹		Reinsurers	Total	Insurance agencies and brokers	Other insurance-related activities ²	Total		
	Life, health and medical	Property/casualty							
2001	807.7	591.3	31.4	1,430.4	597.9	205.3	803.2	2,233.7	48.4
2002	791.1	590.0	31.7	1,412.8	616.0	204.4	820.4	2,233.2	47.2
2003	789.0	608.6	31.0	1,428.6	628.5	208.9	837.4	2,266.0	47.1
2004	764.4	604.4	29.8	1,398.6	643.3	216.8	860.1	2,258.6	47.0
2005	761.9	595.0	28.8	1,385.7	650.1	223.5	873.6	2,259.3	46.4
2006	787.4	597.4	28.0	1,412.8	659.9	230.9	890.8	2,303.7	47.8
2007	784.0	586.1	27.0	1,397.0	675.3	234.5	909.8	2,306.8	48.6
2008	797.6	571.2	27.9	1,396.7	669.1	239.4	908.5	2,305.2	49.0
2009	799.7	550.2	27.5	1,377.4	650.8	236.0	886.7	2,264.1	49.1
2010	807.3	533.1	27.1	1,367.5	638.3	232.2	870.5	2,238.0	48.5

¹Establishments primarily engaged in initially underwriting insurance policies.

²Includes claims adjusters, third-party administrators of insurance funds and other service personnel such as advisory and insurance ratemaking services.

³Includes employees of legal entities organized to provide insurance and employee benefits exclusively for the sponsor, or its employees or members. These employees are not included in the total for the insurance industry.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

U.S. Insurance Industry, All Sectors

Employment and Other Economic Contributions

INSURANCE CARRIERS AND RELATED ACTIVITIES EMPLOYMENT BY STATE, 2009

State	Number of employees	State	Number of employees
Alabama	34,571	Montana	8,540
Alaska	2,480	Nebraska	33,299
Arizona	48,415	Nevada	15,261
Arkansas	18,719	New Hampshire	15,885
California	287,270	New Jersey	92,206
Colorado	49,126	New Mexico	11,012
Connecticut	73,469	New York	179,504
Delaware	8,935	North Carolina	68,608
D.C.	3,566	North Dakota	9,711
Florida	174,616	Ohio	125,732
Georgia	86,318	Oklahoma	29,582
Hawaii	9,866	Oregon	32,788
Idaho	11,719	Pennsylvania	143,114
Illinois	139,159	Rhode Island	11,054
Indiana	57,734	South Carolina	38,413
Iowa	53,813	South Dakota	10,322
Kansas	33,665	Tennessee	57,380
Kentucky	36,115	Texas	220,315
Louisiana	31,828	Utah	22,524
Maine	13,202	Vermont	4,908
Maryland	45,699	Virginia	54,852
Massachusetts	78,294	Washington	49,445
Michigan	72,444	West Virginia	12,147
Minnesota	75,301	Wisconsin	80,212
Mississippi	18,249	Wyoming	3,211
Missouri	60,802	United States	2,855,400

Note: Does not match data shown elsewhere due to the use of different surveys.

Source: Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce.

Gross Domestic Product

INSURANCE SECTOR'S SHARE OF GROSS DOMESTIC PRODUCT (GDP), 2005-2009

(\$ billions)

Year	Total GDP	Insurance carriers and related activities	
		GDP	Percent of total GDP
2005	\$12,638.4	\$337.5	2.7%
2006	13,398.9	367.4	2.7
2007	14,061.8	392.4	2.8
2008	14,369.1	350.9	2.4
2009	14,119.0	424.5	3.0

- Gross domestic product (GDP) is the total value of all final goods and services produced in the economy. The GDP growth rate is the primary indicator of the state of the economy.
- The insurance industry contributed \$424.5 billion to the \$14.1 trillion gross domestic product in 2009.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Mergers and Acquisitions

Global insurance-related mergers and acquisitions (M&A) were up significantly in 2010, following a sharp decline in 2009. In 2010 there were 721 M&A transactions with a reported value of \$79.2 billion, compared with 601 transactions and a reported value of \$52.4 billion in 2009, according to Conning Research and Consulting. Transactions and their values were up 20 percent and 51 percent, respectively, from 2009. In terms of transaction value, distribution sector M&A value rose at the fastest pace, up 194 percent, followed by the life/annuity sector (up 85 percent), the services sector (up 47 percent) and the property/casualty sector (up 11 percent). In contrast, M&A transaction value in the health/managed care sector fell 56 percent. U.S. acquirers accounted for 54 percent of transaction value in 2010, up significantly from 20 percent in 2009. U.S. companies were the acquirers in 57 percent of all transactions in 2010, up from 51 percent in 2009. The number of transactions where a U.S. company was the acquirer and/or the target increased by 36 percent from 320 in 2009 to 436 in 2010, according to Conning, and the reported value increased by 224 percent from \$14.4 billion in 2009 to \$46.5 billion in 2010.

U.S. Insurance Industry, All Sectors

Mergers and Acquisitions

REPORTED GLOBAL INSURANCE-RELATED MERGERS AND ACQUISITIONS BY SECTOR, U.S. AND NON-U.S. ACQUIRERS, 2010¹

Sector	Number of transactions			Transaction values (\$ millions)		
	U.S. ²	Non-U.S. ³	Total	U.S. ²	Non-U.S. ³	Total
Property/casualty	49	108	157	\$3,526	\$13,058	\$16,584
Life/annuity	15	50	65	22,789	22,326	45,115
Health	14	13	27	561	659	1,220
Distribution	236	114	350	1,662	732	2,394
Services	95	27	122	13,823	52	13,875
Total	409	312	721	\$42,360	\$36,827	\$79,187

¹Total transaction values may not add due to rounding. ²Transactions where a U.S. company was the acquirer. ³Transactions where a non-U.S. company was the acquirer.

Source: Conning Research & Consulting, Inc. analysis.

The number and value of insurance mergers and acquisitions picked up in 2010, reversing a five-year decline. The rise reflected soft market conditions, a strengthening global economy and improved equity markets, according to Conning.

TOP TEN GLOBAL INSURANCE-RELATED MERGERS AND ACQUISITIONS ANNOUNCED, 2010 (\$ millions)

Rank	Buyer (country)	Target (country)	Sector	Transaction value
1	MetLife, Inc. (U.S.)	American Life Insurance Co. (U.S.)	Life/annuity	\$16,200
2	AMP Ltd. (Australia)	AXA Asia Pacific Holdings Ltd. (Australia)	Life/annuity	12,830
3	Aon Corp. (U.S.)	Hewitt Associates, Inc. (U.S.)	Services	4,900
4	Prudential Financial, Inc. (U.S.)	AIG Star Life Insurance Co. Ltd. and AIG Edison Life Insurance Co. (Japan)	Life/annuity	4,800
5	Resolution plc (U.K.)	U.K. life operation of AXA SA (U.K.)	Life/annuity	4,130
6	BC Partners and Silver Lake Partner (U.S.)	MultiPlan, Inc. (U.S.)	Services	3,100
7	Max Capital Group Ltd. (Bermuda)	Harbor Point Ltd. (Bermuda)	Property/casualty	1,521
8	Fairfax Financial Holdings Ltd. (Canada)	Zenith National Insurance Corp. (U.S.)	Property/casualty	1,439
9	Apollo Management VII L.P. and funds advised by CVC Capital Partners Ltd. (Luxembourg)	Brit Insurance Holdings N.V. (U.K.)	Property/casualty	1,400
10	TPG Capital (U.S.)	Vertafore, Inc. (U.S.)	Services	1,400

Source: Conning Research & Consulting, Inc. analysis.

U.S. Insurance Industry, All Sectors

Mergers and Acquisitions

U.S. INSURANCE-RELATED MERGERS AND ACQUISITIONS, 2001-2010¹ (\$ millions)

Year	Property/casualty		Life/annuity		Health/managed care	
	Number of transactions	Transaction values	Number of transactions	Transaction values	Number of transactions	Transaction values
2001	41	\$1,249	33	\$36,101	23	\$3,487
2002	36	486	22	2,796	20	5,158
2003	50	20,353	25	18,533	15	20,353
2004	22	425	17	3,817	26	8,342
2005	49	9,264	21	21,865	22	15,886
2006	48	35,221	23	5,055	20	646
2007	67	13,615	19	5,849	52	9,661
2008	59	16,294	14	382	19	1,691
2009	63	3,507	22	840	18	640
2010	60	6,419	20	23,848	15	692

Year	Distribution		Insurance services		Total U.S. mergers and acquisitions	
	Number of transactions	Transaction values	Number of transactions	Transaction values	Number of transactions	Transaction values
2001	160	\$542	43	\$153	300	\$41,532
2002	146	689	31	575	255	9,704
2003	118	446	30	240	238	59,925
2004	190	60	37	2,234	292	14,878
2005	180	212	63	3,566	335	50,793
2006	246	944	69	1,156	406	43,022
2007	312	15,205	72	6,087	478	50,417
2008	284	5,812	94	7,256	470	31,435
2009	176	615	41	8,771	320	14,373
2010	243	1,727	98	13,823	436	46,509

¹Includes transactions where a U.S. company was the acquirer and/or the target.

Source: Conning proprietary database.

Distribution

- After declining each year from 1996 to 2005, the number of independent insurance agencies stabilized. There were some 37,500 agencies in 2010, about the same as in 2006, according to the Independent Insurance Agents & Brokers of America.
- About 4,000 new agencies were founded in the past three years, approximately equal to the number of agencies lost through mergers and acquisitions.

Property/Casualty Insurance Distribution

Agency writers, whose products are sold by independent agents or brokers representing several companies; and direct writers, which sell their own products through captive agents by mail, telephone, the Internet and other means, each account for about half of the property/casualty market. There is a degree of overlap as many insurers use multiple channels.

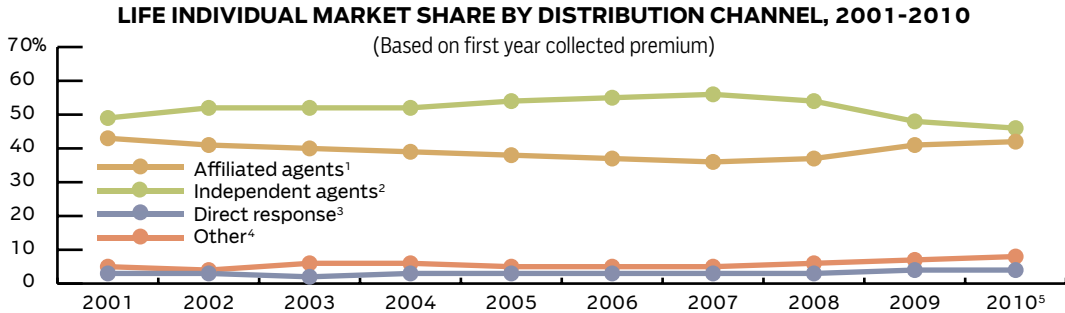
A.M. Best organizes insurance into two main distribution channels: agency writers and direct writers. Its “agency writers” category includes insurers that distribute through independent agencies, brokers, general agents and managing general agents. Its “direct writers” category includes insurers that distribute through the Internet, exclusive/captive agents, direct response and affinity groups.

- In 2010 direct writers accounted for 51.4 percent of P/C insurance net premiums written and agency writers accounted for 47.2 percent, according to A.M. Best.*
- In the personal lines market, direct writers accounted for 70.7 percent of net premiums written in 2010 and agency writers accounted for 29.1 percent. Direct writers accounted for 69.8 percent of the homeowners market and agency writers accounted for 29.9 percent. Direct writers accounted for 71.1 percent of the personal auto market and agency writers accounted for 28.8 percent.*
- Agency writers accounted for 66.9 percent of commercial P/C net premiums written and direct writers accounted for 30.3 percent.*

*Unspecified distribution channels accounted for the remainder.

Life Insurance Distribution

In 2010 independent agents held 46 percent of the new individual life insurance sales market, followed by affiliated (i.e., captive) agents with 42 percent, direct marketers with 4 percent and others, including stockbrokers, accounting for the remaining 8 percent, according to LIMRA.



¹Includes career, multiline exclusive and home service agents. ²Includes brokers and personal producing general agents.

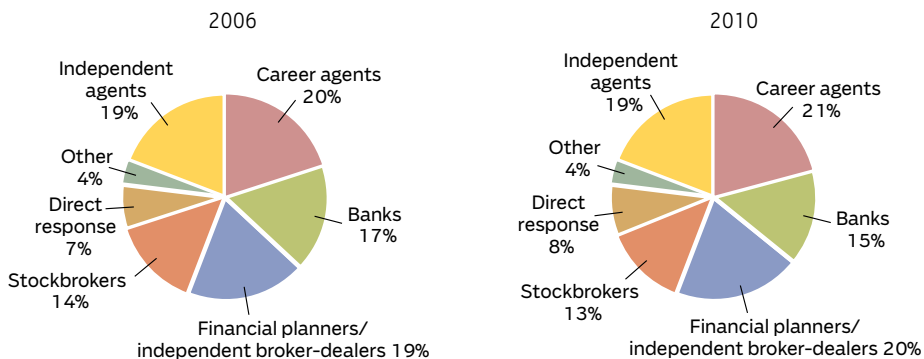
³No producers are involved. Does not include direct marketing efforts involving agents. ⁴Includes stockbrokers, financial institutions, worksite and other channels. ⁵Estimate.

Source: LIMRA's *U.S. Individual Life Insurance Sales Survey* and LIMRA estimates.

Annuity Distribution

Insurance agents, including career agents, who sell the products of a single life insurance company, and independent agents, who represent several insurers, account for almost 40 percent of annuity sales. State and federal regulators require sellers of variable annuities to register with NASD and the Securities and Exchange Commission.

SALES OF INDIVIDUAL ANNUITIES BY DISTRIBUTION CHANNELS, 2006 AND 2010¹



¹Preliminary.

Source: LIMRA International.

U.S. Insurance Industry, All Sectors

Companies by State

Domestic Insurance Companies by State

An insurance company is said to be “domiciled” in the state that issued its primary license; it is “domestic” in that state. Once licensed in one state, it may seek licenses in other states as a “foreign” insurer. An insurer incorporated in a foreign country is called an “alien” insurer in the U.S. states in which it is licensed.

**DOMESTIC INSURANCE COMPANIES BY STATE,
PROPERTY/CASUALTY AND LIFE/HEALTH INSURANCE, 2010**

- According to the National Association of Insurance Commissioners (NAIC), there were 2,689 P/C companies in the United States in 2010, compared with 2,737 in 2009.

- The L/H insurance industry consisted of 1,061 companies in 2010, compared with 1,106 in 2009, according to the NAIC.

- Many insurance companies are part of larger organizations. According to A.M. Best, in 2010 the P/C insurance industry contained about 1,036 organizations (as opposed to over 2,000 companies), including 624 stock (or public) organizations, 338 mutual organizations (firms owned by their policyholders) and 59 reciprocals (a type of self-insurance). The remainder consisted of Lloyd's organizations and state funds.

State	Property/ casualty	Life/ health	State	Property/ casualty	Life/ health
Alabama	20	7	Montana	4	2
Alaska	5	0	Nebraska	30	33
Arizona	51	190	Nevada	13	4
Arkansas	12	30	New Hampshire	46	2
California	117	15	New Jersey	68	9
Colorado	19	10	New Mexico	11	2
Connecticut	71	28	New York	197	81
Delaware	91	30	North Carolina	68	5
D.C.	6	3	North Dakota	17	3
Florida	130	11	Ohio	139	39
Georgia	34	16	Oklahoma	35	26
Hawaii	18	4	Oregon	13	4
Idaho	9	1	Pennsylvania	189	30
Illinois	193	58	Rhode Island	24	4
Indiana	77	31	South Carolina	22	10
Iowa	61	26	South Dakota	17	2
Kansas	27	11	Tennessee	19	13
Kentucky	8	7	Texas	225	136
Louisiana	32	45	Utah	13	16
Maine	18	1	Vermont	15	2
Maryland	37	6	Virginia	18	11
Massachusetts	54	14	Washington	20	10
Michigan	74	25	West Virginia	17	0
Minnesota	41	11	Wisconsin	180	22
Mississippi	15	19	Wyoming	3	0
Missouri	50	29	United States¹	2,689	1,061

¹Includes U.S. territories and possessions. Source: Insurance Department Resources Report, 2010, published by the National Association of Insurance Commissioners (NAIC). Reprinted with permission. Further reprint or redistribution strictly prohibited without written permission of NAIC.

Life/Health Sector

Whether measured by premium income or by assets, traditional life insurance is no longer the primary business of many companies in the life/health insurance industry. Today, the emphasis has shifted to the underwriting of annuities. Annuities are contracts that accumulate funds and/or pay out a fixed or variable income stream. An income stream can be for a set period of time or over the lifetimes of the contract holder and his or her beneficiaries.

Nevertheless, traditional life insurance products such as universal life and term life for individuals as well as group life remain an important part of the business, as do disability income and health insurance.

Life insurers invest primarily in corporate bonds but also significantly in corporate equities. Besides annuities and life insurance products, life insurers may offer other types of financial services such as asset management.

2010 was a challenging year for the life/health/annuity insurance industry. Annuity premiums rose 27 percent, but life insurance premiums slipped 16 percent. Reserve adjustments on reinsurance ceded (down \$90.8 billion from 2009) pruned \$29.3 billion from income. Pre-tax operating income slid 12.9 percent from 2009 but still topped \$53 billion. The industry posted net realized capital losses for the fourth year in a row, at \$16 billion in 2010, though this was smaller than in 2008 and 2009. Unrealized capital losses were another \$16.4 billion. Nevertheless, in 2010 the industry paid roughly the same amount of policyholder dividends, increased its benefit payments and earned net income of \$28 billion.

Life Insurance Ownership

Fifty-three percent of all people in the United States were covered by some type of life insurance in 2010, according to LIMRA's 2011 *Life Insurance Ownership Study*. Other findings include:

- Only one-third of Americans are covered by individual life insurance, the lowest level in 50 years.
- 56 percent of all workers had group life insurance coverage through their employers in 2010, up from 48 percent in 2004.
- Insured individuals owned an average of \$154,000 in life insurance coverage in 2010, compared with an average amount of \$102,300 for people covered by group policies.
- The average amount of individual life insurance people carry decreased by \$12,000 in 2010, compared with a \$6,000 decline in group coverage.

Life/Health Financial Data

Financial Results

LIFE/HEALTH INSURANCE INDUSTRY INCOME ANALYSIS, 2006-2010

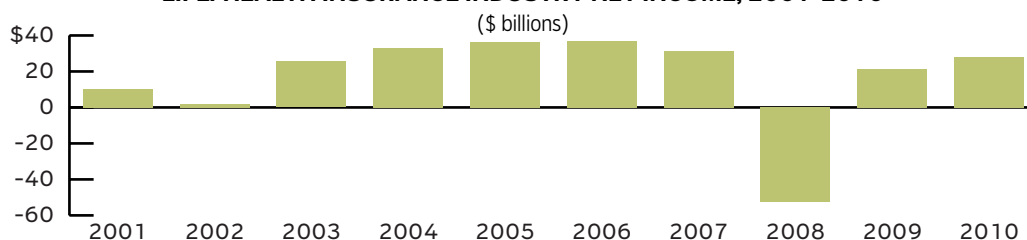
(\$ billions, end of year)

Income statement	2006	2007	2008	2009	2010	Percent change, 2009-2010 ¹
Premiums, consideration and deposits						
Life insurance	\$145.1	\$138.3	\$142.8	\$120.5	\$101.7	-15.6%
Annuities	298.5	310.4	323.0	225.4	286.3	27.0
Accident and health	131.9	143.5	156.6	162.4	171.5	5.6
Credit life and credit accident and health	2.1	2.2	2.1	1.6	1.6	-2.0
Supplementary contracts and other premiums, consideration and deposits	-0.9	16.8	0.8	0.5	23.1	4,166.0
Total premiums, consideration and deposits	\$576.6	\$611.2	\$625.2	\$510.4	\$582.6	14.1%
Net investment income earned	161.5	168.0	162.2	156.6	164.0	4.7
Reserve adjustments: reinsurance ceded	-4.7	-22.4	17.8	61.5	-29.3	-147.6
Fee income: investment management and separate account contracts	20.2	22.9	21.2	20.4	23.4	14.7
Other income	32.0	35.3	18.3	27.8	33.8	21.8
Total revenue	\$785.6	\$815.1	\$844.7	\$776.7	\$774.5	-0.3%
Benefits	214.2	228.3	240.2	244.1	248.1	1.6
Surrenders	272.0	305.2	291.6	228.7	216.7	-5.2
Increase in reserves and deposits	69.8	35.3	144.2	99.0	96.2	-2.9
Commissions	49.7	50.7	51.7	48.9	49.2	0.6
General and administrative expense	49.3	52.1	53.6	54.2	56.9	4.9
Net transfers to separate accounts	61.0	66.1	22.7	11.1	29.3	163.6
Policyholder dividends	16.5	17.5	17.7	15.0	15.0	²
Income tax	11.0	11.5	-0.1	10.7	9.0	-16.0
Net realized capital gains (losses)	6.5	-1.5	-50.9	-28.7	-16.0	44.3
Net income	37.0	31.6	-52.3	21.5	28.1	30.5
Pre-tax operating income	41.4	44.6	-1.4	61.0	53.1	-12.9

¹Calculated from unrounded data. ²Less than 0.1 percent.

Source: SNL Financial LC.

LIFE/HEALTH INSURANCE INDUSTRY NET INCOME, 2001-2010



Source: SNL Financial LC.

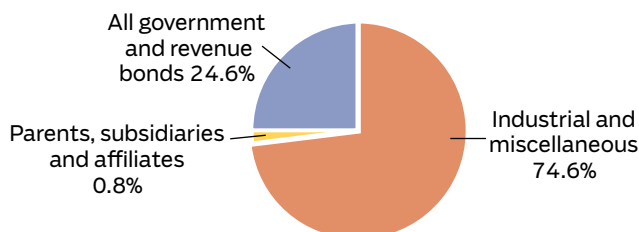
INVESTMENTS, LIFE/HEALTH INSURERS, 2008-2010¹

Investment type	Amount (\$ billions)			Percent of total investments		
	2008	2009	2010	2008	2009	2010
Bonds	\$2,149.6	\$2,291.4	\$2,425.9	71.22%	74.59%	75.93%
Stocks	113.2	73.9	76.9	3.75	2.41	2.41
Preferred stock	64.0	11.7	9.1	2.12	0.38	0.28
Common stock	49.2	62.2	67.7	1.63	2.03	2.12
Mortgage loans on real estate	328.0	316.0	307.2	10.87	10.29	9.61
First lien real estate mortgage loans	325.7	313.2	305.0	10.79	10.20	9.55
Real estate loans less first liens	2.3	2.8	2.1	0.08	0.09	0.07
Real estate	20.0	19.5	19.7	0.66	0.63	0.62
Occupied properties	5.9	6.2	5.7	0.20	0.20	0.18
Income generating properties	13.8	12.9	13.6	0.46	0.42	0.43
Properties for sale	0.4	0.4	0.3	0.01	0.01	0.01
Cash, cash equivalent and short term assets	146.3	122.7	95.1	4.85	3.99	2.98
Contract loans including premium notes	119.3	120.0	123.5	3.95	3.91	3.86
Derivatives	NA	NA	21.6	NA	NA	0.68
Other invested assets	102.8	105.3	112.2	3.40	3.43	3.51
Receivables for securities	3.0	2.0	1.8	0.10	0.07	0.06
Securities lending reinvested collateral assets	NA	NA	10.6	NA	NA	0.33
Write-ins for invested assets	36.0	21.2	0.5	1.19	0.69	0.02
Total cash and invested assets	\$3,018.3	\$3,071.9	\$3,194.9	100.00%	100.00%	100.00%

¹Data are net admitted assets of life/health insurers. NA=Data not available.

Source: SNL Financial LC.

INVESTMENTS, LIFE/HEALTH INSURERS, BOND PORTFOLIO, 2010¹



¹Long-term bonds with maturity dates over one year, as of December 31, 2010.

Source: SNL Financial LC.

Life/Health Financial Data

Premiums by Line

Measured by premiums written, annuities are the largest life/health product line, followed by life insurance and health insurance (also referred to in the industry as accident and health). Life insurance policies can be sold on an individual, or “ordinary,” basis or to groups such as employees and associations. Accident and health insurance includes medical expense, disability income and long-term care. Other lines include credit life, which pays the balance of a loan if the borrower dies or becomes disabled, and industrial life, small policies whose premiums are generally collected by an agent on a weekly basis.

DIRECT PREMIUMS WRITTEN BY LINE, LIFE/HEALTH INSURANCE INDUSTRY, 2008-2010

(\$ millions)

Lines of insurance	2008		2009		2010	
	Direct premiums written ¹	Percent of total	Direct premiums written ¹	Percent of total	Direct premiums written ¹	Percent of total
Annuities						
Ordinary individual annuities	\$220,710,912	32.5%	\$195,668,021	31.3%	\$189,782,325	30.0%
Group annuities	126,435,982	18.6	108,215,782	17.3	109,572,588	17.3
Total	\$347,146,894	51.2%	\$303,883,803	48.6%	\$299,354,913	47.3%
Life						
Ordinary life	137,377,729	20.2	121,062,285	19.4	125,535,790	19.8
Group life	30,932,691	4.6	29,807,040	4.8	30,459,708	4.8
Credit life (group and individual)	1,570,135	0.2	1,248,617	0.2	1,254,440	0.2
Industrial life	232,975	²	197,329	²	180,646	²
Total	\$170,113,529	25.1%	\$152,315,270	24.4%	\$157,430,584	24.9%
Accident and health³						
Group	87,682,998	12.9	89,437,736	14.3	91,353,029	14.4
Other	72,500,933	10.7	78,195,632	12.5	83,870,645	13.3
Credit	1,235,684	0.2	978,694	0.2	947,319	0.1
Total	\$161,419,615	23.8%	\$168,612,061	27.0%	\$176,170,993	27.8%
All other lines	758	²	1,375	²	2,077	²
Total, all lines⁴	\$678,680,796	100.0%	\$624,812,509	100.0%	\$632,958,567	100.0%

¹Before reinsurance transactions.

²Less than 0.1 percent.

³Does not include accident and health premiums reported on the property/casualty and health annual statements.

⁴Does not include deposit-type funds.

Source: SNL Financial LC.

Annuities

There are two major types of annuities: fixed and variable. Fixed annuities guarantee the principal and a minimum rate of interest. Generally, interest credited and payments made from a fixed annuity are based on rates declared by the company, which can change only yearly. Fixed annuities are considered “general account” assets. In contrast, variable annuity account values and payments are based on the performance of a separate investment portfolio, thus their value may fluctuate daily. Variable annuities are considered “separate account” assets.

There is a variety of fixed annuities and variable annuities. One example, the equity indexed annuity, is a hybrid of the features of fixed and variable annuities. It credits a minimum rate of interest, just as other fixed annuities do, but its value is also based on the performance of a specified stock index—usually computed as a fraction of that index’s total return. The financial services overhaul enacted into law in July 2010 included language keeping equity indexed annuities under state regulation. Variable annuities are subject to both state insurance regulation and federal securities regulation.

Annuities can be deferred or immediate. Deferred annuities generally accumulate assets over a long period of time, with withdrawals taken as a single sum or as an income payment beginning at retirement. Immediate annuities allow purchasers to convert a lump sum payment into a stream of income that begins right away. Annuities can be written on an individual or group basis. (See the Premiums by Line table, page 28.)

INDIVIDUAL ANNUITY CONSIDERATIONS, 2006-2010¹

(\$ billions)

Year	Variable	Fixed	Total	
			Amount	Percent change from prior year
2006	\$160.4	\$78.3	\$238.7	10.3%
2007	184.0	72.8	256.8	7.6
2008	155.7	109.3	265.0	3.2
2009	128.0	110.6	238.6	-10.0
2010	140.5	80.8	221.3	-7.3

- Individual fixed annuity sales in the U.S. declined by 27 percent in 2010, following 1 percent growth the previous year. Variable annuity sales increased 10 percent, following an 18 percent drop in 2009.

¹Based on LIMRA's estimates of the total annuity sales market. Includes some considerations (i.e., premiums) that though bought in group settings involve individual buying decisions.

Source: LIMRA International.

Premiums by Line

Private Health Insurance

Most private health insurance is written by insurers whose main business is health insurance. However, life/health and property/casualty insurers also write this coverage, referred to as accident and health insurance on their annual statements. Total private health insurance premiums were \$559.7 billion in 2010, including \$394.7 billion from the health insurance segment, \$157.0 billion from the life/health segment and \$8.0 billion from the property/casualty annual statement.

The number of people without health insurance coverage rose from 49.0 million in 2009 to 49.9 million in 2010, according to the U.S. Census. The percentage of uninsured Americans rose from 16.1 percent to 16.3 percent over the same period. Other findings include:

- Between 2009 and 2010 the number of people with some form of private health insurance coverage decreased from 196.2 million to 195.9 million, while the number with any type of government health insurance coverage climbed from 93.2 million to 95.0 million. A total of 256.2 million people had some form of coverage in 2010, including private insurance, government insurance or some combination of the two.
- The percentage of people covered by private insurance fell from 64.5 percent in 2009 to 64.0 percent in 2010. The percentage covered by employment-based insurance declined from 56.1 percent in 2009 to 55.3 percent in 2010.
- In contrast, the percentage of people covered by government health insurance programs increased from 30.6 percent in 2009 to 31.0 percent in 2010.
- In 2010, 26.9 percent of households with annual incomes of less than \$25,000 were uninsured. In contrast, only 8.0 percent of households with incomes of \$75,000 or more were uninsured.

HEALTH INSURANCE COVERAGE STATUS AND TYPE OF COVERAGE, 2006-2010

(000)

Year	Total U.S. population	Uninsured		Insured		Individuals with some form of insurance ¹
		Number of people	Percent of population	Private health insurance	Government health insurance	
2006	296,824	45,214	15.2%	203,942	80,343	251,610
2007	299,106	44,088	14.7	203,903	83,147	255,018
2008	301,483	44,780	14.9	202,626	87,586	256,702
2009	304,280	48,985	16.1	196,245	93,245	255,295
2010	306,110	49,904	16.3	195,874	95,003	256,206

¹Includes individuals with some form of insurance (government, private or a combination of both).

Source: U.S. Census Bureau.

TOP TEN WRITERS OF HEALTH INSURANCE BY DIRECT PREMIUMS WRITTEN, 2010¹

(\$ billions)

Rank	Group	Direct premiums written	Market share
1	WellPoint Inc.	\$42.2	10.7%
2	UnitedHealth Group Inc.	41.1	10.4
3	Health Care Services Corporation	20.2	5.1
4	Humana Inc.	13.2	3.3
5	Highmark Inc.	11.6	2.9
6	Aetna Inc.	10.0	2.5
7	Coventry Health Care Inc.	9.8	2.5
8	EmblemHealth Inc.	9.7	2.4
9	Kaiser Foundation Health Plan Inc.	9.5	2.4
10	Independence Blue Cross	9.3	2.4

¹Based on health insurer annual statement data. Does not include health insurance data from the property/casualty and life/health annual statements.

Source: SNL Financial LC.

Disability Insurance

Disability insurance pays an insured person an income when he or she is unable to work because of an accident or illness.

INDIVIDUAL DISABILITY INSURANCE, NEW ISSUES SALES, 2010¹

	Number of policies	Percent change, 2009-2010	Annualized premium	Percent change, 2009-2010
Noncancellable	132,442	-7%	\$260,268,152	-7%
Guaranteed renewable	343,423	8	210,605,327	1
Total	475,865	3%	\$470,873,479	3%

- Annualized premiums for new disability income policies fell by 4 percent in 2010. This follows a 9 percent decrease the previous year.

¹Short-term and long-term individual disability income insurance. Based on a LIMRA survey of 21 personal disability insurance companies. Excludes commercial disability income.

Source: LIMRA International.

Premiums by Line

INDIVIDUAL DISABILITY INSURANCE IN FORCE, 2010¹

	Number of policies	Percent change, 2009-2010	Annualized premium	Percent change, 2009-2010
Noncancellable	2,489,939	-1%	\$3,901,588,947	1%
Guaranteed renewable	1,585,674	3	1,068,974,795	4
Total	4,075,613	2%	\$4,970,563,742	5%

¹Based on a LIMRA survey of 21 companies. Excludes commercial disability insurance.

Source: LIMRA International.

Long-Term Care Insurance

Long-term care (LTC) insurance pays for services to help individuals who are unable to perform certain activities of daily living without assistance or who require supervision due to a cognitive impairment such as Alzheimer's disease. According to the U.S. Department of Health and Human Services (HHS), 70 percent of individuals over age 65 will require at least some type of long-term care services during their lifetime. A 2011 study by Prudential Financial suggests that the need for LTC insurance will increase in the coming years as the baby boomer generation ages. The study projects that over the next 20 years, the number of Americans age 65 and older will more than double to 71 million, comprising roughly 20 percent of the U.S. population.

Nearly 5 million people were covered by long-term care insurance in 2010, according to a study by LIMRA International. The average first-year premium for individual LTC coverage purchased in 2010 was \$2,235, up 2 percent from 2009. The average age of someone buying long-term care insurance today is about 60, according to the HHS. For those who purchase policies offered at work, the average age at which they buy is about 50.

- The number of policyholders and new premiums grew by 11 percent and 13 percent, respectively in 2010 from a year before. LIMRA notes that the growth is a reflection of 2009's poor performance. Compared with 2008, policyholders and premiums were down 15 percent and 13 percent, respectively.

INDIVIDUAL LONG-TERM CARE INSURANCE, 2010¹

	Lives	Percent change, 2009-2010	Premium (\$ millions)	Percent change, 2009-2010
New business	234,816	11%	\$525	13%
In-force ²	4,800,000	1	8,850	2

¹Based on LIMRA International's Individual LTC Sales survey, representing over 95% of the individual LTC market.

²Includes estimates for non-participants.

Source: LIMRA International.

Premiums by Line by State

**LIFE/HEALTH INSURERS DIRECT PREMIUMS WRITTEN AND
ANNUITY CONSIDERATIONS BY STATE, 2010¹**
(\$ millions)

State	Life insurance	Annuities	Accident and health insurance ²	Deposit-type contract funds	Other considerations	Total
Alabama	\$1,871	\$2,522	\$1,561	\$243	\$444	\$6,641
Alaska	425	353	304	39	130	1,252
Arizona	1,948	4,265	3,450	247	1,024	10,935
Arkansas	898	1,277	1,404	89	231	3,898
California	13,996	20,711	12,805	2,009	7,011	56,532
Colorado	2,023	4,472	3,247	606	872	11,220
Connecticut	2,393	3,895	2,262	7,320	1,624	17,496
Delaware	1,960	2,778	437	31,894	1,299	38,367
D.C.	382	533	608	173	570	2,266
Florida	7,628	15,865	11,462	1,082	3,594	39,631
Georgia	4,121	4,399	5,945	588	1,245	16,298
Hawaii	635	1,191	840	66	323	3,054
Idaho	474	890	652	68	154	2,239
Illinois	6,111	8,802	6,426	1,847	2,500	25,687
Indiana	2,401	4,681	4,063	594	824	12,564
Iowa	1,507	2,563	1,620	3,160	764	9,615
Kansas	1,194	2,170	3,247	1,065	408	8,085
Kentucky	1,395	2,144	2,544	247	721	7,051
Louisiana	2,027	3,177	1,953	190	496	7,843
Maine	407	936	873	147	175	2,538
Maryland	2,608	4,702	2,800	1,003	1,852	12,966
Massachusetts	3,228	6,254	2,636	477	2,288	14,882
Michigan	3,609	8,846	4,242	1,018	1,556	19,270
Minnesota	2,993	4,574	1,846	594	1,663	11,670
Mississippi	1,033	1,295	2,011	85	134	4,557
Missouri	2,400	5,121	3,719	447	1,036	12,722
Montana	292	456	525	39	108	1,420
Nebraska	915	1,517	1,190	433	243	4,297

(table continues)

Life/Health Financial Data

Premiums by Line

LIFE/HEALTH INSURERS DIRECT PREMIUMS WRITTEN AND ANNUITY CONSIDERATIONS BY STATE, 2010¹ (Cont'd)

(\$ millions)

State	Life insurance	Annuities	Accident and health insurance ²	Deposit-type contract funds	Other considerations	Total
Nevada	\$773	\$1,372	\$1,188	\$233	\$297	\$3,862
New Hampshire	538	1,328	653	98	526	3,143
New Jersey	5,487	10,943	4,568	1,427	2,211	24,635
New Mexico	582	840	900	73	405	2,800
New York	10,668	16,157	6,949	22,126	11,687	67,587
North Carolina	4,087	6,222	5,303	1,026	1,615	18,253
North Dakota	302	517	332	36	110	1,298
Ohio	4,699	9,303	7,634	980	2,360	24,974
Oklahoma	1,253	1,804	1,865	171	322	5,415
Oregon	1,094	2,286	1,790	215	1,220	6,606
Pennsylvania	5,911	11,307	5,580	1,612	4,569	28,979
Rhode Island	444	938	673	67	215	2,337
South Carolina	1,730	3,894	2,227	185	329	8,365
South Dakota	517	497	411	43	74	1,542
Tennessee	2,613	4,010	3,063	399	997	11,081
Texas	9,005	13,515	14,434	1,097	2,868	40,919
Utah	1,065	1,809	1,170	148	405	4,597
Vermont	239	475	364	48	107	1,233
Virginia	3,609	5,543	4,307	737	1,340	15,536
Washington	1,966	4,020	2,726	267	1,237	10,216
West Virginia	605	1,058	1,217	90	161	3,131
Wisconsin	2,276	4,748	4,715	606	1,100	13,444
Wyoming	229	335	334	27	38	964
United States³	\$130,568	\$223,313	\$157,073	\$87,478	\$67,481	\$665,912

¹Direct premiums written before reinsurance transactions, excluding state funds.

²Does not include A/H premiums reported on P/C and health annual statements.

³Totals do not include territories, dividends and other nonstate specific data.

Source: SNL Financial LC.

TOP TEN WRITERS OF INDIVIDUAL LIFE INSURANCE BY DIRECT PREMIUMS WRITTEN, 2010

(\$000)

Rank	Group/company	Direct premiums written	Market share
1	MetLife Inc.	\$11,529,741	10.2%
2	Northwestern Mutual Life Insurance Co.	8,542,955	7.5
3	New York Life Insurance Group	6,719,673	5.9
4	Manulife Financial Corp.	5,108,587	4.5
5	Lincoln National Corp.	5,024,163	4.4
6	AEGON NV	4,099,350	3.6
7	Prudential Financial Inc.	3,864,795	3.4
8	Massachusetts Mutual Life Insurance	3,547,826	3.1
9	State Farm Mutual Automobile Insurance	3,541,387	3.1
10	Aflac Inc.	3,333,383	2.9

Source: SNL Financial LC.

TOP TEN WRITERS OF GROUP LIFE INSURANCE BY DIRECT PREMIUMS WRITTEN, 2010

(\$000)

Rank	Group/company	Direct premiums written	Market share
1	MetLife Inc.	\$5,296,037	20.0%
2	Prudential Financial Inc.	3,087,212	11.6
3	New York Life Insurance Group	1,501,053	5.7
4	Hartford Financial Services	1,500,012	5.7
5	CIGNA Corp.	1,391,434	5.2
6	Minnesota Mutual Companies Inc.	1,369,818	5.2
7	Unum Group	1,119,006	4.2
8	Aetna Inc.	996,898	3.8
9	Sun Life Financial Inc.	801,404	3.0
10	StanCorp Financial Group Inc.	760,669	2.9

Source: SNL Financial LC.

Life/Health Financial Data

Leading Companies

TOP TEN WRITERS OF INDIVIDUAL ANNUITIES BY DIRECT PREMIUMS WRITTEN, 2010

(\$000)

Rank	Group	Direct premiums written	Market share
1	MetLife Inc.	\$24,367,159	13.5%
2	Prudential Financial Inc.	18,047,805	10.0
3	Jackson National Life Group	15,732,654	8.7
4	Lincoln National Corp.	11,180,832	6.2
5	Allianz SE	10,285,600	5.7
6	American International Group	8,557,339	4.8
7	New York Life Insurance Group	8,133,126	4.5
8	TIAA-CREF	7,021,041	3.9
9	Ameriprise Financial Inc.	6,625,530	3.7
10	Aviva Plc	5,796,478	3.2

Source: SNL Financial LC.

TOP TEN WRITERS OF GROUP ANNUITIES BY DIRECT PREMIUMS WRITTEN, 2010

(\$000)

Rank	Group	Direct premiums written	Market share
1	ING Groep N.V.	\$7,755,005	15.7%
2	Prudential Financial Inc.	6,449,944	13.0
3	Great-West Insurance Group	4,901,006	9.9
4	American International Group	4,347,140	8.8
5	AXA	3,993,000	8.1
6	TIAA-CREF	3,780,709	7.6
7	Sun Life Financial Inc.	3,289,259	6.6
8	Lincoln National Corp.	2,663,232	5.4
9	MetLife Inc.	2,072,818	4.2
10	Jackson National Life Group	1,904,919	3.8

Source: SNL Financial LC.

2010 Financial Results

The property/casualty (P/C) insurance industry reported a rate of return on average net worth of 5.6 percent in 2010, up from 5.0 percent in 2009 and the recession battered 0.1 percent in 2008. The improvement occurred despite results being weighed down by the mortgage and financial guaranty sector, which posted a negative 36.6 percent annualized return on average surplus in 2010. Net income after taxes increased by \$6.0 billion to \$34.7 billion from \$28.7 billion in 2009. Positive premium growth for 2010, at 0.9 percent, was the first since 2006 and suggests that the demand for insurance is beginning to stabilize and recover in the aftermath of the Great Recession.

Although underwriting losses were \$7.4 billion higher in 2010, at \$10.4 billion, compared with \$3.0 billion a year earlier, these losses were offset by the \$13.6 billion favorable swing in realized capital gains, to \$5.7 billion in 2010 from a \$7.9 billion loss a year ago. As a result, net income after taxes grew from \$28.7 billion in 2009 to \$34.7 billion in 2010. In 2010 P/C insurers had fully recouped all of the claims paying capacity, as measured by policyholders' surplus, that had been eroded by the financial crisis. Policyholders' surplus reached a record \$556.9 billion at the end of 2010, up from \$511.4 billion at the end of 2009, emphasizing that the industry is well capitalized and financially prepared to pay large scale losses if necessary.

PROPERTY/CASUALTY INSURANCE INDUSTRY INCOME ANALYSIS, 2006-2010¹ (\$ billions)

	2006	2007	2008	2009	2010
Net written premiums	\$443.5	\$440.6	\$434.9	\$418.4	\$422.1
Percent change	4.2%	-0.6%	-1.3%	-3.8%	0.9%
Earned premiums	\$435.5	\$438.9	\$438.3	\$422.3	\$420.5
Losses incurred	231.3	244.7	286.3	253.8	256.5
Loss adjustment expenses incurred	52.6	52.3	51.7	52.5	52.6
Other underwriting expenses	117.1	120.1	119.6	117.0	119.6
Policyholder dividends	3.4	2.4	2.0	2.0	2.3
Underwriting gain/loss	31.1	19.3	-21.2	-3.0	-10.4
Investment income	52.3	55.1	51.5	47.1	47.2
Miscellaneous income/loss	1.2	-1.0	0.4	0.9	1.0
Operating income/loss	84.6	73.4	30.6	45.0	37.8
Realized capital gains/losses	3.5	8.9	-19.8	-7.9	5.7
Incurred federal income taxes/credit	22.4	19.8	7.8	8.4	8.9
Net income after taxes	65.8	62.5	3.0	28.7	34.7

¹Data in this chart may not agree with similar data shown elsewhere due to different sources.

Source: ISO, a Verisk Analytics company.

Property/Casualty Financial Data

Financial Results

Premiums and Combined Ratio

Insurers use various measures to gauge financial performance. The combined ratio after dividends is a measure of underwriting profitability. It reflects the percentage of each premium dollar an insurer spends on claims and expenses. The combined ratio does not take investment income into account. A combined ratio above 100 indicates an underwriting loss.

NET PREMIUMS WRITTEN AND COMBINED RATIO, PROPERTY/CASUALTY INSURANCE, 2001-2010

(\$000)

- Property/casualty insurance premiums peaked in 2006, followed by a three-year decline as the recession took its toll. Premiums inched up in 2010, rising by 0.8 percent.

Year	Net premiums written ¹	Annual percent change	Combined ratio after dividends ²	Annual point ³ change
2001	\$321,815,428	8.5%	116.6	6.5 pts.
2002	367,110,718	14.1	107.4	-9.2
2003	403,342,729	9.9	100.2	-7.2
2004	424,308,387	5.2	98.5	-1.6
2005	426,412,220	0.5	100.8	2.3
2006	448,692,863	5.2	92.8	-8.0
2007	446,737,168	-0.4	95.5	2.7
2008	439,942,214	-1.5	105.1	9.6
2009	422,874,547	-3.9	100.5	-4.6
2010	426,080,086	0.8	102.6	2.2

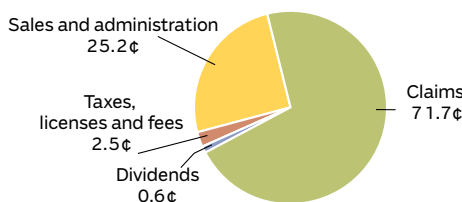
¹After reinsurance transactions, excluding state funds. ²After dividends to policyholders. A drop in the combined ratio represents an improvement; an increase represents a deterioration. ³Calculated from unrounded numbers.

Source: SNL Financial LC.

Where the Underwriting Dollar Goes

The overall cost of underwriting operations in 2010 amounted to \$1.02 for every premium dollar collected. Underwriting operations include claims and their associated expenses, costs involved in sales and administration, dividends to policyholders, and state taxes and licensing fees. They exclude investment income and a margin for profit.

WHERE THE UNDERWRITING DOLLAR GOES, PROPERTY/CASUALTY INSURANCE, ALL LINES, 2010



Source: SNL Financial LC.

Profitability: Insurance and Other Selected Industries

According to an analysis conducted by ISO, profitability of property/casualty (P/C) insurance companies measured on a generally accepted accounting principles (GAAP) accounting basis lags behind other industries. The return on net worth for Fortune 500 combined companies for the years 2001 to 2010 exceeded the P/C industry in every year. Insurers are required to use statutory accounting principles (SAP), which are more conservative than GAAP, when filing annual financial reports with state regulators and the Internal Revenue Service. Insurers outside the United States use standards that differ from SAP and GAAP. Some insurers support a move toward uniform global standards. The P/C industry's GAAP rate of return in 2010 was 5.6 percent, up from 5.0 percent in 2009.

ANNUAL RATE OF RETURN: NET INCOME AFTER TAXES AS A PERCENT OF EQUITY, 2001-2010

Year	Property/casualty insurance		Life/Health		Selected other industries ¹			Fortune 500 combined industrials and service ⁷
	Statutory accounting ²	GAAP accounting ³	Life/health insurance ⁴	Healthcare insurance ⁵	Diversified financial ⁶	Commercial banks	Electric and gas utilities	
2001	-2.0%	-1.2%	7.0%	NA	19.3%	14.0%	10.5%	10.4%
2002	3.0	2.1	1.0	NA	19.5	17.3	7.9	10.2
2003	8.5	8.8	9.0	NA	19.5	14.9	10.5	12.6
2004	9.7	9.4	11.0	NA	15.0	15.5	10.5	13.9
2005	10.8	9.6	13.0	16.2%	15.0	16.0	10.0	14.9
2006	13.4	12.7	12.0	19.0	15.0	15.0	11.0	15.4
2007	12.0	10.9	11.0	19.0	-1.0	11.0	11.0	15.2
2008	0.8	0.1	1.0	11.0	8.0	3.0	13.0	13.1
2009	6.2	5.0	4.0	14.0	9.0	4.0	9.0	10.5
2010	6.7	5.6	7.0	12.0	10.0	8.0	10.0	12.7

¹Return on equity on a GAAP accounting basis, Fortune.

²Net income after taxes, divided by year-end policyholders' surplus. Calculated by the Insurance Information Institute from SNL Financial LC data. Statutory accounting is used by insurers when preparing the Annual Statements they submit to regulators.

³Return on average net worth, ISO.

⁴Return on equity on a GAAP accounting basis, Fortune. Combined stock and mutual companies, calculated by the Insurance Information Institute.

⁵Healthcare insurance and managed care.

⁶Companies whose major source of revenue comes from providing diversified financial services. These companies are not specifically chartered as insurance companies, banks or savings institutions, or brokerage or securities companies, but they may earn revenue from these sources.

⁷Fortune 500 Combined Industrial and Service Businesses median return on shareholders' equity.

NA=Data not available.

Source: SNL Financial LC; ISO, a Verisk Analytics company; Fortune.

Financial Results

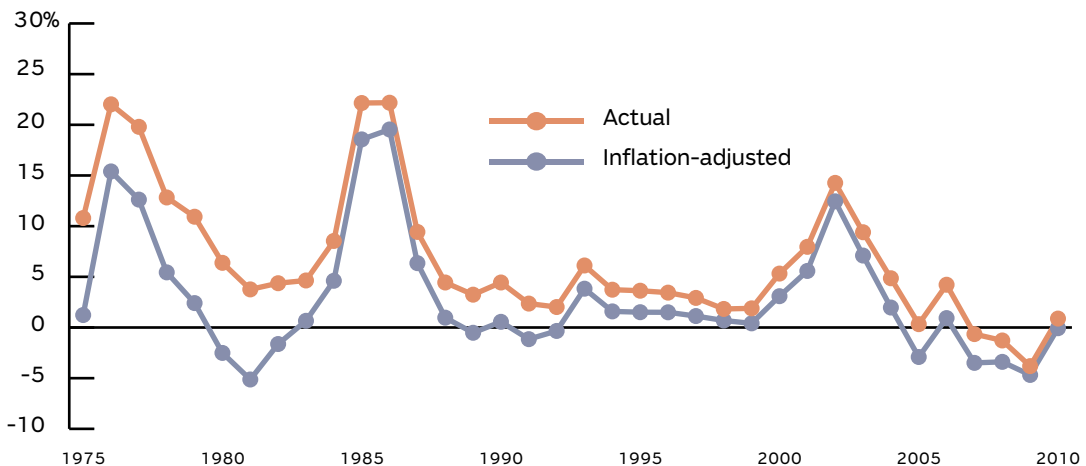
Property/Casualty Insurance Cycle

Most industries are cyclical to some extent. The property/casualty (P/C) insurance industry cycle is characterized by periods of soft market conditions, in which premium rates are stable or falling and insurance is readily available, and by periods of hard market conditions, where rates rise, coverage may be more difficult to find and insurers' profits increase.

A dominant factor in the P/C insurance cycle is intense competition within the industry. Premium rates drop as insurance companies compete vigorously to increase market share. As the market softens to the point that profits diminish or vanish completely, the capital needed to underwrite new business is depleted. In the up phase of the cycle, competition is less intense, underwriting standards become more stringent, the supply of insurance is limited due to the depletion of capital and, as a result, premiums rise. The prospect of higher profits draws more capital into the marketplace leading to more competition and the inevitable down phase of the cycle.

The chart below shows the real, or inflation-adjusted, growth of P/C net premiums written over more than three decades and three hard markets. Premiums can be accounted for in several ways. This chart uses net premiums written, which reflect premium amounts after deductions for reinsurance transactions. During the last three hard markets, inflation-adjusted net premiums written grew 7.7 percent (1975 to 1978), 10.0 percent (1984 to 1987) and 6.3 percent (2001 to 2004).

PERCENT CHANGE FROM PRIOR YEAR, NET PREMIUMS WRITTEN, P/C INSURANCE, 1975-2010¹



¹Excludes state funds.

Source: ISO, a Verisk Analytics company.

Operating Results

Underwriting results were favorable in 2004, 2006, 2007 and 2009, according to SNL. In many years the insurance industry does not generate profits from its underwriting operations. Investment income from a number of sources, including capital and surplus accounts—money set aside as loss reserves and unearned premium reserves—generally offsets these losses. The industry posted an underwriting loss of \$8 billion in 2010.

OPERATING RESULTS, PROPERTY/CASUALTY INSURANCE, 2001-2010¹

(\$ millions)

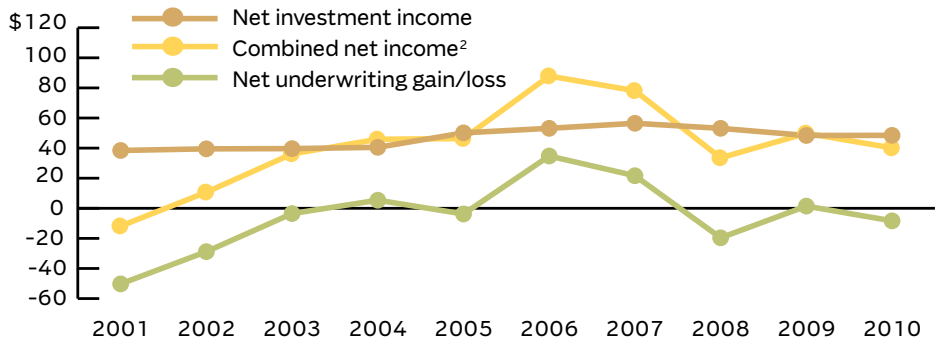
Year	Net underwriting gain/loss	Net investment income earned	Net realized capital gains	Policyholder dividends	Taxes ²	Net income after taxes ³
2001	-\$50,260	\$38,431	\$6,830	\$2,376	-\$143	-\$6,055
2002	-28,824	39,511	3,009	1,977	1,882	8,834
2003	-3,508	39,656	6,422	1,910	10,621	30,033
2004	5,365	40,515	9,098	1,818	14,517	38,404
2005	-3,788	50,127	12,096	1,986	10,745	46,761
2006	34,750	53,142	3,577	3,611	22,503	66,448
2007	21,638	56,499	9,022	2,764	19,859	63,619
2008	-19,625	53,133	-20,106	2,189	7,887	3,709
2009	1,454	48,402	-7,796	2,133	8,644	32,203
2010	-8,348	48,465	7,830	2,702	8,884	37,378

¹Excludes state funds. ²Includes federal and foreign taxes. ³Does not equal the sum of the columns shown due to the omission of miscellaneous income.

Source: SNL Financial LC.

OPERATING RESULTS, PROPERTY/CASUALTY INSURANCE, 2001-2010¹

(\$ billions)



¹Excludes state funds.

²Net underwriting gain/loss plus net investment income.

Source: SNL Financial LC.

Property/Casualty Financial Data

Financial Results

Policyholders' Surplus

A property/casualty insurer must maintain a certain level of surplus to underwrite risks. This financial cushion is known as “capacity”. When the industry is hit by high losses, such as a major hurricane, capacity is diminished. It can be restored by increases in net income, favorable investment returns, reinsuring more risk, and/or raising additional capital.

CONSOLIDATED ASSETS AND POLICYHOLDERS' SURPLUS, P/C INSURANCE, 2001-2010

(\$ millions)

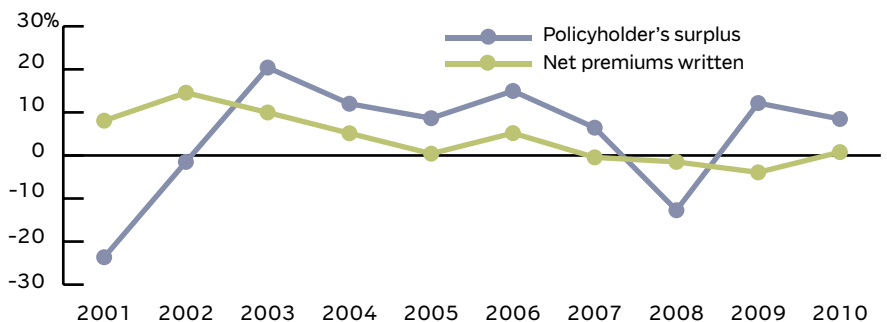
Year	Net admitted assets	Annual percent change	Statutory liabilities	Annual percent change	Policyholders' surplus	Annual percent change	Total net premiums written ¹	Annual percent change ¹
2001	\$971,306	-2.4%	\$671,800	11.3%	\$299,506	-23.8%	\$320,764	8.1%
2002	1,036,741	6.7	741,729	10.4	295,012	-1.5	367,545	14.6
2003	1,164,523	12.3	809,307	9.1	355,216	20.4	404,215	10.0
2004	1,265,361	8.7	867,477	7.2	397,892	12.0	425,060	5.2
2005	1,366,640	8.0	934,320	7.7	432,320	8.7	426,794	0.4
2006	1,452,521	6.3	955,439	2.3	497,082	15.0	448,930	5.2
2007	1,506,299	3.7	977,165	2.3	529,133	6.4	446,938	-0.4
2008	1,447,814	-3.9	986,057	0.9	461,756	-12.7	440,230	-1.5
2009	1,491,673	3.0	975,870	-1.0	517,971	12.2	422,916	-3.9
2010	1,548,523	3.8	986,309	1.1	561,862	8.5	426,205	0.8

¹After reinsurance transactions, excluding state funds. May not match total premiums written shown elsewhere in this book because of the use of different exhibits from SNL Financial LC.

Source: SNL Financial LC.

PERCENT CHANGE FROM PRIOR YEAR, NET PREMIUMS WRITTEN AND POLICYHOLDERS' SURPLUS, P/C INSURANCE, 2001-2010¹

- Policyholders' surplus dropped substantially in 2001, following the World Trade Center terrorist attacks.
- Policyholders' surplus reached a record \$561.9 billion in 2010, rising 8.5 percent from 2009.



¹After reinsurance transactions, excluding state funds.

Source: SNL Financial LC.

The Combined Ratio

Simply put, the combined ratio represents the percentage of each premium dollar an insurer spends on claims and expenses. The following chart shows the components of the combined ratio, a measure of the industry's underwriting performance.

The combined ratio is the sum of the loss ratio and the expense ratio. The loss ratio expresses the relationship between losses and premiums in percentage terms. The expense ratio expresses the relationship between underwriting expenses and premiums.

COMPONENTS OF THE COMBINED RATIO, PROPERTY/CASUALTY INSURANCE, 2001-2010¹

Year	Loss ratio ²	Expense ratio ³	Combined ratio	Dividends to policyholders ⁴	Combined ratio after dividends
2001	88.4	26.7	115.1	0.8	115.9
2002	81.4	25.4	106.8	0.6	107.3
2003	74.7	24.9	99.6	0.5	100.1
2004	72.7	25.2	97.9	0.4	98.3
2005	74.6	25.8	100.4	0.4	100.9
2006	65.2	26.4	91.6	0.8	92.4
2007	67.7	27.3	94.9	0.6	95.5
2008	77.1	27.5	104.6	0.4	105.0
2009	72.5	28.0	100.5	0.5	101.0
2010	73.5	28.3	101.8	0.5	102.4

¹Excluding state funds and other residual insurers.

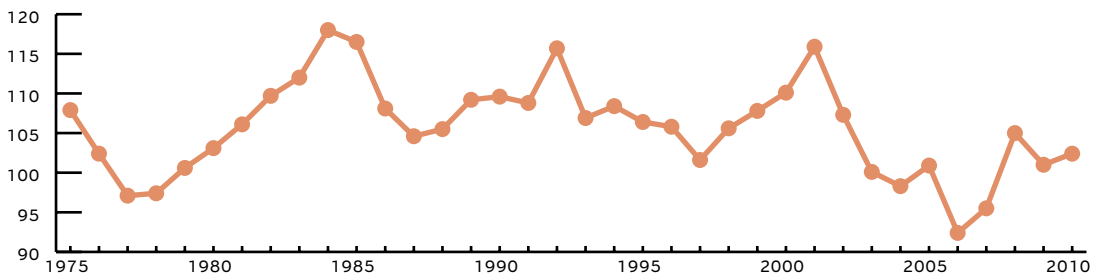
²Incurred loss and loss adjustment expenses as a percent of earned premiums.

³Other underwriting expenses as a percent of written premiums.

⁴Dividends to policyholders as a percent of earned premiums.

Source: ISO, a Verisk Analytics company.

PROPERTY/CASUALTY INSURANCE COMBINED RATIO, 1975-2010¹



¹Excluding state funds and residual markets.

Source: ISO, a Verisk Analytics company.

Property/Casualty Financial Data

Investments

Cash and invested assets of property/casualty insurance companies totaled \$1.32 trillion in 2010. This represents 85 percent of total assets, which were \$1.55 trillion. Most of these assets were invested in highly liquid securities (high-quality stocks and bonds, for example, rather than real estate), which can be sold quickly to pay claims in the event of a major catastrophe.

INVESTMENTS, PROPERTY/CASUALTY INSURERS, 2008-2010¹

(\$ millions)

Investment type	Amount			Percent of total investments		
	2008	2009	2010	2008	2009	2010
Bonds	\$827,830	\$866,292	\$873,763	68.68%	68.73%	66.40%
Stocks	201,168	228,601	226,111	16.69	18.14	17.18
Preferred	21,772	18,819	17,574	1.81	1.49	1.34
Common	179,396	209,781	208,537	14.88	16.64	15.85
Mortgage loans on real estate	4,996	4,482	4,172	0.41	0.36	0.32
First liens	4,673	4,171	3,885	0.39	0.33	0.30
Other than first liens	323	311	287	0.03	0.02	0.02
Real estate	10,410	10,218	9,774	0.86	0.81	0.74
Properties occupied by company	8,936	8,837	8,541	0.74	0.70	0.65
Properties held for income production	1,187	1,133	1,057	0.10	0.09	0.08
Properties held for sale	287	248	177	0.02	0.02	0.01
Cash, cash equivalent and short-term investments	96,737	87,585	85,636	8.03	6.95	6.51
Derivatives	NA	NA	643	NA	NA	0.05
Other invested assets	57,542	57,552	102,875	4.77	4.57	7.82
Receivable for securities	2,599	1,049	4,481	0.22	0.08	0.34
Securities lending reinvested collateral assets	NA	NA	5,285	NA	NA	0.40
Aggregate write-in for invested assets	4,087	4,626	3,200	0.34	0.37	0.24
Total cash and invested assets	\$1,205,368	\$1,260,404	\$1,315,941	100.00%	100.00%	100.00%

¹Data are net admitted assets of property/casualty insurers.

NA=Data not available.

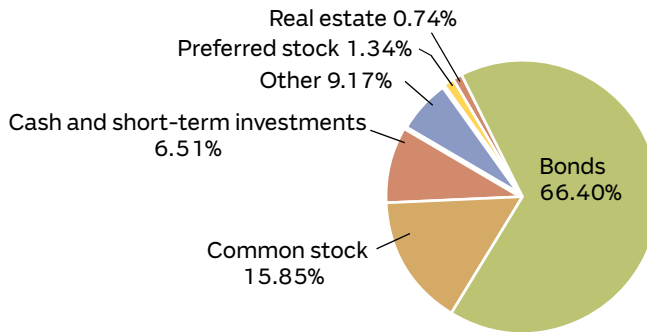
Source: SNL Financial LC.

Bonds

Bonds in or near default (Class 6) accounted for less than 1 percent (0.14 percent) of all short- and long-term bonds owned by insurers at the end of 2010, according to SNL Financial LC.

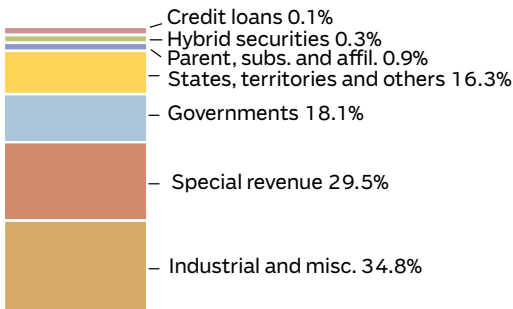
INVESTMENTS, PROPERTY/CASUALTY INSURERS, 2010

INVESTMENTS BY TYPE¹



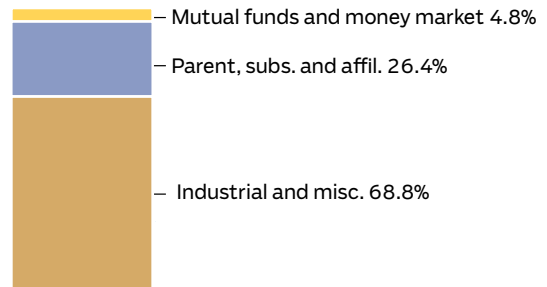
BOND PORTFOLIO²

(Represents 66.4% of total investments)



STOCK PORTFOLIO

(Represents 17.2% of total investments)



¹Cash and invested net admitted assets, as of December 31, 2010.

²Long-term bonds with maturity dates over one year.

Source: SNL Financial LC.

Surplus Lines

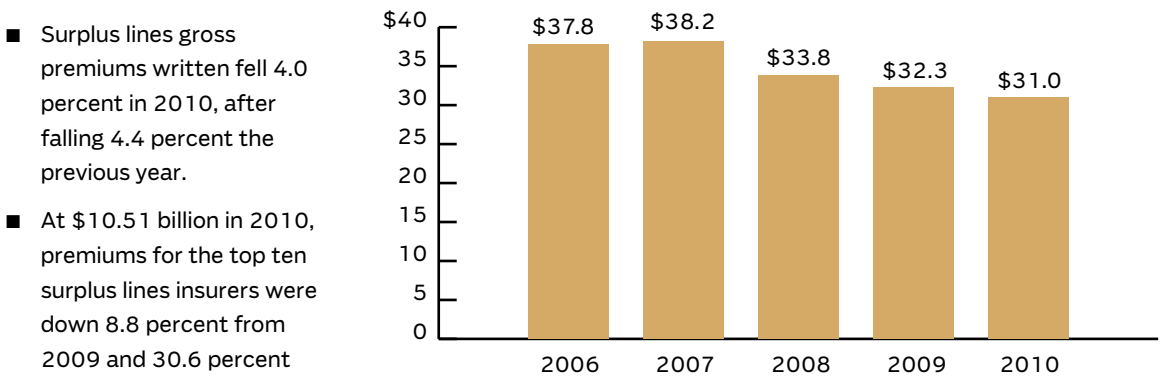
The surplus lines market exists to assume risks that licensed companies decline to insure or will only insure at a very high price, with many exclusions or with a very high deductible. To be eligible to seek coverage in the surplus lines market, a diligent effort must have been made to place insurance with an admitted company, usually defined by a certain number of “declinations,” or rejections, by licensed insurers, typically three to five. Many states provide an “export list” of risks that can be insured in the surplus lines market. This obviates the diligent search requirement.

The terms applied to the surplus lines market—nonadmitted, unlicensed and unauthorized—do not mean that surplus lines companies are barred from selling insurance in a state or are unregulated. They are just less regulated. Each state has surplus lines regulations and each surplus lines company is overseen for solvency by its home state. More than half of the states maintain a list of eligible surplus lines companies and some a list of those that are not eligible to do business in that state.

In a number of states, surplus lines companies are also monitored by surplus lines organizations, known as “Stamping Offices,” which assist their state’s department of insurance in the regulation and oversight of surplus lines insurers. They also evaluate insurers for eligibility to do business in the state and review insurance policies obtained by surplus lines agents or brokers for their clients. Surplus lines companies thrive in hard markets, when certain kinds of coverages may be more difficult to obtain.

The 2010 Dodd-Frank Wall Street and Consumer Protection Act streamlines the regulation of surplus lines insurance through state-based reforms, including a requirement that multistate transactions be subject to regulatory oversight by a single state, the home state of the insured.

TOTAL GROSS SURPLUS LINES PREMIUMS WRITTEN, 2006-2010
(\$ billions)



- Surplus lines gross premiums written fell 4.0 percent in 2010, after falling 4.4 percent the previous year.
- At \$10.51 billion in 2010, premiums for the top ten surplus lines insurers were down 8.8 percent from 2009 and 30.6 percent from 2006.

Source: 2008 to 2010 premiums from Business Insurance, October 10, 2011; earlier premiums from other issues.

TOP TEN U.S.-BASED SURPLUS LINES INSURANCE COMPANIES BY NONADMITTED DIRECT WRITTEN PREMIUMS, 2010

Rank	Company (parent)	Nonadmitted direct premiums
1	Lexington Insurance Co. (Chartis Inc.)	\$4,605,795,515 ¹
2	Steadfast Insurance Co. (Zurich Financial Services Group)	1,073,451,439 ¹
3	Scottsdale Insurance Co. (Nationwide Mutual Insurance Co.)	1,004,147,047 ¹
4	Chartis Specialty Insurance Co. (Chartis Inc.)	784,795,135
5	Columbia Casualty Co. (CNA Financial Corp.)	718,064,491
6	Illinois Union Insurance Co. (ACE Ltd.)	532,554,380
7	Landmark American Insurance Co. (Alleghany Corp.)	509,470,668
8	Evanston Insurance Co. (Markel Corp.)	470,571,621
9	Westchester Surplus Lines Insurance Co. (ACE Ltd.)	409,449,256
10	Arch Specialty Insurance Co. (Arch Capital Group Ltd.)	402,861,503

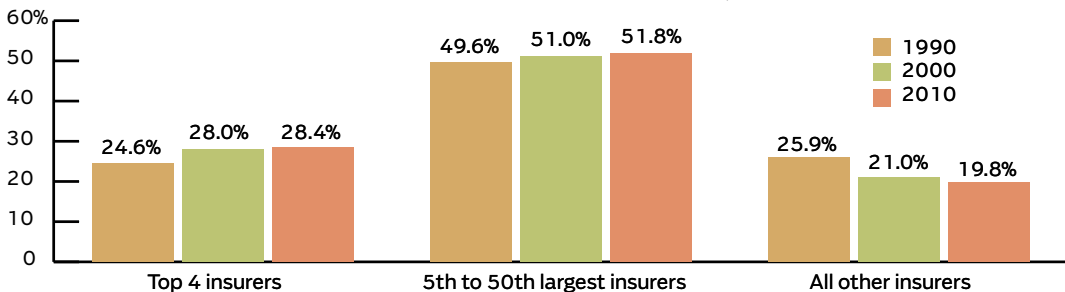
¹Reported on a pooling basis.

Source: Business Insurance, October 10, 2011.

Concentration

According to ISO, concentration in the property/casualty insurance sector as measured by the Herfindahl-Hirschman Index increased from 229 in 1980 to 357 in 2008, dipped to 351 in 2009 and then rebounded to 357 in 2010. The U.S. Department of Justice classifies any market with an HHI under 1,000 as unconcentrated and any market with an HHI over 1,800 as highly concentrated.

MARKET SHARE TRENDS BY SIZE OF INSURER, 1990-2010¹



¹Based on net premiums written, excluding state funds.

Source: ISO, a Verisk Analytics company.

Property/Casualty Financial Data

Reinsurance

Reinsurance protects primary insurers against unforeseen losses.

REINSURANCE, 2001-2010¹

(\$000)

Year	Net premiums written	Annual percent change	Combined ratio ²	Annual point change
2001	\$26,687,636	7.4%	142.9	28.7 pts.
2002	29,503,920	10.6	121.3	-21.6
2003	30,630,787	3.8	101.2	-20.1
2004	28,759,085	-6.1	106.2	5.0
2005	25,330,697	-11.9	129.4	23.2
2006	25,834,026	2.0	94.9	-34.5
2007	22,711,994	-12.1	94.7	-0.2
2008	23,920,333	5.3	101.8	7.1
2009	23,906,150	-0.1	93.5	-8.3
2010	23,305,291	-2.5	95.4	1.9

¹Based on reinsurance companies responding to quarterly surveys conducted by the Reinsurance Association of America.

²After dividends to policyholders.

Source: Reinsurance Association of America.

TOP TEN U.S. PROPERTY/CASUALTY REINSURERS OF U.S. BUSINESS BY GROSS PREMIUMS WRITTEN, 2010

(\$000)

Rank	Company	Country of parent company	Gross premiums written
1	Swiss Reinsurance America Corporation	Switzerland	\$4,365,550
2	National Indemnity Company (Berkshire Hathaway) ¹	U.S.	4,352,429
3	Transatlantic/Putnam Reinsurance Company	U.S.	3,675,627
4	Munich Reinsurance America Corp. ²	Germany	3,620,278
5	Everest Reinsurance Company	Bermuda	3,379,194
6	XL Reinsurance America ³	Bermuda	2,696,627
7	QBE Reinsurance Group, New York ⁴	Australia	2,093,449
8	Odyssey America Re./Odyssey Reinsurance Corp. ⁵	Canada	1,988,836
9	Berkley Insurance Company	U.S.	1,455,576
10	General Re Group ⁶	U.S.	1,320,844
	Total, top ten reinsurers		\$28,948,410
	Total, all reinsurers		\$34,507,904

¹Excludes assumptions from affiliated General Re Group. ²Includes Munich Re America, American Alternative Insurance Corporation and The Princeton Excess and Surplus Lines Insurance Co. ³Includes the net pooled share of the combined underwriting results of the XL America Group Pool. ⁴Includes the QBE Reinsurance Corporation, QBE Insurance Corporation and QBE Specialty Insurance Company.

⁵Includes Odyssey America Re, Clearwater Insurance, Clearwater Select, Hudson Insurance and Hudson Specialty Insurance Companies.

⁶North American Property/Casualty underwritten segment of General Re; excludes certain intercompany transactions and cessions to certain affiliates of Berkshire Hathaway.

Source: Reinsurance Association of America.

Direct Premiums Written by State

Direct premiums written represent premium amounts before reinsurance transactions. This contrasts with charts based on net premiums written, i.e., premium amounts after reinsurance transactions.

DIRECT PREMIUMS WRITTEN, P/C INSURANCE BY STATE, 2010¹ (\$000)

State	Total, all lines	State	Total, all lines
Alabama	\$6,417,094	Montana	\$1,677,869
Alaska	1,470,082	Nebraska	3,427,852
Arizona	7,691,560	Nevada	3,724,302
Arkansas	3,962,143	New Hampshire	1,917,287
California	54,988,408	New Jersey	16,414,723
Colorado	7,862,612	New Mexico	2,584,114
Connecticut	6,746,818	New York	34,890,589
Delaware	2,455,659	North Carolina	11,735,614
D.C.	1,543,882	North Dakota	1,733,896
Florida	36,185,147	Ohio	12,856,530
Georgia	13,154,015	Oklahoma	5,838,232
Hawaii	2,031,274	Oregon	5,112,464
Idaho	1,818,796	Pennsylvania	19,237,371
Illinois	20,230,768	Rhode Island	1,821,565
Indiana	8,478,094	South Carolina	6,516,682
Iowa	4,995,282	South Dakota	1,745,332
Kansas	4,990,479	Tennessee	8,268,672
Kentucky	5,677,825	Texas	36,714,631
Louisiana	9,226,209	Utah	3,211,947
Maine	1,829,684	Vermont	1,062,496
Maryland	8,655,610	Virginia	10,293,205
Massachusetts	10,958,463	Washington	8,871,596
Michigan	13,742,372	West Virginia	2,685,468
Minnesota	8,626,662	Wisconsin	8,114,436
Mississippi	4,050,709	Wyoming	905,912
Missouri	8,909,183	United States	\$468,061,612

- In 2010 California accounted for the largest amount of direct premiums written, followed by Texas, Florida, New York and Illinois.
- Direct premiums written in 2010 fell 0.8 percent in California, less than 0.1 percent in New York and 1.3 percent in Illinois. Premiums rose 1.2 percent in Florida and 0.9 percent in Texas. Nationally, direct premiums written rose 0.1 percent.

¹Before reinsurance transactions; includes territories and possessions and some state funds.

Property/Casualty Financial Data

Premium Taxes by State

All insurance companies pay a state tax based on their premiums. Other payments are made to states for licenses and fees, income and property taxes, sales and use taxes, unemployment compensation taxes and franchise taxes.

**PREMIUM TAXES BY STATE, PROPERTY/CASUALTY AND
LIFE/HEALTH INSURANCE, 2010**
(\$000)

- Insurance companies, including life/health and property/casualty companies, paid \$15.8 billion in premium taxes to the 50 states in 2010. On a per capita basis, this works out to \$51 for every person living in the United States.
- Premium taxes accounted for 2.2 percent of all taxes collected by the states in 2010.

State	Amount	State	Amount
Alabama	\$259,169	Montana	\$65,048
Alaska	51,374	Nebraska	45,463
Arizona	437,975	Nevada	234,253
Arkansas	144,237	New Hampshire	75,172
California	2,180,786	New Jersey	509,305
Colorado	189,786	New Mexico	122,703
Connecticut	203,955	New York	1,430,125
Delaware	69,568	North Carolina	507,038
Florida	667,800	North Dakota	35,894
Georgia	274,367	Ohio	432,925
Hawaii	108,646	Oklahoma	148,708
Idaho	72,602	Oregon	72,876
Illinois	344,144	Pennsylvania	778,175
Indiana	176,426	Rhode Island	62,148
Iowa	88,571	South Carolina	125,334
Kansas	138,768	South Dakota	63,285
Kentucky	125,063	Tennessee	555,163
Louisiana	532,643	Texas	1,307,847
Maine	105,811	Utah	103,119
Maryland	391,569	Vermont	55,825
Massachusetts	310,589	Virginia	414,165
Michigan	269,397	Washington	405,923
Minnesota	335,839	West Virginia	114,537
Mississippi	194,020	Wisconsin	146,886
Missouri	270,053	Wyoming	25,617
		United States	\$15,780,692

Source: U.S. Department of Commerce, Bureau of the Census.

Guaranty Funds

All 50 states; Washington, D.C.; Puerto Rico; and the Virgin Islands have procedures under which solvent property/casualty insurance companies cover claims against insolvent insurers. New York has a pre-assessment system, under which estimates are made annually of how much will be needed in the coming year to fulfill the system's obligations to pay the claims of insolvent insurers. Some states—including New Jersey, New York and Pennsylvania—have separate pre-assessment funds for workers compensation. Florida has a post-assessment fund, which covers the claims of insolvent workers compensation insurers and self-insurers.

The property/casualty lines of insurance covered by guaranty funds and the maximum amount paid on any claim vary from state to state. Assessments are used to pay claims against companies that became insolvent in the past as well as for current insolvencies. A similar system for life and health insurers is coordinated by The National Organization of Life and Health Insurance Guaranty Associations.

PROPERTY/CASUALTY GUARANTY FUND NET ASSESSMENTS, 1978-2010

Year	Net assessment ¹	Year	Net assessment ¹
Pre-1978	\$11,647,035	1995	\$66,562,926 ²
1978	139,349,343	1996	95,320,605
1979	46,222,805	1997	236,319,208
1980	17,771,834	1998	239,212,254
1981	49,772,896	1999	179,283,004
1982	41,109,087	2000	306,444,534
1983	30,619,239	2001	712,776,721
1984	97,435,034	2002	1,184,153,880
1985	292,417,521	2003	874,499,309
1986	509,409,508	2004	952,695,278
1987	903,228,359	2005	836,130,812
1988	464,840,383	2006	1,344,487,899
1989	713,869,682	2007	943,164,094
1990	433,562,308	2008	385,096,899
1991	434,845,812	2009	478,391,445
1992	383,735,932	2010	219,349,059
1993	520,215,101 ²	Total, inception-2010	\$14,641,692,175³
1994	497,752,370 ²		

- At \$219 million, guaranty fund net assessments in 2010 were down 54 percent from \$478 million in 2009. Assessments rose 24 percent in 2009.
- Net assessments in 2010 were at their lowest level since 1999, when they totaled \$179 million.

¹Assessments less refunds. ²Includes separate assessments for insolvencies due to Hurricane Andrew totaling \$248,542,070. ³Includes New York and New York Workers Compensation after 2005.

Source: National Conference of Insurance Guaranty Funds.

Property/Casualty Financial Data

Guaranty Funds

PROPERTY/CASUALTY GUARANTY FUND NET ASSESSMENTS BY STATE, 2010

State	Net assessment ¹	State	Net assessment ¹
Alabama	\$159,393,813	Nevada	\$39,074,077
Alaska	33,702,294	New Hampshire	89,029,235
Arizona	83,483,819	New Jersey	1,415,005,836
Arkansas	47,513,632	New Jersey Workers Compensation	83,723,344
California	142,486,975	New Mexico	37,281,861
Colorado	108,082,506	New York	202,000,000
Connecticut	101,022,690	New York Workers Compensation	116,437,917
Delaware	49,751,651	North Carolina	115,258,360
D.C.	25,187,918	North Dakota	4,204,707
Florida	2,178,600,371	Ohio	167,961,285
Florida Workers Compensation	466,930,783	Oklahoma	194,225,880
Georgia	242,773,660	Oregon	58,322,503
Hawaii	229,136,639	Pennsylvania	980,867,815
Idaho	14,887,805	Pennsylvania Workers Compensation	42,321,512
Illinois	453,145,446	Puerto Rico	130,713,180
Indiana	35,386,471	Rhode Island	64,611,179
Iowa	25,376,119	South Carolina	89,858,197
Kansas	58,747,522	South Dakota	18,501,194
Kentucky	69,870,202	Tennessee	153,068,388
Louisiana	623,989,477	Texas	689,334,732
Maine	106,602,265	Utah	19,952,931
Maryland	122,212,332	Vermont	31,810,048
Massachusetts	368,720,958	Virginia	179,329,679
Michigan	209,715,812	Washington	49,409,842
Minnesota	191,143,900	West Virginia	32,204,537
Mississippi	179,308,571	Wisconsin	48,278,333
Missouri	181,821,973	Wyoming	3,708,841
Montana	36,486,645	United States	\$14,641,692,175
Nebraska	39,714,513		

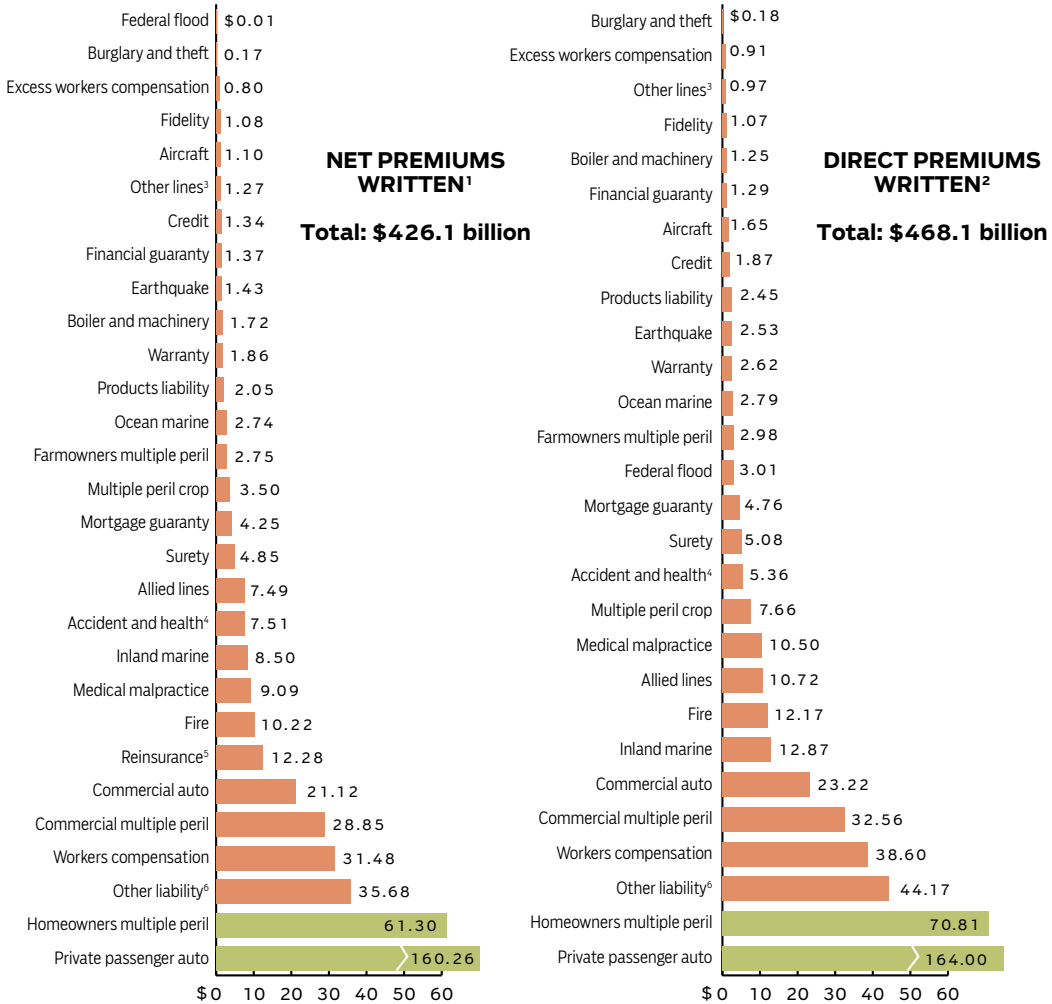
¹Assessments less refunds.

Source: National Conference of Insurance Guaranty Funds.

Premiums by Line

Premiums can be accounted for in two major ways: net premiums written, which reflect premium amounts after deductions for reinsurance, and direct premiums written, which are calculated before reinsurance transactions.

PREMIUMS WRITTEN BY LINE, PROPERTY/CASUALTY INSURANCE, 2010
(\$ billions)



¹After reinsurance transactions, excluding state funds. ²Before reinsurance transactions includes some state funds. ³Includes international and miscellaneous coverages. ⁴Premiums from certain insurers that write health insurance but file financial statements with state regulators on a property/casualty rather than life/health basis. ⁵Only includes nonproportional reinsurance, an arrangement in which a reinsurer makes payments to an insurer whose losses exceed a predetermined amount. ⁶Coverages protecting against legal liability resulting from negligence, carelessness, or failure to act.

Source: SNL Financial LC.

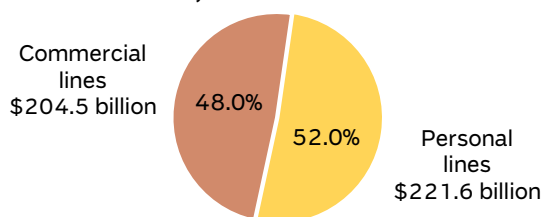
Property/Casualty Insurance by Line

Premiums

Personal vs. Commercial

The property/casualty (P/C) insurance industry is divided into two main segments: personal lines and commercial lines. Personal lines includes coverage for individuals, mainly auto and homeowners. Commercial lines includes the many kinds of insurance products designed for businesses. In 2010 private passenger auto insurance was the largest line of insurance, based on net premiums written, making up 38 percent of all P/C insurance (commercial and personal combined) and 72 percent of personal insurance. "Other liability," which protects the policyholder from legal liability arising from negligence, carelessness or a failure to act, is the largest commercial line and third-largest P/C line. It accounted for 8 percent of all P/C net premiums and 17 percent of all commercial premiums. It does not include products liability, which is a separate line of insurance.

NET PREMIUMS WRITTEN, PERSONAL AND COMMERCIAL LINES, 2010



Source: SNL Financial LC.

NET PREMIUMS WRITTEN BY LINE, PROPERTY/CASUALTY INSURANCE, 2008-2010¹

(\$ millions)

Lines of insurance	2008	2009	2010	Percentage change from prior year			Percent of total, 2010
				2008	2009	2010	
Private passenger auto	\$158,618.8	\$157,366.6	\$160,263.6	-0.7%	-0.8%	1.8%	37.6%
Liability	94,536.0	94,823.6	97,674.4	-0.6	0.3	3.0	22.9
Collision and comprehensive	64,082.8	62,543.0	62,589.2	-0.8	-2.4	0.1	14.7
Commercial auto	23,822.9	21,921.8	21,116.4	-7.0	-8.0	-3.7	5.0
Liability	17,832.6	16,574.5	16,238.3	-6.0	-7.1	-2.0	3.8
Collision and comprehensive	5,990.3	5,347.3	4,878.1	-10.0	-10.7	-8.8	1.1
Fire	9,904.9	10,099.7	10,216.6	1.4	2.0	1.2	2.4
Allied lines	7,708.5	7,736.3	7,493.8	10.6	0.4	-3.1	1.8
Multiple peril crop	5,077.6	3,962.0	3,501.6	39.2	-22.0	-11.6	0.8
Federal flood ²	3.2	21.0	6.1	-80.6	553.5	-70.7	³
Farmowners multiple peril	2,583.0	2,608.7	2,750.8	6.6	1.0	5.4	0.6
Homeowners multiple peril	56,404.9	57,679.7	61,303.4	1.5	2.3	6.3	14.4

(table continues)

Property/Casualty Insurance by Line

Premiums

NET PREMIUMS WRITTEN BY LINE, PROPERTY/CASUALTY INSURANCE, 2008-2010¹ (Cont'd)

(\$ millions)

Lines of insurance	2008	2009	2010	Percentage change from prior year			Percent of total, 2010
				2008	2009	2010	
Commercial multiple peril	\$30,223.9	\$28,866.8	\$28,847.0	-3.1%	-4.5%	-0.1%	6.8%
Mortgage guaranty	5,367.7	4,570.1	4,246.7	3.4	-14.9	-7.1	1.0
Ocean marine	3,094.3	2,935.7	2,738.9	-5.0	-5.1	-6.7	0.6
Inland marine	9,367.6	8,648.9	8,503.4	-3.8	-7.7	-1.7	2.0
Financial guaranty	3,171.6	1,793.4	1,371.9	4.4	-43.5	-23.5	0.3
Medical malpractice	9,521.1	9,206.6	9,092.3	-4.3	-3.3	-1.2	2.1
Earthquake	1,250.3	1,285.6	1,434.9	0.2	2.8	11.6	0.3
Accident and health ⁴	7,156.3	6,705.9	7,506.8	0.8	-6.3	11.9	1.8
Workers compensation	36,523.0	32,009.9	31,479.3	-10.0	-12.4	-1.7	7.4
Excess workers compensation	926.5	941.1	799.5	NA	1.6	-15.0	0.2
Products liability	2,777.6	2,366.0	2,050.5	-15.9	-14.8	-13.3	0.5
Other liability ⁵	38,484.5	36,031.1	35,678.5	-6.5	-6.4	-1.0	8.4
Aircraft	1,329.3	1,222.8	1,103.5	-24.5	-8.0	-9.8	0.3
Fidelity	1,140.6	1,105.4	1,077.9	-8.5	-3.1	-2.5	0.3
Surety	4,960.3	4,837.6	4,853.5	3.2	-2.5	0.3	1.1
Burglary and theft	160.6	152.0	167.1	-0.1	-5.3	9.9	³
Boiler and machinery	1,729.1	1,801.9	1,718.2	-0.7	4.2	-4.6	0.4
Credit	1,413.3	1,224.5	1,344.8	0.6	-13.4	9.8	0.3
Warranty	2,086.9	1,757.3	1,864.1	NA	-15.8	6.1	0.4
International	289.0	142.5	130.0	111.5	-50.7	-8.8	³
Reinsurance ⁶	13,845.3	12,566.4	12,275.1	5.9	-9.2	-2.3	2.9
Other lines ⁷	999.7	1,307.0	1,143.9	-66.2	30.7	-12.5	0.3
Total, all lines⁸	\$439,942.2	\$422,874.5	\$426,080.1	-1.5%	-3.9%	0.8%	100.0%

¹After reinsurance transactions, excluding state funds.

²Provided by FEMA through participating private insurers.

³Less than 0.1 percent.

⁴Premiums from certain insurers that write health insurance but file financial statements with state regulators on a property/casualty basis.

⁵Coverages protecting against legal liability resulting from negligence, carelessness or failure to act.

⁶Only includes nonproportional reinsurance, an arrangement in which a reinsurer makes payments to an insurer whose losses exceed a predetermined amount.

⁷Includes miscellaneous coverages.

⁸May not match total premiums shown elsewhere in this book because of the use of different exhibits from SNL Financial LC.

NA=Data not available.

Source: SNL Financial LC.

Property/Casualty Insurance by Line

Premiums

DIRECT PREMIUMS WRITTEN, PROPERTY/CASUALTY INSURANCE BY STATE BY LINE, 2010¹ (\$'000)

State	Private passenger auto		Commercial auto		Homeowners multiple peril
	Liability	Coll./comp.	Liability	Coll./comp.	
Alabama	\$1,217,229	\$1,053,163	\$269,420	\$83,286	\$1,322,542
Alaska	258,304	162,020	45,857	17,118	137,697
Arizona	1,946,276	1,401,575	289,763	72,220	1,199,563
Arkansas	804,767	630,347	187,842	68,739	660,070
California	10,876,036	8,048,285	1,831,196	501,563	6,776,550
Colorado	1,666,687	1,087,712	262,090	93,528	1,362,410
Connecticut	1,499,325	885,079	254,822	58,692	1,107,784
Delaware	446,688	190,199	68,887	14,473	190,027
D.C.	142,862	120,163	32,825	5,603	127,235
Florida	8,911,475	3,417,946	1,198,328	241,191	7,568,467
Georgia	2,981,455	2,268,457	533,293	149,979	2,035,822
Hawaii	389,237	238,526	76,932	20,462	356,472
Idaho	400,481	272,461	84,943	35,172	255,154
Illinois	3,311,799	2,501,983	699,134	214,433	2,747,044
Indiana	1,619,249	1,165,528	363,057	129,842	1,447,985
Iowa	695,126	636,171	192,920	94,098	546,612
Kansas	740,080	684,848	144,202	81,126	801,608
Kentucky	1,465,502	759,765	228,844	74,608	833,589
Louisiana	1,998,019	1,285,010	419,698	87,080	1,479,199
Maine	332,030	262,204	79,900	30,300	326,942
Maryland	2,217,538	1,455,510	331,553	84,710	1,277,261
Massachusetts	2,244,108	1,463,666	487,213	145,148	1,725,679
Michigan	3,406,222	2,464,615	415,763	182,328	2,165,919
Minnesota	1,587,334	1,104,796	279,047	121,610	1,500,613
Mississippi	760,322	609,493	201,950	57,994	773,675
Missouri	1,632,807	1,255,738	338,940	116,168	1,484,318
Montana	310,846	229,193	77,709	40,343	212,161
Nebraska	501,063	385,349	117,432	67,474	439,210
Nevada	1,098,048	539,389	149,552	24,852	468,714
New Hampshire	356,506	299,496	81,303	28,539	327,184
New Jersey	4,291,688	1,908,416	819,815	145,677	2,007,475
New Mexico	654,858	423,120	111,929	36,580	389,904
New York	6,770,588	3,376,154	1,525,694	237,976	4,357,145
North Carolina	2,621,695	1,762,656	462,907	131,362	1,904,765
North Dakota	155,235	178,904	51,092	34,115	137,119
Ohio	2,889,631	2,146,397	523,443	167,500	2,169,430
Oklahoma	1,130,702	831,427	234,114	88,309	1,068,765
Oregon	1,367,714	648,519	203,874	55,708	633,489
Pennsylvania	4,190,983	2,836,917	804,415	273,457	2,553,530
Rhode Island	449,363	217,830	69,689	15,437	293,653
South Carolina	1,562,718	949,318	221,377	71,403	1,257,682
South Dakota	191,919	184,943	54,155	54,309	146,583
Tennessee	1,607,683	1,198,998	319,505	121,658	1,386,469
Texas	7,562,505	5,818,004	1,419,722	433,713	5,857,221
Utah	807,807	485,893	152,133	57,861	388,407
Vermont	160,195	143,170	43,616	16,798	165,135
Virginia	2,391,883	1,734,494	373,894	108,689	1,632,025
Washington	2,522,108	1,280,996	338,224	95,467	1,314,434
West Virginia	663,153	436,227	109,978	34,451	337,763
Wisconsin	1,439,139	998,073	318,441	122,484	1,022,227
Wyoming	157,649	157,239	47,745	25,815	131,187
United States	\$99,406,636	\$64,596,379	\$17,950,179	\$5,271,449	\$70,811,914

¹Includes some state funds.

Source: SNL Financial LC.

Property/Casualty Insurance by Line

Premiums

DIRECT PREMIUMS WRITTEN, PROPERTY/CASUALTY INSURANCE BY STATE BY LINE, 2010¹

(\$000)

Farmowners multiple peril	Commercial multiple peril	Workers compensation	Excess workers compensation	Medical malpractice	Products liability
\$55,593	\$508,228	\$302,220	\$12,744	\$135,230	\$30,383
494	103,233	234,500	3,390	22,926	7,207
13,433	498,137	521,568	6,177	253,061	26,205
17,284	263,741	214,717	5,620	71,464	13,695
212,983	4,141,256	7,109,911	229,866	820,265	347,236
60,661	577,804	585,176	9,208	166,468	49,459
4,068	512,310	605,848	18,456	187,940	38,770
2,841	288,216	124,618	1,369	39,124	5,562
0	137,810	132,847	4,357	38,106	4,547
25,387	1,783,822	1,562,532	52,206	567,292	131,458
92,195	802,660	953,076	28,401	318,755	64,730
535	136,091	177,646	3,482	24,896	6,448
45,811	162,933	118,913	756	36,833	7,160
120,789	1,403,000	2,253,737	40,550	624,298	122,265
146,599	682,549	616,770	9,493	123,303	42,508
123,235	291,480	534,128	5,188	82,719	29,270
151,015	310,467	387,793	7,580	77,582	27,424
122,998	406,760	475,118	13,459	146,660	23,526
10,885	451,972	700,603	36,646	102,626	31,750
2,950	174,245	189,231	3,282	50,344	6,721
21,192	540,381	549,805	7,223	283,964	41,395
2,575	894,956	835,257	17,185	314,611	81,244
110,865	874,584	822,239	22,039	204,854	68,221
99,967	575,422	685,235	6,669	91,352	67,497
17,816	287,474	250,946	11,684	55,924	15,909
121,036	627,998	680,030	19,480	191,049	38,282
49,608	132,352	114,266	5,009	42,756	6,087
132,462	205,645	294,507	4,621	36,886	16,668
6,788	248,696	242,814	14,133	89,241	12,808
1,871	189,652	219,477	1,312	41,838	9,819
2,846	1,172,881	1,632,955	23,575	509,560	147,665
21,693	187,692	217,554	4,808	50,178	9,310
34,902	3,035,189	3,623,283	51,276	1,688,528	120,921
48,082	760,662	1,069,279	17,804	244,658	71,731
71,343	96,515	3,374	9	14,016	7,573
116,528	1,029,566	-8,030	52,762	358,911	78,067
110,030	400,420	505,365	10,802	131,228	34,067
54,917	390,128	533,689	9,382	95,807	26,959
84,467	1,434,090	2,025,432	35,825	718,617	116,960
184	128,415	147,788	1,702	43,820	9,354
6,456	413,157	533,173	7,014	64,446	27,793
75,448	113,409	136,736	852	20,057	6,875
115,036	591,779	678,115	13,714	260,457	40,427
174,749	2,106,070	1,924,746	28,601	333,028	194,121
9,468	206,364	283,221	2,487	71,017	21,760
11,678	142,339	143,085	642	22,264	5,612
50,473	671,021	775,699	16,012	223,366	43,145
56,728	667,083	25,806	25,028	204,786	43,941
11,091	164,047	375,257	3,550	82,530	9,881
126,027	554,023	1,475,215	6,884	93,770	56,366
25,319	81,025	-826	26	26,610	5,730
\$2,981,402	\$32,559,751	\$38,596,442	\$914,343	\$10,500,021	\$2,452,510

¹Includes some state funds.
Source: SNL Financial LC.

(table continues)

Property/Casualty Insurance by Line

Premiums

DIRECT PREMIUMS WRITTEN, PROPERTY/CASUALTY INSURANCE BY STATE BY LINE, 2010¹ (Cont'd) (\$000)

State	Other liability	Fire	Allied lines	Inland marine	Ocean marine	Surety
Alabama	\$491,500	\$196,077	\$141,223	\$195,252	\$33,190	\$60,366
Alaska	127,871	41,850	21,305	127,367	31,836	28,919
Arizona	605,328	136,864	95,758	186,041	12,380	93,759
Arkansas	290,396	136,447	108,621	154,875	14,414	37,073
California	5,560,721	1,512,171	968,802	1,706,558	220,394	685,396
Colorado	836,798	164,375	138,283	195,838	11,946	108,855
Connecticut	803,903	120,031	92,696	193,758	50,844	57,357
Delaware	220,043	24,784	17,111	35,981	6,086	6,323
D.C.	305,002	31,944	33,435	67,392	3,964	99,814
Florida	2,364,872	1,679,679	2,909,341	782,730	272,056	266,064
Georgia	1,053,901	314,181	205,275	403,155	58,057	129,635
Hawaii	230,209	78,082	84,845	44,566	13,584	34,614
Idaho	128,089	28,031	32,879	50,758	3,486	19,380
Illinois	2,242,252	383,494	307,975	515,144	62,466	189,125
Indiana	655,087	215,912	130,395	201,952	21,974	77,627
Iowa	457,180	76,428	156,419	153,895	6,504	39,968
Kansas	304,996	88,650	151,414	126,619	6,146	42,554
Kentucky	347,527	113,462	84,133	195,884	18,350	68,677
Louisiana	690,379	293,832	275,817	285,560	250,658	132,338
Maine	129,758	43,324	27,550	52,043	22,992	19,307
Maryland	805,805	145,326	93,705	213,765	83,962	148,696
Massachusetts	1,370,489	299,701	189,984	281,498	82,445	113,316
Michigan	1,026,946	315,308	167,271	302,414	41,113	75,828
Minnesota	829,765	153,630	222,363	207,791	20,788	70,925
Mississippi	246,729	134,802	115,826	121,638	21,895	44,207
Missouri	958,494	193,000	147,459	219,688	27,196	79,609
Montana	117,469	27,330	25,876	45,613	2,451	25,198
Nebraska	245,461	48,167	150,095	123,334	3,096	24,979
Nevada	298,651	106,992	83,570	92,076	6,903	75,941
New Hampshire	148,473	33,327	23,238	46,706	11,680	17,996
New Jersey	1,821,984	335,752	220,117	385,998	120,655	153,997
New Mexico	170,351	38,879	32,737	71,693	1,478	45,612
New York	5,211,419	736,578	432,166	985,589	440,482	324,759
North Carolina	881,061	263,490	231,645	354,320	36,189	124,318
North Dakota	95,884	22,100	93,973	40,892	1,524	15,904
Ohio	1,357,016	352,158	202,656	380,653	36,595	132,378
Oklahoma	437,292	129,923	126,749	161,234	15,774	67,385
Oregon	398,670	89,422	60,076	134,320	25,612	69,365
Pennsylvania	1,971,722	409,659	238,042	417,387	39,689	196,238
Rhode Island	161,058	43,846	35,153	52,775	23,976	12,296
South Carolina	361,895	178,837	155,985	188,960	26,001	59,548
South Dakota	78,806	18,288	53,979	37,283	589	22,166
Tennessee	677,319	218,669	130,053	245,874	39,279	83,123
Texas	3,503,948	1,495,042	1,039,623	1,156,483	351,649	438,789
Utah	274,184	68,371	35,877	77,986	5,668	62,760
Vermont	94,427	19,355	11,388	25,409	8,682	6,962
Virginia	906,838	193,940	139,203	287,353	52,330	152,700
Washington	846,080	191,884	121,742	255,154	114,761	134,112
West Virginia	177,680	63,061	31,867	55,716	3,245	40,563
Wisconsin	767,335	136,185	109,022	191,554	25,873	46,471
Wyoming	82,302	23,474	19,402	34,474	1,006	20,429
United States	\$44,171,366	\$12,166,114	\$10,724,118	\$12,870,994	\$2,793,911	\$5,083,723

¹Includes some state funds.

Source: SNL Financial LLC.

Property/Casualty Insurance by Line

Premiums

DIRECT PREMIUMS WRITTEN, PROPERTY/CASUALTY INSURANCE BY STATE BY LINE, 2010¹

(\$000)

Fidelity	Burglary and theft	Boiler and machinery	Financial guaranty	Aircraft	Earthquake	Federal flood
\$12,140	\$1,793	\$23,885	\$11,638	\$16,086	\$8,022	\$31,180
2,147	323	6,271	601	32,544	21,491	2,245
9,887	1,977	16,336	11,694	60,340	7,950	18,319
8,963	1,684	13,181	2,760	19,032	22,743	10,317
111,650	18,273	116,999	62,446	170,284	1,590,392	189,812
19,200	3,062	18,630	7,471	39,769	8,821	13,776
27,915	3,429	15,115	4,027	28,670	5,526	37,201
4,903	1,911	3,245	57,358	13,073	886	14,750
13,681	1,996	4,230	193	11,576	1,880	751
53,239	10,658	65,157	29,320	116,740	33,091	920,901
27,223	5,313	28,024	13,702	65,433	14,532	57,658
4,665	445	4,818	5,577	10,561	8,494	29,783
2,652	381	6,847	0	14,195	2,816	3,963
57,408	9,572	52,072	36,818	66,559	53,016	31,874
16,093	2,734	35,024	3,330	27,474	32,315	21,063
11,059	1,549	19,370	5,321	11,116	4,454	11,200
9,743	1,437	16,310	1,673	20,497	6,297	7,043
9,194	1,265	19,373	3,289	9,134	35,647	14,937
11,537	2,124	24,836	8,331	59,698	9,844	291,863
3,017	613	6,809	2,697	3,866	1,681	6,964
20,796	2,777	17,753	14,200	22,673	6,276	33,689
33,444	5,058	27,146	14,269	16,981	16,512	49,146
29,684	5,052	44,328	4,682	33,075	6,904	17,191
26,091	3,197	26,428	20,452	26,316	6,045	7,172
6,907	1,402	10,380	670	11,538	17,285	37,676
21,108	3,325	21,231	3,721	26,890	86,658	17,265
2,749	408	4,397	410	9,962	3,730	2,910
6,959	926	11,135	416	9,880	3,025	7,916
7,367	1,240	9,939	5,723	27,248	18,272	8,005
3,039	605	4,300	846	7,392	2,284	6,639
42,231	6,094	36,938	21,350	35,301	12,770	178,984
3,850	611	6,486	531	8,356	2,018	10,425
141,833	19,063	87,413	803,762	16,113	34,479	132,348
29,120	3,873	29,668	3,663	36,471	9,929	86,030
2,201	235	7,110	72	7,001	404	5,899
32,462	8,093	47,258	10,471	46,549	28,122	26,318
8,807	1,841	14,404	3,204	19,199	6,764	9,129
8,277	1,849	15,079	3,433	41,274	54,941	21,284
50,155	7,077	56,936	43,285	36,103	14,509	49,785
4,392	624	3,870	2,963	20,480	3,021	16,783
8,946	1,613	16,632	2,654	11,270	32,661	111,620
2,756	362	4,455	300	5,385	604	3,795
15,481	3,528	22,888	4,370	44,413	61,980	17,535
64,414	16,787	118,275	40,612	190,795	33,106	309,146
6,449	894	7,417	3,713	20,771	31,378	2,325
2,520	312	2,730	4,055	3,174	811	3,262
30,213	5,213	25,502	1,063	41,015	11,172	64,693
17,114	3,431	28,027	1,414	45,993	141,611	33,361
3,668	474	5,905	988	4,104	1,562	14,069
20,119	3,143	31,144	423	20,946	5,101	10,008
1,250	235	6,227	10	5,700	3,073	1,720
\$1,070,717	\$179,880	\$1,247,932	\$1,285,969	\$1,649,016	\$2,526,905	\$3,011,729

¹Includes some state funds.

Source: SNL Financial LC.

(table continues)

Property/Casualty Insurance by Line

Premiums

DIRECT PREMIUMS WRITTEN, PROPERTY/CASUALTY INSURANCE BY STATE BY LINE, 2010¹ (Cont'd) (\$'000)

State	Credit	Warranty	Accident and health	Multiple peril crop	Mortgage guaranty	Misc.
Alabama	\$16,487	\$7,163	\$30,150	\$51,533	\$72,197	\$27,177
Alaska	1,858	2,699	10,436	31	15,766	1,774
Arizona	10,223	11,285	60,730	14,876	92,443	17,389
Arkansas	10,644	6,209	33,998	106,209	37,897	8,393
California	85,769	80,660	346,213	226,392	325,605	114,725
Colorado	11,407	23,135	67,075	160,036	103,786	9,147
Connecticut	25,238	9,708	27,687	4,645	54,849	11,124
Delaware	35,064	4,450	601,484	11,256	20,161	4,785
D.C.	7,009	81	109,253	0	86,603	18,724
Florida	261,624	263,148	231,278	86,758	319,124	59,263
Georgia	34,501	38,584	129,923	113,517	192,889	39,689
Hawaii	6,160	2,504	16,116	1,618	19,592	4,313
Idaho	2,692	2,367	16,663	57,783	23,556	1,641
Illinois	66,096	1,001,239	246,133	571,103	233,905	65,486
Indiana	19,532	39,627	196,599	305,852	117,572	11,051
Iowa	7,959	3,901	108,540	591,289	92,708	5,480
Kansas	10,786	77,755	63,208	587,201	48,168	6,256
Kentucky	13,663	8,588	44,436	92,685	42,581	4,171
Louisiana	34,241	7,259	58,509	77,851	72,141	35,901
Maine	5,424	7,422	10,564	7,519	17,942	2,045
Maryland	17,394	14,681	65,595	29,951	100,054	7,981
Massachusetts	23,924	24,779	74,208	3,282	105,348	15,293
Michigan	57,025	445,181	130,687	137,636	137,451	26,949
Minnesota	30,623	26,014	136,709	523,365	159,448	10,000
Mississippi	19,043	4,179	59,200	108,892	35,050	10,203
Missouri	32,028	17,093	192,494	249,837	93,584	12,656
Montana	2,559	1,553	14,169	156,382	12,077	2,294
Nebraska	7,644	8,014	67,639	472,133	30,073	5,644
Nevada	8,093	8,891	20,005	3,194	43,558	3,601
New Hampshire	6,741	4,527	11,607	380	25,620	4,888
New Jersey	98,699	24,672	87,609	6,082	147,180	15,757
New Mexico	5,093	3,534	18,857	16,596	29,802	9,581
New York	122,763	56,329	269,287	28,243	195,233	31,076
North Carolina	62,592	29,827	124,297	156,681	155,500	21,337
North Dakota	1,225	313	12,966	668,932	7,410	559
Ohio	46,018	18,760	159,763	228,361	178,587	40,105
Oklahoma	15,942	12,970	58,589	139,683	51,041	13,073
Oregon	17,298	5,575	48,469	34,447	50,896	11,989
Pennsylvania	53,273	46,322	279,311	45,940	187,612	19,631
Rhode Island	3,732	1,245	35,100	65	15,027	7,924
South Carolina	33,798	6,264	52,949	52,907	90,297	9,306
South Dakota	-8,179	763	32,022	495,063	10,565	1,043
Tennessee	32,302	50,036	102,553	79,056	91,159	15,212
Texas	350,393	120,321	475,134	592,552	401,753	163,328
Utah	13,235	5,371	51,501	3,655	50,050	3,926
Vermont	7,112	1,660	3,507	2,209	9,581	803
Virginia	63,301	18,530	89,467	49,369	126,641	13,959
Washington	19,887	29,508	74,271	101,660	112,494	24,491
West Virginia	3,777	3,307	24,779	2,101	16,709	3,965
Wisconsin	58,535	31,035	156,607	188,919	88,322	11,043
Wyoming	1,844	758	17,077	14,461	13,986	967
United States	\$1,874,093	\$2,619,795	\$5,355,421	\$7,660,189	\$4,761,594	\$967,120

¹Includes some state funds.

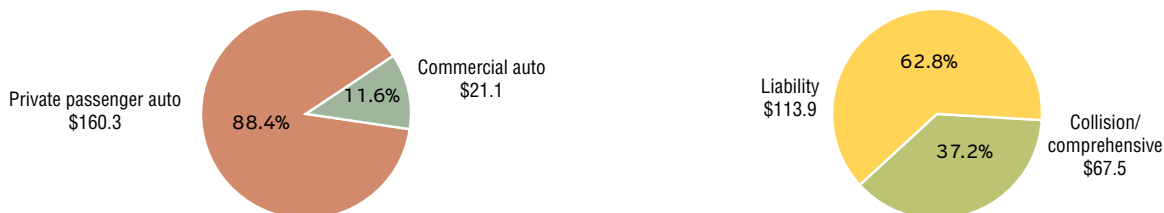
Source: SNL Financial LLC.

Property/Casualty Insurance by Line

Auto: Premiums

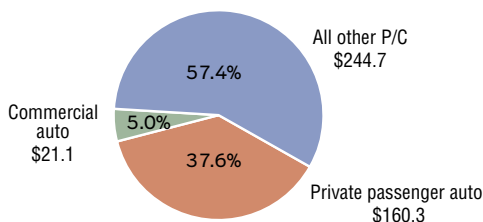
TOTAL AUTO PREMIUMS BY SECTOR, 2010

(\$ billions, net premiums written)



AUTO SHARE OF P/C INDUSTRY, 2010

(\$ billions, net premiums written)



Source: SNL Financial LC.

PRIVATE PASSENGER AUTOMOBILE INSURANCE, 2001-2010

(\$000)

Year	Liability				Collision/comprehensive			
	Net premiums written ¹	Annual percent change	Combined ratio ²	Annual point change ³	Net premiums written ¹	Annual percent change	Combined ratio ²	Annual point change ³
2001	\$74,484,178	7.5%	112.0	-1.7 pts.	\$53,460,108	6.0%	102.2	-7.0 pts.
2002	82,109,346	10.2	110.1	-1.9	57,629,893	7.8	95.9	-6.3
2003	89,263,688	8.7	102.9	-7.2	61,885,986	7.4	92.2	-3.6
2004	92,903,456	4.1	99.3	-3.6	64,736,271	4.6	87.1	-5.1
2005	94,841,576	2.1	98.1	-1.2	64,920,898	0.3	90.7	3.6
2006	95,354,742	0.5	98.5	0.4	65,084,109	0.3	91.4	0.7
2007	95,063,907	-0.3	101.7	3.1	64,608,488	-0.7	93.4	2.0
2008	94,535,995	-0.6	103.2	1.6	64,082,781	-0.8	95.8	2.4
2009	94,823,610	0.3	106.6	3.4	62,543,019	-2.4	93.4	-2.4
2010	97,674,407	3.0	105.9	-0.7	62,589,229	0.1	93.4	0.0

¹After reinsurance transactions, excluding state funds.

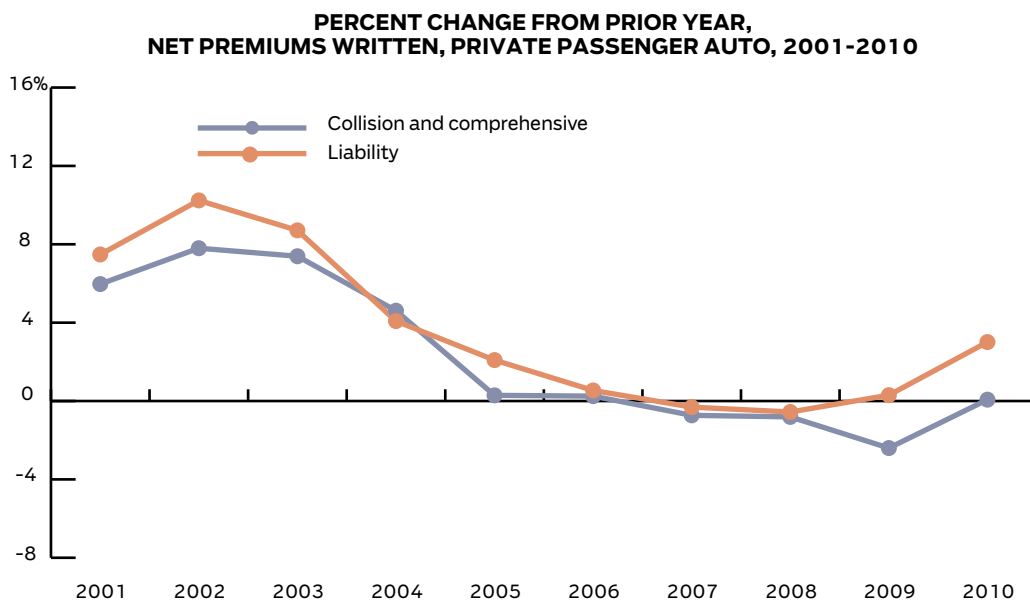
²After dividends to policyholders. A drop in the combined ratio represents an improvement; an increase represents a deterioration.

³Calculated from unrounded data.

Source: SNL Financial LC.

Property/Casualty Insurance by Line

Auto: Premiums



Source: SNL Financial LC.

TOP TEN WRITERS OF PRIVATE PASSENGER AUTO INSURANCE BY DIRECT PREMIUMS WRITTEN, 2010 (\$000)

Rank	Group	Direct premiums written ¹	Market share
1	State Farm Mutual Automobile Insurance	\$31,132,669	18.7%
2	Allstate Corp.	16,987,898	10.2
3	Berkshire Hathaway Inc.	14,179,673	8.5
4	Progressive Corp.	12,845,461	7.7
5	Zurich Financial Services Ltd.	9,943,802	6.0
6	Liberty Mutual Holding Co.	7,500,758	4.5
7	USAA Insurance Group	7,268,980	4.4
8	Nationwide Mutual Group	7,037,229	4.2
9	Travelers Companies	3,512,489	2.1
10	American Family Mutual Insurance Co.	3,227,718	1.9

¹Before reinsurance transactions, excluding state funds.

Source: SNL Financial LC.

Property/Casualty Insurance by Line

Auto: Premiums

COMMERCIAL AUTOMOBILE INSURANCE, 2001-2010

(\$000)

Year	Liability				Collision/comprehensive			
	Net premiums written ¹	Annual percent change	Combined ratio ²	Annual point change ³	Net premiums written ¹	Annual percent change	Combined ratio ²	Annual point change ³
2001	\$15,303,922	12.8%	122.7	2.7 pts.	\$6,471,991	8.1%	101.6	-4.3 pts.
2002	17,235,300	12.6	108.2	-14.4	7,336,316	13.4	93.8	-7.8
2003	18,420,296	6.9	99.5	-8.7	7,006,148	-4.5	84.6	-9.2
2004	19,560,068	6.2	96.8	-2.8	7,150,723	2.1	83.0	-1.6
2005	19,737,841	0.9	93.5	-3.2	6,945,611	-2.9	88.0	5.1
2006	19,771,985	0.2	94.2	0.6	7,000,097	0.8	87.8	-0.2
2007	18,964,860	-4.1	95.5	1.3	6,653,862	-4.9	91.1	3.3
2008	17,832,636	-6.0	97.5	2.0	5,990,259	-10.0	94.8	3.7
2009	16,574,524	-7.1	100.3	2.8	5,347,278	-10.7	97.0	2.2
2010	16,238,294	-2.0	97.1	-3.2	4,878,104	-8.8	101.4	4.5

¹After reinsurance transactions, excluding state funds. ²After dividends to policyholders. A drop in the combined ratio represents an improvement; an increase represents a deterioration. ³Calculated from unrounded data.

Source: SNL Financial LC.

TOP TEN WRITERS OF COMMERCIAL AUTO INSURANCE BY DIRECT PREMIUMS WRITTEN, 2010

(\$000)

Rank	Group	Direct premiums written ¹	Market share
1	Travelers Companies	\$1,976,227	8.3%
2	Liberty Mutual Holding Co.	1,598,403	6.7
3	Zurich Financial Services Ltd.	1,585,895	6.7
4	Progressive Corp.	1,458,727	6.2
5	American International Group	1,111,197	4.7
6	Nationwide Mutual Group	914,355	3.9
7	Old Republic International	731,981	3.1
8	Auto-Owners Insurance Co.	540,825	2.3
9	Hartford Financial Services	523,736	2.2
10	American Financial Group Inc.	471,237	2.0

¹Before reinsurance transactions, excluding state funds.

Source: SNL Financial LC.

Property/Casualty Insurance by Line

Auto: Costs/Expenditures

AAA's 2011 Your Driving Costs study found that the average cost to own and operate a sedan rose by 3.4 percent, or about \$290, to \$8,776 per year, compared with \$8,487 the previous year. The rising costs of fuel, tires, license fees and depreciation contributed to the increase. However, the increase was mitigated by a 6.1 percent drop in the average cost of auto insurance, which fell to \$968 for a typical policy including collision and comprehensive coverage. The previous study put the average insurance cost at \$1,031. The 2011 study is based on costs associated with five top-selling 2010 sedan models selected by AAA. Figures are not comparable to the National Association of Insurance Commissioners' Auto Expenditures data shown below.

AVERAGE EXPENDITURES FOR AUTO INSURANCE, UNITED STATES, 1999-2008

- 77 percent of insured drivers purchase comprehensive coverage in addition to liability insurance, and 72 percent buy collision coverage, based on 2008 NAIC data.

Year	Average expenditure	Percent change	Year	Average expenditure	Percent change
1999	\$685	-2.6%	2004	\$843	1.6%
2000	690	0.7	2005	831	-1.4
2001	726	5.2	2006	817	-1.7
2002	786	8.3	2007	796	-2.6
2003	830	5.6	2008	789	-0.9

Source: © 2010 National Association of Insurance Commissioners.

Auto Insurance Expenditures, by State

The tables on the following pages shows estimated average expenditures for private passenger automobile insurance by state for 2004 to 2008, providing approximate measures of the relative cost of automobile insurance to consumers in each state. To calculate average expenditures the National Association of Insurance Commissioners (NAIC) assumes that all insured vehicles carry liability coverage but not necessarily collision or comprehensive coverage. The average expenditure measures what consumers actually spend for insurance on each vehicle. It does not equal the sum of liability, collision and comprehensive expenditures because not all policyholders purchase all three coverages.

Expenditures are affected by the coverages purchased as well as other factors. In states where the economy is healthy, people are more likely to purchase new cars. Since new car owners are more likely to purchase physical damage coverages, these states will have a higher average expenditure. The NAIC notes that urban population, traffic density and per capita income have a significant impact on premiums. The latest report shows that high premium states tend also to be highly urban, with higher wage and price levels and greater traffic density. Tort liability and other auto laws, labor costs, liability coverage requirements, theft rates and other factors can also affect auto insurance prices.

TOP TEN MOST EXPENSIVE AND LEAST EXPENSIVE STATES FOR AUTOMOBILE INSURANCE, 2008¹

Rank	Most expensive states	Average expenditure	Rank	Least expensive states	Average expenditure
1	D.C.	\$1,126	1	North Dakota	\$503
2	Louisiana	1,105	2	Iowa	519
3	New Jersey	1,081	3	South Dakota	520
4	Florida	1,055	4	Nebraska	547
5	New York	1,044	5	Idaho	562
6	Delaware	1,007	6	Kansas	576
7	Rhode Island	986	7	Wisconsin	581
8	Nevada	970	8	North Carolina	595
9	Connecticut	950	9	Maine	600
10	Maryland	922	10	Indiana	612

¹Based on average automobile insurance expenditures.

Source: © 2010 National Association of Insurance Commissioners.

TOP TEN MOST EXPENSIVE AND LEAST EXPENSIVE CITIES FOR AUTOMOBILE INSURANCE, 2011¹

Rank	Most expensive cities	Average annual auto premiums	Rank	Least expensive cities	Average annual auto premiums
1	Detroit, MI	\$5,941	1	Roanoke, VA	\$937
2	Philadelphia, PA	4,076	2	Green Bay, WI	999
3	New Orleans, LA	3,599	3	Wapakoneta, OH	1,008
4	Miami, FL	3,388	4	Portland, ME	1,053
5	Newark, NJ	2,867	5	Boise, ID	1,065
6	Baltimore, MD	2,851	6	Richmond, VA	1,109
7	Tampa, FL	2,796	7	Fairfield, OH	1,111
8	Providence, RI	2,711	8	Charlotte, NC	1,134
9	Los Angeles, CA	2,664	9	Lafayette, IN	1,140
10	Las Vegas, NV	2,651	10	Pocatello, ID	1,143

- Auto insurance tends to be more expensive in urban areas because of the higher density of traffic, increased likelihood of theft and vandalism, and greater incidence of fraud in some cities.

¹As of August 2011, based on business driving for a 2012 Chevrolet Malibu LS. Assumes \$100,000/\$300,000/\$50,000 liability limits, collision and comprehensive with \$500 deductibles, 100/300 uninsured motorist coverage and any mandatory insurance coverage.

Source: Runzheimer International.

Property/Casualty Insurance by Line

Auto: Costs/Expenditures

AVERAGE EXPENDITURES FOR AUTO INSURANCE BY STATE, 2004-2008

State	2008				
	Liability	Collision	Comprehensive	Average expenditure	Rank ¹
Alabama	\$354	\$310	\$134	\$667	32
Alaska	558	375	149	904	12
Arizona	486	296	207	858	14
Arkansas	365	283	152	653	38
California ²	450	363	103	776	20
Colorado	427	263	155	729	23
Connecticut	592	332	121	950	9
Delaware	698	287	106	1,007	6
D.C.	583	430	250	1,126	1
Florida	736	281	114	1,055	4
Georgia	413	357	164	765	21
Hawaii	506	312	113	816	18
Idaho	330	228	116	562	47
Illinois	401	287	111	720	27
Indiana	348	243	109	612	42
Iowa	272	192	153	519	50
Kansas	299	230	190	576	46
Kentucky	453	256	122	699	29
Louisiana	651	410	214	1,105	2
Maine	336	255	97	600	43
Maryland	555	316	140	922	10
Massachusetts	564	293	114	903	13
Michigan	494	387	152	907	11
Minnesota	411	207	162	698	30
Mississippi	366	269	154	654	36
Missouri	368	251	148	657	35
Montana	404	241	184	667	31
Nebraska	308	201	168	547	48
Nevada	631	335	134	970	8
New Hampshire	398	277	100	727	25
New Jersey	721	342	134	1,081	3
New Mexico	442	294	171	728	24
New York	687	331	154	1,044	5
North Carolina	352	240	114	595	44
North Dakota	242	186	216	503	51
Ohio	355	239	100	617	41
Oklahoma	381	275	160	663	33
Oregon	485	230	95	727	26
Pennsylvania	490	299	120	817	17
Rhode Island	646	372	121	986	7
South Carolina	466	252	147	751	22
South Dakota	275	186	191	520	49
Tennessee	356	283	121	641	39
Texas	471	359	178	854	15
Utah	430	268	111	709	28
Vermont	340	280	115	653	37
Virginia	384	252	114	663	34
Washington	551	258	116	840	16
West Virginia	501	289	167	808	19
Wisconsin	322	202	117	581	45
Wyoming	322	271	202	632	40
United States	\$471	\$298	\$134	\$789	

¹Ranked by average expenditure. ²Preliminary. Note: Average expenditure=Total written premium/liability car years. A car year is equal to 365 days of insured coverage for a single vehicle. The NAIC does not rank state average expenditures and does not endorse

Property/Casualty Insurance by Line

Auto: Costs/Expenditures

AVERAGE EXPENDITURES FOR AUTO INSURANCE BY STATE, 2004-2008 (Cont'd)

2007		Average expenditure percent change 2007-2008	Average expenditure			State
Average expenditure	Rank ¹		2006	2005	2004	
\$684	31	-2.4%	\$684	\$679	\$677	Alabama
923	13	-2.1	955	968	974	Alaska
873	14	-1.6	913	929	931	Arizona
660	36	-1.1	684	694	708	Arkansas
809	19	-4.0	839	841	846	California ²
738	24	-1.3	785	829	850	Colorado
964	10	-1.4	981	993	991	Connecticut
1,012	7	-0.4	1,024	1,028	1,022	Delaware
1,140	1	-1.2	1,164	1,187	1,185	D.C.
1,043	5	1.2	1,069	1,064	1,062	Florida
782	21	-2.2	788	785	779	Georgia
837	16	-2.5	853	846	817	Hawaii
564	47	-0.3	577	585	590	Idaho
723	26	-0.5	740	743	760	Illinois
618	42	-0.9	631	658	671	Indiana
518	50	0.2	536	555	580	Iowa
568	46	1.5	579	589	603	Kansas
720	29	-2.9	739	751	758	Kentucky
1,096	3	0.8	1,094	1,078	1,062	Louisiana
611	43	-1.7	634	644	650	Maine
933	11	-1.2	964	969	973	Maryland
981	9	-8.0	1,042	1,113	1,113	Massachusetts
928	12	-2.2	925	931	980	Michigan
721	28	-3.1	753	792	829	Minnesota
680	32	-3.8	746	746	749	Mississippi
658	37	-0.2	673	685	702	Missouri
666	33	0.2	661	686	683	Montana
554	48	-1.3	584	619	637	Nebraska
1,000	8	-2.9	1,006	985	939	Nevada
750	23	-3.0	793	792	798	New Hampshire
1,104	2	-2.0	1,152	1,185	1,221	New Jersey
730	25	-0.2	737	731	728	New Mexico
1,047	4	-0.3	1,083	1,125	1,172	New York
591	44	0.7	596	602	597	North Carolina
512	51	-1.7	530	555	562	North Dakota
628	41	-1.7	654	670	680	Ohio
646	39	2.6	659	678	690	Oklahoma
723	27	0.5	726	738	753	Oregon
820	17	-0.3	832	850	843	Pennsylvania
1,017	6	-3.0	1,038	1,062	1,034	Rhode Island
762	22	-1.4	756	754	763	South Carolina
534	49	-2.5	554	566	587	South Dakota
649	38	-1.3	654	659	666	Tennessee
808	20	5.7	820	857	880	Texas
697	30	1.8	702	707	722	Utah
662	34	-1.2	687	700	693	Vermont
661	35	0.3	685	700	702	Virginia
841	15	-0.1	839	842	839	Washington
819	18	-1.4	827	859	875	West Virginia
582	45	0.0	590	615	636	Wisconsin
631	40	0.1	639	640	629	Wyoming
\$796		-0.9%	\$817	\$831	\$843	United States

any conclusion drawn from these data.

Source: © 2010 National Association of Insurance Commissioners.

Property/Casualty Insurance by Line

Auto: Costs/Expenditures

- Private passenger insurance losses totaled \$119.7 billion in 2010, including \$19.2 billion in loss adjustment expenses (LAE).
- Losses, including LAE, accounted for 75.5 percent of the \$158.6 billion in private passenger auto insurance premiums earned in 2010.
- Private passenger auto insurance LAE included \$4.2 billion in defense and cost containment expenditures (accounting for 2.6 percent of private passenger auto premiums earned) and \$15.0 billion in other adjusting expenses (or 9.4 percent of premiums earned).

PRIVATE PASSENGER AUTO INSURANCE UNDERWRITING SNAPSHOT, 2010¹

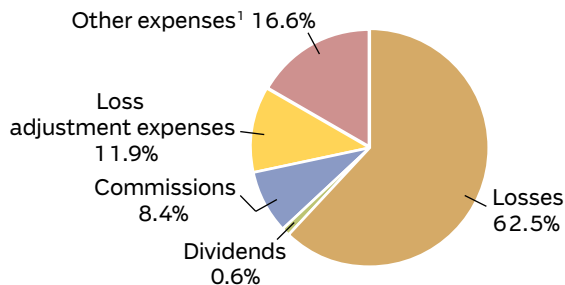
Net premiums earned (\$000)	\$158,649,806
Components of underwriting, as a percent of net premiums earned	
Incurred losses	63.4%
Loss adjustment expenses	12.1
Total loss and loss adjustment expenses	75.5
Commissions and brokerage expenses incurred	8.5
Other underwriting expenses incurred	16.8
Total underwriting expenses incurred	25.2
Dividends to policyholders	0.6
Investment gains on funds attributable to insurance transactions and other income	3.5
Combined ratio after dividends	101.0
Overall operating ratio ²	97.5

¹After reinsurance transactions.

²Combined ratio after dividends, minus investment gains on funds attributable to insurance transactions and other income. Calculated by the Insurance Information Institute, based on SNL data.

Source: SNL Financial LC.

COMPONENTS OF UNDERWRITING, PRIVATE PASSENGER AUTO INSURANCE, 2010



¹Taxes, licenses, fees, acquisitions, field supervision, collection and general expenses.

Source: SNL Financial LC.

PRIVATE PASSENGER AUTO INSURANCE LOSSES, 2001-2010¹

Year	Liability			
	Bodily injury ²		Property damage ³	
	Claim frequency ⁴	Claim severity ^{5,6}	Claim frequency ⁴	Claim severity ⁵
2001	1.16	\$10,149	3.97	\$2,471
2002	1.15	10,400	3.92	2,552
2003	1.12	11,135	3.84	2,558
2004	1.11	11,640	3.75	2,596
2005	1.04	12,282	3.55	2,717
2006	0.98	12,956	3.40	2,804
2007	0.90	13,430	3.45	2,852
2008	0.90	14,098	3.41	2,904
2009	0.88	13,934	3.48	2,869
2010	0.90	14,486	3.50	2,881
Year	Physical damage ⁷			
	Collision		Comprehensive ⁸	
	Claim frequency ⁴	Claim severity ⁵	Claim frequency ⁴	Claim severity ⁵
2001	5.53	\$2,525	3.11	\$1,152
2002	5.48	2,728	2.91	1,250
2003	5.13	2,921	2.76	1,324
2004	4.85	3,080	2.46	1,417
2005	5.04	3,067	2.38	1,457
2006	4.87	3,194	2.40	1,528
2007	5.13	3,139	2.47	1,519
2008	5.34	3,006	2.57	1,551
2009	5.48	2,869	2.75	1,389
2010	5.67	2,776	2.61	1,475

■ For every 100 insured cars in 2010, there were 3.50 property damage liability claims and 0.90 bodily injury liability claims.

■ For every 100 insured cars in 2010, there were 5.67 collision claims and 2.61 comprehensive claims.

¹For all limits combined. Data are for paid claims.

²Excludes Massachusetts and most states with no-fault automobile insurance laws.

³Excludes Massachusetts, Michigan and New Jersey.

⁴Claim frequency is claims per 100 earned car years. A car year is equal to 365 days of insured coverage for a single vehicle.

⁵Claim severity is the size of the loss, measured by the average amount paid for each claim.

⁶Includes loss adjustment expenses.

⁷Excludes Massachusetts, Michigan and New Jersey. Based on coverage with a \$500 deductible.

⁸Excludes wind and water losses.

Source: ISO, a Verisk Analytics company.

Property/Casualty Insurance by Line

Auto: Claims/High-Risk Markets

INCURRED LOSSES FOR AUTO INSURANCE, 2006-2010¹
(\$000)

	2006	2007	2008	2009	2010
Private passenger liability	\$56,021,405	\$59,828,548	\$60,781,574	\$62,801,946	\$64,108,535
Private passenger physical damage	36,203,926	37,506,667	39,187,993	36,650,410	36,447,401
Commercial auto liability	10,491,838	10,069,874	9,963,951	9,347,416	8,796,066
Commercial auto physical damage	3,528,543	3,520,129	3,501,646	3,015,850	2,910,161
Total	\$106,245,712	\$110,925,218	\$113,435,164	\$111,815,622	\$112,262,163

¹Losses occurring within a fixed period, whether or not adjusted or paid during the same period, on a direct basis before reinsurance.

Source: SNL Financial LC.

Auto: High-Risk Markets

The Shared/Residual Market

All states and the District of Columbia use special systems to guarantee that auto insurance is available to those who cannot obtain it in the private market. Their systems are commonly known as assigned risk plans, although that term technically applies to only one type of plan. The assigned risk and other plans are known in the insurance industry as the shared, or residual, market. Policyholders in assigned risk plans are assigned to various insurance companies doing business in the state. In the voluntary, or regular, market, auto insurers are free to select policyholders.

The percentage of vehicles insured in the shared market is dropping, in part because of the evolution of the nonstandard sector of the voluntary market. The nonstandard market is a niche market for drivers who have a worse than average driving record or drive specialized cars such as high-powered sports cars and custom-built cars. It is made up of both small specialty companies, whose only business is the nonstandard market, and well-known auto insurance companies with nonstandard divisions.

Property/Casualty Insurance by Line

Auto: High-Risk Markets

PRIVATE PASSENGER CARS INSURED IN THE SHARED AND VOLUNTARY MARKETS, 2009

State	Voluntary market	Shared market	Total	Shared market as a percent of total
Alabama	3,403,314	2	3,403,316	¹
Alaska	446,772	57	446,829	0.013%
Arizona	4,104,730	15	4,104,745	¹
Arkansas	2,084,834	3	2,084,837	¹
California	23,751,606	2,665	23,754,271	0.011
Colorado	3,697,549	0	3,697,549	¹
Connecticut	2,434,479	367	2,434,846	0.015
Delaware	609,041	14	609,055	0.002
D.C.	226,955	310	227,265	0.136
Florida	11,331,352	3	11,331,355	¹
Georgia	6,851,612	0	6,851,612	¹
Hawaii	838,199	5,036	843,235	0.597
Idaho	1,220,058	40	1,220,098	0.003
Illinois	7,778,196	929	7,779,125	0.012
Indiana	4,393,161	3	4,393,164	¹
Iowa	2,420,436	13	2,420,449	0.001
Kansas	2,405,397	1,328	2,406,725	0.055
Kentucky	3,031,559	31	3,031,590	0.001
Louisiana	2,856,335	2	2,856,337	¹
Maine	999,788	15	999,803	0.002
Maryland	3,810,223	71,280	3,881,503	1.836
Massachusetts	3,989,731	106,328	4,096,059	2.596
Michigan	6,142,874	723	6,143,597	0.012
Minnesota	3,787,484	4	3,787,488	¹
Mississippi	1,826,702	42	1,826,744	0.002
Missouri	4,197,558	13	4,197,571	¹
Montana	787,392	151	787,543	0.019
Nebraska	1,531,531	6	1,531,537	¹
Nevada	1,728,578	4	1,728,582	¹
New Hampshire	887,429	464	887,893	0.052
New Jersey	5,283,328	29,578	5,312,906	0.557

- In 2008 and 2009 about 1.0 percent of vehicles were insured in the shared market, compared with 3.6 percent in 1995.
- The number of vehicles in the shared market nationwide fell 3.1 percent from 2008 to 2009.
- In 2009 North Carolina had the highest percentage of cars in the shared market, 19.8 percent, followed by Massachusetts, 2.6 percent, and Maryland, 1.8 percent.

(table continues)

Property/Casualty Insurance by Line

Auto: High-Risk Markets

PRIVATE PASSENGER CARS INSURED IN THE SHARED AND VOLUNTARY MARKETS, 2009 (Cont'd)

- While North Carolina, Massachusetts and New York have the most vehicles in shared market plans, the number of cars in these plans fell by 3.4 percent in North Carolina, 5.8 percent in Massachusetts and 1.7 percent in New York from 2008 to 2009.

State	Voluntary market	Shared market	Total	Shared market as a percent of total
New Mexico	1,485,223	26	1,485,249	0.002%
New York	9,259,388	90,693	9,350,081	0.970
North Carolina	5,641,649	1,392,804	7,034,453	19.800
North Dakota	607,276	1	607,277	¹
Ohio	8,040,076	1	8,040,077	¹
Oklahoma	2,623,765	33	2,623,798	0.001
Oregon	2,721,559	8	2,721,567	¹
Pennsylvania	8,563,617	15,566	8,579,183	0.181
Rhode island	668,454	8,090	676,544	1.196
South Carolina	3,328,156	-1	3,328,155	0.000
South Dakota	690,876	1	690,877	¹
Tennessee	4,204,292	18	4,204,310	¹
Texas	NA	NA	NA	NA
Utah	1,821,162	1	1,821,163	¹
Vermont	467,390	282	467,672	0.060
Virginia	6,045,722	930	6,046,652	0.015
Washington	4,539,004	1	4,539,005	¹
West Virginia	1,306,645	14	1,306,659	0.001
Wisconsin	3,670,005	0	3,670,005	¹
Wyoming	511,863	1	511,864	¹
United States	185,054,325	1,727,895	186,782,220	0.925%

¹Less than 0.001 percent. NA=Data not available.

Source: Automobile Insurance Plans Service Office.

Uninsured Motorists

Uninsured and underinsured motorist coverage reimburses policyholders in an accident involving an uninsured, underinsured or hit-and-run driver. Twenty-one states and the District of Columbia have mandatory requirements for uninsured or underinsured motorist coverage. Four states (Texas, Nevada, Oklahoma and Wyoming) have implemented online auto insurance verification systems to identify uninsured motorists. Legislatures in a handful of other states have passed laws allowing them but have not implemented them as of yet.

In 2009, 13.8 percent of motorists, or about one in seven drivers, were uninsured, according to a 2011 study by the Insurance Research Council (IRC). This marks a drop from 2008 when the percentage rose to 14.3 percent after declining for four straight years. The study found that the

uninsured motorist problem varies greatly from state to state. At the extremes, Mississippi had the highest uninsured motorist ratio, at 28 percent, and Massachusetts had the lowest, at 4.5 percent. The IRC measures the number of uninsured motorists based on insurance claims, using a ratio of insurance claims made by people who were injured by uninsured drivers relative to the claims made by people who were injured by insured drivers.

UNINSURED MOTORISTS, 1990-2009¹

Year	Percent	Year	Percent	Year	Percent
1990	15.4%	1997	13.2%	2004	14.6%
1991	15.1	1998	13.0	2005	14.5
1992	15.6	1999	12.7	2006	14.3
1993	16.0	2000	13.4	2007	13.8
1994	15.1	2001	14.2	2008	14.3
1995	14.2	2002	14.5	2009	13.8
1996	13.8	2003	14.9		

¹Percentage of uninsured drivers, as measured by the ratio of uninsured motorists (UM) claims to bodily injury (BI) claims frequencies.

Source: Insurance Research Council.

TOP TEN HIGHEST AND LOWEST STATES BASED ON ESTIMATED PERCENTAGE OF UNINSURED MOTORISTS, 2009¹

Rank	Highest	Percent uninsured	Rank	Lowest	Percent uninsured
1	Mississippi	28.0%	1	Massachusetts	4.5%
2	New Mexico	25.7	2	Maine	4.5
3	Tennessee	23.9	3	New York	5.4
4	Oklahoma	23.9	4	Pennsylvania	6.6
5	Florida	23.5	5	Vermont	7.1
6	Alabama	21.8	6	Nebraska	7.8
7	Michigan	19.5	7	Idaho	7.9
8	Kentucky	17.8	8	Utah	8.2
9	Rhode Island	17.6	9	South Dakota	8.6
10	Indiana	16.3	10	North Dakota	9.1

¹Percentage of uninsured drivers, as measured by the ratio of uninsured motorists (UM) claims to bodily injury (BI) claims frequencies.

Source: Insurance Research Council.

Property/Casualty Insurance by Line

Auto: High-Risk Markets/Laws

ESTIMATED PERCENTAGE OF UNINSURED MOTORISTS BY STATE, 2009¹

State	Uninsured	Rank ²	State	Uninsured	Rank ²	State	Uninsured	Rank ²
Alabama	21.8%	5	Kentucky	17.8%	7	North Dakota	9.1%	34
Alaska	13.0	21	Louisiana	12.9	22	Ohio	15.7	12
Arizona	11.9	23	Maine	4.5	42	Oklahoma	23.9	3
Arkansas	16.0	11	Maryland	14.9	16	Oregon	10.4	30
California	15.0	15	Massachusetts	4.5	42	Pennsylvania	6.6	40
Colorado	15.2	14	Michigan	19.5	6	Rhode Island	17.6	8
Connecticut	9.5	33	Minnesota	13.0	21	South Carolina	10.7	29
Delaware	10.8	28	Mississippi	28.0	1	South Dakota	8.6	35
D.C.	15.3	13	Missouri	13.7	18	Tennessee	23.9	3
Florida ³	23.5	4	Montana	11.4%	25	Texas	14.9	16
Georgia	15.7	12	Nebraska	7.8	38	Utah	8.2	36
Hawaii	11.2	26	Nevada	13.2	20	Vermont	7.1	39
Idaho	7.9	37	New Hampshire	10.9	27	Virginia	10.8	28
Illinois	14.9	16	New Jersey	11.2	26	Washington	16.1	10
Indiana	16.3	9	New Mexico	25.7	2	West Virginia	10.8	28
Iowa	11.5	24	New York	5.4	41	Wisconsin	14.6	17
Kansas	9.8	32	North Carolina	13.5	19	Wyoming	10.3	31

¹Percentage of uninsured drivers, as measured by the ratio of uninsured motorists (UM) claims to bodily injury (BI) claims frequencies.

²Rank calculated from unrounded data.

³In Florida, compulsory auto laws apply to PIP and physical damage but not to third party bodily injury coverage.

Source: Insurance Research Council.

Auto: Laws

Automobile Financial Responsibility Laws

Most states require car owners to buy a minimum amount of bodily injury and property damage liability insurance before they can legally drive their cars. All states have financial responsibility laws, which means that people involved in an automobile accident will be required to furnish proof of financial responsibility up to a certain amount. To comply with these laws, most drivers purchase auto liability insurance. Despite these laws a significant percentage of drivers are uninsured.

The chart below shows mandatory requirements for bodily injury (BI), physical damage (PD) liability, no-fault personal injury protection (PIP), and uninsured (UM) and underinsured (UIM) motorists coverage. It also indicates which states have only financial responsibility (FR) laws.

AUTOMOBILE FINANCIAL RESPONSIBILITY LIMITS BY STATE

State	Insurance required	Minimum liability limits ¹
Alabama	BI & PD Liab	25/50/25
Alaska	BI & PD Liab	50/100/25
Arizona	BI & PD Liab	15/30/10
Arkansas	BI & PD Liab, PIP	25/50/25
California	BI & PD Liab	15/30/5 ²
Colorado	BI & PD Liab	25/50/15
Connecticut	BI & PD Liab	20/40/10
Delaware	BI & PD Liab, PIP	15/30/10
D.C.	BI & PD Liab, UM	25/50/10
Florida	PD Liab, PIP	10/20/10 ³
Georgia	BI & PD Liab	25/50/25
Hawaii	BI & PD Liab, PIP	20/40/10
Idaho	BI & PD Liab	25/50/15
Illinois	BI & PD Liab, UM	20/40/15
Indiana	BI & PD Liab	25/50/10
Iowa	BI & PD Liab	20/40/15
Kansas	BI & PD Liab, PIP, UM	25/50/10
Kentucky	BI & PD Liab, PIP	25/50/10 ³
Louisiana	BI & PD Liab	15/30/25
Maine	BI & PD Liab, UM, UIM	50/100/25 ⁴
Maryland	BI & PD Liab, PIP ⁵ , UM, UIM	30/60/15
Massachusetts	BI & PD Liab, PIP, UM, UIM	20/40/5
Michigan	BI & PD Liab, PIP	20/40/10
Minnesota	BI & PD Liab, PIP, UM, UIM	30/60/10
Mississippi	BI & PD Liab	25/50/25
Missouri	BI & PD Liab, UM	25/50/10
Montana	BI & PD Liab	25/50/10
Nebraska	BI & PD Liab, UM, UIM	25/50/25

(table continues)

Property/Casualty Insurance by Line

Auto: Laws

AUTOMOBILE FINANCIAL RESPONSIBILITY LIMITS BY STATE (Cont'd)

State	Insurance required	Minimum liability limits ¹
Nevada	BI & PD Liab	15/30/10
New Hampshire	FR only, UM	25/50/25 ⁴
New Jersey	BI & PD Liab, PIP, UM, UIM	15/30/5 ⁶
New Mexico	BI & PD Liab	25/50/10
New York	BI & PD Liab, PIP, UM	25/50/10 ⁷
North Carolina	BI & PD Liab, UIM ⁸	30/60/25
North Dakota	BI & PD Liab, PIP, UM, UIM	25/50/25
Ohio	BI & PD Liab	12.5/25/7.5
Oklahoma	BI & PD Liab	25/50/25
Oregon	BI & PD Liab, PIP, UM, UIM ⁹	25/50/20
Pennsylvania	BI & PD Liab, PIP	15/30/5
Rhode Island	BI & PD Liab	25/50/25 ³
South Carolina	BI & PD Liab, UM	25/50/25
South Dakota	BI & PD Liab, UM, UIM	25/50/25
Tennessee	BI & PD Liab	25/50/15 ³
Texas	BI & PD Liab	30/60/25
Utah	BI & PD Liab, PIP	25/65/15 ³
Vermont	BI & PD Liab, UM, UIM	25/50/10
Virginia	BI & PD Liab ¹⁰ , UM, UIM	25/50/20
Washington	BI & PD Liab	25/50/10
West Virginia	BI & PD Liab, UM	20/40/10
Wisconsin	BI & PD Liab, UM, UIM	25/50/10
Wyoming	BI & PD Liab	25/50/20

¹The first two numbers refer to bodily injury liability limits and the third number to property liability. For example, 20/40/10 means coverage up to \$40,000 for all persons injured in an accident, subject to a limit of \$20,000 for one individual, and \$10,000 coverage for property damage for BI and PD liability coverages. ²Low-cost policy limits for low-income drivers in the California Automobile Assigned Risk Plan are 10/20/3. ³Instead of policy limits, policyholders can satisfy the requirement with a combined single limit policy. Amounts vary by state. ⁴In addition, policyholders must also carry at least \$2,000 for medical payments. ⁵May be waived for the policyholder but is compulsory for passengers. ⁶Basic policy (optional) limits are 10/10/5. Uninsured and underinsured motorist coverage not available under the basic policy but uninsured and underinsured motorist coverage is required under the standard policy. ⁷In addition, policyholders must have 50/100 for wrongful death coverage. ⁸Mandatory in policies with UM limits exceeding 30/60. ⁹Mandatory when UM liability limit is greater than required FR. ¹⁰Compulsory to buy insurance or pay an Uninsured Motorists Vehicle (UMV) fee to the state Department of Motor Vehicles.

Source: Property Casualty Insurers Association of America; state departments of insurance.

State Auto Insurance Laws Governing Liability Coverage

State auto insurance laws governing liability coverage fall into four broad categories: no-fault, choice no-fault, tort liability and add-on. The major differences are whether there are restrictions on the right to sue and whether the policyholder's own insurer pays first-party (i.e., the insured's) benefits, up to the state maximum amount, regardless of who is at fault in the accident.

- **No-fault:** The no-fault system is intended to lower the cost of auto insurance by taking small claims out of the courts. Each insurance company compensates its own policyholders for the cost of minor injuries regardless of who was at fault in the accident. These first-party benefits, known as personal injury protection (PIP), are a mandatory coverage in no-fault states but benefits vary by state. In states with the most comprehensive benefits, a policyholder receives compensation for medical fees, lost wages, funeral costs and other out-of-pocket expenses. The term "no-fault" can be confusing because it is often used to denote any auto insurance system in which each driver's own insurance company pays for certain losses, regardless of fault. In its strict form, the term no-fault applies only to states where insurance companies pay first-party benefits and where there are restrictions on the right to sue.

Drivers in no-fault states may sue for severe injuries if the case meets certain conditions. These conditions are known as the tort liability threshold, and may be expressed in verbal terms such as death or significant disfigurement (verbal threshold) or in dollar amounts of medical bills (monetary threshold).

- **Choice no-fault:** In choice no-fault states, drivers may select one of two options: a no-fault auto insurance policy, usually with a verbal threshold, or a traditional tort liability policy.
- **Tort liability:** In traditional tort liability states, there are no restrictions on lawsuits. A policyholder at fault in a car crash can be sued by the other driver and by the other driver's passengers for the pain and suffering the accident caused as well as for out-of-pocket expenses such as medical costs.
- **Add-on:** In add-on states, drivers can purchase medical coverage and other first-party benefits from their own insurance company as they do in no-fault states but there are no restrictions on lawsuits. The term "add-on" is used because in these states first-party benefits have been added on to the traditional tort liability system. In add-on states, first-party coverage may not be mandatory and the benefits may be lower than in true no-fault states.

Property/Casualty Insurance by Line

Auto: Laws

STATE AUTO INSURANCE LAWS GOVERNING LIABILITY COVERAGE

- In the following 28 states auto liability is based on the traditional tort liability system. In these states, there are no restrictions on lawsuits:

Alabama
Alaska
Arizona
California
Colorado
Connecticut
Georgia
Idaho
Illinois
Indiana
Iowa
Louisiana
Maine
Mississippi
Missouri
Montana
Nebraska
Nevada
New Mexico
North Carolina
Ohio
Oklahoma
Rhode Island
South Carolina
Tennessee
Vermont
West Virginia
Wyoming

	First-party benefits (PIP) ¹		Restrictions on lawsuits		Thresholds for lawsuits	
	Compulsory	Optional	Yes	No	Monetary	Verbal
Florida	X		X			X
Hawaii	X		X		X	
Kansas	X		X		X	
Kentucky	X		X	X ²	X ²	
Massachusetts	X		X		X	
Michigan	X		X			X
Minnesota	X		X		X	
New Jersey	X		X	X ²		X ^{2,3}
New York	X		X			X
North Dakota	X		X		X	
Pennsylvania	X		X	X ²		X ²
Puerto Rico	X		X		X	
Utah	X		X		X	
Add-on						
Arkansas	X			X		
Delaware	X			X		
D.C.		X	X ⁴	X ⁴		
Maryland	X			X		
New Hampshire		X		X		
Oregon	X			X		
South Dakota		X		X		
Texas		X		X		
Virginia		X		X		
Washington		X		X		
Wisconsin		X		X		

¹Personal injury protection.

²"Choice" no-fault state. Policyholder can choose a policy based on the no-fault system or traditional tort liability.

³Verbal threshold for the Basic Liability Policy, the Special Policy and the Standard Policy where the policyholder chooses no-fault. The Basic and Special Policies contain lower amounts of coverage.

⁴The District of Columbia is neither a true no-fault nor add-on state. Drivers are offered the option of no-fault or fault-based coverage, but in the event of an accident a driver who originally chose no-fault benefits has 60 days to decide whether to receive those benefits or file a claim against the other party.

Source: Property Casualty Insurers Association of America.

Seatbelt Laws

Thirty-two states and the District of Columbia have a primary seatbelt enforcement law, which allows law enforcement officers to stop a car for noncompliance with seatbelt laws. The other states have secondary laws; officials can only issue seatbelt violations if they stop motorists for other infractions. New Hampshire, the only state that does not have a seatbelt law that applies to adults, has a child restraint law. Seatbelt use reached a record 85 percent nationwide in 2010; states with primary seatbelt laws had an average 88 percent usage rate, 12 points higher than the 76 percent in states with secondary laws.

STATE SEATBELT USE LAWS

State	2010 usage rate ¹	Primary/secondary enforcement ²	Age requirements	Maximum fine, first offense	Damages reduced ³
Alabama	91.4%	P	15+ yrs. in front seat	\$25	
Alaska	86.8	P	16+ yrs. in all seats	15	X
Arizona	81.8	S	5+ yrs. in front seat; 5-15 in all seats	10	X
Arkansas	78.3	P	15+ yrs. in front seat	25	
California	96.2	P	16+ yrs. in all seats	20	X
Colorado	82.9	S	16+ yrs. in front seat	71	X
Connecticut	88.2	P	7+ yrs. in front seat	15	
Delaware	90.7	P	16+ yrs. in all seats	25	
D.C.	92.3	P	16+ yrs. in all seats	50	
Florida	87.4	P	6+ yrs. in front seat; 6-17 yrs. in all seats	30	X
Georgia	89.6	P	8-17 yrs. in all seats; 18+ yrs. in front seat	15	
Hawaii	97.6	P	8-17 yrs. in all seats; 18+ yrs. in front seat	45	
Idaho	77.9	S	7+ yrs. in all seats	10	
Illinois	92.6	P	16+ yrs. in all seats	25	
Indiana	92.4	P	16+ yrs. in all seats	25	
Iowa	93.1	P	8+ yrs. in front seat	25	X
Kansas	81.8	P	14+ yrs. in all seats	5	
Kentucky	80.3	P	6 and younger and more than 50 in. tall in all seats; 7+ yrs. in all seats	25	
Louisiana	75.9	P	13+ yrs. in all seats	25	
Maine	82.0	P	18+ yrs. in all seats	50	
Maryland	94.7	P	16+ yrs. in front seat	25	
Massachusetts	73.7	S	13+ yrs. in all seats	25	
Michigan	95.2	P	16+ yrs. in front seat	25	X
Minnesota	92.3	P	7 and younger and more than 57 inches tall in all seats; 8+ in all seats	25	
Mississippi	81.0	P	7+ yrs. in front seat	25	

(table continues)

Property/Casualty Insurance by Line

Auto: Laws

STATE SEATBELT USE LAWS (Cont'd)

State	2010 usage rate ¹	Primary/secondary enforcement ²	Age requirements	Maximum fine, first offense	Damages reduced ³
Missouri	76.0%	⁴	16+ yrs. in front seat	\$10	X
Montana	78.9	S	6+ yrs. in all seats	20	
Nebraska	84.1	S	18+ yrs. in front seat	25	X
Nevada	93.2	S	6+ yrs. in all seats	25	
New Hampshire	72.2	no law for adults			
New Jersey	93.7	P	7 yrs. and younger and more than 80 lbs.; 8-17 yrs. in all seats; 8+ yrs. in all seats	20	X
New Mexico	89.8	P	18+ yrs. in all seats	25	
New York	89.8	P	16+ yrs. in front seat	50	X
North Carolina	89.7	P	16+ yrs. in all seats	25	
North Dakota	74.8	S	18+ yrs. in front seat	20	X
Ohio	83.8	S	8-14 yrs. in all seats; 15+ yrs. in front seat	30 driver/20 passenger	X
Oklahoma	85.9	P	13+ yrs. in front seat	20	
Oregon	97.0	P	16+ yrs. in all seats	90	X
Pennsylvania	86.0	⁴	8-17 yrs. in all seats; 18+ yrs. in front seat	10	
Rhode Island	78.0	P	18+ yrs. in all seats	75	
South Carolina	85.4	P	6+ yrs. all seats	25	
South Dakota	74.5	S	18+ yrs. in front seat	20	
Tennessee	87.1	P	16+ yrs. in front seat	50	
Texas	93.8	P	7 yrs. and younger who are 57 inches or taller; 8+ yrs. in all seats	200	
Utah	89.0	⁴	16+ yrs. in all seats	45	
Vermont	85.2	S	18+ yrs. in all seats	25	
Virginia	80.5	S	18+ yrs. in front seat	25	
Washington	97.6	P	16+ yrs. in all seats	124	
West Virginia	82.1	S	8+ yrs. in front seat; 8-17 yrs. in all seats	25	X
Wisconsin	79.2	P	8+ yrs. in all seats	10	X
Wyoming	78.9	S	9+ yrs. in all seats	25 driver/10 passenger	
United States	85.0%				

¹Surveys used by states must be actual observation of shoulder-belt use by drivers and front seat passengers. ²Primary enforcement means police may stop a vehicle and issue a fine for noncompliance with seatbelt laws. Secondary enforcement means that police may issue a fine for not wearing a seatbelt only if the vehicle has been stopped for other traffic violations. ³Court awards for compensation for injury may be reduced if seatbelt laws were violated. ⁴Primary enforcement for children; ages vary.

Source: National Highway Traffic Safety Administration, U.S. Department of Transportation; Insurance Institute for Highway Safety; Property Casualty Insurers Association of America.

Drunk Driving Laws

Although there were almost 11,000 alcohol-impaired crash fatalities in 2009, this number has been falling. (See page 156.) A major factor in the long-term downward trend is the enactment, beginning in the 1980s, of state laws designed to deter drunk driving. By 2004 every state and the District of Columbia had lowered the limit defining drunk driving from 0.10 percent blood alcohol concentration (BAC) to 0.08 percent. All states have more stringent restrictions for drivers under the legal drinking age (21 years old in all states), ranging from zero tolerance to a limit of 0.02 percent BAC.

STATE LAWS CURBING DRUNK DRIVING

State	License revocation		Open container law ⁴	Mandatory ignition interlocks ¹			
	Admin. license rev./ susp. ²	Mandatory 90-day license rev./ susp. ³		All offenders	First offenders		Repeat offenders
					All	High-BAC offenders only ⁵	
Alabama	X	X	X			X	X
Alaska	X	X	X ⁶	X	X		X
Arizona	X	X	X	X	X		X
Arkansas	X	X		X	X		X
California	X	X	X	in 4 counties	in 4 counties		
Colorado	X	X	X	X	X		X
Connecticut	X	X			X*		X
Delaware	X	X				X	X
D.C.	X		X		Laws not mandatory		
Florida	X	X	X			X	X
Georgia	X	X	X				X
Hawaii	X	X	X	X	X		X
Idaho	X	X	X		Laws not mandatory		
Illinois	X	X	X	X	X		X
Indiana	X	X	X		Laws not mandatory		
Iowa	X	X	X		Laws not mandatory		
Kansas	X		X ⁶	X	X		X
Kentucky			X		Laws not mandatory		
Louisiana	X	X	X	X	X		X
Maine	X	X	X		Laws not mandatory		
Maryland	X		X			X	X
Massachusetts	X	X	X				X
Michigan			X			X	X
Minnesota	X	X	X			X	X

(table continues)

Property/Casualty Insurance by Line

Auto: Laws

STATE LAWS CURBING DRUNK DRIVING (Cont'd)

State	License revocation		Open container law ⁴	Mandatory ignition interlocks ¹			
	Admin. license rev./ susp. ²	Mandatory 90-day license rev./ susp. ³		All offenders	First offenders		Repeat offenders
					All	High-BAC offenders only ⁵	
Minnesota	X	X	X			X	X
Mississippi	X	X			Laws not mandatory		
Missouri	X						X
Montana			X				X
Nebraska	X	X	X	X	X		X
Nevada	X	X	X		Laws not mandatory		
New Hampshire	X	X	X			X	X
New Jersey			X			X	X
New Mexico	X	X	X	X	X		X
New York	⁷		X	X	X		X
North Carolina	X		X			X	X
North Dakota	X	X	X		Laws not mandatory		
Ohio	X	X	X		Laws not mandatory		
Oklahoma	X	X	X ⁶			X	X
Oregon	X	X	X	X	X		X
Pennsylvania			X				X
Rhode Island			X ⁶		Laws not mandatory		
South Carolina			X				X
South Dakota			X		Laws not mandatory		
Tennessee			X ⁶			X	X
Texas	X	X	X				X
Utah	X	X	X	X	X		X
Vermont	X	X	X		Laws not mandatory		
Virginia	X					X	X
Washington	X	X	X	X	X		X
West Virginia	X	X				X	X
Wisconsin	X	X	X			X	X
Wyoming	X	X	X			X	X

¹Ignition interlock devices analyze a driver's breath for alcohol and disable the ignition if a driver has been drinking. States identified mandate the devices on offenders' vehicles. ²On-the-spot drivers license suspension or revocation if BAC is over the legal limit or the driver refuses to take a BAC test. ³Mandatory penalty for violation of the implied consent law, which means that drivers who refuse to take a breath alcohol test when stopped or arrested for drunk driving will have their license revoked or suspended. ⁴Prohibits unsealed alcohol containers in motor vehicle passenger compartments for all occupants. Arresting officer not required to witness consumption. ⁵Usually 0.15 percent BAC or higher. ⁶Applies only to the driver. ⁷Administrative license suspension lasts until prosecution is complete. ^{*}Effective 12/01/12.

Source: Insurance Institute for Highway Safety; Property Casualty Insurers Association of America.

Alcohol Server Liability Laws

Most states have enacted liquor liability laws which hold businesses and/or people who serve liquor liable for the damage a drunk driver causes.

STATUTES OR COURT CASES HOLDING ALCOHOLIC BEVERAGE SERVERS LIABLE

State	Commercial servers		Social hosts		State	Commercial servers		Social hosts	
	Statute ¹	Court ²	Statute ³	Court		Statute ¹	Court ²	Statute ³	Court
Alabama	X		X	X	Montana	X	X	X	
Alaska	X		X		Nebraska				
Arizona	X	X	X	X	Nevada			X ⁴	
Arkansas	X	X			New Hampshire	X		X	X
California	X		X		New Jersey	X		X	X
Colorado	X	X	X		New Mexico	X		X	X
Connecticut	X	X		X	New York	X		X	
Delaware					North Carolina	X	X	X	X ⁴
D.C.		X ⁴			North Dakota	X		X	
Florida	X		X	X	Ohio	X	X	X	X ⁴
Georgia	X		X		Oklahoma	X	X		
Hawaii		X			Oregon	X		X	
Idaho	X	X	X		Pennsylvania	X	X		X ⁴
Illinois	X				Rhode Island	X			
Indiana	X	X	X	X	South Carolina	X	X	X	X ⁴
Iowa	X	X	X	X ⁴	South Dakota				
Kansas					Tennessee	X			
Kentucky	X	X		X ⁴	Texas	X	X	X	X
Louisiana	X	X	X	X	Utah	X		X	X
Maine	X		X		Vermont	X		X	X
Maryland					Virginia				
Massachusetts	X	X	X	X	Washington	X	X	X	X
Michigan	X		X	X ⁴	West Virginia	X	X ⁴		
Minnesota	X		X	X	Wisconsin	X	X	X	X
Mississippi	X	X	X	X	Wyoming	X ⁴		X	X
Missouri	X								

¹Indicates some form of liability is permitted by statute. ²States where common-law liability has not been specifically overruled by statute or where common-law actions are specifically recognized in addition to statutory liability. ³Indicates that language is capable of being read broadly enough to include noncommercial servers. ⁴For guests under the age of 21.

Source: Property Casualty Insurers Association of America.

Property/Casualty Insurance by Line

Auto: Laws

Older Drivers

There were 33 million licensed drivers age 65 and older in 2009, up by 25.5 percent from 1998, according to the U.S. Department of Transportation. Such motorists accounted for 15 percent of driver fatalities in 2009. Recognizing the need for older drivers to retain their mobility and independence, some states issue restricted licenses. Depending on ability, older drivers may be limited to driving during daylight hours or on nonfreeway types of roads. In most states, restrictions such as these can be placed on anyone's drivers license, regardless of age, if his or her medical condition warrants it.

STATE DRIVERS LICENSE RENEWAL LAWS INCLUDING REQUIREMENTS FOR OLDER DRIVERS

State	Length of regular renewal cycle (years)	Renewal for older drivers		Require older drivers to pass tests		Require doctors to report medical conditions ¹	Age limits on mail renewal
		Length (years)	Age	Age	Type of test		
Alabama	4						
Alaska	5						69
Arizona	none before age 65	5	65	65	vision ²		70
Arkansas	4						
California	5					X ³	70
Colorado	10	5	61				66
Connecticut	4 or 6						65
Delaware	8					X	
D.C.	5			70	vision, medical		
Florida	8	6	80	80	vision		
Georgia	5 or 10	5	60	64	vision	X	
Hawaii	8	2	72				
Idaho	4 or 8	4	63				
Illinois	4	2	81 ⁴	75	road		
Indiana	6	3	75 ⁴				70
Iowa	5	2	70				
Kansas	6	4	65				
Kentucky	4						
Louisiana	4			70	vision		70
Maine	6	4	65	40 and 62	vision		
Maryland	5			40	vision		
Massachusetts	5						75
Michigan	4						
Minnesota	4						

(table continues)

STATE DRIVERS LICENSE RENEWAL LAWS INCLUDING REQUIREMENTS FOR OLDER DRIVERS (Cont'd)

State	Length of regular renewal cycle (years)	Renewal for older drivers		Require older drivers to pass tests		Require doctors to report medical conditions ¹	Age limits on mail renewal
		Length (years)	Age	Age	Type of test		
Mississippi	4 or 8						
Missouri	6	3	70, <21				
Montana	8	4	75				
Nebraska	5						72
Nevada	4			70	medical ²	X	
New Hampshire	5						
New Jersey	4					X	
New Mexico	4 or 8	4	67 ⁴				
New York	8						
North Carolina	8	5	66				
North Dakota	6	4	78				
Ohio	4						
Oklahoma	4						
Oregon	8			50	vision	X	
Pennsylvania	4					X	
Rhode Island	5	2	75				
South Carolina	10	5	65	65	vision		
South Dakota	5						
Tennessee	5						
Texas	6	2	85				79
Utah	5			65	vision	X	
Vermont	4						
Virginia	8			80	vision		
Washington	5						
West Virginia	5					X	
Wisconsin	8						
Wyoming	4						

¹Physicians must report physical conditions that might impair driving skills.

²If renewing by mail.

³Specifically requires doctors to report a diagnosis of dementia.

⁴These states have special renewal requirements for other age groups. Illinois (1 year for drivers 87 and older); Indiana (2 years for drivers 85 and older); New Mexico (1 year for drivers 75 and older).

Note: Specific requirements vary by state; contact state department of motor vehicles for more information.

Source: Insurance Institute for Highway Safety.

Cellphone/Driver Distraction Laws

A number of states have passed laws to address the problem of using a cellphones while driving. Ten states—California, Connecticut, Delaware, Maryland, Nevada, New Jersey, New York, Oregon, Utah, Washington State—and the District of Columbia have a law banning the use of hand-held cellphones behind the wheel for all drivers. The use of all cellphones by novice drivers is restricted in 30 states and the District of Columbia, according to the Insurance Institute for Highway Safety. Washington State was the first state to ban the practice of texting with a cellphone while driving. Text messaging is now banned for all drivers in 34 states and the District of Columbia. However, a 2010 study by the Highway Loss Data Institute found that texting bans may not reduce crash rates. The study looked at collision claims patterns in four states—California, Louisiana, Minnesota and Washington State—before and after texting bans went into effect. Collisions went up slightly in all the states, except Washington, where the change was statistically insignificant.

Young Driver Laws

Young drivers account for a disproportionate number of motor vehicle crashes. States are increasingly adopting laws to help lower the crash rate. One approach has been to lower blood alcohol concentration (BAC) limits so those young drivers who drink even small amounts of alcohol will be penalized. Another has been to require a more rigorous learning period before granting young drivers the privilege of a drivers license. This requires young drivers between the ages of 15 and 18 to apply for a graduated drivers license (GDL) to help them improve their driving skills and habits before receiving full driving privileges.

Graduated licensing as defined by the National Highway Traffic Safety Administration consists of three stages. Stage 1 (learners permit) requirements and recommendations include a vision test, a road knowledge test, driving accompanied by a licensed adult, seatbelt use by all vehicle occupants, a zero BAC level, and six months with no crashes or convictions for traffic violations. Stage 2 (intermediate license) includes the completion of Stage 1, a behind-the-wheel road test, advanced driver education training, driving accompanied by a licensed adult at night, and 12 consecutive months with no crashes or convictions for traffic offenses before reaching Stage 3 (full license).

Property/Casualty Insurance by Line

Auto: Laws

STATE YOUNG DRIVER LAWS¹

State	Graduated licensing ²		Restrictions on night driving ³	Passenger restrictions ⁴	Driver may not operate a cellphone in learner and/or intermediate stages ⁵
	Learners permit required for a minimum period	Intermediate or provisional license required			
Alabama	6 months	X	X	X	talk, text
Alaska	6 months	X	X	X	
Arizona	6 months	X	X	X	
Arkansas	6 months	X	X	X	talk
California	6 months	X	X	X	talk
Colorado	12 months	X	X	X	talk
Connecticut	6 months	X	X	X	talk
Delaware	6 months	X	X	X	talk
D.C.	6 months	X	X	X	talk
Florida	12 months	X	X		
Georgia	12 months	X	X	X	talk
Hawaii	6 months	X	X	X	
Idaho	6 months	X	X	X	
Illinois	9 months	X	X	X	talk
Indiana	6 months	X	X	X	talk
Iowa	6 months	X	X		talk
Kansas	12 months	X	X	X	talk
Kentucky	6 months	X	X	X	talk
Louisiana	6 months	X	X	X	talk
Maine	6 months	X	X	X	talk
Maryland	9 months	X	X	X	talk
Massachusetts	6 months	X	X	X	talk
Michigan	6 months	X	X	X	
Minnesota	6 months	X	X	X	talk
Mississippi	12 months	X	X		text
Missouri	6 months	X	X	X	text
Montana	6 months	X	X	X	
Nebraska	6 months	X	X	X	talk
Nevada	6 months	X	X	X	
New Hampshire	none ⁶	X	X	X	

(table continues)

Property/Casualty Insurance by Line

Auto: Laws

STATE YOUNG DRIVER LAWS¹ (Cont'd)

State	Graduated licensing ²		Restrictions on night driving ³	Passenger restrictions ⁴	Driver may not operate a cellphone in learner and/or intermediate stages ⁵
	Learners permit required for a minimum period	Intermediate or provisional license required			
New Jersey	6 months	X	X	X	talk
New Mexico	6 months	X	X	X	talk, text
New York	6 months	X	X	X	
North Carolina	12 months	X	X	X	talk
North Dakota	6-12 months ⁷	X	X		talk
Ohio	6 months	X	X	X	
Oklahoma	6 months	X	X	X	talk, text
Oregon	6 months	X	X	X	talk
Pennsylvania	6 months	X	X	X	
Rhode Island	6 months	X	X	X	talk
South Carolina	6 months	X	X	X	
South Dakota	6 months	X	X		
Tennessee	6 months	X	X	X	talk
Texas	6 months	X	X	X	talk, text
Utah	6 months	X	X	X	
Vermont	12 months	X			talk
Virginia	9 months	X	X	X	talk
Washington	6 months	X	X	X	talk
West Virginia	6 months	X	X	X	talk, text
Wisconsin	6 months	X	X	X	
Wyoming	10 days	X	X	X	

¹Designed to aid young novice drivers between the ages of 15 and 18 gain driving experience. To date they apply only to drivers under the age of 18. All states have lower blood alcohol content laws for under-21 drivers which range from none to 0.02 percent, in contrast with 0.08 percent for drivers over the age of 21 in all states.

²Graduated licensing as defined by the National Highway Traffic Safety Administration.

³Intermediate stage; varies by state with regard to age of driver, night hours that driving is restricted, who must accompany driver during night hours and how long and what stage the restrictions are lifted. Exceptions may be made for work, school or religious activities and emergencies.

⁴Intermediate stage; limits the number of teenage passengers a young driver may have in the vehicle.

⁵Only includes states with restrictions on the use of cellphones for talking or texting by young drivers. Does not reference cellphone laws such as bans on handheld cellphones that apply to all drivers in some states.

⁶New Hampshire does not issue learners permits.

⁷Under age 16: 12 months; 16-18: 6 months.

Source: Insurance Institute for Highway Safety; U.S. Department of Transportation, National Highway Traffic Safety Administration; National Conference of State Legislatures; Insurance Information Institute.

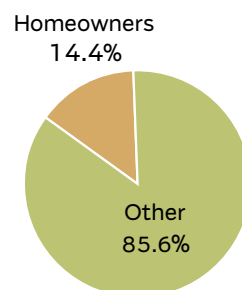
Homeowners Insurance

Homeowners insurance accounts for 14.4 percent of all property/casualty insurance premiums and 27.7 percent of personal property/casualty lines insurance.

Homeowners insurance is a package policy, providing both property and personal liability insurance. The typical policy covers the house, garage and other structures on the property—as well as personal property inside the house—against a wide variety of perils, such as fire, windstorm, vandalism and accidental water damage. The typical homeowners policy includes theft coverage on personal property anywhere in the world and liability coverage for accidental harm caused to others. It also reimburses the policyholder for the additional cost of living elsewhere while his or her house is being repaired or rebuilt after a fire or other disaster.

Earthquake damage and flood damage caused by external flooding are not covered by standard homeowners policies but special policies can be purchased separately. Flood coverage is provided by the federal government's National Flood Insurance Program and some private insurers.

HOMEOWNERS PREMIUMS AS A PERCENT OF ALL P/C PREMIUMS, 2010



Source: SNL Financial LC.

HOMEOWNERS MULTIPLE PERIL INSURANCE, 2001-2010

(\$000)

Year	Net premiums written ¹	Annual percent change	Combined ratio ²	Annual point change ³
2001	\$35,143,072	8.5%	121.7	10.3 pts.
2002	40,014,638	13.9	109.2	-12.4
2003	45,642,359	14.1	98.2	-11.0
2004	49,595,290	8.7	94.5	-3.7
2005	52,466,117	5.8	100.5	5.9
2006	55,084,707	5.0	89.0	-11.4
2007	55,585,547	0.9	95.7	6.7
2008	56,404,872	1.5	116.6	20.9
2009	57,679,710	2.3	105.9	-10.7
2010	61,303,363	6.3	107.0	1.1

¹After reinsurance transactions, excluding state funds.

²After dividends to policyholders. A drop in the combined ratio represents an improvement; an increase represents a deterioration.

³Calculated from unrounded data.

Source: SNL Financial LC.

Property/Casualty Insurance by Line

Homeowners: Premiums/High-Risk Markets

TOP TEN WRITERS OF HOMEOWNERS INSURANCE BY DIRECT PREMIUMS WRITTEN, 2010 (\$000)

Rank	Group	Direct premiums written ¹	Market share
1	State Farm Mutual Automobile Insurance	\$15,672,281	21.9%
2	Allstate Corp.	6,865,832	9.6
3	Zurich Financial Services Ltd.	4,703,100	6.6
4	Liberty Mutual Holding Co.	3,729,987	5.2
5	Travelers Companies	3,295,031	4.6
6	USAA Insurance Group	3,175,416	4.4
7	Nationwide Mutual Group	2,832,201	4.0
8	Chubb Corp.	1,763,926	2.5
9	American Family Mutual Insurance Co.	1,514,843	2.1
10	Citizens Property Insurance Corp.	1,156,647	1.6

¹Before reinsurance transactions, excluding state funds.

Source: SNL Financial LC.

Homeowners: High-Risk Markets

TOP TEN STATES, BY POPULATION CHANGE IN COASTAL COUNTIES, 1960-2008

- The Atlantic Coast, the Gulf of Mexico and the Hawaiian Islands are home to the U.S. counties most vulnerable to hurricanes. These counties account for nearly two-thirds of the nation's coastline population, according to the U.S. Bureau of the Census.

Rank	Total change		Rank	Percent change	
	State	By change in number		State	By percent change
1	California	12,907,103	1	Florida	262%
2	Florida	10,035,878	2	Alaska	226
3	Texas	3,566,531	3	New Hampshire	200
4	Washington	2,465,351	4	Texas	155
5	Virginia	1,725,133	5	Washington	138
6	New York	1,623,672	6	Virginia	130
7	New Jersey	1,189,466	7	South Carolina	118
8	Maryland	885,309	8	North Carolina	106
9	Massachusetts	817,703	9	California	105
10	Hawaii	655,426	10	Hawaii	104

Source: U.S. Census Bureau, Decennial Census of Population and Housing: 1960 to 2000; Population Estimates Program: 2008.

From 1960 to 2008, five of the 11 most hurricane-prone counties were in Louisiana; three were in Florida and three were in North Carolina. In Florida, 75.7 percent of the state's population resides in coastal counties, compared with 32.3 percent in Louisiana and 9.9 percent in North Carolina. In the United States as a whole, 47.7 percent of the population resides in coastal counties, according to the U.S. Census Bureau. The population of most counties along the Pacific, Atlantic and Gulf coasts grew between 2000 and 2010, with an almost unbroken chain of coastal counties with population densities of 300 people per square mile or more running from New Hampshire through northern Virginia, according to the 2010 U.S. Census.

TOP COASTAL COUNTIES MOST FREQUENTLY HIT BY HURRICANES: 1960 TO 2008

County	State	Coastline region	Number of hurricanes	Percent change in population, 1960 to 2008
Monroe County	Florida	Gulf of Mexico	15	50.8%
Lafourche Parish	Louisiana	Gulf of Mexico	14	67.2
Carteret County	North Carolina	Atlantic	14	104.3
Dare County	North Carolina	Atlantic	13	465.9
Hyde County	North Carolina	Atlantic	13	10.1
Jefferson Parish	Louisiana	Gulf of Mexico	12	108.9
Palm Beach County	Florida	Atlantic	12	454.7
Miami-Dade County	Florida	Atlantic	11	156.5
St. Bernard Parish	Louisiana	Gulf of Mexico	11	17.2
Cameron Parish	Louisiana	Gulf of Mexico	11	4.8
Terrebonne Parish	Louisiana	Gulf of Mexico	11	78.7

Source: U.S. Census Bureau, Decennial Census of Population and Housing: 1960 to 2000; Population Estimates Program: 2008.

Property/Casualty Insurance by Line

Homeowners: High-Risk Markets

VALUE OF INSURED COASTAL PROPERTIES VULNERABLE TO HURRICANES BY STATE, 2007¹

(\$ billions)

- The insured value of properties in coastal areas of the United States grew at a compound annual rate of 7 percent in the three years from 2004 through 2007, according to an AIR Worldwide study.

State	Coastal	Total exposure ²	Coastal as a percent of total
Florida	\$2,458.6	\$3,119.6	79%
New York	2,378.9	3,851.1	62
Texas	895.1	3,493.0	26
Massachusetts	772.8	1,426.4	54
New Jersey	635.5	1,875.2	34
Connecticut	479.9	750.4	64
Louisiana	224.4	638.4	35
South Carolina	191.9	698.2	28
Virginia	158.8	1,409.4	11
Maine	146.9	250.0	59
North Carolina	132.8	1,431.8	9
Alabama	92.5	744.8	12
Georgia	85.6	1,573.3	5
Delaware	60.6	170.8	36
New Hampshire	55.7	237.4	23
Rhode Island	54.1	189.3	29
Mississippi	51.8	394.6	13
Maryland	14.9	1,078.4	1
Total, above states	\$8,890.8	\$23,332.4	38%
Total U.S.	\$8,890.8	\$53,495.0	17%

¹Includes residential and commercial properties. Ranked by value of insured coastal property.

²Total exposure is an estimate of the actual total value of all property in the state that is insured or can be insured, including the full replacement value of structures and their contents and the time value of business interruption coverage.

Source: AIR Worldwide.

Insurance Through FAIR Plans

A myriad of different programs in place across the United States provide insurance to high risk policyholders who may have difficulty obtaining coverage from the standard market. So called residual, shared or involuntary market programs make basic insurance coverage more readily available. Today, property insurance from the residual market is provided by Fair Access to Insurance Requirements (FAIR) Plans, Beach and Windstorm Plans, and two state-run insurance companies in Florida and Louisiana: Florida Citizens Property Insurance Company (CPIC) and Louisiana Citizens Property Insurance Corporation (Louisiana Citizens). Established in the late

Property/Casualty Insurance by Line

Homeowners: High-Risk Markets

1960s to ensure the continued provision of insurance in urban areas, FAIR Plans often provide property insurance in both urban and coastal areas, while Beach and Windstorm Plans cover predominantly wind-only risks in designated coastal areas. Hybrid plans, like Florida's and Louisiana's CPIC, provide property insurance throughout those states. It is important to note that in addition to windstorm risk, these plans routinely cover a range of other exposures, such as vandalism and fire.

INSURANCE PROVIDED BY FAIR PLANS, FISCAL YEARS 2001-2010¹

Year	Number of		Exposure ² (\$000)	Direct written premiums (\$000)
	Habitational policies	Commercial policies		
2001	912,829	36,748	\$143,459,479	\$438,241
2002	1,422,990	81,887	269,566,059	1,202,010
2003	1,510,665	65,532	345,909,146	1,770,353
2004	1,907,337	138,163	400,413,034	2,164,546
2005	1,928,292	117,942	387,780,124	2,234,493
2006	2,389,299	172,070	601,859,916	4,063,324
2007	2,412,252	114,053	684,829,667	4,431,381
2008	2,190,189	90,876	612,749,753	3,727,311
2009	2,043,969	86,575	614,905,551	3,038,712
2010	2,378,736	83,243	662,633,180	3,448,576

¹Data after 2001 include Florida's Citizens Property Insurance Corporation, which includes FAIR and Beach Plans; data after 2002 includes the Texas FAIR Plan; data for 2004, 2005 and premiums written after 2007 include Louisiana's Citizens Property Insurance Corporation, which includes FAIR and Beach Plans.

²Exposure is the estimate of the aggregate value of all insurance in force in all FAIR Plans in all lines (except liability, where applicable, and crime) for 12 months ending September through December.

Source: Property Insurance Plans Service Office (PIPSO).

INSURANCE PROVIDED BY FAIR PLANS BY STATE, FISCAL YEAR 2010¹

State	Number of		Exposure ² (\$000)	Direct written premiums (\$000)
	Habitational policies	Commercial policies		
California	135,023	6,796	\$41,276,819	\$65,304
Connecticut	3,178	152	594,327	3,476
Delaware	2,054	92	289,691	628
Florida ³	1,446,892	56,852	460,703,299	2,604,265
Georgia	24,592	1,748	3,393,587	20,139
Illinois	6,185	114	543,708	5,543
Indiana	1,780	55	156,122	1,405

(table continues)

Property/Casualty Insurance by Line

Homeowners: High-Risk Markets

INSURANCE PROVIDED BY FAIR PLANS BY STATE, FISCAL YEAR 2010¹ (Cont'd)

State	Number of		Exposure ² (\$000)	Direct written premiums (\$000)
	Habitational policies	Commercial policies		
Iowa	811	38	\$57,515	\$539
Kansas	10,229	185	530,543	4,792
Kentucky	10,550	606	NA	5,738
Louisiana ³	154,897	6,101	23,923,775	209,946
Massachusetts	214,991	579	77,597,516	283,010
Michigan	32,461	598	3,795,954	34,021
Minnesota	6,872	5	643,595	5,216
Mississippi	11,096	⁴	643,264	7,156
Missouri	5,089	233	275,006	2,526
New Jersey	22,057	758	3,016,107	11,755
New Mexico	11,597	270	NA	3,511
New York	54,255	4,695	14,219,672	35,735
Ohio	35,338	669	7,163,529	22,374
Oregon	2,674	106	196,554	1,055
Pennsylvania	25,138	1,695	1,767,885	8,843
Rhode Island	17,530	134	4,121,242	21,206
Texas	110,593	⁴	14,246,998	73,924
Virginia	29,239	590	3,429,181	15,901
Washington	32	36	18,446	154
West Virginia	668	79	28,845	414
Wisconsin	2,915	57	NA	NA
Total	2,378,736	83,243	\$662,633,180	\$3,448,576

¹Does not include the FAIR Plans of Arkansas, Hawaii, Maryland, North Carolina and the District of Columbia. ²Exposure is the estimate of the aggregate value of all insurance in force in all FAIR Plans in all lines (except liability, where applicable, and crime) for 12 months ending September through December. ³Citizens Property Insurance Corporation, which combined the FAIR and Beach Plans. ⁴The Mississippi and Texas FAIR Plans do not offer a commercial policy. NA=Data not available.

Source: Property Insurance Plans Service Office (PIPSO).

Insurance Provided by Beach and Windstorm Plans

Beach and Windstorm Plans ensure that insurance is available against damage from hurricanes and other windstorms. In Georgia, Massachusetts and New York, FAIR Plans provide wind and hail coverage for certain coastal communities. These states do not have Beach and Windstorm Plans. New Jersey does not have a Beach Plan but its WindMap operates in the voluntary market to help homeowners in coastal areas obtain homeowners insurance.

Property/Casualty Insurance by Line

Homeowners: High-Risk Markets/Costs/Expenditures

INSURANCE PROVIDED BY BEACH AND WINDSTORM PLANS, FISCAL YEAR 2010¹

State	Number of		Exposure ² (\$'000)	Direct written premiums (\$'000)
	Habitational policies	Commercial policies		
Alabama	18,734	131	\$3,298,904	\$37,769
Mississippi	44,992	1,554	7,024,228	79,082
South Carolina	46,900	1,186	17,444,426	97,127
Texas	247,972	17,998	67,452,437	385,550
Total	358,598	20,869	\$95,219,995	\$599,528

¹Does not include the North Carolina Beach Plan; the Florida and Louisiana Beach Plans merged with their FAIR Plans. ²Exposure is the estimate of the aggregate value of all insurance in force in each state's Beach and Windstorm Plan in all lines (except liability, where applicable, and crime) for 12 months ending September through December.

Source: Property Insurance Plans Service Office (PIPSO).

Homeowners: Costs/Expenditures

The average homeowners insurance premium fell by 3.8 percent in 2008, following a 2.2 percent rise the previous year, according to a November 2010 study by the National Association of Insurance Commissioners.

AVERAGE PREMIUMS FOR HOMEOWNERS AND RENTERS INSURANCE, UNITED STATES, 2000-2008

Year	Homeowners ¹	Percent change	Renters ²	Percent change
2000	\$508	4.1%	\$175	2.3%
2001	536	5.5	178	1.7
2002	593	10.6	186	4.5
2003	668	12.6	192	3.2
2004	729	9.1	195	1.6
2005	764	4.8	193	-1.0
2006	804	5.2	189	-2.1
2007	822	2.2	182	-3.7
2008	791	-3.8	176	-3.3

¹Based on the HO-3 homeowner package policy for owner-occupied dwellings, 1 to 4 family units. Provides "all risks" coverage (except those specifically excluded in the policy) on buildings and broad named-peril coverage on personal property, and is the most common package written. ²Based on the HO-4 renters insurance policy for tenants. Includes broad named-peril coverage for the personal property of tenants.

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- A 2011 Insurance Information Institute poll conducted by ORC International found that 97 percent of homeowners had homeowners insurance but only 29 percent of renters had renters insurance.
- The U.S. home ownership rate was 65.1 percent in 2010, down from 66.2 percent in 2009, according to the U.S. Census. In some of the largest cities renters outnumbered owners, including New York, where 69.0 percent of households were renter occupied, followed by Los Angeles (61.8 percent), Chicago (55.1 percent) and Houston (54.6 percent).

Property/Casualty Insurance by Line

Homeowners: Costs/Expenditures

THE TOP TEN MOST EXPENSIVE AND LEAST EXPENSIVE STATES FOR HOMEOWNERS INSURANCE, 2008

Rank ¹	Most expensive states	Homeowners average premium ²	Rank	Least expensive states	Homeowners average premium ²
1	Texas ³	\$1,460	1	Idaho	\$387
2	Florida ⁴	1,390	2	Utah	432
3	Louisiana	1,155	3	Oregon	439
4	Oklahoma	1,048	4	Washington	471
5	Massachusetts	1,026	5	Wisconsin	503
6	New York	983	6	Delaware	535
7	Connecticut	980	7	Ohio	565
7	Mississippi	980	8	Maine	572
8	D.C.	926	9	Pennsylvania	586
9	Kansas	916	10	Kentucky	601

¹States with the same premium receive the same rank.

²Based on the HO-3 homeowner package policy for owner-occupied dwellings, 1 to 4 family units. Provides “all risks” coverage (except those specifically excluded in the policy) on buildings and broad named-peril coverage on personal property, and is the most common package written.

³The Texas Department of Insurance developed home insurance policy forms that are similar but not identical to the standard forms.

⁴Florida data exclude policies written by Citizens Property Insurance Corporation, the state’s insurer of last resort, and therefore are not directly comparable to other states.

Note: Average premium=Premiums/exposure per house years. A house year is equal to 365 days of insured coverage for a single dwelling. The NAIC does not rank state average expenditures and does not endorse any conclusions drawn from this data.

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Property/Casualty Insurance by Line

Homeowners: Costs/Expenditures

AVERAGE PREMIUMS FOR HOMEOWNERS AND RENTERS INSURANCE BY STATE, 2008

State	Homeowners		Renters		State	Homeowners		Renters	
	Average premium ¹	Rank ²	Average premium ³	Rank ²		Average premium ¹	Rank ²	Average premium ³	Rank ²
Alabama	\$845	14	\$199	11	Montana	\$721	21	\$154	25
Alaska	856	13	178	15	Nebraska	814	16	140	31
Arizona	628	33	202	10	Nevada	692	24	205	8
Arkansas	788	19	203	9	New Hampshire	647	30	134	32
California ⁴	911	10	224	3	New Jersey	691	25	140	31
Colorado	842	15	177	16	New Mexico	703	23	186	14
Connecticut	980	7	194	13	New York	983	6	216	6
Delaware	535	41	134	32	North Carolina	683	26	130	35
D.C.	926	8	151	28	North Dakota	808	17	112	38
Florida ⁵	1,390	2	207	7	Ohio	565	40	163	23
Georgia	749	20	219	4	Oklahoma	1,048	4	218	5
Hawaii	862	12	202	10	Oregon	439	44	153	26
Idaho	387	46	152	27	Pennsylvania	586	38	123	36
Illinois	628	33	154	25	Rhode Island	897	11	149	29
Indiana	658	28	169	20	South Carolina	789	18	173	18
Iowa	612	34	132	33	South Dakota	609	35	113	37
Kansas	916	9	166	21	Tennessee	692	24	195	12
Kentucky	601	37	149	29	Texas ⁶	1,460	1	216	6
Louisiana	1,155	3	228	2	Utah	432	45	134	32
Maine	572	39	130	35	Vermont	650	29	149	29
Maryland	637	32	132	33	Virginia	604	36	131	34
Massachusetts	1,026	5	218	5	Washington	471	43	172	19
Michigan	715	22	174	17	West Virginia	638	31	173	18
Minnesota	845	14	141	30	Wisconsin	503	42	123	36
Mississippi	980	7	272	1	Wyoming	676	27	155	24
Missouri	788	19	165	22	United States	\$791		\$176	

¹Based on the HO-3 homeowner package policy for owner-occupied dwellings, 1 to 4 family units. Provides "all risks" coverage (except those specifically excluded in the policy) on buildings and broad named-peril coverage on personal property, and is the most common package written. ²States with the same premium receive the same rank. ³Based on the HO-4 renters insurance policy for tenants. Includes broad named-peril coverage for the personal property of tenants. ⁴California data were provided by the California Department of Insurance. ⁵Florida data exclude policies written by Citizens Property Insurance Corporation, the state's insurer of last resort, and therefore are not directly comparable to other states. ⁶The Texas Department of Insurance developed home insurance policy forms that are similar but not identical to the standard forms. Note: Average premium=Premiums/exposure per house years. A house year is equal to 365 days of insured coverage for a single dwelling. The NAIC does not rank state average expenditures and does not endorse any conclusions drawn from this data.

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Property/Casualty Insurance by Line

Homeowners: Costs/Expenditures

- Homeowners insurance losses totaled \$39.6 billion in 2010, including \$6.1 billion in loss adjustment expenses (LAE).
- Losses, including LAE, accounted for 76.5 percent of the \$60 billion in homeowners premiums earned in 2010.
- Homeowners LAE included \$1.1 billion in defense and cost containment expenditures (accounting for 1.9 percent of homeowners premiums earned) and \$4.9 billion in other adjusting expenses (or 8.2 percent of premiums earned).

HOMEOWNERS MULTIPLE PERIL INSURANCE UNDERWRITING SNAPSHOT, 2010¹

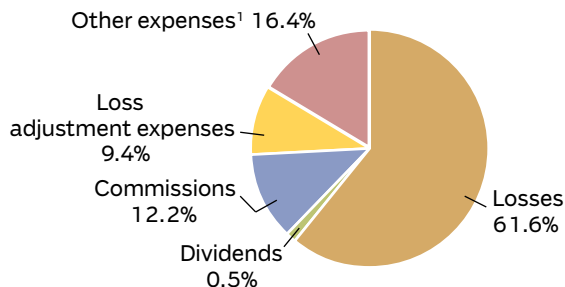
Net premiums earned (\$000)	\$59,721,095
Components of underwriting, as a percent of net premiums earned	
Incurred losses	66.4%
Loss adjustment expenses	10.1
Total loss and loss adjustment expenses	76.5
Commissions and brokerage expenses incurred	13.1
Other underwriting expenses incurred	17.7
Total underwriting expenses incurred	30.8
Dividends to policyholders	0.5
Investment gains on funds attributable to insurance transactions and other income	3.1
Combined ratio after dividends	107.0
Overall operating ratio²	103.9

¹After reinsurance transactions.

²Combined ratio after dividends, minus investment gains on funds attributable to insurance transactions and other income. Calculated by the Insurance Information Institute, based on SNL data.

Source: SNL Financial LC.

COMPONENTS OF UNDERWRITING, HOMEOWNERS MULTIPLE PERIL INSURANCE, 2010



¹Taxes, licenses, fees, acquisitions, field supervision, collection and general expenses.

Source: SNL Financial LC.

HOMEOWNERS INSURANCE LOSSES, 2005-2009¹

Year	Total homeowner losses		Year	Total homeowner losses	
	Claim frequency ²	Claim severity ³		Claim frequency ²	Claim severity ³
2005	5.74	\$8,705	2008	6.84	\$7,560
2006	5.19	6,862	2009	6.02	8,116
2007	4.86	8,117	Average ⁴	5.73	7,876

¹For homeowners multiple peril policies. Excludes tenants and condominium policies. ²Claims per 100 house years (policies). ³Average amount paid per claim; based on accident year incurred losses, excluding loss adjustment expenses, i.e., indemnity costs per accident year incurred claims. ⁴Weighted average, 2005-2009.

Source: ISO, a Verisk Analytics company.

- Six out of every 100 insured homes experienced a claim in 2009.
- Incurred homeowners losses, net of reinsurance, totalled \$40 billion in 2010, according to SNL Financial.

Causes of Homeowners Insurance Losses

In 2009, 6 percent of insured homes had a claim, according to ISO. About 95 percent of those claims were for property damage, including theft. Changes in the percentage of each type of homeowners loss from one year to another are partially influenced by large fluctuations in the number and severity of weather-related events such as hurricanes and winter storms. There are two ways of looking at losses: by the average number of claims filed per 100 policies (frequency) and by the average amount paid for each claim (severity). The loss category “water damage and freezing” includes damage caused by mold, if covered. Every state except Arkansas, New York, North Carolina and Virginia has adopted an ISO mold limitation for homeowners insurance coverage, which allows insurers to exclude the coverage unless the condition results from a covered peril.

HOMEOWNERS INSURANCE LOSSES BY CAUSE, 2005-2009¹

(Percent of losses incurred)

Cause of loss	2005	2006	2007	2008	2009
Property damage	94.95%	93.17%	93.07%	94.97%	95.70%
Fire, lightning and debris removal	22.01	32.80	39.22	29.05	29.22
Wind and hail	49.10	28.64	18.71	34.59	31.31
Water damage and freezing	14.60	18.90	23.00	20.90	23.70
Theft	2.27	3.47	3.45	3.15	3.36
All other property damage ²	6.97	9.37	8.74	7.25	8.11
Liability	5.06	6.83	6.93	5.04	4.29
Bodily injury and property damage	4.29	5.57	5.42	3.64	2.86
Medical payments and other	0.18	0.29	0.25	0.22	0.23
Credit card and other ³	0.59	0.97	1.26	1.18	1.20
Total⁴	100.00	100.00	100.00	100.00	100.00

¹For homeowners multiple peril policies. Excludes tenants and condominium owners policies. ²Includes vandalism and malicious mischief. ³Includes coverage for unauthorized use of various cards, forgery, counterfeit money and losses not otherwise classified.

Source: ISO, a Verisk Analytics company.

Property/Casualty Insurance by Line

Homeowners: Claims

AVERAGE HOMEOWNERS LOSSES, 2005-2009¹

(Weighted average, 2005-2009)

- In the six-year period, 2005-2009, 5.7 percent of insured homes had a claim. Wind and hail accounted for the largest share of claims, with 2.2 percent of insured homes having such a loss.

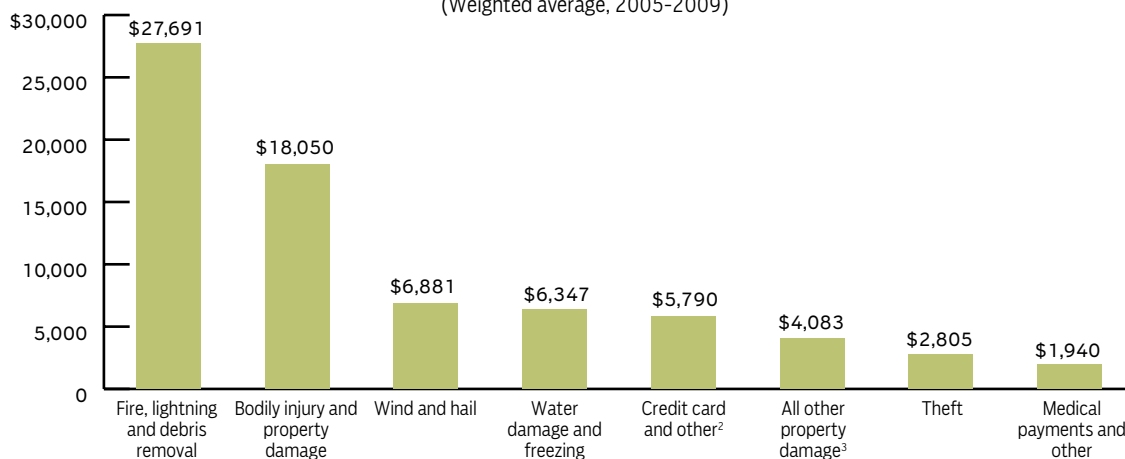
Cause of loss	Claim frequency ²	Claim severity ³
Property damage		
Fire, lightning and debris removal	0.49	\$27,691
Wind and hail	2.19	6,881
Water damage and freezing	1.44	6,347
Theft	0.50	2,805
All other ⁴	0.88	4,083
Liability		
Bodily injury and property damage	0.11	18,050
Medical payments and other	0.05	1,940
Credit card and other ⁵	0.08	5,790
Average (property damage and liability), 2005-2009	5.73	\$7,876

¹For homeowners multiple peril policies. Excludes tenants and condominium owners policies. ²Claims per 100 house years (policies). ³Accident year incurred losses, excluding loss adjustment expenses, i.e., indemnity costs per accident year incurred claims. ⁴Includes vandalism and malicious mischief. ⁵Includes coverage for unauthorized use of various cards, forgery, counterfeit money and losses not otherwise classified.

Source: ISO, a Verisk Analytics company.

HOMEOWNERS LOSSES RANKED BY CLAIMS SEVERITY (AVERAGE CLAIM), 2005-2009¹

(Weighted average, 2005-2009)



¹For homeowners multiple peril policies. Excludes tenants and condominium owners policies. Accident year incurred losses, excluding loss adjustment expenses, i.e., indemnity costs per accident year incurred claims. ²Includes coverage for unauthorized use of various cards, forgery, counterfeit money and losses not otherwise classified. ³Includes vandalism and malicious mischief.

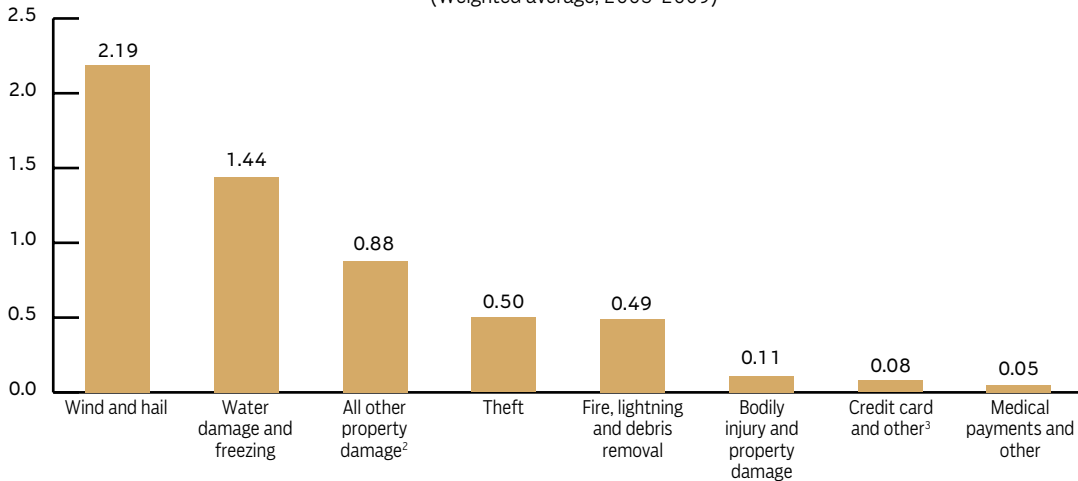
Source: ISO, a Verisk Analytics company.

Property/Casualty Insurance by Line

Homeowners: Claims

HOMEOWNERS LOSSES RANKED BY CLAIMS FREQUENCY, 2005-2009¹

(Weighted average, 2005-2009)



¹Claims per 100 house years (policies). For homeowners multiple peril policies. Excludes tenants and condominium owners policies.

²Includes vandalism and malicious mischief.

³Includes coverage for unauthorized use of various cards, forgery, counterfeit money and losses not otherwise classified.

Source: ISO, a Verisk Analytics company.

Lightning

In 2010 there were 29 lightning fatalities, five fewer than the 2009 total of 34 deaths and 10 fewer than the 10-year average of 39 fatalities, according to data from the National Oceanic and Atmospheric Administration.

HOMEOWNERS INSURANCE CLAIMS AND PAYOUT FOR LIGHTNING LOSSES, 2006-2010

	2006	2007	2008	2009	2010	Percent change	
						2006-2010	2009-2010
Number of paid claims	256,000	177,100	246,200	185,789	213,278	-16.7%	14.8%
Insured losses (\$ millions)	\$882.2	\$942.4	\$1,065.5	\$798.0	\$1,033.5	17.2	29.5
Average cost per claim	\$3,446	\$5,321	\$4,329	\$4,296	\$4,846	40.6%	12.8%

Source: Insurance Information Institute.

- As of December 31, 2010, 87 insurance companies participated in the “Write-Your-Own” program, started in 1983, in which insurers issue policies and adjust flood claims on behalf of the federal government under their own names.
- As of July 2011, 69 percent of NFIP flood insurance policies covered single family homes, 20 percent covered condominiums and 5 percent covered businesses and other non-residential properties. 2 to 4 family units and other residential policies accounted for the remaining 6 percent.
- Rivers and streams reached record levels in 10 northeast states as a result of Hurricane Irene in August 2011.

Flood Insurance

Flood damage is excluded under standard homeowners and renters insurance policies. Flood coverage, however, is available in the form of a separate policy both from the National Flood Insurance Program (NFIP) and from a few private insurers.

Congress created the NFIP in 1968 in response to the rising cost of taxpayer-funded disaster relief for flood victims and the increasing amount of damage caused by floods. The NFIP makes federally backed flood insurance available in communities that agree to adopt and enforce floodplain management ordinances to reduce future flood damage. The NFIP is self-supporting for the average historical loss year. This means that unless there is a widespread disaster, operating expenses and flood insurance claims are financed through premiums collected.

The NFIP provides coverage for up to \$250,000 for the structure of the home and \$100,000 for personal possessions. Private flood insurance is available for those who need additional insurance protection, known as “excess coverage,” over and above the basic policy or for people whose communities do not participate in the NFIP. Some insurers have introduced special policies for high-value properties. These policies may cover homes in noncoastal areas and/or provide enhancements to traditional flood coverage. The comprehensive portion of an auto insurance policy includes coverage for flood damage.

A 2011 poll by the Insurance Information Institute found that 14 percent of American homeowners had a flood insurance policy, up from 10 percent in 2010 but still below the 17 percent who said they purchased flood insurance in 2008. The percentage of homeowners with flood insurance was highest in the South, at 19 percent, up from 14 percent in 2010 and back to the level of 2009. Thirteen percent of Midwestern homeowners had a flood insurance policy in 2011 along with 12 percent of homeowners in the West and 5 percent in the Northeast.

Flood Insurance Losses

National Flood Insurance Program (NFIP) payouts vary widely from year to year. Flood loss payments totaled \$728 million in 2010, down from the \$773 million in 2009. In 2005 loss payments totaled \$17.7 billion, the highest amount on record, including losses from hurricanes Katrina, Rita and Wilma. The widespread flooding associated with Hurricane Katrina in 2005 drew attention to the NFIP and set in motion debate about how to improve it. So far, Congress has not taken steps to significantly revamp the program. Since 2008 Congress has passed temporary extensions to keep the program in effect.

NATIONAL FLOOD INSURANCE PROGRAM, 1980-2010

Year	Policies in force at year-end	Losses paid	
		Number	Amount (\$'000)
1980	2,103,851	41,918	\$230,414
1985	2,016,785	38,676	368,239
1990	2,477,861	14,766	167,897
1995	3,476,829	62,441	1,295,578
2000	4,369,087	16,362	251,721
2005	4,962,011	212,897	17,714,793
2006	5,514,895	24,595	640,671
2007	5,655,919	23,132	610,395
2008	5,684,275	74,300	3,452,271
2009	5,700,235	30,839	773,065
2010	5,646,735	27,923	727,877

Source: U.S. Department of Homeland Security, Federal Emergency Management Agency.

- In 2010 the average amount of flood coverage was \$220,577 and the average premium was \$594.
- The average flood claim in 2010 was \$26,067, down from \$46,464 in 2008, the year of Hurricane Ike.
- NFIP premiums written rose from \$1.7 billion in 2000 to \$3.4 billion in 2010.
- In the wake of the August 2010 oil spill in the Gulf of Mexico, the Federal Emergency Management Agency said that the NFIP would cover property damage caused by the "mixing of oil and other pollutants in flood water."
- As of November, the federal government had declared 56 major flood disasters in 2011, including record flooding in Minot, North Dakota. In all of 2010, there were 51 federally declared major flood disasters.

Property/Casualty Insurance by Line

Flood Insurance

FLOOD INSURANCE IN THE UNITED STATES, 2010¹

State	Direct NFIP business		WYO business		Total NFIP/WYO	
	Number of policies	Insurance in force ² (\$ millions)	Number of policies	Insurance in force ² (\$ millions)	Number of policies	Insurance in force ² (\$ millions)
Alabama	5,936	\$1,061.8	50,737	\$10,447.8	56,673	\$11,509.6
Alaska	285	49.3	2,606	604.4	2,891	653.7
Arizona	1,877	386.3	32,427	7,152.2	34,304	7,538.5
Arkansas	1,494	172.7	17,860	2,445.9	19,354	2,618.6
California	19,519	4,682.9	247,734	61,651.2	267,253	66,334.2
Colorado	1,287	255.9	17,636	3,925.5	18,923	4,181.4
Connecticut	2,356	497.7	36,207	8,214.5	38,563	8,712.2
Delaware	1,483	347.1	23,323	5,588.4	24,806	5,935.5
D.C.	26	8.5	1,714	286.1	1,740	294.7
Florida	48,817	11,705.5	2,039,767	457,720.8	2,088,584	469,426.3
Georgia	5,193	1,158.0	90,744	21,527.2	95,937	22,685.2
Hawaii	747	164.5	58,705	11,738.7	59,452	11,903.3
Idaho	464	99.3	6,281	1,380.4	6,745	1,479.6
Illinois	6,051	876.2	42,165	7,282.6	48,216	8,158.8
Indiana	3,982	495.2	28,272	4,535.4	32,254	5,030.5
Iowa	2,335	181.0	14,877	2,529.7	17,212	2,710.7
Kansas	1,754	231.0	10,921	1,712.0	12,675	1,943.0
Kentucky	1,768	209.7	21,870	3,084.4	23,638	3,294.0
Louisiana	31,374	6,656.9	450,123	99,752.2	481,497	106,409.1
Maine	488	99.1	8,452	1,778.3	8,940	1,877.4
Maryland	2,794	592.3	66,575	13,971.5	69,369	14,563.7
Massachusetts	7,086	1,447.5	46,590	10,529.8	53,676	11,977.3
Michigan	2,844	428.7	22,691	3,679.3	25,535	4,108.0
Minnesota	679	128.1	11,534	2,437.9	12,213	2,566.1
Mississippi	4,296	855.7	71,116	14,744.3	75,412	15,600.0
Missouri	2,930	385.9	22,639	3,616.6	25,569	4,002.5
Montana	294	48.0	4,977	784.3	5,271	832.3
Nebraska	1,247	153.1	11,340	1,757.2	12,587	1,910.2
Nevada	622	146.7	14,132	3,314.5	14,754	3,461.2

(table continues)

Property/Casualty Insurance by Line

Flood Insurance

FLOOD INSURANCE IN THE UNITED STATES, 2010¹ (Cont'd)

State	Direct NFIP business		WYO business		Total NFIP/WYO	
	Number of policies	Insurance in force ² (\$ millions)	Number of policies	Insurance in force ² (\$ millions)	Number of policies	Insurance in force ² (\$ millions)
New Hampshire	454	\$89.3	8,736	\$1,686.5	9,190	\$1,775.7
New Jersey	11,969	2,381.7	217,691	48,994.4	229,660	51,376.1
New Mexico	807	131.4	15,642	2,678.7	16,449	2,810.1
New York	11,913	2,670.7	150,490	36,071.1	162,403	38,741.8
North Carolina	6,496	1,491.5	129,443	30,118.7	135,939	31,610.3
North Dakota	589	104.5	12,302	2,713.7	12,891	2,818.2
Ohio	4,228	559.4	35,474	5,591.0	39,702	6,150.3
Oklahoma	1,791	253.1	15,066	2,485.5	16,857	2,738.6
Oregon	2,795	612.5	30,564	6,674.8	33,359	7,287.2
Pennsylvania	5,769	878.5	61,258	11,005.8	67,027	11,884.3
Rhode Island	918	172.5	14,814	3,547.9	15,732	3,720.4
South Carolina	5,950	1,491.5	195,006	46,131.7	200,956	47,623.2
South Dakota	431	61.5	5,429	1,021.7	5,860	1,083.2
Tennessee	2,234	338.7	29,046	6,103.4	31,280	6,442.1
Texas	38,165	6,747.5	635,768	152,152.7	673,933	158,900.1
Utah	464	56.1	3,777	865.6	4,241	921.7
Vermont	258	41.0	3,316	604.1	3,574	645.1
Virginia	5,258	1,164.2	105,034	25,002.5	110,292	26,166.6
Washington	3,842	773.5	47,379	10,971.9	51,221	11,745.3
West Virginia	2,804	273.8	18,823	2,314.2	21,627	2,588.0
Wisconsin	1,366	182.7	14,856	2,496.2	16,222	2,678.9
Wyoming	214	36.6	2,395	471.2	2,609	507.8
American Samoa	452	13.7	0	0.0	452	13.7
Guam	188	34.1	71	16.3	259	50.4
Puerto Rico	729	34.2	60,425	5,539.7	61,154	5,573.9
Virgin Islands	368	66.9	2,013	294.8	2,381	361.7
United States	270,480	\$54,185.4	5,288,833	\$1,173,747.0	5,559,313	\$1,227,932.4

¹Direct and WYO business may not add to total due to rounding.

²Total limits of liability for all policies in force.

Source: U.S. Department of Homeland Security, Federal Emergency Management Agency.

Property/Casualty Insurance by Line

Earthquake Insurance

Standard homeowners, renters and business insurance policies do not cover damage from earthquakes. Coverage is available either in the form of an endorsement or as a separate policy. Earthquake insurance provides protection from the shaking and cracking that can destroy buildings and personal possessions. Coverage for other kinds of damage that may result from earthquakes, such as fire and water damage due to burst gas and water pipes, is provided by standard home and business insurance policies. Earthquake coverage is available mostly from private insurance companies. In California, homeowners can also get coverage from the California Earthquake Authority (CEA), a privately funded, publicly managed organization. Only about 12 percent of California residents currently have earthquake coverage, down from about 30 percent in 1996, two years after the Northridge, California earthquake.

EARTHQUAKE INSURANCE, 2001-2010 (\$000)

Year	Net premiums written ¹	Annual percent change	Combined ratio ²	Annual point change ³
2001	\$846,785	13.4%	100.7	25.4 pts.
2002	997,147	17.8	67.3	-33.5
2003	1,043,414	4.6	55.7	-11.6
2004	1,095,733	5.0	48.6	-7.1
2005	1,098,776	0.3	50.8	2.1
2006	1,306,553	18.9	35.2	-15.6
2007	1,247,776	-4.5	29.9	-5.3
2008	1,250,258	0.2	33.8	3.9
2009	1,285,609	2.8	32.5	-1.3
2010	1,434,872	11.6	45.7	13.2

¹After reinsurance transactions, excluding state funds.

²After dividends to policyholders. A drop in the combined ratio represents an improvement; an increase represents a deterioration.

³Calculated from unrounded data.

Source: SNL Financial LC.

Leading Writers of Earthquake Insurance

The California Earthquake Authority (CEA), a publicly managed, largely privately funded organization that sells its policies through participating private insurance companies, was the leading writer of earthquake insurance in the United States, based on direct premium written in 2010, according to data from SNL Financial. The CEA had \$602.4 million in direct premiums written in 2010, all of which covered residential California properties. In 2010, the CEA accounted for 37.9 percent of the California earthquake insurance market and 22.7 percent of the total U.S. earthquake insurance market. The nine other largest earthquake insurers in 2010 were all private insurance companies.

TOP TEN WRITERS OF EARTHQUAKE INSURANCE BY DIRECT PREMIUMS WRITTEN, 2010 (\$000)

Rank	Group	Direct premiums written ¹	Market share
1	California Earthquake Authority	\$602,412	22.7%
2	State Farm Mutual Automobile Insurance	236,892	8.9
3	Zurich Financial Services Ltd.	195,520	7.4
4	American International Group	190,563	7.2
5	Travelers Companies	133,775	5.0
6	GeoVera Insurance Holdings Ltd.	125,772	4.7
7	AXIS Capital Holdings Ltd.	111,114	4.2
8	Liberty Mutual Holding Co.	76,936	2.9
9	ACE Ltd.	75,143	2.8
10	Endurance Specialty Holdings	65,428	2.5

¹Before reinsurance transactions, includes state funds.

Source: SNL Financial LC.

Property/Casualty Insurance by Line

Commercial Lines

The commercial lines sector of the property/casualty insurance industry generally provides insurance products for businesses as opposed to the personal lines sector, which offers products for individuals. However, the division between commercial and personal coverages is not precise. For example, inland marine insurance, which is included in the commercial lines sector, may cover some personal property such as expensive jewelry, fine art and other items whose values are above the standard homeowners policy limits.

Leading Companies

TOP TEN WRITERS OF COMMERCIAL LINES INSURANCE BY DIRECT PREMIUMS WRITTEN, 2010 (\$000)

Rank	Group	Direct premiums written ¹	Market share
1	American International Group	\$20,151,570	8.6%
2	Travelers Companies	14,580,352	6.3
3	Liberty Mutual Holding Co.	14,005,460	6.0
4	Zurich Financial Services Ltd.	12,495,405	5.4
5	ACE Ltd.	7,470,050	3.2
6	CNA Financial Corp.	7,286,157	3.1
7	Chubb Corp.	6,909,680	3.0
8	Hartford Financial Services	6,710,789	2.9
9	Nationwide Mutual Group	4,746,593	2.0
10	Allianz SE	4,528,084	1.9

¹Before reinsurance transactions, excluding state funds.

Source: SNL Financial LC.

TOP TEN COMMERCIAL INSURANCE BROKERS OF U.S. BUSINESS BY REVENUES, 2010¹ (\$ millions)

Rank	Company	Brokerage revenues
1	Marsh & McLennan Cos. Inc.	\$4,662.2
2	Aon Corp.	4,242.4
3	Willis Group Holdings P.L.C.	1,650.0
4	Wells Fargo Insurance Services USA Inc.	1,649.5
5	Arthur J. Gallagher & Co.	1,557.2
6	BB&T Insurance Services Inc.	1,078.6
7	Brown & Brown Inc.	964.0
8	USI Holdings Corp.	632.2
9	Lockton Cos. L.L.C. ²	578.8
10	Hub International Ltd.	510.3

¹Companies that derive more than 50 percent of revenues from commercial retail brokerage or employee benefits.

²Fiscal year ending April 30.

Source: Business Insurance, July 18, 2011.

Workers Compensation Insurance

Workers compensation insurance provides for the cost of medical care and rehabilitation for injured workers and lost wages and death benefits for the dependents of persons killed in work-related accidents. Workers compensation systems vary from state to state. Workers compensation combined ratios are expressed in two ways. Calendar year results reflect claim payments and changes in reserves for accidents that happened in that year or earlier. Accident year results only include losses from a particular year.

WORKERS COMPENSATION INSURANCE, 2001-2010 (\$000)

Year	Net premiums written ²	Annual percent change	Combined ratio ¹			
			Calendar year ³	Annual point change ⁴	Accident year ⁵	Annual point change
2001	\$26,974,242	4.2%	120.7	1.2 pts.	125	-13 pts.
2002	30,735,382	13.9	110.5	-10.2	106	-19
2003	32,941,961	7.2	109.7	-0.8	97	-9
2004	36,688,888	11.4	106.0	-3.6	88	-9
2005	39,788,398	8.4	101.9	-4.2	87	-1
2006	41,735,186	4.9	96.5	-5.4	86	-1
2007	40,582,828	-2.8	100.6	4.1	98	12
2008	36,523,030	-10.0	101.0	0.4	104	6
2009	32,009,874	-12.4	108.0	7.0	109	5
2010	31,483,419	-1.6	115.9	7.9	114 ⁶	5

¹After dividends to policyholders. A drop in the combined ratio represents an improvement; an increase represents a deterioration.

²After reinsurance transactions, excluding state funds. ³Calendar year data are from SNL Financial LC. ⁴Calculated from unrounded data.

⁵Accident year data are from the National Council on Compensation Insurance (NCCI). ⁶Estimated by NCCI.

Source: SNL Financial LC; National Council on Compensation Insurance.

Excess Workers Compensation

Excess workers compensation, a coverage geared to employers that self-insure for workers compensation, comes into play when claims exceed a designated dollar amount.

EXCESS WORKERS COMPENSATION INSURANCE, 2008-2010 (\$000)

Year	Net premiums written ¹	Annual percent change	Combined ratio ²	Annual point change ³
2008	\$926,456	NA	148.3	NA
2009	941,082	1.6%	35.1	-113.2 pts.
2010	799,499	-15.0	51.4	16.3

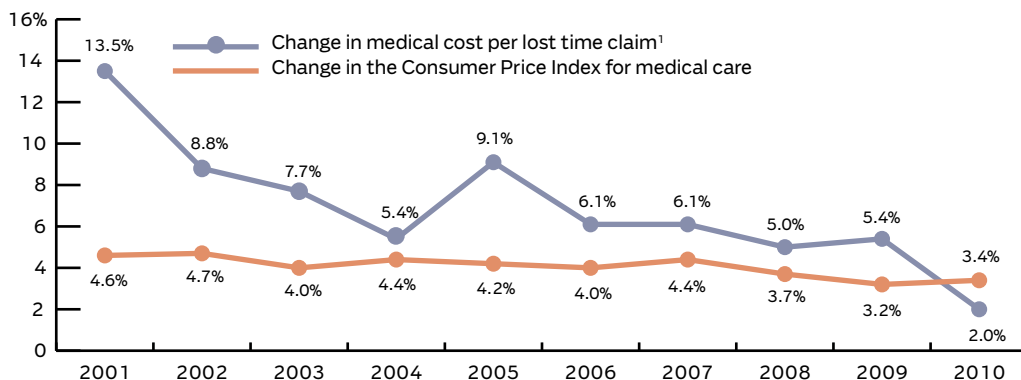
¹After reinsurance transactions, excluding state funds. ²After dividends to policyholders. A drop in the combined ratio represents an improvement; an increase represents a deterioration. ³Calculated from unrounded data. NA=Data not available.

Source: SNL Financial LC.

Property/Casualty Insurance by Line

Commercial Lines

WORKERS COMPENSATION MEDICAL COSTS, 2001-2010



¹Based on states where the National Council on Compensation Insurance provides ratemaking services. Represents costs for injuries that resulted in time off from work. Data for 2010 are preliminary.

Source: U.S. Bureau of Labor Statistics; National Council on Compensation Insurance.

COMPARISON OF WORKERS COMPENSATION BENEFITS, COVERAGE AND COSTS, 2008-2009

	2008	2009	Percent change
Covered workers (000)	130,643	124,856	-4.4%
Covered wages (\$ billions)	\$5,954	\$5,675	-4.7
Workers compensation benefits paid (\$ billions)	58.1	58.3	0.4
Medical benefits	29.3	28.9	-1.1
Cash benefits	28.8	29.4	1.9
Employer costs for workers compensation (\$ billions)	79.9	73.9	-7.6

Source: National Academy of Social Insurance.

Liability Insurance

“Other liability” insurance is a commercial coverage that protects the policyholder from legal liability arising from negligence, carelessness or a failure to act that causes property damage or personal injury to others. It encompasses a wide variety of coverages including errors and omissions, umbrella liability and liquor liability. It does not include products liability, which is a separate line of insurance. Products liability protects the manufacturer, distributor or seller of a product from legal liability resulting from a defective condition that caused personal injury or damage associated with the use of the product.

OTHER LIABILITY INSURANCE, 2001-2010

(\$000)

Year	Net premiums written ¹	Annual percent change	Combined ratio ²	Annual point change ³	Year	Net premiums written ¹	Annual percent change	Combined ratio ²	Annual point change ³
2001	\$21,381,147	15.9%	120.4	10.2 pts.	2006	\$42,143,446	7.3%	96.5	-15.4 pts.
2002	29,142,080	36.3	122.2	1.8	2007	41,150,954	-2.4	99.2	2.7
2003	36,046,157	23.7	112.3	-9.9	2008	38,484,510	-6.5	92.1	-7.1
2004	39,637,810	10.0	114.3	2.0	2009	36,031,130	-6.4	105.3	13.2
2005	39,263,190	-0.9	112.0	-2.3	2010	35,678,541	-1.0	108.3	3.0

¹After reinsurance transactions, excluding state funds. ²After dividends to policyholders. A drop in the combined ratio represents an improvement; an increase represents a deterioration. ³Calculated from unrounded data.

Source: SNL Financial LC.

PRODUCTS LIABILITY INSURANCE, 2001-2010

(\$000)

Year	Net premiums written ¹	Annual percent change	Combined ratio ²	Annual point change ³
2001	\$2,017,277	43.6%	214.9	81.4 pts.
2002	1,776,434	-11.9	354.9	140.0
2003	2,711,952	52.7	167.1	-187.7
2004	3,364,997	24.1	153.1	-14.0
2005	3,525,584	4.8	124.2	-29.0
2006	3,616,544	2.6	84.8	-39.4
2007	3,304,030	-8.6	101.4	16.7
2008	2,777,568	-15.9	124.9	23.4
2009	2,365,986	-14.8	123.0	-1.9
2010	2,050,510	-13.3	157.1	34.1

¹After reinsurance transactions, excluding state funds. ²After dividends to policyholders. A drop in the combined ratio represents an improvement; an increase represents a deterioration. ³Calculated from unrounded data.

Source: SNL Financial LC.

Property/Casualty Insurance by Line

Commercial Lines

Commercial and Farmowners Multiple Peril Insurance

Commercial multiple peril insurance is a package policy that includes property, boiler and machinery, crime and general liability coverages. Farmowners multiple peril insurance, similar to homeowners insurance, provides coverage to farmowners and ranchowners against a number of named perils and liabilities. It covers a dwelling and its contents, as well as barns, stables and other structures.

COMMERCIAL MULTIPLE PERIL INSURANCE, 2001-2010

Year	Total (\$000)				
	Net premiums written ¹	Annual percent change	Year	Net premiums written ¹	Annual percent change
2001	\$22,228,778	12.4%	2006	\$31,778,223	7.2%
2002	25,420,947	14.4	2007	31,176,150	-1.9
2003	27,341,259	7.6	2008	30,223,949	-3.1
2004	29,049,443	6.2	2009	28,866,752	-4.5
2005	29,632,702	2.0	2010	28,847,005	-0.1

Year	Nonliability Portion (\$000)								
	Net premiums written ¹	Annual percent change	Combined ratio ²	Annual point change ³	Year	Net premiums written ¹	Annual percent change	Combined ratio ²	Annual point change ³
2001	\$12,962,023	12.7%	116.6	1.6 pts.	2006	\$18,353,917	4.0%	83.9	-10.0 pts.
2002	15,171,942	17.0	99.5	-17.1	2007	18,210,567	-0.8	89.9	6.0
2003	16,279,252	7.3	89.0	-10.4	2008	18,152,673	-0.3	108.2	18.3
2004	16,949,099	4.1	97.8	8.7	2009	17,841,135	-1.7	99.0	-9.2
2005	17,651,824	4.1	93.9	-3.9	2010	18,144,460	1.7	103.2	4.2

Year	Liability Portion (\$000)								
	Net premiums written ¹	Annual percent change	Combined ratio ²	Annual point change ³	Year	Net premiums written ¹	Annual percent change	Combined ratio ²	Annual point change ³
2001	\$9,266,755	12.0%	120.9	6.0 pts.	2006	\$13,424,306	12.0%	105.3	3.3 pts.
2002	10,249,005	10.6	113.1	-7.8	2007	12,965,583	-3.4	95.4	-9.9
2003	11,062,007	7.9	116.2	3.1	2008	12,071,276	-6.9	97.7	2.3
2004	12,100,344	9.4	105.0	-11.1	2009	11,025,617	-8.7	94.2	-3.5
2005	11,980,878	-1.0	102.0	-3.0	2010	10,702,545	-2.9	96.1	2.0

¹After reinsurance transactions, excluding state funds. ²After dividends to policyholders. A drop in the combined ratio represents an improvement; an increase represents a deterioration. ³Calculated from unrounded data.

Source: SNL Financial LC.

FARMOWNERS MULTIPLE PERIL INSURANCE, 2001-2010

(\$000)

Year	Net premiums written ¹	Annual percent change	Combined ratio ²	Annual point change ³
2001	\$1,639,083	6.8%	114.2	4.6 pts.
2002	1,794,887	9.5	107.6	-6.6
2003	2,109,345	17.5	97.5	-10.0
2004	2,108,202	-0.1	92.0	-5.5
2005	2,263,640	7.4	95.3	3.3
2006	2,307,895	2.0	101.1	5.8
2007	2,424,125	5.0	98.0	-3.1
2008	2,582,957	6.6	119.5	21.5
2009	2,608,684	1.0	107.7	-11.8
2010	2,750,807	5.4	108.2	0.4

¹After reinsurance transactions, excluding state funds. ²After dividends to policyholders. A drop in the combined ratio represents an improvement; an increase represents a deterioration. ³Calculated from unrounded data.

Source: SNL Financial LC.

Medical Malpractice Insurance

Medical malpractice insurance covers facilities, doctors and other professionals in the medical field for liability claims arising from the treatment of patients.

MEDICAL MALPRACTICE INSURANCE, 2001-2010

(\$000)

Year	Net premiums written ¹	Annual percent change	Combined ratio ²	Annual point change ³
2001	\$6,190,643	9.7%	153.6	21.1 pts.
2002	7,366,524	19.0	141.9	-11.6
2003	8,729,912	18.5	138.7	-3.3
2004	9,124,240	4.5	109.9	-28.8
2005	9,982,528	9.4	100.3	-9.5
2006	10,395,927	4.1	90.8	-9.6
2007	9,953,517	-4.3	84.9	-5.9
2008	9,521,116	-4.3	79.3	-5.6
2009	9,206,649	-3.3	85.5	6.3
2010	9,092,317	-1.2	88.9	3.4

¹After reinsurance transactions, excluding state funds. ²After dividends to policyholders. A drop in the combined ratio represents an improvement; an increase represents a deterioration. ³Calculated from unrounded data.

Source: SNL Financial LC.

Property/Casualty Insurance by Line

Commercial Lines

Fire and Allied Lines Insurance

Fire insurance provides coverage against losses caused by fire and lightning. It is usually sold as part of a package policy such as commercial multiple peril. Allied lines insurance includes property insurance that is usually bought in conjunction with a fire insurance policy. Allied lines includes coverage for wind and water damage and vandalism.

FIRE INSURANCE, 2001-2010

(\$000)

Year	Net premiums written ¹	Annual percent change	Combined ratio ²	Annual point change ³
2001	\$4,875,888	5.0%	118.9	5.2 pts.
2002	7,214,559	48.0	87.1	-31.7
2003	8,383,939	16.2	79.3	-7.8
2004	8,043,670	-4.1	74.4	-5.0
2005	7,882,717	-2.0	81.6	7.2
2006	9,337,982	18.5	76.5	-5.1
2007	9,765,414	4.6	86.3	9.9
2008	9,904,948	1.4	92.5	6.1
2009	10,099,681	2.0	78.5	-13.9
2010	10,216,570	1.2	80.1	1.5

¹After reinsurance transactions, excluding state funds. ²After dividends to policyholders. A drop in the combined ratio represents an improvement; an increase represents a deterioration. ³Calculated from unrounded data.

Source: SNL Financial LC.

ALLIED LINES INSURANCE, 2001-2010

(\$000)

Year	Net premiums written ¹	Annual percent change	Combined ratio ²	Annual point change ³
2001	\$3,719,058	27.8%	151.8	35.9 pts.
2002	4,778,051	28.5	86.2	-65.6
2003	6,254,400	30.9	79.6	-6.6
2004	5,969,905	-4.5	119.9	40.2
2005	5,893,879	-1.3	154.7	34.9
2006	6,554,711	11.2	93.6	-61.1
2007	6,969,706	6.3	53.7	-40.0
2008	7,708,481	10.6	128.2	74.6
2009	7,736,346	0.4	93.4	-34.9
2010	7,493,797	-3.1	99.0	5.6

¹After reinsurance transactions, excluding state funds. ²After dividends to policyholders. A drop in the combined ratio represents an improvement; an increase represents a deterioration. ³Calculated from unrounded data.

Source: SNL Financial LC.

Inland Marine and Ocean Marine Insurance

Inland marine insurance covers bridges and tunnels, goods in transit, movable equipment, unusual property, and communications-related structures as well as expensive personal property. Ocean marine insurance provides coverage on all types of vessels, for property damage to the vessels and cargo, as well as associated liabilities.

INLAND MARINE INSURANCE, 2001-2010

(\$000)

Year	Net premiums written ¹	Annual percent change	Combined ratio ²	Annual point change ³
2001	\$6,594,976	2.6%	99.9	7.4 pts.
2002	7,066,256	7.1	83.8	-16.2
2003	7,707,912	9.1	80.5	-3.3
2004	7,853,448	1.9	82.7	2.2
2005	8,382,722	6.7	89.3	6.7
2006	9,232,384	10.1	77.5	-11.8
2007	9,740,686	5.5	79.8	2.3
2008	9,367,602	-3.8	93.3	13.6
2009	8,648,920	-7.7	89.1	-4.3
2010	8,503,383	-1.7	86.5	-2.6

¹After reinsurance transactions, excluding state funds. ²After dividends to policyholders. A drop in the combined ratio represents an improvement; an increase represents a deterioration. ³Calculated from unrounded data.

Source: SNL Financial LC.

OCEAN MARINE INSURANCE, 2001-2010

(\$000)

Year	Net premiums written ¹	Annual percent change	Combined ratio ²	Annual point change ³
2001	\$1,966,429	14.1%	102.2	0.0 pts.
2002	2,435,450	23.9	99.9	-2.3
2003	2,588,567	6.3	104.2	4.3
2004	2,821,939	9.0	96.8	-7.4
2005	2,879,639	2.0	117.9	21.1
2006	3,131,826	8.8	97.5	-20.4
2007	3,258,168	4.0	114.1	16.5
2008	3,094,266	-5.0	102.8	-11.3
2009	2,935,712	-5.1	91.4	-11.4
2010	2,738,879	-6.7	96.1	4.8

¹After reinsurance transactions, excluding state funds. ²After dividends to policyholders. A drop in the combined ratio represents an improvement; an increase represents a deterioration. ³Calculated from unrounded data.

Source: SNL Financial LC.

Property/Casualty Insurance by Line

Commercial Lines

Surety and Fidelity

Surety bonds provide monetary compensation in the event that a policyholder fails to perform certain acts such as the proper fulfillment of a construction contract within a stated period. They are required for public projects in order to protect taxpayers. Fidelity bonds, which are usually purchased by an employer, protect against losses caused by employee fraud or dishonesty.

SURETY BONDS, 2001-2010

(\$000)

Year	Net premiums written ¹	Annual percent change	Combined ratio ²	Annual point change ³
2001	\$3,044,064	-8.5%	124.1	37.1 pts.
2002	3,280,927	7.8	116.9	-7.2
2003	3,384,636	3.2	122.1	5.2
2004	3,821,170	12.9	119.8	-2.3
2005	3,866,026	1.2	101.5	-18.3
2006	4,435,122	14.7	81.7	-19.8
2007	4,807,994	8.4	72.3	-9.3
2008	4,960,255	3.2	66.9	-5.4
2009	4,837,598	-2.5	79.5	12.5
2010	4,853,548	0.3	70.6	-8.8

¹After reinsurance transactions, excluding state funds. ²After dividends to policyholders. A drop in the combined ratio represents an improvement; an increase represents a deterioration. ³Calculated from unrounded data.

Source: SNL Financial LC.

FIDELITY BONDS, 2001-2010

(\$000)

Year	Net premiums written ¹	Annual percent change	Combined ratio ²	Annual point change ³
2001	\$856,259	6.8%	92.5	-1.8 pts.
2002	1,013,535	18.4	105.3	12.8
2003	1,191,861	17.6	71.0	-34.3
2004	1,309,345	9.9	80.5	9.6
2005	1,215,815	-7.1	85.1	4.5
2006	1,240,349	2.0	87.1	2.0
2007	1,246,889	0.5	76.4	-10.7
2008	1,140,628	-8.5	84.2	7.8
2009	1,105,439	-3.1	105.3	21.2
2010	1,077,886	-2.5	96.2	-9.1

¹After reinsurance transactions, excluding state funds. ²After dividends to policyholders. A drop in the combined ratio represents an improvement; an increase represents a deterioration. ³Calculated from unrounded data.

Source: SNL Financial LC.

Mortgage Guaranty Insurance

Private mortgage insurance (PMI), also known as mortgage guaranty insurance, guarantees that, in the event of a default, the insurer will pay the mortgage lender for any loss resulting from a property foreclosure, up to a specific amount. PMI, which is purchased by the borrower but protects the lender, is sometimes confused with mortgage life insurance, a life insurance product that pays off the mortgage if the borrower dies before the loan is repaid. Banks generally require PMI for all borrowers with down payments of less than 20 percent. The industry's combined ratio, a measure of profitability, deteriorated significantly in 2007 and 2008, reflecting the economic downturn and the subsequent rise in mortgage defaults. The combined ratio improved, dropping 17.5 points in 2009 as conditions began to ease, and fell by another 3.4 points in 2010.

MORTGAGE GUARANTY INSURANCE, 2001-2010

(\$000)

Year	Net premiums written ¹	Annual percent change	Combined ratio ²	Annual point change ³
2001	\$3,734,987	9.8%	52.0	4.7 pts.
2002	3,980,889	6.6	58.2	6.2
2003	4,315,463	8.4	67.5	9.3
2004	4,316,131	0.0	75.0	7.5
2005	4,429,402	2.6	71.8	-3.2
2006	4,563,852	3.0	71.8	-0.1
2007	5,189,894	13.7	129.5	57.7
2008	5,367,720	3.4	219.9	90.4
2009	4,570,092	-14.9	202.4	-17.5
2010	4,246,677	-7.1	199.0	-3.4

¹After reinsurance transactions, excluding state funds. ²After dividends to policyholders. A drop in the combined ratio represents an improvement; an increase represents a deterioration. ³Calculated from unrounded data.

Source: SNL Financial LC.

Property/Casualty Insurance by Line

Commercial Lines

TOP TEN MORTGAGE GUARANTY INSURANCE GROUPS/COMPANIES BY DIRECT PREMIUMS WRITTEN, 2010¹

(\$000)

Rank	Group/company	Direct premiums written	Market share
1	MGIC Investment Corp.	\$1,079,369	22.6%
2	Radian Group Inc.	789,593	16.5
3	American International Group	727,227	15.2
4	PMI Group Inc.	707,685	14.8
5	Genworth Financial Inc.	655,122	13.7
6	Old Republic International Corp.	518,898	10.8
7	Triad Guaranty Inc.	216,016	4.5
8	CMG Mortgage Insurance Group	91,491	1.9
9	Essent US Holdings Inc.	219	²
10	Southern Pioneer P&C Insurance Co.	170	²

¹Before reinsurance transactions, excluding state funds.

²Less than 0.1 percent.

Source: SNL Financial LC.

Financial Guaranty Insurance

Financial guaranty insurance, also known as bond insurance, helps expand the financial markets by increasing borrower and lender leverage. Starting in the 1970s, surety bonds began to be used to guarantee the principal and interest payments on municipal obligations. This made the bonds more attractive to investors and at the same time benefited bond issuers because having the insurance lowered their borrowing costs. Initially, financial guaranty insurance was considered a special category of surety. It became a separate line of insurance in 1986.

Financial guaranty insurers are specialized, highly capitalized companies that traditionally have had the highest rating. The insurer's high rating attaches to the bonds, lowering the riskiness of the bonds to investors. With their credit rating thus enhanced, municipalities can issue bonds that pay a lower interest rate, enabling them to borrow more for the same outlay of funds.

Over the years financial guaranty insurers have expanded their reach beyond municipal bonds and now insure a wide array of products, including mortgage-backed securities, pools of credit default swaps and other structured transactions. Recent problems in the credit markets have taken a toll on financial guaranty insurers as they confront heavy losses related to these structured instruments.

Property/Casualty Insurance by Line

Commercial Lines

FINANCIAL GUARANTY INSURANCE, 2001-2010

(\$000)

Year	Net premiums written ¹	Annual percent change	Combined ratio ²	Annual point change ³
2001	\$1,913,150	33.4%	25.8	-11.3 pts.
2002	2,596,750	35.7	29.2	3.4
2003	3,506,363	35.0	24.8	-4.4
2004	3,118,566	-11.1	39.7	14.9
2005	3,006,829	-3.6	34.1	-5.6
2006	3,075,577	2.3	38.8	4.7
2007	3,038,967	-1.2	155.8	117.0
2008	3,171,561	4.4	422.5	266.7
2009	1,793,428	-43.5	101.2	-321.4
2010	1,371,908	-23.5	227.3	126.1

¹After reinsurance transactions, excluding state funds. ²After dividends to policyholders. A drop in the combined ratio represents an improvement; an increase represents a deterioration. ³Calculated from unrounded data.

Source: SNL Financial LC.

TOP TEN WRITERS OF FINANCIAL GUARANTY INSURANCE BY DIRECT PREMIUMS WRITTEN, 2010¹

(\$000)

Rank	Group/company	Direct premiums written	Market share
1	Assured Guaranty Ltd.	\$636,860	44.0%
2	MBIA Inc.	352,363	24.4
3	Ambac Financial Group Inc.	243,002	16.8
4	Financial Guaranty Insurance Co.	71,567	4.9
5	Syncora Holdings Ltd.	69,600	4.8
6	Radian Group Inc.	49,350	3.4
7	CIFG Assurance North America Inc.	20,249	1.4
8	Stonebridge Casualty Insurance Co.	3,000	0.2
9	ACA Financial Guaranty Corp.	487	²
10	Century Insurance Co. (Guam) Ltd.	32	²

¹Before reinsurance transactions, excluding state funds.

²Less than 0.1 percent.

Source: SNL Financial LC.

Property/Casualty Insurance by Line

Commercial Lines

Burglary and Theft and Boiler and Machinery Insurance

Burglary and theft insurance covers the loss of property, money and securities due to burglary, robbery or larceny. Boiler and machinery insurance is also known as mechanical breakdown, equipment breakdown or systems breakdown coverage. Among the types of equipment covered by this insurance are heating, cooling, electrical, telephone/communications and computer equipment.

BURGLARY AND THEFT INSURANCE, 2001-2010

(\$000)

Year	Net premiums written ¹	Annual percent change	Combined ratio ²	Annual point change ³
2001	\$121,486	4.6%	71.6	1.0 pts.
2002	113,493	-6.6	53.6	-18.0
2003	123,677	9.0	66.9	13.2
2004	138,281	11.8	69.0	2.1
2005	119,822	-13.3	63.6	-5.4
2006	142,908	19.3	63.8	0.2
2007	160,665	12.4	56.2	-7.6
2008	160,550	-0.1	48.5	-7.7
2009	152,009	-5.3	59.4	11.0
2010	167,099	9.9	69.4	9.9

¹After reinsurance transactions, excluding state funds. ²After dividends to policyholders. A drop in the combined ratio represents an improvement; an increase represents a deterioration. ³Calculated from unrounded data.

Source: SNL Financial LC.

BOILER AND MACHINERY INSURANCE, 2001-2010

(\$000)

Year	Net premiums written ¹	Annual percent change	Combined ratio ²	Annual point change ³
2001	\$1,078,582	11.4%	90.8	-4.0 pts.
2002	1,410,205	30.7	74.4	-16.3
2003	1,591,870	12.9	68.4	-6.0
2004	1,572,452	-1.2	66.5	-2.0
2005	1,583,856	0.7	60.5	-6.0
2006	1,675,348	5.8	73.2	12.7
2007	1,741,332	3.9	73.1	-0.1
2008	1,729,073	-0.7	87.7	14.7
2009	1,801,949	4.2	71.7	-16.1
2010	1,718,215	-4.6	71.6	-0.1

¹After reinsurance transactions, excluding state funds. ²After dividends to policyholders. A drop in the combined ratio represents an improvement; an increase represents a deterioration. ³Calculated from unrounded data.

Source: SNL Financial LC.

Crop Insurance

There are two kinds of crop insurance: crop-hail, which is provided by the private market and covers just hail, fire and wind; and federally sponsored multiple peril crop insurance, which is sold and serviced by the private market but subsidized and reinsured by the federal government.

CROP-HAIL INSURANCE, 2001-2010

(\$000)

Year	Direct premiums written ¹	Annual percent change	Loss ratio ²	Annual point change
2001	\$433,743	-7.4%	69	1 pt.
2002	405,003	-6.6	70	1
2003	422,137	4.2	56	-14
2004	427,567	1.3	58	2
2005	434,711	1.7	44	-14
2006	405,254	-6.8	50	4
2007	489,649	20.8	48	-2
2008	669,436	36.7	83	35
2009	621,322	-7.2	91	8
2010	682,210	9.8	67	-24

¹Before reinsurance transactions, total for all policyholders of crop-hail insurance.

²The percentage of each premium dollar spent on claims and associated costs. A drop in the loss ratio represents an improvement; an increase represents a deterioration.

Source: National Crop Insurance Services.

MULTIPLE PERIL CROP INSURANCE, 2001-2010

(\$000)

Year	Net premiums written ¹	Annual percent change	Combined ratio ²	Annual point change ³
2001	\$1,236,984	48.2%	103.4	7.3 pts.
2002	2,226,403	80.0	123.9	20.5
2003	1,581,857	-29.0	106.8	-17.1
2004	2,204,523	39.4	76.0	-30.8
2005	2,234,632	1.4	92.1	16.0
2006	2,824,770	26.4	77.9	-14.1
2007	3,648,998	29.2	74.7	-3.2
2008	5,077,615	39.2	89.9	15.2
2009	3,962,049	-22.0	79.7	-10.2
2010	3,501,632	-11.6	73.9	-5.9

¹After reinsurance transactions, excluding state funds. ²After dividends to policyholders. A drop in the combined ratio represents an improvement; an increase represents a deterioration. ³Calculated from unrounded data.

Source: SNL Financial LC.

Property/Casualty Insurance by Line

Commercial Lines

Warranty Insurance

Warranty insurance coverage compensates for the cost of repairing or replacing defective products past the normal warranty period provided by manufacturers.

WARRANTY INSURANCE, 2008-2010

(\$000)

Year	Net premiums written ¹	Annual percent change	Combined ratio ²	Annual point change ³
2008	\$2,086,930	NA	94.3	NA
2009	1,757,250	-15.8%	97.4	3.1 pts.
2010	1,864,134	6.1	107.2	9.8

¹After reinsurance transactions, excluding state funds.

²After dividends to policyholders. A drop in the combined ratio represents an improvement; an increase represents a deterioration.

³Calculated from unrounded data.

NA=Data not available.

Source: SNL Financial LC.

TOP TEN WRITERS OF WARRANTY INSURANCE BY DIRECT PREMIUMS WRITTEN, 2010¹

(\$000)

Rank	Company/group	Direct premiums written	Market share
1	American International Group	\$885,551	31.7%
2	GMAC Insurance Group	470,999	16.9
3	Virginia Surety Co.	283,739	10.2
4	Zurich Financial Services Ltd.	226,415	8.1
5	AmTrust Financial Services	151,323	5.4
6	Courtesy Insurance Co.	125,879	4.5
7	American Road Insurance Co.	91,319	3.3
8	Wells Fargo & Co.	82,357	3.0
9	Dealers Assurance Co.	78,599	2.8
10	Old United Casualty Co.	74,915	2.7

¹Before reinsurance transactions, excluding state funds.

Source: SNL Financial LC.

World Insurance Losses

Insured losses span a wide range of catastrophes from weather-related events such as windstorms and floods to man-made disasters such as riots and satellite failures. Global insured catastrophe losses rose from \$27 billion in 2009 to \$43 billion in 2010.

In 2011 an exceptional spate of natural catastrophes during the first half of the year caused insured losses of about \$60 billion. The lion's share of first-half 2011 losses were caused by a March 2011 earthquake in Japan. Munich Re puts insured losses for the quake at up to \$30 billion. In the United States a very active thunderstorm season resulted in insured losses of \$23 billion in the first half of 2011.

THE FIFTEEN MOST COSTLY WORLD INSURANCE LOSSES, 2010¹

(\$ millions)

Rank	Date	Country	Event	Insured loss in U.S. dollars
1	Feb. 27	Chile	Earthquake (Mw 8.8) triggers tsunami, over 200 aftershocks	\$8,000
2	Sep. 4	New Zealand	Earthquake (Mw 7.0), over 300 aftershocks	4,453
3	Feb. 27	France, Germany, Belgium et al.	Winter storm Xynthia, winds up to 160 km/h	2,754
4	Oct. 4	U.S.	Thunderstorms, tornadoes, hail, floods	2,165
5	Dec. 23	Australia	Floods caused by heavy rains, tropical cyclone Tasha	2,050
6	May 12	U.S.	Storms, winds up to 130 km/h, hail	2,000
7	Mar. 13	U.S.	Storm, winds up to 120 km/h, heavy rain, floods	1,231
8	Mar. 22	Australia	Storm, winds up to 120 km/h, hail, rain, mudslides	1,079
9	Mar. 6	Australia	Storms, hail, rain, floods	1,070
10	Apr. 20	Gulf of Mexico, U.S.	Explosion on Deepwater Horizon oil rig	1,000
11	Apr. 30	U.S.	Floods caused by heavy rain, storms	820
12	Jun. 15	France	Floods caused by heavy rain	818
13	Jul. 20	U.S.	Storms, floods, hail, tornado	785
14	May 29	China	Floods, mudslides caused by heavy monsoonal rain	761
15	Jun. 10	U.S.	Storms, winds up to 97 km/h, hail, heavy rain, floods	695

¹Property and business interruption losses, excluding life and liability losses. Loss data shown here may differ from figures shown elsewhere for the same event due to differences in the date of publication, the geographical area covered and other criteria used by organizations collecting the data.

Source: Swiss Re, *sigma*, No. 1/2011; The Property Claim Services (PCS) unit of ISO, a Verisk Analytics company, insured losses for natural catastrophes in the United States.

Losses

Major Catastrophes: World

THE TEN MOST COSTLY WORLD INSURANCE LOSSES, 1970-2010¹

(\$ millions)

Rank	Date	Country	Event	Insured loss in 2010 U.S. dollars ²
1	Aug. 25, 2005	U.S., Gulf of Mexico, Bahamas, North Atlantic	Hurricane Katrina; floods, dams burst, damage to oil rigs	\$72,302
2	Aug. 23, 1992	U.S., Bahamas	Hurricane Andrew: floods	24,870
3	Sep. 11, 2001	U.S.	Terror attacks on WTC, Pentagon and other buildings	23,131
4	Jan. 17, 1994	U.S.	Northridge earthquake (M 6.6)	20,601
5	Sep. 6, 2008	U.S., Caribbean: Gulf of Mexico et al.	Hurricane Ike; floods, offshore damage	20,483
6	Sep. 2, 2004	U.S., Caribbean; Barbados et al.	Hurricane Ivan; damage to oil rigs	14,876
7	Oct. 19, 2005	U.S., Mexico, Jamaica, Haiti et al.	Hurricane Wilma; floods	14,028
8	Sep. 20, 2005	U.S., Gulf of Mexico, Cuba	Hurricane Rita; floods, damage to oil rigs	11,266
9	Aug. 11, 2004	U.S., Cuba, Jamaica et al.	Hurricane Charley; floods	9,295
10	Sep. 27, 1991	Japan	Typhoon Mireille/No. 19	9,041

¹Property and business interruption losses, excluding life and liability losses. Includes flood losses in the United States insured via the National Flood Insurance Program. ²Adjusted to 2010 dollars by Swiss Re. Note: Loss data shown here may differ from figures shown elsewhere for the same event due to differences in the date of publication, the geographical area covered and other criteria used by organizations collecting the data.

Source: Swiss Re, *sigma*, No. 1/2011.

WORLD INSURED CATASTROPHE LOSSES, 2001-2010¹

(2010 \$ millions)

Year	Weather-related natural catastrophes	Earthquake/tsunami	Man-made disasters	Total
2001	\$12,916	\$795	\$31,280	\$44,991
2002	14,912	0	3,618	18,530
2003	19,135	516	3,876	23,527
2004	48,594	3,068	4,000	55,663
2005	112,817	261	6,136	119,215
2006	13,076	88	5,951	19,114
2007	24,071	512	6,114	30,697
2008	42,769	427	8,127	51,323
2009	22,062	619	4,280	26,961
2010	26,926	12,943	3,606	43,475

¹In order to maintain comparability of the data over the course of time, the minimum threshold for losses was adjusted annually to compensate for inflation in the United States. Adjusted to 2010 dollars by Swiss Re.

Source: Swiss Re, *sigma*, No. 1/2011.

Major Catastrophes: World

THE TEN DEADLIEST WORLD CATASTROPHES, 2010¹

Rank	Date	Country	Event	Victims
1	Jan. 12	Haiti	Earthquake (Mw 7.0), aftershocks	222,570
2	Jun. 15	Russia, Czech Republic	Heat wave with temperatures up to 40 degrees Celsius	55,630
3	Apr. 14	China	Earthquake (Mw 6.9), aftershocks	2,968
4	May 29	China	Floods, mudslides caused by heavy monsoonal rain	2,490
5	Jul. 21	Pakistan	Floods caused by heavy monsoonal rains	1,980
6	Aug. 8	China	Mudslide caused by heavy rain	1,765
7	Feb. 27	Chile	Earthquake (Mw 8.8) triggers tsunami, more than 200 aftershocks	562
8	Oct. 25	Indonesia	Earthquake (Mw 7.8) triggers tsunami	545
9	Jul. 17	Peru, Chile, Argentina et al.	Cold wave with temperatures close to freezing	522
10	Feb. 25	Uganda	Floods and landslides caused by heavy rain	400

¹Dead and missing.

Source: Swiss Re, *sigma*, No. 1/2011.

THE TEN DEADLIEST WORLD CATASTROPHES, 1970-2010¹

Rank	Date	Country	Event	Victims
1	Nov. 14, 1970	Bangladesh, Bay of Bengal	Storm and flood catastrophe	300,000
2	Jul. 28, 1976	China	Earthquake (M 7.5)	255,000
3	Jan. 12, 2010	Haiti	Earthquake (Mw 7.0)	222,570
4	Dec. 26, 2004	Indonesia, Thailand et al.	Earthquake (Mw 9.0), tsunami in Indian Ocean	220,000
5	May 2, 2008	Myanmar (Burma), Bay of Bengal	Tropical cyclone Nargis; Irrawaddy Delta flooded	138,300
6	Apr. 29, 1991	Bangladesh	Tropical cyclone Gorky	138,000
7	May 12, 2008	China	Earthquake (Mw 7.9) in Sichuan, aftershocks	87,449
8	Oct. 8, 2005	Pakistan, India, Afghanistan	Earthquake (Mw 7.6); aftershocks, landslides	73,300
9	May 31, 1970	Peru	Earthquake (M 7.7); rock slides	66,000
10	Jun. 15, 2010	Russia	Heat wave in Russia	55,630

¹Dead and missing.

Source: Swiss Re, *sigma*, No. 1/2011.

Losses

Major Catastrophes: World/United States

THE TEN COSTLIEST WORLD EARTHQUAKES/TSUNAMIS BY INSURED LOSSES, 1980-2011¹

(\$ millions)

Rank	Date	Location	Losses when occurred		Fatalities
			Overall	Insured	
1	Mar. 11, 2011	Japan: Honshu, Aomori, Tohoku; Miyagi, Sendai; Fukushima, Mito; Ibaraki; Tochigi, Utsunomiya	\$210,000	\$30,000 ³	15,500
2	Jan. 17, 1994	USA: CA: Northridge, Los Angeles, San Fernando Valley, Ventura, Orange	44,000	15,300	60
3	Feb. 22, 2011	New Zealand: South Island, Canterbury, Christchurch, Lyttelton	20,000	more than 10,000	181
4	Feb. 27, 2010	Chile: Bio Bio, Concepcion, Talcahuano, Coronel, Dichato, Chillan; Del Maule, Talca, Curico. Includes tsunami	30,000	8,000	520
5	Sep. 3, 2010	New Zealand: Canterbury, Christchurch, Avonside, Omihi, Timaru, Kaiapoi, Lyttelton	6,500	5,000	NA
6	Jan. 17, 1995	Japan: Prefecture Hyogo, Kobe, Osaka, Kyoto	100,000	3,000	6,430
7	Dec. 26, 2004	Sri Lanka; Indonesia; Thailand; India; Bangladesh; Myanmar; Maldives; Malaysia. Includes tsunami ⁴	10,000	1,000	220,000
8	Oct. 17, 1989	USA: CA: Loma Prieta, Santa Cruz, San Francisco, Oakland, Berkeley, Silicon Valley	10,000	960	70
9	Oct. 23, 2004	Japan: Honshu, Niigata, Ojiya, Tokyo, Nagaoka, Yamakoshi ⁴	28,000	760	45
10	Sep. 21, 1999	Taiwan: Nantou, Hsinchuang, Taichung, Puli, Toului, Yun-lin, Chungghwa	14,000	750	2,400

¹As of July 2011. ²Based on property losses including, if applicable, agricultural, offshore, marine, aviation and National Flood Insurance Program losses in the United States and may differ from data shown elsewhere. ³Estimated. ⁴Multiple earthquakes.

NA=Data not available.

Source: © 2011 Munich Re, Geo Risks Research, NatCatSERVICE.

Major Catastrophes: United States

ISO defines a catastrophe as an event that causes \$25 million or more in insured property losses and affects a significant number of property/casualty policyholders and insurers. The estimates in the following chart represent anticipated insured losses from catastrophes on an industrywide basis, reflecting the total net insurance payment for personal and commercial property lines of insurance covering fixed property, vehicles, boats, related-property items, business interruption and additional living expenses. They exclude loss-adjustment expenses. Catastrophe losses totaled \$14.1 billion in 2010, \$3.6 billion more than in 2009, when catastrophes totaled \$10.5 billion. There were 33 catastrophes in 2010, up from 27 in 2009. U.S. catastrophe losses, mostly from tornadoes, caused an unprecedented \$23 billion for the first half of 2011. This does not include losses from Hurricane Irene in August, which risk modelers put at about \$4 billion.

Major Catastrophes: United States

CATASTROPHES BY QUARTER, 2010¹

(\$ millions)

Quarter	Insured losses	Number of catastrophes
1	\$2,570	7
2	6,380	14
3	2,030	8
4	3,135	4
Full year	\$14,115	33

¹Does not include flood damage covered by the federally administered National Flood Insurance Program.

Note: Insured loss to the industry resulting from an occurrence that reaches at least \$25 million and affects a significant number of policyholders and insurers.

Source: The Property Claim Services (PCS) unit of ISO, a Verisk Analytics company.

NATURAL CATASTROPHE LOSSES IN THE UNITED STATES, 2010

(\$ millions)

Event	Fatalities	Estimated overall losses	Estimated insured losses ¹
Severe thunderstorms ²	56	\$13,185	\$9,503
Winter storms	64	3,734	2,625
Floods	68	2,933	1,059
Wildfires	1	314	210
Earthquakes	0	200	128
Tropical cyclones ³	8	200	120

¹Based on property losses including, if applicable, agricultural, offshore, marine, aviation and National Flood Insurance Program losses and may differ from data shown elsewhere. As of December 31, 2010.

²Includes tornadoes.

³Includes hurricanes.

Source: Munich Re, 2010 Natural Catastrophe Year in Review Webinar.

TOP FIVE STATES BY HIGHEST INSURED CATASTROPHE LOSSES, 2010

(\$ millions)

Rank	State	Estimated insured loss
1	Arizona	\$2,533
2	Oklahoma	2,209
3	Pennsylvania	759
4	Illinois	691
5	Colorado	672

Note: Insured loss to the industry resulting from an occurrence that reaches at least \$25 million and affects a significant number of policyholders and insurers.

Source: The Property Claim Services (PCS) unit of ISO, a Verisk Analytics company.

Losses

Major Catastrophes: United States

THE TEN MOST COSTLY CATASTROPHES, UNITED STATES¹

(\$ millions)

Rank	Date	Peril	Insured property losses	
			Dollars when occurred	In 2010 dollars ²
1	Aug. 2005	Hurricane Katrina	\$41,100	\$45,481
2	Sep. 2001	Fire, Explosion: World Trade Center, Pentagon terrorist attacks	18,779	22,924
3	Aug. 1992	Hurricane Andrew	15,500	22,412
4	Jan. 1994	Northridge, CA earthquake	12,500	17,318
5	Sep. 2008	Hurricane Ike	12,500	12,735
6	Oct. 2005	Hurricane Wilma	10,300	11,398
7	Aug. 2004	Hurricane Charley	7,475	8,548
8	Sep. 2004	Hurricane Ivan	7,110	8,130
9	Sep. 1989	Hurricane Hugo	4,195	6,678
10	Sep. 2005	Hurricane Rita	5,627	6,227

¹Property coverage only. Does not include flood damage covered by the federally administered National Flood Insurance Program.

²Adjusted for inflation through 2010 by ISO using the GDP implicit price deflator.

Source: The Property Claim Services (PCS) unit of ISO, a Verisk Analytics company.

INSURED LOSSES, U.S. CATASTROPHES, 2001-2010¹

Year	Number of catastrophes	Number of claims (millions)	Dollars when occurred (\$ billions)	In 2010 dollars ² (\$ billions)
2001	20	1.5	\$26.5	\$32.4
2002	25	1.8	5.9	7.0
2003	21	2.7	12.9	15.2
2004	22	3.4	27.5	31.4
2005	24	4.4	62.3	68.9
2006	31	2.3	9.2	9.9
2007	23	1.2	6.7	7.0
2008	36	4.1	27.0	27.6
2009	27	2.2	10.5	10.6
2010	33	2.4	14.1	14.1

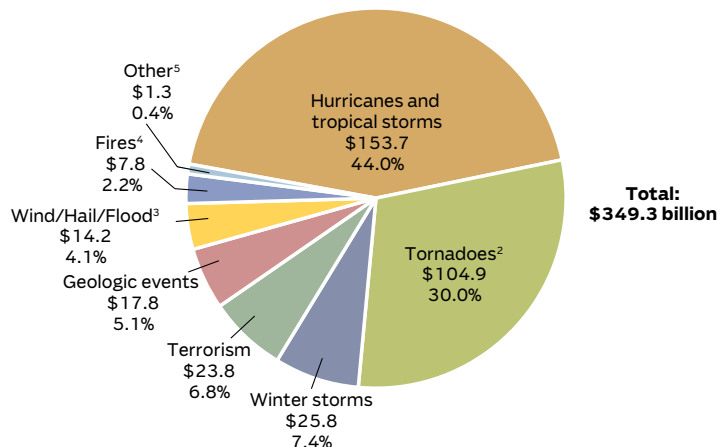
¹Includes catastrophes causing insured losses to the industry of at least \$25 million and affecting a significant number of policyholders and insurers. Does not include flood damage covered by the federally administered National Flood Insurance Program.

²Adjusted to 2010 dollars by ISO using the GDP implicit price deflator.

Source: The Property Claim Services (PCS) unit of ISO, a Verisk Analytics company.

Major Catastrophes: United States

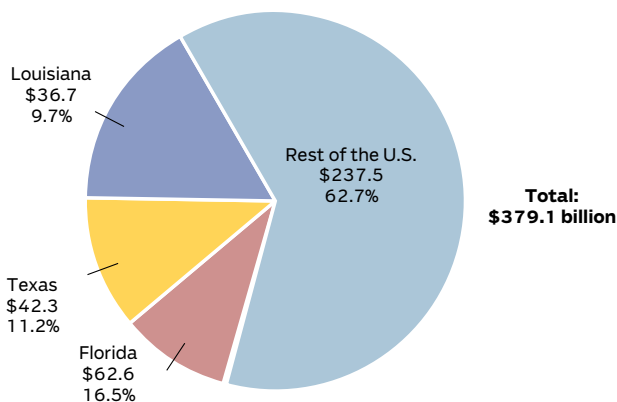
INFLATION ADJUSTED U.S. CATASTROPHE LOSSES BY CAUSE OF LOSS, 1991-2010¹ (2010 \$ billions)



¹Adjusted for inflation by ISO using the GDP implicit price deflator. Excludes catastrophes causing direct insured losses less than \$25 million in 1997 dollars. ²Excludes snow. ³Does not include flood damage covered by the federally administered National Flood Insurance Program. ⁴Includes wildland fires. ⁵Includes civil disorders, water damage, and non-property losses such as those covered by workers compensation.

Source: The Property Claim Services (PCS) unit of ISO, a Verisk Analytics company.

TOP THREE STATES BY INFLATION-ADJUSTED CATASTROPHE LOSSES, 1980-2010¹ (2010 \$ billions)



¹Adjusted for inflation by ISO using the GDP implicit price deflator. Percentages do not sum to 100 because of rounding.

Source: The Property Claim Services (PCS) unit of ISO, a Verisk Analytics company.

Major Catastrophes: Hurricanes

Hurricanes are tropical cyclones. A hurricane's winds revolve around a center of low pressure, expressed in millibars (mb) or inches of mercury. Hurricanes are categorized on the Saffir-Simpson Hurricane Wind Scale, which has a range of from 1 to 5, based on the hurricane's intensity at the time of landfall at the location experiencing the strongest winds. The scale provides examples of the type of damage and impacts in the United States associated with winds of the indicated intensity, but does not address the potential for other hurricane-related phenomena such as storm surge, rainfall-induced floods and tornadoes. The Saffir-Simpson Hurricane Wind Scale, which was introduced in 2009 and modified in 2010, replaces the Saffir-Simpson Scale which tied specific storm surge and flooding effects to each category of hurricane. The National Oceanic and Atmospheric Administration found that storm surge values varied widely, depending on the size of the storm, among several other factors, and thus often fell significantly outside the ranges suggested in the original scale.

Insured losses from hurricanes rose in the past decade as hurricane activity intensified. When adjusted for inflation, eight of the 10 most costly hurricanes in U.S. history have struck since 2004. In addition to the increase in storm activity, building along the Gulf and East Coasts has continued to develop and property values have increased.

THE SAFFIR-SIMPSON HURRICANE WIND SCALE

Category	Sustained wind speeds (mph)	Wind damage	Historical example
1	74-95	Very dangerous winds will produce some damage	Hurricane Dolly, 2008, South Padre Island, Texas
2	96-110	Extremely dangerous winds will cause extensive damage	Hurricane Frances, 2004, Port St. Lucie, Florida
3	111-130	Devastating damage will occur	Hurricane Ivan, 2004, Gulf Shores, Alabama
4	131-155	Catastrophic damage will occur	Hurricane Charley, 2004, Punta Gorda, Florida
5	More than 155	Catastrophic damage will occur	Hurricane Andrew, 1992, Cutler Ridge, Florida

Source: U.S. Department of Commerce, National Oceanic and Atmospheric Administration, National Hurricane Center.

Major Catastrophes: Hurricanes

HURRICANES AND RELATED DEATHS IN THE UNITED STATES, 1991-2010

Year	Total hurricanes	Made landfall as hurricane in the U.S.	Deaths ¹	Year	Total hurricanes	Made landfall as hurricane in the U.S.	Deaths ¹
1991	1	1	18	2001	9	0	42
1992	4	1	27	2002	4	1	5
1993	1	1	3	2003	7	2	24
1994	1	0	8	2004	9	6 ²	59
1995	3	3	29	2005	15	7	1,518
1996	3	2	59	2006	5	0	0
1997	1	1	6	2007	6	1	1
1998	10	3	23	2008	8	4 ³	41
1999	8	2	60	2009	3	1 ⁴	6
2000	8	0	4	2010	12	0	11

¹Includes fatalities from high winds of less than hurricane force from tropical storms.

²One hurricane (Alex) is considered a strike but not technically a landfall.

³Includes Hurricane Hanna, which made landfall as a tropical storm.

⁴Hurricane Ida, which made landfall as a tropical storm.

Source: Insurance Information Institute from data supplied by the U.S. Department of Commerce, National Oceanic and Atmospheric Administration, National Hurricane Center.

THE TEN DEADLIEST MAINLAND U.S. HURRICANES¹

Rank	Hurricane	Year	Category	Deaths
1	Texas (Galveston)	1900	4	8,000 ²
2	Florida (Southeast; Lake Okeechobee)	1928	4	2,500 ³
3	Hurricane Katrina (Southeast Louisiana; Mississippi)	2005	3	1,200
4	Louisiana (Cheniere Caminanda)	1893	4	1,100-1,400 ⁴
5	South Carolina; Georgia (Sea Islands)	1893	3	1,000-2,000
6	Georgia; South Carolina	1881	2	700
7	Hurricane Audrey (Southwest Louisiana; North Texas)	1957	4	416
8	Florida (Keys)	1935	5	408
9	Louisiana (Last Island)	1856	4	400
10	Florida (Miami, Pensacola); Mississippi; Alabama	1926	4	372

¹Based on a National Hurricane Center analysis of mainland U.S. tropical cyclones from 1851-2010.

²Could be as high as 12,000.

³Could be as high as 3,000.

⁴Total including offshore deaths is near 2,000.

⁵Total including offshore deaths is 600.

Source: U.S. Department of Commerce, National Oceanic and Atmospheric Administration, National Hurricane Center.

The 2010 and 2011 Atlantic Hurricane Seasons

The 2010 Atlantic hurricane season was extremely active, with 19 named storms, including 12 hurricanes. Five hurricanes were classified as major, Category 3 or higher, with wind speeds of 111 mph or more. The number of named storms and hurricanes in 2010 was the highest since the record 2005 season, according to the National Weather Service. However, no hurricanes made landfall in the U.S. Tropical Storm Hermine caused \$120 million in insured losses in Texas and Oklahoma, according to Munich Re. By contrast, the season was devastating for the Caribbean, Central America and Mexico, with massive property damage and at least 200 fatalities from hurricanes Alex and Karl and Tropical Storms Hermine, Matthew and Nicole. Hurricane Alex was the first June hurricane since 1995.

By mid-November 2011, there had been 18 named storms, six of which became hurricanes. Two of them, hurricanes Irene and Katia, became Category 3 storms. Irene passed over Puerto Rico on August 22 and strengthened into a major hurricane on August 25 over the Bahamas. Irene, the first hurricane to hit the U.S. since Hurricane Ike in 2008, made landfall in the United States near Cape Lookout, North Carolina, on August 27 as a Category 1 storm and moved northward up the Atlantic seaboard, causing major flooding in New Jersey, upstate New York and Vermont. The insurance claims payouts resulting from Hurricane Irene are estimated at around \$4 billion, according to risk modelers. It caused 40 deaths and impacted 14 states in all. Hurricane Katia was a Category 4 storm at its most intense on September 5 but did not make landfall in the United States. Tropical Storm Lee made landfall in south central Louisiana on September 4 bringing more flooding rains to the East Coast.

CATASTROPHIC HURRICANE LOSSES IN THE UNITED STATES, 2001-2010

Year	Number of catastrophic hurricanes ¹	Insured loss		Year	Number of catastrophic hurricanes ¹	Insured loss	
		Dollars when occurred	In 2010 dollars ²			Dollars when occurred	In 2010 dollars ²
2001 ³	0	NA	NA	2006 ³	0	NA	NA
2002	1	\$430.0 million	\$516.6 million	2007 ³	0	NA	NA
2003	2	1.8 billion	2.1 billion	2008	3	\$15.2 billion	\$15.5 billion
2004	5	22.9 billion	26.2 billion	2009 ³	0	NA	NA
2005	6	58.3 billion	64.6 billion	2010 ³	0	NA	NA

¹Major hurricanes causing at least \$25 million in insured property losses and affecting a significant number of policyholders and insurers.

²Adjusted for inflation through 2010 by ISO using the GDP implicit price deflator.

³No wind event met the PCS catastrophe definition.

NA=Not applicable.

Source: The Property Claim Services (PCS) unit of ISO, a Verisk Analytics company.

Major Catastrophes: Hurricanes

The chart below ranks historic hurricanes based on their insured losses, adjusted for inflation. The second chart uses a computer model to estimate the losses that major hurricanes of the past would produce today according to current exposures.

TOP TEN MOST COSTLY HURRICANES IN THE UNITED STATES¹

(\$ millions)

Rank	Date	Location	Hurricane	Estimated insured loss ²	
				Dollars when occurred	In 2010 dollars ³
1	Aug. 25-30, 2005	AL, FL, GA, LA, MS, TN	Katrina	\$41,100	\$45,481
2	Aug. 24-26, 1992	FL, LA	Andrew	15,500	22,412
3	Sep. 12-14, 2008	AR, IL, IN, KY, LA, MO, OH, PA, TX	Ike	12,500	12,735
4	Oct. 24, 2005	FL	Wilma	10,300	11,398
5	Aug. 13-14, 2004	FL, NC, SC	Charley	7,475	8,548
6	Sep. 15-21, 2004	AL, DE, FL, GA, LA, MD, MS, NJ, NY, NC, OH, PA, TN, VA, WV	Ivan	7,110	8,130
7	Sep. 17-22, 1989	GA, NC, PR, SC, VA, U.S. Virgin Islands	Hugo	4,195	6,678
8	Sep. 20-26, 2005	AL, AR, FL, LA, MS, TN, TX	Rita	5,627	6,227
9	Sep. 3-9, 2004	FL, GA, NY, NC, SC	Frances	4,595	5,254
10	Sep. 15-29, 2004	DE, FL, GA, MD, NJ, NY, NC, PA, PR, SC, VA	Jeanne	3,655	4,180

¹Includes hurricanes occurring through 2010. ²Property coverage only. Does not include flood damage covered by the federally administered National Flood Insurance Program. ³Adjusted for inflation through 2010 by ISO using the GDP implicit price deflator.

Source: The Property Claim Services (PCS) unit of ISO, a Verisk Analytics company.

ESTIMATED INSURED LOSSES FOR THE TOP TEN HISTORICAL HURRICANES BASED ON CURRENT EXPOSURES¹

(\$ billions)

Rank	Date	Hurricane	Insured loss (current exposures)
1	Sep. 18, 1926	Miami Hurricane	\$101
2	Aug. 24, 1992	Hurricane Andrew	57
3	Sep. 17, 1947	1947 Fort Lauderdale Hurricane	55
4	Sep. 17, 1928	Great Okeechobee Hurricane	51
5	Aug. 29, 2005	Hurricane Katrina	42
6	Sep. 9, 1900	Galveston Storm of 1900	40
7	Sep. 21, 1938	1938 Long Island Express	38
8	Sep. 9, 1965	Hurricane Betsy	36
9	Sep. 10, 1960	Hurricane Donna	31
10	Sep. 5, 1950	Hurricane Easy	21

¹Modeled loss to property, contents, and business interruption and additional living expenses for residential, mobile home, commercial and auto exposures as of December 31, 2008. Losses include demand surge.

Source: AIR Worldwide Corporation.

Major Catastrophes: Winter Storms

THE FIFTEEN COSTLIEST U.S. WINTERS BY INSURED LOSSES¹

(\$ millions)

Rank	Date	Event	Location	Overall economic losses	Insured losses when occurred ²	Deaths
1	Mar. 11-14, 1993	Blizzard	24 states affected	\$5,000	\$1,980	270
2	Apr. 13-17, 2007	Winter storm, tornadoes, floods	Northeast, Southeast, South: CT, D.C., DE, GA, LA, MA, MD, ME, MS, NC, NH, NJ, NY, PA, RI, SC, TX, VA, VT, WV	2,000	1,575	19
3	Dec. 10-13, 1992	Winter storm	Northeast, Midwest: VA, MD, DE, NJ, NY, CT, RI, MA, NE	3,000	1,000	19
4	Dec. 17-30, 1983	Winter storms	FL, GA, ID, IL, IN, IA, KS, KY, LA, MD, MA, MI, MN, MS, MO, MT, NE, NJ, NY, NC, ND, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VA, WA, WV, WI, WY	1,000	880	500
5	Jan. 17-20, 1994	Winter damage, cold wave	Midwest	1,000	800	70
6	Feb. 10-12, 1994	Winter damage	South, Southeast: TX, OK, AR, LA, MS, AL, TN, GA, SC, NC, VA	3,000	800	9
7	Jan. 1-4, 1999	Winter storm	South, Midwest, Southeast, Northeast: TX, OK, AR, MO, LA, MS, AL, GA, FL, SC, NC, TN, IL, IN, OH, PA, WV, VA, MD, DE, NJ, NY, CT, RI, MA, ME	1,000	775	25
8	Jan. 4-9, 2008	Winter storm	South, Southwest, Midwest, North, Northeast, Northwest: AR, CA, CO, IL, IN, KS, MI, MO, NY, OH, OK, OR, WA, WI, NV	1,000	745	12
9	Jan. 31-Feb. 6, 1996	Winter damage	31 states affected	1,500	735	16
10	Jan. 6-9, 1996	Snowstorm	Midwest, Northeast	1,200	600	85
11	Feb. 9-14, 2010	Winter storm, blizzards, winter damage	VA, KY, SC, MS, MD: Dundalk, Harford; DC, DE, PA, NJ, NY, RI, MA, OH, IL, IA, TX, OK, NC, WV	800	600	NA
12	Jan. 13-16, 1999	Winter damage, ice storm	Midwest, North, Northeast, Southeast: IL, IN, MI, OH, PA, WV, VA, MD, NJ, NY, CT, MA, VT, NH, ME	750	575	NA
13	Jan. 26-28, 2009	Winter damage, ice storm	Southeast, South Central, East, Midwest: AR, IN, KY, MO, OH, OK, WV	1,100	565	58
14	Jan. 22-25, 2000	Winter storm	Southeast, South, Northeast: AL, GA, LA, NC, SC, TN, VA, D.C., NY, PA, MA	700	550	4
15	Jan. 3-10, 1995	Winter storms, flood	Southwest, Northwest, Southeast: CA, OR, FL, GA, LA, NC, SC	1,800	545	33

¹Costliest U.S. winters occurring from 1980 to 2010, based on insured losses when occurred.

²Based on property losses including, if applicable, agricultural, offshore, marine, aviation and National Flood Insurance Program losses in the United States and may differ from data shown elsewhere.

NA=Data not available.

Source: © 2011 Munich Re, Geo Risks Research, NatCatSERVICE.

Major Catastrophes: Floods/Tornadoes

THE TEN MOST SIGNIFICANT FLOOD EVENTS BY NATIONAL FLOOD INSURANCE PROGRAM PAYOUTS¹

Rank	Event	Location	Date	Number of paid losses	Amount paid (\$ millions)	Average paid loss
1	Hurricane Katrina	AL, FL, GA, LA, MS, TN	Aug. 2005	167,397	\$16,208	\$96,821
2	Hurricane Ike	AR, IL, IN, KY, LA, MO, OH, PA, TX	Sep. 2008	46,316	2,642	57,033
3	Hurricane Ivan	AL, DE, FL, GA, LA, MD, MS, NJ, NY, NC, OH, PA, TN, VA, WV	Sep. 2004	27,647	1,586	57,371
4	Tropical Storm Allison	FL, LA, MS, NJ, PA, TX	Jun. 2001	30,663	1,104	36,000
5	Louisiana flood	LA	May 1995	31,343	585	18,667
6	Hurricane Isabel	DE, MD, NJ, NY, NC, PA, VA, WV	Sep. 2003	19,864	493	24,825
7	Hurricane Rita	AL, AR, FL, LA, MS, TN, TX	Sep. 2005	9,514	472	49,562
8	Hurricane Floyd	CT, DE, FL, GA, MA, ME, MD, NH, NJ, NC, PA, SC, VA, VT	Sep. 1999	20,438	462	22,618
9	Hurricane Opal	AL, NC, PR, SC, TN	Oct. 1995	10,343	406	39,208
10	Hurricane Hugo	GA, NC, PR, SC, VA, U.S. Virgin Islands	Sep. 1989	12,840	376	29,317

¹Includes events from 1978 to July 31, 2011. Defined by the National Flood Insurance Program as an event that produces at least 1,500 paid losses. Stated in dollars when occurred. Source: U.S. Department of Homeland Security, Federal Emergency Management Agency.

Tornadoes

A tornado is a violently rotating column of air that extends from a thunderstorm and comes into contact with the ground, as defined by the National Oceanic and Atmospheric Administration (NOAA). In an average year about 1,000 tornadoes are reported nationwide, according to NOAA. Tornado intensity is measured by the enhanced Fujita (EF) scale. The scale rates tornadoes on a scale of 0 through 5, based on the amount and type of wind damage. It incorporates 28 different “damage indicators,” based on damage to a wide variety of structures ranging from trees to shopping malls.

THE FUJITA SCALE FOR TORNADOES

Category	Damage	Original F scale ¹	Enhanced F scale ²
		Wind speed (mph)	3-second gust (mph)
F-0	Light	40-72	65-85
F-1	Moderate	73-112	86-110
F-2	Considerable	113-157	111-135
F-3	Severe	158-207	136-165
F-4	Devastating	208-260	166-200
F-5	Incredible	261-318	Over 200

¹Original scale: wind speeds represent fastest estimated speeds over ¼ mile. ²Enhanced scale: wind speeds represent maximum 3-second gusts. Implemented on February 1, 2007. Source: U.S. Department of Commerce, National Oceanic and Atmospheric Administration.

Losses

Major Catastrophes: Tornadoes

Tornado Losses

While individual hurricanes and earthquakes tend to produce higher losses, tornadoes account for a major share of catastrophe losses because of their frequency. Thunderstorms, which include tornado events, caused \$13.2 billion in economic losses and \$9.5 billion in insured losses in 2010, according to Munich Re. This was the third consecutive year thunderstorms caused over \$9 billion in insured losses. Thunderstorms and tornadoes accounted for the largest share of insured losses from natural disasters in 2010, topping winter storms (\$2.6 billion), floods (\$1.1 billion), earthquakes (\$128 million) and tropical cyclones (\$120 million), according to Munich Re, including data from the National Flood Insurance Program and private insurers. A 2009 A.M. Best study estimates that, on average, tornadoes and related weather events have caused nearly 57 percent of all U.S. insured catastrophe losses in any given year since 1953.

Preliminary National Oceanic and Atmospheric Administration (NOAA) data show that there were about 1,600 tornadoes in the first eleven months of 2011, compared to 1,282 in all of 2010. These 2011 tornadoes caused 548 deaths and about \$10 billion dollars in insured property damage. There were about 748 tornadoes in April, the highest monthly toll on record. In May 2011 a tornado in Joplin, Missouri, and surrounding areas caused 159 deaths, making it the deadliest tornado since modern recordkeeping began in 1950, according to NOAA. ISO's Property Claim Services reports that insurers paid about \$2.2 billion in losses from the Joplin tornado.

TOP TEN STATES, BY NUMBER OF TORNADOES, 2010

Rank	State	Number of tornadoes	Rank	State	Number of tornadoes	Rank	State	Number of tornadoes
1	Minnesota	145	5	Missouri	80	9	Colorado	66
2	Texas	105	6	Oklahoma	74	10	Illinois	65
3	Mississippi	100	7	North Dakota	68			
4	Kansas	94	8	Wisconsin	68			

Source: U.S. Department of Commerce, Storm Prediction Center, National Weather Service.

TORNADOES AND RELATED DEATHS IN THE UNITED STATES, 1990-2010¹

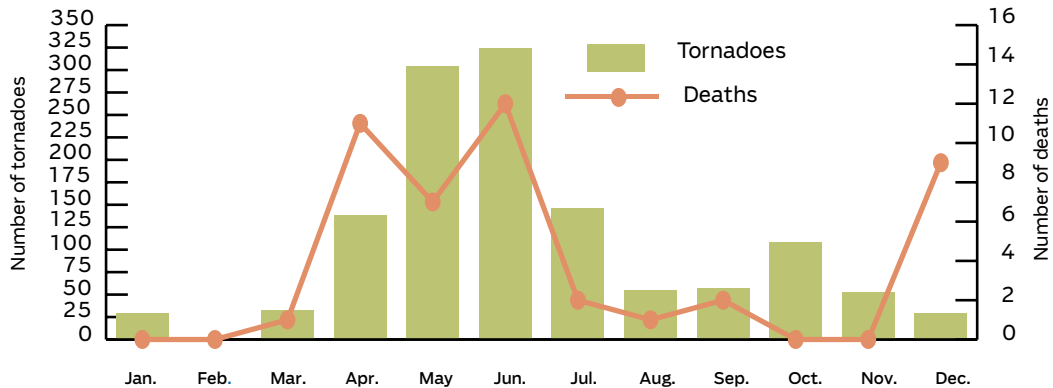
Year	Tornadoes	Deaths	Year	Tornadoes	Deaths	Year	Tornadoes	Deaths
1990	1,133	53	1997	1,148	67	2004	1,819	36
1991	1,132	39	1998	1,424	130	2005	1,264	38
1992	1,297	39	1999	1,345	94	2006	1,103	67
1993	1,173	33	2000	1,071	40	2007	1,098	81
1994	1,082	69	2001	1,216	40	2008	1,692	126
1995	1,234	30	2002	941	55	2009	1,156	21
1996	1,173	25	2003	1,376	54	2010	1,282	45

¹Excludes Puerto Rico. Tornadoes crossing state lines are counted as one event.

Source: U.S. Department of Commerce, Storm Prediction Center, National Weather Service.

Major Catastrophes: Tornadoes

NUMBER OF TORNADOES AND RELATED DEATHS PER MONTH, 2010



Source: U.S. Department of Commerce, Storm Prediction Center, National Weather Service.

TORNADOES AND RELATED DEATHS BY STATE, 2010

State	Tornadoes	Fatalities	State	Tornadoes	Fatalities	State	Tornadoes	Fatalities
Alabama	43	0	Louisiana	34	0	Oklahoma	74	3
Alaska	0	0	Maine	6	0	Oregon	1	0
Arizona	17	0	Maryland	5	0	Pennsylvania	15	0
Arkansas	39	6	Massachusetts	0	0	Rhode Island	0	0
California	11	0	Michigan	30	1	South Carolina	22	0
Colorado	66	0	Minnesota	145	3	South Dakota	37	0
Connecticut	6	0	Mississippi	100	13	Tennessee	36	1
Delaware	0	0	Missouri	80	5	Texas	105	0
D.C.	0	0	Montana	33	2	Utah	2	0
Florida	22	0	Nebraska	46	0	Vermont	1	0
Georgia	11	0	Nevada	0	0	Virginia	10	0
Hawaii	0	0	New Hampshire	1	0	Washington	3	0
Idaho	3	0	New Jersey	1	0	West Virginia	5	1
Illinois	65	1	New Mexico	11	0	Wisconsin	68	0
Indiana	29	0	New York	16	1	Wyoming	26	0
Iowa	52	0	North Carolina	32	0	United States	1,543¹	45
Kansas	94	0	North Dakota	68	1			
Kentucky	27	0	Ohio	45	7			

¹Includes tornadoes that track from a touchdown state into another state.

Source: U.S. Department of Commerce, Storm Prediction Center, National Weather Service.

Major Catastrophes: Earthquakes

The 1994 Northridge earthquake caused \$15.3 billion in insured damages when it occurred (\$22.6 billion in 2010 dollars). It ranks as the fourth costliest U.S. disaster, based on insured property losses (in 2010 dollars), topped only by Hurricane Katrina, Hurricane Andrew and the attacks on the World Trade Center. The earthquake and fire that devastated San Francisco on April 18, 1906 was one of the worst natural disasters in the United States. A 2009 study by AIR Worldwide estimates the insured loss at \$96 billion, were the quake to hit under current economic and demographic conditions. In 2011 a 5.6 magnitude quake in Oklahoma and a 5.8 magnitude quake in Virginia rattled regions not usually affected by earthquakes.

THE TEN MOST COSTLY U.S. EARTHQUAKES¹

(\$ millions)

Ranked by insured losses when occurred	Date	Location	Overall losses when occurred	Insured losses ²		Fatalities	Rank based on insured losses in 2010 dollars
				When occurred	In 2010 dollars ³		
1	Jan. 17, 1994	California: Northridge, Los Angeles, San Fernando Valley, Ventura, Orange	\$44,000	\$15,300	\$22,550	60	1
2	Oct. 17, 1989	California: Loma Prieta, Santa Cruz, San Francisco, Oakland, Berkeley, Silicon Valley	10,000	960	1,690	70	3
3	Feb. 28, 2001	Washington: Olympia, Seattle, Tacoma; Oregon	2,000	300	370	1	4
4	Apr. 18, 1906	California: San Francisco, Santa Rosa, San Jose	524	180	3,965 ⁴	3,000	2
5	Apr. 4, 2010	California: San Diego, Calexico, El Centro, Los Angeles, Imperial; Arizona: Phoenix, Yuma	150	100	100	NA	7
6	Oct. 1-4, 1987	California: Los Angeles, Whittier	360	75	145	8	6
7	Oct. 15, 2006	Hawaii: Big Island, Kailua Kona, Oahu, Honolulu	200	50	55	NA	9
8	Sept. 3, 2000	California: Napa	80	50	63	NA	8
9	Mar. 27-28, 1964	Alaska: Anchorage, Kodiak Island, Seward, Valdez, Portage, Whittier, Cordova, Homer, Seldovia; Hawaii	540	45	315	130	5
10	Dec. 22, 2003	California: Paso Robles, San Simeon, San Luis Obispo, Atascadero	200	40	47	2	10

¹Costliest U.S. earthquakes occurring from 1900 to 2010, based on insured losses when occurred. ²Based on property losses including, if applicable, agricultural, offshore, marine, aviation and National Flood Insurance Program losses in the United States and may differ from data shown elsewhere. ³Adjusted to 2010 dollars by Munich Re. ⁴Adjusted to 2010 dollars based on 1913 Bureau of Labor Statistics data (earliest year available) NA=Data not available.

Source: © 2011 Munich Re, Geo Risks Research, NatCatSERVICE.

Major Catastrophes: Earthquakes/Terrorism

The previous chart ranks historic earthquakes based on their total insured property losses, adjusted for inflation. The chart below uses a computer model to measure the estimated impact of historical quakes according to current exposures. The analysis, conducted in 2009, is based on AIR Worldwide's U.S. earthquake model. It makes use of the firm's property exposure database and takes into account the current number and value of exposed properties.

ESTIMATED INSURED LOSSES FOR THE TOP TEN HISTORICAL EARTHQUAKES BASED ON CURRENT EXPOSURES¹

(\$ billions)

Rank	Date	Location	Magnitude	Insured loss (current exposures)
1	Feb. 7, 1812	New Madrid, MO	7.7	\$100
2	Apr. 18, 1906	San Francisco, CA	7.8	96
3	Aug. 31, 1886	Charleston, SC	7.3	37
4	Jun. 1, 1838	San Francisco, CA	7.4	27
5	Jan. 17, 1994	Northridge, CA	6.7	21
6	Oct. 21, 1868	Hayward, CA	7.0	21
7	Jan. 9, 1857	Fort Tejon, CA	7.9	8
8	Oct. 17, 1989	Loma Prieta, CA	6.3	6
9	Mar. 10, 1933	Long Beach, CA	6.4	5
10	Jul. 1, 1911	Calaveras, CA	6.4	4

¹Modeled loss to property, contents, and business interruption and additional living expenses for residential, mobile home, commercial and auto exposures as of December 31, 2008. Losses include demand surge and fire following earthquake. Policy conditions and earthquake insurance take up rates are based on estimates by state insurance departments and company claims data.

Source: AIR Worldwide Corporation.

Major Catastrophes: Terrorism

A total of 2,976 people perished in the September 11, 2001 terrorist attacks in New York, Washington and Pennsylvania, excluding the 19 hijackers. Total insured losses (including liability losses) from the terrorist attacks on the World Trade Center in New York City and the Pentagon are about \$40.1 billion (in 2010 dollars), including property, life and liability insurance claim costs. Loss estimates may differ from estimates calculated by other organizations. It was the worst terrorist attack on record in terms of fatalities and insured property losses, which totaled about \$23 billion (in 2010 dollars).

Losses

Major Catastrophes: Terrorism

THE TWENTY WORST TERRORIST ACTS BY INSURED PROPERTY LOSSES

(2010 \$ millions)

Rank	Date	Country	Location	Event	Insured property loss ¹	Fatalities
1	Sept. 11, 2001	U.S.	New York, Washington DC, Pennsylvania	Hijacked airliners crash into World Trade Center and Pentagon	\$23,140	2,982
2	Apr. 24, 1993	U.K.	London	Bomb explodes near NatWest tower in the financial district	1,117	1
3	Jun. 15, 1996	U.K.	Manchester	Irish Republican Army (IRA) car bomb explodes near shopping mall	917	0
4	Apr. 10, 1992	U.K.	London	Bomb explodes in financial district	826	3
5	Feb. 26, 1993	U.S.	New York	Bomb explodes in garage of World Trade Center	770	6
6	Jul. 24, 2001	Sri Lanka	Colombo	Rebels destroy 3 airliners, 8 military aircraft and heavily damage 3 civilian aircraft	491	20
7	Feb. 9, 1996	U.K.	London	IRA bomb explodes in South Key Docklands	319	2
8	Jun. 23, 1985	North Atlantic	Irish Sea	Bomb explodes on board of an Air India Boeing 747	199	329
9	Apr. 19, 1995	U.S.	Oklahoma City	Truck bomb crashes into government building	179	166
10	Sept. 12, 1970	Jordan	Zerqa, Dawson's Field (disused RAF airstrip in desert)	Hijacked Swissair DC-8, TWA Boeing 707, BOAC VC-10 dynamited on ground	157	0
11	Sept. 6, 1970	Egypt	Cairo	Hijacked PanAm B-747 dynamited on ground	136	0
12	Apr. 11, 1992	U.K.	London	Bomb explodes in financial district	118	0
13	Nov. 26, 2008	India	Mumbai	Attack on two hotels; Jewish center	104	172
14	Mar. 27, 1993	Germany	Weierstadt	Bomb attack on a newly built, still unoccupied prison	87	0
15	Dec. 30, 2006	Spain	Madrid	Bomb explodes in car garage at Barajas Airport	71	2
16	Dec. 21, 1988	U.K.	Lockerbie	Bomb explodes on board of a PanAm Boeing 747	70	270
17	Jul. 25, 1983	Sri Lanka		Riot	58	0
18	Jul. 7, 2005	U.K.	London	Four bombs explode during rush hour in a tube and bus	58	52
19	Nov. 23, 1996	Comoros	Indian Ocean	Hijacked Ethiopian Airlines Boeing 767-260 ditched at sea	56	127
20	Mar. 17, 1992	Argentina	Buenos Aires	Bomb attack on Israel's embassy in Buenos Aires	47	24

¹Includes bodily injury and aviation hull losses.

Source: Swiss Re. Updated to 2010 dollars by the Insurance Information Institute using the U.S. Bureau of Labor Statistics CPI Inflation Calculator.

Major Catastrophes: Nuclear Incidents

The International Atomic Energy Agency (IAEA) rates the severity of nuclear incidents on the International Nuclear and Radiological Event Scale from one (indicating an anomaly) to seven (indicating a major event). The scale considers an event's impact based on three criteria: its effect on people and the environment; whether it caused unsafe levels of radiation in a facility; if preventative measures did not function as intended. Scales six and seven designate full meltdowns, where the nuclear fuel reactor core overheats and melts. Partial meltdowns, in which the fuel is damaged, are rated four or five.

On April 12, 2011 the IAEA reported that Japan's Nuclear and Industrial Safety Agency assigned a provisional rating of seven to the March 2011 accident at Japan's Fukushima Daiichi nuclear power plant. Thus far, the 1986 Chernobyl accident in the former Soviet Union has been the only incident to rate a seven. The Chernobyl incident killed 56 people directly and thousands of others through cancer and other diseases.

The 1979 Three Mile Island accident in Harrisburg, Pennsylvania, the worst nuclear accident in the U.S., was designated a five. Insurers paid about \$71 million in liability claims and litigation costs associated with the accident. In addition to the liability payments to the public under the Price-Anderson Act, \$300 million was paid by a pool of insurers to the operator of the damaged nuclear power plant under its property insurance policy.

SELECTED EXAMPLES OF HISTORIC NUCLEAR EVENTS, CLASSIFIED BY THE INES SCALE¹

Level	INES Description	Example
1	Anomaly	Breach of operating limits at nuclear facilities
2	Incident	Atucha, Argentina, 2005 - Overexposure of a worker at a power reactor exceeding the annual limit
3	Serious incident	Sellafield, U.K., 2005 - Release of large quantity of radioactive material, contained within the installation
4	Accident with local consequences	Tokaimura, Japan, 1999 - Fatal exposure of workers following an event at a nuclear facility
5	Accident with wider consequences	3 Mile Island, U.S., 1979 - Severe damage to reactor core. Minimal breach of outside environment
6	Serious accident	Kyshtym, Russia, 1957 - Significant release of radioactive material from the explosion of high activity waste tank
7	Major accident	Chernobyl, Ukraine, 1986 - Widespread health and environmental effects from explosion in power plant

¹International Nuclear and Radiological Event Scale.

Source: International Atomic Energy Agency.

Losses

Major Catastrophes: Wildfires

Fire plays an important role in the life of a forest, clearing away dead wood and undergrowth to make way for younger trees. But for much of the last century, fire-suppression policies have sought to extinguish wildfires as quickly as possible to preserve timber and real estate. This approach has led to the accumulation of brush and other vegetation that is easily ignited and serves as fuel for wildfires. Most of the large fires with significant property damage have occurred in California, where some of the fastest developing counties are in forest areas.

2010 Wildfires

In 2010 catastrophic wildfires caused \$210 million in insured losses and \$314 million in total economic losses, according to Munich Re. Although eight of the 10 costliest U.S. wildfires in history, based on insured losses, occurred in California, Texas has had the greatest number of wildfires in the last three years. However, wildfires are a national problem, affecting almost every state. During the first nine months of 2011 there were over 60,000 wildfires in the United States, affecting all 50 states, and burning almost 8 million acres.

TOP TEN STATES FOR WILDFIRES RANKED BY NUMBER OF FIRES, 2010¹

Rank	State	Number of fires	Number of acres burned
1	Texas	6,691	203,891
2	California	6,502	108,742
3	North Carolina	3,665	20,000
4	Georgia	3,489	14,534
5	Alabama	2,357	26,331
6	Florida	2,334	37,929
7	Louisiana	2,166	33,401
8	Minnesota	2,037	33,969
9	Massachusetts	2,014	2,117
10	New Jersey	2,011	10,630

¹As of November 2010.

Source: National Interagency Coordination Center.

Major Catastrophes: Wildfires

TOP TEN STATES FOR WILDFIRES RANKED BY ACRES BURNED, 2010¹

Rank	State	Number of fires	Number of acres burned
1	Alaska	688	1,129,421
2	Idaho	977	613,868
3	New Mexico	953	231,403
4	Texas	6,691	203,891
5	California	6,502	108,742
6	Oklahoma	1,568	81,238
7	Wyoming	530	79,201
8	Arizona	1,517	74,445
9	Oregon	1,299	69,623
10	Utah	1,054	65,236

¹As of November 2010.

Source: National Interagency Coordination Center.

THE TEN MOST COSTLY WILDLAND FIRES IN THE UNITED STATES¹

(\$ millions)

Rank	Date	Location	Estimated insured loss	
			Dollars when occurred	In 2010 dollars ²
1	Oct. 20-21, 1991	Oakland Fire, CA	\$1,700	\$2,516
2	Oct. 21-24, 2007	Witch Fire, CA	1,300	1,353
3	Oct. 25-Nov. 4, 2003	Cedar Fire, CA	1,060	1,247
4	Oct. 25-Nov. 3, 2003	Old Fire, CA	975	1,147
5	Nov. 2-3, 1993	Los Angeles County Fire, CA	375	530
6	Oct. 27-28, 1993	Orange County Fire, CA	350	495
7	Jun. 27-Jul. 2, 1990	Santa Barbara Fire, CA	265	406
8	Sep. 6-13, 2010	Fourmile Canyon Fire, CO	210	210
9	May 10-16, 2000	Cerro Grande Fire, NM	140	175
10	Jun. 23-28, 2002	Rodeo Chediski Complex Fire, AZ	120	144

¹Property coverage only for catastrophic fires. Effective January 1, 1997, Property Claim Services (PCS) unit defines catastrophes as events that cause more than \$25 million in insured property damage and that affect a significant number of insureds and insurers. From 1982 to 1996, PCS used a \$5 million threshold in defining catastrophes. Before 1982, PCS used a \$1 million threshold.

²Adjusted for inflation through 2010 by ISO using the GDP implicit price deflator.

Source: The Property Claim Services (PCS) unit of ISO, a Verisk Analytics company.

Fire Losses

Great strides have been made in constructing fire resistant buildings, reducing the incidence of fires and improving fire suppression techniques. However, in terms of property losses, these advances have been somewhat offset by increases in the number and value of buildings.

According to the National Fire Protection Association, in 2010, on average, a fire department responded to a fire every 24 seconds in the United States. A structure fire occurs every 65 seconds; a residential fire occurs every 82 seconds; a vehicle fire occurs every 146 seconds.

U.S. FIRE LOSSES, 2001-2010¹

Year	Property loss (\$ millions)	Loss per capita
2001	\$17,118 ²	\$60.07
2002	17,586	61.14
2003	21,129	72.83
2004	17,344	59.23
2005	20,427	69.12
2006	20,340	68.17
2007	24,399	81.00
2008	24,734	81.34
2009	22,911	74.68
2010	19,637	63.48

- Fire losses associated with homeowners insurance claims (including FAIR Plans) accounted for an estimated 57 percent of total fire losses in 2010.

- Fire losses associated with commercial multiple peril claims accounted for an estimated 21 percent of total fire losses in 2010, and fire losses associated with fire insurance claims accounted for the remaining 22 percent.

¹Including allowances for FAIR Plan and uninsured losses.

²Does not include insured fire losses related to terrorism.

Source: ISO, a Verisk Analytics company; Insurance Information Institute.

STRUCTURE FIRES, 2001-2010¹

Year	Number of fires	Year	Number of fires
2001	521,500	2006	524,000
2002	519,000	2007	530,500
2003	519,500	2008	515,000
2004	526,000	2009	480,500
2005	511,000	2010	482,000

¹Includes public assembly, educational, institutional and residential structures, stores and offices, industry, utility, defense, storage and special structures.

Source: National Fire Protection Association.

CIVILIAN (NONFIREFIGHTER) FIRE DEATHS AND INJURIES BY PROPERTY USE, 2010

Property use	Civilian fire deaths	Percent change from 2009	Percent of all civilian fire deaths	Civilian fire injuries
Residential	2,665	2.9%	85.4%	13,800
1 and 2 family homes ¹	2,200	4.8	70.5	9,400
Apartments	440	-5.4	14.1	3,950
Other residential ²	25	³	0.8	450
Nonresidential structures ⁴	90	-14.3	2.9	1,620
Highway vehicles	285	9.6	9.1	1,440
Other vehicles ⁵	25	25.0	0.8	150
All other fires ⁶	55	57.1	1.8	710
Total	3,120	3.7%	100.0%	17,720

¹Includes manufactured homes. ²Includes hotels and motels, college dormitories, boarding houses, etc. ³Less than 0.1 percent.

⁴Includes public assembly, educational, institutional, store and office, industry, utility, storage and special structure properties. ⁵Includes trains, boats, ships, farm vehicles and construction vehicles. ⁶Includes outside properties with value, as well as brush, rubbish and other outside locations.

Source: National Fire Protection Association.

STRUCTURE FIRES BY TYPE OF USE, 2010¹

Property use	Estimated number of fires	Percent change from 2009	Property loss ² (\$ millions)	Percent change from 2009
Public assembly	12,000	-17.2%	\$421	-44.4%
Educational	5,500	³	76	-8.4
Institutional	5,500	³	37	15.6
Residential	384,000	1.9	7,079	-9.2
1 and 2 family homes ⁴	279,000	2.4	5,895	-7.0
Apartments	90,500	0.6	1,033	-15.0
Other ⁵	14,500	³	151	-16.0
Stores and offices	18,000	9.1	730	2.4
Industry, utility, defense ⁶	9,000	-5.3	515	-10.0
Storage in structures	28,000	-5.1	756	-4.4
Special structures	20,000	-11.1	102	4.1
Total	482,000	0.3%	\$9,716	-10.4%

¹Estimates based on data reported by fire departments responding to the 2010 National Fire Experience Survey. May not include reports from all fire departments. ²Includes overall direct property loss to contents, structures, vehicles, machinery, vegetation or any other property involved in a fire. Does not include indirect losses, such as business interruption or temporary shelter costs. ³Less than 0.1 percent. ⁴Includes manufactured homes. ⁵Includes hotels and motels, college dormitories, boarding houses, etc. ⁶Does not include incidents handled only by private brigades or fixed suppression systems.

Source: National Fire Protection Association.

THE TEN MOST CATASTROPHIC MULTIPLE-DEATH FIRES OF 2010¹

Rank	Month	State	Type of facility	Deaths
1	April	West Virginia	Coal mine	29
2	September	California	Natural gas leak explosion and fire	8
3	December	Louisiana	Vacant warehouse used by homeless	8
4	February	Illinois	Four-unit apartment building	7
5	April	Washington	Refinery explosion and fire	7
6	February	Connecticut	Construction site explosion	6
7	April	Minnesota	Apartment building	6
8	June	New York	Single-family home	6
9	August	Oklahoma	Single-family home	6
10	December	Maryland	Single-family home	6

¹Fires that kill five or more people in residential property, or three or more people in nonhome or nonstructural property.

Source: National Fire Protection Association.

THE TEN MOST CATASTROPHIC MULTIPLE-DEATH FIRES IN U.S. HISTORY¹

Rank	Date	Location/event	Deaths
1	Sep. 11, 2001	New York, NY, World Trade Center terrorist attack	2,666 ²
2	Apr. 27, 1865	Mississippi River, SS Sultana steamship	1,547
3	Oct. 8, 1871	Peshtigo, WI, forest fire	1,152
4	Jun. 15, 1904	New York, NY, General Slocum steamship	1,030
5	Dec. 30, 1903	Chicago, IL, Iroquois Theater	602
6	Oct. 12, 1918	Cloquet, MN, forest fire	559
7	Nov. 28, 1942	Boston, MA, Coconut Grove night club	492
8	Apr. 16, 1947	Texas City, TX, SS Grandcamp and Monsanto Chemical Co. plant	468
9	Sep. 1, 1894	Hinckley, MN, forest fire	418
10	Dec. 6, 1907	Monongha, WV, coal mine explosion	361

¹Fires that kill five or more people in home property, or three or more people in nonhome or nonstructural property.

²Revised to 2,976 by government officials.

Source: National Fire Protection Association.

THE TEN MOST COSTLY LARGE-LOSS FIRES OF 2010¹

(\$ millions)

Rank	State	Type of facility	Estimated loss
1	Colorado	Wildfire	\$217
2	California	Shopping mall	110
3	California	Outside natural gas explosion and fire	65
4	Illinois	Wastewater treatment plant explosion	52
5	Texas	Electronics warehouse	40
6	Missouri	Elementary school	29
7	California	Produce storage	20
8	Texas	Church	15
9	Texas	Sawmill	15
10	Utah	Church	15

¹Large-loss fires of \$15 million or more.

Source: National Fire Protection Association.

THE TEN MOST COSTLY LARGE-LOSS FIRES IN U.S. HISTORY

(\$ millions)

Rank	Date	Location/Event	Estimated loss ¹	
			Dollars when occurred	In 2010 dollars ²
1	Sep. 11, 2001	World Trade Center (terrorist attacks)	\$33,400 ³	\$41,100 ³
2	Apr. 18, 1906	San Francisco Earthquake and Fire	350	8,500
3	Oct. 8-9, 1871	Great Chicago Fire	168	3,000
4	Oct. 20, 1991	Oakland, CA, fire storm	1,500	2,400
5	Oct. 20, 2007	San Diego County, CA, The Southern California Wildland Fires	1,800	1,900
6	Nov. 9, 1872	Great Boston Fire	75	1,400
7	Oct. 23, 1989	Pasadena, Texas, polyolefin plant	750	1,300
8	May 4, 2000	Los Alamos, NM, wildland fire	1,000	1,300
9	Oct. 25, 2003	Julian, CA, Wildfire (Cedar)	1,100	1,300
10	Feb. 7, 1904	Baltimore, MD, Baltimore Conflagration	50	1,200

¹Loss estimates are from National Fire Protection Association (NFPA) records. The list is limited to fires for which some reliable dollar loss estimates exists.

²Adjustment to 2010 dollars made by the NFPA using the Consumer Price Index, including the U.S. Census Bureau's estimates of the index for historical times.

³Differs from estimates from other sources.

Source: National Fire Protection Association.

Arson

Arson, the act of deliberately setting fire to a building, car or other property for fraudulent or malicious purposes, is a crime in all states.

Church arsons, a major problem in the 1980s, have dropped significantly. Intentional fires in religious and funeral properties fell 82 percent from 1,320 in 1980 to 240 in 2002, the last time such figures were tracked. Structural fires in houses of worship caused \$102 million in property damage from 2004-2008, according to the National Fire Protection Association.

- In 2010 property loss from intentionally set structure fires decreased 14.5 percent, although the number of arson fires rose 3.8 percent.
- Most arson fires are started by vandals. Between 20 and 25 percent are drug related. More than one-third are set by children under the age of 18.

INTENTIONALLY SET FIRES, 2001-2010

Year	Structures		Vehicles	
	Number of fires	Property loss (\$ millions) ¹	Number of fires	Property loss (\$ millions)
2001	45,500	\$34,453 ²	39,500	\$219
2002	44,500	919	41,000	222
2003	37,500	692	30,500	132
2004	36,500	714	36,000	165
2005	31,500	664	21,000	113
2006	31,100	755	20,500	134
2007	32,500	733	20,500	145
2008	30,500	866	17,500	139
2009	26,500	684	15,000	108
2010	27,500	585	14,000	89

¹Includes overall direct property loss to contents, structures, vehicles, machinery, vegetation or any other property involved in a fire. Does not include indirect losses, such as business interruption or temporary shelter costs.

²Includes the events of September 11, 2001, which accounted for \$33.44 billion in property losses.

Source: National Fire Protection Association.

The Federal Bureau of Investigation's *Uniform Crime Reports* defines property crime as larceny-theft, motor vehicle theft and burglary. These crimes involve the unlawful taking of money or property without the use of force or threat of force against the victims. Larceny theft involves the successful or attempted taking of property from another; it includes shoplifting, pocket-picking, purse-snatching and bicycle theft. While the theft of motor vehicles is a separate offense category, the thefts of motor vehicle parts and accessories are considered larceny. Burglary involves the unlawful entry into a structure such as a home or business. The burglary rate for renters was about 50 percent higher than for owners from 2003 to 2007, according to a 2010 Bureau of Justice Statistics report. Home burglaries accounted for 74 percent of burglary offenses in 2010, according to the FBI.

NUMBER AND RATE OF PROPERTY CRIME OFFENSES IN THE UNITED STATES, 2001-2010¹

Year	Burglary		Larceny-theft	
	Number	Rate	Number	Rate
2001	2,116,531	741.8	7,092,267	2,485.7
2002	2,151,252	747.0	7,057,379	2,450.7
2003	2,154,834	741.0	7,026,802	2,416.5
2004	2,144,446	730.3	6,937,089	2,362.3
2005	2,155,448	726.9	6,783,447	2,287.8
2006	2,194,993	733.1	6,626,363	2,213.2
2007	2,190,198	726.1	6,591,542	2,185.4
2008	2,228,887	733.0	6,586,206	2,166.1
2009	2,203,313	717.7	6,338,095	2,064.5
2010	2,159,878	699.6	6,185,867	2,003.5
Year	Motor vehicle theft		Total property crime ²	
	Number	Rate	Number	Rate
2001	1,228,391	430.5	10,437,189	3,658.1
2002	1,246,646	432.9	10,455,277	3,630.6
2003	1,261,226	433.7	10,442,862	3,591.2
2004	1,237,851	421.5	10,319,386	3,514.1
2005	1,235,859	416.8	10,174,754	3,431.5
2006	1,198,245	400.2	10,019,601	3,346.6
2007	1,100,472	364.9	9,882,212	3,276.4
2008	959,059	315.4	9,774,152	3,214.6
2009	795,652	259.2	9,337,060	3,041.3
2010	737,142	238.8	9,082,887	2,941.9

¹Rate is per 100,000 inhabitants. ²Property crimes are the offenses of burglary, larceny-theft and motor vehicle theft.

Source: U.S. Department of Justice, Federal Bureau of Investigation, *Uniform Crime Reports*.

Losses

Motor Vehicles: Crashes

The National Highway Traffic Safety Administration (NHTSA) estimates that 32,788 people died in motor vehicle crashes in 2010, the lowest level since record keeping began in 1949. Motor vehicle deaths in 2010 were down 3.0 percent from 33,808 in 2009, despite the fact that the number of vehicle miles traveled increased by 0.7 percent in 2010, compared with 2009. The fatality rate, measured as deaths per 100 million vehicle miles traveled, was 1.09, the lowest rate ever recorded and down from 1.13 in 2009. NHTSA property damage figures shown below are based on accidents reported to the police and do not include fender bender accidents.

TRAFFIC DEATHS, 2001-2010

- The number of people injured in motor vehicle crashes fell by 5.5 percent from 2.3 million in 2008 to 2.2 million in 2009.
- The injury rate per 100 million vehicle miles traveled fell by 5.1 percent from 79 in 2008 to 75 in 2009.

Year	Fatalities	Annual percent change	Fatality rate per 100 million vehicle miles traveled	Fatality rate per 100,000 registered vehicles
2001	42,196	0.6%	1.51	19.07
2002	43,005	1.9	1.51	19.06
2003	42,884	-0.3	1.48	18.59
2004	42,836	-0.1	1.44	18.00
2005	43,510	1.6	1.46	17.71
2006	42,708	-1.8	1.42	16.99
2007	41,259	-3.4	1.36	16.02
2008	37,423	-9.3	1.26	14.43
2009	33,808	-9.7	1.14	13.06
2010 ¹	32,788	-3.0	1.09	NA

¹Estimated. NA=Data not available.

Source: U.S. Department of Transportation, National Highway Traffic Safety Administration.

MOTOR VEHICLE CRASHES, 2000-2009

Year	Fatal	Injury	Property damage only	Total crashes
2000	37,526	2,069,905	4,286,194	6,393,624
2001	37,862	2,002,710	4,282,391	6,322,963
2002	38,491	1,928,984	4,348,233	6,315,708
2003	38,477	1,924,912	4,364,566	6,327,955
2004	38,444	1,861,617	4,280,966	6,181,027
2005	39,252	1,816,105	4,303,993	6,159,350
2006	38,648	1,745,924	4,188,641	5,973,213
2007	37,435	1,711,000	4,275,000	6,024,000
2008	34,172	1,630,000	4,146,000	5,811,000
2009	30,797	1,517,000	3,957,000	5,505,000

Source: U.S. Department of Transportation, National Highway Traffic Safety Administration.

Motor Vehicles: Crashes

According to the National Highway Traffic Safety Administration, vehicle occupants accounted for 72 percent of traffic deaths in 2009. Motorcycle riders accounted for 13 percent of deaths. Pedestrians accounted for another 12 percent; pedalcyclists and other nonoccupants accounted for the remainder.

MOTOR VEHICLE TRAFFIC DEATHS BY STATE, 2008-2009

State	Number of deaths		Percent change	State	Number of deaths		Percent change
	2008	2009			2008	2009	
Alabama	969	848	-12.5%	Montana	229	221	-3.5%
Alaska	62	64	3.2	Nebraska	208	223	7.2
Arizona	938	807	-14.0	Nevada	324	243	-25.0
Arkansas	600	585	-2.5	New Hampshire	138	110	-20.3
California	3,434	3,081	-10.3	New Jersey	590	583	-1.2
Colorado	548	465	-15.1	New Mexico	366	361	-1.4
Connecticut	302	223	-26.2	New York	1,238	1,156	-6.6
Delaware	121	116	-4.1	North Carolina	1,428	1,314	-8.0
D.C.	34	29	-14.7	North Dakota	104	140	34.6
Florida	2,980	2,558	-14.2	Ohio	1,191	1,021	-14.3
Georgia	1,495	1,284	-14.1	Oklahoma	750	738	-1.6
Hawaii	107	109	1.9	Oregon	416	377	-9.4
Idaho	232	226	-2.6	Pennsylvania	1,468	1,256	-14.4
Illinois	1,043	911	-12.7	Rhode Island	65	83	27.7
Indiana	820	693	-15.5	South Carolina	921	894	-2.9
Iowa	412	372	-9.7	South Dakota	121	131	8.3
Kansas	384	386	0.5	Tennessee	1,043	989	-5.2
Kentucky	825	791	-4.1	Texas	3,476	3,071	-11.7
Louisiana	916	821	-10.4	Utah	276	244	-11.6
Maine	155	159	2.6	Vermont	73	74	1.4
Maryland	591	547	-7.4	Virginia	825	757	-8.2
Massachusetts	364	334	-8.2	Washington	521	492	-5.6
Michigan	980	871	-11.1	West Virginia	378	356	-5.8
Minnesota	455	421	-7.5	Wisconsin	605	561	-7.3
Mississippi	783	700	-10.6	Wyoming	159	134	-15.7
Missouri	960	878	-8.5	United States	37,423	33,808	-9.7%

Source: U.S. Department of Transportation, National Highway Traffic Safety Administration.

Losses

Motor Vehicles: Crashes

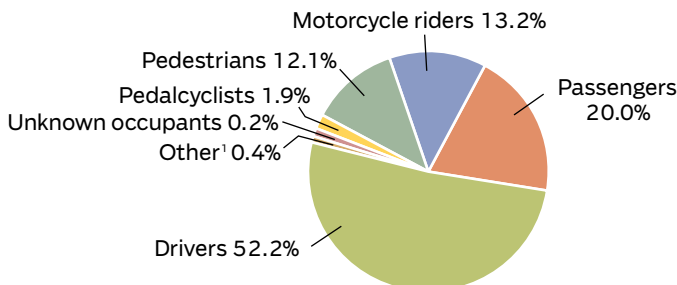
VEHICLES INVOLVED IN CRASHES BY VEHICLE TYPE AND CRASH SEVERITY, 1999 AND 2009

	Fatal crashes		Injury crashes		Property damage-only crashes	
	1999	2009	1999	2009	1999	2009
Passenger cars						
Crashes	28,027	18,350	2,437,505	1,506,595	4,469,348	3,686,062
Rate per 100 million vehicle miles traveled	1.79	1.22	155	100	285	244
Rate per 100,000 registered vehicles	22.05	13.37	1,918	1,098	3,517	2,687
Light trucks¹						
Crashes	19,959	17,902	1,165,266	1,066,231	2,491,389	2,865,941
Rate per 100 million vehicle miles traveled	2.22	1.60	129	95	277	256
Rate per 100,000 registered vehicles	27.37	17.55	1,598	1,045	3,416	2,810
Motorcycles						
Crashes	2,532	4,595	46,116	84,420	10,213	16,709
Rate per 100 million vehicle miles traveled	23.92	22.09	436	406	96	80
Rate per 100,000 registered vehicles	60.98	57.95	1,111	1,065	246	211

¹Trucks with 10,000 pounds or less gross vehicle weight. Includes pickups, vans, truck-based station wagons and utility vehicles.

Source: U.S. Department of Transportation (USDOT), National Highway Traffic Safety Administration (NHTSA). Vehicle miles traveled – USDOT, Federal Highway Administration, revised by NHTSA; Registered passenger cars and light trucks – R.L. Polk & Co; Registered motorcycles – USDOT, Federal Highway Administration.

MOTOR VEHICLE DEATHS BY ACTIVITY OF PERSON KILLED, 2009



¹Includes other non-occupants.

Source: U.S. Department of Transportation, National Highway Traffic Safety Administration.

Motor Vehicles: Crashes

SEX OF DRIVERS INVOLVED IN CRASHES, 2000-2009¹

Year	Fatal crashes				Injury crashes			
	Male		Female		Male		Female	
	Number	Rate ²	Number	Rate ²	Number	Rate ²	Number	Rate ²
2000	41,443	43.27	14,682	15.48	2,192,408	2,289	1,572,734	1,659
2001	41,548	43.38	14,829	15.53	2,089,927	2,182	1,546,973	1,620
2002	41,995	43.03	14,876	15.34	2,000,043	2,049	1,481,476	1,528
2003	42,177	42.95	15,106	15.43	1,989,702	2,026	1,524,785	1,557
2004	41,876	42.06	15,272	15.38	1,911,852	1,920	1,482,315	1,493
2005	42,947	42.84	14,967	14.92	1,836,711	1,832	1,425,161	1,421
2006	41,912	41.49	14,661	14.43	1,762,552	1,745	1,387,324	1,366
2007	40,764	39.83	14,101	13.67	1,708,000	1,669	1,333,000	1,292
2008	36,825	35.60	12,536	11.99	1,596,000	1,543	1,276,000	1,221
2009	32,612	31.34	11,756	11.18	1,487,000	1,429	1,217,000	1,157
Year	Property damage-only crashes				Total crashes			
	Male		Female		Male		Female	
	Number	Rate ²	Number	Rate ²	Number	Rate ²	Number	Rate ²
2000	4,558,957	4,760	2,903,579	3,062	6,792,808	7,092	4,490,995	4,737
2001	4,517,730	4,717	2,903,319	3,041	6,649,205	6,942	4,465,121	4,677
2002	4,436,198	4,545	2,999,111	3,093	6,478,236	6,638	4,495,463	4,636
2003	4,527,515	4,610	3,019,961	3,084	6,559,394	6,679	4,559,852	4,657
2004	4,404,779	4,424	3,037,126	3,058	6,358,507	6,387	4,534,713	4,566
2005	4,357,188	4,347	3,007,038	2,998	6,236,846	6,222	4,447,166	4,435
2006	4,232,184	4,190	2,967,964	2,922	6,036,648	5,976	4,369,949	4,302
2007	4,329,000	4,230	3,058,000	2,964	6,077,764	5,939	4,405,101	4,270
2008	4,115,000	3,978	2,940,000	2,812	5,747,825	5,556	4,228,536	4,045
2009	3,839,000	3,689	2,879,000	2,738	5,358,612	5,150	4,107,756	3,906

¹Drivers age 16 and over, including motorcycle riders and restricted and graduated drivers license holders in some states.

²Rate per 100,000 licensed drivers.

Source: U.S. Department of Transportation, National Highway Traffic Safety Administration.

Motor Vehicles: Crashes

Teenage Drivers

Motor vehicle crashes are the leading cause of death among 15- to 20-year olds. According to the U.S. Department of Transportation (DOT), 2,336 drivers in this age group died and 196,000 were injured in motor vehicle crashes in 2009. Drivers age 15 to 20 accounted for 11 percent of all the drivers involved in fatal crashes and 14 percent of all the drivers involved in all police-reported crashes. Twenty-eight percent of teen drivers killed were alcohol-impaired, which is defined by a blood alcohol concentration of 0.08 grams per deciliter or higher. The DOT found that more teenagers are involved in motor vehicle crashes late in the day and at night than at other times of the day. Teens also have a greater chance of getting involved in an accident if other teens are present in the vehicle, according to research from the Children's Hospital of Philadelphia and State Farm.

DRIVERS IN MOTOR VEHICLE CRASHES BY AGE, 2009

Age group	Number of licensed drivers	Percent of total	Drivers in fatal crashes	Involvement rate ¹	Drivers in all crashes	Involvement rate ¹
Under 16	409,526	0.2%	181	NA	148,000	NA
16 to 20	12,913,024	6.2	5,051	39.12	1,325,000	10,261
21 to 24	14,053,321	6.7	4,597	32.71	1,146,000	8,155
25 to 34	36,326,817	17.3	8,610	23.70	1,908,000	5,252
35 to 44	38,158,133	18.2	7,757	20.33	1,694,000	4,439
45 to 54	41,665,892	19.9	7,664	18.39	1,603,000	3,847
55 to 64	33,156,841	15.8	5,276	15.91	994,000	2,998
65 to 74	19,124,755	9.1	2,868	15.00	480,000	2,510
Over 74	13,810,077	6.6	2,550	18.46	315,000	2,281
Total	209,618,386	100.0%	45,230²	21.58	9,614,000²	4,586

¹Per 100,000 licensed drivers.

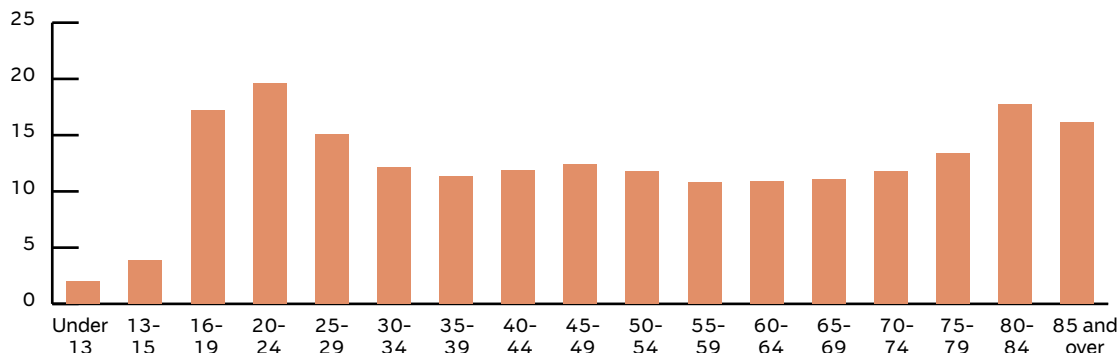
²Includes drivers of unknown age.

NA=Not applicable.

Source: U.S. Department of Transportation, National Highway Traffic Safety Administration; Federal Highway Administration.

Motor Vehicles: Crashes

**MOTOR VEHICLE DEATHS
PER 100,000 PERSONS BY AGE, 2009**



Source: Insurance Institute for Highway Safety.

**DRIVING BEHAVIORS REPORTED FOR DRIVERS AND MOTORCYCLE OPERATORS
INVOLVED IN FATAL CRASHES, 2009**

Behavior	Number	Percent
Driving too fast for conditions or in excess of posted speed limit	9,654	21.3%
Failure to keep in proper lane or running off road	7,696	17.0
Under the influence of alcohol, drugs or medication	6,957	15.4
Inattentive (talking, eating, etc.)	4,196	9.3
Failure to yield right of way	3,067	6.8
Overcorrecting/oversteering	2,062	4.6
Failure to obey traffic signs, signals or officer	1,922	4.2
Swerving or avoiding due to wind, slippery surface, other vehicle, object, nonmotorist on roadway, etc.	1,801	4.0
Driving wrong way in one-way traffic or on wrong side of road	1,382	3.1
Operating vehicle in erratic, reckless, careless or negligent manner	1,347	3.0
Vision obscured (rain, snow, glare, lights, buildings, trees, etc.)	1,205	2.7
Drowsy, asleep, fatigued, ill, or blacked out	1,202	2.7
Making improper turn	1,168	2.6
Other factors	7,602	16.8
None reported	15,795	34.9
Unknown	1,009	2.2
Total drivers¹	45,230	100.0%

¹The sum of the numbers and percentages is greater than total drivers as more than one factor may be present for the same driver.

Source: U.S. Department of Transportation, National Highway Traffic Safety Administration.

Losses

Motor Vehicles: Crashes

- In 2009, 10,839 people were killed in crashes where a driver had a blood alcohol concentration (BAC) of 0.08 percent or higher, down 7.4 percent from 11,711 in 2008.
- The number of alcohol-impaired drivers involved in fatal crashes declined for all vehicle types. The largest decline was among riders of motorcycles (16 percent).

ALCOHOL-IMPAIRED CRASH FATALITIES, 2000-2009¹

Year	Number	As a percent of all crash deaths
2000	13,324	32%
2001	13,290	31
2002	13,472	31
2003	13,096	31
2004	13,099	31
2005	13,582	31
2006	13,491	32
2007	13,041	32
2008	11,711	31
2009	10,839	32

¹Alcohol-impaired driving crashes are crashes that involve at least one driver or a motorcycle operator with a blood alcohol concentration (BAC) of 0.08 percent or above, the legal definition of drunk driving.

Source: U.S. Department of Transportation, National Highway Traffic Safety Administration.

PERCENT OF ALCOHOL-IMPAIRED DRIVERS IN FATAL CRASHES BY AGE, 2000 AND 2009¹

Age	2000	2009	Point change
Under 16	10%	7%	-3 pts.
16 to 20	18	19	1
21 to 24	32	35	3
25 to 34	28	32	4
35 to 44	26	26	0
45 to 54	18	22	4
55 to 64	12	13	1
65 to 74	8	7	-1
Over 74	4	3	-1

¹Alcohol-impaired driving crashes are crashes that involve at least one driver or a motorcycle operator with a blood alcohol concentration (BAC) of 0.08 percent or above, the legal definition of drunk driving.

Source: U.S. Department of Transportation, National Highway Traffic Safety Administration.

- In 2009 the percentage of drivers involved in fatal crashes who were alcohol-impaired was highest in the 21 to 34 age groups, the same as in 2000.

Motor Vehicles: Crashes

PERSONS KILLED IN TOTAL AND ALCOHOL-IMPAIRED CRASHES BY PERSON TYPE, 2009

Person type	Total killed	Alcohol-impaired driving fatalities ¹	
		Number	Percent of total killed
Vehicle occupants			
Driver	17,640	6,669	38%
Passenger	6,770	2,022	30
Unknown occupant	64	3	5
Total	24,474	8,693	36
Motorcyclists	4,462	1,480	33
Non-occupants			
Pedestrian	4,092	562	14
Pedalcyclist	630	85	13
Other/unknown	150	19	13
Total	4,872	667	14
Total	33,808	10,839	32%

¹Alcohol-impaired driving crashes are crashes that involve at least one driver or a motorcycle operator with a blood alcohol concentration (BAC) of 0.08 percent or above, the legal definition of drunk driving.

Source: U.S. Department of Transportation, National Highway Traffic Safety Administration.

MOTORCYCLE HELMET USE, 1994-2010¹

Year	Percent	Year	Percent
1994	63%	2005	48%
1996	64	2006	51
1998	67	2007	58
2000	71	2008	63
2002	58	2009	67
2004	58	2010	54

- Motorcycle helmet usage decreased significantly to 54 percent in 2010, a drop of 12 percentage points from 67 percent in 2009.
- Helmet usage fell fastest in the Midwest, down 24 percentage points from 67 percent in 2009 to 43 percent in 2010.

¹Based on surveys of motorcyclists using helmets meeting Department of Transportation standards. Surveys conducted in October for 1994-2000 and in June thereafter.

Source: U.S. Department of Transportation, National Occupant Protection Use Survey, National Highway Traffic Safety Administration's National Center for Statistics and Analysis.

Losses

Motor Vehicles: Crashes

Collision Losses

The chart below shows the claim frequency, average loss payment per claim and average loss payment per insured vehicle year under collision coverage for recent model vehicles. The last item factors in both claim frequency and the average loss payment per claim. This combination is a measurement of overall insurance losses.

The claim frequency is expressed as a rate per 100 insured vehicle years. A vehicle year is equal to 365 days of insurance coverage for a single vehicle.

COLLISION COVERAGE INSURANCE LOSSES IN YEARS SINCE INTRODUCTION, 2008-2010 MODEL YEAR PASSENGER VEHICLES¹

	Model years			
	2008	2009	2010	2008-2010
Claim frequency per 100 insured vehicle years				
Passenger cars and minivans	8.1	7.9	7.4	8.0
Pickups	6.4	6.0	5.6	6.3
SUVs	6.3	6.2	6.1	6.3
All passenger vehicles	7.4	7.3	6.9	7.3
Average loss payment per claim				
Passenger cars and minivans	\$4,205	\$4,199	\$4,190	\$4,202
Pickups	4,518	4,111	4,205	4,423
SUVs	3,833	3,809	3,922	3,834
All passenger vehicles	4,148	4,116	4,129	4,138
Average loss payment per insured vehicle year				
Passenger cars and minivans	\$340	\$330	\$309	\$335
Pickups	288	247	236	277
SUVs	242	235	240	240
All passenger vehicles	305	300	284	302

¹Results based on data from model year introduction through July 2010. Older model years will have payments at different development stages than new model years.

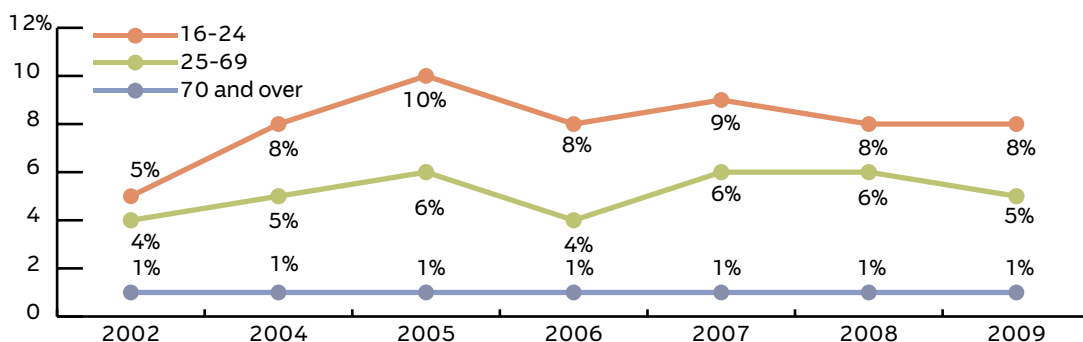
Source: Highway Loss Data Institute.

Distracted Driving

Activities that take drivers' attention off the road, such as talking or texting on cellphones, eating, conversing with passengers and other distractions, are a major safety threat. Distractions were a factor in 5,474 crash fatalities in 2009, down from 5,838 in 2008, but up from 4,472 in 2005, according to the National Highway Traffic Safety Administration (NHTSA). Another NHTSA study found that the percentage of all drivers using hand-held cellphones dropped from 6 percent in 2008 to 5 percent in 2009.

However, texting bans may not reduce crash rates, according to a Highway Loss Data Institute study of collision claims patterns in California, Louisiana, Minnesota and Washington before and after texting bans went into effect. Collisions went up slightly in all the states, except Washington, where the change was statistically insignificant.

DRIVER HAND-HELD CELLPHONE USE BY AGE, 2002-2009¹



¹Percent of drivers using hand-held cellphones.

Source: U.S. Department of Transportation, National Highway Traffic Safety Administration.

FATAL CRASHES INVOLVING DRIVER DISTRACTIONS, 2005-2009

	Total			Involving driver distractions		
	Fatal crashes	Drivers	Fatalities	Fatal crashes	Drivers	Fatalities
2005	39,252	59,220	43,510	4,026	4,217	4,472
2006	38,648	57,846	42,708	5,245	5,455	5,836
2007	37,435	56,019	41,259	5,329	5,552	5,917
2008	34,172	50,416	37,423	5,307	5,477	5,838
2009	30,797	45,230	33,808	4,898	5,084	5,474

■ The percentage of people killed in fatal crashes that involved driver distractions rose from 10 percent in 2005 to 16 percent in 2008 and 2009.

Source: U.S. Department of Transportation, National Highway Traffic Safety Administration.

Losses

Motor Vehicles: Theft

Theft

The FBI includes the theft or attempted theft of automobiles, trucks, buses, motorcycles, scooters, snowmobiles and other vehicles in its definition of motor vehicle theft. A motor vehicle is stolen on average every 43 seconds in the U.S.

MOTOR VEHICLE THEFT IN THE UNITED STATES, 2001-2010

- Motor vehicles were stolen at rate of 238.8 per 100,000 people in 2010, down 7.8 percent from 2009, 40.3 percent from 2006 and 44.5 percent from 2001.
- More than \$4.5 billion was lost to motor vehicle theft in 2010. The average dollar loss per theft was \$6,152.

Year	Vehicles stolen	Percent change
2001	1,228,391	5.9%
2002	1,246,646	1.5
2003	1,261,226	1.2
2004	1,237,851	-1.9
2005	1,235,859	-0.2
2006	1,198,245	-3.0
2007	1,100,472	-8.2
2008	959,059	-12.9
2009	795,652	-17.0
2010	737,142	-7.4

Source: U.S. Department of Justice, Federal Bureau of Investigation, *Uniform Crime Reports*.

TOP TEN U.S. METROPOLITAN AREAS WITH HIGHEST MOTOR VEHICLE THEFT RATES, 2010

- The top five U.S. Metropolitan Statistical Areas for motor vehicle theft showed an increase in thefts from a year ago while other areas in the top 10 showed declines.

Rank	Metropolitan Statistical Area ¹	Vehicles stolen	Rate ²
1	Fresno, CA	7,559	812.40
2	Modesto, CA	3,878	753.81
3	Bakersfield, CA	5,623	669.70
4	Spokane, WA	2,673	586.35
5	Vallejo-Fairfield, CA	2,392	578.69
6	Sacramento-Arden-Arcade-Roseville, CA	11,881	552.83
7	Stockton, CA	3,779	551.43
8	Visalia-Porterville, CA	2,409	544.80
9	San Francisco-Oakland-Fremont, CA	22,617	521.68
10	Yakima, WA	1,266	520.49

¹Metropolitan statistical areas are designated by the federal Office of Management and Budget and usually include areas much larger than the cities for which they are named.

²Ranked by the rate of vehicle thefts reported per 100,000 people based on the 2010 U.S. Census Population Estimates.

Source: National Insurance Crime Bureau.

Motor Vehicles: Theft

TOP TEN STATES WITH THE MOST AND THE FEWEST
MOTOR VEHICLE THEFTS, 2010

Rank	Most motor vehicle thefts		Rank	Fewest motor vehicle thefts	
	State	Vehicles stolen		State	Vehicles stolen
1	California	152,524	1	Vermont	441
2	Texas	68,023	2	Wyoming	591
3	Florida	41,462	3	South Dakota	795
4	Georgia	30,305	4	North Dakota	859
5	Illinois	28,796	5	New Hampshire	968
6	Michigan	27,353	6	Maine	990
7	Washington	25,729	7	Idaho	1,322
8	Arizona	21,508	8	Montana	1,526
9	Ohio	21,118	9	Alaska	1,619
10	New York	20,433	10	Delaware	1,929

Source: U.S. Department of Justice, Federal Bureau of Investigation, *Uniform Crime Reports*.

TOP TEN MOST FREQUENTLY STOLEN PASSENGER VEHICLES, 2010

Rank	Year/make/model
1	1994 Honda Accord
2	1995 Honda Civic
3	1991 Toyota Camry
4	1999 Chevrolet Pickup (Full size)
5	1997 Ford F-150 Pickup
6	2004 Dodge Ram Pickup
7	2000 Dodge Caravan
8	1994 Acura Integra
9	2002 Ford Explorer
10	1999 Ford Taurus

Source: National Insurance Crime Bureau.

Recreational Boating

Federal law requires owners of recreational boats to register them. In 2010 there were 12.4 million registered boats, down from 12.9 million in 2005. An accident occurring on a recreational boat must be reported to the Coast Guard if a person dies or is injured and requires medical treatment beyond first aid, if damage to the boat or other property exceeds \$2,000, if the boat is lost or if a person disappears from the boat. Out of the 4,604 accidents reported in 2010, 608 occurred in Florida, accounting for 13 percent of all incidents. Other states with a high number of boating accidents were California (412), New York (211), Maryland (196) and Texas (163).

Boating fatalities fell 8.7 percent from 736 in 2009 to 672 in 2010. The rate per 100,000 registered boats was 5.4, down from 5.8 in 2009. The number of accidents fell 2.7 percent from 4,730 in 2009 to 4,604 in 2010. Injuries also fell, from 3,358 in 2009 to 3,153 in 2010 or 6.1 percent. Property damage totaled \$36 million in both 2010 and 2009 following a record \$54 million in 2008.

Research has shown that alcohol, combined with typical boating conditions such as motion, vibration, engine noise, sun, wind and spray can impair a person's abilities much faster than alcohol consumption on land. Boat operators with a blood alcohol concentration (BAC) above 0.10 percent are estimated to be more than 10 times more likely to be killed in a boating accident than boat operators with zero BAC. Alcohol was the largest factor in boating deaths in 2010 (19 percent of boating fatalities), causing 126 deaths in 330 accidents and resulting in 293 injuries. Other factors were operator inattention, accounting for 49 deaths, and operator inexperience, resulting in 33 deaths.

- Almost three-fourths of all fatal boating accident victims drowned in 2010 and, of those, 88 percent were not wearing life jackets.
- The most common types of boats involved in reported accidents in 2010 were open motorboats (46 percent), personal watercraft (20 percent) and cabin motorboats (14 percent).

RECREATIONAL BOATING ACCIDENTS, 2006-2010¹

Year	Accidents		Fatalities		Injuries	Property damage (\$ millions)
	Total	Involving alcohol use ²	Total	Involving alcohol use ²		
2006	4,967	403	710	148	3,474	\$44
2007	5,191	421	685	157	3,673	53
2008	4,789	387	709	153	3,331	54
2009	4,730	308	736	120	3,358	36
2010	4,604	330	672	126	3,153	36

¹Includes accidents involving \$2,000 or more in property damage.

²The use of alcohol by a boat's occupants was a direct or indirect cause of the accident.

Source: U.S. Department of Transportation, U.S. Coast Guard.

TOP TEN STATES BY RECREATIONAL BOATING ACCIDENTS, 2010

Rank	State	Accidents	Deaths	People injured	Property damage (\$000)
1	Florida	608	69	364	\$7,408
2	California	412	48	281	3,613
3	New York	211	27	140	1,304
4	Maryland	196	9	152	855
5	Texas	163	28	142	694
6	Missouri	161	14	111	1,061
7	North Carolina	148	24	120	569
8	Georgia	135	19	94	230
9	Michigan	132	27	90	457
10	Ohio	127	16	80	459

Source: U.S. Department of Transportation, U.S. Coast Guard.

SPORTS PARTICIPATION AND INJURIES, UNITED STATES, 2010

Sport or activity	Participants	Injuries	Percent of injuries by age				
			0-4	5-14	15-24	25-64	65 and over
Archery	6,500,000	6,162	0.6%	10.7%	27.5%	44.5%	16.7%
Baseball	12,500,000	162,925	2.5	49.8	27.3	19.6	0.8
Softball	10,800,000	119,389	0.3	27.6	31.0	40.3	0.9
Basketball	26,900,000	528,584	0.4	31.3	48.9	19.3	0.2
Bicycle riding ¹	39,800,000	530,551	5.4	38.8	17.7	34.0	4.1
Billiards, pool	24,000,000	4,516	4.1	18.5	22.4	49.5	5.5
Bowling	39,000,000	24,263	9.1	13.1	17.0	49.7	11.1
Boxing	NA	22,055	²	9.8	50.7	39.1	0.4
Cheerleading	2,900,000 ³	36,288	0.1	51.9	46.3	1.7	²
Exercise	NA	291,173 ⁴	2.5	11.7	20.2	55.4	10.2
Fishing	33,800,000	69,963	3.3	16.7	13.0	55.9	11.2
Football	9,300,000 ⁵	489,676	0.3	49.2	40.7	9.7	0.1
Golf	21,900,000	35,199 ⁶	4.6	18.4	7.8	40.1	29.1
Gymnastics	4,800,000	28,743 ⁷	3.4	70.2	21.5	4.9	0.1
Hockey, street and field	NA	8,210 ⁸	0.6	37.1	55.5	6.8	²
Horseback riding	NA	68,871	1.6	17.6	20.9	55.4	4.5

(table continues)

SPORTS PARTICIPATION AND INJURIES, UNITED STATES, 2010 (Cont'd)

Sport or activity	Participants	Injuries	Percent of injuries by age				
			0-4	5-14	15-24	25-64	65 and over
Horseshoe pitching	NA	2,504	3.5%	15.5%	11.7%	53.6%	15.7%
Ice hockey	3,300,000	19,613	0.1	31.3	52.9	15.6	0.1
Ice skating	NA	23,046	1.7	48.9	21.4	26.0	1.9
Martial arts	NA	33,104	1.0	21.7	30.2	46.5	0.7
Mountain biking	7,200,000	11,195	0.1	7.7	27.0	64.4	0.8
Mountain climbing	NA	3,478	2.0	12.9	36.6	41.8	6.6
Racquetball, squash and paddleball	NA	5,715	0.1	3.7	29.7	61.9	4.6
Roller skating	NA	68,657 ⁹	0.6	54.9	13.1	30.9	0.5
Rugby	NA	15,105	²	4.9	77.5	17.6	²
Scuba diving	NA	1,331 ¹⁰	1.2	6.2	34.0	52.3	6.3
Skateboarding	7,700,000	130,627	1.3	45.1	43.0	10.4	0.1
Snowboarding	6,100,000	57,555	²	26.8	49.2	23.7	0.2
Snowmobiling	NA	11,010	²	7.2	22.6	66.3	3.9
Soccer	13,500,000	226,142	0.7	42.4	39.4	17.4	0.1
Swimming	51,900,000	225,493 ¹¹	9.8	41.9	17.8	27.6	2.8
Tennis	12,300,000	22,768	0.8	15.4	21.0	41.0	21.7
Track and field	NA	27,830	²	35.2	50.6	13.2	1.0
Volleyball	10,600,000	58,072	0.3	30.7	41.0	27.1	0.9
Water skiing	5,200,000	8,881	0.8	10.2	34.5	54.5	²
Weight lifting	31,500,000	94,692	3.6	10.2	33.7	49.8	2.7
Wrestling	2,900,000	42,486	²	36.4	59.1	4.5	²

¹Excludes mountain biking.

²Less than 0.1 percent.

³Data for 2008.

⁴Includes exercise equipment (61,196 injuries) and exercise activity (229,977 injuries).

⁵Includes participation in tackle football only.

⁶Excludes golf carts (13,838 injuries).

⁷Excludes trampolines (92,159 injuries).

⁸Excludes 6,069 injuries in skating, unspecified.

⁹Includes roller skating (51,956 injuries) and in-line skating (16,701 injuries).

¹⁰Data for 2009.

¹¹Includes injuries associated with swimming, swimming pools (2008 data), pool slides (2008 data), diving or diving boards and swimming pool equipment.

NA=Data not available.

Source: National Safety Council.

ATV Accidents

One in four people injured in accidents involving all-terrain vehicles (ATVs) in 2009 were children under the age of sixteen. ATVs are open air vehicles with three, four or six wheels designed for off road use. Many states require ATV insurance for vehicles operated on state-owned land.

ATV-RELATED DEATHS AND INJURIES, 2005-2009¹

Year	Estimated number of deaths			Estimated number of injuries ²		
	All ages	Younger than 16 years	Younger than 16 years percent of total	All ages	Younger than 16 years	Younger than 16 years percent of total
2005	804	163	20%	136,700	40,400	30%
2006	833	143	17	146,600	39,300	27
2007	766	129	17	150,900	40,000	27
2008	616	94	15	135,100	37,700	28
2009	376	61	16	131,900	32,400	25

¹ATVs with 3, 4 or unknown number of wheels.

²Emergency room-treated.

Source: U.S. Consumer Product Safety Commission.

Aviation

United States

In the United States the National Transportation Safety Board compiles data on aviation flight hours, accidents and fatalities for commercial and general aviation.

Commercial airlines are divided into two categories according to the type of aircraft used: aircraft with 10 or more seats and aircraft with fewer than 10 seats. The nonscheduled commercial aircraft with more than 10 seats are also called charter airlines. Commercial airlines flying aircraft with fewer than 10 seats include commuter (scheduled) airlines, and on-demand air taxis. General aviation includes all U.S. noncommercial or privately owned aircraft.

In 2010, 722 million people flew on commercial airlines in the United States, compared with 711 million in 2009 and 744 million in 2008. The Federal Aviation Administration projects that 1 billion people will fly on commercial airlines in the United States annually by 2021.

- There were 1,500 civil aviation accidents in 2010, down from 1,559 in 2009. Total fatalities fell from 547 to 469.
- There were no fatalities on large scheduled commercial airlines in 2010. There were 50 fatalities in 2009.
- There were two fatalities on large nonscheduled airlines (charter airlines) in 2009 and 2010.

Aviation

- Small commuter airlines had six accidents in 2010, compared with two in 2009.
- The number of small on-demand airline (air taxi) accidents fell from 47 accidents in 2009 to 31 in 2010, the lowest number in 21 years.
- There were 1,435 general aviation (noncommercial) accidents in 2010, down from 1,480 in 2009. These accidents resulted in 450 deaths, compared with 478 in 2009.

AIRCRAFT ACCIDENTS IN THE UNITED STATES, 2010¹

	Flight hours (000)	Number of accidents		Number of fatalities ²	Accidents per 100,000 flight hours
		Total	Fatal		
Commercial airlines					
10 or more seats					
Scheduled	17,082	26	0	0	0.152
Nonscheduled	489	3	1	2	0.613
Less than 10 seats					
Commuter	316	6	0	0	1.899
On-demand	2,960	31	6	17	1.05
General aviation	20,900	1,435	267	450	6.86
Total civil aviation	NA	1,500	274	469	NA

¹Preliminary data. Totals do not add because of collisions involving aircraft in different categories.

²Includes nonpassenger deaths.

NA=Data not available.

Source: National Transportation Safety Board.

U.S. LARGE AIRLINE ACCIDENTS, 2001-2010¹

Year	Flight hours	Total accidents	Fatal accidents	Total fatalities ²	Total accidents per 100,000 flight hours
2001	17,814,191	46 ³	6	531	0.236 ³
2002	17,290,198	41	0	0	0.237
2003	17,467,700	54	2	22	0.309
2004	18,882,503	30	2	14	0.159
2005	19,390,029	40	3	22	0.206
2006	19,263,209	33	2	50	0.171
2007	19,637,322	28	1	1	0.143
2008	19,097,962	28	2	3	0.147
2009	18,001,000	30	2	52	0.167
2010 ⁴	17,571,000	28	1	2	0.159

¹Scheduled and unscheduled planes with more than 10 seats.

²Includes nonpassenger deaths.

³Illegal acts, such as terrorism or sabotage, were responsible for accidents in this year. Accidents caused by such acts are not included in total accidents per 100,000 flight hours.

⁴Preliminary.

Source: National Transportation Safety Board.

World Aviation Losses

In 2010, 2.4 billion people flew safely on 36.8 million flights, according to the International Air Transport Association. The global accident rate (as measured by the rate of hull losses on Western built jets) was 0.61 in 2010, or one accident for every 1.6 million flights. This was down from one accident for every 1.4 million flights in 2009, and marked the lowest rate in aviation history. (A hull loss is an accident in which the aircraft is destroyed or substantially damaged and is not subsequently repaired.) There were 94 accidents in 2010 (on Eastern and Western built aircraft), compared to 90 in 2009.

FATAL WORLD AVIATION ACCIDENTS, 2006-2010

Year	Fatal accidents ¹	Fatalities ¹	Accident rate ²
2006	20	855	0.65
2007	20	692	0.75
2008	23	502	0.81
2009	18	685	0.71
2010	23	786	0.61

¹On Eastern and Western built jet aircraft.

²Measured in hull losses per million flights of Western built jet aircraft. A hull loss is an accident in which the aircraft is destroyed or substantially damaged and is not subsequently repaired.

Source: International Air Transport Association.

Workplace

According to the National Safety Council (NSC), the total cost of unintentional workplace deaths and injuries in 2009 was an estimated \$168.9 billion. This figure includes wage and productivity losses of injured workers of \$82.4 billion, medical costs of \$38.3 billion and administrative expenses of \$33.1 billion. Other employers' costs include the value of time lost by workers dealing with injured employees and the time required to investigate injuries and write up injury reports. These factors add another \$10.3 billion. Also included are fire losses of \$2.8 billion and \$2.0 billion in motor vehicle damage. In general, economic losses from work injuries are not comparable from year to year; as additional or more precise data become available to the NSC, they are used from that year forward. Previously estimated figures are not revised.

WORKPLACE LOSSES AND DEATHS, 2000-2009

Year	Workers ³	Economic loss ¹ (\$ millions)		Loss per worker (In 2009 dollars) ⁴	Fatalities ²	
		Dollars when occurred	In 2009 dollars ⁴		Number	Per 100,000 workers
2000	136,402	\$131,200	\$163,457	\$1,198	5,022	3.7
2001	136,246	132,100	160,024	1,175	5,042	3.7
2002	137,731	146,600	174,826	1,269	4,726	3.4
2003	138,988	156,200	182,123	1,310	4,725	3.4
2004	140,504	142,200	161,499	1,149	4,995	3.6
2005	142,946	160,400	176,199	1,233	4,984	3.5
2006	145,607	164,700	175,269	1,204	5,088	3.5
2007	147,203	175,300	181,383	1,232	4,829	3.3
2008	146,535	183,000	182,349	1,244	4,423	3.3
2009	141,102	168,900	168,900	1,197	3,582	2.8

¹Economic loss from unintentional injuries. These estimates are not comparable from year to year.

²From unintentional injuries.

³Age 16 and over, gainfully employed, including owners, managers and other paid employees, the self-employed, unpaid family workers and active duty resident military personnel.

⁴Adjusted to 2009 dollars by the Insurance Information Institute using the Bureau of Labor Statistics' Inflation Calculator.

Source: National Safety Council; U.S. Department of Labor, Bureau of Labor Statistics, Census of Fatal Occupational Injuries; Insurance Information Institute.

PRIVATE INDUSTRIES WITH THE LARGEST NUMBER OF NONFATAL OCCUPATIONAL INJURIES AND ILLNESSES, 2010¹

Rank	Industry	Number (000)	Incidence rate ²
1	General medical and surgical hospitals	241.7	7.0
2	Food services and drinking places	194.3	3.3
3	Specialty trade contractors	132.7	4.3
4	Ambulatory health care services	130.4	2.8
5	Administrative and support services	111.2	2.7
6	Nursing care facilities	110.9	8.6
7	General merchandise stores	109.3	5.0
8	Grocery stores	100.0	5.4
	All private industry	3,063.4	3.5

¹Based on industries with 100,000 or more cases in 2010. Excludes farms with fewer than 11 employees.

²The incidence rates represent the number of injuries and illnesses per 100 full-time workers.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

TOP TEN OCCUPATIONS WITH THE LARGEST NUMBER OF INJURIES AND ILLNESSES, 2009¹
(000)

Rank	Occupation	Number	Percent of total
1	Laborers (nonconstruction)	61,440	6.4%
2	Truckdrivers, heavy	45,610	4.7
3	Nursing aides, orderlies	42,570	4.4
4	Truckdrivers, light	31,600	3.3
5	Retail salespersons	28,180	2.9
6	Janitors and cleaners	26,980	2.8
7	Production workers	24,400	2.5
8	Construction laborers	23,860	2.5
9	Registered nurses	20,270	2.1
10	Stock clerks and order fillers	17,390	1.8
	Total, 10 occupations	322,300	33.4%
	All occupations	964,990	100.0%

¹Nonfatal injuries and illnesses involving days off from work for private industries; excludes farms with fewer than 11 employees.
Source: U.S. Department of Labor, Bureau of Labor Statistics.

Causes of Workplace Deaths

According to the U.S. Department of Labor, the highest rate of workplace fatalities in 2010 was among fishing workers, with 116 deaths per 100,000 full-time employees, followed by logging workers, aircraft pilots and flight engineers, and farmers and ranchers. The all-industry average was 3.5 deaths per 100,000 workers.

WORKPLACE DEATHS BY CAUSE, 2009-2010¹

Cause	Fatalities		
	2009	2010	
	Number	Number	Percent of total
All transportation (includes vehicle crashes)	1,795	1,766	39%
Vehicle crashes	985	968	21
Assaults and violence (includes homicides)	837	808	18
Homicides	542	506	11
Contact with objects and equipment	741	732	16
Falls	645	635	14
Exposure to harmful substances or environments	404	409	9
Fires and explosions	113	187	4
Total workplace fatalities	4,551	4,547	100%

¹From intentional and unintentional sources.

Source: U.S. Department of Labor, Bureau of Labor Statistics, Census of Fatal Occupational Injuries.

Occupational Disease

According to the U.S. Department of Labor's Bureau of Labor Statistics, an occupational disease is any new abnormal condition or disorder, other than one resulting from an occupational injury, caused by exposure to factors associated with employment. Included are acute and chronic diseases which may be caused by inhalation, absorption, ingestion or direct contact in the workplace.

The overwhelming majority of reported new illnesses are those that directly relate to workplace activity (e.g., contact dermatitis or carpal tunnel syndrome) and are easy to identify. However, some conditions, such as long-term latent illnesses caused by exposure to carcinogens, often are difficult to relate to the workplace and may be understated.

Asbestos-Related Illness

Exposure to asbestos can cause lung cancer and other respiratory diseases. The first asbestos-related lawsuit was filed in 1966. A number of workers who may have physical signs of exposure but not a debilitating disease are filing claims now out of concern that if they later develop an illness, the company responsible may be bankrupt, due to other asbestos claims. It can take as long as 40 years after exposure for someone to be diagnosed with an asbestos-related illness.

ESTIMATED ASBESTOS LOSSES, 2001-2010

(\$ billions)

- Incurred asbestos losses rose to \$2.5 billion in 2010, up 25 percent from \$2.0 billion in 2009.

Year	Beginning reserve	Losses		Ending reserve ²
		Incurred ¹	Paid	
2001	\$11.0	\$3.8	\$1.6	\$13.2
2002	12.9	7.6	2.0	18.4
2003	18.2	6.5	2.2	22.5
2004	22.5	4.3	3.3	23.6
2005	23.6	3.6	2.3	24.9
2006	24.9	1.6	2.6	23.9
2007	23.9	2.5	2.6	23.8
2008	23.8	1.1	3.1	21.9
2009	21.9	2.0	2.2	21.6
2010	21.6	2.5	2.4	21.6

¹Incurred losses are losses related to events that have occurred, regardless of whether or not the claims have been paid. Includes loss adjustment expenses.

²Because of changes in the population of insurers reporting data each year, the beginning reserve may not equal the ending reserve of the prior year.

Source: ISO, a Verisk Analytics company.

Home Injuries

In 2009 more than 21 million Americans, or one in 14 people, experienced an unintentional injury in the home that required aid from a medical professional, according to an analysis by the National Safety Council (NSC). Injuries requiring medical attention occur more often at home than in public places, the workplace and motor vehicle crashes combined, according to the NSC. There were 65,200 deaths from unintentional home injuries in 2009. Despite population growth and a corresponding rise in the number of fatal injuries, the rate of fatal home injuries has declined dramatically over the past 100 years, falling by 24 percent from 28 deaths per 100,000 people in 1912 to 21.3 per 100,000 people in 2009. The NSC put the economic cost of home injuries at \$192.2 billion in 2009.

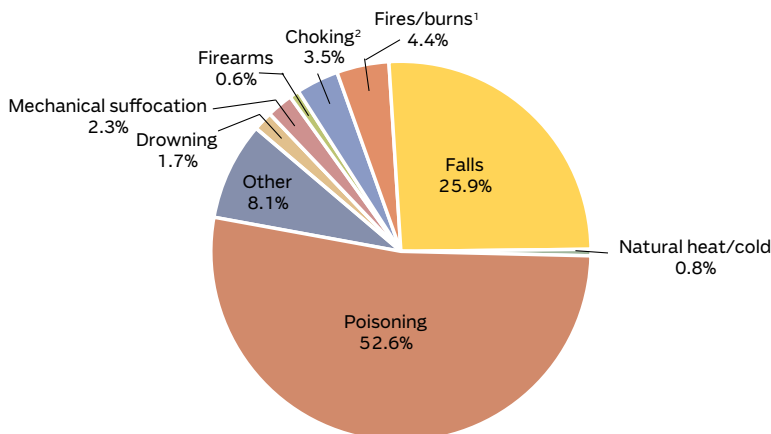
UNINTENTIONAL HOME DEATHS AND INJURIES, 2009

Deaths	65,200
Medically consulted injuries	21,100,000
Death rate per 100,000 population	21.3
Costs	\$192.2 billion

■ The number of deaths from unintentional home injuries rose 123 percent from 29,200 in 2000 to 65,200 in 2009.

Source: National Safety Council.

PRINCIPAL TYPES OF HOME UNINTENTIONAL INJURY DEATHS, 2009



¹Includes deaths resulting from conflagration, regardless of nature of injury.

²Inhalation and ingestion of food or other object that obstructs breathing.

Source: National Safety Council.

Losses

Cause of Death

Public Health Risks

Influenza and pneumonia are among the leading causes of death each year in the United States, responsible for some 53,000 fatalities in 2009. However, pandemic influenza viruses have the potential to be far more deadly. An estimated 675,000 Americans died during the 1918 Spanish influenza pandemic, the deadliest and most infectious known influenza strain to date.

U.S. DEATH RATES FROM MAJOR CAUSES, 2008-2009

Cause of death	Number of deaths, 2009	Age-adjusted death rate ¹		
		2008	2009	Percent change
Heart disease	598,607	186.7	179.8	-3.7%
Malignant neoplasms (tumors)	568,668	175.5	173.6	-1.1
Chronic lower respiratory diseases	137,082	44.0	42.2	-4.1
Cerebrovascular diseases (stroke)	128,603	40.6	38.9	-4.2
Accidents (unintentional injuries)	117,176	38.6	37.0	-4.1
Alzheimer's disease	78,889	24.4	23.4	-4.1
Diabetes	68,504	21.8	20.9	-4.1
Influenza and pneumonia	53,582	17.0	16.2	-4.7
Kidney disease	48,714	14.8	14.8	³
Intentional self-harm (suicide)	36,547	11.6	11.7	0.9
Septicemia	35,587	11.1	10.9	-1.8
Chronic liver disease and cirrhosis	30,444	9.2	9.2	³
Hypertension ²	25,651	7.7	7.7	³
Parkinson's disease	20,552	6.4	6.4	³
Assault (homicide)	16,591	5.9	5.5	-6.8
All other causes	471,455	NA	NA	NA
All deaths	2,436,652	758.6	741.0	-2.3%

¹Per 100,000 population; factors out differences based on age.

²Essential (primary) hypertension and hypertensive renal disease.

³Less than 0.1 percent.

NA=Not applicable.

Source: National Center for Health Statistics.

Cost of Goods and Services

The Bureau of Labor Statistics' Consumer Expenditures Survey describes the buying habits of American consumers, using household expenditure records and surveys. Expenditures include goods and services purchased, whether or not payment was made at the time of purchase, and all sales and excise taxes.

Income, age of family members, geographic location, taste and personal preference influence expenditures. Location often affects the cost of auto and homeowners insurance. Rural households spend less than urban households on auto insurance; regional variations in residential building costs affect spending on homeowners insurance. In addition to the number and type of cars, where they are driven and by whom, auto insurance prices are influenced by such factors as the degree of competition in the marketplace and how claimants are compensated (through the no-fault or traditional tort systems).

**INSURANCE AND OTHER CONSUMER EXPENDITURES AS A PERCENT OF
TOTAL HOUSEHOLD SPENDING, 1990-2010¹**

	1990	1995	2000	2005	2008	2009	2010
Housing	30.0%	31.7%	31.7%	31.9%	33.1%	33.7%	33.7%
Transportation	15.9	16.4	17.5	16.0	14.8	13.4	13.9
Food	15.0	14.0	13.6	12.8	12.8	13.0	12.7
Retirement ²	8.8	8.0	7.8	10.4	10.5	10.5	10.5
Other	10.6	10.2	10.5	10.4	10.1	10.4	10.4
Total insurance	5.8	6.8	6.3	6.5	6.9	7.2	7.3
Health	2.0	2.7	2.6	2.9	3.3	3.6	3.8
Vehicle	2.0	2.2	2.0	2.0	2.2	2.2	2.1
Homeowners	0.5	0.7	0.7	0.7	0.7	0.7	0.8
Life	1.2	1.1	1.0	0.8	0.6	0.6	0.6
Other	0.1	0.1	0.1	0.1	³	³	³
Entertainment	5.0	5.0	4.9	5.1	5.6	5.5	5.2
Clothing	5.7	5.3	4.9	4.1	3.6	3.5	3.5
Healthcare	3.1	2.7	2.8	2.8	2.6	2.7	2.8

¹Ranked by 2010 data.

²Mostly payroll deductions for retirement purposes such as Social Security (77%), and private pension plans (14%) and nonpayroll deposits such as IRAs (9%) in 2010.

³Less than 0.1 percent.

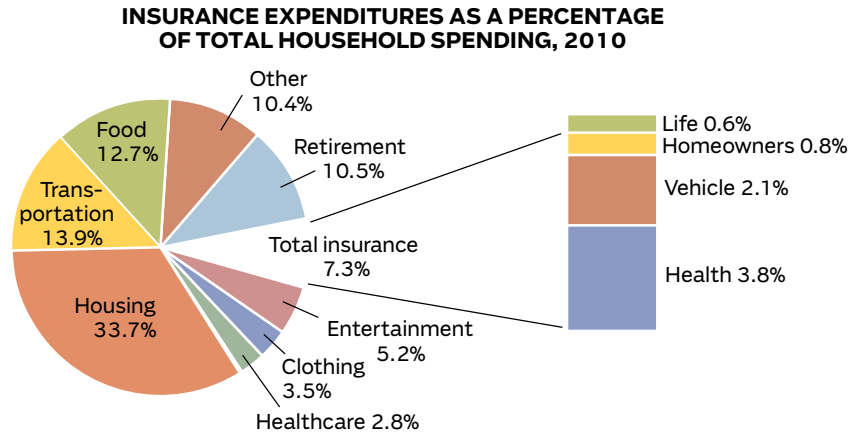
Note: Percentages may not add due to rounding.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Factors Affecting Costs

Cost of Goods and Services

- Insurance accounted for 7.3 percent of household spending in 2010, up 0.1 percentage point from 2009. The share spent on health insurance grew by 0.2 percentage points, homeowners insurance rose by 0.1 percentage point and vehicle insurance fell 0.1 percentage point.



Source: U.S. Department of Labor, Bureau of Labor Statistics.

Consumer Prices

The Bureau of Labor Statistics' consumer price index (CPI) tracks changes in the prices paid by consumers for a representative basket of goods and services. The cost of living (all items) rose 1.6 percent in 2010. The cost of insurance and related items rose more steeply, with auto insurance up 5.1 percent, hospital services up 7.8 percent and legal services up 3.6 percent.

CONSUMER PRICE INDICES FOR INSURANCE AND RELATED ITEMS AND ANNUAL RATES OF CHANGE, 2001-2010

(Base: 1982-84=100)

Year	Cost of living (all items)		Motor vehicle insurance		Medical care items		Physicians' services		Hospital services ¹	
	Index	Percent change	Index	Percent change	Index	Percent change	Index	Percent change	Index	Percent change
2001	177.1	2.8%	268.1	4.4%	272.8	4.6%	253.6	3.6%	123.6	6.6%
2002	179.9	1.6	291.6	8.8	285.6	4.7	260.6	2.8	134.7	9.0
2003	184.0	2.3	314.4	7.8	297.1	4.0	267.7	2.7	144.7	7.4
2004	188.9	2.7	323.2	2.8	310.1	4.4	278.3	4.0	153.4	6.0
2005	195.3	3.4	329.9	2.1	323.2	4.2	287.5	3.3	161.6	5.3
2006	201.6	3.2	331.8	0.6	336.2	4.0	291.9	1.5	172.1	6.5
2007	207.3	2.8	333.1	0.4	351.1	4.4	303.2	3.9	183.6	6.7
2008	215.3	3.8	341.5	2.5	364.1	3.7	311.3	2.7	197.2	7.4
2009	214.5	-0.4	357.0	4.5	375.6	3.2	320.8	3.0	210.7	6.9
2010	218.1	1.6	375.2	5.1	388.4	3.4	331.3	3.3	227.2	7.8
Percent change 2001-2010		23.2%		39.9%		42.4%		30.6%		83.8%

(table continues)

CONSUMER PRICE INDICES FOR INSURANCE AND RELATED ITEMS AND ANNUAL RATES OF CHANGE, 2001-2010 (Cont'd)

(Base: 1982-84=100)

Year	Motor vehicle body work		New vehicles		New cars		New trucks ²	
	Index	Percent change	Index	Percent change	Index	Percent change	Index	Percent change
2001	194.9	3.8%	142.1	-0.5%	138.9	-0.5%	150.7	-0.7%
2002	199.6	2.4	140.0	-1.5	137.3	-1.2	147.8	-1.9
2003	202.9	1.7	137.9	-1.5	134.7	-1.9	146.1	-1.2
2004	208.2	2.6	137.1	-0.6	133.9	-0.6	145.0	-0.8
2005	215.0	3.3	137.9	0.6	135.2	1.0	145.3	0.2
2006	224.8	4.6	137.6	-0.2	136.4	0.9	142.9	-1.7
2007	232.2	3.3	136.3	-1.0	135.9	-0.4	140.7	-1.5
2008	239.7	3.2	134.2	-1.5	135.4	-0.3	137.1	-2.6
2009	248.5	3.7	135.6	1.1	136.7	0.9	138.8	1.3
2010	254.4	2.4	138.0	1.8	138.1	1.0	142.7	2.8
Percent change 2001-2010		30.5%		-2.9%		-0.6%		-5.3%

Year	Used cars and trucks		Tenants and household insurance ^{3,4}		Repair of household items ^{3,5}		Legal services		Existing single-family homes	
	Index	Percent change	Index	Percent change	Index	Percent change	Index	Percent change	Median price (\$000)	Percent change
2001	158.7	1.9%	106.2	2.4%	119.4	7.0%	199.5	5.4%	\$153	6.6%
2002	152.0	-4.2	108.7	2.4	125.1	4.8	211.1	5.8	165	7.8
2003	142.9	-6.0	114.8	5.6	131.0	4.7	221.7	5.0	179	8.4
2004	133.3	-6.7	116.2	1.2	139.4	6.4	232.3	4.8	195	9.3
2005	139.4	4.6	117.6	1.2	147.4	5.7	241.8	4.1	220	12.4
2006	140.0	0.4	116.5	-0.9	154.7	5.0	250.0	3.4	222	1.0
2007	135.7	-3.0	117.0	0.4	161.2	4.2	260.3	4.1	219	-1.3
2008	134.0	-1.3	118.8	1.6	170.0	5.5	270.7	4.0	198	-9.5
2009	127.0	-5.2	121.5	2.2	176.0	3.5	278.1	2.7	173	-12.9
2010	143.1	12.7	125.7	3.5	181.7	3.2	288.1	3.6	173	0.3
Percent change 2001-2010		-9.8%		18.4%		52.2%		44.4%		13.0%

¹December 1996=100. ²December 1983=100. ³December 1997=100. ⁴Only includes insurance covering rental properties. ⁵Includes appliances, reupholstery and inside home maintenance. NA=Data not available. Note: Percent changes after 2007 for consumer price indices and all years for the median price of existing single-family homes calculated from unrounded data.

Source: U.S. Department of Labor, Bureau of Labor Statistics; National Association of Realtors.

- Insurance industry estimates generally put fraud at about 10 percent of the property/casualty insurance industry's incurred losses and loss adjustment expenses each year, although the figure can fluctuate based on line of business, economic conditions and other factors.
- No-fault fraud and abuse cost consumers and insurers about \$204 million in 2010 in New York State alone, according to the Insurance Information Institute.

Insurance Fraud

Insurance fraud is a deliberate deception perpetrated against or by an insurance company or agent for the purpose of financial gain. Fraud may be committed at different points in the insurance transaction by applicants for insurance, policyholders, third-party claimants or professionals who provide services to claimants. Insurance agents and company employees may also commit insurance fraud. Common frauds include padding, or inflating actual claims, misrepresenting facts on an insurance application, submitting claims for injuries or damage that never occurred, and staging accidents.

Insurance fraud may be classified as hard or soft. Hard fraud is a deliberate attempt either to stage or invent an accident, injury, theft, arson or other type of loss that would be covered under an insurance policy. Soft fraud, which is sometimes called opportunity fraud, occurs when a policyholder or claimant exaggerates a legitimate claim. A car owner involved in a fender bender who pads the claim to cover the policy deductible is committing soft fraud. Another example is exaggerating the number and value of items stolen from a home or business. Soft fraud may also occur when people purposely provide false information to influence the underwriting process in their favor when applying for insurance. To lower insurance premiums or increase the likelihood that the application for insurance will be accepted, people may underreport the number of miles driven when buying auto insurance, fail to provide an accurate medical history when applying for health insurance or falsify the number of employees and the nature of their work for workers compensation coverage.

The exact amount of fraud committed is difficult to determine. The proportion of fraud varies among the different lines of insurance, with healthcare, workers compensation and auto insurance believed to be the most vulnerable lines. The nature of fraud is constantly evolving.

KEY STATE LAWS AGAINST INSURANCE FRAUD

State	Insurance fraud classified as a crime	Immunity statutes	Fraud bureau	Mandatory insurer fraud plan	Mandatory auto photo inspection
Alabama	X ^{1,2}	X ³			
Alaska	X	X	X		
Arizona	X	X	X		
Arkansas	X	X	X	X	
California	X	X	X	X	
Colorado	X	X	X	X	
Connecticut	X	X	X		
Delaware	X	X	X		
D.C.	X	X	X	X	
Florida	X	X	X	X	X
Georgia	X	X	X		
Hawaii	X ^{1,2}	X	X		
Idaho	X	X	X		
Illinois	X	X	X ¹		
Indiana	X	X	X		
Iowa	X	X	X		
Kansas	X	X	X	X	
Kentucky	X	X	X	X	
Louisiana	X	X	X	X	
Maine	X	X	X ¹	X	
Maryland	X	X	X	X	
Massachusetts	X	X	X		X
Michigan	X	X			
Minnesota	X	X	X	X	
Mississippi	X	X ³	X ⁴		
Missouri	X	X	X		
Montana	X	X	X		
Nebraska	X	X	X		
Nevada	X	X	X ⁴		
New Hampshire	X	X	X	X	

(table continues)

- Immunity statutes protect the person or insurance company that reports insurance fraud from criminal and civil prosecution.
- Fraud bureaus are state law enforcement agencies, mostly set up in the department of insurance, where investigators review fraud reports and begin the prosecution process.

Factors Affecting Costs

Fraud

- State mandated insurer fraud plans require insurance companies to formulate a program for fighting fraud and sometimes to establish special investigation units to identify fraud patterns.

KEY STATE LAWS AGAINST INSURANCE FRAUD (Cont'd)

State	Insurance fraud classified as a crime	Immunity statutes	Fraud bureau	Mandatory insurer fraud plan	Mandatory auto photo inspection
New Jersey	X	X	X ⁴	X	X
New Mexico	X	X	X	X	
New York	X	X	X	X	X
North Carolina	X	X	X		
North Dakota	X	X	X		
Ohio	X	X	X	X	
Oklahoma	X	X	X		
Oregon	X ¹	X			
Pennsylvania	X	X	X ⁴	X	
Rhode Island	X	X ^{1,3,5}	X ^{4,6}	X	X
South Carolina	X	X	X ⁴		
South Dakota	X	X	X		
Tennessee	X	X	X	X	
Texas	X	X	X	X	
Utah	X	X	X		
Vermont	X	X		X	
Virginia	X	X	X ⁶		
Washington	X	X	X	X	
West Virginia	X	X	X		
Wisconsin	X	X	X ⁴		
Wyoming	X	X ³			

¹Workers compensation insurance only.

²Healthcare insurance only.

³Arson only.

⁴Fraud bureau set up in the State Attorney General's office.

⁵Auto insurance only.

⁶Fraud bureau set up in the state police office.

Source: Property Casualty Insurers Association of America; Coalition Against Insurance Fraud.

Insurers' Legal Defense Costs

Lawsuits against businesses affect the cost of insurance and the products and services of the industries sued. According to Towers Watson, an actuarial consulting firm, the American civil liability (tort) system cost about \$248.1 billion in 2009 in direct costs, down 2.7 percent from the previous year. Most lawsuits are settled out of court. Of those that are tried and proceed to verdict, Jury Verdict Research data show that in 2009 the median, or midpoint, plaintiff award in personal injury cases was \$43,128, up 11 percent from \$38,745 in 2005.

Insurers are required to defend their policyholders against lawsuits. The costs of settling a claim are reported on insurers' financial statements as "defense and cost containment expenses incurred." These expenses include defense, litigation and medical cost containment. Expenditures for surveillance, litigation management and fees for appraisers, private investigators, hearing representatives and fraud investigators are included. In addition, attorney legal fees may be incurred owing to a duty to defend, even when coverage does not exist, because attorneys must be hired to issue opinions about coverage. Insurers' defense costs as a percentage of incurred losses are relatively high in some lines such as products liability and medical malpractice, reflecting the high cost of defending certain types of lawsuits, such as medical injury cases and class actions against pharmaceutical companies. For example, in addition to \$2.9 billion in medical malpractice incurred losses in 2010, insurers spent another \$1.8 billion in settlement expenses, equivalent to 61.4 percent of the losses.

**DEFENSE COSTS AND COST CONTAINMENT EXPENSES
AS A PERCENT OF INCURRED LOSSES, 2008-2010¹**
(\$000)

	2008		2009		2010	
	Amount	As a percent of incurred losses	Amount	As a percent of incurred losses	Amount	As a percent of incurred losses
Medical malpractice	\$1,865,598	58.3%	\$1,886,557	57.2%	\$1,808,104	61.4%
Products liability	1,028,628	63.8	1,028,628	63.8	895,591	57.0
Commercial multiple peril ²	1,811,415	34.3	1,799,507	43.7	1,880,941	44.7
Other liability	4,835,297	25.5	5,174,214	24.8	5,289,585	25.6
Workers compensation	2,642,574	11.8	2,407,144	10.8	2,492,843	11.2
Commercial auto liability	1,070,040	10.7	963,574	10.3	929,009	10.6
Private passenger auto liability	3,595,860	5.9	3,928,788	6.3	3,946,317	6.2
All liability lines	\$16,849,412	13.8%	\$17,188,412	13.8%	\$17,242,390	13.8%

¹Net of reinsurance, excluding state funds.

²Liability portion only.

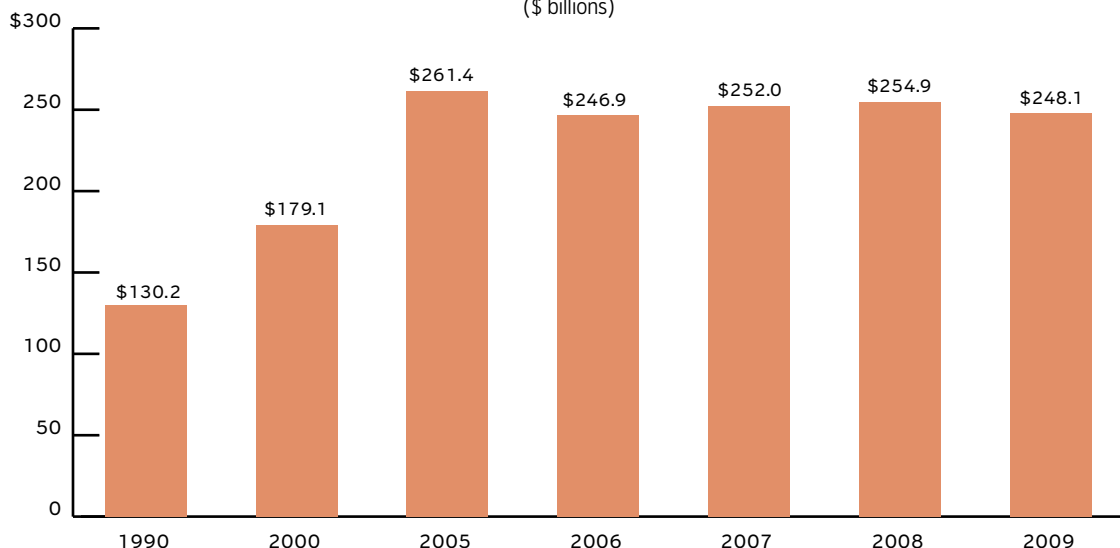
Source: SNL Financial LC.

Factors Affecting Costs

Litigiousness

COST OF U.S. TORT SYSTEM, 1990-2009

(\$ billions)



Source: Towers Watson.

GROWTH OF TORT COSTS, 1951-2009

- U.S. tort costs fell by 2.7 percent in 2009 to \$248.1 billion, following a 1.1 percent increase in 2008. The decline reflects a decrease in tort actions, especially in the commercial auto line of business.

- The U.S. tort system cost \$808 per person in 2009, \$30 less per person than in 2008.

- Tort costs accounted for 1.74 percent of the gross domestic product in 2009, down from 1.76 percent in 2008.

Years	Average annual change in tort system costs
1951-1960	11.6%
1961-1970	9.8
1971-1980	11.9
1981-1990	11.8
1991-2000	3.2
2001	14.7
2002	13.4
2003	5.5
2004	6.0
2005	0.4
2006	-5.6
2007	2.1
2008	1.1
2009	-2.7
59 years (1951 - 2009)	8.7%

Source: Towers Watson.

Personal Injury Awards

According to Jury Verdict Research (JVR) data, in 2009 the median (or midpoint) award in personal injury cases was \$43,128, up from \$41,397 the previous year. The average award dropped from \$926,651 to \$806,505 during the same period. JVR notes that average awards can be skewed by a few very high awards and that medians are more representative of typical awards. In cases of business negligence, the highest median award was in cases against utility companies (\$704,663). In cases involving medical malpractice, the highest median award was in childbirth cases (\$3 million). In products liability disputes, the highest median award was in transportation products cases (\$3 million).

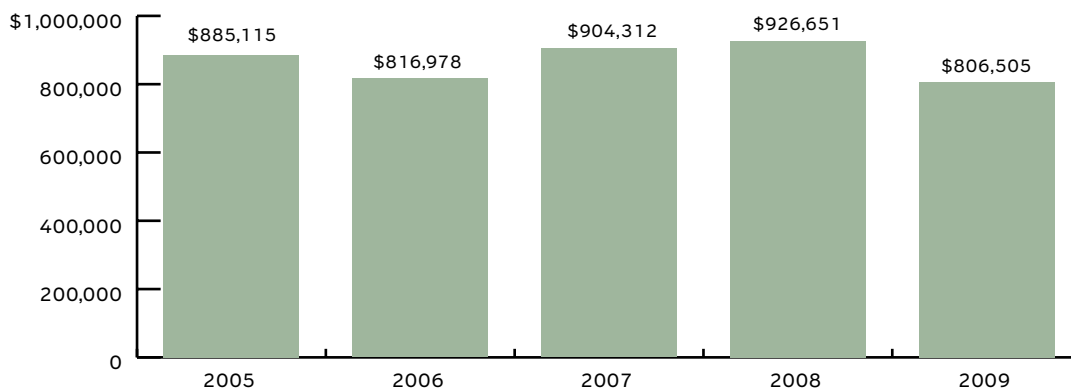
TRENDS IN PERSONAL INJURY LAWSUITS, 2003-2009¹

Year	Median award	Award range	Average award
2003	\$30,000	\$1 - 118,470,408	\$776,581
2004	36,400	1 - 326,000,000	926,909
2005	38,745	1 - 212,580,000	885,115
2006	39,999	1 - 62,716,000	816,978
2007	40,000	1 - 102,714,734	904,312
2008	41,397	1 - 188,000,000	926,651
2009	43,128	1 - 77,418,670	806,505
Overall	\$37,500	\$1 - 326,000,000	\$863,358

¹Does not include punitive damages.

Source: Jury Verdict Research.

AVERAGE PERSONAL INJURY JURY AWARDS, 2005-2009

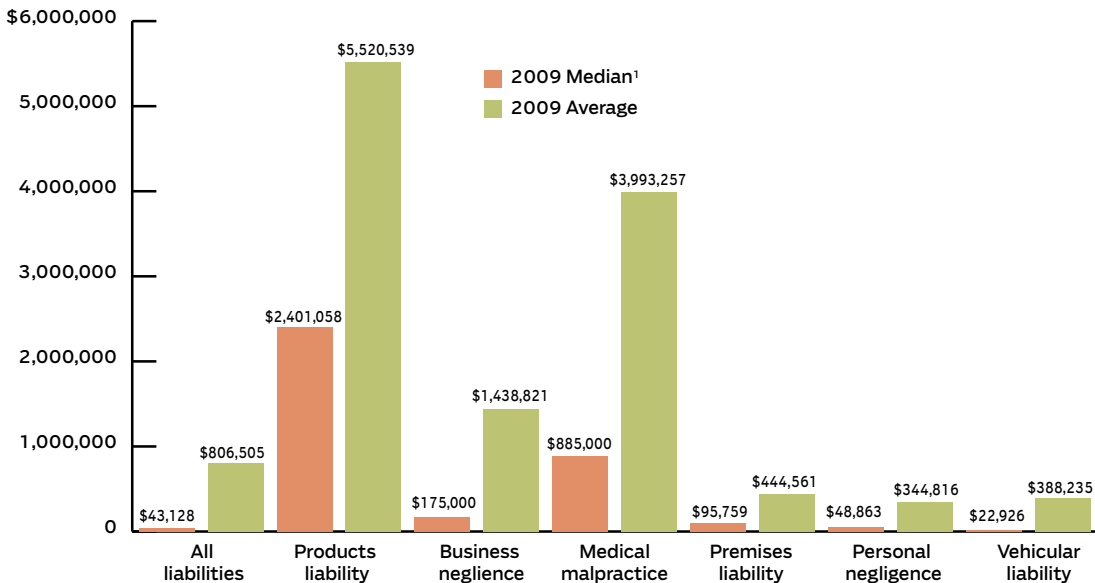


Source: Jury Verdict Research.

Factors Affecting Costs

Litigiousness

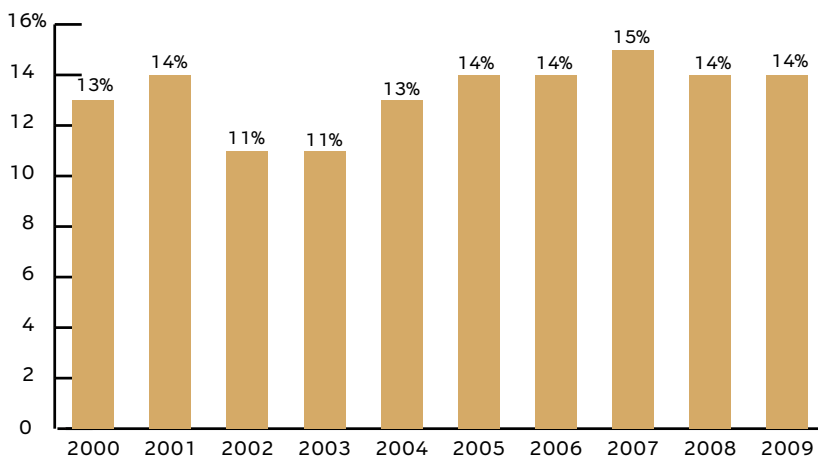
MEDIAN¹ AND AVERAGE PERSONAL INJURY JURY AWARDS BY TYPE OF LIABILITY, 2009



¹Represents the midpoint jury award. Half of awards are above the median and half are below.

Source: Jury Verdict Research.

PERCENT OF PERSONAL INJURY JURY AWARDS OVER \$1 MILLION, 2000-2009



Source: Jury Verdict Research.

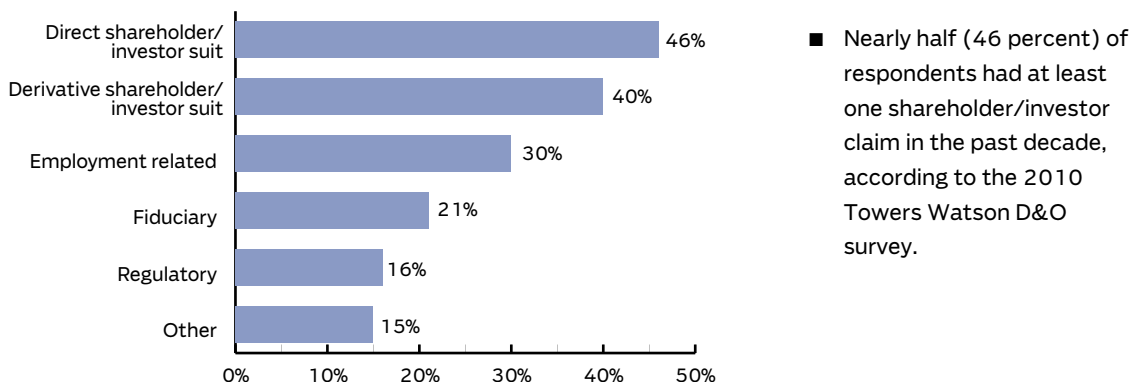
Directors and Officers Liability Insurance

Directors and officers liability insurance (D&O) covers directors and officers of a company for negligent acts or omissions and for misleading statements that result in suits against the company. There are various forms of D&O coverage. Corporate reimbursement coverage indemnifies directors and officers of the organization. Side-A coverage provides D&O coverage for personal liability when directors and officers are not indemnified by the firm. Entity coverage for claims made specifically against the company is also available. D&O policies may be broadened to include coverage for employment practices liability (EPL). EPL coverage may also be purchased as a stand-alone policy.

Sixty-two percent of corporations purchased D&O coverage in 2010, according to the Cost of Risk survey from the Risk and Insurance Management Society. The pickup rate was greatest for banks, with 84 percent of bank respondents purchasing the coverage. Chartis was the leading D&O writer based on premiums written, with a 15.5 percent market share in 2010, followed by Chubb (10.4 percent), XL (10.0 percent) ACE (7.9 percent) and CNA (6.4 percent), according to the survey, which is based on the responses of 1,431 corporations.

Another 2010 report, based on a survey of about 500 U.S. corporations conducted by Towers Watson, found that the average D&O limits purchased by the group was \$80.4 million, and the median limits purchased was \$50 million. For public companies the average was \$118.3 million. For private companies the average limit was \$34 million. Twenty-one percent of respondents said they had increased their D&O limits in 2010 (versus 12 percent in a 2008 Towers Watson survey), while 75 percent said their limits stayed the same (versus 86 percent in 2008). Only 3 percent decreased their limits. Nearly one-third (31 percent) reported having filed a claim in the last 10 years, up sharply from the 17 percent reported in the 2008 survey.

TYPES OF DIRECTORS AND OFFICERS LIABILITY CLAIMS, 2001-2010¹



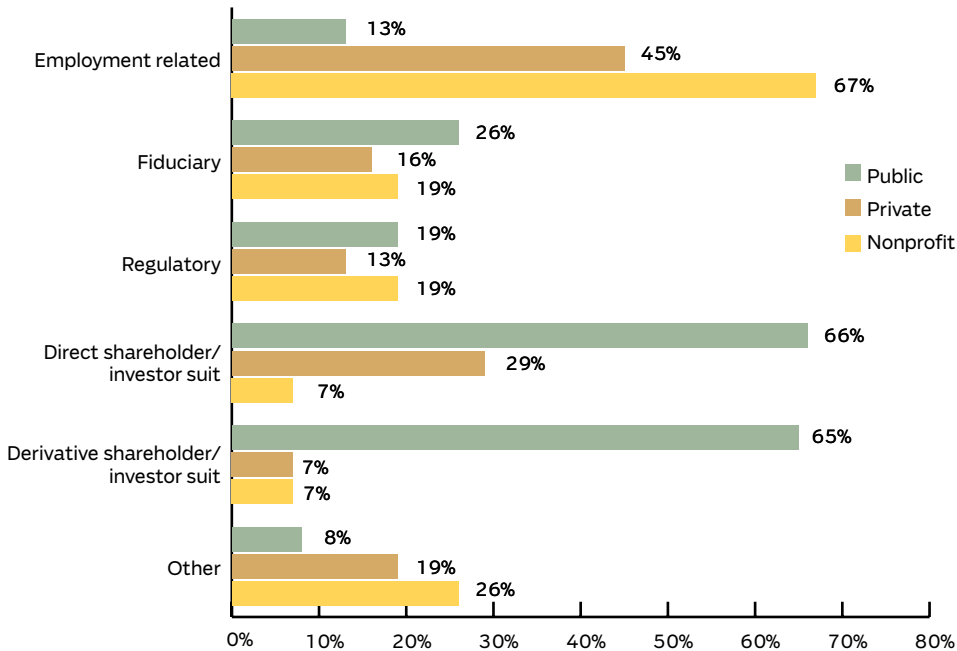
¹Based on participants in the survey that reported one or more claims over the 10-year period.

Source: 2010 Directors and Officers Liability Survey, Towers Watson.

Factors Affecting Costs

Litigiousness

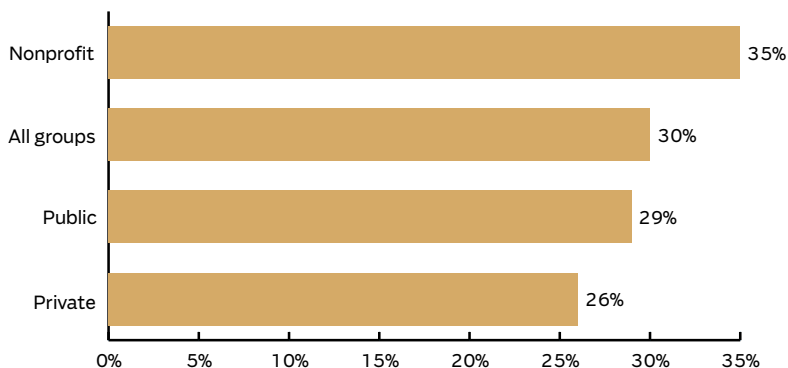
DIRECTORS AND OFFICERS LIABILITY CLAIMS BY TYPE OF CLAIMANT IN THE UNITED STATES, 2001-2010¹



¹Based on participants in the survey that reported one or more claims over the 10-year period.

Source: 2010 Directors and Officers Liability Survey, Towers Watson.

DIRECTORS AND OFFICERS LIABILITY CLAIMS BY BUSINESS OWNERSHIP, 2001-2010¹



¹Based on participants in the survey that reported one or more claims over the 10-year period.

Source: 2010 Directors and Officers Liability Survey, Towers Watson.

Employment Practices Liability

Employment practices are a frequent source of claims against directors, officers and their organizations. Organizations that purchase insurance for employment practices liability (EPL) claims typically either buy a stand-alone EPL insurance policy or endorse their directors and officers liability (D&O) policy to cover employment practices liability. In 2010, 24 percent of respondents to a Towers Watson survey shared or blended their D&O limits with another coverage such as EPL or fiduciary liability.

In 2010, 32 percent of the respondents to a survey of risk managers by the Risk and Insurance Management Society said they bought EPL policies. The pickup rate was greatest for banks, with 64 percent of bank respondents purchasing the coverage, followed by telecommunications and consumer staples (46 percent each). Chartis was the leading writer, based on EPL premiums written, with a 30.5 percent market share in 2010, followed by Chubb (12.1 percent), Zurich (11.3 percent), XL (10.2 percent) and Alterra (7.9 percent), according to the survey.

TRENDS IN EMPLOYMENT PRACTICES LIABILITY, 2004-2010

Year	Median (midpoint) award	Probability range ¹
2004	\$187,583	\$56,750-\$426,490
2005	188,000	50,000-500,000
2006	165,000	50,000-467,445
2007	177,805	56,000-725,000
2008	266,024	69,250-728,750
2009	215,000	65,236-624,537
2010	182,500	50,000-392,500

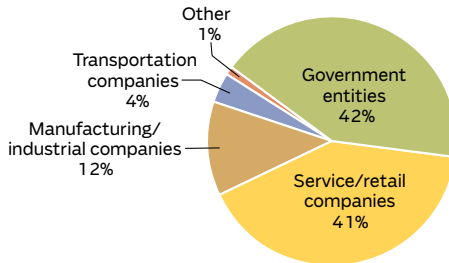
¹The middle 50 percent of all awards arranged in ascending order in a sampling, 25 percent above and below the median award.

Source: Jury Verdict Research.

Factors Affecting Costs

Litigiousness

EMPLOYMENT PRACTICES LIABILITY, BY DEFENDANT TYPE, 2004-2010¹



¹Based on plaintiff and defendant verdicts rendered.

Source: Jury Verdict Research.

Shareholder Lawsuits

Cornerstone Research has conducted annual studies of securities litigation settlements and filings each year since the passage of the 1995 Private Securities Litigation Reform Act, enacted to curb frivolous shareholder lawsuits.

Filings

The number of securities lawsuits filed in 2010 rose by 4.8 percent from 168 in 2009 to 176 in 2010, well below the 223 lawsuits filed in 2008 and 9.7 percent below the 195 average recorded between 1997 and 2009, according to Cornerstone's latest study. The number of lawsuits filed alleging disclosure violations in merger and acquisition transactions soared six-fold to 40 in 2010 from seven in 2009. Credit crisis-related filings, which dominated in 2008 with 100 filings, fell to 13 in 2010, down from 55 in 2009. However, in 2010 there was a spike in suits against Chinese companies, with 12 filings, and against healthcare companies, with 15.4 percent of healthcare companies in the S&P 500 named in class actions.

Settlements

The number of securities class-action settlements approved in 2010 fell to 86, the lowest number in more than 10 years and a 14.9 percent drop from 101 in 2009. The total value of the settlements fell by 17.8 percent from \$3.8 billion to \$3.1 billion during the same period. By contrast, the median, or midpoint, amount for cases settled rose by 41 percent to \$11.3 million in 2010 from \$8.0 million in 2009. This was the largest percentage increase in the median settlement in the last 10 years and the first time the median settlement exceeded \$10 million. During the same period, the average settlement amount fell slightly from \$37.2 million in 2009 to \$36.3 million in 2010 but remained well below the \$54.8 million average for all settlements from 1996 to 2009. The drop in average settlements reflects a decline in very large settlements. For the third consecutive year, no single securities class-action settlement exceeded \$1 billion.

The table below shows settlement trends since the passage of the 1995 Private Securities Litigation Reform Act.

POST-REFORM ACT SETTLEMENTS OF SECURITIES LAWSUITS, 1996-2010¹

	1996-2009	2010
Minimum	\$0.1 million	\$0.5 million
Median	7.6 million	11.3 million
Average	54.8 million	36.3 million
Maximum	7.8 billion	624.0 million
Total settlements	\$61.6 billion	\$3.1 billion

¹Private Securities Litigation Reform Act of 1995; adjusted for inflation.

Source: Cornerstone Research.

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A guide to the insurance industry for reporters, public policymakers, students, insurance company employees, regulators and others. Provides concise explanations of auto, home, life, disability and business insurance, as well as issues papers, a glossary and directories.

Online version available at www.iii.org/insurancehandbook

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Online version available at www.iii.org/economics

International Insurance Fact Book

Facts and statistics on the property/casualty and life insurance industries of dozens of countries. No print edition.

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Commercial Insurance

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Appendices

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Consumer Brochures

Renters Insurance — All renters need to know about insurance

Your Home Inventory — Instructions on how to prepare an inventory of possessions to help identify and calculate losses if a disaster strikes

Nine Ways to Lower Your Auto Insurance Costs — Tips on how to lower your auto insurance costs

Settling Insurance Claims After a Disaster — Helps you understand how to file an insurance claim after a disaster

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twitter.com/JeanneSalvatore — for commentary from Jeanne Salvatore, I.I.I.’s Senior V.P. of Public Affairs
twitter.com/LWorters — for communications updates from Loretta Worters

YEAR	EVENT
1601	First insurance legislation in the United Kingdom was enacted. Modern insurance has its roots in this law which concerned coverage for merchandise and ships.
1666	Great Fire of London demonstrated destructive power of fire in an urban environment, leading entrepreneur Nicholas Barbon to form a business to repair houses damaged by fire.
1684	Participants in the Friendly Society in England formed a mutual insurance company to cover fire losses.
1688	Edward Lloyd's coffee house, the precursor of Lloyd's of London, became the central meeting place for ship owners seeking insurance for a voyage.
1696	Hand in Hand Mutual Fire Company was formed. Aviva, the world's oldest continuously operating insurance company, traces its origins to this company.
1710	Charles Povey formed the Sun, the oldest insurance company in existence which still conducts business in its own name. It is the forerunner of the Royal & Sun Alliance Group.
1735	The Friendly Society, the first insurance company in the United States, was established in Charleston, South Carolina. This mutual insurance company went out of business in 1740.
1752	The Philadelphia Contributionship for the Insurance of Houses from Loss by Fire, the oldest insurance carrier in continuous operation in the United States, was established.
1759	Presbyterian Ministers Fund, the first life insurance company in the United States, was founded.
1762	Equitable Life Assurance Society, the world's oldest mutual life insurer, was formed in England.
1776	Charleston Insurance Company and the South Carolina Insurance Company, the first two United States marine insurance companies, were formed in South Carolina.
1779	Lloyd's of London introduced the first uniform ocean marine policy.
1792	Insurance Company of North America, the first stock insurance company in the United States, was established.
1813	Eagle Fire Insurance Company of New York assumed all outstanding risks of the Union Insurance Company, in the first recorded fire reinsurance agreement in the United States.
1849	New York passed the first general insurance law in the United States.
1850	Franklin Health Assurance Company of Massachusetts offered the first accident and health insurance.
1851	New Hampshire created the first formal agency to regulate insurance in the United States.
1861	First war-risk insurance policies were issued, written by life insurance companies during the Civil War.
1866	National Board of Fire Underwriters was formed in New York City, marking the beginning of insurance rate standardization.
	Hartford Steam Boiler Inspection and Insurance Company, the first boiler insurance company, was established in Hartford, Connecticut.
1873	The Massachusetts Legislature adopted the first standard fire insurance policy.
1878	Fidelity and Casualty Company of New York began providing fidelity and surety bonds.
1885	Liability protection was first offered with the introduction of employers liability policies.
1890	First policies providing benefits for disabilities from specific diseases were offered.
1894	National Board of Fire Underwriters established Underwriters' Laboratories to investigate and test electrical materials to ensure they meet fire safety standards.

Appendices

Brief History

YEAR	EVENT
1898	Travelers Insurance Company issued the first automobile insurance policy in the United States.
1899	First pedestrian killed by an automobile, in New York City.
1910	New York passed the first United States workers compensation law. It was later found to be unconstitutional.
1911	Wisconsin enacted the first permanent workers compensation law in the United States.
1912	Lloyd's of London introduced aviation insurance coverage.
1925	Massachusetts passed the first compulsory automobile insurance legislation. Connecticut passed the first financial responsibility law for motorists.
1938	Federal Crop Insurance Act created the first federal crop insurance program.
1945	McCarran-Ferguson Act (Public Law 15) was enacted. It provided the insurance industry with a limited exemption to federal antitrust law, assuring the pre-eminence of state regulation of the industry.
1947	New York established the Motor Vehicle Liability Security Fund to cover auto insurance company insolvencies. This organization was a precursor of the state guaranty funds established by insurers in all states to absorb the claims of insolvent insurers.
1950	First package insurance policies for homeowners coverage were introduced.
1960	Boston Plan was established to address insurance availability problems in urban areas in Boston.
1968	First state-run Fair Access to Insurance Requirements (FAIR) Plans were set up to ensure property insurance availability in high-risk areas. The federal flood insurance program was established with the passage of the National Flood Insurance Act. It enabled property owners in communities that participate in flood reduction programs to purchase insurance against flood losses.
1971	Massachusetts became the first state to establish a true no-fault automobile insurance plan.
1974	Hawaii became first U.S. state to enact a law creating a near universal healthcare coverage system.
1981	Federal Risk Retention Act of 1981 was enacted. The law fostered the growth of risk retention groups and other nontraditional insurance mechanisms. The Illinois Legislature created the Illinois Insurance Exchange, a cooperative effort of individual brokers and risk bearers operating as a single market, similar to Lloyd's of London.
1985	Mission Insurance Group failed. The insolvency incurred the largest payout by state guaranty funds for a single property/casualty insurance company failure at that time. This and other insolvencies in the 1980s led to stricter state regulation of insurer solvency. Montana became the first state to forbid discrimination by sex in the setting of insurance rates.
1992	European Union's Third Nonlife Insurance Directive became effective, establishing a single European market for insurance.
1996	Florida enacted rules requiring insurers to offer separate deductibles for hurricane losses, marking a shift to hurricane deductibles based on a percentage of loss rather than a set dollar figure. Catastrophe bonds, vehicles for covering disaster risk in the capital markets, were introduced.
1997	World Trade Organization agreement to dismantle barriers to trade in financial services, including insurance, banking and securities, was signed by the United States and some 100 other countries.

YEAR	EVENT
1998	Travelers became first insurer to sell auto insurance on the Internet.
1999	Financial Services Modernization Act (Gramm-Leach-Bliley) enacted, allowing insurers, banks and securities firms to affiliate under a financial holding company structure.
2001	Terrorist attacks upon the World Trade Center in New York City and the Pentagon in Washington, D.C. caused about \$40 billion in insured losses. New York became the first state to ban the use of hand-held cellphones while driving.
2002	Terrorism Risk Insurance Act enacted to provide a temporary federal backstop for terrorism insurance losses.
2003	In a landmark ruling, upheld in 2004, the U.S. Supreme Court placed limits on punitive damages, holding in <i>State Farm v. Campbell</i> that punitive damages awards should generally not exceed nine times compensatory awards.
2004	New York Attorney General Eliot Spitzer and a number of state regulators launched investigations into insurance industry sales and accounting practices.
2005	Citigroup sold off its Travelers life insurance unit, following the spin off of its property/casualty business in 2002. This dissolved the arrangement that led to the passage of Gramm-Leach-Bliley in 1999. The federal Class Action Fairness Act moved most class-action lawsuits to federal courts, offering the prospect of lower defense costs and fewer and less costly verdicts. A string of hurricanes, including Hurricane Katrina, hit the Gulf Coast, making 2005 the most active hurricane season.
2006	Massachusetts passed a mandatory universal health insurance law that established a statewide health insurance exchange. Congress passed legislation extending the Terrorism Risk Insurance Act to December 2007. The act, originally passed in 2002, had been set to expire at the end of 2005. Extended again in 2007.
2007	Washington became the first state to ban the practice of texting with a cellphone while driving. Congress passes legislation extending the Terrorism Risk Insurance Act through the end of 2014.
2008	The Federal Reserve Bank acquired a 79 percent stake in insurance and financial services giant American International Group (AIG) in exchange for an \$85 billion loan, which was subsequently increased and restructured. Troubled Asset Relief Program established to stabilize the financial sector. Insurers that own a federally regulated bank or thrift were eligible to participate.
2010	President Obama signed the Patient Protection and Affordable Care Act, requiring most U.S. citizens to have health insurance. The Dodd-Frank Wall Street Reform and Consumer Protection Act, a landmark regulatory overhaul of the financial services industry, was signed into law. While retaining state regulation of insurance, the act established the Federal Insurance Office, an entity that reports to Congress and the President on the insurance industry.
2011	Roy Woodall, a former Kentucky insurance commissioner, appointed by President Obama and confirmed by the Senate as a voting member of the Financial Stability Oversight Council, established under the 2010 Dodd-Frank Act, to provide the council with insurance expertise. Former Illinois Insurance Department Commissioner Michael McRaith appointed by the Secretary of the Treasury as the first director of the Federal Insurance Office, established under the Dodd-Frank Act. Serves in a nonvoting, advisory capacity to the Financial Stability Oversight Council.

Appendices

Insurance Departments

The majority of state commissioners are appointed by state governors and serve at their pleasure. The states designated with an asterisk (*) presently elect insurance commissioners to four-year terms.

Alabama • Jim L. Ridling, Commissioner of Insurance, 201 Monroe St., Suite 502, Montgomery, AL 36104. Tel. 334-269-3550. Fax. 334-241-4192. www.aldoi.gov

Alaska • Linda S. Hall, Director of Insurance, 550 W. 7th Ave., Suite 1560, Anchorage, AK 99501-3567. Tel. 907-269-7900. Fax. 907-269-7910. www.dced.state.ak.us/insurance

American Samoa • Aoomalo Manupo Turituri, Insurance Commissioner, Executive Office Building, Third Floor, Utulei Pago Pago, AS 96799. Tel. 011-684-633-4116 Fax. 011-684-633-2269. www.americansamoa.gov

Arizona • Christina Urias, Director of Insurance, 2910 North 44th St., Suite 210, Phoenix, AZ 85018-7269. Tel. 602-364-3100. Fax. 602-364-3470. www.id.state.az.us

Arkansas • Jay Bradford, Insurance Commissioner, 1200 W. 3rd St., Little Rock, AR 72201-1904. Tel. 501-371-2600. Fax. 501-371-2618. www.insurance.arkansas.gov

***California** • Dave Jones, Commissioner of Insurance, 300 South Spring Street, South Tower, Los Angeles, CA 90013. Tel. 213-897-8921. Fax. 213-897-9051. www.insurance.ca.gov

Colorado • Jim Riesberg, Commissioner of Insurance, 1560 Broadway, Suite 850, Denver, CO 80202. Tel. 303-894-7499. Fax. 303-894-7455. www.dora.state.co.us/insurance

Connecticut • Thomas B. Leonardi, Commissioner of Insurance, PO Box 816, Hartford, CT 06142-0816. Tel. 860-297-3900. Fax. 860-566-7410. www.ct.gov/cid

***Delaware** • Karen Stewart, Insurance Commissioner, The Rodney Bldg., 841 Silver Lake Blvd., Dover, DE 19904. Tel. 302-674-7300. Fax. 302-739-5280. www.delawareinsurance.gov

District of Columbia • William P. White, Commissioner of Insurance, 810 First St. NE, Suite 701, Washington, DC 20002. Tel. 202-727-8000. Fax. 202-535-1196. www.disb.dc.gov

Florida • Kevin McCarty, Commissioner Office of Insurance Regulation, The Larsen Building, 200 E. Gaines St., Room 101A, Tallahassee, FL 32399-0301. Tel. 850-413-3140. Fax. 850-488-3334. www.flair.com

***Georgia** • Ralph Hudgens, Insurance Commissioner, 2 Martin L. King, Jr. Dr., 704 West Tower, Atlanta, GA 30334. Tel. 404-656-2070. Fax. 404-657-8542. www.gainsurance.org

Guam • Artemio B. Llagan, Banking & Insurance Commissioner, 1240 Route 16 Army Drive, Barrigada, Guam 96913. Tel. 671-635-1817. Fax. 671-633-2643. www.guamtax.com/about/regulatory.html

Hawaii • Gordon Ito, Insurance Commissioner, PO Box 3614, Honolulu, HI 96811. Tel. 808-586-2790. Fax. 808-586-2806. www.state.hi.us/dcca/ins

Idaho • William Deal, Director of the Department of Insurance, 700 West State St., PO Box 83720, Boise, ID 83720-0043. Tel. 208-334-4250. Fax. 208-334-4398. www.doi.idaho.gov

Illinois • Jack Messmore, Acting Director of Insurance, 320 W. Washington St., Springfield, IL 62767-0001. Tel. 217-782-4515. Fax. 217-782-5020. www.insurance.illinois.gov

Indiana • Stephen W. Robertson, Commissioner of Insurance, 311 West Washington St., Suite 300, Indianapolis, IN 46204-2787. Tel. 317-232-2385. Fax. 317-232-5251. www.in.gov/idoi

Iowa • Susan E. Voss, Commissioner of Insurance, 330 E. Maple St., Des Moines, IA 50319-0065. Tel. 515-281-6348. Fax. 515-281-3059. www.iid.state.ia.us

- *Kansas** • Sandy Praeger, Commissioner of Insurance, 420 South West Ninth St., Topeka, KS 66612-1678.
Tel. 785-296-3071. Fax. 785-296-7805. www.ksinsurance.org
- Kentucky** • Sharon P. Clark, Insurance Commissioner, PO Box 517, Frankfort, KY 40602-0517.
Tel. 502-564-3630. Fax. 502-564-1453. <http://insurance.ky.gov>
- *Louisiana** • James J. Donelon, Commissioner of Insurance, 1702 North Third Street, Baton Rouge, LA 70802.
Tel. 225-342-5423. Fax. 225-342-8622. www.lda.la.gov
- Maine** • Eric A. Cioppa, Acting Superintendent of Insurance, 34 State House Station, Augusta, ME 04333-0034.
Tel. 207-624-8475. Fax. 207-624-8599. www.maineinsuranceereg.org
- Maryland** • Therese M. Goldsmith, Insurance Commissioner, 200 St. Paul Place, Suite 2700,
Baltimore, MD 21202. Tel. 410-468-2090. Fax. 410-468-2020. www.mdinsurance.state.md.us
- Massachusetts** • Joseph G. Murphy, Commissioner of Insurance, 1000 Washington St., 8th Fl., Boston, MA
02118-2218. Tel. 617-521-7794. Fax. 617-753-6830. www.state.ma.us/doi
- Michigan** • Kevin Clinton, Commissioner of Insurance, Ottawa Building, 3rd Floor, 611 W. Ottawa, Lansing,
MI 48933-1070. Tel. 517-373-0220. Fax. 517-335-4978. www.michigan.gov/ofis
- Minnesota** • Mike Rothman, Commissioner of Commerce, 85 7th Place East, Suite 500, St. Paul, MN 55101.
Tel. 651-296-4026. Fax. 651-282-2568. www.insurance.mn.gov
- *Mississippi** • Mike Chaney, Commissioner of Insurance, 1001 Woolfolk State Office Building,
501 N. West St., Jackson, MS 39201. Tel. 601-359-3569. Fax. 601-359-2474. www.mid.state.ms.us
- Missouri** • John M. Huff, Director of Insurance, 301 W. High St., PO Box 690, Jefferson City, MO 65102-0690.
Tel. 573-751-4126. Fax. 573-751-1165. www.insurance.mo.gov
- *Montana** • Monica Lindeen, Commissioner of Insurance, 840 Helena Ave., Room 270, Helena, MT 59601.
Tel. 406-444-2040. Fax. 406-444-3497. sao.mt.gov/insurance/index.asp
- Nebraska** • Bruce R. Ramage, Director of Insurance, Terminal Bldg., 941 O St., Suite 400, Lincoln, NE 68508-3639.
Tel. 402-471-2201. Fax. 402-471-4610. www.doi.ne.gov
- Nevada** • Amy L. Parks, Acting Commissioner of Insurance, 1818 East College Parkway, Suite 103, Carson
City, NV 89706. Tel. 775-687-0700. Fax. 775-687-0787. www.doi.state.nv.us
- New Hampshire** • Roger Sevigny, Insurance Commissioner, 21 South Fruit St., Suite 14, Concord, NH 03301-
7317. Tel. 603-271-2261. Fax. 603-271-1406. www.nh.gov/insurance
- New Jersey** • Thomas B. Considine, Commissioner of Banking and Insurance, 20 West State Street,
PO Box 325, Trenton, NJ 08625. Tel. 609-292-5360. Fax. 609-984-5273. www.njdobi.org
- New Mexico** • John G. Franchini, Superintendent of Insurance, PO Box 1269, Santa Fe, NM 87504-1269.
Tel. 505-827-4601. Fax. 505-827-4734. www.nmprc.state.nm.us/id.htm
- New York** • James J. Wrynn, Superintendent of Insurance, 25 Beaver Street, New York, NY 10004.
Tel. 212-480-6400. Fax. 212-480-2310. www.ins.state.ny.us
- *North Carolina** • Wayne Goodwin, Commissioner of Insurance, 1201 Mail Service Center, Raleigh, NC
27699-1201. Tel. 919-807-6750. Fax. 919-733-6495. www.ncdoi.com
- *North Dakota** • Adam Hamm, Commissioner of Insurance, State Capitol, Fifth Fl., 600 East Boulevard Ave.,
Dept. 401, Bismarck, ND 58505-0320. Tel. 701-328-2440. Fax. 701-328-4880. www.nd.gov/ndins

Appendices

Insurance Departments

Ohio • Mary Taylor, Director of Insurance, 50 W. Town Street, Third Floor - Suite 300, Columbus, OH 43215
Tel. 614-644-2658. Fax. 614-644-3743. www.insurance.ohio.gov

***Oklahoma** • John Doak, Commissioner of Insurance, Five Corporate Plaza, 3625 NW 56th, Suite 100,
Oklahoma City, OK 73112. Tel. 405-521-2828. Fax. 405-521-6635. www.oid.state.ok.us

Oregon • Teresa Miller, Insurance Administrator, PO Box 14480, Salem, OR 97309-0405. Tel. 503-947-7980.
Fax. 503-378-4351. www.cbs.state.or.us/external/ins

Pennsylvania • Michael F. Consedine, Insurance Commissioner, 1209 Strawberry Square, Harrisburg, PA
17120. Tel. 717-787-2317. Fax. 717-787-8585. www.ins.state.pa.us

Puerto Rico • Ramon Cruz-Colon, Commissioner of Insurance, B5 Calle Tabonuco, Suite 216, PMB 356,
Guaynabo, PR 00968-3029. Tel. 787-304-8686. Fax. 787-722-4400. www.ocs.gobierno.pr

Rhode Island • Joseph Torti III, Deputy Director & Superintendent of Insurance, 1511 Pontiac Avenue,
Cranston, RI 02920. Tel. 401-462-9500. Fax. 401-462-9532. www.dbr.state.ri.us

South Carolina • David Black, Director of Insurance, PO Box 100105, Columbia, SC 29202-3105.
Tel. 803-737-6160. Fax. 803-737-6205. www.doi.sc.gov/

South Dakota • Merle D. Scheiber, Director of Insurance, 445 E. Capitol Ave., Pierre, SD 57501-3185.
Tel. 605-773-4104. Fax. 605-773-5369. www.state.sd.us/dcr/insurance

Tennessee • Julie Mix McPeak, Commissioner of Commerce & Insurance, 500 James Robertson Pkwy.,
Suite 660, Nashville, TN 37243-0565. Tel. 615-741-2241. Fax. 615-532-4994. www.state.tn.us/commerce

Texas • Eleanor Kitzman, Commissioner of Insurance, 333 Guadalupe St., Austin, TX 78701.
Tel. 512-463-6464. Fax. 512-475-2005. www.tdi.state.tx.us

Utah • Neal T. Gooch, Commissioner of Insurance, 3110 State Office Building, Salt Lake City, UT 84114-6901.
Tel. 801-538-3800. Fax. 801-538-3829. www.insurance.utah.gov

Vermont • Steve Kimbell, Commissioner of Banking, Insurance, Securities and Health Care Administration,
89 Main St., Drawer 20, Montpelier, VT 05620-3101. Tel. 802-828-3301. Fax. 802-828-3306. www.bishca.state.vt.us

Virgin Islands • Gregory R. Francis, Lieutenant Governor/Commissioner, #18 Kongens Gade, St. Thomas, VI
00820. Tel. 340-773-6459. Fax. 340-774-9458. ltg.gov.vi

Virginia • Jacqueline K. Cunningham, Commissioner of Insurance, PO Box 1157, Richmond, VA 23218.
Tel. 804-371-9694. Fax. 804-371-9349. www.scc.virginia.gov/division/boi

***Washington** • Mike Kreidler, Insurance Commissioner, PO Box 40256, Olympia, WA 98504-0256.
Tel. 360-725-7100. Fax. 360-586-2018. www.insurance.wa.gov

West Virginia • Michael D. Riley, Acting Insurance Commissioner, 1124 Smith St., Charleston, WV 25301.
Tel. 304-558-3354. Fax. 304-558-4965. www.wvinsurance.gov

Wisconsin • Ted Nickel, Commissioner of Insurance, 125 South Webster Street, Madison, WI 53703-3474.
Tel. 608-266-3585. Fax. 608-266-9935. www.oci.wi.gov

Wyoming • Kenneth G. Vines, Insurance Commissioner, Herschler Bldg., 106 East 6th Ave., Cheyenne, WY
82002. Tel. 307-777-7401. Fax. 307-777-2446. insurance.state.wy.us

Insurance and Related Service Organizations

The following organizations are supported by insurance companies or have activities closely related to insurance. National and state organizations which subscribe to the services of the Insurance Information Institute are identified by an asterisk (*).

A.M. BEST COMPANY INC. • Ambest Road, Oldwick, NJ 08858. Tel. 908-439-2200. www.ambeStreetcom — Rating organization and publisher of reference books and periodicals relating to the insurance industry.

ACORD • Two Blue Hill Plaza, 3rd Floor, PO Box 1529, Pearl River, NY 10965-8529. Tel. 845-620-1700. Fax. 845-620-3600. www.acord.com — An industry-sponsored institute serving as the focal point for improving the computer processing of insurance transactions through the insurance agency system.

THE ACTUARIAL FOUNDATION • 475 North Martingale Road, Suite 600, Schaumburg, IL 60173-2226. Tel. 847-706-3535. Fax. 847-706-3599. www.actuarialfoundation.org — Develops, funds and executes education and research programs that serve the public by harnessing the talents of actuaries.

ADVOCATES FOR HIGHWAY AND AUTO SAFETY • 750 First Street NE, Suite 901, Washington, DC 20002. Tel. 202-408-1711. Fax. 202-408-1699. www.saferoads.org — An alliance of consumer, safety and insurance organizations dedicated to highway and auto safety.

THE AMERICAN COLLEGE • 270 South Bryn Mawr Avenue, Bryn Mawr, PA 19010. Tel. 610-526-1000. Fax. 610-526-1465. www.theamericancollege.edu — An independent, accredited nonprofit institution, originally The American College of Life Underwriters. Provides graduate and professional education in insurance and other financial services.

AIR WORLDWIDE CORPORATION • 131 Dartmouth Street, Boston, MA 02116. Tel. 617-267-6645. Fax. 617-267-8284. www.air-worldwide.com — Risk modeling and technology firm that develops models of global natural hazards, enabling companies to identify, quantify and plan for the financial consequences of catastrophic events.

AMERICA'S HEALTH INSURANCE PLANS • 601 Pennsylvania Avenue, NW, South Building, Suite 500, Washington, D.C., DC 20004. Tel. 202-778-3200. Fax. 202-778-8486. www.ahip.org — National trade association representing the health insurance industry.

AMERICAN ACADEMY OF ACTUARIES • 1850 M Street NW, Suite 300, Washington, DC 20036. Tel. 202-223-8196. Fax. 202-872-1948. www.actuary.org — Professional association for actuaries. Issues standards of conduct and provides government liaison and advisory opinions.

AMERICAN ASSOCIATION OF CROP INSURERS • 1 Massachusetts Avenue NW, Suite 800, Washington, DC 20001-1401. Tel. 202-789-4100. Fax. 202-408-7763. www.cropinsurers.com — Trade association of insurance companies to promote crop insurance.

AMERICAN ASSOCIATION OF INSURANCE SERVICES • 1745 South Naperville Road, Wheaton, IL 60189-8132. Tel. 630-681-8347; 800-564-AAIS. Fax. 630-681-8356. www.aaisonline.com — Rating, statistical and advisory organization, made up principally of small and medium-sized property/casualty companies.

AMERICAN ASSOCIATION OF MANAGING GENERAL AGENTS • 150 South Warner Road, Suite 156, King of Prussia, PA 19406. Tel. 610-225-1999. Fax. 610-225-1996. www.aamga.org — Membership association of managing general agents of insurers.

AMERICAN BANKERS INSURANCE ASSOCIATION • 1120 Connecticut Avenue NW, Washington, DC 20036. Tel. 202-663-5163. Fax. 202-828-4546. www.theabia.com — A separately chartered affiliate of the American Bankers Association. A full service association for bank insurance interests dedicated to furthering the policy and business objectives of banks in insurance.

Insurance and Related Service Organizations

AMERICAN COUNCIL OF LIFE INSURERS (ACLI) • 101 Constitution Avenue NW, Suite 700, Washington, DC 20001-2133. Tel. 202-624-2000. www.acli.com — Trade association responsible for the public affairs, government, legislative and research aspects of the life insurance business.

***AMERICAN INSTITUTE OF MARINE UNDERWRITERS** • 14 Wall Street, 8th Floor, New York, NY 10005. Tel. 212-233-0550. Fax. 212-227-5102. www.aimu.org — Provides information of concern to marine underwriters and promotes their interests.

AMERICAN INSURANCE ASSOCIATION • 1130 Connecticut Ave. NW, Suite 1000, Washington, DC 20036. Tel. 202-828-7100. Fax. 202-293-1219. www.aiadc.org — Trade and service organization for property/casualty insurance companies. Provides a forum for the discussion of problems as well as safety, promotional and legislative services.

AMERICAN LAND TITLE ASSOCIATION • 1828 L Street NW, Suite 705, Washington, DC 20036. Tel. 800-787-ALTA. Fax. 888-787-ALTA. www.alta.org — Trade organization for title insurers, abstractors and agents. Performs statistical research and lobbying services.

AMERICAN NUCLEAR INSURERS • 95 Glastonbury Boulevard, Suite 300, Glastonbury, CT 06033. Tel. 860-682-1301. Fax. 860-659-0002. www.amnucins.com — A nonprofit unincorporated association through which liability insurance protection is provided against hazards arising out of nuclear reactor installations and their operations.

AMERICAN PREPAID LEGAL SERVICES INSTITUTE • 321 North Clark Street, 19th Floor, Chicago, IL 60654. Tel. 312-988-5751. Fax. 312-988-5483. www.aplsi.org — National membership organization providing information and technical assistance to lawyers, insurance companies, administrators, marketers and consumers regarding group and prepaid legal service plans.

AMERICAN RISK AND INSURANCE ASSOCIATION • 716 Providence Road, Malvern, PA 19355-3402. Tel. 610-640-1997. Fax. 610-725-1007. www.aria.org — Association of scholars in the field of risk management and insurance, dedicated to advancing knowledge in the field and enhancing the career development of its members.

AMERICAN TORT REFORM ASSOCIATION • 1101 Connecticut Avenue NW, Suite 400, Washington, DC 20036. Tel. 202-682-1163. Fax. 202-682-1022. www.atra.org — A broad based, bipartisan coalition of more than 300 businesses, corporations, municipalities, associations and professional firms that support civil justice reform.

APIW • 555 Fifth Avenue, 8th Floor, New York, NY 10017. Tel. 212-867-0228. Fax. 212-867-2544. www.apiw.org — A professional association of women in the insurance and reinsurance industry and related fields. Provides professional education, networking and support services to encourage the development of professional leadership among its members.

***ARBITRATION FORUMS, INC.** • 3350 Buschwood Park Drive, Building 3, Suite 295, Tampa, FL 33618-1500. Tel. 888-272-3453. Fax. 813-931-4618. www.arbfile.org — Nonprofit provider of interinsurance dispute resolution services for self-insureds, insurers and claim service organizations.

ASSOCIATION OF FINANCIAL GUARANTY INSURERS • Mackin & Company, 139 Lancaster Street, Albany, NY 12210. Tel. 518-449-4698. Fax. 518-432-5651. www.afgi.org — Trade association of the insurers and reinsurers of municipal bonds and asset-backed securities.

ASSOCIATION OF GOVERNMENTAL RISK POOLS • 1023 Jim Thorpe Blvd, Prague, OK 74864-1045. Tel. 405-567-2611. Fax. 405-567-3307. www.agrip.org — Organization for public entity risk and benefits pools in North America.

Insurance and Related Service Organizations

AUTOMOBILE INSURANCE PLANS SERVICE OFFICE • 302 Central Avenue, Johnston, RI 02919. Tel. 888-424-0026. Fax. 401-528-1409. www.aipso.com — Develops and files rates and provides other services for state-mandated automobile insurance plans.

BANK INSURANCE & SECURITIES ASSOCIATION • 2025 M Street NW, Suite 800, Washington, DC 20036. Tel. 202-367-1111. Fax. 202-367-2111. www.bisanet.org — Fosters the full integration of securities and insurance businesses with depository institutions' traditional banking businesses. Participants include executives from the securities, insurance, investment advisory, trust, private banking, retail, capital markets and commercial divisions of depository institutions.

CAPTIVE INSURANCE COMPANIES ASSOCIATION • 4248 Park Glen Rd., Minneapolis, MN 55416. Tel. 952-928-4655. Fax. 952-929-1318. www.cicaworld.com — Organization that disseminates information useful to firms that utilize the captive insurance company concept to solve corporate insurance problems.

***CASUALTY ACTUARIAL SOCIETY** • 4350 North Fairfax Drive, Suite 250, Arlington, VA 22203. Tel. 703-276-3100. Fax. 703-276-3108. www.casact.org — Promotes actuarial and statistical science in property/casualty insurance fields.

CERTIFIED AUTOMOTIVE PARTS ASSOCIATION • 1000 Vermont Ave., NW Suite 1010, Washington, DC 20005. Tel. 202-737-2212. Fax. 202-737-2214. www.capacertified.org — Nonprofit organization formed to develop and oversee a test program guaranteeing the suitability and quality of automotive parts.

COALITION AGAINST INSURANCE FRAUD • 1012 14th Street NW, Suite 200, Washington, DC 20005. Tel. 202-393-7330. Fax. 202-393-7329. www.insurancefraud.org — An alliance of consumer, law enforcement, and insurance industry groups dedicated to reducing all forms of insurance fraud through public advocacy and education.

THE COMMITTEE OF ANNUITY INSURERS • c/o Davis & Harman LLP, 1455 Pennsylvania Avenue NW, Suite 1200, Washington, DC 20004. Tel. 202-347-2230. Fax. 202-393-3310. www.annuity-insurers.org — Group whose goal is to address federal legislative and regulatory issues relevant to the annuity industry and to participate in the development of federal tax and securities policies regarding annuities.

CONNING RESEARCH AND CONSULTING, INC. • One Financial Plaza, Hartford, CT 06103-2627. Tel. 860-299-2000. www.conningresearch.com — Research and consulting firm that offers an array of specialty information products, insights and analyses of key issues confronting the insurance industry.

COUNCIL OF INSURANCE AGENTS AND BROKERS • 701 Pennsylvania Avenue NW, Suite 750, Washington, DC 20004-2608. Tel. 202-783-4400. Fax. 202-783-4410. www.ciab.com — A trade organization representing leading commercial insurance agencies and brokerage firms.

CROP INSURANCE AND REINSURANCE BUREAU • 201 Massachusetts Avenue NE, Suite C5, Washington, DC 20002. Tel. 202-544-0067. Fax. 202-330-5255. www.cropinsurance.org — Crop insurance trade organization.

DEFENSE RESEARCH INSTITUTE • 55 W. Monroe, Suite 2000, Chicago, IL 60603. Tel. 312-795-1101. Fax. 312-795-0747. www.dri.org — A national and international membership association of lawyers and others concerned with the defense of civil actions.

EMPLOYEE BENEFIT RESEARCH INSTITUTE • 1100 13th Street NW, Suite 878, Washington, DC 20005-4051. Tel. 202-659-0670. Fax. 202-775-6312. www.ebri.org — The Institute's mission is to advance the public's, the media's and policymakers' knowledge and understanding of employee benefits and their importance to the U.S. economy.

Appendices

Insurance and Related Service Organizations

EQECAT • 475 14th Street, 5th Floor, Suite 550, Oakland, CA 94612-1900. Tel. 510-817-3100. www.eqecat.com — Provider of products and services for managing natural and man-made risks. Provides innovative catastrophe management solutions for property and casualty insurance underwriting, accumulation management and transfer of natural hazard and terrorism risk.

FEDERAL INSURANCE ADMINISTRATION • 500 C Street SW, Washington, DC 20472. Tel. 800-621-3362. Fax. 800-827-8112. www.fema.gov/about/fedins.shtm — Administers the federal flood insurance program.

FITCH CREDIT RATING COMPANY • One State Street Plaza, New York, NY 10004. Tel. 212-908-0500. Fax. 212-480-4435. www.fitchratings.com — Assigns claims-paying ability ratings to insurance companies.

GENEVA ASSOCIATION • 53 Route de Malagnou, Geneva CH-1208, Switzerland. Tel. (41) 22-707-66-00. Fax. (41) 22-736-75-36. www.genevaassociation.org — World organization formed by chief executive officers of leading insurance companies in Europe, North America, South America, Asia, Africa and Australia. Its main goal is to research the growing economic importance of worldwide insurance activities in the major sectors of the economy. Produces The Geneva Papers and other publications.

GLOBAL AEROSPACE, INC. • One Sylvan Way, Parsippany, NJ 07054. Tel. 973-490-8500. Fax. 973-490-5600. www.global-aero.co.uk — A pool of property/casualty companies engaged in writing all classes of aviation insurance.

GLOBAL ASSOCIATION OF RISK PROFESSIONALS • 111 Town Square Place, Suite 1215, Jersey City, NJ 07310. Tel. 201-719-7210. Fax. 201-222-5022. www.garp.com — International group whose aim is to encourage and enhance communications between risk professionals, practitioners and regulators worldwide.

GRIFFITH INSURANCE EDUCATION FOUNDATION • 623 High Street, Worthington, OH 43085. Tel. 614-880-9870. Fax. 614-880-9872. www.griffithfoundation.org — The foundation promotes the teaching and study of risk management and insurance at colleges and universities nationwide and provides education programs for public policymakers on the basic principles of risk management and insurance.

***GROUP OF NORTH AMERICAN INSURANCE ENTERPRISES** • 40 Exchange Place, Suite 1707, New York, NY 10005. Tel. 212-480-0808. Fax. 212-480-9090. www.gnaie.net — Group focusing on financial reporting, accounting and solvency issues.

HIGHLINE DATA LLC • One Alewife Center, Suite 460, Cambridge, MA 02140. Tel. 877-299-9424. Fax. 617-864-2396. www.highlinedata.com — An information and data services company comprised of two principal product lines: National Underwriter Insurance Data Services and Highline Banking Data Services.

HIGHWAY LOSS DATA INSTITUTE • 1005 North Glebe Road, Suite 800, Arlington, VA 22201. Tel. 703-247-1600. Fax. 703-247-1595. www.hldi.org — Nonprofit organization to gather, process and provide the public with insurance data concerned with human and economic losses resulting from highway accidents.

INDEPENDENT INSURANCE AGENTS & BROKERS OF AMERICA, INC. • 127 South Peyton Street, Alexandria, VA 22314. Tel. 800-221-7917. Fax. 703-683-7556. www.iiaba.com — Trade association of independent insurance agents.

INLAND MARINE UNDERWRITERS ASSOCIATION • 14 Wall Street, 8th Floor, New York, NY 10005. Tel. 212-233-0550. Fax. 212-227-5102. www.imua.org — Forum for discussion of problems of common concern to inland marine insurers.

THE INSTITUTES • 720 Providence Road, Suite 100, Malvern, PA 19355-3433. Tel. 800-644-2101. Fax. 610-640-9576. www.aicpcu.org — Provides educational solutions for the risk management and property/casualty insurance industry, including the CPCU designation program and associate designation programs in

Insurance and Related Service Organizations

areas such as claims, risk management, underwriting and reinsurance as well as introductory and foundation programs and continuing education courses for licensed insurance professionals and adjusters.

INSURANCE ACCOUNTING AND SYSTEMS ASSOCIATION, INC. • IASA International Office, PO Box 51340, Durham, NC 27717. Tel. 919-489-0991. Fax. 919-489-1994. www.iasa.org — An international organization to promote the study, research and development of modern techniques in insurance accounting and systems.

INSURANCE COMMITTEE FOR ARSON CONTROL • 3601 Vincennes Road, Indianapolis, IN 46268. Tel. 317-876-6226. Fax. 317-879-8408. www.arsoncontrol.org — All-industry coalition that serves as a catalyst for insurers' anti-arson efforts and a liaison with government agencies and other groups devoted to arson control.

INSURANCE DATA MANAGEMENT ASSOCIATION, INC. • 545 Washington Boulevard, Jersey City, NJ 07310-1686. Tel. 201-469-3069. Fax. 201-748-1690. www.idma.org — An independent, nonprofit, professional, learned association dedicated to increasing the level of professionalism, knowledge and visibility of insurance data management.

INSURANCE INDUSTRY CHARITABLE FOUNDATION • 2121 N. California Blvd. Suite 555, Walnut Creek, CA 94596. Tel. 925-280-8009. Fax. 925-280-8059. www.iicf.org — Seeks to help communities and enrich lives by combining the collective strengths of the industry to provide grants, volunteer service and leadership.

INSURANCE INFORMATION INSTITUTE • 110 William Street, 24th Floor, New York, NY 10038. Tel. 212-346-5500. Fax. 212-732-1916. www.iii.org — A primary source for information, analysis and reference on insurance subjects.

***INSURANCE INSTITUTE FOR BUSINESS & HOME SAFETY** • 4775 East Fowler Avenue, Tampa, FL 33617. Tel. 813-286-3400. Fax. 813-286-9960. www.ibhs.org — An insurance industry-sponsored nonprofit organization dedicated to reducing losses, deaths, injuries and property damage resulting from natural hazards.

INSURANCE INSTITUTE FOR HIGHWAY SAFETY • 1005 North Glebe Road, Suite 800, Arlington, VA 22201. Tel. 703-247-1500. Fax. 703-247-1588. www.iihs.org — Research and education organization dedicated to reducing loss, death, injury and property damage on the highways. Fully funded by property/casualty insurers.

INSURANCE LIBRARY ASSOCIATION OF BOSTON • 156 State Street, Boston, MA 02109. Tel. 617-227-2087. Fax. 617-723-8524. www.insurancelibrary.org — The Insurance Library Association of Boston (ILAB) founded in 1887, is a non-profit insurance association that has an extensive insurance library on all lines of insurance.

INSURANCE MARKETPLACE STANDARDS ASSOCIATION • 4550 Montgomery Avenue, Suite 700N, Bethesda, MD 20814. Tel. 240-744-3030. Fax. 240-744-3031. www.imsaethics.org — A nonprofit, independent organization created to strengthen consumer trust and confidence in the marketplace for individually sold life insurance, long-term care insurance and annuities.

INSURANCE REGULATORY EXAMINERS SOCIETY • 1821 University Ave W, Ste S256, St. Paul, MN 55104. Tel. 651-917-6250. Fax. 651-917-1835. www.go-ires.org — Nonprofit professional and educational association for examiners and other professionals working in insurance industry.

INSURANCE RESEARCH COUNCIL (A DIVISION OF THE INSTITUTES) • 718 Providence Road, PO Box 3025, Malvern, PA 19355-0725. Tel. 484-831-9046. Fax. 610-640-5388. www.insurance-research.org — Provides research relevant to public policy issues affecting risk and insurance.

Insurance and Related Service Organizations

INSURED RETIREMENT INSTITUTE • 1101 New York Avenue NW, Suite 825, Washington, DC 20005. Tel. 202-469-3000. Fax. 202-469-3030. www.irionline.org — Source of knowledge pertaining to annuities, insured retirement products and retirement planning; provides educational and informational resources. Formerly the National Association for Variable Annuities.

INTEGRATED BENEFITS INSTITUTE • 595 Market Street, Suite 810, San Francisco, CA 94105. Tel. 415-222-7280. Fax. 415-222-7281. www.ibiweb.org — A private, nonprofit organization that provides research, discussion and analysis, data services and legislative review to measure and improve integrated benefits programs, enhance efficiency in delivery of all employee-based benefits and promote effective return-to-work.

INTERMEDIARIES AND REINSURANCE UNDERWRITERS ASSOCIATION, INC. • 971 Route 202 North, Branchburg, NJ 08876. Tel. 908-203-0211. Fax. 908-203-0213. www.irua.com — Educational association to encourage the exchange of ideas among reinsurers worldwide writing principally treaty reinsurance.

INTERNATIONAL ASSOCIATION OF INSURANCE FRAUD AGENCIES, INC. • PO Box 10018, Kansas City, MO 64171. Tel. 816-204-7360. Fax. 816-756-5287. www.iaifa.org — An international association opening the doors of communication, cooperation and exchange of information in the fight against sophisticated global insurance and related financial insurance fraud.

INTERNATIONAL ASSOCIATION OF INSURANCE PROFESSIONALS • 9343 East 95th Court South, Tulsa, OK 74133. Tel. 800-766-6249. Fax. 918-294-3711. www.internationalinsuranceprofessionals.org — Provides insurance education, skills enhancement and leadership development to its members.

INTERNATIONAL ASSOCIATION OF SPECIAL INVESTIGATION UNITS • 8015 Corporate Drive, Suite A, Baltimore, MD 21236. Tel. 410-931-3332. Fax. 410-931-2060. www.iasiu.com — Group whose goals are to promote a coordinated effort within the industry to combat insurance fraud and to provide education and training for insurance investigators.

***INTERNATIONAL INSURANCE SOCIETY, INC.** • 101 Murray Street, New York, NY 10007. Tel. 212-815-9291. Fax. 212-815-9297. www.iisonline.org — A nonprofit membership organization whose mission is to facilitate international understandings, the transfer of ideas and innovations, and the development of personal networks across insurance markets through a joint effort of leading executives and academics throughout the world.

***ISO, a Verisk Analytics company** • 545 Washington Boulevard, Jersey City, NJ 07310-1686. Tel. 201-469-2000. Fax. 201-748-1472. www.iso.com — A leading source of information about property/casualty insurance risk. Provides statistical, actuarial, underwriting and claims information; policy language; information about specific locations; fraud identification tools; and technical services. Products help customers protect people, property and financial assets.

IVANS (INSURANCE VALUE ADDED NETWORK SERVICES) • 100 First Stamford Place, Stamford, CT 06902. Tel. 800-288-4826. Fax. 203-698-7299. www.ivans.com — An industry-sponsored organization offering a data communications network linking agencies, companies and providers of data to the insurance industry.

KEHRER-LIMRA • 300 Day Hill Road, Windsor, CT 06095-4761. Tel. 978-448-0198. Fax. 860-298-9555. www.kehrerlimra.com — Consultant focusing on the financial services marketplace. Conducts studies of sales penetration, profitability, compensation and compliance.

KINETIC ANALYSIS CORPORATION • 8070 Georgia Avenue, Suite 413, Silver Spring, MD 20910. Tel. 240-821-1202. www.kinanco.com — Specializes in estimating the impact of natural and man-made hazards on the structures and the economy for clients in engineering, land development, and risk management.

Insurance and Related Service Organizations

LATIN AMERICAN AGENTS ASSOCIATION • PO Box 4564, Valley Village, CA 91617. Tel. 818-635-4848. Fax. 818-337-1958. www.latinagents.com — An independent group of Hispanic agents and brokers, whose goal is to educate, influence and inform the insurance community about the specific needs of the Latino community in the United States.

LATIN AMERICAN ASSOCIATION OF INSURANCE AGENCIES • PO Box 520844, Miami, FL 33152-0844. Tel. 305-477-1442. Fax. 305-477-5298. www.laaia.com — An association of insurance professionals whose purpose is to protect the rights of its members, benefit the consumer through education, provide information and networking services, and promote active participation in the political environment and community service.

THE LIFE AND HEALTH INSURANCE FOUNDATION FOR EDUCATION • 1655 North Fort Myer Drive, Suite 610, Arlington, VA 22209. Tel. 888-LIFE-777. Fax. 202-464-5011. lifehappens.org — Nonprofit organization dedicated to addressing the public's growing need for information and education about life, health, disability and long-term care insurance.

LIFE INSURANCE SETTLEMENT ASSOCIATION • 1011 East Colonial Drive, Suite 500, Orlando, FL 32803. Tel. 407-894-3797. Fax. 407-897-1325. www.thevoiceoftheindustry.com — Promotes the development, integrity and reputation of the life settlement industry.

***THE LIGHTNING PROTECTION INSTITUTE** • PO Box 99, Maryville, MO 64468. Tel. 800-488-6864. www.lightning.org — Not-for-profit organization dedicated to ensuring that its members' lightning protection systems are the best possible quality in design, materials and installation.

LIMRA INTERNATIONAL • 300 Day Hill Road, Windsor, CT 06095. Tel. 800-235-4672. Fax. 860-285-7792. www.limra.com — Worldwide association providing research, consulting and other services to insurance and financial services companies in more than 60 countries. LIMRA helps its member companies maximize their marketing effectiveness.

LOMA (LIFE OFFICE MANAGEMENT ASSOCIATION) • 2300 Windy Ridge Parkway, Suite 600, Atlanta, GA 30339-8443. Tel. 770-951-1770. Fax. 770-984-0441. www.loma.org — Worldwide association of insurance companies specializing in research and education, with a primary focus on home office management.

LOSS EXECUTIVES ASSOCIATION • PO Box 37, Tenaflly, NJ 07670. Tel. 201-569-3346. Fax. 732-388-0171. www.lossexecutives.com — A professional association of property loss executives providing education to the industry.

MIB, INC. • 50 Braintree Hill Park, Suite 400, Braintree, MA 02184-8734. Tel. 781-751-6000. www.mibsolutions.com/lost-life-insurance/ — Database of individual life insurance applications processed since 1995.

MOODY'S INVESTORS SERVICE • 7 World Trade Center at 250 Greenwich Street, New York, NY 10007. Tel. 212-553-1653. Fax. 212-553-0882. www.moody.com — Global credit analysis and financial information firm.

MORTGAGE INSURANCE COMPANIES OF AMERICA • 1425 K Street NW, Suite 210, Washington, DC 20005. Tel. 202-682-2683. Fax. 202-842-9252. www.privatemi.com — Represents the private mortgage insurance industry. MICA provides information on related legislative and regulatory issues, and strives to enhance understanding of the role private mortgage insurance plays in housing Americans.

MSB • 2885 South Calhoun Road, New Berlin, WI 53151. Tel. 262-780-2800; 800-809-0016. Fax. 262-780-0306. www.msbinfo.com — Building cost research company providing data and estimating technologies to the property insurance industry.

Insurance and Related Service Organizations

NATIONAL AFRICAN-AMERICAN INSURANCE ASSOCIATION • 1718 M Street NW, PO Box 1110, Washington, DC 20036. Tel. 866-56-NAAIA. www.naaia.org — NAAIA fosters the nationwide presence, participation and long-term financial success of African-American insurance professionals within the greater insurance community and provides its members and the insurance industry a forum for sharing information and ideas that enhance business and professional development.

NATIONAL ARBITRATION FORUM • PO Box 50191, Minneapolis, MN 55405-0191. Tel. 800-474-2371. Fax. 952-345-1160. www.adrforum.com/ — A leading neutral administrator of arbitration, mediation and other forms of alternative dispute resolution worldwide.

NATIONAL ASSOCIATION OF HEALTH UNDERWRITERS • 2000 North 14th Street, Suite 450, Arlington, VA 22201. Tel. 703-276-0220. Fax. 703-841-7797. www.nahu.org — Professional association of people who sell and service disability income, and hospitalization and major medical health insurance companies.

NATIONAL ASSOCIATION OF INDEPENDENT INSURANCE ADJUSTERS • PO Box 807, Geneva, IL 60134. Tel. 630-208-5002. Fax. 630-208-5020. www.naiia.com — Association of claims adjusters and firms operating independently on a fee basis for all insurance companies.

NATIONAL ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS • 2901 Telestar Court, PO Box 12012, Falls Church, VA 22042-1205. Tel. 703-770-8100; 877-866-2432. Fax. 703-770-8224. www.naifa.org — Professional association representing health and life insurance agents.

NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS • 2301 McGee Street, Suite 800, Kansas City, MO 64108-2662. Tel. 816-842-3600. Fax. 816-783-8175. www.naic.org — Organization of state insurance commissioners to promote uniformity in state supervision of insurance matters and to recommend legislation in state legislatures.

NATIONAL ASSOCIATION OF MUTUAL INSURANCE COMPANIES (NAMIC) • PO Box 68700, 3601 Vincennes Road, Indianapolis, IN 46268. Tel. 317-875-5250. Fax. 317-879-8408. www.namic.org — National property/casualty insurance trade and political advocacy association.

NATIONAL ASSOCIATION OF PROFESSIONAL INSURANCE AGENTS • 400 North Washington Street, Alexandria, VA 22314-2353. Tel. 703-836-9340. Fax. 703-836-1279. www.pianet.com — Trade association of independent insurance agents.

NATIONAL ASSOCIATION OF PROFESSIONAL SURPLUS LINES OFFICES, LTD. • 200 Northeast 54th Street, Suite 200, Kansas City, MO 64118. Tel. 816-741-3910. Fax. 816-741-5409. www.napslo.org — Professional association of wholesale brokers, excess and surplus lines companies, affiliates and supporting members.

NATIONAL ASSOCIATION OF SURETY BOND PRODUCERS (NASBP) • 1828 L Street NW, Suite 720, Washington, DC 20036-5104. Tel. 202-686-3700. Fax. 202-686-3656. www.nasbp.org — NASBP members are professionals who specialize in providing surety bonds for construction and other commercial purposes to companies and individuals needing the assurance offered by surety bonds. Its members have broad knowledge of the surety marketplace and the business strategies and underwriting differences among surety companies.

***NATIONAL CONFERENCE OF INSURANCE GUARANTY FUNDS** • 300 North Meridian Street, Suite 1020, Indianapolis, IN 46204. Tel. 317-464-8199. Fax. 317-464-8180. www.ncigf.org — Advisory organization to the state guaranty fund boards; gathers and disseminates information regarding insurer insolvencies.

NATIONAL CONFERENCE OF INSURANCE LEGISLATORS • 385 Jordan Road, Troy, NY 12180. Tel. 518-687-0178. Fax. 518-687-0401. www.ncoil.org — Organization of state legislators whose main area of public policy concern is insurance and insurance regulation.

Insurance and Related Service Organizations

NATIONAL CROP INSURANCE SERVICES, INC. • 8900 Indian Creek Parkway, Suite 600, Overland Park, KS 66210-1567. Tel. 913-685-2767. Fax. 913-685-3080. www.ag-risk.org — National trade association of insurance companies writing hail insurance, fire insurance and insurance against other weather perils to growing crops, with rating and research services for crop-hail and rain insurers.

NATIONAL FIRE PROTECTION ASSOCIATION • One Batterymarch Park, Quincy, MA 02169-7471. Tel. 617-770-3000. Fax. 617-770-0700. www.nfpa.org — Independent, nonprofit source of information on fire protection, prevention and suppression. Develops and publishes consensus fire safety standards; sponsors national Learn Not to Burn campaign.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION (NHTSA) • 1200 New Jersey Avenue SE, West Building, Washington, DC 20590. Tel. 888-327-4236. Fax. 202-366-2106. www.nhtsa.dot.gov — Carries out programs and studies aimed at reducing economic losses in motor vehicle crashes and repairs.

NATIONAL INDEPENDENT STATISTICAL SERVICE • 3601 Vincennes Road, PO Box 68950, Indianapolis, IN 46268. Tel. 317-876-6200. Fax. 317-876-6210. www.niss-stat.org — National statistical agent and advisory organization for all lines of insurance, except workers compensation.

***NATIONAL INSURANCE CRIME BUREAU** • 1111 East Touhy Avenue, Suite 400, Des Plaines, IL 60018. Tel. 847-544-7000. www.nicb.org — Operations: A not-for-profit organization dedicated to combating insurance fraud and vehicle theft.

NATIONAL ORGANIZATION OF LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATIONS • 13873 Park Center Road, Suite 329, Herndon, VA 20171. Tel. 703-481-5206. Fax. 703-481-5209. www.nolhga.com — A voluntary association composed of the life and health insurance guaranty associations of all 50 states, the District of Columbia and Puerto Rico.

NATIONAL RISK RETENTION ASSOCIATION • 2214 Rock Hill Road, Suite 315, Herndon, VA 20170. Tel. 703-297-0059. Fax. 703-904-8008. www.nrra-usa.org — The voice of risk retention group and purchasing group liability insurance programs, organized pursuant to the Federal Liability Risk Retention Act.

NATIONAL SAFETY COUNCIL • 1121 Spring Lake Drive, Itasca, IL 60143-3201. Tel. 630-285-1121 or 800-621-7619. Fax. 630-285-1315. www.nsc.org — Provides national support and leadership in the field of safety, publishes safety material and conducts public information and publicity programs.

NATIONAL STRUCTURED SETTLEMENTS TRADE ASSOCIATION • 2025 M Street NW, Suite 800, Washington, DC 20036. Tel. 202-367-1159. Fax. 202-367-2159. www.nssta.com — Trade association representing consultants, insurers and others who are interested in the resolution and financing of tort claims through periodic payments.

***NCCI HOLDINGS, INC.** • 901 Peninsula Corporate Circle, Boca Raton, FL 33487. Tel. 561-893-1000. Fax. 561-893-1191. www.ncci.com — Develops and administers rating plans and systems for workers compensation insurance.

NEIGHBORWORKS AMERICA • 1325 G Street NW, Suite 800, Washington, DC 20005-3100. Tel. 202-220-2300. Fax. 202-376-2600. www.nw.org/network/neighborworksprogs/insurance/default.asp — The goal of this group is to develop partnerships between the insurance industry and NeighborWorks organizations to better market the products and services of both, for the benefit of the customers and communities they serve.

NEW YORK ALLIANCE AGAINST INSURANCE FRAUD • c/o New York Insurance Association, Inc., 130 Washington Ave., Albany, NY 12210. Tel. 518-432-3576. Fax. 518-432-4220. www.fraudny.com — A cooperative effort of insurance companies in New York State to educate the industry about the costs of insurance fraud, the many forms it can take and what can be done to fight it.

Insurance and Related Service Organizations

***NEW YORK INSURANCE ASSOCIATION, INC.** • 130 Washington Ave., Albany, NY 12210. Tel. 518-432-4227. Fax. 518-432-4220. www.nyia.org — A trade association of property/casualty insurance companies that provide insurance coverage for autos, homes and businesses throughout New York State.

NEW YORK PROPERTY INSURANCE UNDERWRITING ASSOCIATION • 100 William Street, 4th Fl., New York, NY 10038. Tel. 212-208-9700. Fax. 212-344-9879. www.nypiua.com — Provides basic property insurance for New York State residents not able to obtain the coverage through the voluntary market. Administers the C-MAP and FAIR Plan.

NONPROFIT RISK MANAGEMENT CENTER • 15 North King Street, Suite 203, Leesburg, VA 20176. Tel. 202-785-3891. Fax. 703-443-1990. www.nonprofitrisk.org — Conducts research and education on risk management and insurance issues of special concern to nonprofit organizations.

NORTH AMERICAN PET HEALTH INSURANCE ASSOCIATION • 692 Osborne Street, 2nd Floor, Winnipeg, Manitoba R3L 2B9, Canada. Tel. 204-477-5272. www.naphia.org — Group whose members work collaboratively towards establishing and maintaining universal and professional standards for terminology, best practices, quality and ethics in the pet health industry.

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT (OECD), WASHINGTON CENTER • 2001 L Street, NW, Suite 650, Washington, DC 20036-4922. Tel. 202-785-6323. Fax. 202-785-0350. www.oecdwash.org — Markets the publications of the OECD in the United States and serves as an information center for the U.S. market. The Center is engaged in public outreach activities and acts as a liaison office to the U.S. legislative and executive branches.

OVERSEAS PRIVATE INVESTMENT CORPORATION • 1100 New York Avenue, NW, Washington, DC 20527. Tel. 202-336-8400. Fax. 202-336-7949. www.opic.gov — Self-sustaining U.S. government agency providing political risk insurance and finance services for U.S. investment in developing countries.

PHYSICIAN INSURERS ASSOCIATION OF AMERICA • 2275 Research Boulevard, Suite 250, Rockville, MD 20850. Tel. 301-947-9000. Fax. 301-947-9090. www.thepiaa.org — Trade association representing physician-owned mutual insurance companies that provide medical malpractice insurance.

***PROFESSIONAL LIABILITY UNDERWRITING SOCIETY (PLUS)** • 5353 Wayzata Boulevard, Suite 600, Minneapolis, MN 55416. Tel. 952-746-2580; 800-845-0788. Fax. 952-746-2599. www.plusweb.org — An international, nonprofit association that provides educational opportunities and programs to enhance the professionalism of its members.

PROPERTY CASUALTY INSURERS ASSOCIATION OF AMERICA (PCI) • 2600 South River Road, Des Plaines, IL 60018-3286. Tel. 847-297-7800. Fax. 847-297-5064. www.pciaa.net — Serves as a voice on public policy issues and advocates positions that foster a competitive market place for property/casualty insurers and insurance consumers.

PROPERTY INSURANCE PLANS SERVICE OFFICE • 27 School Street, Suite 302, Boston, MA 02108. Tel. 617-371-4175. Fax. 617-371-4177. www.pipso.com — Provides technical and administrative services to state property insurance plans.

PROPERTY LOSS RESEARCH BUREAU • 3025 Highland Parkway, Suite 800, Downers Grove, IL 60515. Tel. 630-724-2200. Fax. 630-724-2260. www.plrb.org — This property/casualty trade organization promotes productivity and efficiency in the property and liability loss and claim adjustment processes, disseminates information on property and liability issues and fosters education and new and beneficial developments within the industry.

Insurance and Related Service Organizations

PUBLIC RISK MANAGEMENT ASSOCIATION • 700 S. Washington Street, Suite 718, Alexandria, VA 22314. Tel. 703-528-7701. Fax. 703-739-0200. www.primacentral.org — Membership organization representing risk managers in state and local public entities.

RAND INSTITUTE FOR CIVIL JUSTICE • 1776 Main Street, PO Box 2138, Santa Monica, CA 90407-2138. Tel. 310-393-0411. Fax. 310-393-4818. www.rand.org — Organization formed within The Rand Corporation to perform independent, objective research and analysis concerning the civil justice system.

REINSURANCE ASSOCIATION OF AMERICA • 1445 New York Ave NW, 7th Fl., Washington, DC 20005. Tel. 202-638-3690. Fax. 202-638-0936. www.reinsurance.org — Trade association of property/casualty reinsurers; provides legislative services for members.

RISK AND INSURANCE MANAGEMENT SOCIETY, INC. • 1065 Avenue of the Americas, 13th Floor, New York, NY 10018. Tel. 212-286-9292. Fax. 212-655-7430. www.rims.org — Organization of corporate buyers of insurance, which makes known to insurers the insurance needs of business and industry, supports loss prevention and provides a forum for the discussion of common objectives and problems.

RISK MANAGEMENT SOLUTIONS, INC. • 7575 Gateway Boulevard, Newark, CA 94560. Tel. 510-505-2500. Fax. 510-505-2501. www.rms.com — Provides products and services for the quantification and management of catastrophe risk associated with natural perils as well as products for weather derivatives and enterprise risk management for the property/casualty insurance industry.

SCHOOL OF RISK MANAGEMENT, INSURANCE AND ACTUARIAL SCIENCE OF THE TOBIN COLLEGE OF BUSINESS AT ST. JOHN'S UNIVERSITY (FORMERLY THE COLLEGE OF INSURANCE) • 101 Murray Street, New York, NY 10007. Tel. 212-277-5193. Fax. 212-277-5189. www.stjohns.edu/academics/graduate/tobin/srm — Insurance industry-supported college providing a curriculum leading to bachelor's and master's degrees in business administration, financial management of risk, insurance finance and actuarial science. The Kathryn and Shelby Cullom Davis Library (212-217-5135) provides services, products and resources to its members.

SELF-INSURANCE INSTITUTE OF AMERICA • PO Box 1237, Simpsonville, SC 29681. Tel. 800-851-7789. Fax. 864-962-2483. www.siaa.org — Organization that fosters and promotes alternative methods of risk protection.

SNL FINANCIAL LC • One SNL Plaza, PO Box 2124, Charlottesville, VA 22902. Tel. 434-977-1600. Fax. 434-977-4466. www.snl.com — Research firm that collects, standardizes and disseminates all relevant corporate, financial, market and M&A data as well as news and analytics for the industries it covers: banking, specialized financial services, insurance, real estate and energy.

SOCIETY OF ACTUARIES • 475 North Martingale Road, Suite 600, Schaumburg, IL 60173. Tel. 847-706-3500. Fax. 847-706-3599. www.soa.org — An educational, research and professional organization dedicated to serving the public and its members. The Society's vision is for actuaries to be recognized as the leading professionals in the modeling and management of financial risk and contingent events.

SOCIETY OF CERTIFIED INSURANCE COUNSELORS • The National Alliance for Insurance Education & Research, 3630 North Hills Dr., PO Box 27027, Austin, TX 78755-2027. Tel. 800-633-2165. Fax. 512-349-6194. www.scic.com — National education program in property, liability and life insurance, with a continuing education requirement upon designation.

SOCIETY OF FINANCIAL EXAMINERS • 12100 Sunset Hills Rd., Suite 130, Reston, VA 20190-3221. Tel. 703-234-4140. Fax. 703-435-4390. www.sofe.org — Professional society for examiners of insurance companies, banks, savings and loans, and credit unions.

Appendices

Insurance and Related Service Organizations

SOCIETY OF INSURANCE RESEARCH • 631 Eastpointe Drive, Shelbyville, IN 46176. Tel. 317-398-3684. Fax. 317-642-0535. www.sirnet.org — Stimulates insurance research and fosters exchanges among society members on research methodology.

SOCIETY OF INSURANCE TRAINERS AND EDUCATORS • 1821 University Ave. W, Ste S256, St. Paul, MN 55104. Tel. 651-999-5354. Fax. 651-917-1835. www.insurancetrainers.org — Professional organization of trainers and educators in insurance.

STANDARD & POOR'S RATING GROUP • 55 Water Street, New York, NY 10041. Tel. 212-438-2000. www.standardandpoors.com — Monitors the credit quality of bonds and other financial instruments of corporations, governments and supranational entities.

THE STREET.COM RATINGS • 15430 Endeavour Dr., Jupiter, FL 33478. Tel. 1-800-289-9222. Fax. 561-354-4497. www.thestreetratings.com/ — Evaluates the strength of insurance and financial services firms.

SURETY ASSOCIATION OF AMERICA • 1101 Connecticut Avenue NW, Suite 800, Washington, DC 20036. Tel. 202-463-0600. Fax. 202-463-0606. www.surety.org — Statistical, rating, development and advisory organization for surety companies.

UNDERWRITERS' LABORATORIES, INC. • 2600 N.W. Lake Rd., Camas, WA 98607-8542. Tel. 877-854-3577. Fax. 360-817-6278. www.ul.com — Investigates and tests electrical materials and other products to determine that fire prevention and protection standards are being met.

WEATHER RISK MANAGEMENT ASSOCIATION • 750 National Press Building, 529 14th Street, NW, Washington, DC 20045. Tel. 202-289-3800. Fax. 202-223-9741. www.wrma.org — Serves the weather risk management industry by providing forums for discussion and interaction with others associated with financial weather products.

***WISCONSIN INSURANCE ALLIANCE** • 44 E. Mifflin Street, Suite 901, Madison, WI 53703-2895. Tel. 608-255-1749. Fax. 608-255-2178. www.wial.com — A state trade association of property/casualty insurance companies conducting legislative affairs and public relations on behalf of the industry.

***WORKERS COMPENSATION RESEARCH INSTITUTE** • 955 Massachusetts Avenue, Cambridge, MA 02139. Tel. 617-661-9274. www.wcrinet.org — A nonpartisan, not-for-profit membership organization conducting public policy research on workers' compensation, health care and disability issues. Members include employers, insurers, insurance regulators and state regulatory agencies, as well as several state labor organizations.

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ISBN-13: 978-0-932387-56-1



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