

Top Performing P&C Insurers Set the Bar for Excellence



Annually, Ward Group analyzes the financial performance of over 3,000 property-casualty insurance companies domiciled in the United States and identifies the top performers. This group is called the Ward's 50 for the year. Each Ward's 50 company has passed all safety and consistency screens and achieved superior performance over the five years analyzed. The Ward's 50 property-casualty group of insurance companies produced a 13.8% return on average equity from 2006 to 2010 compared to 8.7% for the property-casualty industry overall. This is the 21st year Ward Group has conducted the analysis.

"The property-casualty industry has demonstrated the ability to manage the business very well during slow economic growth" explains Jeff Rieder, President of Ward Group. "While various sectors within the industry have been affected differently, it is important for companies to continue to focus on the fundamentals of maintaining profitable operations and make wise decisions to meet customer needs. In selecting the Ward's 50, we identify companies that pass financial stability requirements and measure their ability to grow while maintaining strong capital positions and underwriting results."

Safety and Consistency

Insurance companies are evaluated and must pass minimum thresholds to be considered for the Ward's 50 designation. Each company must pass primary safety and consistency tests, including:

- Surplus and premiums of at least \$50 million for each of the 5 years analyzed
- Net income in at least 4 of the last 5 years

- Compound annual growth in premiums between -10% and +40%

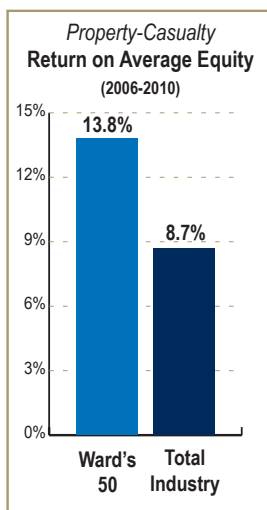
Performance Measurements

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

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

Key Performance Benchmarks

An important objective of the Ward's 50 is to compare their performance as a group with the rest of the industry. In addition



to achieving greater levels of income returns, the Ward's 50 benchmarks also outperformed in other key performance benchmarks. The Ward's 50 property-casualty group compared 9.4 points lower for the five year combined ratio (90.2% compared to 99.6%) and grew policyholder surplus by 28.6% compared to 16.2% for the industry since 2006. Net premiums written for the Ward's 50 property-casualty group grew 0.9% compared to the industry's 2.5% decline.

In addition to performing well with financial returns, the Ward's 50 benchmark continues to achieve lower expense ratios. "The lower expense ratio is a good indicator these companies achieve better organizational efficiency relative to the industry," says Mr. Rieder. In 2010, expenses relative to revenue were 8.3% lower for the Ward's 50 property-casualty group of companies.

2011 Ward's 50[®] Property-Casualty Companies (listed alphabetically)

- Acuity
- Alaska National Insurance Company
- Allegheny Group
- Allstate Insurance Company
- American Financial Group
- American Modern Insurance Group
- Amerisafe
- Amica Mutual Insurance Group
- The Andover Companies
- Assurant Group
- Balboa Insurance Company
- Bear River Mutual Insurance Company
- Brethren Mutual Insurance Company
- Capital Insurance Group
- Chubb Group
- Cincinnati Insurance Group*
- CSE Insurance Group
- The Doctors Company
- Erie Insurance Group
- Federated Mutual Group
- First Insurance Company of Hawaii, LTD
- FM Global
- Franklin Mutual Insurance Group
- GEICO*
- Goodville Mutual Casualty Company
- GuideOne Insurance Group
- HCC Insurance Holdings Group
- IDS Property Casualty Insurance Company
- Island Insurance Companies Group
- Jewelers Mutual Insurance Company
- Lancer Insurance Company
- The Main Street America Group
- Metropolitan Property and Casualty Insur. Co.
- Nodak Mutual Insurance Company
- North Star Mutual Insurance Company
- Ohio Mutual Insurance Group
- Pacific Specialty Insurance Company
- Philadelphia Insurance Companies
- Preferred Mutual Insurance Company
- ProAssurance
- Progressive Insurance Group
- ProMutual Group
- RLI Insurance Group*
- Rural Mutual Insurance Company
- Safety Insurance Group
- Travelers Insurance Group
- USAA Group*
- Vermont Mutual Insurance Company
- W.R. Berkley Corporation
- Western National Insurance Group
- *21-year recipient (1991-2011)

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



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