

2013 Ward's 50 Top Performing P&C Insurers



To develop its annual list of the top 50 performing insurance companies, Ward Group analyzes the financial performance of over 3,000 property-casualty insurance companies domiciled in the United States and identifies the top performers based on objective data and subjective quality measures. Each company has passed all safety and consistency screens and achieved superior performance over the five years analyzed. This is the 23rd consecutive year Ward Group has conducted the analysis.

The Ward's 50 property-casualty group of insurance companies produced a 9.9% statutory return on average equity from 2008 to 2012 compared to 4.9% for the property-casualty industry overall.

"After several years of weaker revenue gain and sluggish economic conditions, financial returns for insurers improved in 2012," explained Jeff Rieder, partner and head of Ward Group. "Most insurance sectors are experiencing revenue growth and insurance companies appear more optimistic as they look toward the future. Total policyholder surplus continues to grow and overall financial stability for the industry remains very strong. In selecting the Ward's 50, we identified companies that pass financial stability requirements and measure their ability to grow while maintaining strong capital positions and underwriting results."

Safety and Consistency

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

- Surplus and premiums of at least \$50 million for each of the 5 years analyzed

- Net income in at least 4 of the last 5 years
- Compound annual growth in premiums between -10% and +40%

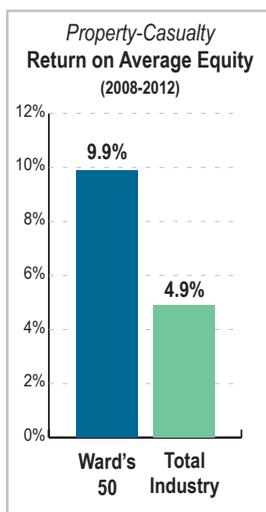
Performance Measurements

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

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

Key Performance Benchmarks

An important objective of the Ward's 50 is to compare their performance as a group with the rest of the industry. In addition to achieving greater levels of income returns, the Ward's 50 benchmarks also outperformed in other key performance benchmarks. The Ward's 50 property-casualty group compared 9.6 points lower for the five year combined ratio (94.6% compared to 104.2%) and grew policyholder surplus by 11.2% compared to 6.0% for the industry since 2008. Net premiums written for the Ward's 50 property-casualty group grew 16.9% compared to the industry's 8.2% growth.



In addition to achieving higher financial returns, the Ward's 50 benchmark continues to achieve lower expense ratios. "The expense ratio declined slightly in 2012 for the property-casualty industries and we still find the Ward's 50 benchmarks comparing better than the industry average," said Rieder. In 2012, expenses relative to revenue were 9.3% lower for the Ward's 50 property-casualty group of companies.

2013 Ward's 50® Companies

Property-Casualty

(listed alphabetically)

ACE American Insurance Company
 ACUIITY
 Alaska National Insurance Company
 Alleghany Group
 American Financial Group
 AMERISAFE
 Assurant Group
 Auto Club Enterprises Insurance Group
 Bear River Mutual Insurance Company
 Century-National Insurance Company
 Chubb Group
 Cincinnati Insurance Group
 Coverys
 The Doctors Company
 Eastern Alliance Insurance Group
 Erie Insurance Group
 Federated Mutual Group
 First Insurance Company of Hawaii, LTD
 Franklin Mutual Insurance Group
 GEICO*
 Goodville Mutual Casualty Company
 GuideOne Insurance Company
 HCC Insurance Holdings Group
 Island Insurance Companies
 Jewelers Mutual Insurance Company
 Lackawanna Casualty Company
 Lancer Insurance Company
 The Main Street America Group
 Markel Corporation Group
 Metropolitan Property and Casualty Insur. Co.
 Munich Reinsurance America, Inc.
 Nodak Mutual Insurance Company
 North Star Mutual Insurance Company
 Ohio Mutual Insurance Group
 Pacific Specialty Insurance Company
 Philadelphia Insurance Companies
 ProAssurance
 Progressive Insurance Group
 RLI Insurance Company*
 Rural Mutual Insurance Company
 Safety Insurance Group
 Texas Mutual Insurance Company
 Travelers Insurance Group
 United Educators
 USAA Group*
 Utica First Insurance Company
 Vermont Mutual Insurance Company
 W.R. Berkley Corporation
 Western Mutual Insurance Group
 Western National Insurance Group
 *23-year recipient (1991-2013)

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.