

# INSURANCE JOURNAL

THE NATIONAL PROPERTY CASUALTY MAGAZINE

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## Property/Casualty State Specialist Insurers

By Joseph L. Petrelli

The late Speaker of the House of Representatives "Tip" O'Neill once said, "All politics is local." To paraphrase, all insurance is local. This is why a large number of state specialists thrive in the property and casualty insurance marketplace. As the Feb. 12, 2007 issue of *Insurance Journal* featured Super Regional P/C Insurers™, this issue focuses on State Specialists.

To be categorized as a State Specialist, a carrier must be an individual, active company reporting data to the National Association of Insurance Commissioners using the property and casualty

annual statement format at Dec. 31, 2006. In addition, the carrier must write at least \$1 million in direct written premium at Dec. 31, 2006, with 90 percent or more in one state and cannot be a surplus lines company, risk retention group or reinsurance company.

In total, 858 companies were categorized as State Specialists. This is nearly one-third of the more than 2,700 companies reporting year-end 2006 data. This group wrote approximately 15 percent of the comparable direct written premium.

Space limitations precluded an enumeration of each of the 858 State Specialists. Accordingly, the

accompanying ranking by 2006 direct written premium has been dedicated to those State Specialists not affiliated with a group. A full list is available by contacting [jpetrelli@demotech.com](mailto:jpetrelli@demotech.com).

Joseph L. Petrelli is the president and founder of Demotech Inc. ([www.demotech.com](http://www.demotech.com)), a Columbus, Ohio-based financial analysis and actuarial services company. Demotech provides services to regional insurance companies, title underwriters and specialty insurance markets. Financial Stability Ratings® of A or better are accepted by the secondary mortgage marketplace, virtually all mortgage lenders and an increasing number of umbrella insurance markets. Neither the National Association of Insurance Commissioners, Kansas City, Missouri, nor Highline Data endorses any analysis or conclusion based upon the use of its data.

### Number of State Specialists by State of Specialty



### 2007 Property/Casualty State Specialist Insurers

(Not affiliated with a group)

Rank	Company	State	DPW 12/31/06	Rank	Company	State	DPW 12/31/06
1	Brickstreet Mutual Insurance Co.	WV	765,963	15	United Property & Casualty Insurance Co.	FL	158,162
2	Texas Mutual Insurance Co.	TX	743,095	16	Indiana Farmers Mutual Insurance Co.	IN	150,304
3	Old American City Mutual Fire Insurance Co.	TX	491,641	17	St. Johns Insurance Co. Inc.	FL	146,543
4	SAIF Corp.	OR	449,794	18	Pioneer State Mutual Insurance Co.	MI	143,916
5	Universal Property & Casualty Insurance	FL	371,755	19	MO Employers Mutual Insurance Co.	MO	143,890
6	Physicians Reciprocal Insurers	NY	336,605	20	Rural Mutual Insurance Co.	WI	137,725
7	Louisiana Workers Compensation Corp.	LA	261,869	21	Gulfstream Property & Casualty Insurance Co.	FL	134,397
8	American Transit Insurance Co.	NY	183,325	22	Louisiana Farm Bureau Mutual Insurance Co.	LA	126,706
9	Farm Bureau Mutual Insurance Co. of AR Inc.	AR	180,597	23	Aeguicap Insurance Co.	FL	126,097
10	Nuclear Electric Insurance Ltd.	DE	178,522	24	Florida Peninsula Insurance Co.	FL	114,707
11	Kentucky Employers Mutual Insurance	KY	176,129	25	COPIC Insurance Co.	CO	112,211
12	American Steamship Owners Mutual Prot.	NY	175,967	26	Sunshine State Insurance Co.	FL	105,011
13	Mutual Insurance Co. of AZ	AZ	171,574	27	Compwest Insurance Co.	CA	100,024
14	Proformance Insurance Co.	NJ	171,069	28	Florida Family Mutual Insurance Co.	FL	95,795



		000s omitted				000s omitted	
Rank	Company	State	DPW 12/31/06	Rank	Company	State	DPW 12/31/06
29	First Protective Insurance Co.	FL	94,174	115	Primero Insurance Co.	NV	18,018
30	MDadvantage Insurance Co. of NJ	NJ	92,545	116	North Carolina Grange Mutual Insurance Co.	NC	17,993
31	Hawaii Employers Mutual Insurance Co.	HI	87,442	117	Wayne Mutual Insurance Co.	OH	17,847
32	Underwriters at Lloyd's London	IL	86,924	118	Security First Insurance Co.	FL	17,800
33	New York Schools Insurance Reciprocal	NY	83,938	119	Delta Lloyds Insurance Co. of Houston	TX	17,713
34	Hereford Insurance Co.	NY	81,757	120	Wellington Insurance Co.	TX	17,329
35	Bear River Mutual Insurance Co.	UT	78,764	121	Fiduciary Insurance Co. of America	NY	17,276
36	Physicians Liability Insurance Co.	OK	76,984	122	Otsego Mutual Fire Insurance Co.	NY	16,983
37	Countrywide Insurance Co.	NY	76,550	123	New Jersey Physicians United Reciprocal Exchange	NJ	16,708
38	Underwriters at Lloyd's	KY	73,437	124	IL State Bar Assoc. Mutual Insurance Co.	IL	16,497
39	Associated Industries Insurance Co. Inc.	FL	72,944	125	ID Counties Risk Management Program Undw.	ID	16,343
40	Hospitals Insurance Co. Inc.	NY	68,861	126	Marysville Mutual Insurance Co.	KS	16,054
41	Majestic Insurance Co.	CA	66,585	127	Eveready Insurance Co.	NY	15,983
42	American Physicians Insurance Exchange	TX	65,286	128	League of WI Municipalities Mutual Insurance	WI	15,898
43	American Access Casualty Co.	IL	64,197	129	Louisiana Retailers Mutual Insurance	LA	15,888
44	Catholic Relief Insurance Co. of America	NE	62,720	130	Lion Insurance Co.	FL	15,880
45	Colorado Farm Bureau Mutual Insurance Co.	CO	61,685	131	Fire Districts of NY Mutual Insurance Co. Inc.	NY	15,859
46	West Virginia Physicians Mutual Insurance Co.	WV	57,583	132	Housing & Redevelopment Insurance Exchange	PA	15,791
47	Wisconsin Mutual Insurance Co.	WI	57,514	133	Capacity Insurance Co.	FL	15,451
48	Louisiana Medical Mutual Insurance Co.	LA	56,862	134	Windhaven Insurance Co.	FL	15,114
49	Adirondack Insurance Exchange	NY	54,566	135	Constitutional Casualty Co.	IL	14,905
50	Crusader Insurance Co.	CA	51,914	136	Seven Seas Insurance Co. Inc.	FL	14,699
51	Lawyers Mutual Insurance Co.	CA	51,678	137	Lebanon Mutual Insurance Co.	PA	14,583
52	Connecticut Medical Insurance Co.	CT	50,092	138	Millennium Insurance Co.	PA	14,580
53	Coral Insurance Co.	FL	49,831	139	Upland Mutual Insurance Inc.	KS	14,293
54	New York Municipal Insurance Reciprocal	NY	49,440	140	American Freedom Insurance Co.	IL	14,055
55	Fremont Insurance Co.	MI	48,869	141	Royal Palm Insurance Co.	FL	13,957
56	Sterling Insurance Co.	NY	48,728	142	Baldwin Mutual Insurance Co.	AL	13,949
57	Erie & Niagara Insurance Assoc.	NY	48,203	143	Consumer First Insurance Co.	NJ	13,886
58	Capitol Preferred Insurance Co.	FL	48,082	144	Florida Lawyers Mutual Insurance Co.	FL	13,814
59	Auto Club South Insurance Co.	FL	46,884	145	OHA Insurance Solutions	OH	13,474
60	New Jersey Citizens United Reciprocal Exchange	NJ	43,782	146	Farmers Fire Insurance Co.	PA	13,438
61	Farmers Mutual Fire Insurance Co. of Salem Cty.	NJ	43,104	147	Physicians Preferred Insurance Reciprocal	FL	13,336
62	Florida Hospitality Mutual Insurance	FL	42,701	148	Medical Alliance Insurance Co.	IL	13,190
63	Missouri Physicians Mutual	MO	41,271	149	Waco Fire & Casualty Insurance Co.	GA	12,940
64	Kansas Medical Mutual Insurance Co.	KS	41,173	150	WVA Insurance Co.	WV	12,719
65	Dryden Mutual Insurance Co.	NY	39,654	151	American Underwriters Insurance Co.	AR	12,640
66	Stonetrust Commercial Insurance Co.	LA	38,567	152	Pennsylvania Physicians Reciprocal Insurance	PA	12,232
67	First Home Insurance Co.	FL	38,473	153	Mt. Morris Mutual Insurance Co.	WI	12,073
68	State-Wide Insurance Co.	NY	37,897	154	NHRMA Mutual Insurance Co.	IL	12,054
69	Southeastern US Captive Insurance Inc.	GA	36,539	155	National Automotive Insurance	LA	11,911
70	Security Mutual Insurance Co.	NY	36,080	156	Surety Co. of the Pacific	CA	11,805
71	IFA Insurance Co.	NJ	36,052	157	Midstate Mutual Insurance Co.	NY	11,772
72	Alabama Municipal Insurance Corp.	AL	35,721	158	Mennonite Mutual Insurance Co.	OH	11,672
73	Southern Fidelity Insurance Co. Inc.	FL	33,038	159	Texas Hospital Insurance Exchange	TX	11,610
74	Madison Mutual Insurance Co.	IL	32,680	160	Allegany Cooperative Insurance Co.	NY	11,566
75	Southern Oak Insurance Co.	FL	31,919	161	Great Lakes Casualty Insurance Co.	MI	11,265
76	Ram Mutual Insurance Co.	MN	31,750	162	Employers Security Insurance Co.	IN	10,970
77	Farmers Insurance Co. of Flemington	NJ	31,475	163	Wayne Cooperative Insurance Co.	NY	10,919
78	Farmers Union Mutual Insurance Co.	ND	31,465	164	Florida Healthcare Providers Insurance Exchange	FL	10,778
79	Pennsylvania Healthcare Providers Insurance	PA	30,238	165	Farm Credit Sys Assoc. Captive Insurance Co.	CO	10,772
80	Seaworthy Insurance Co.	MD	30,207	166	North Country Insurance Co.	NY	10,720
81	Nevada Mutual Insurance Co. Inc.	NV	30,161	167	Associated Mutual Insurance Co.	NY	10,682
82	Granada Insurance Co.	FL	29,745	168	US Lloyd's Insurance Co.	TX	10,623
83	Suretec Insurance Co.	TX	28,636	169	Peachtree Casualty Insurance Co.	FL	10,581
84	Academic Health Professionals Insurance	NY	28,516	170	Northern Mutual Insurance Co.	MI	10,513
85	Rider Insurance Co.	NJ	28,457	171	Physical Professional Ind Association	MO	10,468
86	Care West Insurance Co.	CA	28,062	172	Spring Valley Mutual Insurance Co.	MN	10,318
87	Texas Lawyers Insurance Exchange	TX	27,171	173	Farmers Mutual Fire Insurance Co. of Marble	PA	10,064
88	Discovery Insurance Co.	NC	27,067	174	Samsung Fire & Marine Insurance Co. Ltd.	NY	10,040
89	American Traditions Insurance Co.	FL	24,531	175	School Boards Insurance Co. of PA Inc.	PA	9,877
90	Businessfirst Insurance Co.	FL	23,918	176	Sheboygan Falls Mutual Insurance Co.	WI	9,721
91	Unique Insurance Co.	IL	23,860	177	Physicians Insurance Co.	FL	9,688
92	German Mutual Insurance Co.	OH	23,747	178	Healthcare Underwriters Group of FL	FL	9,361
93	Tri-State Consumer Insurance Co.	NY	23,433	179	AIMCO Mutual Insurance Co.	NC	9,352
94	Farmers Union Mutual Insurance Co.	MT	23,100	180	Pioneer General Insurance Co.	CO	9,050
95	Global Liberty Insurance Co. of NY	NY	22,990	181	Sunz Insurance Co.	FL	8,982
96	Advocate MD Insurance of the SW Inc.	TX	21,780	182	Finger Lakes Fire & Casualty Insurance Co.	NY	8,948
97	Frederick Mutual Insurance Co.	MD	21,766	183	Amfirst Insurance Co.	MS	8,790
98	Hillcrest Insurance Co.	FL	21,437	184	Battle Creek Mutual Insurance Co.	NE	8,684
99	Millville Mutual Insurance Co.	PA	21,391	185	Chautauqua Patrons Insurance Assoc.	NY	8,624
100	Professional Casualty Association	PA	21,390	186	Colonial Cooperative Insurance Co.	NY	8,618
101	Bremen Farmers Mutual Insurance Co.	KS	21,221	187	Nazareth Mutual Insurance Co.	PA	8,545
102	Edison Insurance Co.	FL	20,695	188	Accident Insurance Co. Inc.	SC	8,368
103	Conventus Inter Insurance Exchange	NJ	20,647	189	Kansas Mutual Insurance Co.	KS	8,353
104	Commercial Mutual Insurance Co.	NY	20,645	190	Oklahoma Attorneys Mutual Insurance Co.	OK	8,113
105	Frank Winston Crum Insurance Inc.	FL	20,160	191	Alliance Mutual Insurance Co.	NC	8,089
106	The USA Insurance Co.	MS	19,825	192	American Fellowship Mutual Insurance Co.	MI	8,049
107	Farmers Mech Mutual Fire Insurance of WV	WV	19,786	193	Cities & Villages Mutual Insurance Co.	WI	7,956
108	Michigan Professional Insurance Exchange	MI	19,719	194	Agent Alliance Insurance Co.	NC	7,943
109	Business Alliance Insurance Co.	CA	19,150	195	Positive Physicians Insurance Exchange	PA	7,930
110	Star Casualty Insurance Co.	FL	18,814	196	Capitol Insurance Co.	PA	7,899
111	Alliance United Insurance Co.	CA	18,718	197	Healthcare Underwriters Group of KY	KY	7,758
112	Southern Eagle Insurance Co.	FL	18,603	198	Dongbu Insurance Co. Ltd.	HI	7,686
113	Harbor Insurance Co.	OK	18,408	199	Long Island Insurance Co.	NY	7,627
114	Springfield Insurance Co. Inc.	CA	18,143	200	Merced Mutual Insurance Co.	CA	7,481



OOOs omitted			OOOs omitted			
Rank	Company	State DPW 12/31/06	Rank	Company	State DPW 12/31/06	
201	Union Mutual Insurance Co.	OK	285	British American Insurance Co.	TX	3,771
202	Lawyers Mutual Insurance Co. of KY	KY	286	EZ Auto Inc. Co.	UT	3,735
203	Paramount Insurance Co.	MD	287	Farmers Mutual Fire Insurance Co. of Dug Hill	MD	3,725
204	Wisconsin American Mutual Insurance	WI	288	American Millennium Insurance Co.	NJ	3,716
205	Casualty Corp. of America	OK	289	Gem State Insurance Co.	ID	3,673
206	North Sea Insurance Co.	NY	290	Fulmont Mutual Insurance Co.	NY	3,658
207	Health Care Insurance Reciprocal	MN	291	First Indemnity of America Insurance Co.	NJ	3,647
208	Farmers Mutual of Tennessee	TN	292	United Insurance Co.	UT	3,625
209	Fairmont Farmers Mutual Insurance Co.	MN	293	Agents Mutual Insurance Co.	AR	3,592
210	Bell United Insurance Co.	NV	294	Springfield Fire & Casualty Co.	IL	3,589
211	First Jersey Casualty Insurance Co. Inc.	NJ	295	Maryland Healthcare Providers Insurance Exchange	MD	3,572
212	Interstate Casualty Insurance Co.	IL	296	Homeowners of America Insurance Co.	TX	3,543
213	Mid-Hudson Co-Operative Insurance Co.	NY	297	Friends Cove Mutual Insurance Co.	PA	3,539
214	Sterling Casualty Insurance Co.	CA	298	Austin Ind Lloyds Insurance Co.	TX	3,504
215	Texas Builders Insurance Co.	TX	299	Wisconsin Municipal Mutual Insurance Co.	WI	3,479
216	McMillan Warner Mutual Insurance Co.	WI	300	Wilmington Insurance Co.	DE	3,423
217	Healthcare Underwriters Group Mutual OH	OH	301	National Unity Insurance Co.	TX	3,412
218	Old Glory Insurance Co.	TX	302	Safe Insurance Co.	WV	3,409
219	Northern Capital Insurance Co.	FL	303	GA Resurant Mutual Captive Insurance Co.	GA	3,253
220	Farmers Union Mutual Insurance Co.	AR	304	Legal Mutual Liab Insurance Society of MD	MD	3,230
221	Reamstown Mutual Insurance Co.	PA	305	Sheffield Insurance Co.	TN	3,209
222	Areca Insurance Exchange	AK	306	Drivers Insurance Co.	NY	2,982
223	Arizona Automobile Insurance Co.	AZ	307	Nevada Direct Insurance Co.	NV	2,978
224	West Virginia National Auto Insurance Co.	WV	308	Ethio American Insurance Co.	GA	2,975
225	Farmers Mutual Fire Insurance Co. of Okarche Ok	OK	309	Hay Creek Mutual Insurance Co.	MN	2,958
226	Callicoon Cooperative Insurance Co.	NY	310	Little Black Mutual Insurance Co.	WI	2,881
227	Interstate Auto Insurance Co. Inc.	MD	311	Petroleum Marketers Mutual Insurance Co.	IA	2,774
228	Alaska Timber Insurance Exchange	AK	312	Farmers & Mechanics Fire & Casualty Insurance	WV	2,772
229	Arrow Mutual Liability Insurance Co.	MA	313	Sunderland Marine Mutual Co. Ltd.	AK	2,755
230	Farmers Mutual Insurance Co. (KS)	KS	314	Mutual Insurance Co. of Lehigh County	PA	2,754
231	Halifax Mutual Insurance Co.	NC	315	Carolina Farmers Mutual Insurance Co.	NC	2,745
232	Ohio Bar Liability Insurance Co.	OH	316	United Business Insurance Co.	GA	2,712
233	Commercial Alliance Insurance Co.	TX	317	Town & Country Mutual Insurance Co.	AR	2,664
234	Retailers Mutual Insurance Co.	MI	318	Greenville Casualty Insurance Co. Inc.	SC	2,617
235	American Liberty Insurance Co.	UT	319	Transit Mutual Insurance Corp. of WI	WI	2,607
236	Leatherstocking Coop Insurance Co.	NY	320	Delaware Professional Insurance Co.	DE	2,509
237	CBIA Comp Services Inc.	CT	321	Mound Prairie Mutual Insurance Co.	MN	2,338
238	Central Cooperative Insurance Co.	NY	322	Pan Handle Farmers Mutual Insurance Co. of WV	WV	2,333
239	Kensington Insurance Co.	NY	323	New York Transportation Insurance Corp.	NY	2,259
240	Oswego County Mutual Insurance Co.	NY	324	Washington County Co-Operative Insurance	NY	2,250
241	Georgia Mutual Insurance Co.	GA	325	Hannahstown Mutual Insurance Co.	PA	2,237
242	Freedom Advantage Insurance Co.	PA	326	Northern Plains Insurance Co.	SD	2,224
243	Physicians Insurance Program Reciprocal Exchange	PA	327	New Mexico Property & Casualty Co.	NM	2,199
244	Farmers Mutual Insurance Co. (WV)	WV	328	Ellington Mutual Insurance Co.	WI	2,108
245	Manitowoc Mutual Insurance Co.	WI	329	MLBA Mutual Insurance Co.	MI	2,053
246	Quality Casualty Insurance Co. Inc.	AL	330	Mount Carroll Mutual Fire Insurance Co.	IL	2,042
247	California Mutual Insurance Co.	CA	331	Galen Insurance Co.	MO	2,038
248	Maple Valley Mutual Insurance Co.	WI	332	Victore Insurance Co.	OK	2,021
249	Farmers Home Mutual Fire Insurance Co.	AR	333	Gibraltar National Insurance Co.	AR	2,002
250	First Mutual Insurance Co.	NC	334	Reliamax Surety Co.	SD	1,984
251	Community Mutual Insurance Co.	NY	335	Bloomfield Mutual Insurance Co.	MN	1,960
252	National Heritage Insurance Co.	IL	336	Geneva Insurance Co.	IN	1,947
253	Workers Compensation Exchange	ID	337	Piedmont Mutual Insurance Co.	NC	1,945
254	Florida Doctors Insurance Co.	FL	338	Club Insurance Co.	OH	1,938
255	Genesee Patrons Coop Insurance Co.	NY	339	Conemaugh Valley Mutual Insurance Co.	PA	1,896
256	Juniata Mutual Insurance Co.	PA	340	Otsego Co Patrons Coop Fire Relief	NY	1,860
257	Districts Mutual Insurance	WI	341	Southland Lloyds Insurance Co.	TX	1,819
258	Farmers Mutual Fire Insurance Co. of Mccandless	PA	342	Centre County Mutual Fire Insurance Co.	PA	1,783
259	Farmers Mutual Insurance Co. (PA)	PA	343	Great Lakes Mutual Insurance Co.	MI	1,752
260	Missouri Doctors Mutual Insurance Co.	MO	344	TPA Captive Insurance Co. Inc.	GA	1,742
261	Preferred Auto Insurance Co. Inc.	TN	345	Slavonic Mutual Fire Insurance Assoc.	TX	1,741
262	Hartland Mutual Insurance Co.	ND	346	Tift Area Captive Insurance Co.	GA	1,741
263	WI Lawyers Mutual Insurance Co.	WI	347	Farmington Mutual Insurance Co.	WI	1,730
264	GA Timber Harvesters Mutual Captive	GA	348	Commonwealth Mutual Insurance Co.	MD	1,660
265	Farmers and Merch Mutual Fire Insurance Co.	MI	349	Vasa Spring Garden Mutual Insurance Co.	MN	1,656
266	Ontario Insurance Co.	NY	350	Lincoln Mutual Insurance Co.	NC	1,558
267	Maya Assurance Co.	NY	351	Farmers Mech Mutual Insurance Assn. Cecil Cty.	MD	1,525
268	Bedford Grange Mutual Insurance Co.	PA	352	Monroe Coop Insurance Co.	NY	1,524
269	Briar Creek Mutual Insurance Co.	PA	353	Distributors Insurance Co.	TN	1,521
270	National Home Warranty Inc.	NV	354	Wallrose Mutual Insurance Co.	PA	1,420
271	Texas Medical Insurance Co.	TX	355	Indemnity National Insurance Co.	KY	1,394
272	Midrox Insurance Co.	NY	356	Commonwealth Insurance Co.	PA	1,380
273	Taxisure Exchange	NJ	357	Indiana Old National Insurance Co.	IN	1,308
274	New Jersey Healthcare Providers Insurance	NJ	358	Synergy Comp Insurance Co.	PA	1,266
275	Attorneys Insurance Mutual of Alabama Inc.	AL	359	Farmers Mutual Insurance Co. (MI)	MI	1,207
276	Health Care Mutual Captive Insurance Co.	GA	360	Yel Co. Insurance	FL	1,198
277	Homesure Protection of CA Inc.	CA	361	Columbia Federal Insurance Co.	DC	1,118
278	Integra Insurance Inc.	MN	362	Reliamax Insurance Co.	SD	1,100
279	Whitecap Surety Co.	MN	363	Professional Insurance Exchange	UT	1,095
280	Madison Mutual Insurance Co.	NY	364	Oklahoma Property & Casualty Insurance	OK	1,084
281	Laundry Owners Mutual Liability Insurance Assn.	PA	365	Farmers Mutual Fire Insurance of Branch Cnty	MI	1,078
282	Tank Owners Mutual Insurance Co.	TX	366	Sauquoit Valley Insurance Co.	NY	1,045
283	United Frontier Mutual Insurance Co.	NY	367	AIOI Insurance Co. of America	NY	1,039
284	Missouri Valley Mutual Insurance Co.	SD	368	Grange Mutual Fire Insurance Co.	PA	1,018



## ABOUT DEMOTECH, INC.

Since 1985, Demotech, Inc., a Columbus, Ohio based financial analysis and actuarial services firm, has been serving the insurance industry, providing independent opinions on the financial stability of Property and Casualty insurers and Title insurance underwriters.

Demotech offers services including statements of actuarial opinion and pricing assistance, strategic market and product analysis, state filings assistance, as well as financial valuations. Demotech was the first company to have its rating process formally reviewed and accepted by Fannie Mae, Freddie Mac and HUD.

### SERIOUS ABOUT SOLVENCY™

In 1992, Demotech became the first company to review the Title insurance industry and publish independent opinions of underwriters' financial strength. Since 1992, Demotech has presented Financial Stability Ratings® for virtually all Title underwriters. No other organization reviews more underwriters or has been providing Financial Stability Ratings® longer.

### About Demotech Performance of Title Insurance Companies

With the release of the 2007 edition of *Demotech Performance of Title Insurance Companies*, Demotech presents the latest volume of the most comprehensive Title industry resource available, which summarize the financial information for 91 Title insurance underwriters. These included underwriters represent more than 99% of the Title industry's premium activity.

In keeping with the publication's nineteen-year tradition, the 2007 edition features detailed statutory financial statements, market share summaries, financial ratios and analysis, along with the current Financial Stability Rating® and corporate contact information for each underwriter. This edition also introduces more than 100 pages of new content and publication enhancements, including *Underwriter Dashboard*, *Five-Year Trend Reports* as well as the expansion and refinements of the financial ratios.

*Underwriter Dashboards* are full-page reports containing underwriter corporate information along with graphical summaries of financial, operating and underwriting performance results, presenting up to five years of financial data. *Five-Year Trend Reports* graphically present up to five years of Direct Premiums Written detail by NAIC Group, individual underwriter and jurisdiction. The Financial Ratios and Analysis feature four new reports including the presentation of the first industry-wide evaluation of *Schedule P Loss and Loss Adjustment Expense (LAE) Reserve Development*, which assesses the accuracy of company reserving practices. The Financial Ratios and Analysis have also been enhanced to include five years of summary results, when available, as well as to include ratio indexes to facilitate identification of underwriters throughout the section.

## CORPORATE MILESTONES

- 1985 Founded by Joseph L. Petrelli and Sharon M. Romano to offer actuarial services.
- 1986 First to issue Financial Stability Ratings® (FSRs) for health maintenance organizations (HMOs).
- 1987 First to issue FSRs for public entity liability self-insured pools through the development of our Management Audit Process.
- 1989 First to have Property and Casualty insurance company rating process formally reviewed and accepted by Fannie Mae. An FSR of A or better eliminates the need for property insurance cut-through endorsements.
- 1990 First to have Property and Casualty insurance company rating process formally reviewed and accepted by Freddie Mac.  
Began offering Property and Casualty insurance companies and Title underwriters loss cost analysis and rate, rule and form filing assistance.  
Responded to the National Association of Insurance Commissioners (NAIC) requirements for Property and Casualty insurers to submit Statements of Actuarial Opinion related to loss and loss adjustment expense reserves concurrent with the 1990 Property and Casualty annual statement.
- 1992 First to analyze the financial position of each Title underwriter.
- 1993 First to have Property and Casualty insurance company rating process formally reviewed and accepted by HUD.
- 1994 Fannie Mae issued Title underwriting guidelines, naming Demotech as an approved Title underwriter rating service.
- 1995 First to promulgate Commercial Real Estate Recommendations (CERs) to provide additional financial due diligence of Title underwriters involved in larger real estate transactions.
- 1996 Contacted by the Florida Office of Insurance Regulation (OIR) when the property insurance market encountered newly established insurers that did not meet traditional rating requirements. Working with the Florida OIR, Demotech developed evaluation procedures for the assignment of FSRs to newly formed Property and Casualty companies.  
Coordinated the first seminar regarding the implementation of Statements of Actuarial Opinion for Title insurance companies on behalf of the Conference of Consulting Actuaries and in cooperation with the American Land Title Association (ALTA).
- 1999 Co-authored the Commerce Clearing House publication describing the evolution of the Canadian Title insurance industry.
- 2001 Completed the initial loss and loss adjustment expense review of the Iowa Finance Authority – Title Guaranty Division.
- 2002 Revitalized the Ohio Title Insurance Rating Bureau (OTIRB).
- 2003 Assisted the North Carolina Title Insurance Rating Bureau with the development and filing of Closing Services insurance product.  
Assisted the OTIRB with its first rate revision since 1980.
- 2004 Introduced *Demotech Performance of Title Insurance Companies and Quarterly Updates*.
- 2005 Celebrated 20<sup>th</sup> anniversary, continuing to grow and serve Property and Casualty insurers and Title underwriters throughout the industry.  
HUD approved Demotech's rating process for professional liability insurance under Notice H04-15, Professional Liability Insurance for Section 232 and 223(f) Programs.
- 2006 Joseph L. Petrelli, ACAS, MAAA, FCA, authored *What We've Got Here Is a Failure to Communicate – How Traditional Financial Reporting Contributes to Misunderstanding of Title Insurance Loss Activity*. This discussion expounds upon the ramifications of Title underwriters' required conformance with Property and Casualty financial reporting standards and how industry comparisons fail to recognize fundamental differences between Title and Property and Casualty coverage characteristics.
- 2007 Designated the Official Research Partner of *Insurance Journal*, providing research, actuarial and statistical support and collaborating on special joint reports pertaining to insurance industry performance and financial results.