

News & Markets

Q2 Direct Premium Written Up Nearly 5% for P/C Companies

Overall, property/casualty insurance companies continued to serve their clients during an increased number of catastrophic events in 2011 as well as the tough economic conditions that have defined the better part of the past decade. Perhaps as a



By Douglas A. Powell

reward for persevering in the face of adversity, the P/C market is showing signs of hardening.

Through the second quarter 2012, total direct premium written (DPW) for all P/C insurers is up 4.65 percent compared to DPW through second quarter 2011. This increase in DPW represents nearly \$11.4 billion in premium growth, of which approximately \$4.4 billion is attrib-

uted to the Top 25 P/C insurers in terms of direct premium growth.

For the six months ending June 30, 2012, P/C companies comprising the Top 25 in terms of direct premium growth leveraged their experience and increased their DPW nearly 8.8 percent over the six months ending June 30, 2011. This continues the Top 25 insurers' impressive display of premium growth, financial stability and execution. The Top 25 accounted for almost 39 percent of the total DPW growth for the P/C insurance industry.

In contrast, insurers that comprise the rest of the industry reported an increase in DPW growth of only about 3.6 percent, or approximately \$7 billion, period-over-period. In total, DPW for the P/C industry grew 4.65 percent, nearly \$11.4 billion.

As mentioned last quarter, if P/C insurers can continue to demonstrate the same rate of premium growth for the remainder of 2012, total DPW will exceed \$500 billion for the year. In fact, when analyzing the second quarter and year-end results from the past 10 years, if premiums hold to historical patterns, year-end DPW would total \$517 billion for 2012, the highest level of DPW ever reported by the P/C industry. [■](#)

Powell is a senior financial analyst with Demotech Inc. and possesses extensive experience in monitoring, reviewing and assessing the financial stability of insurers. He also acts as a liaison on behalf of Demotech and its clients in correspondence with various government agencies, insurance industry associations, insureds and the media. Email questions and comments to dpowell@demotech.com. You can also follow him on Twitter - @powdoug.

Top 25 Property/Casualty Companies

Based Upon Dollar Amount of Direct Premium Written (DPW) Growth Year-to-Date Results June 30, 2012 Versus June 30, 2011

Company Name	DPW 6/30/2012	DPW 6/30/2011	\$ Growth	% Growth
Continental Casualty Co.	2,492,377,463	2,097,601,077	394,776,386	18.82%
GEICO Casualty Co.	592,495,314	286,193,169	306,302,145	107.03%
Allstate Fire and Casualty Insurance Co.	2,228,583,072	1,961,708,087	266,874,985	13.60%
ACE American Insurance Co.	1,913,804,325	1,666,458,771	247,345,554	14.84%
LM General Insurance Co.	315,056,857	83,739,594	231,317,263	276.23%
State Farm Fire and Casualty Co.	8,275,249,352	8,054,827,547	220,421,805	2.74%
Factory Mutual Insurance Co.	1,420,679,701	1,209,976,877	210,702,824	17.41%
Liberty Mutual Insurance Co.	2,495,425,017	2,286,487,698	208,937,319	9.14%
GEICO General Insurance Co.	3,264,617,824	3,073,772,459	190,845,365	6.21%
Travelers Property Casualty Co. of America	2,142,544,686	1,967,881,387	174,663,299	8.88%
Atlantic Specialty Insurance Co.	165,283,068	728,863	164,554,205	22576.84%
Zurich American Insurance Co.	2,531,003,719	2,368,320,175	162,683,544	6.87%
State Farm Mutual Automobile Insurance Co.	15,420,498,456	15,260,030,311	160,468,145	1.05%
LM Insurance Corp.	384,578,486	236,217,745	148,360,741	62.81%
United Services Automobile Association	3,097,882,427	2,954,026,958	143,855,469	4.87%
USAA Casualty Insurance Co.	2,088,738,741	1,960,232,905	128,505,836	6.56%
USAA General Indemnity Co.	624,210,098	500,876,551	123,333,547	24.62%
Foremost Insurance Co.	801,780,330	680,221,225	121,559,105	17.87%
Garrison Property and Casualty Insurance Co.	463,335,057	341,918,669	121,416,388	35.51%
Texas Farmers Insurance Co.	295,267,454	175,676,448	119,591,006	68.07%
Starr Indemnity & Liability Co.	483,580,312	368,472,632	115,107,680	31.24%
Nationwide Affinity Insurance Co. of America	403,198,029	289,822,455	113,375,574	39.12%
Erie Insurance Exchange	1,872,465,618	1,761,160,035	111,305,583	6.32%
QBE Specialty Insurance Co.	451,255,606	343,636,164	107,619,442	31.32%
Companion Property and Casualty Insurance Co.	350,057,417	246,527,160	103,530,257	42.00%
Top 25 by DPW Growth	54,573,968,429	50,176,514,962	4,397,453,467	8.76%
All Other P/C Companies	200,974,486,551	194,018,506,583	6,955,979,968	3.59%
Total	255,548,454,980	244,195,021,545	11,353,433,435	4.65%

Data Source: The National Association of Insurance Commissioners, Kansas City, Missouri, by permission. Information derived from an SNL product. The NAIC and SNL do not endorse any analysis or conclusion based upon the use of its data.