

AN EVALUATION OF SURPLUS ALLOCATION
METHODS UNDERLYING
RISK BASED CAPITAL CALCULATIONS

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BIOGRAPHY:

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ABSTRACT:

The allocation of policyholder's surplus is a common element of financial analysis models, including models used in solvency regulation, risk-based capital determinations, profitability calculations and ratemaking. Because the allocation method can significantly affect financial estimates by insurance line, it is important that the selected allocation method be reasonable.

Four allocation methods are tested. Allocation Method I is based on the method imputed in the current NAIC profitability calculations. Allocation Method II is based on net earned premiums only. Allocation Method III is based on the sum of the mean adjusted unearned premium reserves plus the mean loss and loss adjustment expense reserves. Allocation Method IV is based on the by line premium to surplus leverage norms recently prescribed in California.

The premise underlying the evaluation of each allocation method is that the best method is the one which produces internally consistent results, if applied consecutively year after year. To be internally consistent, the tested allocation method should produce minimal differences for each line of insurance between the beginning-of-year surplus for any selected year and the year-ending surplus for the first previous year.

INTRODUCTION

The authors firmly believe that any allocation of policyholders' surplus to a line of insurance, or state of operation, is arbitrary and fictitious. On a going concern basis, policyholders' surplus is inherently indivisible. It is a fund of money which exists in its entirety to protect each insured. When circumstances warrant, each insured is protected by surplus on a first come, first served basis. It is intended that surplus will be sufficient to protect the last insured in need.

Despite the innate indivisible quality of policyholders' surplus, there are financial analysis techniques in use today which incorporate allocations of surplus to the various lines of insurance, and in some cases, to specific states. An example arises from the discussion of solvency regulation and risk based capital which is currently proceeding within the National Association of Insurance Commissioners (NAIC). All of the proposed formulae for determining risk based capital are premised on the idea that risk varies from one line of insurance to another. In other words, there is always either an explicit or implied allocation of surplus between the various lines of insurance. Presumably these allocations reflect someone's perception of risk differences by line of insurance. Another example is the recent attempt by the NAIC to estimate total profit on a by line, by state basis. The NAIC's total profit calculations involve an allocation of investment income generated by assets equivalent to the capital and surplus account. Any allocation of income generated by capital and surplus is equivalent to an allocation of capital and surplus.

Allocation of surplus techniques may exist because general financial analysis models, which have been applied to insurance financial problems, require the allocation. Perhaps these models are so academically appealing that our profession is willing to ignore this question of applicability to insurance financial analysis. The authors believe further research is desirable in this area and that eventually new financial models, more applicable to the reality of an insurance operation, will be devised. However, until those advances are accomplished, it is desirable to evaluate various surplus allocation methods and utilize the one which is most reliable and reasonable.

ALLOCATION METHODS EVALUATED

The data base and formulae used in this paper permit the testing of any allocation method imaginable. For purposes of this paper, four allocation methods are evaluated. The four selected are methods which the authors knew to be commonly used and discussed in professional circles.

Allocation Method I is based on each insurance line's net earned premiums, plus the adjusted mean unearned premium reserve, plus the mean loss and loss adjustment expense reserve. This method of surplus allocation is the one imputed in the current NAIC profitability calculations.

Allocation Method II is based on net earned premiums only. It is approximately equivalent to assuming a constant leverage ratio (i.e. net written premiums to surplus) across all insurance lines.

Allocation Method III assumes that reserves only are a reasonable measure of risk differences between the various insurance lines and, therefore, provide a reasonable surplus allocation method. The reserve amount used in Method III is the sum of each line's adjusted mean unearned premium reserve plus the mean loss and loss adjustment expense reserve. The adjustment to the mean unearned premium reserve was a subtraction of an amount equivalent to the estimated amount of prepaid expenses. This adjustment was accomplished using the current NAIC procedure as set forth in Appendix B.

Allocation Method IV is based on the by line premium to surplus leverage norms recently promulgated in California (See Appendix C).

PREMISE UNDERLYING OF ANALYSIS AND EVALUATION

If an analyst calculates a total return for a specific insurance line, there exists an imputed surplus at the beginning and ending of the year. For example, assume Line of Insurance A with an allocated beginning of year surplus of \$1,000. If a total return of 10% is calculated for the current year, then it follows that the imputed year ending surplus for Line A is \$1,100. Further assume that the same allocation method is applied in Year 2. If the allocation method is producing internally consistent results from year to year, we would expect the imputed surplus for Line A at the beginning of Year 2 to equal the \$1,100 calculated for the ending of Year 1. There is simply no reason for the ending surplus to magically change at midnight on New Year's eve.

If there is a difference between the previous year-ending surplus and the allocated beginning surplus the following year for each line of insurance, then

the financial model has created an illogical situation. Either the rate of return calculated for the previous year is wrong, or the beginning surplus of the following year is wrong. If, in our example, the 10% rate of return for Line A in Year 1 is correct, then it follows that the beginning surplus for Year 2 must be \$1,100.

The best allocation method is the one which minimizes these year-to-year discrepancies between the ending surplus for one year and the allocated beginning surplus for the following year.

DATA BASE AND ANALYSIS TECHNIQUE

The data used in the analysis was taken from Best's Aggregates and Averages for the years 1984 through 1989.

The formulae used to calculate by-line underwriting profit, investment income on policyholder-supplied funds, and total investment income are the NAIC formulae for 1989 (see Appendix B). The effect of Federal income taxes was calculated using the NAIC tax formula which was in effect during each specific tax year.

In utilizing the NAIC profitability formulae for this study, it was observed that the current NAIC formulae produce the anomalous situation of negative investment income from assets equivalent to the capital and surplus account for some insurance lines. Thus, the imputed surplus for those lines is negative, clearly a result not anticipated in the allocation method. Despite this flaw in the NAIC profitability calculations, this study proceeded because a discussion of the correctness of the NAIC profitability formulae would only detract from the

central issue being studied, that being whether any allocation method can produce internally consistent results if applied repeatedly year after year.

The analysis technique involved the calculation of surplus amounts for each line of coverage, for each of the four allocation methods being tested, under two different scenarios. The first scenario involved the reallocation of surplus each year. The second scenario involved the allocation of surplus only at the beginning of the test period and then calculating year to year surplus based on each year's total return results.

RESULTS

The total income and surplus amounts for each line of coverage, assuming annual reallocation of surplus with each of the four tested allocation methods, are presented in pages 1 - 6 of Appendices D,E,F & G. By comparing the ending surplus from one year to the beginning surplus of the following year, one can see the magnitude of the inconsistencies resulting from annual reallocations. These differences are graphically presented in bar charts for six selected insurance lines in pages 7 - 12 of Appendices D,E,F & G.

The total income and surplus amounts for each line of coverage, assuming each tested surplus allocation method is applied only once at the beginning of the test period, are presented in pages 13 - 18 of Appendixes D,E,F & G. These calculations are performed so as to force the ending surplus amounts for each line of insurance to equal the beginning surplus amounts for the following year.

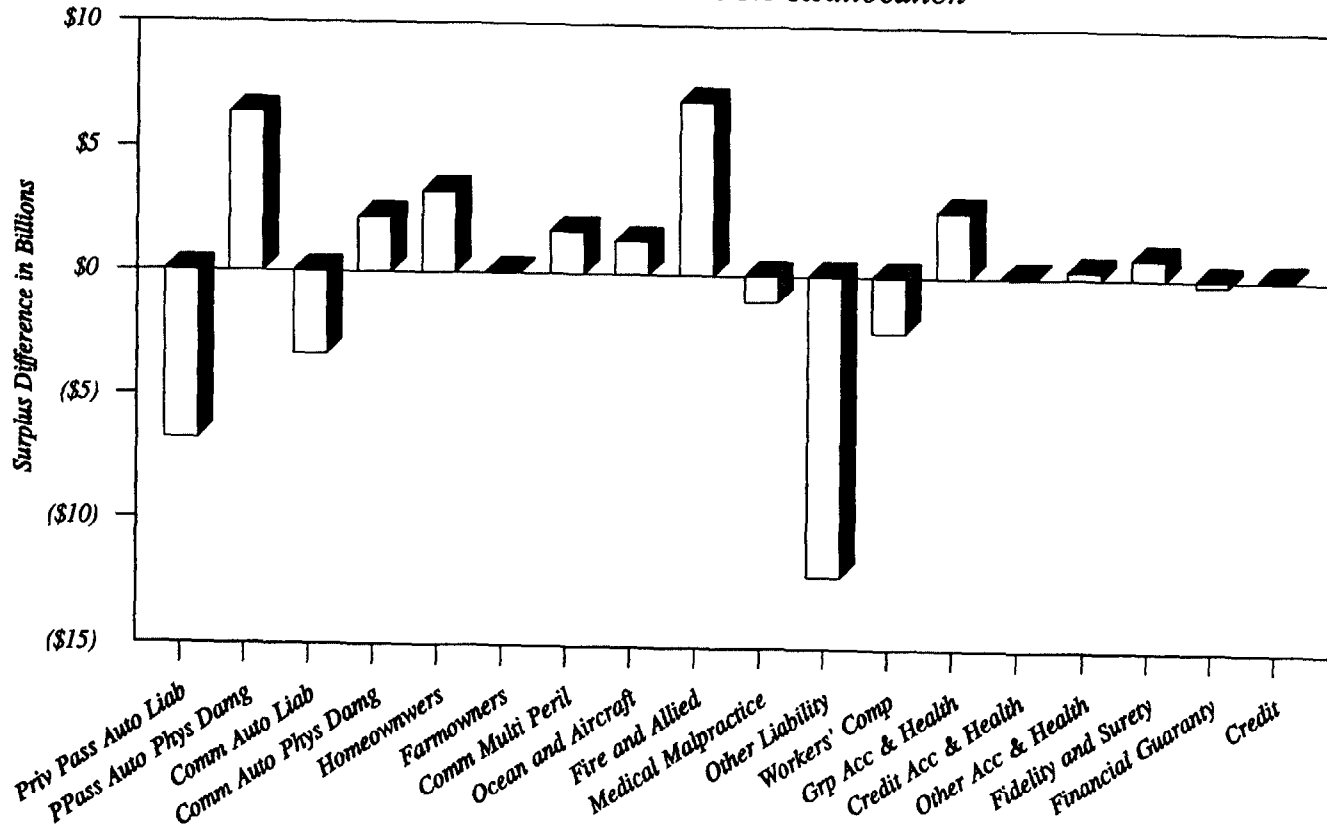
The differences in surplus resulting from an annual reallocation of surplus, as compared to no annual reallocation, can be seen for each insurance line by comparing the results in pages 1 - 6 of Appendices D,E,F & G to the corresponding results in pages 13 - 18 of the same appendices. These differences are graphically presented in bar charts for six selected insurance lines in pages 19 - 24 of Appendices D,E,F & G.

The difference in total returns and ending surplus by line based on annual reallocation of surplus as compared to no annual reallocation has a cumulative effect over time. The cumulative effect over the test period of 1984 through 1989 can be quantified by comparing the 1989 ending surplus resulting from annual reallocation to the 1989 ending surplus resulting from no annual reallocation. Those differences, both dollar amounts and percentages, are graphically presented in the following Exhibits I - IV for each line of insurance, for each of the four tested allocation methods. Negative amounts on Exhibits I - IV indicate that a line of insurance has been subsidized by the allocation method. In other words, surplus was allocated to the subsidized line of insurance beyond that which would have resulted from the actual stated annual returns.

Cumulative Surplus Difference By Line

Over 1984 - 1989 Test Period

Annual Reallocation vs. No Reallocation

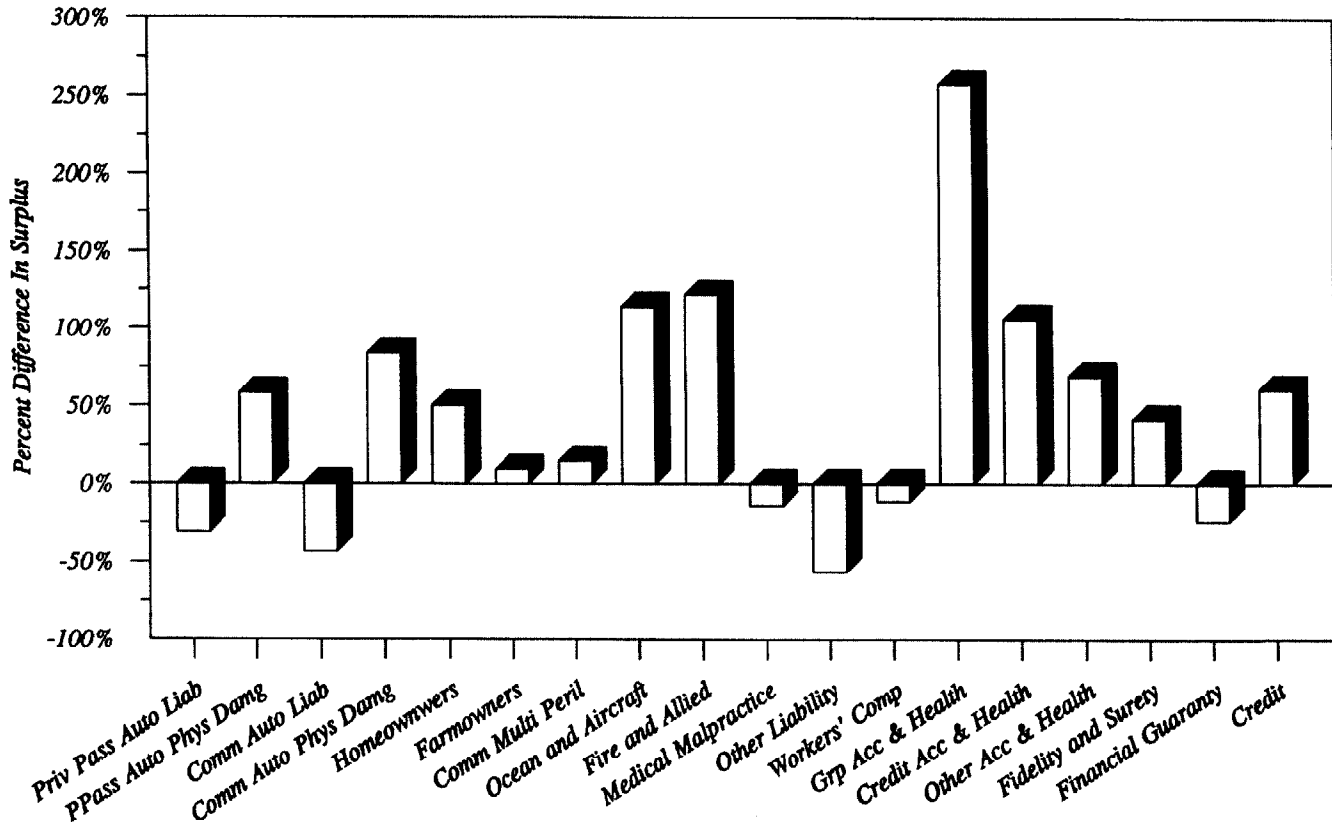


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Difference Shown Is The Cumulative By Line 1984-1989 Surplus Without Reallocation Less The 1989 Ending Surplus With Reallocation

Cumulative Percent Difference In Surplus

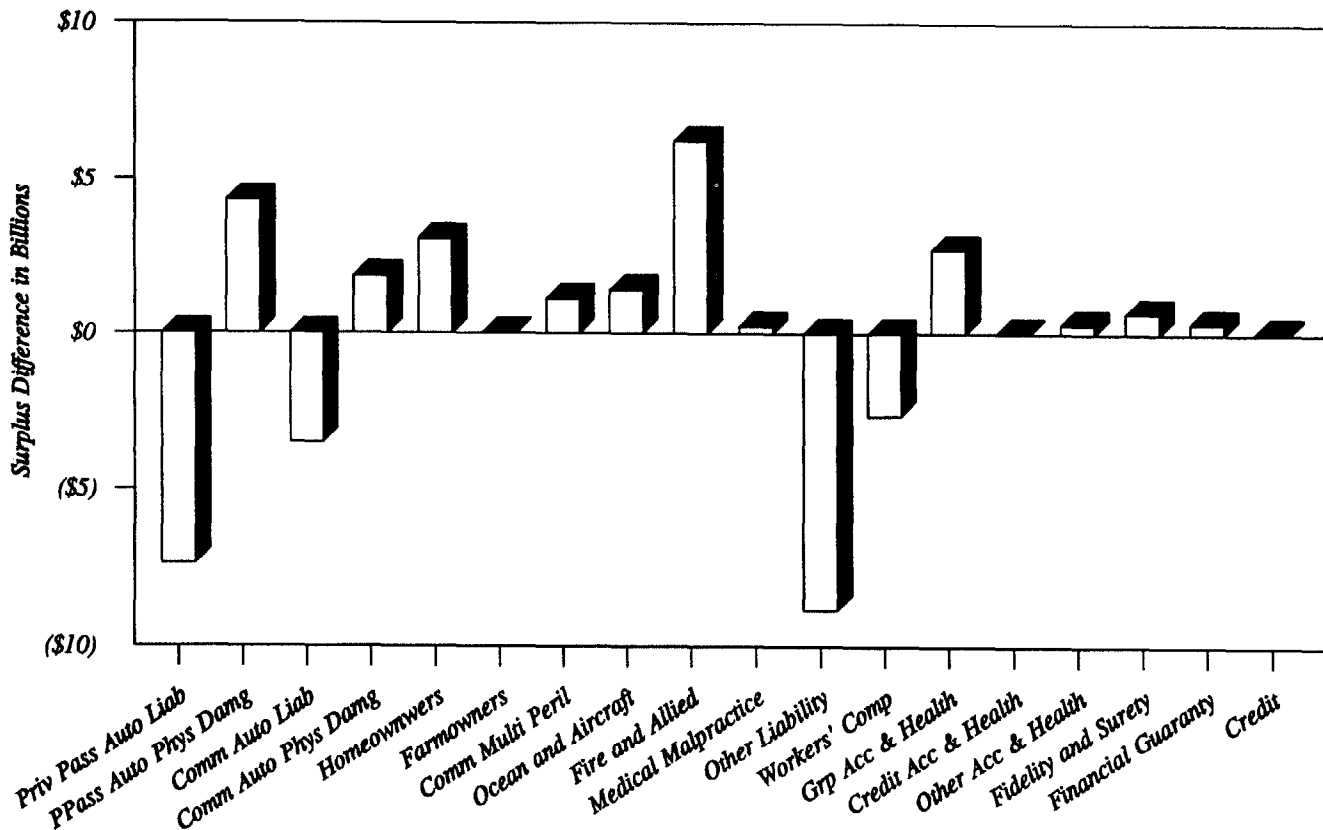
By Line Over 1984 - 1989 Test Period
Annual Reallocation vs. No Reallocation



Percent Difference Between The Cumulative By Line 1984-1989 Surplus Without Reallocation And The 1989 Ending Surplus With Reallocation

Over 1984 - 1989 Test Period

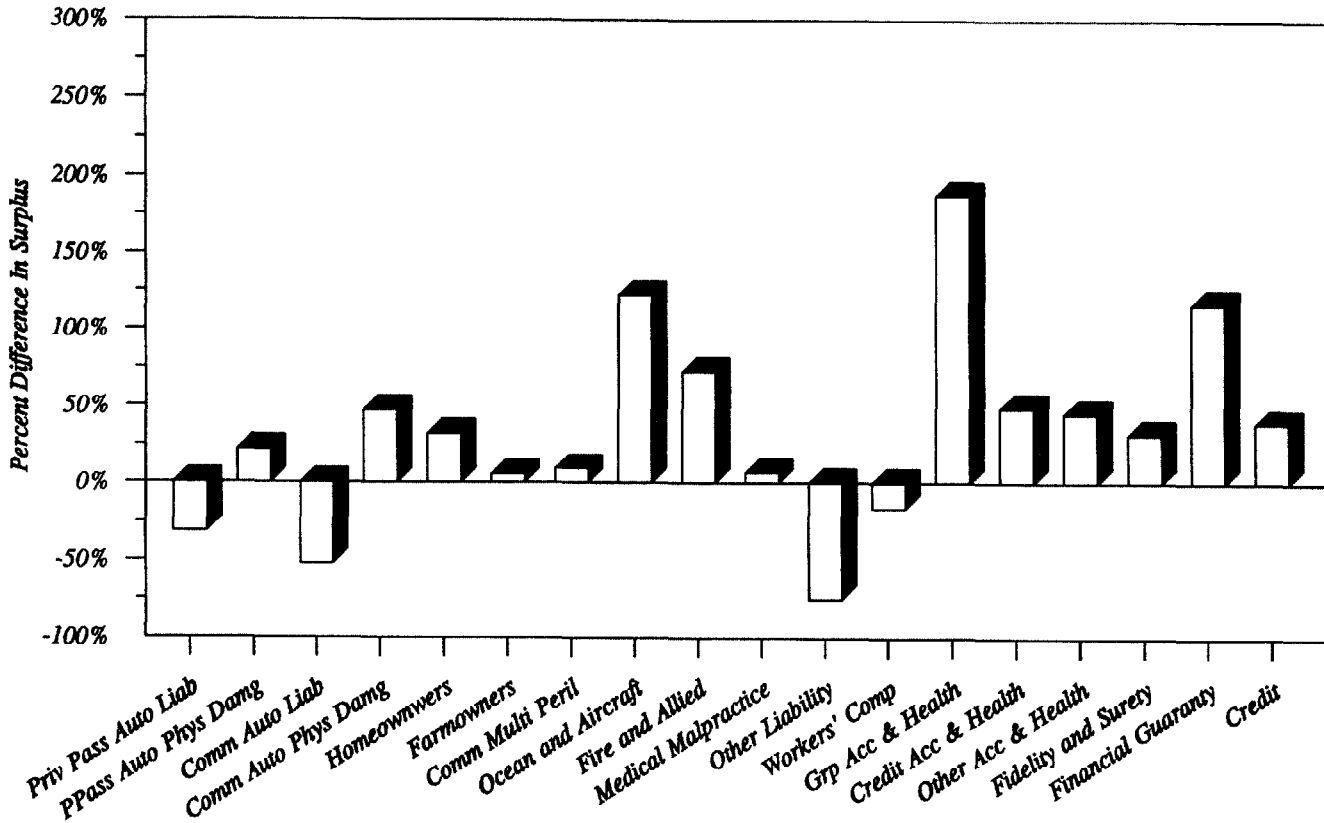
Annual Reallocation vs. No Reallocation



Difference Shown Is The Cumulative By Line 1984-1989 Surplus Without Reallocation Less The 1989 Ending Surplus With Reallocation

Cumulative Percent Difference In Surplus

By Line Over 1984 - 1989 Test Period
Annual Reallocation vs. No Reallocation

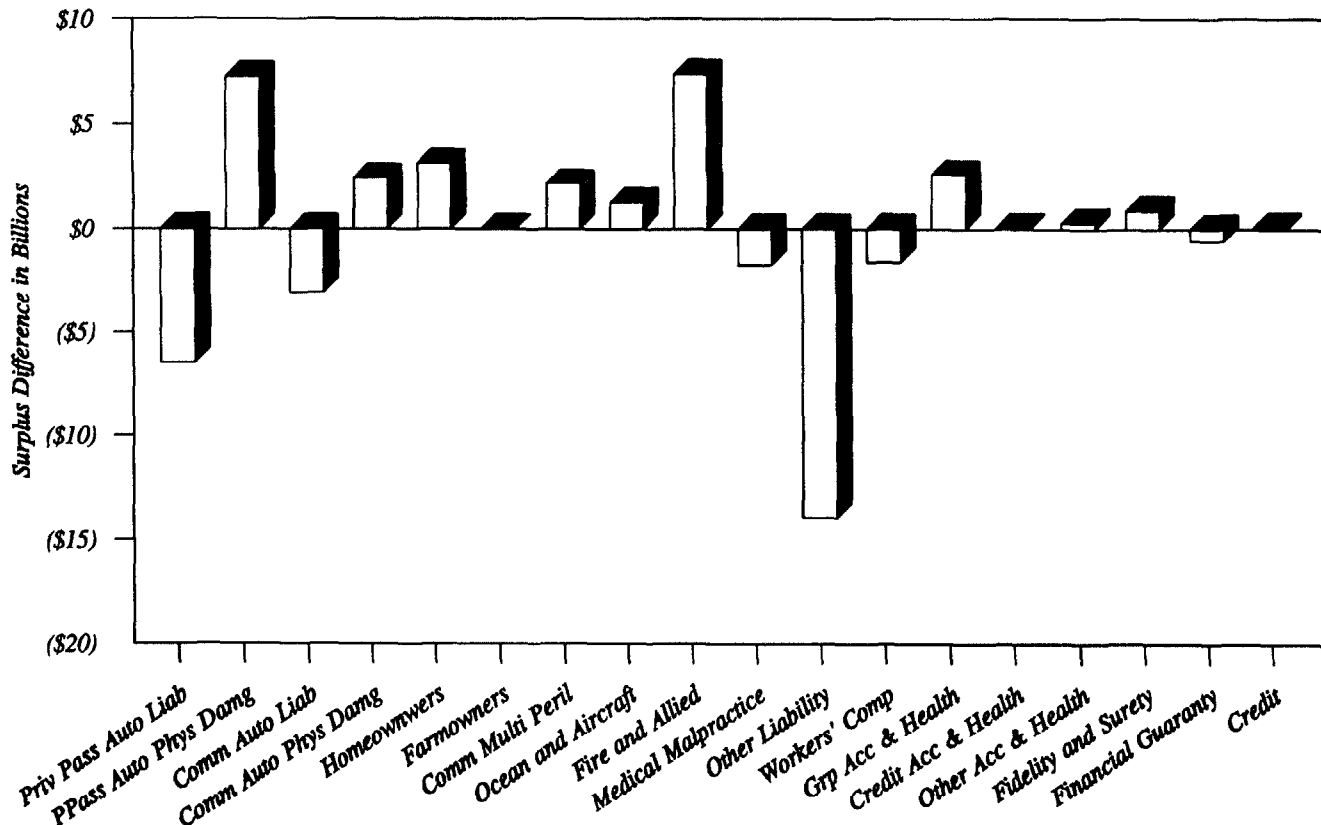


Percent Difference Between The Cumulative By Line 1984-1989 Surplus Without Reallocation And The 1989 Ending Surplus With Reallocation

Cumulative Surplus Difference By Line

Over 1984 - 1989 Test Period

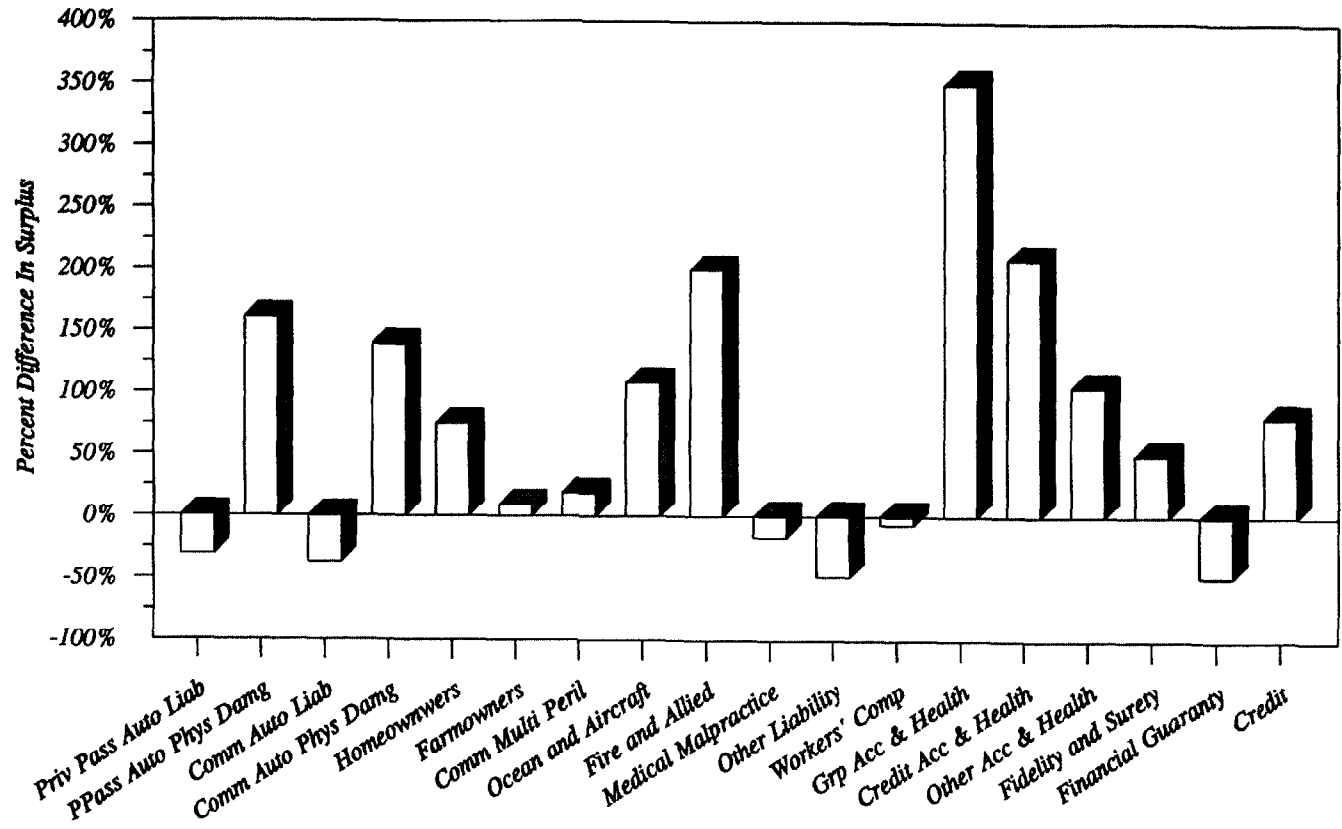
Annual Reallocation vs. No Reallocation



Difference Shown Is The Cumulative By Line 1984-1989 Surplus Without Reallocation Less The 1989 Ending Surplus With Reallocation

Cumulative Percent Difference In Surplus

By Line Over 1984 - 1989 Test Period
Annual Reallocation vs. No Reallocation

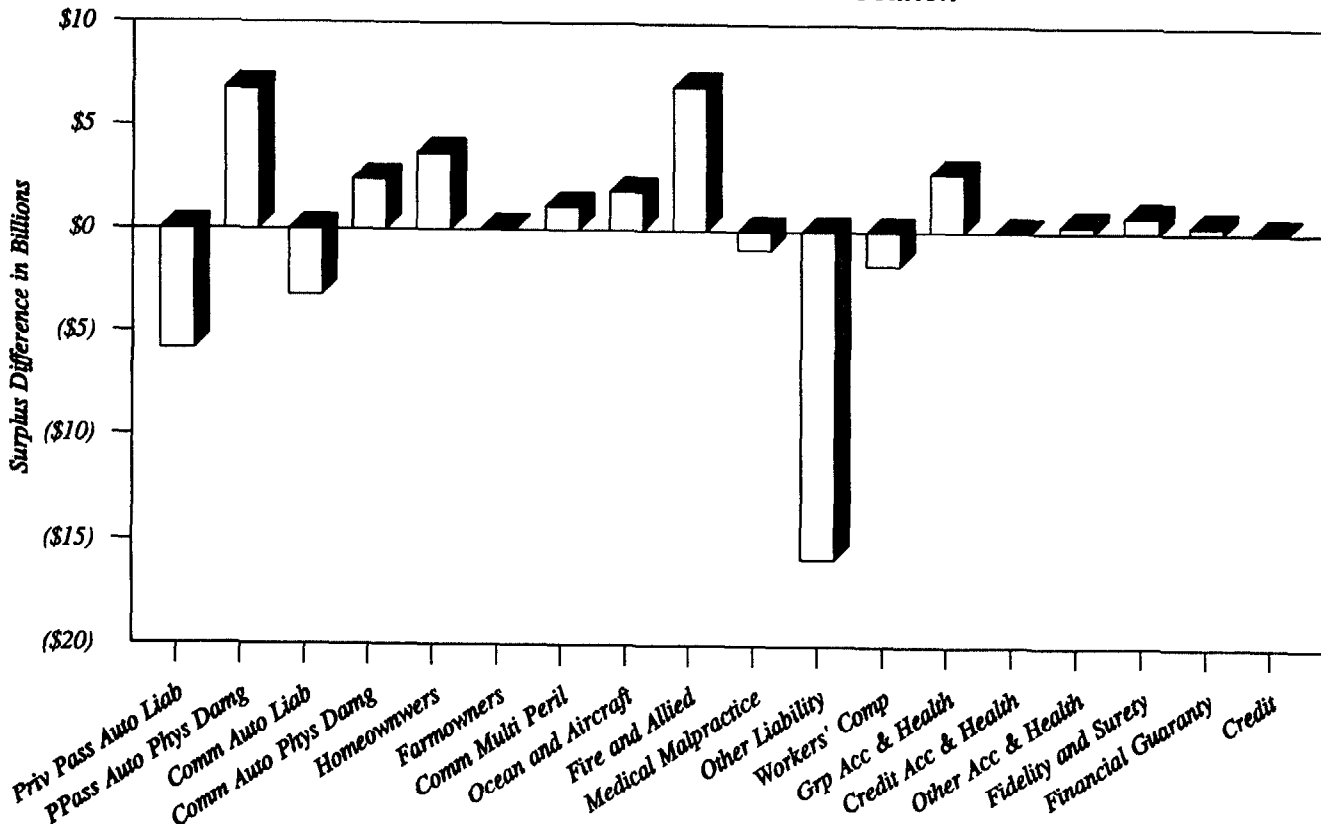


Percent Difference Between The Cumulative By Line 1984-1989 Surplus Without Reallocation And The 1989 Ending Surplus With Reallocation

Cumulative Surplus Difference By Line

Over 1984 - 1989 Test Period

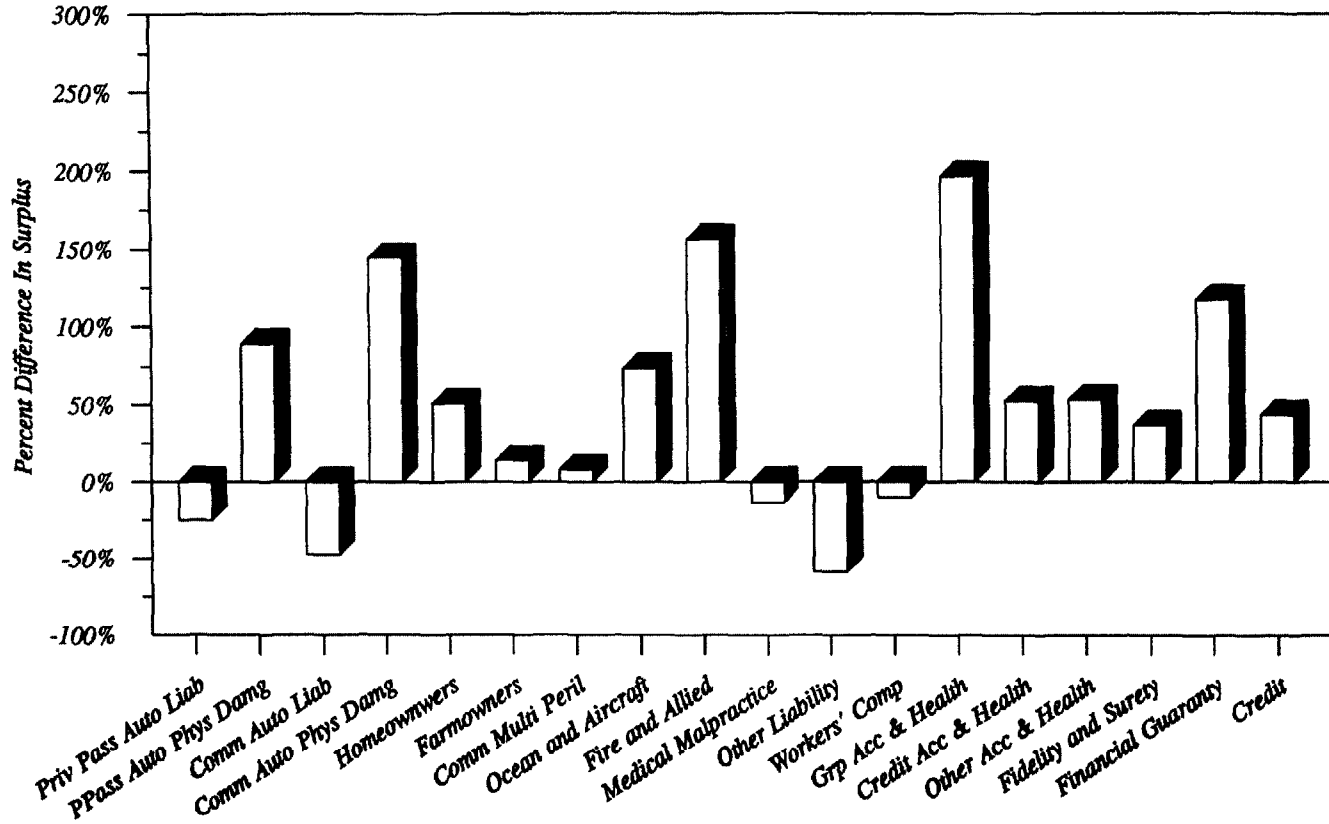
Annual Reallocation vs. No Reallocation



Difference Shown Is The Cumulative By Line 1984-1989 Surplus Without Reallocation Less The 1989 Ending Surplus With Reallocation

Cumulative Percent Difference In Surplus

By Line Over 1984 - 1989 Test Period
Annual Reallocation vs. No Reallocation



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Percent Difference Between The Cumulative By Line 1984-1989 Surplus Without Reallocation And The 1989 Ending Surplus With Reallocation

CONCLUSIONS

All of the tested allocation methods produce internally inconsistent results when reallocation is performed on an annual basis. An annual reallocation produces a beginning of year surplus amount which is inconsistent with the stated rate of return for the previous year.

Annual, or frequent, reallocation of surplus will produce results which effectively deny the correctness of the total returns calculated by line for each of the previous years. After the five years in the test period, annual reallocation of surplus caused an arbitrary shifting of surplus, or subsidy, to the private passenger auto liability, commercial auto liability, medical malpractice (except for Method II), general liability, and workers' compensation lines of insurance. This subsidy was primarily at the expense of earnings from the auto physical damage, homeowners, commercial multi-peril, fire and allied coverages, and group accident and health lines of insurance.

If allocation of surplus is to be done, then it should be done only once, and it should be applied to the earliest year of data available. Annual total returns should then be calculated for each line of coverage, using the initial allocation as the starting point.

If the allocation is performed only once, then the debate over the appropriateness of a particular allocation method becomes less and less important with the passage of time. The ending surplus calculated for each line of insurance, for each ensuing year after the initial allocation, becomes less dependent upon the initial allocation and more dependent upon the estimated total return for each line of coverage.

Method I
Surplus Allocation Percentages By Line

Line	1984	1985	1986	1987	1988	1989
Private Passenger Auto Liability	20.3%	19.8%	18.9%	18.5%	18.9%	19.4%
Private Passenger Auto Physical Damage	8.6%	8.5%	8.1%	7.7%	7.6%	7.4%
Commercial Auto Liability	5.7%	6.0%	6.4%	6.7%	6.7%	6.7%
Commercial Auto Physical Damage	1.7%	1.8%	1.8%	1.7%	1.6%	1.6%
Homeowners	8.4%	7.9%	7.2%	6.6%	6.3%	6.1%
Farmowners	0.5%	0.4%	0.4%	0.4%	0.3%	0.3%
Commercial Multiple Peril	7.8%	8.3%	8.9%	9.2%	9.1%	8.9%
Ocean and Aircraft	1.5%	1.4%	1.3%	1.2%	1.1%	1.0%
Fire and Allied Lines	6.2%	6.1%	5.8%	5.4%	5.1%	4.8%
Medical Malpractice	4.5%	4.7%	5.0%	5.2%	5.3%	5.3%
Other Liability	13.1%	14.1%	16.0%	17.5%	18.1%	18.1%
Workers' Compensation	18.4%	17.9%	17.0%	16.3%	16.5%	17.3%
Group Accident & Health	1.1%	1.1%	1.0%	0.9%	0.8%	0.7%
Credit Accident & Health	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other Accident & Health	0.6%	0.6%	0.5%	0.4%	0.4%	0.4%
Fidelity and Surety	1.4%	1.5%	1.5%	1.4%	1.3%	1.3%
Financial Guaranty	0.0%	0.0%	0.4%	0.8%	0.7%	0.6%
Credit	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Total of All Lines	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Beginning surplus for a given year was allocated based on the percentages listed above. The surplus allocation percentages under Method I are based on by line net earned premiums, plus adjusted mean unearned premium reserves, plus mean loss and loss adjustment expense reserves. Best's data by line was used. The mean unearned premium reserves were adjusted using the NAIC formulas in Appendix B.

Method II
Surplus Allocation Percentages By Line

Line	1984	1985	1986	1987	1988	1989
Private Passenger Auto Liability	21.0%	20.2%	18.9%	18.6%	19.3%	20.3%
Private Passenger Auto Physical Damage	15.3%	14.9%	13.9%	13.5%	13.6%	13.8%
Commercial Auto Liability	4.6%	5.1%	5.9%	6.4%	6.2%	6.0%
Commercial Auto Physical Damage	2.6%	2.7%	2.7%	2.6%	2.5%	2.5%
Homeowners	11.2%	10.5%	9.2%	8.5%	8.4%	8.4%
Farmowners	0.7%	0.6%	0.5%	0.5%	0.5%	0.5%
Commercial Multiple Peril	7.9%	8.5%	9.5%	9.9%	9.8%	9.4%
Ocean and Aircraft	1.5%	1.5%	1.4%	1.3%	1.1%	1.0%
Fire and Allied Lines	8.2%	8.1%	7.9%	7.6%	7.2%	6.9%
Medical Malpractice	1.8%	2.0%	2.2%	2.3%	2.4%	2.4%
Other Liability	6.9%	8.2%	10.8%	12.4%	12.1%	11.1%
Workers' Compensation	14.1%	13.9%	13.2%	12.9%	13.4%	14.3%
Group Accident & Health	1.6%	1.5%	1.3%	1.2%	1.1%	1.0%
Credit Accident & Health	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other Accident & Health	0.8%	0.8%	0.7%	0.6%	0.5%	0.5%
Fidelity and Surety	1.6%	1.6%	1.5%	1.4%	1.4%	1.4%
Financial Guaranty	0.0%	0.0%	0.2%	0.3%	0.2%	0.2%
Credit	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Total of All Lines	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Beginning surplus for a given year was allocated based on the percentages listed above.
The surplus allocation percentages under Method II are based on by line net earned premiums as published by Best's.

Method III
Surplus Allocation Percentages By Line

Line	1984	1985	1986	1987	1988	1989
Private Passenger Auto Liability	19.7%	19.5%	18.9%	18.5%	18.5%	18.7%
Private Passenger Auto Physical Damage	3.3%	3.3%	3.2%	3.1%	2.9%	2.8%
Commercial Auto Liability	6.6%	6.7%	6.8%	7.0%	7.1%	7.2%
Commercial Auto Physical Damage	1.0%	1.0%	1.0%	1.0%	0.9%	1.0%
Homeowners	6.1%	5.9%	5.4%	5.0%	4.7%	4.5%
Farmowners	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%
Commercial Multiple Peril	7.7%	8.1%	8.5%	8.6%	8.5%	8.5%
Ocean and Aircraft	1.4%	1.3%	1.2%	1.1%	1.0%	1.0%
Fire and Allied Lines	4.6%	4.4%	4.0%	3.7%	3.5%	3.4%
Medical Malpractice	6.6%	6.9%	7.2%	7.5%	7.6%	7.5%
Other Liability	18.1%	18.8%	20.2%	21.6%	22.7%	23.1%
Workers' Compensation	21.8%	21.2%	20.1%	19.1%	18.9%	19.4%
Group Accident & Health	0.8%	0.7%	0.7%	0.6%	0.6%	0.5%
Credit Accident & Health	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other Accident & Health	0.4%	0.4%	0.4%	0.3%	0.3%	0.3%
Fidelity and Surety	1.4%	1.4%	1.5%	1.4%	1.3%	1.2%
Financial Guaranty	0.0%	0.0%	0.5%	1.2%	1.1%	0.8%
Credit	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Total of All Lines	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Beginning surplus for a given year was allocated based on the percentages listed above. The surplus allocation percentages under method III are based on by line adjusted mean unearned premium reserves, plus mean loss and loss adjustment expense reserves. Best's data by line was used. The mean unearned premium reserves were adjusted using the NAIC formulas in Appendix B.

Method IV
Surplus Allocation Percentages By Line

Line	1984	1985	1986	1987	1988	1989
Private Passenger Auto Liability	22.3%	21.0%	18.9%	18.2%	18.9%	20.1%
Private Passenger Auto Physical Damage	5.9%	5.7%	5.1%	4.8%	4.9%	5.0%
Commercial Auto Liability	4.9%	5.3%	6.0%	6.3%	6.1%	6.0%
Commercial Auto Physical Damage	1.0%	1.0%	1.0%	0.9%	0.9%	0.9%
Homeowners	9.6%	8.7%	7.4%	6.7%	6.6%	6.7%
Farmowners	0.6%	0.5%	0.4%	0.4%	0.4%	0.4%
Commercial Multiple Peril	9.6%	10.1%	10.8%	11.1%	11.0%	10.7%
Ocean and Aircraft	3.3%	3.1%	2.7%	2.5%	2.2%	2.0%
Fire and Allied Lines	5.0%	4.8%	4.5%	4.2%	4.0%	3.9%
Medical Malpractice	3.9%	4.2%	4.4%	4.5%	4.6%	4.7%
Other Liability	14.7%	17.0%	21.7%	24.3%	23.8%	22.1%
Workers' Compensation	15.0%	14.5%	13.2%	12.6%	13.2%	14.2%
Group Accident & Health	1.7%	1.5%	1.3%	1.1%	1.1%	1.0%
Credit Accident & Health	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other Accident & Health	0.8%	0.8%	0.7%	0.6%	0.5%	0.5%
Fidelity and Surety	1.6%	1.7%	1.5%	1.4%	1.4%	1.4%
Financial Guaranty	0.0%	0.0%	0.2%	0.3%	0.2%	0.2%
Credit	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Total of All Lines	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Beginning surplus for a given year was allocated based on the percentages listed above. The surplus allocation percentages under Method IV are based on the by line premium to surplus leverages norms set forth in Appendix C applied to by line earned premiums as published by Best's.

NAIC PROFITABILITY FORMULA
1989

1. Premiums Earned

Page 14, Column 3

2. Losses Incurred

Page 14, Column 7

3. Loss Adjustment Expense

IEE Line 4 x [Page 14, Column 7 ÷ IEE Line 3]

4. General Expenses

IEE Line 7 X [Page 14, Column 3 + IEE Line 2] X .5 +
IEE Line 7 X [Page 14, Column 3 + IEE Line 1] X .5

5. Selling Expenses

[IEE Lines 6 + 19] x [Page 14, Column 3 + IEE Line 14]

6. Taxes, Licenses and Fees

IEE Line 8 X [Page 14, Column 3 + IEE Line 1]

7. Dividends to Policyholders

Page 14, Column 4

8. Underwriting Profit

Premiums earned - losses incurred - loss adjustment expenses - general expenses - selling expenses - taxes, licenses and fees - dividends to policyholders.

8a. Investment Gain on Policyholder Supplied Funds

F X IEE Line 10 X [Page 14, Column 3 + IEE Line 2]

F = D ÷ E

D = [IEE Item G* + IEE Item H*] ÷ [Page 2, Column 1, Line 8a + Page 2, Column 1 Line 8a, prior year] + 2

E = IEE Line 10, Column 32 + IEE Line 10, Column 34

* From IEE Instructions for Allocating Net Investment Gain or Loss and Other Income to the Lines of Business for Line 10 (all lines).

8b. Income Taxes Excluding Investment Income on Surplus

[.34 X Underwriting Profit] + [Z X Investment Gain] - [.34 X S X (Page 10, Column 5 + Column 6 for 1986) X (Page 14, Column 8 for 1986 + Page 10, Column 5 for 1986)]

Where Z = $\frac{.34 (A - .93B - .6C)}{A}$

and A = Page 4, Column 1, Line 9 + Page 6, Part 1, Column 8, Line 10 - 11 - 12 - 13

B = Page 6, Part 1, Column 8, Line 1.1

C = Page 6, Part 1, Column 8, Line 2.1 + 2.11 + 2.2 + 2.21

and S = "Fresh Start" Factor (from table)

8c. Operating Profits Excluding Investment Income on Surplus

Underwriting Profit + Investment Gain on Policyholder Supplied Funds -
Income Taxes Excluding Investment Income on Surplus

9. Total Investment Gain

A. (Page 14, Column 8, current year + Page 14, Column 8, prior year) + 2

B. (Page 10, Column 6, current year + Page 10, Column 6, prior year +
(Page 10, Column 5, current year + Page 10, Column 5, prior year)

C. Loss Adjustment Expense Reserve = A X B

D. (Page 14, Column 5, current year + Page 14, Column 5, prior year) + 2

E. [(Page 2, Column 1, Line 9.1, current year + Line 9.2, current year +
Page 2, Column 1, Line 9.1, prior year + Line 9.2, prior year) + 2] +
Page 86, Column 3, Line 98

F. Agents' Balances = Page 14, Column 3 X E

G. Premiums Earned = Page 14, Column 3

H. Premiums and Adjusted Total Reserves = A + C + D - F + G

I. Investment Gain Ratio =

(Page 4, Column 1, Line 9A) + [Page 4, Column 1, Line 1 + (Page 3,
Column 1, Line 1, current year + Line 2, current year + Page 7, Column
3, Line 32 + Page 3, Column 1, Line 1, prior year + Line 2, prior year
+ Page 7, Column 2, Line 32 - Page 2, Column 1, Line 9.1, current year -
Line 9.2, current year - Page 2, Column 1, Line 9.1, prior year - Line
9.2, prior year) + 2]

J. Estimated Investment Gain = .94 (H X I)

K. Other Income Ratio = (Page 4, Column 1, Line 13 - Line 5) + Page 4,
Column 1, Line 1

L. Estimated Other Income = K X Page 14, Column 3

M. Estimated Investment Gain and Other Income = J + L

10. Income Taxes

[.34 X Underwriting Profit] + [Z X Total Investment Gain] - [.34 X S X
(Page 10, Column 5 + Column 6 for 1986) X (Page 14, Column 8 for 1986 +
Page 10, Column 5 for 1986)]

Where $Z = \frac{.34 (A - .93B - .6C)}{A}$

and A = Page 4, Column 1, Line 9 + Page 6, Part 1, Column 8, Line 10 -
11 - 12 - 13

B = Page 6, Part 1, Column 8, Line 1.1

C = Page 6, Part 1, Column 8, Line 2.1 + 2.11 + 2.2 + 2.21

and S = "Fresh Start" Factor (from table)

11. Operating Profit

Underwriting Profit + Total Investment Gain - Income Taxes

FRESH START BENEFIT BY LINE*

Average Factors (%)

<u>Line of Insurance</u>	<u>1989</u>	<u>1988</u>	<u>1987</u>
Auto Liability	1.5	2.7	4.8
Auto Physical Damage	.2	.9	4.1
Homeowners	1.8	2.8	4.7
Farmowners	1.8	2.8	4.7
Comm. Multiple Peril	1.8	2.8	4.7
Ocean and Aircraft	1.8	2.8	4.7
Fire and Allied Lines	.2	.9	4.1
Medical Malpractice	2.2	2.6	2.9
Other Liability	3.0	3.8	4.8
Workers' Compensation	2.2	2.8	3.8
Group Accident & Health	.2	.9	4.1
Credit Accident & Health	.2	.9	4.1
Other Accident & Health	.2	.9	4.1
Fidelity & Surety	.2	.9	4.1
Financial Guaranty	.2	.9	4.1
Credit	.2	.9	4.1

LEVERAGE NORMS

Private Passenger Auto Liability	2.00:1
Private Passenger Auto Physical Damage	5.50:1
Commercial Auto Liability	2.00:1
Commercial Auto Physical Damage	5.50:1
Homeowners	2.50:1
Farmowners	2.50:1
Commercial Multiple Peril	1.75:1
Ocean and Aircraft	1.00:1
Fire and Allied Lines	3.50:1
Medical Malpractice	1.00:1
Other Liability	1.00:1
Workers' Compensation	2.00:1
Group Accident & Health	2.00:1
Credit Accident & Health	2.00:1
Other Accident & Health	2.00:1
Fidelity and Surety	2.00:1
Financial Guaranty	2.00:1
Credit	2.50:1

Note: To the extent possible, the selected leverage norms are the same as the prescribed California leverage norms.

Method I
With Annual Reallocation of Surplus

Appendix D
Sheet 1

Line	1984						
	(1) Beginning Capital and Surplus	(2) Underwriting Income	(3) Total Investment Income	(4) Total Income Before Taxes	(5) Income Taxes	(6) Total Income After Taxes	(7) Ending Capital and Surplus
Private Passenger Auto Liability	\$13,267,126	(\$3,784,091)	\$4,216,083	\$431,992	(\$649,901)	\$1,081,893	\$14,349,019
Private Passenger Auto Physical Damage	5,636,478	(378,434)	1,797,378	1,418,944	290,936	1,128,008	6,764,485
Commercial Auto Liability	3,745,062	(2,645,135)	1,197,132	(1,448,003)	(907,041)	(540,962)	3,204,100
Commercial Auto Physical Damage	1,137,149	(389,791)	365,282	(24,509)	(84,798)	60,289	1,197,438
Homeowners	5,477,780	(1,105,589)	1,724,607	619,018	(62,382)	681,400	6,159,181
Farmowners	308,440	(162,099)	96,628	(65,471)	(49,566)	(15,905)	292,535
Commercial Multiple Peril	5,097,789	(3,805,476)	1,647,493	(2,157,983)	(1,324,281)	(833,702)	4,264,087
Ocean and Aircraft	949,602	(50,601)	297,110	246,508	53,591	192,917	1,142,519
Fire and Allied Lines	4,062,520	(840,118)	1,288,879	448,761	(52,997)	501,757	4,564,277
Medical Malpractice	2,945,957	(1,318,711)	956,291	(362,419)	(359,196)	(3,223)	2,942,733
Other Liability	8,598,336	(5,714,887)	2,756,320	(2,958,567)	(1,915,735)	(1,042,831)	7,555,305
Workers' Compensation	12,039,635	(4,045,483)	3,800,498	(244,986)	(877,661)	632,675	12,672,311
Group Accident & Health	741,523	42,983	231,580	274,564	79,687	194,877	936,400
Credit Accident & Health	17,075	10,013	5,006	15,019	5,901	9,118	26,193
Other Accident & Health	362,954	9,690	119,721	129,411	35,431	93,979	456,934
Fidelity and Surety	946,382	(187,725)	307,103	119,378	(6,900)	126,278	1,072,660
Financial Guaranty	0	0	0	0	0	0	0
Credit	67,163	(159,526)	22,876	(136,650)	(67,464)	(69,187)	(2,024)
Total of All Lines	\$65,400,970	(\$24,524,980)	\$20,829,986	(\$3,694,995)	(\$5,892,377)	\$2,197,382	\$67,598,352

- (1) Total 1983 Ending Capital and Surplus from Best's data allocated as per Appendix A
- (2) From application of NAIC profitability formulas to Best's data
- (3) From application of NAIC profitability formulas to Best's data using allocation Method I
- (4) Column (2) + Column (3)
- (5) From application of NAIC profitability formulas to Column (4)
- (6) Column (4) - Column (5)
- (7) Column (1) + Column (6) Excludes all direct adjustments to Capital and Surplus account

Method I
With Annual Reallocation of Surplus

Appendix D
Sheet 2

Line	1985						
	(1) Beginning Capital and Surplus	(2) Underwriting Income	(3) Total Investment Income	(4) Total Income Before Taxes	(5) Income Taxes	(6) Total Income After Taxes	(7) Ending Capital and Surplus
Private Passenger Auto Liability	\$13,370,992	(\$5,582,184)	\$4,909,709	(\$672,475)	(\$1,183,541)	\$511,066	\$13,882,059
Private Passenger Auto Physical Damage	5,725,977	50,872	2,111,008	2,161,880	618,587	1,543,293	7,269,270
Commercial Auto Liability	4,029,687	(2,623,164)	1,556,493	(1,066,671)	(767,812)	(298,860)	3,730,827
Commercial Auto Physical Damage	1,204,176	124,185	457,231	581,416	186,039	395,377	1,599,553
Homeowners	5,350,084	(1,614,248)	1,925,153	310,904	(199,769)	510,673	5,860,757
Farmowners	297,425	(111,296)	106,237	(5,059)	(21,243)	16,184	313,609
Commercial Multiple Peril	5,597,080	(2,701,304)	2,177,880	(523,424)	(628,559)	105,136	5,702,216
Ocean and Aircraft	925,119	(161,633)	334,045	172,411	19,831	152,581	1,077,700
Fire and Allied Lines	4,094,322	122,709	1,505,620	1,628,329	480,947	1,147,382	5,241,704
Medical Malpractice	3,178,269	(2,189,022)	1,214,981	(974,041)	(664,394)	(309,648)	2,868,621
Other Liability	9,508,324	(9,511,853)	3,744,154	(5,767,700)	(3,319,810)	(2,447,889)	7,060,435
Workers' Compensation	12,112,893	(3,873,270)	4,467,491	594,220	(522,122)	1,116,342	13,229,235
Group Accident & Health	717,953	(69,441)	258,191	188,751	40,853	147,898	865,851
Credit Accident & Health	15,387	8,332	5,488	13,820	5,380	8,440	23,827
Other Accident & Health	380,757	27,047	140,164	167,211	51,960	115,251	496,008
Fidelity and Surety	1,013,705	(471,110)	385,327	(85,784)	(108,070)	22,287	1,035,991
Financial Guaranty	0	0	0	0	0	0	0
Credit	76,201	(15,038)	29,184	14,146	1,311	12,835	89,036
Total of All Lines	\$67,598,352	(\$28,590,421)	\$25,328,356	(\$3,262,065)	(\$6,010,413)	\$2,748,348	\$70,346,700

- (1) Total Ending Capital and Surplus from Column (7) of prior year reallocated by individual line as per Appendix A
- (2) From application of NAIC profitability formulas to Best's data
- (3) From application of NAIC profitability formulas to Best's data using allocation Method I
- (4) Column (2) + Column (3)
- (5) From application of NAIC profitability formulas to Column (4)
- (6) Column (4) - Column (5)
- (7) Column (1) + Column (6) Excludes all direct adjustments to Capital and Surplus account

(000) omitted

Method I
With Annual Reallocation of Surplus

Appendix D
Sheet 3

Line	1986						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Beginning Capital and Surplus	Underwriting Income	Total Investment Income	Total Income Before Taxes	Income Taxes	Total Income After Taxes	Ending Capital and Surplus
Private Passenger Auto Liability	\$13,283,080	(\$6,428,288)	\$5,376,941	(\$1,051,347)	(\$1,427,742)	\$376,395	\$13,659,475
Private Passenger Auto Physical Damage	5,674,295	1,391,310	2,284,112	3,675,421	1,289,633	2,385,788	8,060,083
Commercial Auto Liability	4,515,400	(1,224,581)	1,933,344	708,763	(13,440)	722,203	5,237,602
Commercial Auto Physical Damage	1,260,330	898,458	518,257	1,416,715	560,689	856,025	2,116,355
Homeowners	5,031,098	(369,448)	1,975,078	1,605,630	391,791	1,213,839	6,244,937
Farmowners	274,304	(81,751)	106,489	24,738	(7,319)	32,056	306,360
Commercial Multiple Peril	6,274,887	757,648	2,672,742	3,430,389	1,108,680	2,321,710	8,596,596
Ocean and Aircraft	893,106	110,762	357,836	468,597	152,723	315,874	1,208,980
Fire and Allied Lines	4,064,486	2,348,033	1,642,193	3,990,227	1,547,156	2,443,071	6,507,556
Medical Malpractice	3,482,994	(1,932,783)	1,477,827	(454,956)	(468,767)	13,811	3,496,806
Other Liability	11,225,173	(5,029,212)	4,923,741	(105,471)	(913,063)	807,592	12,032,765
Workers' Compensation	11,931,244	(4,425,099)	4,775,832	350,734	(677,238)	1,027,971	12,959,215
Group Accident & Health	677,307	(54,837)	266,813	211,976	50,660	161,316	838,624
Credit Accident & Health	15,742	5,843	6,682	12,525	4,588	7,937	23,679
Other Accident & Health	360,065	26,209	139,115	165,325	51,622	113,702	473,767
Fidelity and Surety	1,036,304	(255,527)	417,347	161,820	1,156	160,664	1,196,967
Financial Guaranty	276,602	177,250	207,874	385,123	140,657	244,467	521,069
Credit	70,285	4,819	25,444	30,263	9,453	20,810	91,094
Total of All Lines	\$70,346,700	(\$14,081,194)	\$29,107,667	\$15,026,473	\$1,801,242	\$13,225,231	\$83,571,931

- (1) Total Ending Capital and Surplus from Column (7) of prior year reallocated by individual line as per Appendix A
- (2) From application of NAIC profitability formulas to Best's data
- (3) From application of NAIC profitability formulas to Best's data using allocation Method I
- (4) Column (2) + Column (3)
- (5) From application of NAIC profitability formulas to Column (4)
- (6) Column (4) - Column (5)
- (7) Column (1) + Column (6) Excludes all direct adjustments to Capital and Surplus account

(000) omitted

Method I
With Annual Reallocation of Surplus

Appendix D
Sheet 4

Line	1987						
	(1) Beginning Capital and Surplus	(2) Underwriting Income	(3) Total Investment Income	(4) Total Income Before Taxes	(5) Income Taxes	(6) Total Income After Taxes	(7) Ending Capital and Surplus
Private Passenger Auto Liability	\$15,478,322	(\$6,677,698)	\$5,146,307	(\$1,531,391)	(\$1,185,761)	(\$345,630)	\$15,132,692
Private Passenger Auto Physical Damage	6,464,174	2,532,128	2,117,378	4,669,506	1,518,309	3,151,197	9,615,372
Commercial Auto Liability	5,615,112	(783,014)	1,881,206	1,098,192	239,441	858,751	6,473,863
Commercial Auto Physical Damage	1,435,703	1,109,731	461,221	1,570,952	552,396	1,018,556	2,454,259
Homeowners	5,497,793	703,935	1,774,028	2,477,963	720,964	1,756,999	7,254,792
Farmowners	294,329	29,235	94,353	123,588	35,257	88,331	382,660
Commercial Multiple Peril	7,679,426	2,276,875	2,549,142	4,826,017	1,608,474	3,217,543	10,896,969
Ocean and Aircraft	978,676	249,157	310,637	559,794	178,536	381,258	1,359,934
Fire and Allied Lines	4,551,879	2,357,344	1,463,069	3,820,413	1,299,571	2,520,842	7,072,721
Medical Malpractice	4,336,230	(1,355,488)	1,465,297	109,809	56,721	53,088	4,389,318
Other Liability	14,627,920	(3,985,903)	4,993,959	1,008,056	561,429	446,628	15,074,548
Workers' Compensation	13,631,824	(4,536,830)	4,499,038	(37,792)	(164,532)	126,740	13,758,564
Group Accident & Health	730,649	(127,534)	232,189	104,655	4,947	99,708	830,356
Credit Accident & Health	18,720	5,678	6,076	11,754	3,734	8,020	26,740
Other Accident & Health	362,926	(107,325)	109,891	2,566	(17,226)	19,792	382,718
Fidelity and Surety	1,165,935	48,874	377,476	426,350	109,774	316,575	1,482,510
Financial Guaranty	635,017	(87,160)	221,648	134,488	19,120	115,367	750,385
Credit	67,294	49,085	20,666	69,751	24,058	45,693	112,988
Total of All Lines	\$83,571,931	(\$8,278,912)	\$27,723,582	\$19,444,670	\$5,565,211	\$13,879,459	\$97,451,390

- (1) Total Ending Capital and Surplus from Column (7) of prior year reallocated by individual line as per Appendix A
- (2) From application of NAIC profitability formulas to Best's data
- (3) From application of NAIC profitability formulas to Best's data using allocation Method I
- (4) Column (2) + Column (3)
- (5) From application of NAIC profitability formulas to Column (4)
- (6) Column (4) - Column (5)
- (7) Column (1) + Column (6) Excludes all direct adjustments to Capital and Surplus account

(000) omitted

Method I
With Annual Reallocation of Surplus

Appendix D
Sheet 5

Line	1988						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Beginning Capital and Surplus	Underwriting Income	Total Investment Income	Total Income Before Taxes	Income Taxes	Total Income After Taxes	Ending Capital and Surplus
Private Passenger Auto Liability	\$18,390,147	(\$6,492,620)	\$5,881,096	(\$611,525)	(\$766,716)	\$155,191	\$18,545,338
Private Passenger Auto Physical Damage	7,377,675	2,023,110	2,305,738	4,328,848	1,174,227	3,154,621	10,532,296
Commercial Auto Liability	6,570,107	(982,576)	2,057,818	1,075,242	172,991	902,251	7,472,358
Commercial Auto Physical Damage	1,597,570	961,120	496,524	1,457,644	430,518	1,027,126	2,624,696
Homeowners	6,137,235	143,241	1,905,218	2,048,459	463,213	1,585,247	7,722,482
Farmowners	325,590	(38,380)	100,833	62,453	8,485	53,968	379,558
Commercial Multiple Peril	8,856,417	1,231,923	2,760,407	3,992,330	1,082,351	2,909,979	11,766,395
Ocean and Aircraft	1,049,014	(179,561)	318,129	138,569	18,710	119,859	1,168,872
Fire and Allied Lines	4,945,782	1,377,469	1,501,395	2,878,864	791,243	2,087,621	7,033,404
Medical Malpractice	5,194,555	(1,290,913)	1,649,369	358,456	117,816	240,640	5,435,194
Other Liability	17,667,480	(2,946,125)	5,599,344	2,653,219	660,225	1,992,994	19,660,474
Workers' Compensation	16,127,433	(5,754,216)	5,171,774	(582,442)	(265,174)	(317,269)	15,810,165
Group Accident & Health	789,740	(113,873)	241,197	127,324	11,595	115,730	905,470
Credit Accident & Health	22,349	13,646	7,328	20,974	6,185	14,788	37,137
Other Accident & Health	372,626	(71,619)	113,464	41,844	(510)	42,354	414,980
Fidelity and Surety	1,297,934	527,723	400,595	928,318	258,218	670,100	1,968,034
Financial Guaranty	657,363	(322,729)	171,955	(150,774)	(70,955)	(79,819)	577,543
Credit	72,374	38,797	22,725	61,523	17,422	44,101	116,475
Total of All Lines	\$97,451,390	(\$11,875,585)	\$30,704,910	\$18,829,325	\$4,109,844	\$14,719,481	\$112,170,871

- (1) Total Ending Capital and Surplus from Column (7) of prior year reallocated by individual line as per Appendix A
- (2) From application of NAIC profitability formulas to Best's data
- (3) From application of NAIC profitability formulas to Best's data using allocation Method I
- (4) Column (2) + Column (3)
- (5) From application of NAIC profitability formulas to Column (4)
- (6) Column (4) - Column (5)
- (7) Column (1) + Column (6) Excludes all direct adjustments to Capital and Surplus account

Method I
With Annual Reallocation of Surplus

Appendix D
Sheet 6

Line	1989						
	(1) Beginning Capital and Surplus	(2) Underwriting Income	(3) Total Investment Income	(4) Total Income Before Taxes	(5) Income Taxes	(6) Total Income After Taxes	(7) Ending Capital and Surplus
Private Passenger Auto Liability	\$21,725,431	(\$8,035,696)	\$6,972,352	(\$1,063,345)	(\$1,340,172)	\$276,828	\$22,002,258
Private Passenger Auto Physical Damage	8,293,176	967,857	2,596,020	3,563,878	915,147	2,648,730	10,941,907
Commercial Auto Liability	7,502,861	(2,586,631)	2,379,018	(207,613)	(411,767)	204,154	7,707,015
Commercial Auto Physical Damage	1,804,841	611,583	570,656	1,182,239	336,692	845,547	2,650,388
Homeowners	6,875,953	(3,202,308)	2,159,385	(1,042,923)	(634,206)	(408,718)	6,467,236
Farmowners	363,772	(117,454)	114,202	(3,252)	(15,990)	12,738	376,511
Commercial Multiple Peril	9,974,723	(1,289,576)	3,136,248	1,846,672	179,856	1,666,816	11,641,539
Ocean and Aircraft	1,117,924	(351,969)	342,059	(9,910)	(56,465)	46,555	1,164,479
Fire and Allied Lines	5,413,672	(1,531,795)	1,698,699	166,905	(139,319)	306,224	5,719,896
Medical Malpractice	5,989,456	15,409	1,891,994	1,907,403	308,571	1,598,832	7,588,288
Other Liability	20,291,593	(6,309,652)	6,397,492	87,840	(1,151,758)	1,239,598	21,531,191
Workers' Compensation	19,387,847	(6,415,075)	6,304,663	(110,413)	(1,068,874)	958,462	20,346,309
Group Accident & Health	832,377	10,432	250,024	260,455	59,074	201,382	1,033,759
Credit Accident & Health	28,000	30,223	9,258	39,481	12,361	27,120	55,121
Other Accident & Health	420,430	(119,514)	135,303	15,789	(10,329)	26,118	446,548
Fidelity and Surety	1,438,520	245,932	449,605	695,536	184,023	511,513	1,950,033
Financial Guaranty	628,497	82,926	199,741	282,667	73,301	209,366	837,862
Credit	81,798	54,252	25,623	79,875	24,163	55,712	137,510
Total of All Lines	\$112,170,871	(\$27,941,056)	\$35,632,341	\$7,691,285	(\$2,735,692)	\$10,426,977	\$122,597,848

(1) Total Ending Capital and Surplus from Column (7) of prior year
reallocated by individual line as per Appendix A

(2) From application of NAIC profitability formulas to Best's data

(3) From application of NAIC profitability formulas to Best's data using allocation Method I

(4) Column (2) + Column (3)

(5) From application of NAIC profitability formulas to Column (4)

(6) Column (4) - Column (5)

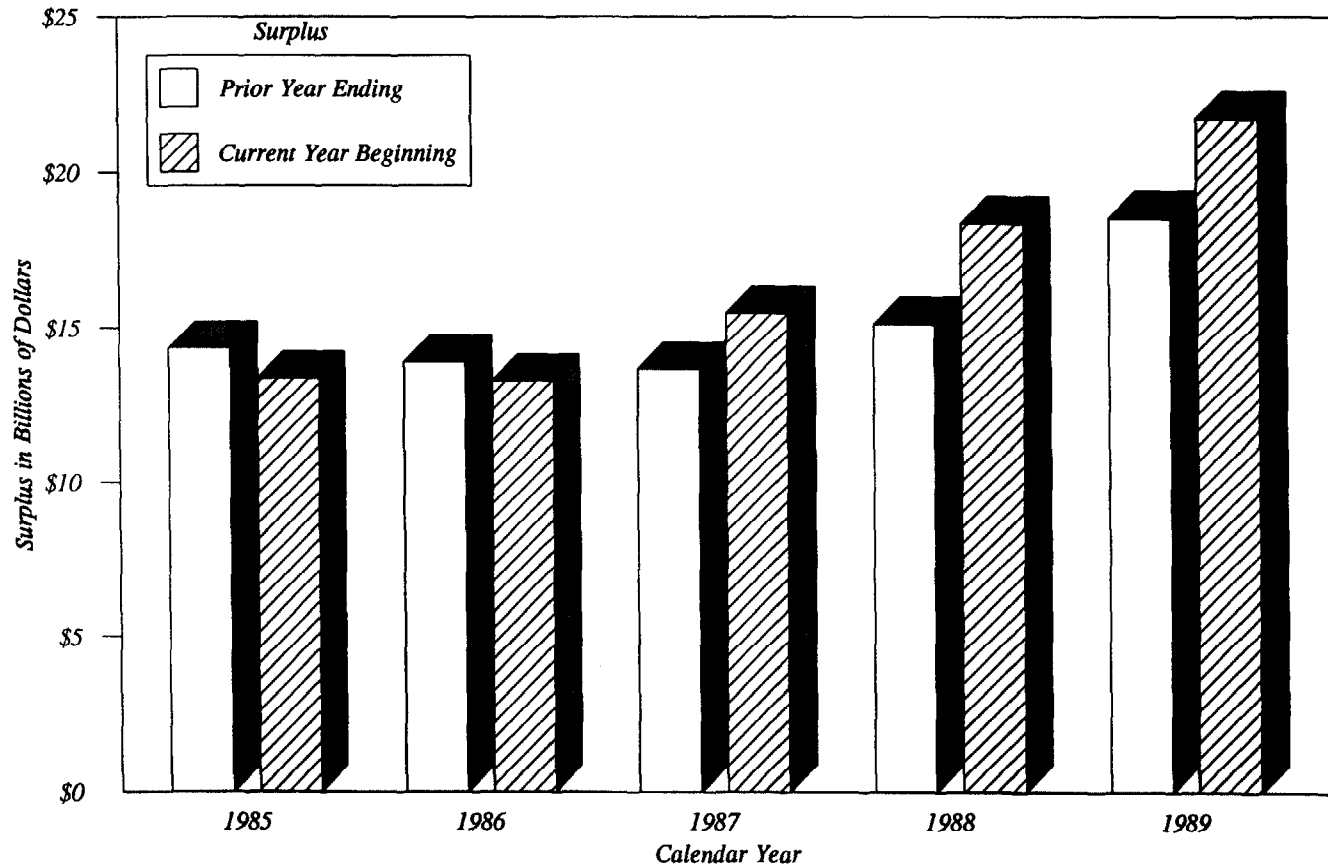
(7) Column (1) + Column (6) Excludes all direct adjustments to Capital and Surplus account

(000) omitted

Private Passenger Auto Liability

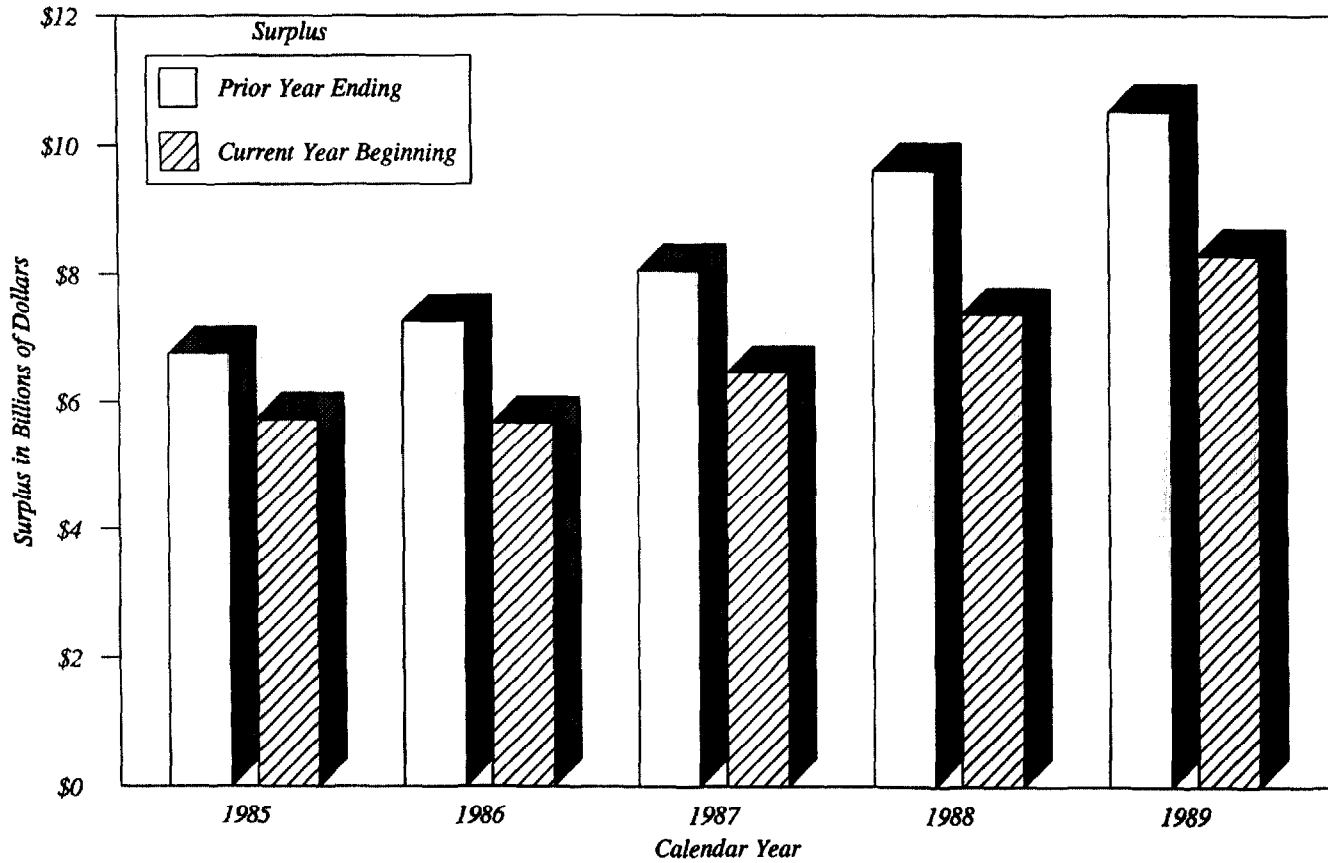
With Annual Surplus Reallocation

Comparison of Prior Year Ending and Current Year Beginning Surplus



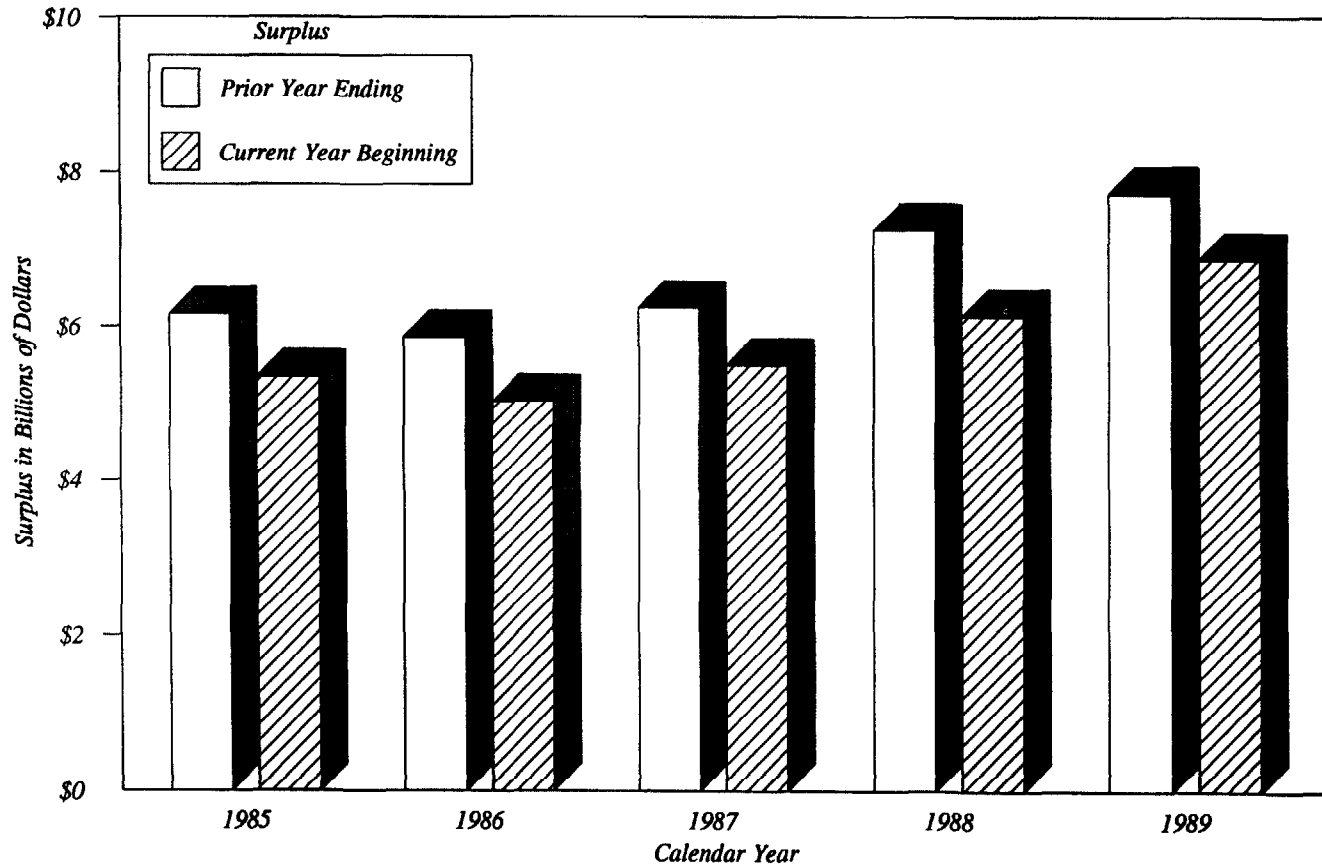
Private Passenger Auto Physical Damage With Annual Surplus Reallocation

Comparison of Prior Year Ending and Current Year Beginning Surplus



With Annual Surplus Reallocation

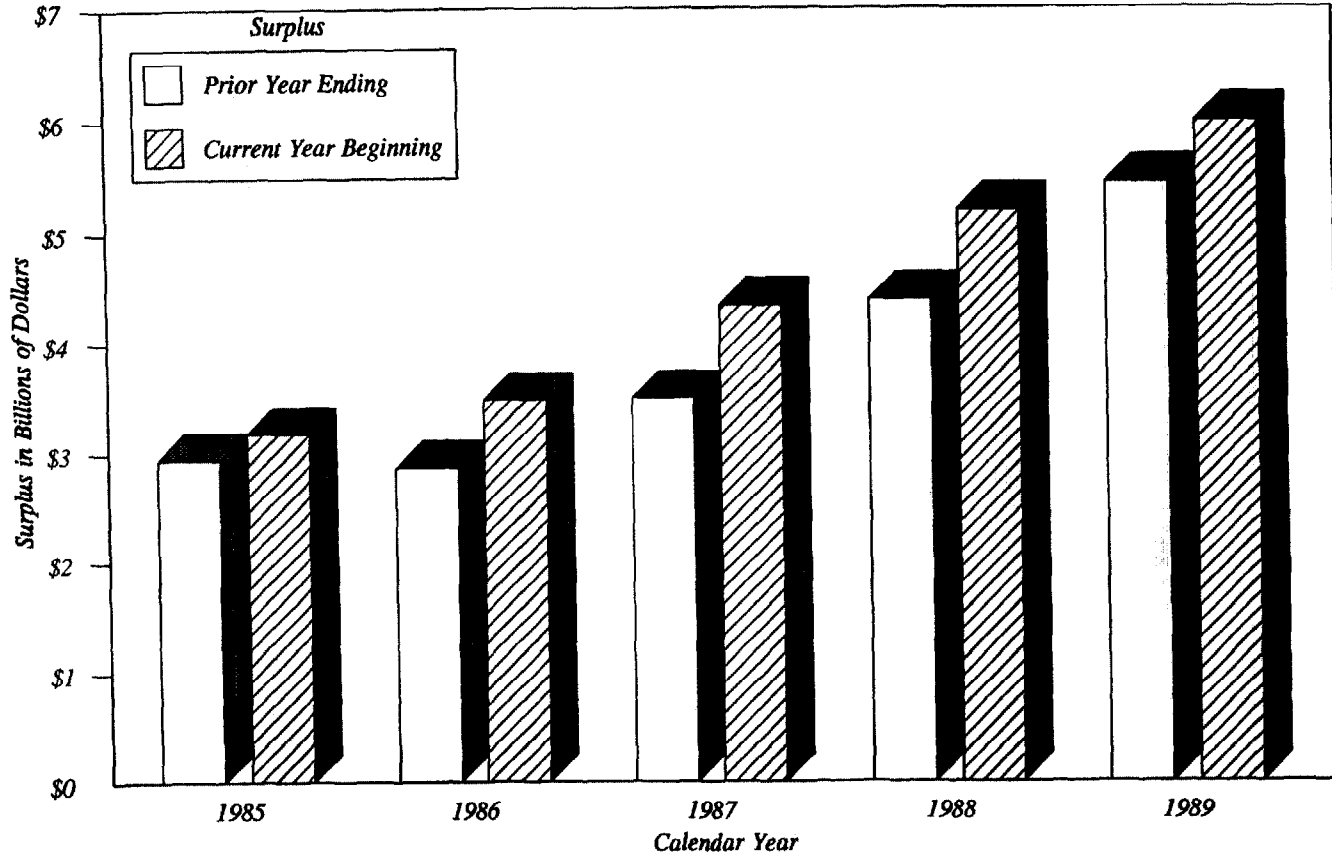
Comparison of Prior Year Ending and Current Year Beginning Surplus



Medical Malpractice

With Annual Surplus Reallocation

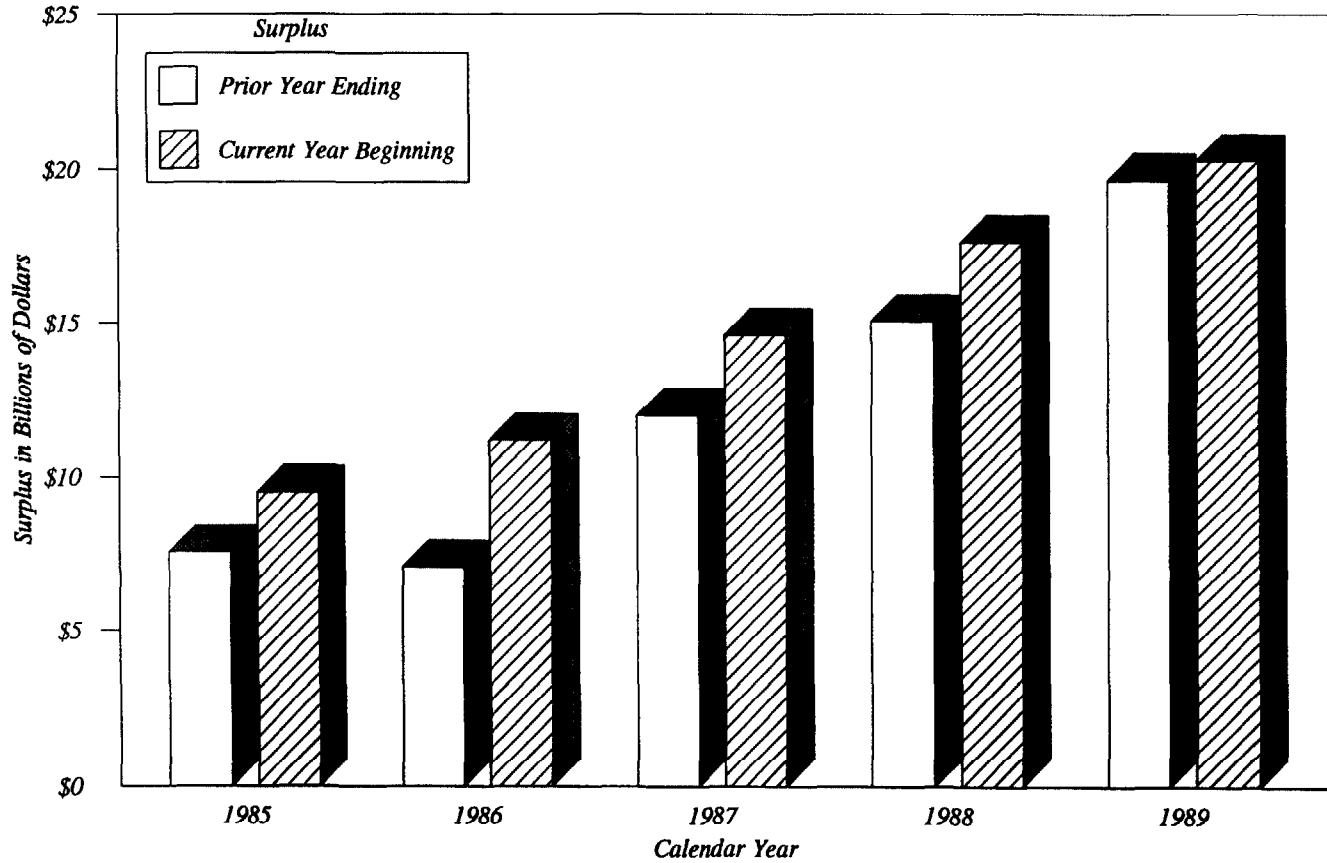
Comparison of Prior Year Ending and Current Year Beginning Surplus



Other Liability

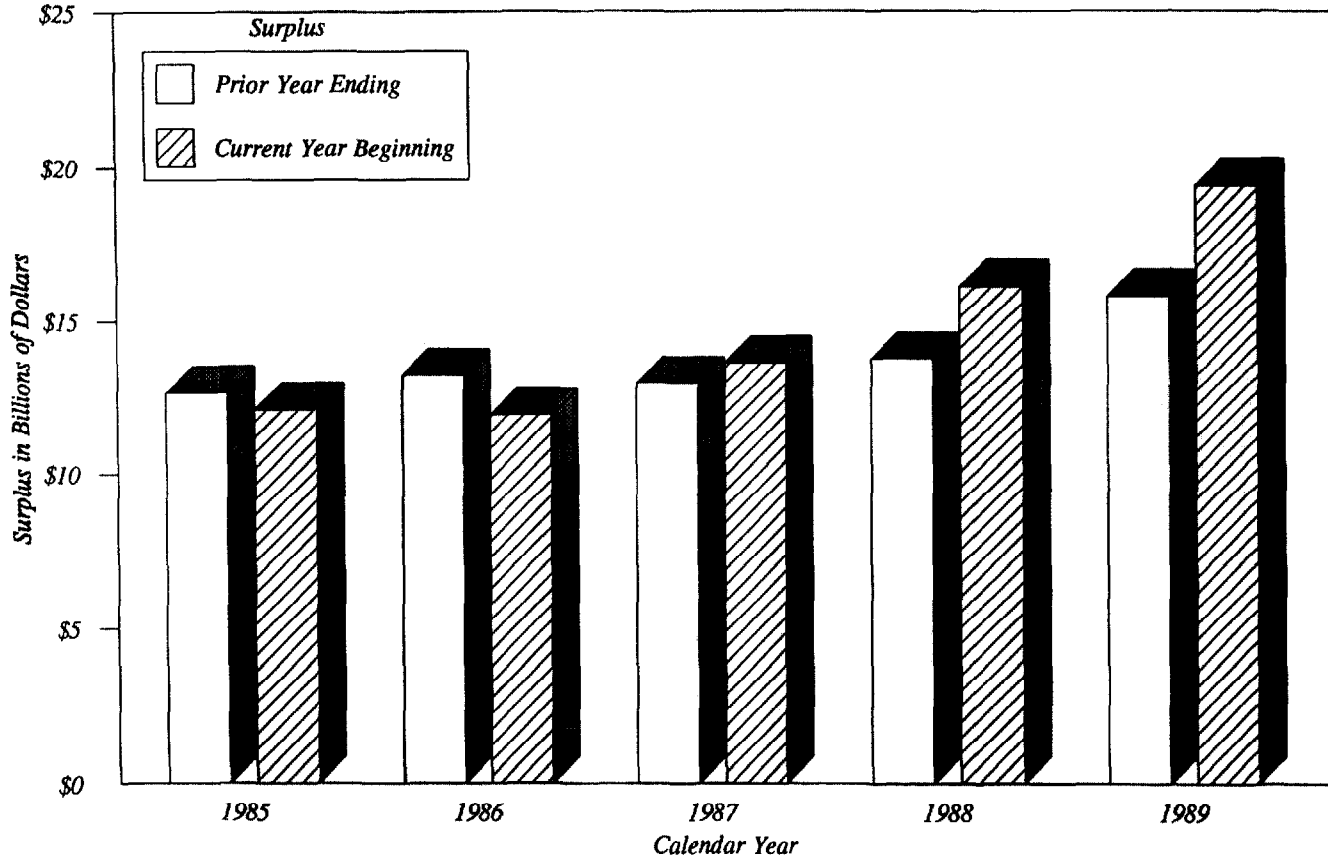
With Annual Surplus Reallocation

Comparison of Prior Year Ending and Current Year Beginning Surplus



Workers' Compensation With Annual Surplus Reallocation

Comparison of Prior Year Ending and Current Year Beginning Surplus



Method 1
Without Annual Reallocation of Surplus

Appendix D
Sheet 13

Line	1984							
	(1) Beginning Capital and Surplus	(2) Underwriting Income	(3) Investment Income on Policyholder Supplied Funds	(4) Investment Income on Non- Policyholder Supplied Funds	(5) Total Income Before Taxes	(6) Income Taxes	(7) Total Income After Taxes	(8) Ending Capital and Surplus
Private Passenger Auto Liability	\$13,267,126	(\$3,784,091)	\$2,693,690	\$1,381,564	\$291,163	(\$686,336)	\$977,499	\$14,244,625
Private Passenger Auto Physical Damage	5,636,478	(378,434)	512,533	586,951	721,050	110,378	610,672	6,247,150
Commercial Auto Liability	3,745,062	(2,645,135)	763,826	389,990	(1,491,320)	(918,248)	(573,072)	3,171,990
Commercial Auto Physical Damage	1,137,149	(389,791)	97,838	118,416	(173,536)	(123,355)	(50,182)	1,086,967
Homeowners	5,477,780	(1,105,589)	700,600	570,425	165,436	(179,732)	345,169	5,822,949
Farmowners	308,440	(162,099)	40,838	32,119	(89,142)	(55,690)	(33,452)	274,988
Commercial Multiple Peril	5,097,789	(3,805,476)	1,014,467	530,855	(2,260,154)	(1,350,715)	(909,439)	4,188,350
Ocean and Aircraft	949,602	(50,601)	201,478	98,886	249,763	54,433	195,330	1,144,931
Fire and Allied Lines	4,062,520	(840,118)	514,961	423,048	97,891	(143,773)	241,665	4,304,184
Medical Malpractice	2,945,957	(1,318,711)	1,081,490	306,775	69,555	(247,436)	316,991	3,262,948
Other Liability	8,598,336	(5,714,887)	2,483,802	895,382	(2,335,702)	(1,754,589)	(581,114)	8,017,222
Workers' Compensation	12,039,635	(4,045,483)	3,107,867	1,253,740	316,124	(732,491)	1,048,615	13,088,251
Group Accident & Health	741,523	42,983	512,972	77,218	633,174	172,466	460,708	1,202,230
Credit Accident & Health	17,075	10,013	5,583	1,778	17,374	6,510	10,864	27,939
Other Accident & Health	362,954	9,690	62,891	37,796	110,377	30,507	79,870	442,824
Fidelity and Surety	946,382	(187,725)	195,639	98,551	106,465	(10,241)	116,706	1,063,087
Financial Guaranty	0	0	0	0	0	0	0	0
Credit	67,163	(159,526)	29,021	6,994	(123,511)	(64,064)	(59,447)	7,716
Total of All Lines	\$65,400,970	(\$24,524,980)	\$14,019,495	\$6,810,490	(\$3,694,995)	(\$5,892,377)	\$2,197,382	\$67,598,352

(1) Total 1983 Ending Capital and Surplus from Best's data allocated as per Appendix A

(2) From application of NAIC profitability formulas to Best's data

(3) From application of NAIC profitability formulas to Best's data

(4) Total All Lines Investment Income from Exhibit Ia, Column (3) less Total All Lines Investment

Income on Policyholder Supplied Funds allocated by line on basis of Beginning Capital and Surplus

(5) Column (2) + Column (3) + Column (4)

(6) From application of NAIC profitability formulas to Column (5)

(7) Column (5) - Column (6)

(8) Column (1) + Column (7) Excludes all direct adjustments to Capital and Surplus account

Method I
Without Annual Reallocation of Surplus

Appendix D
Sheet 14

Line	1985							
	(1) Beginning Capital and Surplus	(2) Underwriting Income	(3) Investment Income on Policyholder Supplied Funds	(4) Investment Income on Non- Policyholder Supplied Funds	(5) Total Income Before Taxes	(6) Income Taxes	(7) Total Income After Taxes	(8) Ending Capital and Surplus
Private Passenger Auto Liability	\$14,244,625	(\$5,582,184)	\$3,431,596	\$1,641,305	(\$509,283)	(\$1,137,530)	\$628,247	\$14,872,872
Private Passenger Auto Physical Damage	6,247,150	50,872	645,642	719,814	1,416,328	408,383	1,007,945	7,255,094
Commercial Auto Liability	3,171,990	(2,623,164)	1,004,610	365,485	(1,253,069)	(820,365)	(432,703)	2,739,287
Commercial Auto Physical Damage	1,086,967	124,185	139,218	125,243	388,646	131,688	256,958	1,343,925
Homeowners	5,822,949	(1,614,248)	885,373	670,936	(57,939)	(303,762)	245,823	6,068,772
Farmowners	274,988	(111,296)	52,473	31,685	(27,139)	(27,469)	330	275,318
Commercial Multiple Peril	4,188,350	(2,701,304)	1,369,952	482,593	(848,759)	(720,286)	(128,473)	4,059,877
Ocean and Aircraft	1,144,931	(161,633)	236,136	131,922	206,425	29,420	177,004	1,321,935
Fire and Allied Lines	4,304,184	122,709	553,185	495,940	1,171,834	352,241	819,593	5,123,777
Medical Malpractice	3,262,948	(2,189,022)	1,379,310	375,966	(433,746)	(512,060)	78,314	3,341,262
Other Liability	8,017,222	(9,511,853)	3,164,740	923,766	(5,423,347)	(3,222,722)	(2,200,625)	5,816,597
Workers' Compensation	13,088,251	(3,873,270)	3,584,792	1,508,064	1,219,586	(345,804)	1,565,389	14,653,640
Group Accident & Health	1,202,230	(69,441)	680,024	138,524	749,107	198,842	550,265	1,752,495
Credit Accident & Health	27,939	8,332	5,132	3,219	16,683	6,187	10,496	38,435
Other Accident & Health	442,824	27,047	74,751	51,023	152,822	47,903	104,919	547,743
Fidelity and Surety	1,063,087	(471,110)	301,858	122,492	(46,761)	(97,068)	50,307	1,113,394
Financial Guaranty	0	0	0	0	0	0	0	0
Credit	7,716	(15,038)	30,697	889	16,548	1,988	14,560	22,276
Total of All Lines	\$67,598,352	(\$28,590,421)	\$17,539,488	\$7,788,867	(\$3,262,065)	(\$6,010,413)	\$2,748,348	\$70,346,700

- (1) Ending Capital and Surplus by line from Column (8) of prior year
- (2) From application of NAIC profitability formulas to Best's data
- (3) From application of NAIC profitability formulas to Best's data
- (4) Total All Lines Investment Income from Exhibit Ia, Column (3) less Total All Lines Investment Income on Policyholder Supplied Funds allocated by line on basis of Beginning Capital and Surplus
- (5) Column (2) + Column (3) + Column (4)
- (6) From application of NAIC profitability formulas to Column (5)
- (7) Column (5) - Column (6)
- (8) Column (1) + Column (7) Excludes all direct adjustments to Capital and Surplus account

(000) omitted

Method I
Without Annual Reallocation of Surplus

Appendix D
Sheet 15

Line	1986							
	(1) Beginning Capital and Surplus	(2) Underwriting Income	(3) Investment Income on Policyholder Supplied Funds	(4) Investment Income on Non- Policyholder Supplied Funds	(5) Total Income Before Taxes	(6) Income Taxes	(7) Total Income After Taxes	(8) Ending Capital and Surplus
Private Passenger Auto Liability	\$14,872,872	(\$6,428,288)	\$3,795,506	\$1,938,135	(\$694,647)	(\$1,326,292)	\$631,645	\$15,504,517
Private Passenger Auto Physical Damage	7,255,094	1,391,310	730,576	945,436	3,067,321	1,116,682	1,950,640	9,205,734
Commercial Auto Liability	2,739,287	(1,224,581)	1,168,102	356,966	300,486	(129,559)	430,045	3,169,332
Commercial Auto Physical Damage	1,343,925	898,458	141,432	175,131	1,215,022	503,325	711,696	2,055,621
Homeowners	6,068,772	(369,448)	954,305	790,842	1,375,699	326,396	1,049,303	7,118,075
Farmowners	275,318	(81,751)	49,770	35,878	3,896	(13,246)	17,143	292,461
Commercial Multiple Peril	4,059,877	757,648	1,637,417	529,056	2,924,121	964,691	1,959,430	6,019,307
Ocean and Aircraft	1,321,935	110,762	234,156	172,266	517,184	166,542	350,642	1,672,577
Fire and Allied Lines	5,123,777	2,348,033	640,827	667,697	3,656,557	1,452,256	2,204,301	7,328,078
Medical Malpractice	3,341,262	(1,932,783)	1,535,784	435,411	38,413	(328,447)	366,860	3,708,122
Other Liability	5,816,597	(5,029,212)	3,753,915	757,981	(517,316)	(1,030,197)	512,881	6,329,478
Workers' Compensation	14,653,640	(4,425,099)	3,849,629	1,909,566	1,334,096	(397,557)	1,731,653	16,385,293
Group Accident & Health	1,752,495	(54,837)	854,458	228,374	1,027,995	282,746	745,249	2,497,744
Credit Accident & Health	38,435	5,843	5,945	5,009	16,796	5,803	10,993	49,428
Other Accident & Health	547,743	26,209	72,845	71,378	170,433	53,075	117,358	665,100
Fidelity and Surety	1,113,394	(255,527)	244,182	145,090	133,745	(6,828)	140,574	1,253,968
Financial Guaranty	0	177,250	252,032	0	429,282	153,216	276,066	276,066
Credit	22,276	4,819	19,669	2,903	27,390	8,636	18,754	41,030
Total of All Lines	\$70,346,700	(\$14,081,194)	\$19,940,549	\$9,167,118	\$15,026,473	\$1,801,242	\$13,225,231	\$83,571,931

- (1) Ending Capital and Surplus by line from Column (8) of prior year
(2) From application of NAIC profitability formulas to Best's data
(3) From application of NAIC profitability formulas to Best's data
(4) Total All Lines Investment Income from Exhibit Ia, Column (3) less Total All Lines Investment Income on Policyholder Supplied Funds allocated by line on basis of Beginning Capital and Surplus
(5) Column (2) + Column (3) + Column (4)
(6) From application of NAIC profitability formulas to Column (5)
(7) Column (5) - Column (6)
(8) Column (1) + Column (7) Excludes all direct adjustments to Capital and Surplus account

Method I
Without Annual Reallocation of Surplus

Appendix D
Sheet 16

Line	1987							
	(1) Beginning Capital and Surplus	(2) Underwriting Income	(3) Investment Income on Policyholder Supplied Funds	(4) Investment Income on Non- Policyholder Supplied Funds	(5) Total Income Before Taxes	(6) Income Taxes	(7) Total Income After Taxes	(8) Ending Capital and Surplus
Private Passenger Auto Liability	\$15,504,517	(\$6,677,698)	\$3,684,647	\$1,641,900	(\$1,351,151)	(\$1,143,727)	(\$207,424)	\$15,297,092
Private Passenger Auto Physical Damage	9,205,734	2,552,128	679,087	974,870	4,206,085	1,410,232	2,795,853	12,001,587
Commercial Auto Liability	3,169,332	(783,014)	1,179,556	335,626	732,168	154,079	578,089	3,747,421
Commercial Auto Physical Damage	2,055,621	1,109,731	133,498	217,686	1,460,915	526,734	934,181	2,989,802
Homeowners	7,118,075	703,935	840,535	753,791	2,298,261	679,055	1,619,206	8,737,281
Farmowners	292,461	29,235	46,033	30,971	106,239	31,211	75,028	367,489
Commercial Multiple Peril	6,019,307	2,276,875	1,529,404	637,433	4,443,713	1,519,315	2,924,397	8,943,705
Ocean and Aircraft	1,672,577	249,157	222,287	177,123	648,568	199,240	449,328	2,121,905
Fire and Allied Lines	7,328,078	2,357,344	660,088	776,030	3,793,462	1,293,285	2,500,176	9,828,254
Medical Malpractice	3,708,122	(1,355,488)	1,496,200	392,683	533,395	155,507	377,888	4,086,009
Other Liability	6,329,478	(3,985,903)	3,908,774	670,280	593,151	464,667	128,484	6,457,962
Workers' Compensation	16,385,293	(4,536,830)	3,499,359	1,735,172	697,701	6,996	690,705	17,075,998
Group Accident & Health	2,497,744	(127,534)	499,174	264,506	636,147	128,899	507,248	3,004,992
Credit Accident & Health	49,428	5,678	7,319	5,234	18,231	5,244	12,987	62,415
Other Accident & Health	665,100	(107,325)	34,237	70,433	(2,655)	(18,444)	15,789	680,889
Fidelity and Surety	1,253,968	48,874	217,657	132,793	399,324	103,471	295,852	1,549,820
Financial Guaranty	276,066	(87,160)	203,272	29,235	145,347	21,653	123,695	399,761
Credit	41,030	49,085	32,340	4,345	85,770	27,794	57,977	99,006
Total of All Lines	\$83,571,931	(\$8,278,912)	\$18,873,469	\$8,850,112	\$19,444,670	\$5,565,211	\$13,879,459	\$97,451,390

- (1) Ending Capital and Surplus by line from Column (8) of prior year
- (2) From application of NAIC profitability formulas to Best's data
- (3) From application of NAIC profitability formulas to Best's data
- (4) Total All Lines Investment Income from Exhibit Ia, Column (3) less Total All Lines Investment Income on Policyholder Supplied Funds allocated by line on basis of Beginning Capital and Surplus
- (5) Column (2) + Column (3) + Column (4)
- (6) From application of NAIC profitability formulas to Column (5)
- (7) Column (5) - Column (6)
- (8) Column (1) + Column (7) Excludes all direct adjustments to Capital and Surplus account

(000) omitted

Method I
Without Annual Reallocation of Surplus

Appendix D
Sheet 17

Line	1988							
	(1) Beginning Capital and Surplus	(2) Underwriting Income	(3) Investment Income on Policyholder Supplied Funds	(4) Investment Income on Non-- Policyholder Supplied Funds	(5) Total Income Before Taxes	(6) Income Taxes	(7) Total Income After Taxes	(8) Ending Capital and Surplus
Private Passenger Auto Liability	\$15,297,092	(\$6,492,620)	\$4,114,543	\$1,547,577	(\$830,500)	(\$812,360)	(\$18,141)	\$15,278,952
Private Passenger Auto Physical Damage	12,001,587	2,023,110	706,009	1,214,177	3,943,296	1,093,862	2,849,434	14,851,021
Commercial Auto Liability	3,747,421	(982,576)	1,385,861	379,119	782,404	111,951	670,453	4,417,874
Commercial Auto Physical Damage	2,989,802	961,120	185,719	302,472	1,449,312	428,781	1,020,531	4,010,333
Homeowners	8,737,281	143,241	870,873	883,934	1,898,048	431,861	1,466,188	10,203,468
Farmowners	367,489	(38,380)	49,949	37,178	48,747	5,628	43,119	410,608
Commercial Multiple Peril	8,943,705	1,231,923	1,642,986	904,817	3,779,726	1,038,036	2,741,690	11,685,395
Ocean and Aircraft	2,121,905	(179,561)	217,241	214,669	252,349	42,427	209,923	2,331,828
Fire and Allied Lines	9,828,254	1,377,469	708,811	994,305	3,080,585	833,290	2,247,295	12,075,550
Medical Malpractice	4,086,009	(1,290,913)	1,834,687	413,374	957,147	242,608	714,539	4,800,548
Other Liability	6,457,962	(2,946,125)	4,626,490	653,339	2,333,705	593,625	1,740,080	8,198,042
Workers' Compensation	17,075,998	(5,754,216)	3,770,238	1,727,545	(256,432)	(197,220)	(59,213)	17,016,786
Group Accident & Health	3,004,992	(113,873)	181,260	304,009	371,396	62,469	308,927	3,313,919
Credit Accident & Health	62,415	13,646	980	6,314	20,940	6,178	14,762	77,177
Other Accident & Health	680,889	(71,619)	55,544	68,884	52,809	1,776	51,034	731,923
Fidelity and Surety	1,549,820	527,723	244,454	156,792	928,969	258,354	670,615	2,220,436
Financial Guaranty	399,761	(322,729)	225,667	40,443	(56,619)	(51,329)	(5,290)	394,470
Credit	99,006	38,797	24,630	10,016	73,443	19,906	53,537	152,543
Total of All Lines	\$97,451,390	(\$11,875,585)	\$20,845,944	\$9,858,967	\$18,829,325	\$4,109,844	\$14,719,481	\$112,170,871

- (1) Ending Capital and Surplus by line from Column (8) of prior year
- (2) From application of NAIC profitability formulas to Best's data
- (3) From application of NAIC profitability formulas to Best's data
- (4) Total All Lines Investment Income from Exhibit Ia, Column (3) less Total All Lines Investment Income on Policyholder Supplied Funds allocated by line on basis of Beginning Capital and Surplus
- (5) Column (2) + Column (3) + Column (4)
- (6) From application of NAIC profitability formulas to Column (5)
- (7) Column (5) - Column (6)
- (8) Column (1) + Column (7) Excludes all direct adjustments to Capital and Surplus account

Method I
Without Annual Reallocation of Surplus

Appendix D
Sheet 18

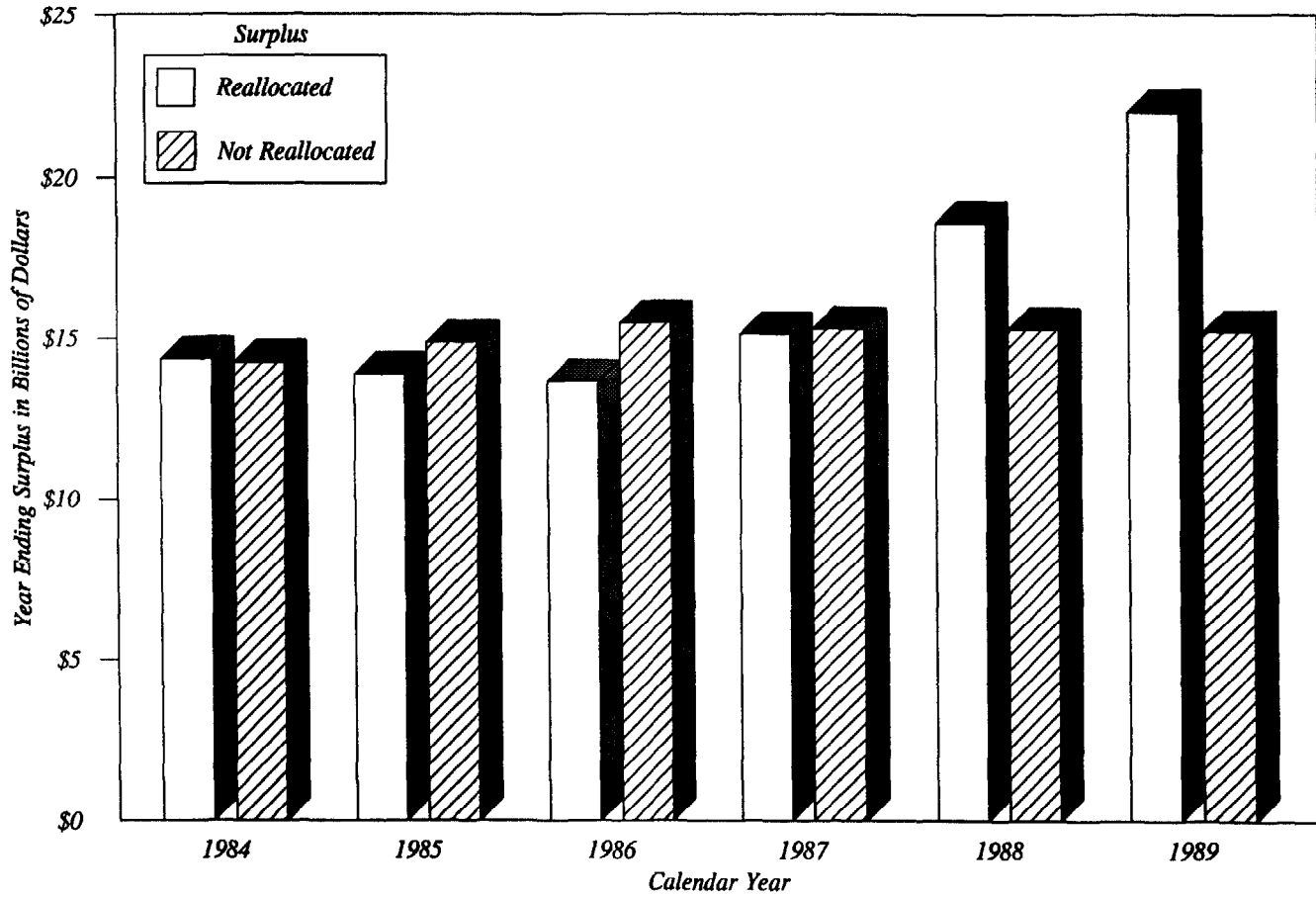
Line	1989							
	(1) Beginning Capital and Surplus	(2) Underwriting Income	(3) Investment Income on Policyholder Supplied Funds	(4) Investment Income on Non- Supplied Funds	(5) Total Income Before Taxes	(6) Income Taxes	(7) Total Income After Taxes	(8) Ending Capital and Surplus
Private Passenger Auto Liability	\$15,278,952	(\$8,035,696)	\$4,932,260	\$1,571,462	(\$1,531,974)	(\$1,446,332)	(\$85,642)	\$15,193,310
Private Passenger Auto Physical Damage	14,851,021	967,857	818,236	1,527,449	3,313,543	858,438	2,455,104	17,306,125
Commercial Auto Liability	4,417,874	(2,586,631)	1,601,462	454,385	(530,785)	(484,976)	(45,809)	4,372,065
Commercial Auto Physical Damage	4,010,333	611,583	181,372	412,469	1,205,424	341,944	863,479	4,873,813
Homeowners	10,203,468	(3,202,308)	1,011,491	1,049,441	(1,141,376)	(656,508)	(484,867)	9,718,601
Farmowners	410,608	(117,454)	57,446	42,232	(17,777)	(19,280)	1,504	412,112
Commercial Multiple Peril	11,685,395	(1,289,576)	1,952,408	1,201,860	1,864,691	183,938	1,680,753	13,366,148
Ocean and Aircraft	2,331,828	(351,969)	250,339	239,832	138,202	(22,913)	161,115	2,492,943
Fire and Allied Lines	12,075,550	(1,531,795)	865,504	1,241,988	575,697	(46,714)	622,411	12,697,961
Medical Malpractice	4,800,548	15,409	1,553,419	493,743	2,062,571	343,722	1,718,849	6,519,397
Other Liability	8,198,042	(6,309,652)	5,492,831	843,180	26,359	(1,165,685)	1,192,044	9,390,086
Workers' Compensation	17,016,786	(6,415,075)	4,680,842	1,750,201	15,967	(1,040,245)	1,056,212	18,072,998
Group Accident & Health	3,313,919	10,432	145,290	340,841	496,563	112,559	384,003	3,697,923
Credit Accident & Health	77,177	30,223	13,763	7,938	51,925	15,180	36,745	113,921
Other Accident & Health	731,923	(119,514)	57,477	75,279	13,242	(10,906)	24,148	756,070
Fidelity and Surety	2,220,436	245,932	255,803	228,375	730,109	191,855	538,254	2,758,690
Financial Guaranty	394,470	82,926	198,719	40,572	322,217	82,260	239,957	634,427
Credit	152,543	54,252	26,745	15,689	96,686	27,971	68,715	221,258
Total of All Lines	\$112,170,871	(\$27,941,056)	\$24,095,405	\$11,536,935	\$7,691,285	(\$2,735,692)	\$10,426,977	\$122,597,848

- (1) Ending Capital and Surplus by line from Column (8) of prior year
(2) From application of NAIC profitability formulas to Best's data
(3) From application of NAIC profitability formulas to Best's data
(4) Total All Lines Investment Income from Exhibit Ia, Column (3) less Total All Lines Investment Income on Policyholder Supplied Funds allocated by line on basis of Beginning Capital and Surplus
(5) Column (2) + Column (3) + Column (4)
(6) From application of NAIC profitability formulas to Column (5)
(7) Column (5) - Column (6)
(8) Column (1) + Column (7) Excludes all direct adjustments to Capital and Surplus account

(000) omitted

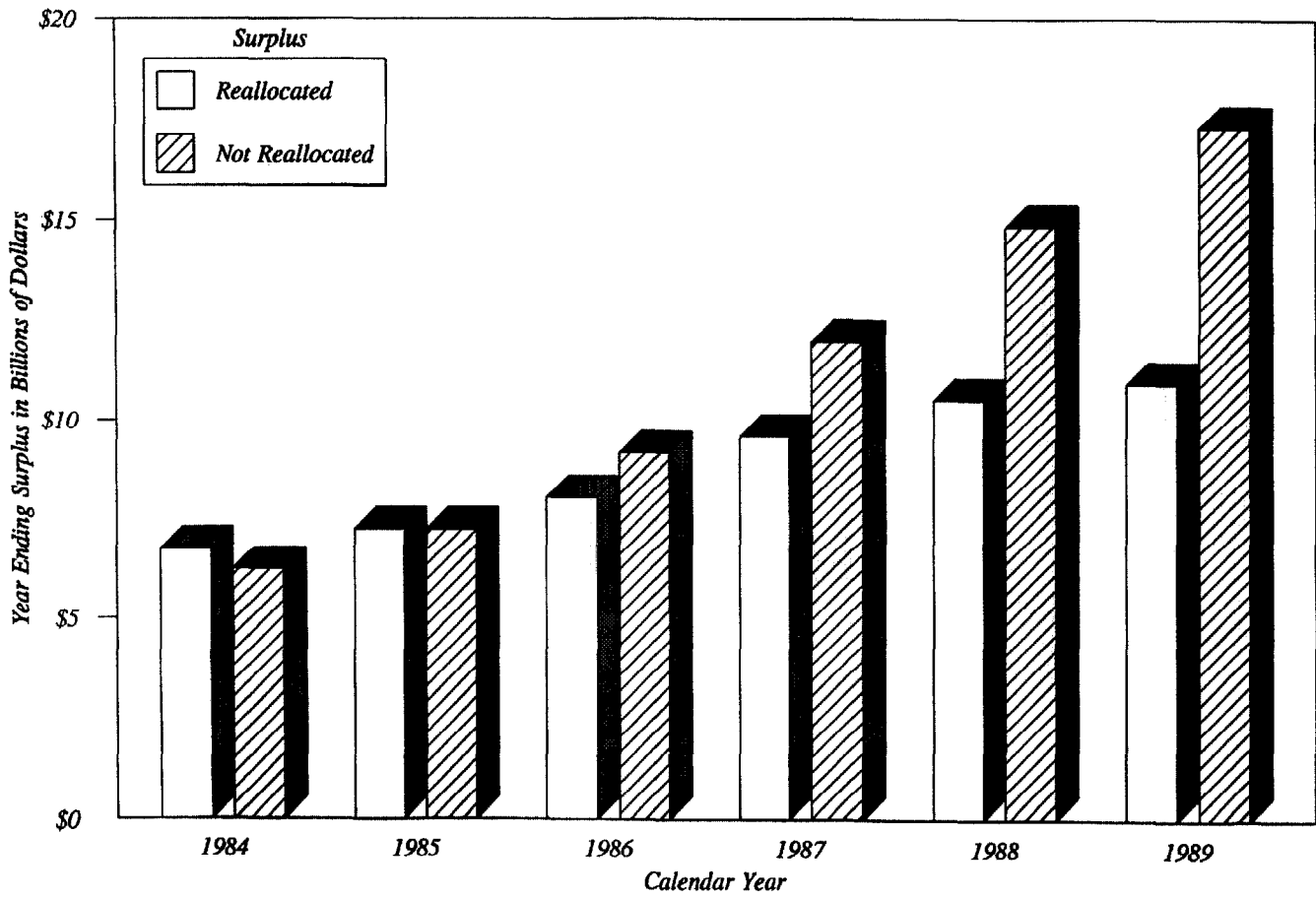
Private Passenger Auto Liability

Comparison of Year Ending Surplus With and Without Annual Reallocation



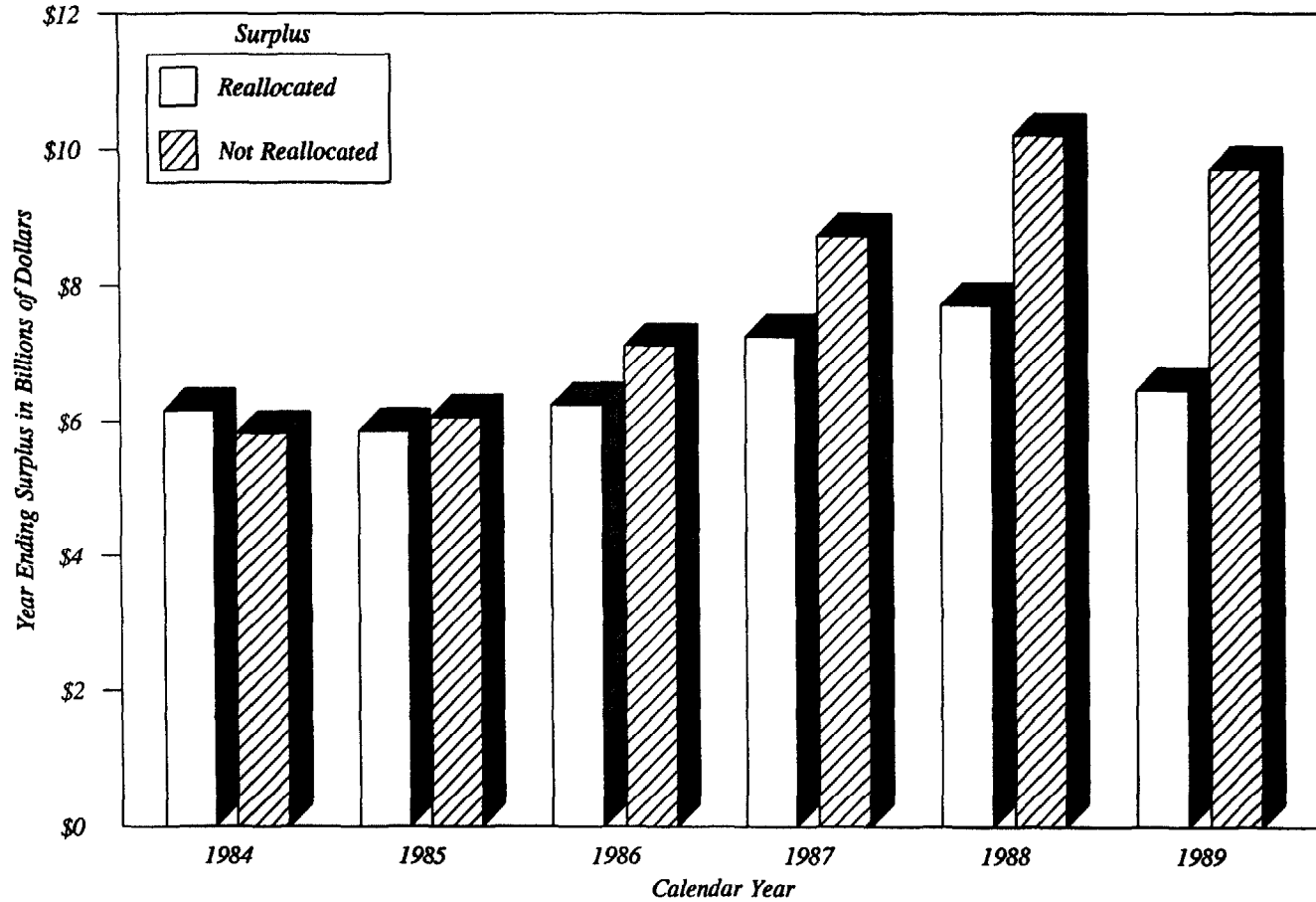
Private Passenger Auto Physical Damage

Comparison of Year Ending Surplus With and Without Annual Reallocation



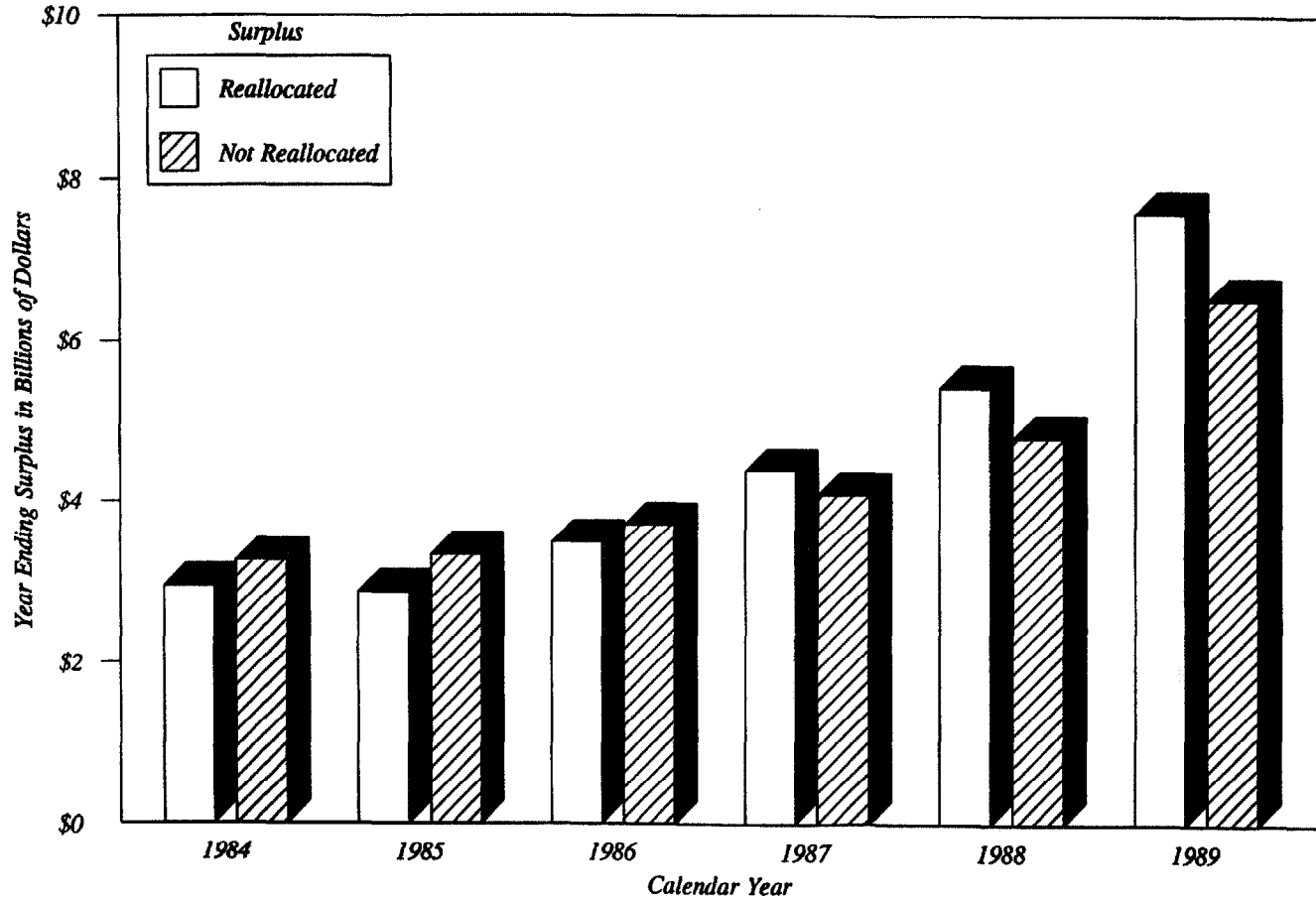
Homeowners

Comparison of Year Ending Surplus With and Without Annual Reallocation



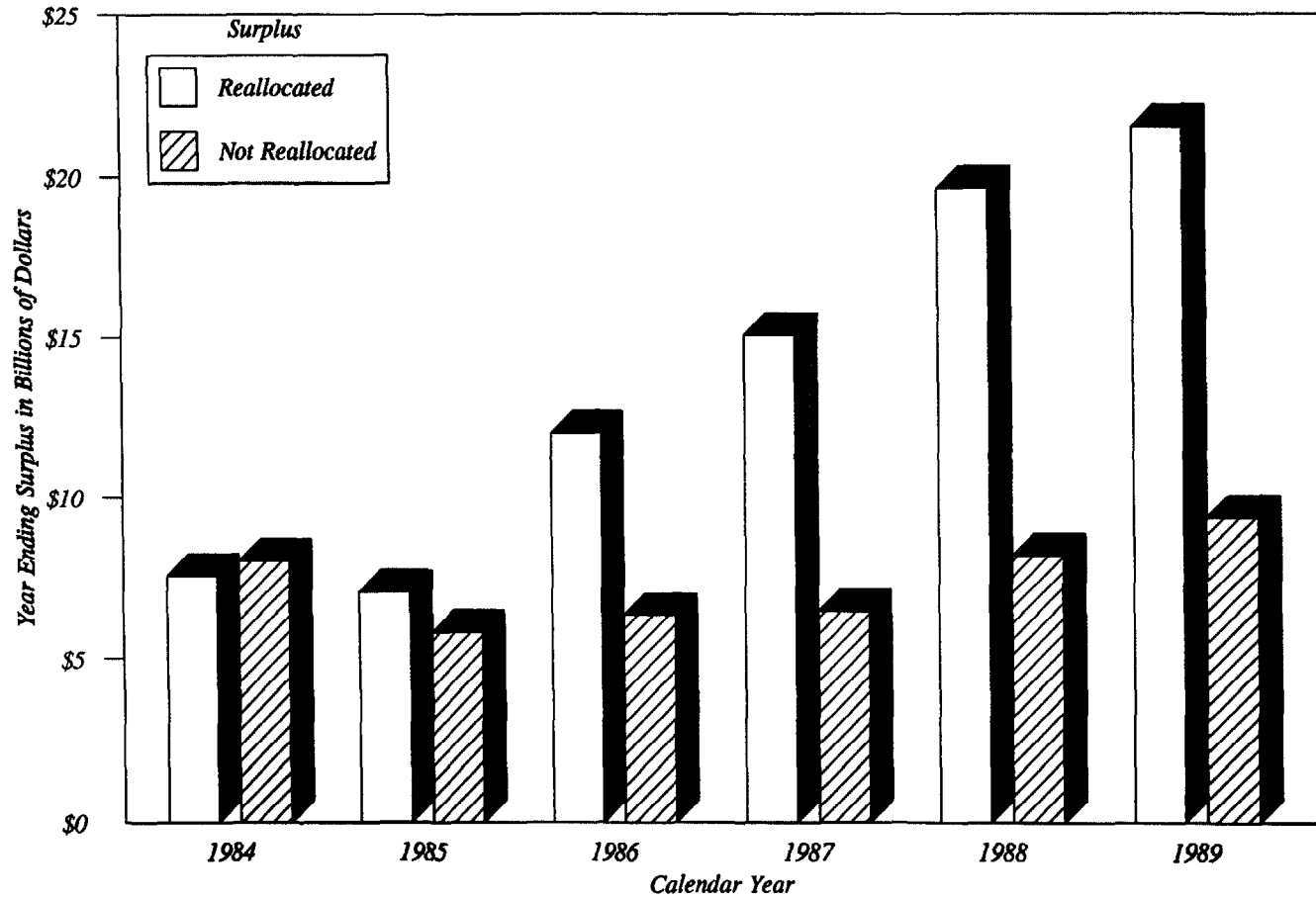
Medical Malpractice

Comparison of Year Ending Surplus With and Without Annual Reallocation



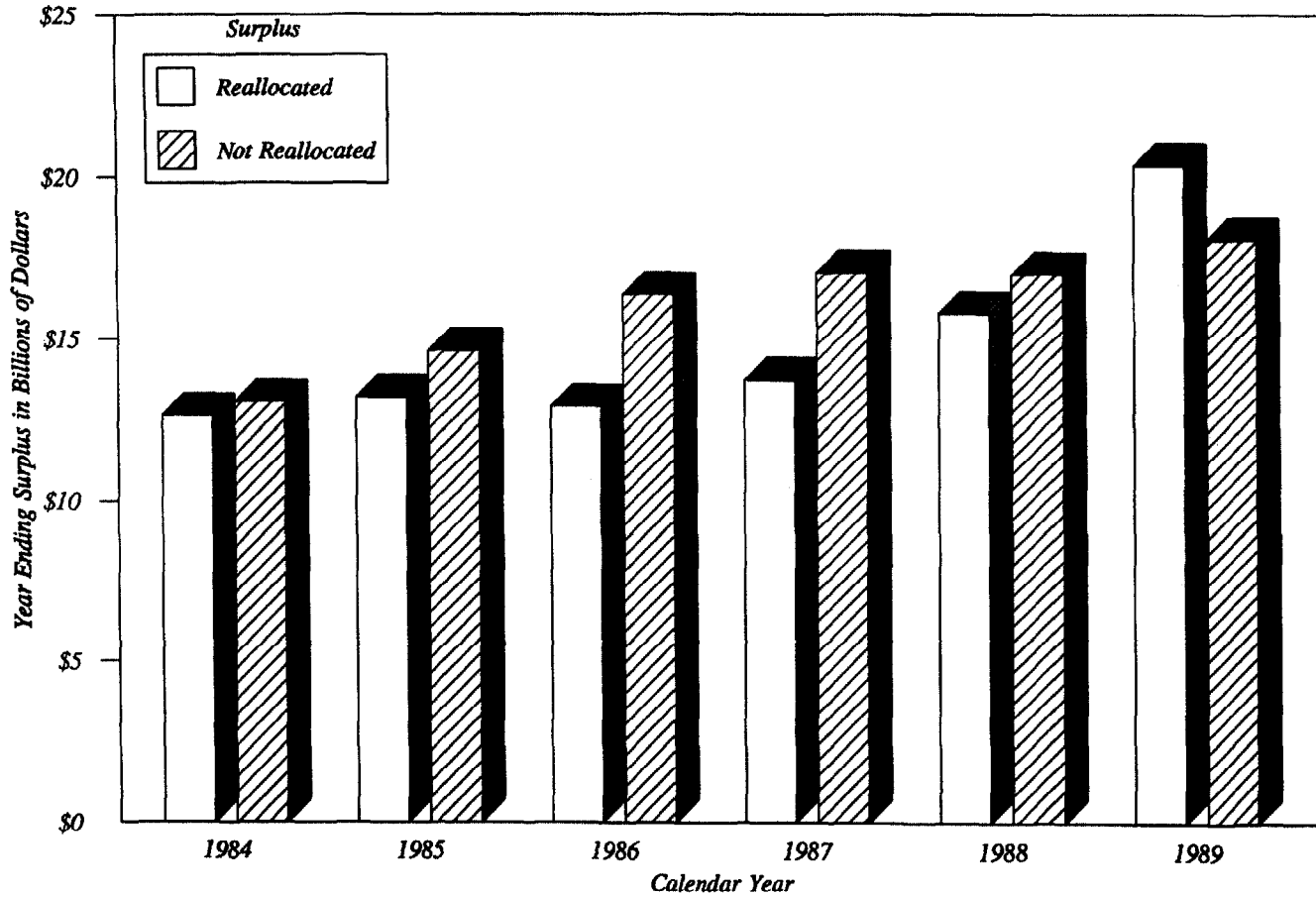
Other Liability

Comparison of Year Ending Surplus With and Without Annual Reallocation



Workers' Compensation

Comparison of Year Ending Surplus With and Without Annual Reallocation



Method II
With Annual Reallocation of Surplus

Line	1984						
	(1) Beginning Capital and Surplus	(2) Underwriting Income	(3) Total Investment Income	(4) Total Income Before Taxes	(5) Income Taxes	(6) Total Income After Taxes	(7) Ending Capital and Surplus
Private Passenger Auto Liability	\$13,746,466	(\$3,784,091)	\$4,352,041	\$567,950	(\$614,726)	\$1,182,676	\$14,929,142
Private Passenger Auto Physical Damage	9,980,276	(378,434)	3,193,021	2,814,587	652,016	2,162,571	12,142,848
Commercial Auto Liability	3,031,945	(2,645,135)	972,522	(1,672,613)	(965,152)	(707,461)	2,324,484
Commercial Auto Physical Damage	1,701,136	(389,791)	553,808	164,017	(36,023)	200,040	1,901,177
Homeowners	7,357,512	(1,105,589)	2,309,294	1,203,705	88,888	1,114,818	8,472,330
Farmowners	431,278	(162,099)	134,520	(27,579)	(39,763)	12,184	443,462
Commercial Multiple Peril	5,159,227	(3,805,476)	1,649,851	(2,155,625)	(1,323,671)	(831,954)	4,327,273
Ocean and Aircraft	1,005,503	(50,601)	318,556	267,955	59,140	208,815	1,214,318
Fire and Allied Lines	5,357,430	(840,118)	1,712,270	872,152	56,543	815,610	6,173,040
Medical Malpractice	1,191,817	(1,318,711)	387,642	(931,068)	(506,316)	(424,752)	767,065
Other Liability	4,538,242	(5,714,887)	1,468,474	(4,246,413)	(2,248,926)	(1,997,487)	2,540,755
Workers' Compensation	9,248,889	(4,045,483)	2,927,119	(1,118,365)	(1,103,621)	(14,744)	9,234,145
Group Accident & Health	1,039,587	42,983	323,492	366,475	103,466	263,009	1,302,597
Credit Accident & Health	25,512	10,013	7,607	17,620	6,574	11,046	36,557
Other Accident & Health	509,706	9,690	169,652	179,342	48,350	130,992	640,698
Fidelity and Surety	1,014,449	(187,725)	330,687	142,962	(798)	143,761	1,158,210
Financial Guaranty	0	0	0	0	0	0	0
Credit	61,994	(159,526)	19,428	(140,098)	(68,355)	(71,742)	(9,748)
Total of All Lines	\$65,400,970	(\$24,524,980)	\$20,829,986	(\$3,694,995)	(\$5,892,377)	\$2,197,382	\$67,598,352

- (1) Total 1983 Ending Capital and Surplus from Best's data allocated as per Appendix A
- (2) From application of NAIC profitability formulas to Best's data
- (3) From application of NAIC profitability formulas to Best's data using allocation Method II
- (4) Column (2) + Column (3)
- (5) From application of NAIC profitability formulas to Column (4)
- (6) Column (4) - Column (5)
- (7) Column (1) + Column (6) Excludes all direct adjustments to Capital and Surplus account

Method II
With Annual Reallocation of Surplus

Appendix E
Sheet 2

Line	1985						
	(1) Beginning Capital and Surplus	(2) Underwriting Income	(3) Total Investment Income	(4) Total Income Before Taxes	(5) Income Taxes	(6) Total Income After Taxes	(7) Ending Capital and Surplus
Private Passenger Auto Liability	\$13,637,246	(\$5,582,184)	\$4,955,188	(\$626,996)	(\$1,170,719)	\$543,723	\$14,180,968
Private Passenger Auto Physical Damage	10,086,753	50,872	3,691,865	3,742,736	1,064,300	2,678,436	12,765,189
Commercial Auto Liability	3,434,357	(2,623,164)	1,375,271	(1,247,893)	(818,906)	(428,987)	3,005,370
Commercial Auto Physical Damage	1,824,987	124,185	692,622	816,807	252,406	564,401	2,389,388
Homeowners	7,070,243	(1,614,248)	2,514,378	900,129	(33,640)	933,770	8,004,013
Farmowners	409,041	(111,296)	144,519	33,222	(10,450)	43,673	452,713
Commercial Multiple Peril	5,726,487	(2,701,304)	2,263,997	(437,307)	(604,279)	166,972	5,893,459
Ocean and Aircraft	999,714	(161,633)	363,750	202,117	28,206	173,911	1,173,625
Fire and Allied Lines	5,482,693	122,709	2,030,771	2,153,480	629,010	1,524,470	7,007,163
Medical Malpractice	1,353,131	(2,189,022)	537,243	(1,651,779)	(855,478)	(796,301)	556,830
Other Liability	5,511,807	(9,511,853)	2,302,416	(7,209,437)	(3,726,300)	(3,483,137)	2,028,670
Workers' Compensation	9,384,371	(3,873,270)	3,479,717	(393,553)	(800,619)	407,066	9,791,437
Group Accident & Health	985,809	(69,441)	349,028	279,587	66,464	213,124	1,198,932
Credit Accident & Health	24,462	8,332	9,094	17,426	6,397	11,029	35,491
Other Accident & Health	532,900	27,047	194,058	221,106	67,155	153,950	686,850
Fidelity and Surety	1,072,509	(471,110)	401,651	(69,460)	(103,468)	34,008	1,106,518
Financial Guaranty	0	0	0	0	0	0	0
Credit	61,842	(15,038)	22,788	7,750	(493)	8,242	70,084
Total of All Lines	\$67,598,352	(\$28,590,421)	\$25,328,356	(\$3,262,065)	(\$6,010,413)	\$2,748,348	\$70,346,700

- (1) Total Ending Capital and Surplus from Column (7) of prior year reallocated by individual line as per Appendix A
- (2) From application of NAIC profitability formulas to Best's data
- (3) From application of NAIC profitability formulas to Best's data using allocation Method II
- (4) Column (2) + Column (3)
- (5) From application of NAIC profitability formulas to Column (4)
- (6) Column (4) - Column (5)
- (7) Column (1) + Column (6) Excludes all direct adjustments to Capital and Surplus account

(000) omitted

Method II
With Annual Reallocation of Surplus

Line	1986						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Beginning Capital and Surplus	Underwriting Income	Total Investment Income	Total Income Before Taxes	Income Taxes	Total Income After Taxes	Ending Capital and Surplus
Private Passenger Auto Liability	\$13,289,398	(\$6,428,288)	\$5,341,834	(\$1,086,454)	(\$1,437,727)	\$351,273	\$13,640,670
Private Passenger Auto Physical Damage	9,811,452	1,391,310	3,912,967	5,304,277	1,752,900	3,551,377	13,362,829
Commercial Auto Liability	4,180,605	(1,224,581)	1,849,595	625,014	(37,259)	662,273	4,842,877
Commercial Auto Physical Damage	1,896,178	898,458	775,464	1,673,922	633,843	1,040,080	2,936,258
Homeowners	6,481,425	(369,448)	2,515,281	2,145,833	545,432	1,600,401	8,081,826
Farmowners	369,198	(81,751)	142,084	60,333	2,805	57,528	426,726
Commercial Multiple Peril	6,660,397	757,648	2,879,470	3,637,118	1,167,476	2,469,642	9,130,039
Ocean and Aircraft	957,814	110,762	378,912	489,673	158,718	330,956	1,288,770
Fire and Allied Lines	5,557,754	2,348,033	2,272,286	4,620,319	1,726,362	2,893,957	8,451,711
Medical Malpractice	1,549,240	(1,932,783)	659,984	(1,272,798)	(701,372)	(571,426)	977,813
Other Liability	7,618,977	(5,029,212)	3,558,775	(1,470,438)	(1,301,277)	(169,161)	7,449,816
Workers' Compensation	9,292,185	(4,425,099)	3,721,318	(703,781)	(977,155)	273,374	9,565,559
Group Accident & Health	903,634	(54,837)	352,082	297,245	74,912	222,334	1,125,967
Credit Accident & Health	25,846	5,843	10,889	16,732	5,785	10,948	36,793
Other Accident & Health	491,402	26,209	187,544	213,753	65,396	148,357	639,758
Fidelity and Surety	1,052,409	(255,527)	414,512	158,985	350	158,635	1,211,044
Financial Guaranty	154,758	177,250	115,387	292,636	114,352	178,284	333,043
Credit	54,030	4,819	19,284	24,103	7,701	16,401	70,432
Total of All Lines	\$70,346,700	(\$14,081,194)	\$29,107,667	\$15,026,473	\$1,801,242	\$13,225,231	\$83,571,931

- (1) Total Ending Capital and Surplus from Column (7) of prior year reallocated by individual line as per Appendix A
- (2) From application of NAIC profitability formulas to Best's data
- (3) From application of NAIC profitability formulas to Best's data using allocation Method II
- (4) Column (2) + Column (3)
- (5) From application of NAIC profitability formulas to Column (4)
- (6) Column (4) - Column (5)
- (7) Column (1) + Column (6) Excludes all direct adjustments to Capital and Surplus account

Method II
With Annual Reallocation of Surplus

Appendix E
Sheet 4

Line	1987						
	(1) Beginning Capital and Surplus	(2) Underwriting Income	(3) Total Investment Income	(4) Total Income Before Taxes	(5) Income Taxes	(6) Total Income After Taxes	(7) Ending Capital and Surplus
Private Passenger Auto Liability	\$15,512,764	(\$6,677,698)	\$5,198,341	(\$1,479,358)	(\$1,173,626)	(\$305,731)	\$15,207,032
Private Passenger Auto Physical Damage	11,264,751	2,552,128	3,745,847	6,297,974	1,898,091	4,399,883	15,664,635
Commercial Auto Liability	5,336,625	(783,014)	1,778,126	995,112	215,402	779,710	6,116,335
Commercial Auto Physical Damage	2,177,486	1,109,731	707,779	1,817,510	609,897	1,207,613	3,385,099
Homeowners	7,125,025	703,935	2,334,855	3,038,789	851,757	2,187,033	9,312,058
Farmowners	399,757	29,235	130,178	159,413	43,612	115,801	515,559
Commercial Multiple Peril	8,308,243	2,276,875	2,768,285	5,045,160	1,659,581	3,385,579	11,693,822
Ocean and Aircraft	1,045,382	249,157	334,141	583,299	184,018	399,281	1,444,662
Fire and Allied Lines	6,336,054	2,357,344	2,045,973	4,403,317	1,435,512	2,967,805	9,303,859
Medical Malpractice	1,922,015	(1,355,488)	645,660	(709,829)	(134,430)	(575,398)	1,346,616
Other Liability	10,380,743	(3,985,903)	3,492,124	(493,779)	211,179	(704,958)	9,675,785
Workers' Compensation	10,794,052	(4,536,830)	3,613,359	(923,472)	(371,085)	(552,387)	10,241,665
Group Accident & Health	976,411	(127,534)	313,658	186,124	23,947	162,177	1,138,588
Credit Accident & Health	29,920	5,678	9,526	15,204	4,538	10,665	40,585
Other Accident & Health	490,317	(107,325)	148,336	41,011	(8,260)	49,271	539,588
Fidelity and Surety	1,188,219	48,874	393,607	442,481	113,536	328,945	1,517,164
Financial Guaranty	228,539	(87,160)	45,254	(41,905)	(22,017)	(19,888)	208,650
Credit	55,630	49,085	18,532	67,617	23,560	44,057	99,687
Total of All Lines	\$83,571,931	(\$8,278,912)	\$27,723,582	\$19,444,670	\$5,565,211	\$13,879,459	\$97,451,390

- (1) Total Ending Capital and Surplus from Column (7) of prior year reallocated by individual line as per Appendix A
- (2) From application of NAIC profitability formulas to Best's data
- (3) From application of NAIC profitability formulas to Best's data using allocation Method II
- (4) Column (2) + Column (3)
- (5) From application of NAIC profitability formulas to Column (4)
- (6) Column (4) - Column (5)
- (7) Column (1) + Column (6) Excludes all direct adjustments to Capital and Surplus account

(000) omitted

Method II
With Annual Reallocation of Surplus

Appendix E
Sheet 5

Line	1988						
	(1) Beginning Capital and Surplus	(2) Underwriting Income	(3) Total Investment Income	(4) Total Income Before Taxes	(5) Income Taxes	(6) Total Income After Taxes	(7) Ending Capital and Surplus
Private Passenger Auto Liability	\$18,809,958	(\$6,492,620)	\$6,087,573	(\$405,048)	(\$723,678)	\$318,630	\$19,128,588
Private Passenger Auto Physical Damage	13,299,942	2,023,110	4,230,346	6,253,457	1,575,396	4,678,061	17,978,003
Commercial Auto Liability	6,072,568	(982,576)	1,860,093	877,516	131,777	745,740	6,818,308
Commercial Auto Physical Damage	2,483,087	961,120	780,921	1,742,042	489,798	1,252,244	3,735,331
Homeowners	8,217,084	143,241	2,591,974	2,735,215	606,361	2,128,854	10,345,938
Farmowners	456,627	(38,380)	143,585	105,205	17,396	87,809	544,436
Commercial Multiple Peril	9,559,049	1,231,923	2,960,397	4,192,320	1,124,038	3,068,282	12,627,332
Ocean and Aircraft	1,106,458	(179,561)	328,225	148,664	20,814	127,850	1,234,307
Fire and Allied Lines	6,975,816	1,377,469	2,133,224	3,510,693	922,942	2,587,751	9,563,566
Medical Malpractice	2,303,296	(1,290,913)	735,827	(555,087)	(72,604)	(482,482)	1,820,814
Other Liability	11,805,870	(2,946,125)	3,579,182	633,057	239,139	393,918	12,199,787
Workers' Compensation	13,084,879	(5,754,216)	4,237,674	(1,516,542)	(459,879)	(1,056,663)	12,028,216
Group Accident & Health	1,086,440	(113,873)	337,491	223,618	31,666	191,951	1,278,392
Credit Accident & Health	37,277	13,646	12,881	26,527	7,343	19,184	56,461
Other Accident & Health	516,817	(71,619)	161,461	89,841	9,495	80,347	597,164
Fidelity and Surety	1,398,180	527,723	444,914	972,637	267,456	705,181	2,103,361
Financial Guaranty	166,400	(322,729)	54,624	(268,106)	(95,412)	(172,694)	(6,294)
Credit	71,641	38,797	24,519	63,316	17,796	45,520	117,161
Total of All Lines	\$97,451,390	(\$11,875,585)	\$30,704,910	\$18,829,325	\$4,109,844	\$14,719,481	\$112,170,871

- (1) Total Ending Capital and Surplus from Column (7) of prior year reallocated by individual line as per Appendix A
- (2) From application of NAIC profitability formulas to Best's data
- (3) From application of NAIC profitability formulas to Best's data using allocation Method II
- (4) Column (2) + Column (3)
- (5) From application of NAIC profitability formulas to Column (4)
- (6) Column (4) - Column (5)
- (7) Column (1) + Column (6) Excludes all direct adjustments to Capital and Surplus account

(000) omitted

Method II
With Annual Reallocation of Surplus

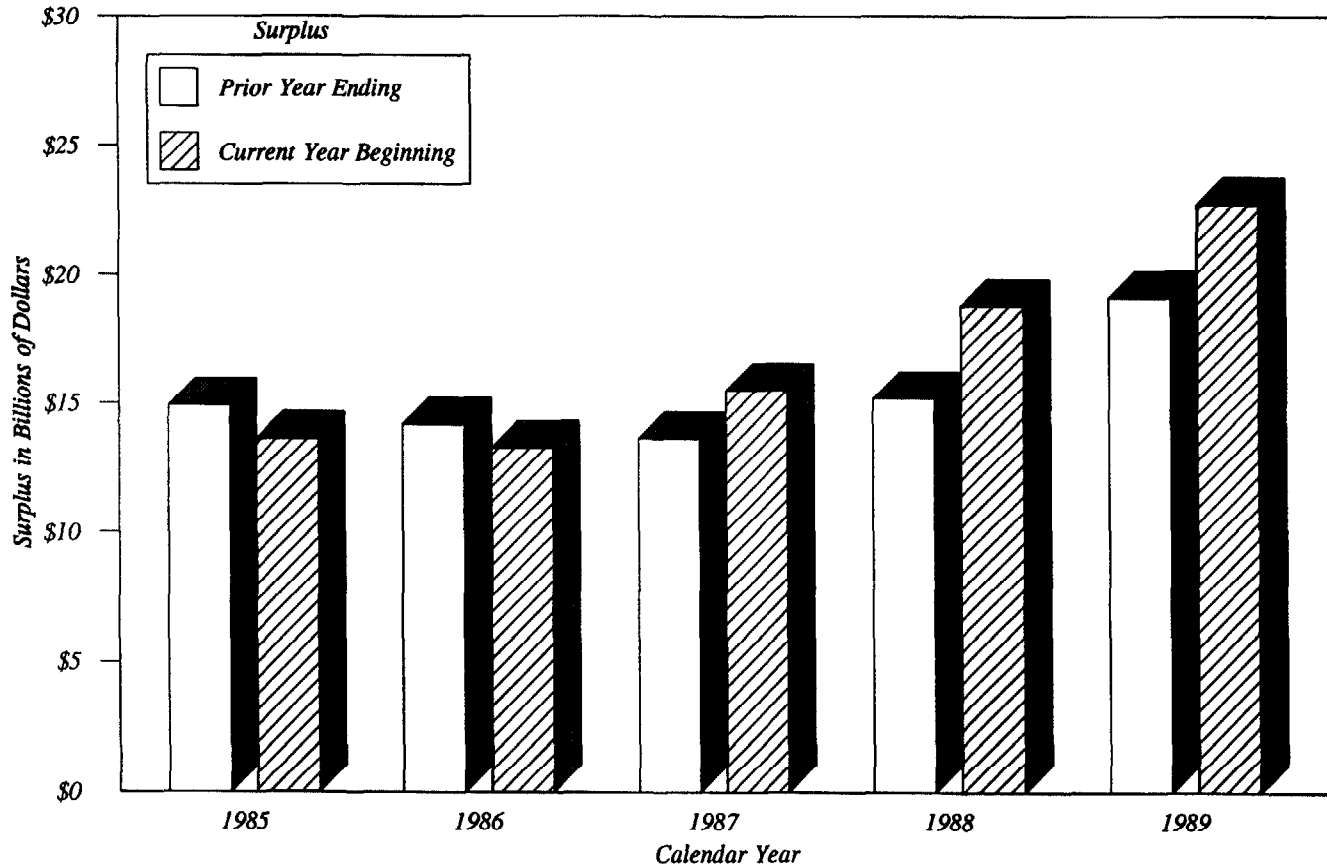
Line	1989						
	(1) Beginning Capital and Surplus	(2) Underwriting Income	(3) Total Investment Income	(4) Total Income Before Taxes	(5) Income Taxes	(6) Total Income After Taxes	(7) Ending Capital and Surplus
Private Passenger Auto Liability	\$22,745,534	(\$8,035,696)	\$7,380,433	(\$655,264)	(\$1,247,729)	\$592,465	\$23,337,999
Private Passenger Auto Physical Damage	15,520,856	967,857	4,950,763	5,918,621	1,448,572	4,470,048	19,990,904
Commercial Auto Liability	6,751,489	(2,586,631)	2,131,282	(455,349)	(467,888)	12,538	6,764,028
Commercial Auto Physical Damage	2,834,124	611,583	894,557	1,506,140	410,066	1,096,074	3,930,198
Homeowners	9,437,674	(3,202,308)	2,988,401	(213,907)	(446,407)	232,500	9,670,174
Farmowners	524,938	(117,454)	166,873	49,419	(4,058)	53,478	578,416
Commercial Multiple Peril	10,555,297	(1,289,576)	3,273,533	1,983,957	210,955	1,773,002	12,328,298
Ocean and Aircraft	1,123,390	(351,969)	333,689	(18,280)	(58,361)	40,081	1,163,471
Fire and Allied Lines	7,712,513	(1,531,795)	2,425,303	893,509	25,280	868,228	8,580,741
Medical Malpractice	2,676,018	15,409	846,364	861,773	71,702	790,070	3,466,088
Other Liability	12,474,999	(6,309,652)	3,779,001	(2,530,652)	(1,744,931)	(785,721)	11,689,278
Workers' Compensation	16,076,178	(6,415,075)	5,288,985	(1,126,090)	(1,298,958)	172,868	16,249,046
Group Accident & Health	1,170,276	10,432	352,573	363,005	82,304	280,701	1,450,977
Credit Accident & Health	51,829	30,223	17,925	48,148	14,325	33,824	85,653
Other Accident & Health	608,825	(119,514)	199,211	79,696	4,148	75,548	684,373
Fidelity and Surety	1,621,223	245,932	513,735	759,666	198,551	561,116	2,182,339
Financial Guaranty	192,207	82,926	58,808	141,735	41,375	100,359	292,566
Credit	93,501	54,252	30,904	85,156	25,360	59,797	153,297
Total of All Lines	\$112,170,871	(\$27,941,056)	\$35,632,341	\$7,691,285	(\$2,735,692)	\$10,426,977	\$122,597,848

- (1) Total Ending Capital and Surplus from Column (7) of prior year reallocated by individual line as per Appendix A
- (2) From application of NAIC profitability formulas to Best's data
- (3) From application of NAIC profitability formulas to Best's data using allocation Method II
- (4) Column (2) + Column (3)
- (5) From application of NAIC profitability formulas to Column (4)
- (6) Column (4) - Column (5)
- (7) Column (1) + Column (6) Excludes all direct adjustments to Capital and Surplus account

Private Passenger Auto Liability

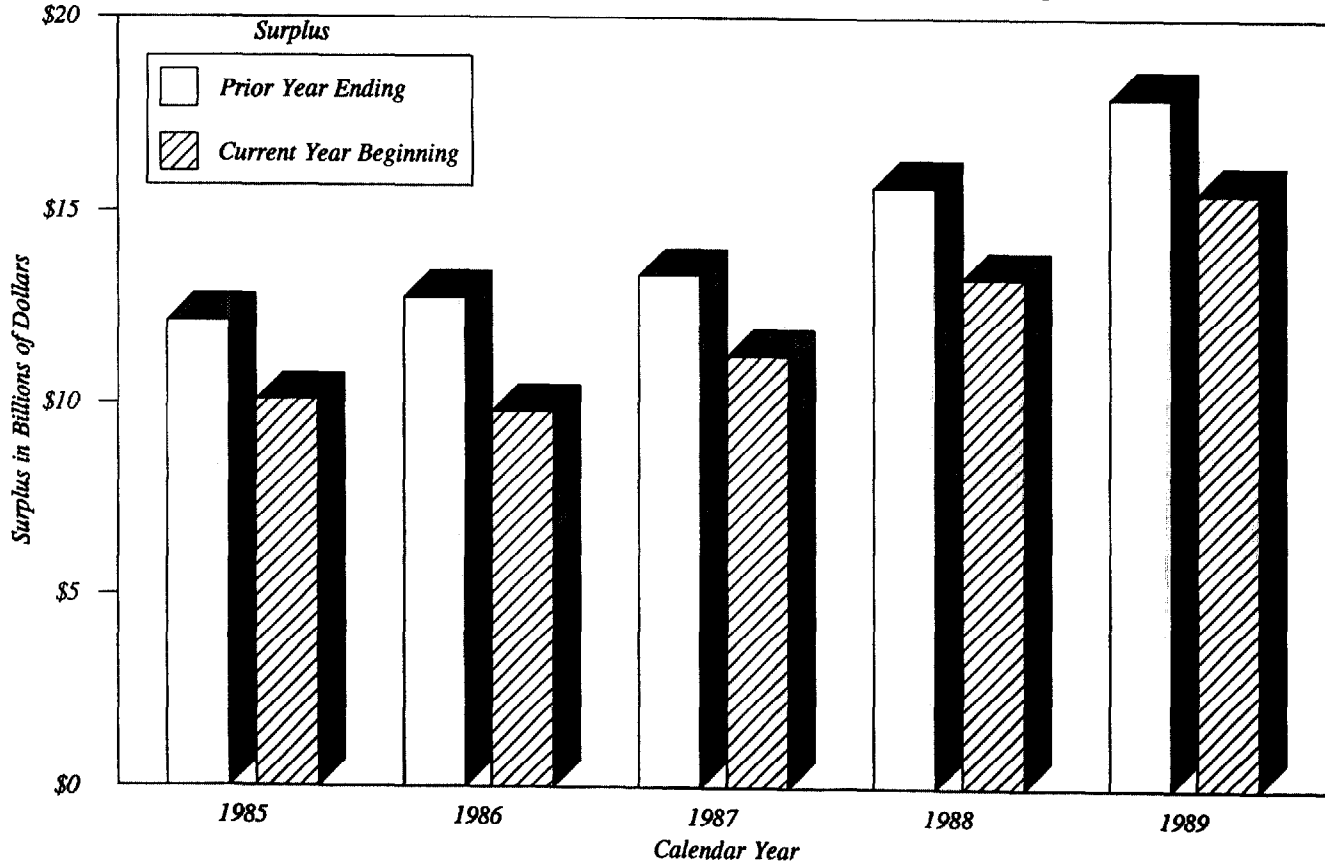
With Annual Surplus Reallocation

Comparison of Prior Year Ending and Current Year Beginning Surplus



Private Passenger Auto Physical Damage With Annual Surplus Reallocation

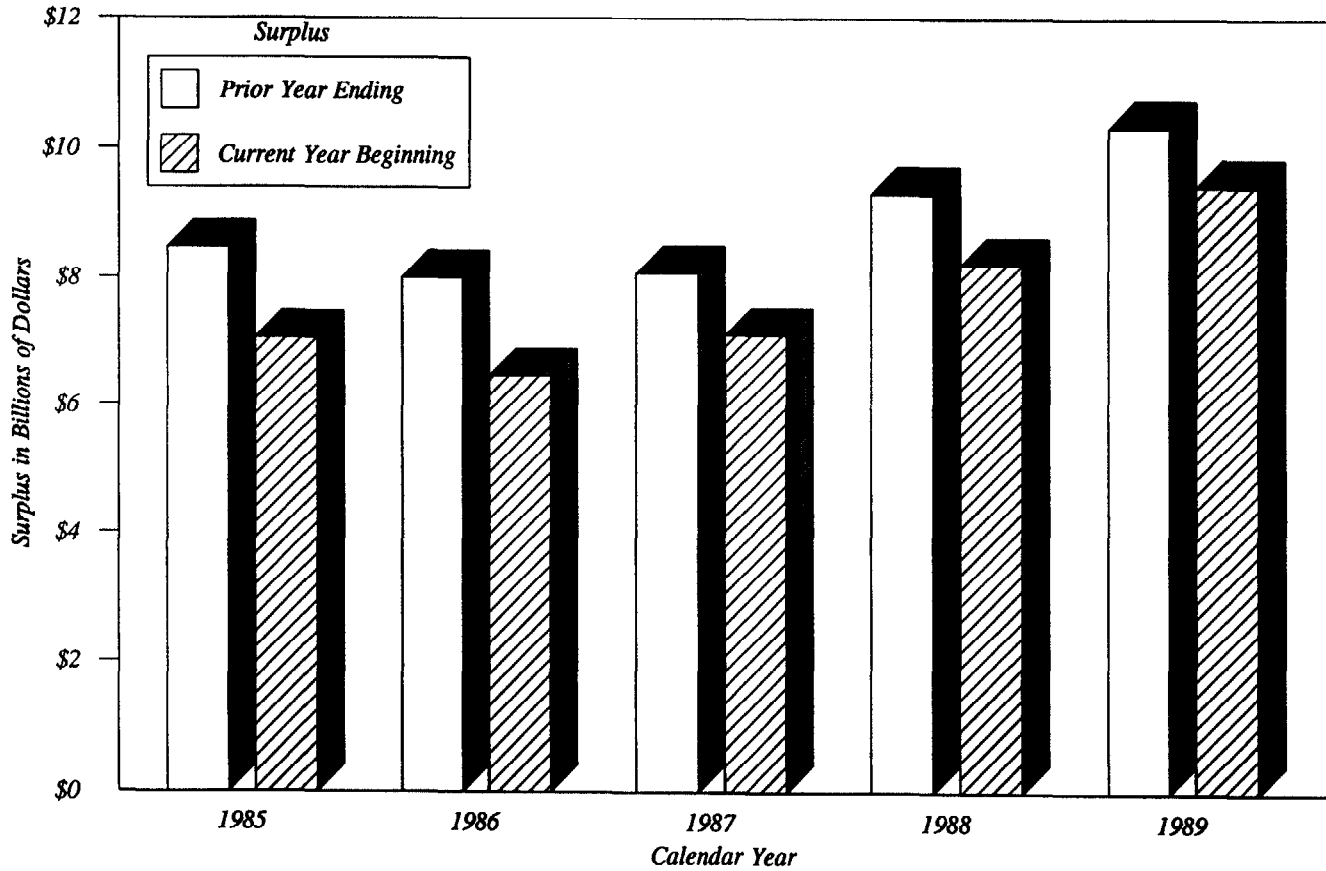
Comparison of Prior Year Ending and Current Year Beginning Surplus



Homeowners

With Annual Surplus Reallocation

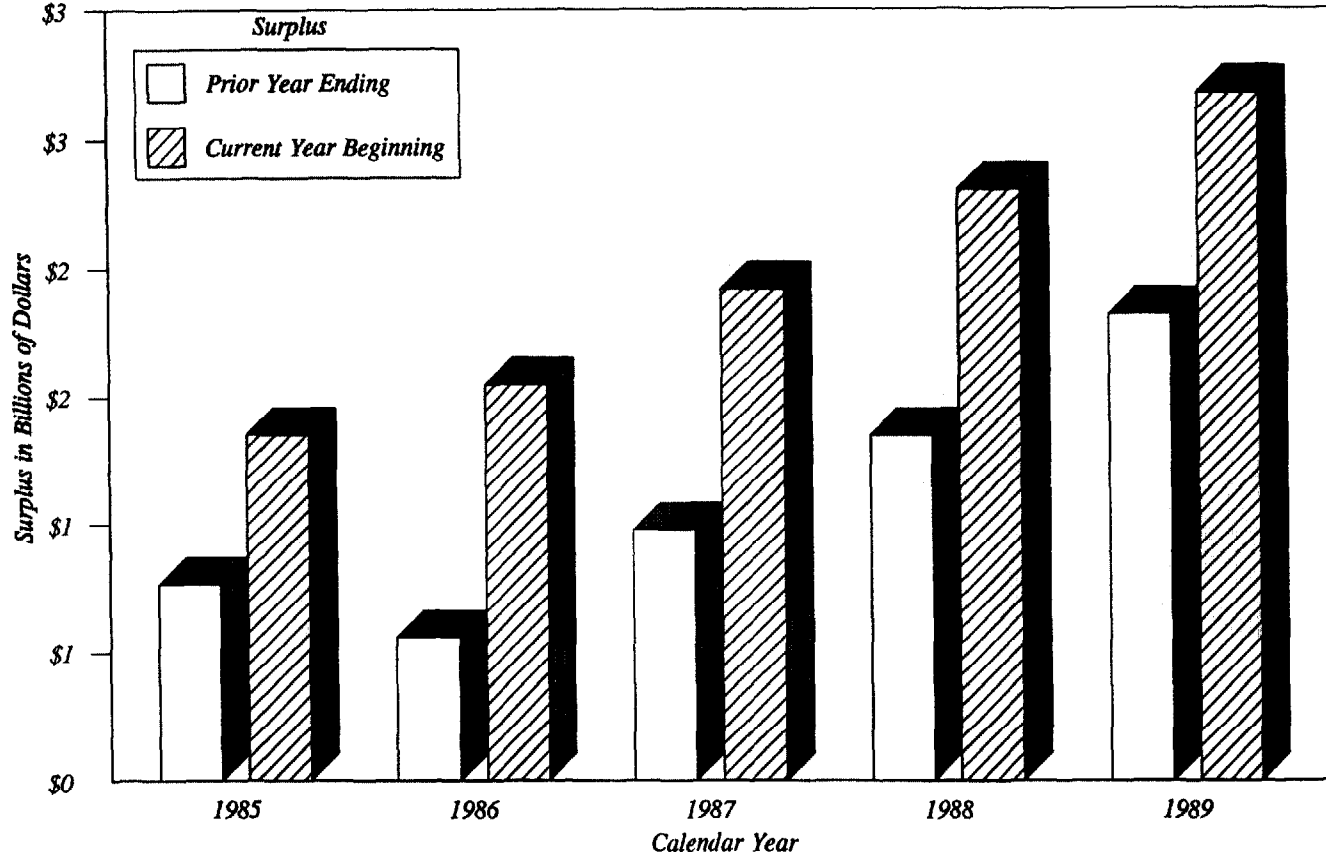
Comparison of Prior Year Ending and Current Year Beginning Surplus



Medical Malpractice

With Annual Surplus Reallocation

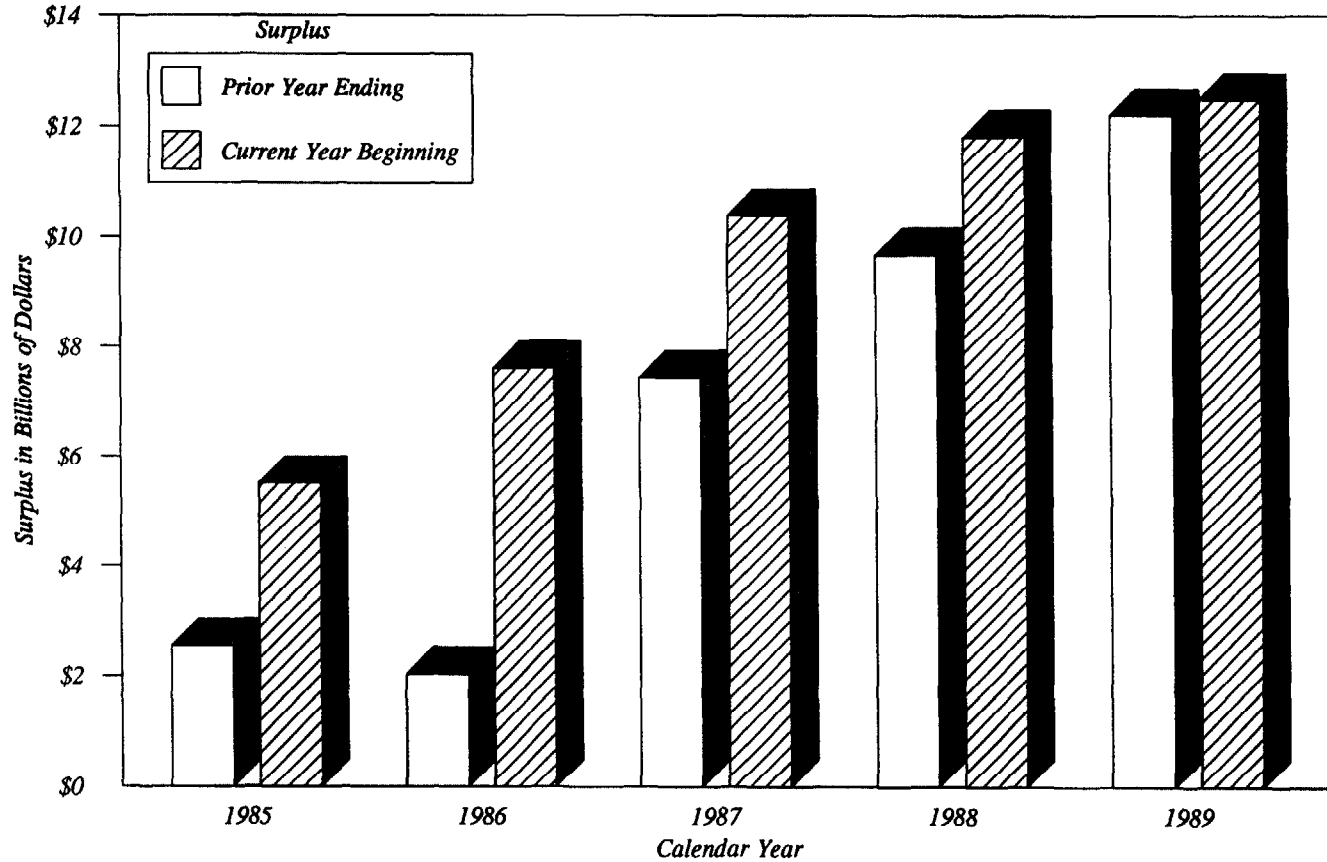
Comparison of Prior Year Ending and Current Year Beginning Surplus



Other Liability

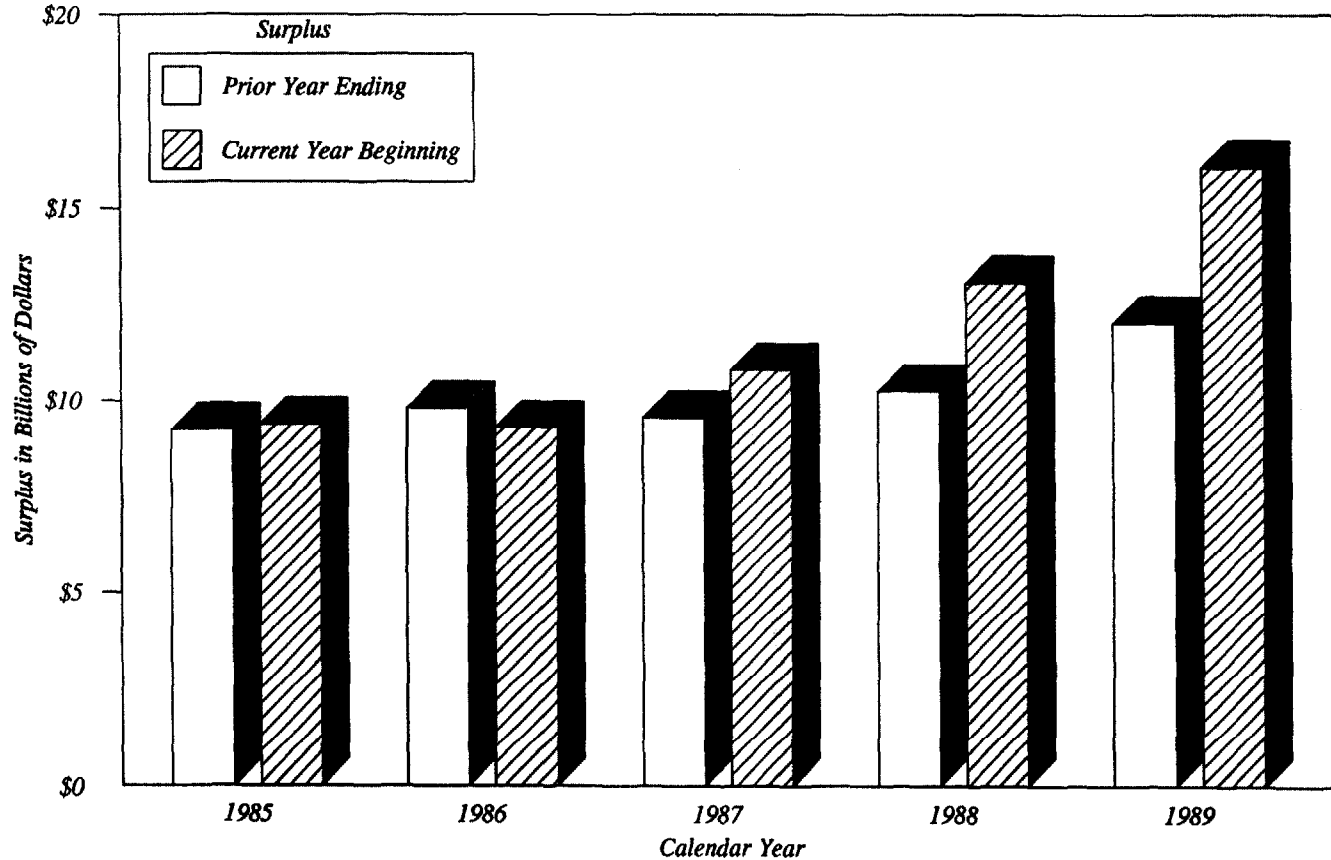
With Annual Surplus Reallocation

Comparison of Prior Year Ending and Current Year Beginning Surplus



Workers' Compensation With Annual Surplus Reallocation

Comparison of Prior Year Ending and Current Year Beginning Surplus



Method II
Without Annual Reallocation of Surplus

Appendix E
Sheet 13

Line	1984							
	(1) Beginning Capital and Surplus	(2) Underwriting Income	(3) Investment Income on Policyholder Supplied Funds	(4) Investment Income on Non- Policyholder Supplied Funds	(5) Total Income Before Taxes	(6) Income Taxes	(7) Total Income After Taxes	(8) Ending Capital and Surplus
Private Passenger Auto Liability	\$13,746,466	(\$3,784,091)	\$2,693,690	\$1,431,480	\$341,079	(\$673,422)	\$1,014,500	\$14,760,967
Private Passenger Auto Physical Damage	9,980,276	(378,434)	512,533	1,039,290	1,173,389	227,407	945,982	10,926,258
Commercial Auto Liability	3,031,945	(2,645,135)	763,826	315,730	(1,565,580)	(937,461)	(628,119)	2,403,826
Commercial Auto Physical Damage	1,701,136	(389,791)	97,838	177,147	(114,806)	(108,160)	(6,646)	1,694,490
Homeowners	7,357,512	(1,105,589)	700,600	766,170	361,181	(129,090)	490,271	7,847,782
Farmowners	431,278	(162,099)	40,838	44,911	(76,350)	(52,381)	(23,969)	407,309
Commercial Multiple Peril	5,159,227	(3,805,476)	1,014,467	537,253	(2,253,756)	(1,349,059)	(904,697)	4,254,530
Ocean and Aircraft	1,005,503	(50,601)	201,478	104,707	255,584	55,939	199,645	1,205,148
Fire and Allied Lines	5,357,430	(840,118)	514,961	557,893	232,736	(108,887)	341,622	5,699,053
Medical Malpractice	1,191,817	(1,318,711)	1,081,490	124,109	(113,112)	(294,695)	181,584	1,373,401
Other Liability	4,538,242	(5,714,887)	2,483,802	472,587	(2,758,498)	(1,863,974)	(894,524)	3,643,718
Workers' Compensation	9,248,889	(4,045,483)	3,107,867	963,127	25,511	(807,679)	833,190	10,082,078
Group Accident & Health	1,039,587	42,983	512,972	108,257	664,212	180,496	483,716	1,523,304
Credit Accident & Health	25,512	10,013	5,583	2,657	18,253	6,738	11,515	37,027
Other Accident & Health	509,706	9,690	62,891	53,078	125,659	34,461	91,198	600,904
Fidelity and Surety	1,014,449	(187,725)	195,639	105,639	113,553	(8,407)	121,960	1,136,409
Financial Guaranty	0	0	0	0	0	0	0	0
Credit	61,994	(159,526)	29,021	6,456	(124,049)	(64,204)	(59,846)	2,148
Total of All Lines	\$65,400,970	(\$24,524,980)	\$14,019,495	\$6,810,490	(\$3,694,995)	(\$5,892,377)	\$2,197,382	\$67,598,352

- (1) Total 1983 Ending Capital and Surplus from Best's data allocated as per Appendix A
- (2) From application of NAIC profitability formulas to Best's data
- (3) From application of NAIC profitability formulas to Best's data
- (4) Total All Lines Investment Income from Exhibit IIa, Column (3) less Total All Lines Investment Income on Policyholder Supplied Funds allocated by line on basis of Beginning Capital and Surplus
- (5) Column (2) + Column (3) + Column (4)
- (6) From application of NAIC profitability formulas to Column (5)
- (7) Column (5) - Column (6)
- (8) Column (1) + Column (7) Excludes all direct adjustments to Capital and Surplus account

Method II
Without Annual Reallocation of Surplus

Appendix E
Sheet 14

Line	1985							
	(1) Beginning Capital and Surplus	(2) Underwriting Income	(3) Investment Income on Policyholder Supplied Funds	(4) Investment Income on Non- Policyholder Supplied Funds	(5) Total Income Before Taxes	(6) Income Taxes	(7) Total Income After Taxes	(8) Ending Capital and Surplus
Private Passenger Auto Liability	\$14,760,967	(\$5,582,184)	\$3,431,596	\$1,700,799	(\$449,789)	(\$1,120,756)	\$670,967	\$15,431,934
Private Passenger Auto Physical Damage	10,926,258	50,872	645,642	1,258,953	1,955,468	560,391	1,395,077	12,321,335
Commercial Auto Liability	2,403,826	(2,623,164)	1,004,610	276,975	(1,341,579)	(845,320)	(496,259)	1,907,567
Commercial Auto Physical Damage	1,694,490	124,185	139,218	195,244	458,647	151,425	307,222	2,001,712
Homeowners	7,847,782	(1,614,248)	885,373	904,243	175,367	(237,983)	413,350	8,261,133
Farmowners	407,309	(111,296)	52,473	46,931	(11,892)	(23,170)	11,278	418,587
Commercial Multiple Peril	4,254,530	(2,701,304)	1,369,952	490,219	(841,134)	(718,136)	(122,998)	4,131,533
Ocean and Aircraft	1,205,148	(161,635)	236,136	138,860	213,363	31,377	181,986	1,387,134
Fire and Allied Lines	5,699,053	122,709	553,185	656,660	1,332,554	397,555	934,999	6,634,052
Medical Malpractice	1,373,401	(2,189,022)	1,379,310	158,247	(651,465)	(573,445)	(78,020)	1,295,381
Other Liability	3,643,718	(9,511,853)	3,164,740	419,839	(5,927,274)	(3,364,802)	(2,562,473)	1,081,245
Workers' Compensation	10,082,078	(3,873,270)	3,584,792	1,161,685	873,206	(443,463)	1,316,670	11,398,748
Group Accident & Health	1,523,304	(69,441)	680,024	175,519	786,102	209,272	576,829	2,100,133
Credit Accident & Health	37,027	8,332	5,132	4,266	17,730	6,482	11,248	48,275
Other Accident & Health	600,904	27,047	74,751	69,238	171,036	53,039	117,998	718,902
Fidelity and Surety	1,136,409	(471,110)	301,858	130,940	(38,313)	(94,686)	56,373	1,192,783
Financial Guaranty	0	0	0	0	0	0	0	0
Credit	2,148	(15,038)	30,697	248	15,907	1,807	14,099	16,248
Total of All Lines	\$67,598,352	(\$28,590,421)	\$17,539,488	\$7,788,867	(\$3,262,065)	(\$6,010,413)	\$2,748,348	\$70,346,700

- (1) Ending Capital and Surplus by line from Column (8) of prior year
- (2) From application of NAIC profitability formulas to Best's data
- (3) From application of NAIC profitability formulas to Best's data
- (4) Total All Lines Investment Income from Exhibit IIa, Column (3) less Total All Lines Investment Income on Policyholder Supplied Funds allocated by line on basis of Beginning Capital and Surplus
- (5) Column (2) + Column (3) + Column (4)
- (6) From application of NAIC profitability formulas to Column (5)
- (7) Column (5) - Column (6)
- (8) Column (1) + Column (7) Excludes all direct adjustments to Capital and Surplus account

(000) omitted

Method II
Without Annual Reallocation of Surplus

Appendix E
Sheet 15

Line	1986							
	(1) Beginning Capital and Surplus	(2) Underwriting Income	(3) Investment Income on Policyholder Supplied Funds	(4) Investment Income on Non- Policyholder Supplied Funds	(5) Total Income Before Taxes	(6) Income Taxes	(7) Total Income After Taxes	(8) Ending Capital and Surplus
Private Passenger Auto Liability	\$15,431,934	(\$6,428,288)	\$3,795,506	\$2,010,988	(\$621,794)	(\$1,305,572)	\$683,778	\$16,115,711
Private Passenger Auto Physical Damage	12,321,335	1,391,310	730,576	1,605,635	3,727,521	1,304,451	2,423,070	14,744,405
Commercial Auto Liability	1,907,567	(1,224,581)	1,168,102	248,582	192,102	(160,385)	352,487	2,260,054
Commercial Auto Physical Damage	2,001,712	898,458	141,432	260,850	1,300,740	527,705	773,035	2,774,748
Homeowners	8,261,133	(369,448)	954,305	1,076,536	1,661,392	407,651	1,253,742	9,514,874
Farmowners	418,587	(81,751)	49,770	54,547	22,566	(7,936)	30,502	449,089
Commercial Multiple Peril	4,131,533	757,648	1,637,417	538,394	2,933,459	967,346	1,966,112	6,097,645
Ocean and Aircraft	1,387,134	110,762	234,156	180,762	525,680	168,958	356,721	1,743,855
Fire and Allied Lines	6,634,052	2,348,033	640,827	864,506	3,853,366	1,508,231	2,345,135	8,979,187
Medical Malpractice	1,295,381	(1,932,783)	1,535,784	168,805	(228,193)	(404,273)	176,080	1,471,461
Other Liability	1,081,245	(5,029,212)	3,753,915	140,901	(1,134,396)	(1,205,702)	71,306	1,152,551
Workers' Compensation	11,398,748	(4,425,099)	3,849,629	1,485,410	909,940	(518,192)	1,428,133	12,826,881
Group Accident & Health	2,100,133	(54,837)	854,458	273,676	1,073,297	295,631	777,666	2,877,799
Credit Accident & Health	48,275	5,843	5,945	6,291	18,079	6,168	11,911	60,185
Other Accident & Health	718,902	26,209	72,845	93,683	192,737	59,419	133,318	852,220
Fidelity and Surety	1,192,783	(253,527)	244,182	155,436	144,091	(3,886)	147,977	1,340,760
Financial Guaranty	0	177,250	252,032	0	429,282	153,216	276,066	276,066
Credit	16,248	4,819	19,669	2,117	26,605	8,413	18,192	34,439
Total of All Lines	\$70,346,700	(\$14,081,194)	\$19,940,549	\$9,167,118	\$15,026,473	\$1,801,242	\$13,225,231	\$83,571,931

- (1) Ending Capital and Surplus by line from Column (8) of prior year
- (2) From application of NAIC profitability formulas to Best's data
- (3) From application of NAIC profitability formulas to Best's data
- (4) Total All Lines Investment Income from Exhibit IIa, Column (3) less Total All Lines Investment Income on Policyholder Supplied Funds allocated by line on basis of Beginning Capital and Surplus
- (5) Column (2) + Column (3) + Column (4)
- (6) From application of NAIC profitability formulas to Column (5)
- (7) Column (5) - Column (6)
- (8) Column (1) + Column (7) Excludes all direct adjustments to Capital and Surplus account

(000) omitted

Method II
Without Annual Reallocation of Surplus

Appendix E
Sheet 16

Line	1987							
	(1) Beginning Capital and Surplus	(2) Underwriting Income	(3) Investment Income on Policyholder Supplied Funds	(4) Investment Income on Non- Policyholder Supplied Funds	(5) Total Income Before Taxes	(6) Income Taxes	(7) Total Income After Taxes	(8) Ending Capital and Surplus
Private Passenger Auto Liability	\$16,115,711	(\$6,677,698)	\$3,684,647	\$1,706,624	(\$1,286,427)	(\$1,128,632)	(\$157,795)	\$15,937,917
Private Passenger Auto Physical Damage	14,744,405	2,552,128	679,087	1,561,405	4,792,620	1,547,021	3,245,599	17,990,005
Commercial Auto Liability	2,260,054	(783,014)	1,179,556	239,336	635,877	131,623	504,255	2,764,309
Commercial Auto Physical Damage	2,774,748	1,109,731	133,498	293,841	1,537,069	544,494	992,575	3,767,322
Homeowners	9,514,874	703,935	840,535	1,007,608	2,552,077	738,248	1,813,829	11,328,703
Farmowners	449,089	29,235	46,033	47,558	122,826	35,079	87,747	536,836
Commercial Multiple Peril	6,097,645	2,276,875	1,529,404	645,729	4,452,008	1,521,250	2,930,759	9,028,404
Ocean and Aircraft	1,743,855	249,157	222,287	184,671	656,116	201,000	455,116	2,198,971
Fire and Allied Lines	8,979,187	2,357,344	660,088	950,879	3,968,311	1,334,063	2,634,248	11,613,435
Medical Malpractice	1,471,461	(1,355,488)	1,496,200	155,825	296,537	100,269	196,268	1,667,729
Other Liability	1,152,551	(3,985,903)	3,908,774	122,053	44,924	336,812	(291,888)	860,663
Workers' Compensation	12,826,881	(4,536,830)	3,499,359	1,358,343	320,872	(80,886)	401,758	13,228,638
Group Accident & Health	2,877,799	(127,534)	499,174	304,754	676,394	138,285	538,109	3,415,908
Credit Accident & Health	60,185	5,678	7,319	6,374	19,370	5,510	13,861	74,046
Other Accident & Health	852,220	(107,325)	34,237	90,248	17,161	(13,822)	30,983	883,203
Fidelity and Surety	1,340,760	48,874	217,657	141,984	408,515	105,615	302,900	1,643,659
Financial Guaranty	276,066	(87,160)	203,272	29,235	145,347	21,653	123,695	399,761
Credit	34,439	49,085	32,340	3,647	85,072	27,631	57,441	91,881
Total of All Lines	\$83,571,931	(\$8,278,912)	\$18,873,469	\$8,830,112	\$19,444,670	\$5,565,211	\$13,879,459	\$97,451,390

- (1) Ending Capital and Surplus by line from Column (8) of prior year
- (2) From application of NAIC profitability formulas to Best's data
- (3) From application of NAIC profitability formulas to Best's data
- (4) Total All Lines Investment Income from Exhibit IIA, Column (3) less Total All Lines Investment Income on Policyholder Supplied Funds allocated by line on basis of Beginning Capital and Surplus
- (5) Column (2) + Column (3) + Column (4)
- (6) From application of NAIC profitability formulas to Column (5)
- (7) Column (5) - Column (6)
- (8) Column (1) + Column (7) Excludes all direct adjustments to Capital and Surplus account

(000) omitted

Method II
Without Annual Reallocation of Surplus

Line	1988							
	(1) Beginning Capital and Surplus	(2) Underwriting Income	(3) Investment Income on Policyholder Supplied Funds	(4) Investment Income on Non- Policyholder Supplied Funds	(5) Total Income Before Taxes	(6) Income Taxes	(7) Total Income After Taxes	(8) Ending Capital and Surplus
Private Passenger Auto Liability	\$15,957,917	(\$6,492,620)	\$4,114,543	\$1,614,431	(\$763,646)	(\$798,424)	\$34,778	\$15,992,695
Private Passenger Auto Physical Damage	17,990,005	2,023,110	706,009	1,820,014	4,549,132	1,220,144	3,328,989	21,318,993
Commercial Auto Liability	2,764,309	(982,576)	1,385,861	279,660	682,945	91,220	591,725	3,356,034
Commercial Auto Physical Damage	3,767,322	961,120	185,719	381,133	1,527,972	445,177	1,082,795	4,850,118
Homeowners	11,328,703	143,241	870,873	1,146,103	2,160,217	486,508	1,673,710	13,002,413
Farmowners	536,836	(38,380)	49,949	54,311	65,880	9,199	56,681	593,516
Commercial Multiple Peril	9,028,404	1,231,923	1,642,986	913,386	3,788,295	1,039,822	2,748,473	11,776,876
Ocean and Aircraft	2,198,971	(179,561)	217,241	222,466	260,146	44,052	216,094	2,415,065
Fire and Allied Lines	11,613,435	1,377,469	708,811	1,174,909	3,261,188	870,935	2,390,253	14,003,689
Medical Malpractice	1,667,729	(1,290,913)	1,834,687	168,721	712,494	191,612	520,882	2,188,611
Other Liability	860,663	(2,946,125)	4,626,490	87,072	1,767,437	475,591	1,291,846	2,152,509
Workers' Compensation	13,228,638	(5,754,216)	3,770,238	1,338,316	(645,662)	(278,351)	(367,311)	12,861,328
Group Accident & Health	3,415,908	(113,873)	181,260	345,381	412,968	71,135	341,833	3,757,741
Credit Accident & Health	74,046	13,646	980	7,491	22,117	6,423	15,693	89,739
Other Accident & Health	883,203	(71,619)	55,544	89,352	73,277	6,042	67,235	950,438
Fidelity and Surety	1,643,659	527,723	244,454	166,286	938,463	260,333	678,130	2,321,789
Financial Guaranty	399,761	(322,729)	225,667	40,443	(56,619)	(51,329)	(5,290)	394,470
Credit	91,881	38,797	24,630	9,295	72,722	19,756	52,966	144,847
Total of All Lines	\$97,451,390	(\$11,875,585)	\$20,845,944	\$9,858,967	\$18,829,325	\$4,109,844	\$14,719,481	\$112,170,871

- (1) Ending Capital and Surplus by line from Column (8) of prior year
- (2) From application of NAIC profitability formulas to Best's data
- (3) From application of NAIC profitability formulas to Best's data
- (4) Total All Lines Investment Income from Exhibit IIa, Column (3) less Total All Lines Investment Income on Policyholder Supplied Funds allocated by line on basis of Beginning Capital and Surplus
- (5) Column (2) + Column (3) + Column (4)
- (6) From application of NAIC profitability formulas to Column (5)
- (7) Column (5) - Column (6)
- (8) Column (1) + Column (7) Excludes all direct adjustments to Capital and Surplus account

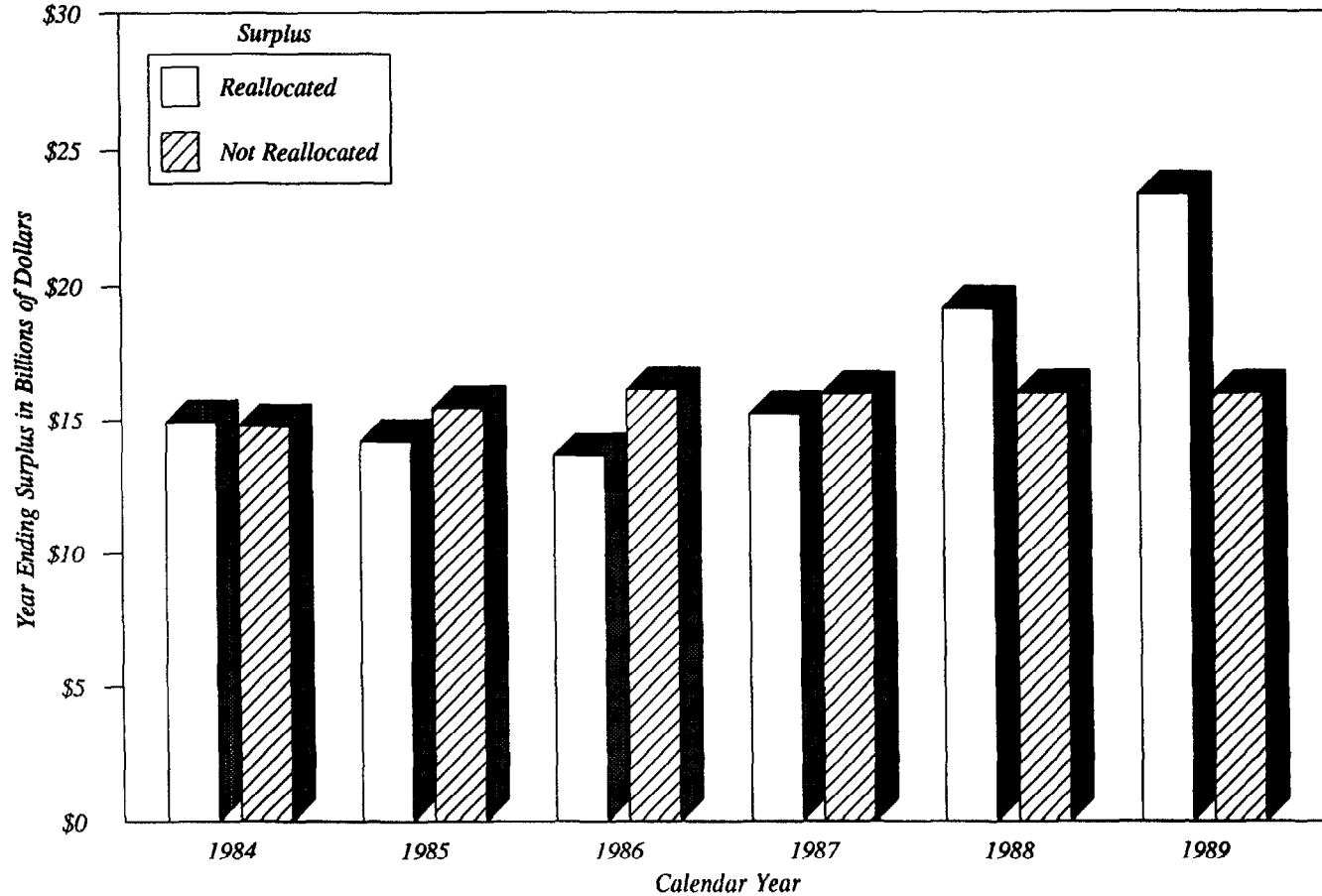
Method II
Without Annual Reallocation of Surplus

Line	1989							
	(1) Beginning Capital and Surplus	(2) Underwriting Income	(3) Investment Income on Policyholder Supplied Funds	(4) Investment Income on Non- Supplied Funds	(5) Total Income Before Taxes	(6) Income Taxes	(7) Total Income After Taxes	(8) Ending Capital and Surplus
Private Passenger Auto Liability	\$15,992,695	(\$8,035,696)	\$4,932,260	\$1,644,872	(\$1,458,564)	(\$1,429,702)	(\$28,862)	\$15,963,833
Private Passenger Auto Physical Damage	21,318,993	967,857	818,236	2,192,689	3,978,783	1,009,137	2,969,646	24,288,639
Commercial Auto Liability	3,356,034	(2,586,631)	1,601,462	345,173	(639,997)	(509,716)	(130,281)	3,225,753
Commercial Auto Physical Damage	4,850,118	611,583	181,372	498,842	1,291,797	361,511	930,286	5,780,404
Homeowners	13,002,413	(3,202,308)	1,011,491	1,337,317	(853,500)	(591,295)	(262,205)	12,740,208
Farmowners	593,516	(117,454)	57,446	61,044	1,036	(15,019)	16,055	609,571
Commercial Multiple Peril	11,776,876	(1,289,376)	1,952,408	1,211,269	1,874,100	186,069	1,688,031	13,464,907
Ocean and Aircraft	2,415,065	(351,969)	250,339	248,393	146,763	(20,974)	167,737	2,582,802
Fire and Allied Lines	14,003,689	(1,531,795)	865,504	1,440,300	774,008	(1,790)	775,799	14,779,488
Medical Malpractice	2,188,611	15,409	1,553,419	225,102	1,793,929	282,866	1,511,064	3,699,675
Other Liability	2,152,509	(6,309,652)	5,492,831	221,389	(595,433)	(1,306,541)	711,108	2,863,617
Workers' Compensation	12,861,328	(6,415,075)	4,680,842	1,322,806	(411,428)	(1,137,064)	725,636	13,586,964
Group Accident & Health	3,757,741	10,432	145,290	386,489	542,211	122,900	419,311	4,177,052
Credit Accident & Health	89,739	30,223	13,763	9,230	53,217	15,473	37,744	127,483
Other Accident & Health	950,438	(119,514)	57,477	97,754	35,717	(5,814)	41,531	991,969
Fidelity and Surety	2,321,789	245,932	255,803	238,799	740,534	194,216	546,317	2,868,106
Financial Guaranty	394,470	82,926	198,719	40,572	322,217	82,260	239,957	634,427
Credit	144,847	54,252	26,745	14,898	95,895	27,792	68,103	212,950
Total of All Lines	\$112,170,871	(\$27,941,056)	\$24,095,405	\$11,536,935	\$7,691,285	(\$2,735,692)	\$10,426,977	\$122,597,848

- (1) Ending Capital and Surplus by line from Column (8) of prior year
- (2) From application of NAIC profitability formulas to Best's data
- (3) From application of NAIC profitability formulas to Best's data
- (4) Total All Lines Investment Income from Exhibit IIa, Column (3) less Total All Lines Investment Income on Policyholder Supplied Funds allocated by line on basis of Beginning Capital and Surplus
- (5) Column (2) + Column (3) + Column (4)
- (6) From application of NAIC profitability formulas to Column (5)
- (7) Column (5) - Column (6)
- (8) Column (1) + Column (7) Excludes all direct adjustments to Capital and Surplus account

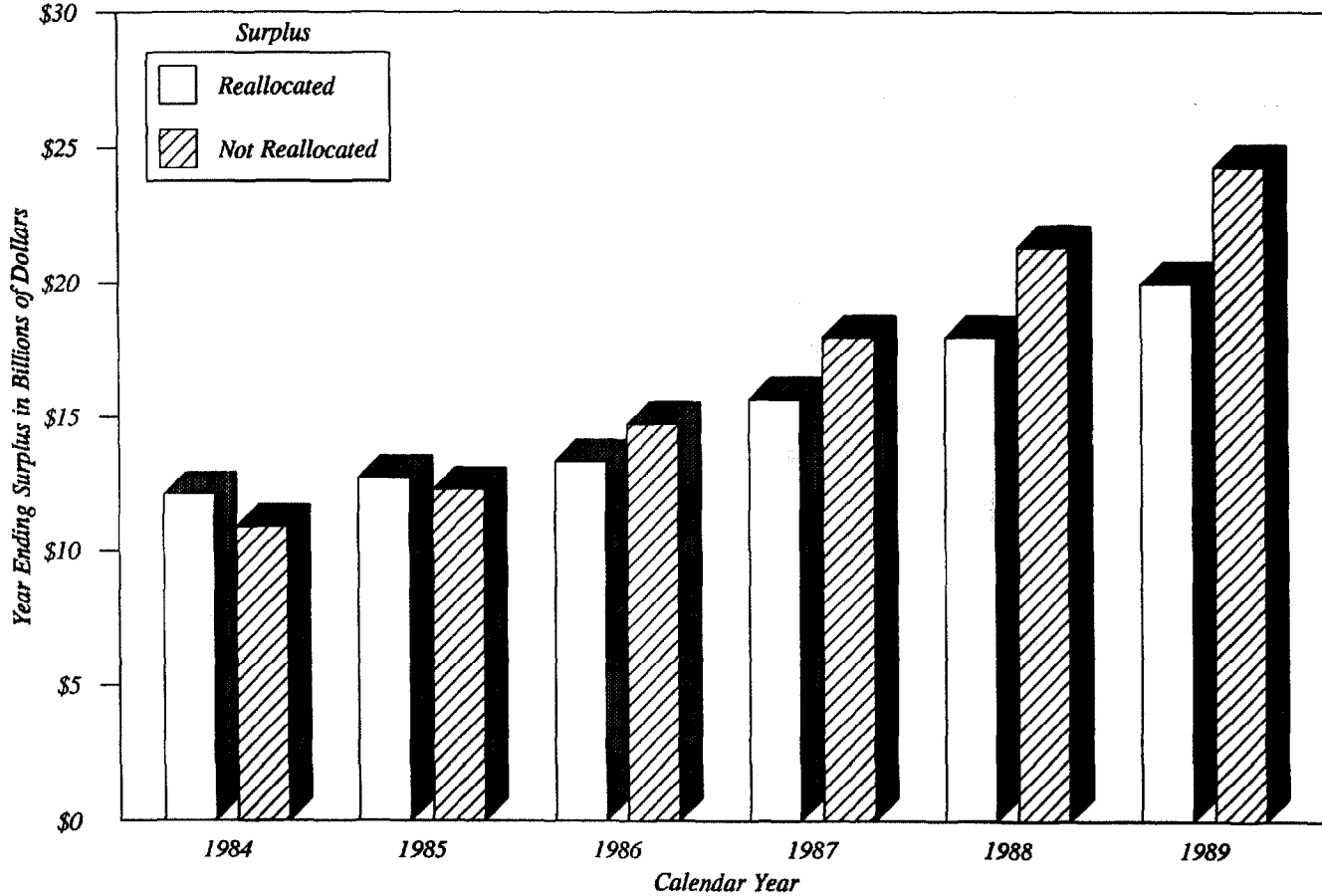
Private Passenger Auto Liability

Comparison of Year Ending Surplus With and Without Annual Reallocation



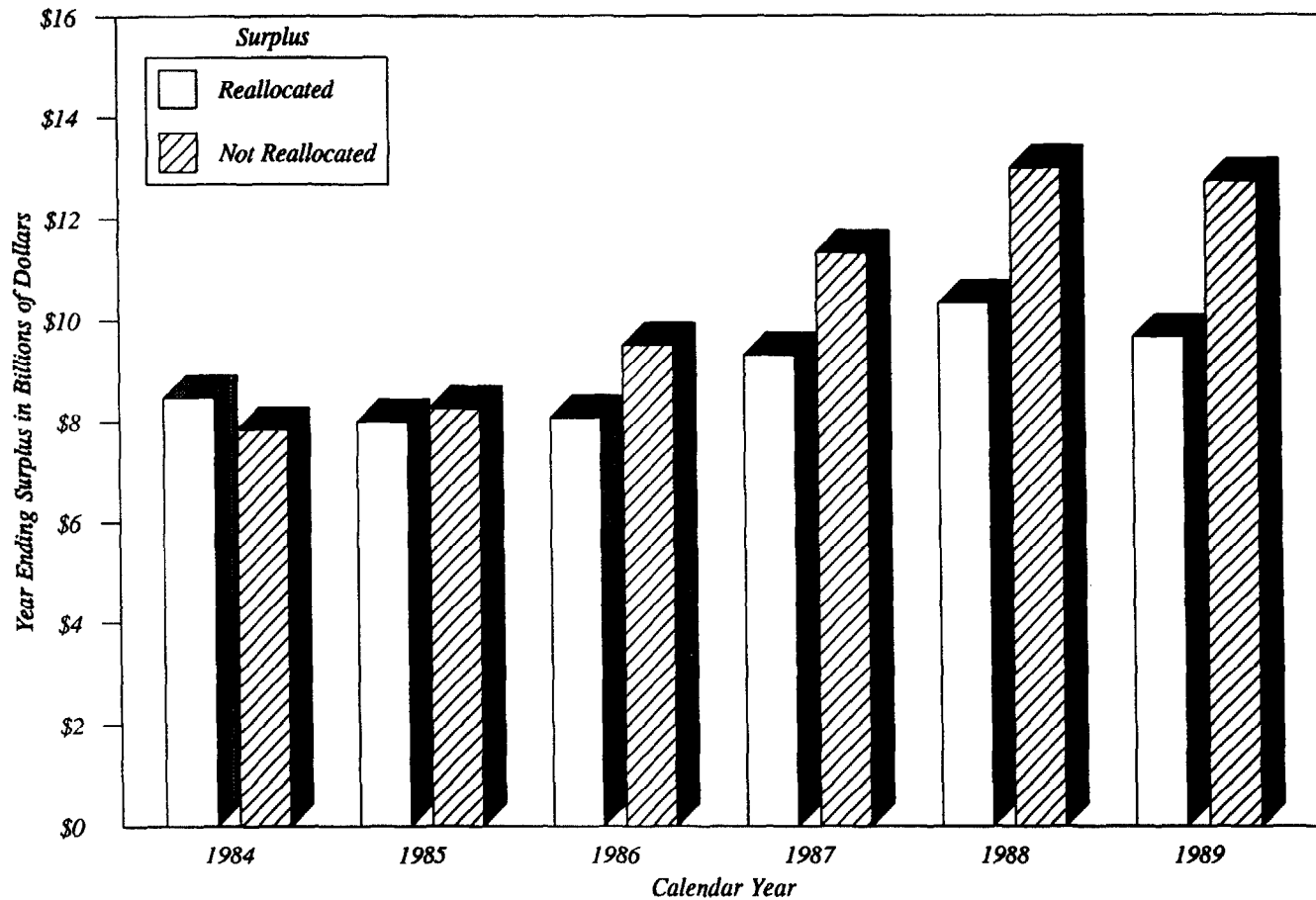
Private Passenger Auto Physical Damage

Comparison of Year Ending Surplus With and Without Annual Reallocation



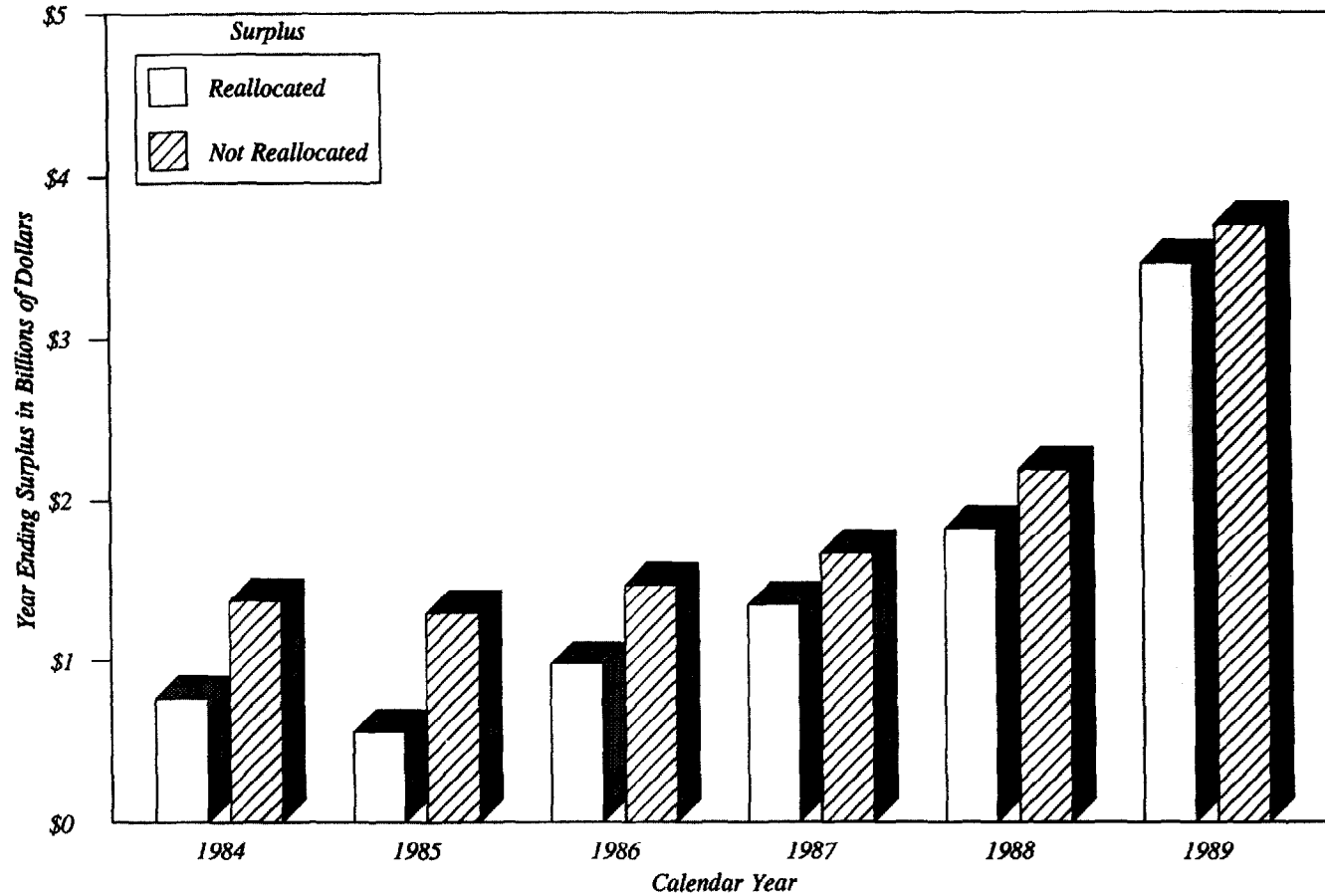
Homeowners

Comparison of Year Ending Surplus With and Without Annual Reallocation



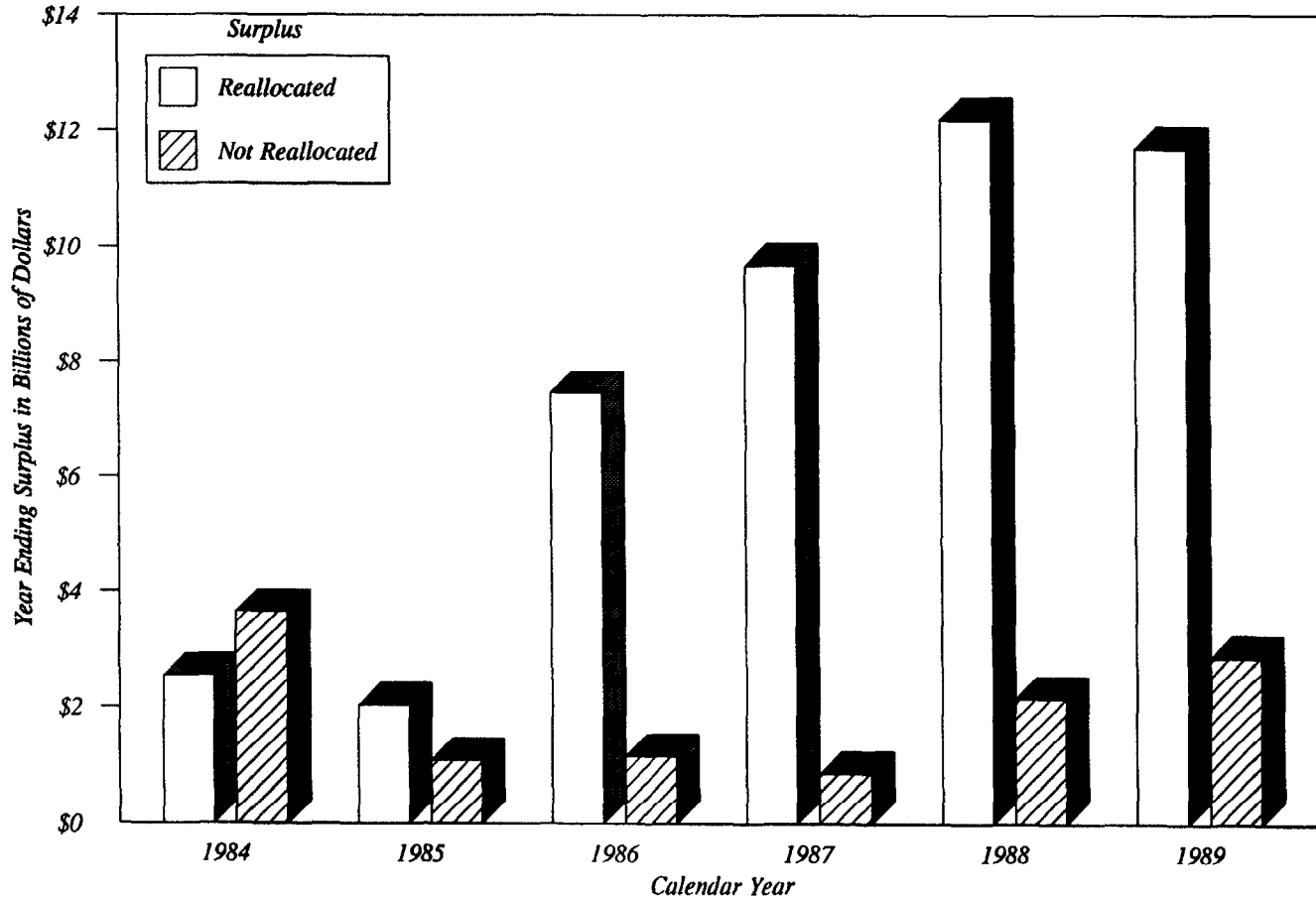
Medical Malpractice

Comparison of Year Ending Surplus With and Without Annual Reallocation



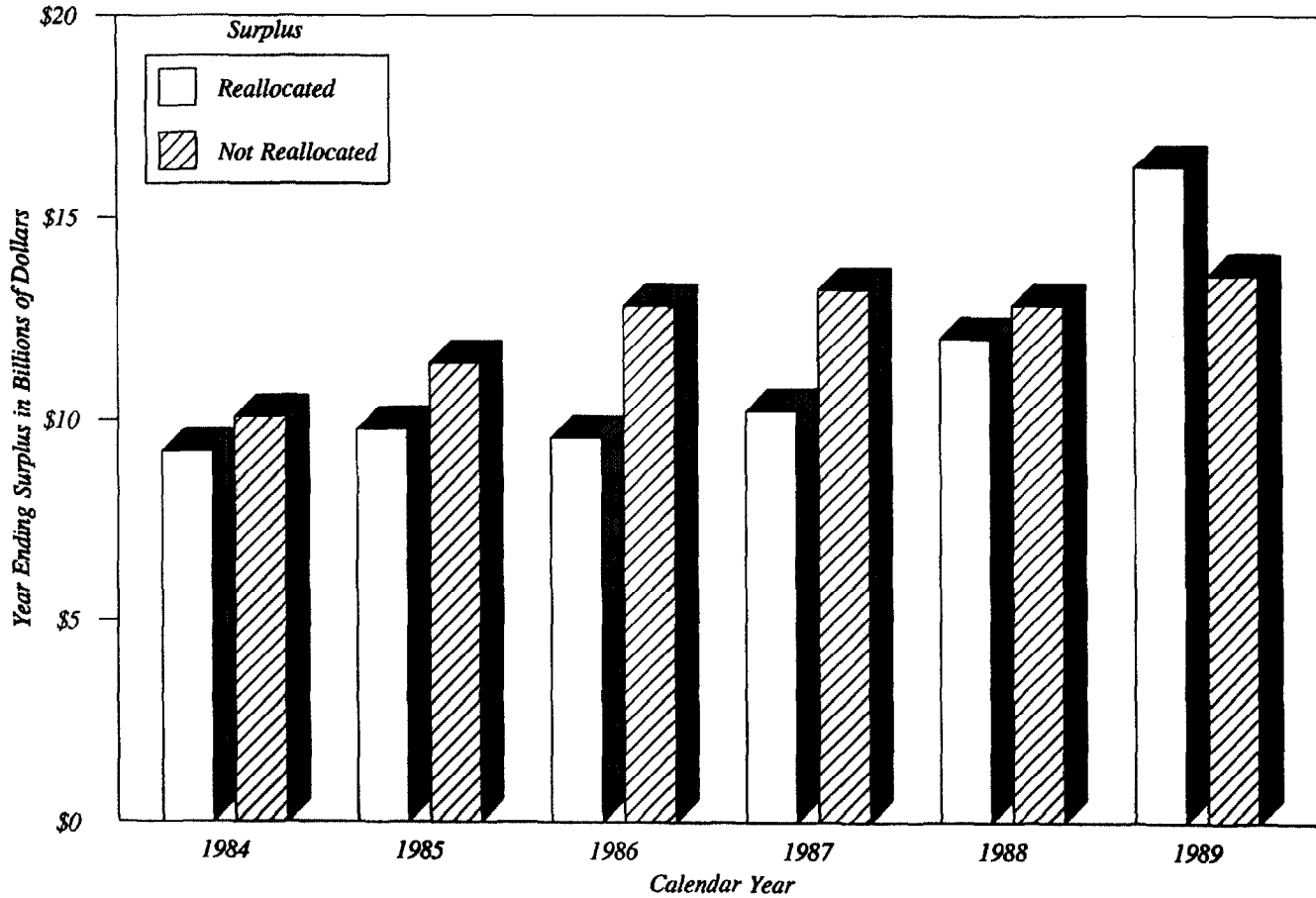
Other Liability

Comparison of Year Ending Surplus With and Without Annual Reallocation



Workers' Compensation

Comparison of Year Ending Surplus With and Without Annual Reallocation



Method III
With Annual Reallocation of Surplus

Line	1984						
	(1) Beginning Capital and Surplus	(2) Underwriting Income	(3) Total Investment Income	(4) Total Income Before Taxes	(5) Income Taxes	(6) Total Income After Taxes	(7) Ending Capital and Surplus
Private Passenger Auto Liability	\$12,883,975	(\$3,784,091)	\$4,108,340	\$324,249	(\$677,776)	\$1,002,025	\$13,886,000
Private Passenger Auto Physical Damage	2,164,346	(378,434)	691,374	312,940	4,792	308,148	2,472,494
Commercial Auto Liability	4,315,078	(2,645,135)	1,375,128	(1,270,007)	(860,990)	(409,017)	3,906,062
Commercial Auto Physical Damage	686,337	(389,791)	215,880	(173,911)	(123,451)	(50,459)	635,878
Homeowners	3,975,253	(1,105,589)	1,261,260	155,671	(182,259)	337,930	4,313,183
Farmowners	210,251	(162,099)	66,600	(95,499)	(57,335)	(38,164)	172,087
Commercial Multiple Peril	5,048,680	(3,805,476)	1,645,624	(2,159,852)	(1,324,765)	(835,087)	4,213,592
Ocean and Aircraft	904,918	(50,601)	280,114	229,513	49,194	180,318	1,085,237
Fire and Allied Lines	3,027,458	(840,118)	953,354	113,236	(139,803)	253,039	3,280,497
Medical Malpractice	4,348,095	(1,318,711)	1,406,928	88,217	(242,608)	330,825	4,678,920
Other Liability	11,843,694	(5,714,887)	3,776,898	(1,937,988)	(1,651,692)	(286,296)	11,557,398
Workers' Compensation	14,270,365	(4,045,483)	4,492,623	447,140	(698,595)	1,145,735	15,416,100
Group Accident & Health	503,270	42,983	158,743	201,727	60,842	140,884	644,155
Credit Accident & Health	10,331	10,013	2,946	12,958	5,368	7,590	17,921
Other Accident & Health	245,651	9,690	80,152	89,842	25,194	64,648	310,299
Fidelity and Surety	891,973	(187,725)	288,413	100,688	(11,735)	112,424	1,004,397
Financial Guaranty	0	0	0	0	0	0	0
Credit	71,294	(159,526)	25,608	(133,918)	(66,757)	(67,161)	4,133
Total of All Lines	\$65,400,970	(\$24,524,980)	\$20,829,986	(\$3,694,995)	(\$5,892,377)	\$2,197,382	\$67,598,352

(1) Total 1983 Ending Capital and Surplus from Best's data allocated as per Appendix A

(2) From application of NAIC profitability formulas to Best's data

(3) From application of NAIC profitability formulas to Best's data using allocation Method III

(4) Column (2) + Column (3)

(5) From application of NAIC profitability formulas to Column (4)

(6) Column (4) - Column (5)

(7) Column (1) + Column (6) Excludes all direct adjustments to Capital and Surplus account

Method III
With Annual Reallocation of Surplus

Line	1985						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Beginning Capital and Surplus	Underwriting Income	Total Investment Income	Total Income Before Taxes	Income Taxes	Total Income After Taxes	Ending Capital and Surplus
Private Passenger Auto Liability	\$13,157,244	(\$5,582,184)	\$4,872,790	(\$709,394)	(\$1,193,950)	\$484,556	\$13,641,800
Private Passenger Auto Physical Damage	2,225,132	50,872	827,694	878,566	256,765	621,802	2,846,933
Commercial Auto Liability	4,507,620	(2,623,164)	1,703,607	(919,558)	(726,334)	(193,224)	4,314,396
Commercial Auto Physical Damage	705,786	124,185	266,144	390,329	132,163	258,166	963,953
Homeowners	3,969,135	(1,614,248)	1,446,829	(167,419)	(334,629)	167,210	4,136,345
Farmowners	207,820	(111,296)	75,161	(36,136)	(30,005)	(6,131)	201,689
Commercial Multiple Peril	5,493,192	(2,701,304)	2,107,973	(593,332)	(648,270)	54,938	5,548,130
Ocean and Aircraft	865,234	(161,633)	309,931	148,297	13,032	135,266	1,000,499
Fire and Allied Lines	2,979,733	122,709	1,079,311	1,202,020	360,751	841,268	3,821,001
Medical Malpractice	4,643,495	(2,189,022)	1,765,157	(423,865)	(509,275)	85,410	4,728,905
Other Liability	12,716,742	(9,511,853)	4,914,533	(4,597,320)	(2,989,829)	(1,607,491)	11,109,251
Workers' Compensation	14,303,360	(3,873,270)	5,269,349	1,396,079	(296,042)	1,692,121	15,995,481
Group Accident & Health	502,918	(69,441)	184,451	115,011	20,062	94,948	597,866
Credit Accident & Health	8,102	8,332	2,561	10,893	4,555	6,338	14,440
Other Accident & Health	258,615	27,047	96,413	123,461	39,625	83,836	342,451
Fidelity and Surety	966,496	(471,110)	372,075	(99,035)	(111,806)	12,771	979,268
Financial Guaranty	0	0	0	0	0	0	0
Credit	87,728	(15,038)	34,377	19,339	2,775	16,564	104,292
Total of All Lines	\$67,598,352	(\$28,590,421)	\$25,328,356	(\$3,262,065)	(\$6,010,413)	\$2,748,348	\$70,346,700

- (1) Total Ending Capital and Surplus from Column (7) of prior year reallocated by individual line as per Appendix A
- (2) From application of NAIC profitability formulas to Best's data
- (3) From application of NAIC profitability formulas to Best's data using allocation Method III
- (4) Column (2) + Column (3)
- (5) From application of NAIC profitability formulas to Column (4)
- (6) Column (4) - Column (5)
- (7) Column (1) + Column (6) Excludes all direct adjustments to Capital and Surplus account

Method III
With Annual Reallocation of Surplus

Appendix F
Sheet 3

Line	1986						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Beginning Capital and Surplus	Underwriting Income	Total Investment Income	Total Income Before Taxes	Income Taxes	Total Income After Taxes	Ending Capital and Surplus
Private Passenger Auto Liability	\$13,277,858	(\$6,428,288)	\$5,406,378	(\$1,021,910)	(\$1,419,370)	\$397,460	\$13,675,318
Private Passenger Auto Physical Damage	2,255,437	1,391,310	918,370	2,309,680	901,199	1,408,481	3,663,918
Commercial Auto Liability	4,792,067	(1,224,581)	2,003,566	778,985	6,532	772,452	5,564,519
Commercial Auto Physical Damage	734,878	898,458	302,597	1,201,055	499,353	701,702	1,436,580
Homeowners	3,832,579	(369,448)	1,522,135	1,152,687	262,968	889,719	4,722,298
Farmowners	195,886	(81,751)	76,643	(5,108)	(15,807)	10,699	206,585
Commercial Multiple Peril	5,956,309	757,648	2,499,407	3,257,054	1,059,381	2,197,673	8,153,983
Ocean and Aircraft	839,632	110,762	340,164	450,926	147,697	303,228	1,142,860
Fire and Allied Lines	2,830,481	2,348,033	1,113,882	3,461,915	1,396,897	2,065,017	4,895,498
Medical Malpractice	5,081,008	(1,932,783)	2,163,561	230,778	(273,736)	504,514	5,585,522
Other Liability	14,205,257	(5,029,212)	6,068,220	1,039,008	(587,558)	1,626,567	15,831,824
Workers' Compensation	14,112,105	(4,425,099)	5,660,008	1,234,909	(425,767)	1,660,676	15,772,782
Group Accident & Health	490,276	(54,837)	195,318	140,481	30,326	110,155	600,431
Credit Accident & Health	7,393	5,843	3,155	8,998	3,585	5,413	12,805
Other Accident & Health	251,532	26,209	98,510	124,719	40,074	84,645	336,177
Fidelity and Surety	1,022,995	(255,527)	419,724	164,197	1,832	162,364	1,185,359
Financial Guaranty	377,291	177,250	285,421	462,671	162,712	299,958	677,250
Credit	83,717	4,819	30,609	35,428	10,922	24,506	108,223
Total of All Lines	\$70,346,700	(\$14,081,194)	\$29,107,667	\$15,026,473	\$1,801,242	\$13,225,231	\$83,571,931

- (1) Total Ending Capital and Surplus from Column (7) of prior year reallocated by individual line as per Appendix A
- (2) From application of NAIC profitability formulas to Best's data
- (3) From application of NAIC profitability formulas to Best's data using allocation Method III
- (4) Column (2) + Column (3)
- (5) From application of NAIC profitability formulas to Column (4)
- (6) Column (4) - Column (5)
- (7) Column (1) + Column (6) Excludes all direct adjustments to Capital and Surplus account

Method III
With Annual Reallocation of Surplus

Appendix F
Sheet 4

Line	1987						
	(1) Beginning Capital and Surplus	(2) Underwriting Income	(3) Total Investment Income	(4) Total Income Before Taxes	(5) Income Taxes	(6) Total Income After Taxes	(7) Ending Capital and Surplus
Private Passenger Auto Liability	\$15,450,345	(\$6,677,698)	\$5,105,190	(\$1,572,508)	(\$1,195,350)	(\$377,158)	\$15,073,187
Private Passenger Auto Physical Damage	2,564,650	2,552,128	830,568	3,382,696	1,218,206	2,164,490	4,729,140
Commercial Auto Liability	5,841,328	(783,014)	1,962,660	1,179,646	258,437	921,208	6,762,537
Commercial Auto Physical Damage	833,150	1,109,731	266,392	1,376,123	506,959	869,164	1,702,314
Homeowners	4,175,988	703,935	1,330,864	2,034,799	617,612	1,417,188	5,593,175
Farmowners	208,690	29,235	66,044	95,279	28,655	66,624	275,314
Commercial Multiple Peril	7,168,637	2,276,875	2,375,976	4,652,851	1,568,089	3,084,762	10,253,398
Ocean and Aircraft	924,491	249,157	292,063	541,221	174,205	367,016	1,291,507
Fire and Allied Lines	3,102,588	2,357,344	1,002,461	3,359,804	1,192,150	2,167,654	5,270,242
Medical Malpractice	6,297,305	(1,355,488)	2,112,972	757,484	207,768	549,716	6,847,021
Other Liability	18,077,916	(3,985,903)	6,180,705	2,194,802	838,195	1,356,607	19,434,523
Workers' Compensation	15,936,955	(4,536,830)	5,198,899	662,069	(1,314)	663,383	16,600,339
Group Accident & Health	531,015	(127,534)	167,812	40,278	(10,067)	50,344	581,360
Credit Accident & Health	9,622	5,678	3,350	9,028	3,098	5,930	15,553
Other Accident & Health	259,446	(107,325)	79,511	(27,813)	(24,311)	(3,502)	255,944
Fidelity and Surety	1,147,833	48,874	364,728	413,602	106,801	306,801	1,454,634
Financial Guaranty	965,201	(87,160)	361,033	273,873	51,627	222,246	1,187,447
Credit	76,770	49,085	22,352	71,437	24,451	46,986	123,756
Total of All Lines	\$83,571,931	(\$8,278,912)	\$27,723,582	\$19,444,670	\$5,565,211	\$13,879,459	\$97,451,390

- (1) Total Ending Capital and Surplus from Column (7) of prior year reallocated by individual line as per Appendix A
- (2) From application of NAIC profitability formulas to Best's data
- (3) From application of NAIC profitability formulas to Best's data using allocation Method III
- (4) Column (2) + Column (3)
- (5) From application of NAIC profitability formulas to Column (4)
- (6) Column (4) - Column (5)
- (7) Column (1) + Column (6) Excludes all direct adjustments to Capital and Surplus account

(000) omitted

Method III
With Annual Reallocation of Surplus

Line	1988						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Beginning Capital and Surplus	Underwriting Income	Total Investment Income	Total Income Before Taxes	Income Taxes	Total Income After Taxes	Ending Capital and Surplus
Private Passenger Auto Liability	\$18,069,373	(\$6,492,620)	\$5,728,133	(\$764,487)	(\$798,600)	\$34,113	\$18,103,486
Private Passenger Auto Physical Damage	2,852,524	2,023,110	879,950	2,903,060	877,034	2,026,027	4,878,551
Commercial Auto Liability	6,950,271	(982,576)	2,204,297	1,221,721	203,523	1,018,198	7,968,469
Commercial Auto Physical Damage	920,955	961,120	285,836	1,246,956	386,602	860,355	1,781,310
Homeowners	4,548,042	143,241	1,396,456	1,539,697	357,165	1,182,532	5,730,573
Farmowners	225,465	(38,380)	69,161	30,781	1,883	28,898	254,363
Commercial Multiple Peril	8,319,541	1,231,923	2,612,251	3,844,174	1,051,469	2,792,704	11,112,246
Ocean and Aircraft	1,005,121	(179,561)	310,651	131,090	17,151	113,939	1,119,060
Fire and Allied Lines	3,394,652	1,377,469	1,033,324	2,410,793	693,677	1,717,115	5,111,768
Medical Malpractice	7,403,739	(1,290,913)	2,326,139	1,035,226	258,883	776,343	8,180,082
Other Liability	22,146,284	(2,946,125)	7,095,921	4,149,796	972,174	3,177,621	25,323,905
Workers' Compensation	18,452,221	(5,754,216)	5,863,773	109,557	(120,932)	230,489	18,682,711
Group Accident & Health	563,034	(113,873)	169,861	55,988	(3,275)	59,263	622,297
Credit Accident & Health	10,943	13,646	3,214	16,859	5,328	11,532	22,475
Other Accident & Health	262,451	(71,619)	77,907	6,287	(7,922)	14,209	276,659
Fidelity and Surety	1,221,336	527,723	367,763	895,486	251,375	644,111	1,865,447
Financial Guaranty	1,032,503	(322,729)	258,877	(63,852)	(52,837)	(11,016)	1,021,487
Credit	72,934	38,797	21,397	60,194	17,145	43,049	115,983
Total of All Lines	\$97,451,390	(\$11,875,585)	\$30,704,910	\$18,829,325	\$4,109,844	\$14,719,481	\$112,170,871

- (1) Total Ending Capital and Surplus from Column (7) of prior year reallocated by individual line as per Appendix A
- (2) From application of NAIC profitability formulas to Best's data
- (3) From application of NAIC profitability formulas to Best's data using allocation Method III
- (4) Column (2) + Column (3)
- (5) From application of NAIC profitability formulas to Column (4)
- (6) Column (4) - Column (5)
- (7) Column (1) + Column (6) Excludes all direct adjustments to Capital and Surplus account

Method III
With Annual Reallocation of Surplus

Appendix F
Sheet 6

Line	1989						
	(1) Beginning Capital and Surplus	(2) Underwriting Income	(3) Total Investment Income	(4) Total Income Before Taxes	(5) Income Taxes	(6) Total Income After Taxes	(7) Ending Capital and Surplus
Private Passenger Auto Liability	\$20,993,982	(\$8,035,696)	\$6,688,526	(\$1,347,170)	(\$1,404,468)	\$57,298	\$21,051,280
Private Passenger Auto Physical Damage	3,110,682	967,857	958,267	1,926,124	544,144	1,381,981	4,492,663
Commercial Auto Liability	8,041,619	(2,586,631)	2,551,321	(35,310)	(372,735)	337,425	8,379,045
Commercial Auto Physical Damage	1,066,810	611,583	345,379	956,962	285,660	671,302	1,738,113
Homeowners	5,039,111	(3,202,308)	1,582,793	(1,619,515)	(764,822)	(854,693)	4,184,419
Farmowners	248,211	(117,454)	77,569	(39,885)	(24,289)	(15,596)	232,614
Commercial Multiple Peril	9,558,431	(1,289,576)	3,040,764	1,751,188	158,226	1,592,963	11,151,394
Ocean and Aircraft	1,114,005	(351,969)	347,880	(4,089)	(55,147)	51,058	1,165,063
Fire and Allied Lines	3,765,324	(1,531,795)	1,193,337	(338,457)	(253,800)	(84,658)	3,680,666
Medical Malpractice	8,365,305	15,409	2,619,242	2,634,651	473,316	2,161,335	10,526,640
Other Liability	25,896,360	(6,309,652)	8,218,686	1,909,034	(739,199)	2,648,233	28,544,593
Workers' Compensation	21,762,427	(6,415,075)	7,011,079	596,004	(908,848)	1,504,852	23,267,279
Group Accident & Health	590,092	10,432	178,699	189,131	42,916	146,215	736,307
Credit Accident & Health	10,914	30,223	3,230	33,453	10,996	22,458	33,372
Other Accident & Health	285,345	(119,514)	90,855	(28,659)	(20,398)	(8,262)	277,083
Fidelity and Surety	1,307,515	245,932	405,002	650,933	173,919	477,014	1,784,529
Financial Guaranty	941,331	82,926	297,761	380,687	95,506	285,181	1,226,513
Credit	73,406	54,252	21,950	76,202	23,331	52,871	126,277
Total of All Lines	\$112,170,871	(\$27,941,056)	\$35,632,341	\$7,691,285	(\$2,735,692)	\$10,426,977	\$122,597,848

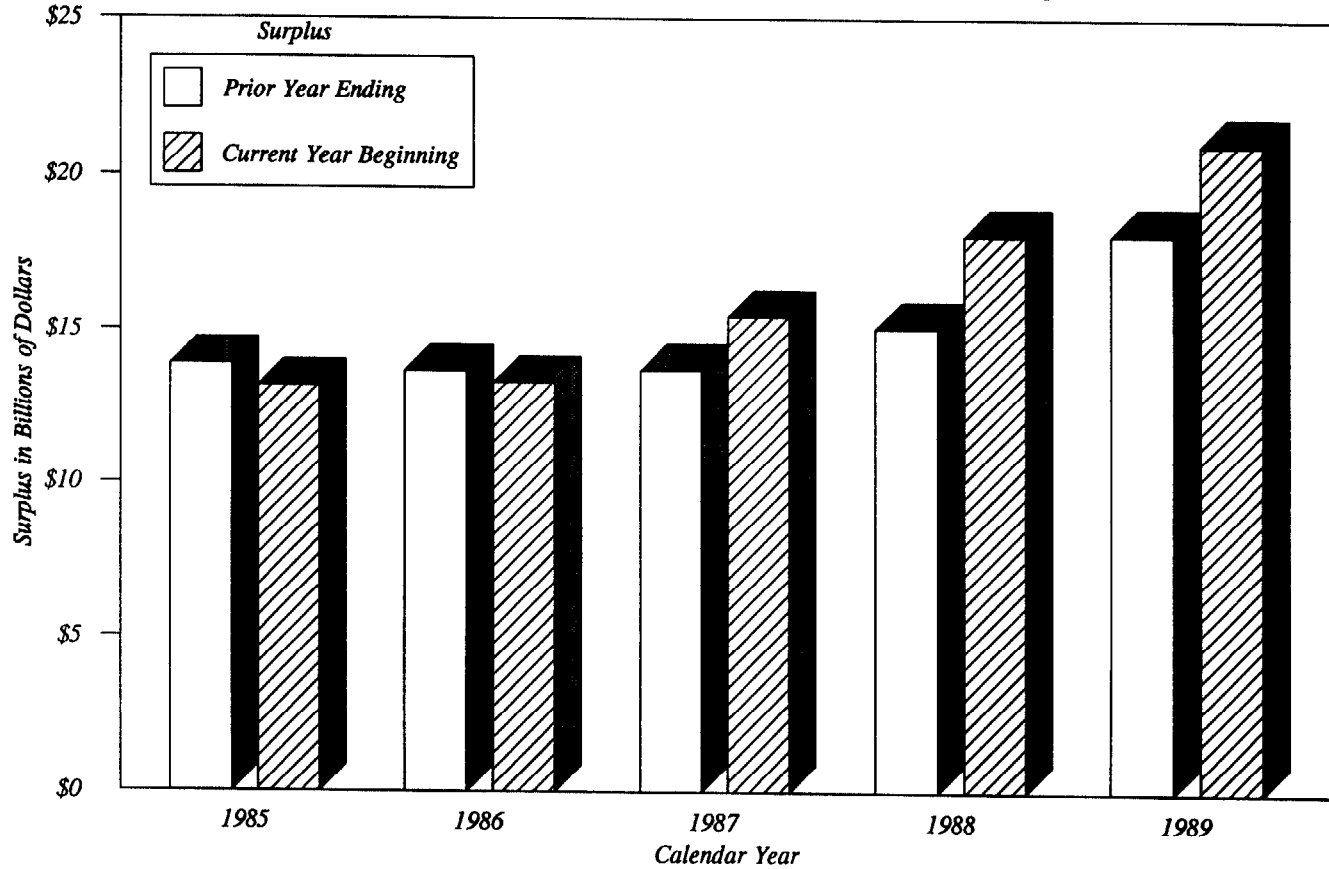
- (1) Total Ending Capital and Surplus from Column (7) of prior year reallocated by individual line as per Appendix A
- (2) From application of NAIC profitability formulas to Best's data
- (3) From application of NAIC profitability formulas to Best's data using allocation Method III
- (4) Column (2) + Column (3)
- (5) From application of NAIC profitability formulas to Column (4)
- (6) Column (4) - Column (5)
- (7) Column (1) + Column (6) Excludes all direct adjustments to Capital and Surplus account

(000) omitted

Private Passenger Auto Liability

With Annual Surplus Reallocation

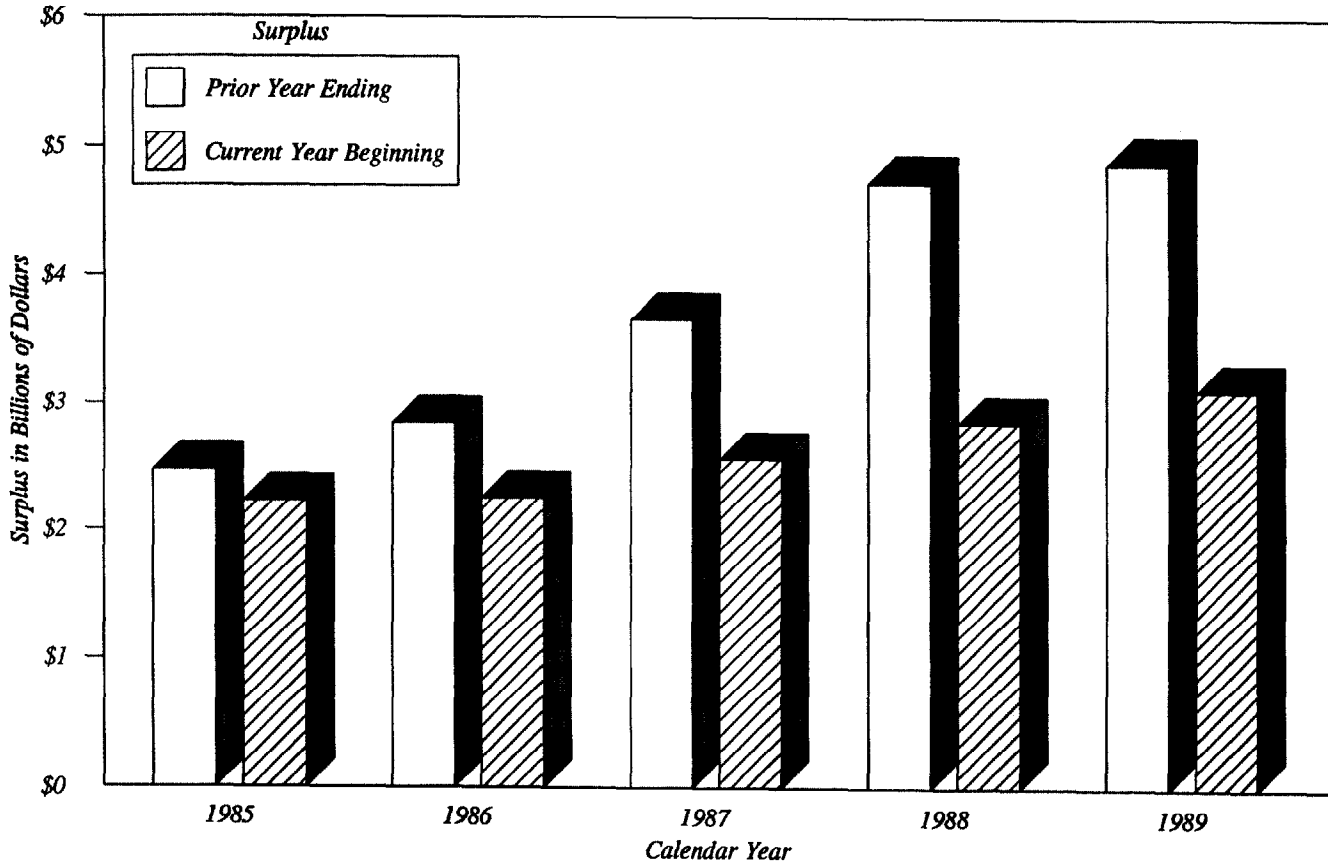
Comparison of Prior Year Ending and Current Year Beginning Surplus



Private Passenger Auto Physical Damage

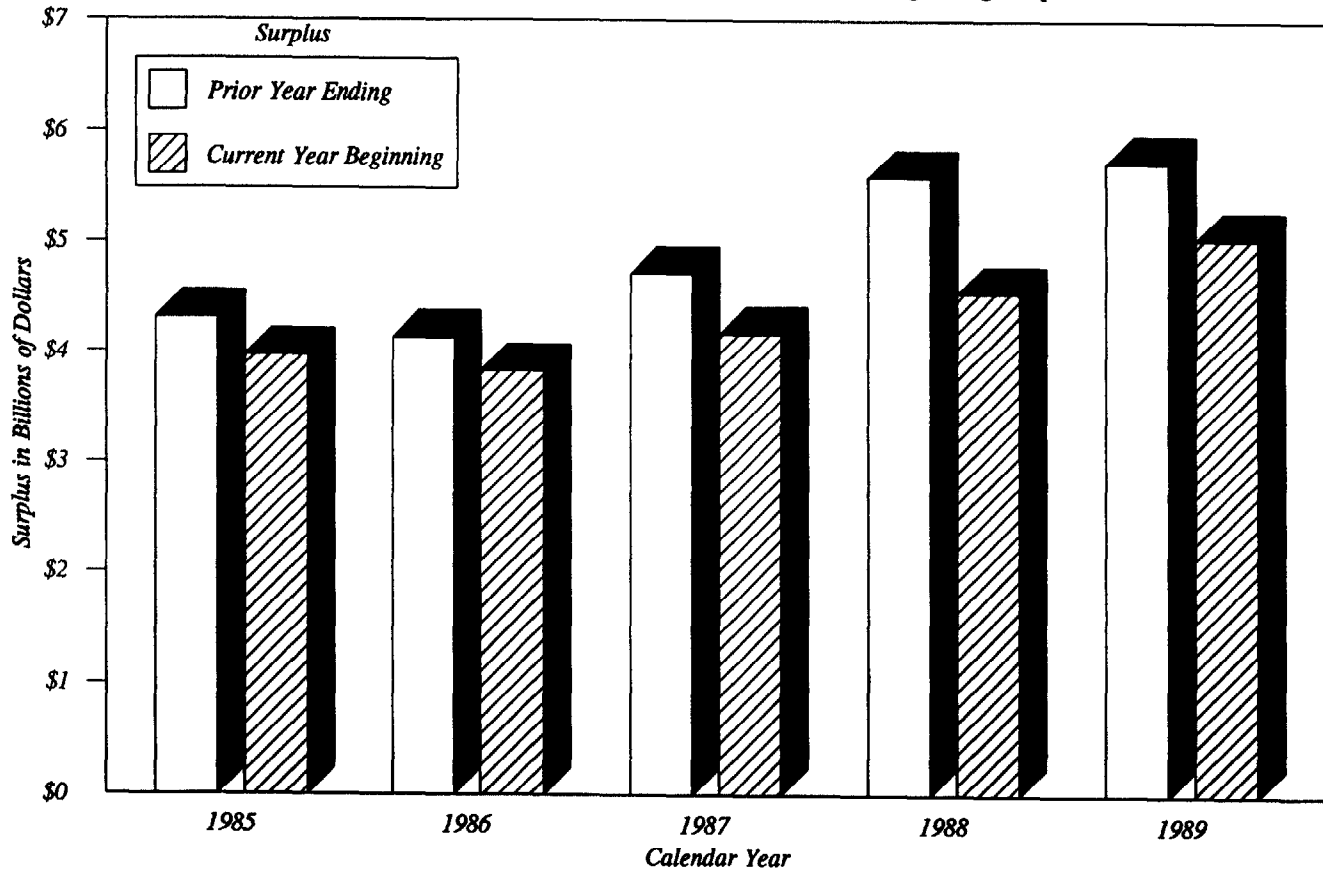
With Annual Surplus Reallocation

Comparison of Prior Year Ending and Current Year Beginning Surplus



With Annual Surplus Reallocation

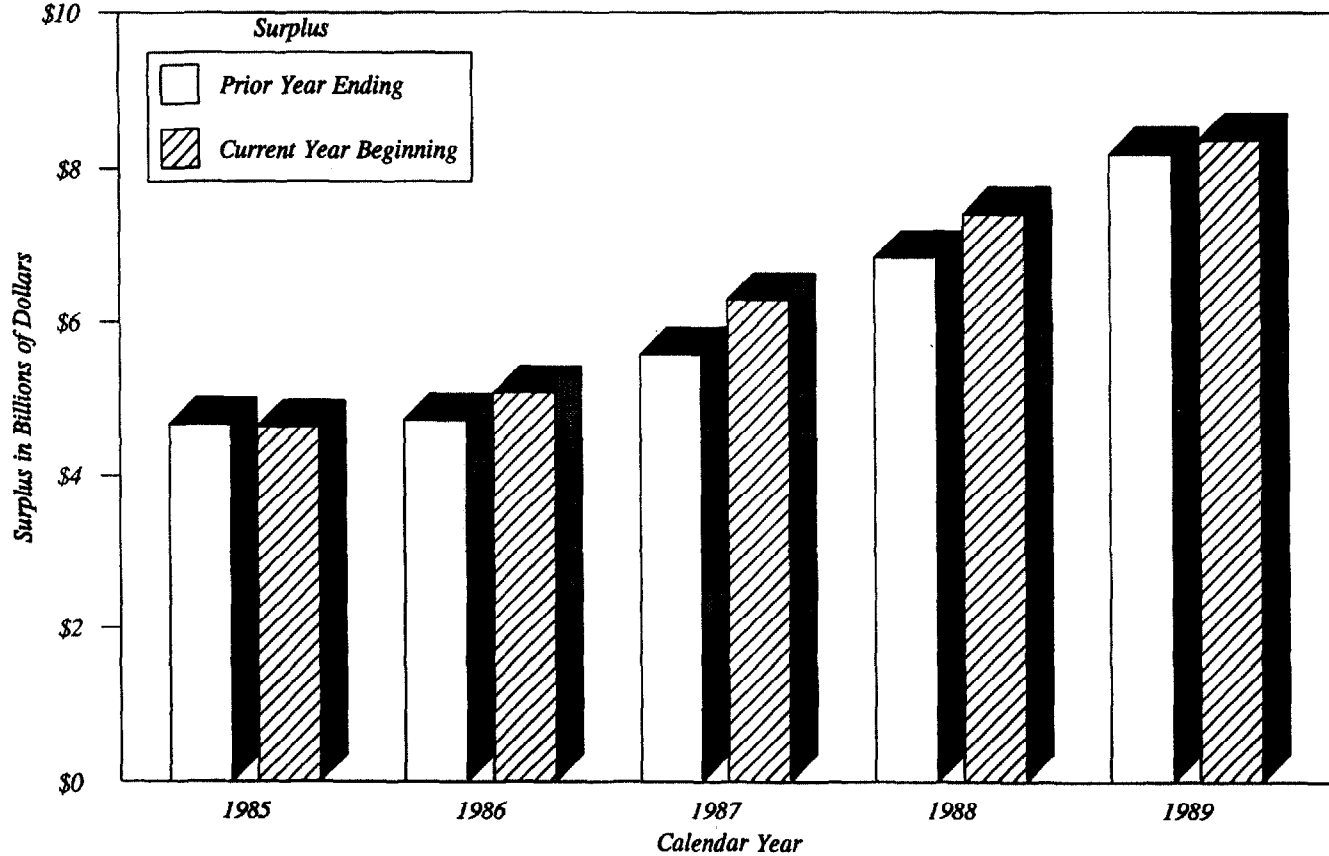
Comparison of Prior Year Ending and Current Year Beginning Surplus



Medical Malpractice

With Annual Surplus Reallocation

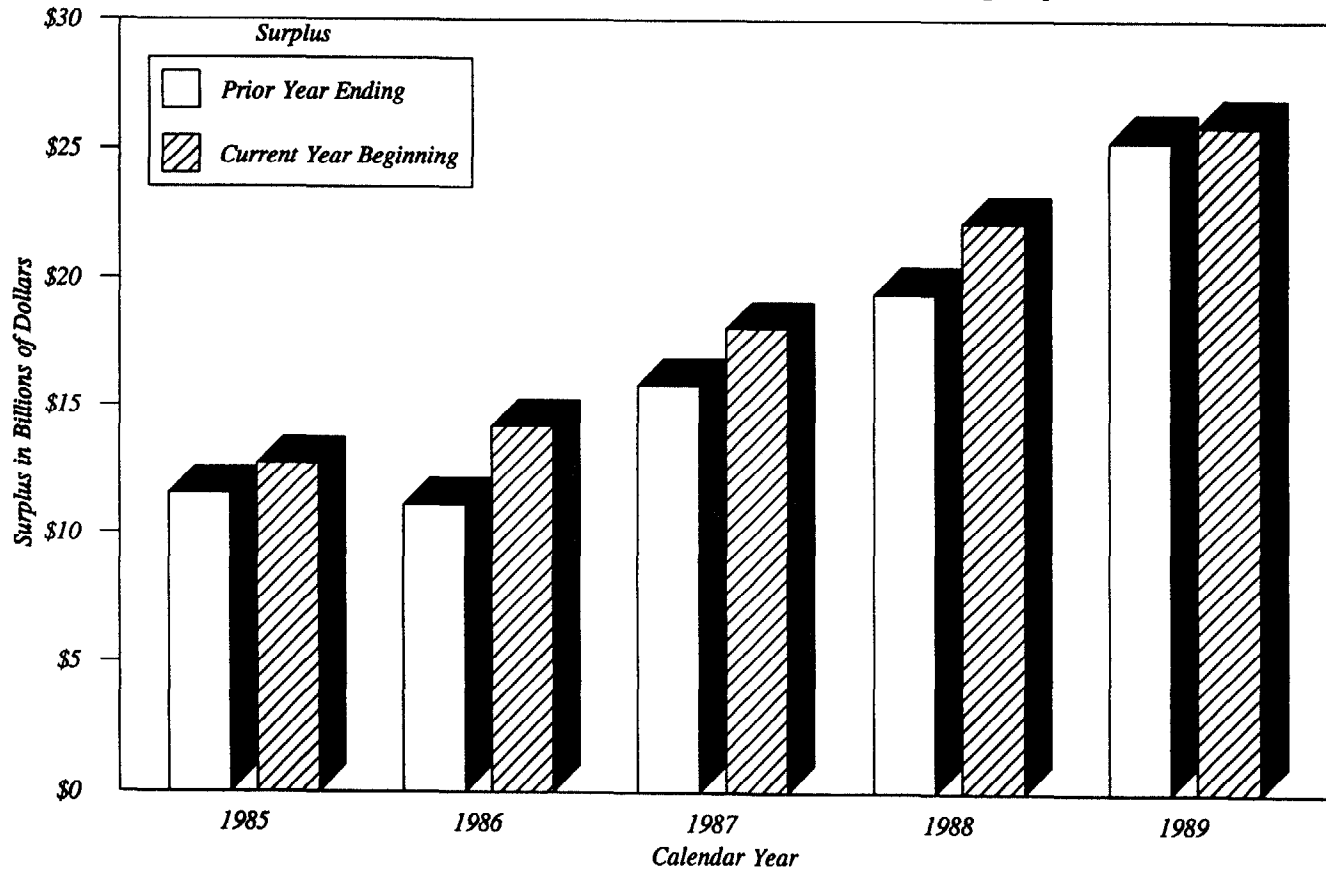
Comparison of Prior Year Ending and Current Year Beginning Surplus



Other Liability

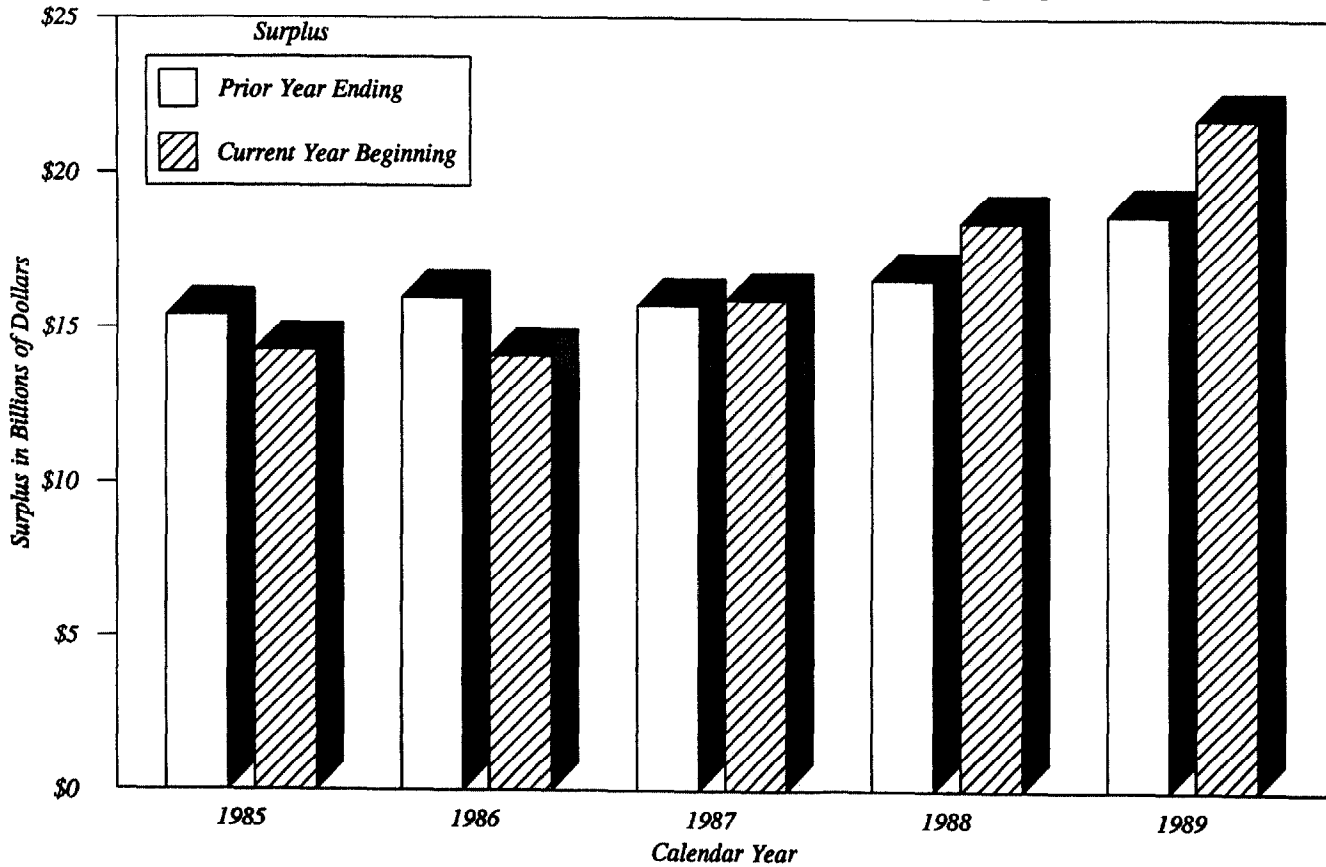
With Annual Surplus Reallocation

Comparison of Prior Year Ending and Current Year Beginning Surplus



Workers' Compensation With Annual Surplus Reallocation

Comparison of Prior Year Ending and Current Year Beginning Surplus



Method III
Without Annual Reallocation of Surplus

Line	1984							
	(1) Beginning Capital and Surplus	(2) Underwriting Income	(3) Investment Income on Policyholder Supplied Funds	(4) Investment Income on Non- Policyholder Supplied Funds	(5) Total Income Before Taxes	(6) Income Taxes	(7) Total Income After Taxes	(8) Ending Capital and Surplus
Private Passenger Auto Liability	\$12,883,975	(\$3,784,091)	\$2,693,690	\$1,341,665	\$251,264	(\$696,659)	\$947,922	\$13,831,897
Private Passenger Auto Physical Damage	2,164,346	(378,434)	512,533	225,383	359,482	16,833	342,648	2,506,995
Commercial Auto Liability	4,315,078	(2,645,135)	763,826	449,348	(1,431,961)	(902,891)	(529,070)	3,786,008
Commercial Auto Physical Damage	686,337	(389,791)	97,838	71,471	(220,481)	(135,500)	(84,981)	601,355
Homeowners	3,975,253	(1,105,589)	700,600	413,961	8,972	(220,213)	229,184	4,204,438
Farmowners	210,251	(162,099)	40,838	21,894	(99,367)	(58,336)	(41,031)	169,220
Commercial Multiple Peril	5,048,680	(3,805,476)	1,014,467	525,741	(2,265,268)	(1,352,038)	(913,230)	4,135,450
Ocean and Aircraft	904,918	(50,601)	201,478	94,233	245,110	53,229	191,880	1,096,798
Fire and Allied Lines	3,027,458	(840,118)	514,961	315,262	(9,894)	(171,660)	161,765	3,189,223
Medical Malpractice	4,348,095	(1,318,711)	1,081,490	452,786	215,566	(209,660)	425,226	4,773,320
Other Liability	11,843,694	(5,714,887)	2,483,802	1,233,336	(1,997,749)	(1,667,154)	(330,595)	11,513,098
Workers' Compensation	14,270,365	(4,045,483)	3,107,867	1,486,036	548,419	(672,392)	1,220,812	15,491,176
Group Accident & Health	503,270	42,983	512,972	52,408	608,363	166,047	442,316	945,587
Credit Accident & Health	10,331	10,013	5,583	1,076	16,672	6,329	10,343	20,674
Other Accident & Health	245,651	9,690	62,891	25,581	98,161	27,347	70,815	316,466
Fidelity and Surety	891,973	(187,725)	195,639	92,885	100,799	(11,707)	112,506	1,004,479
Financial Guaranty	0	0	0	0	0	0	0	0
Credit	71,294	(159,526)	29,021	7,424	(123,081)	(63,953)	(59,128)	12,166
Total of All Lines	\$65,400,970	(\$24,524,980)	\$14,019,495	\$6,810,490	(\$3,694,995)	(\$5,892,377)	\$2,197,382	\$67,598,352

- (1) Total 1983 Ending Capital and Surplus from Best's data allocated as per Appendix A
- (2) From application of NAIC profitability formulas to Best's data
- (3) From application of NAIC profitability formulas to Best's data
- (4) Total All Lines Investment Income from Exhibit IIIa, Column (3) less Total All Lines Investment Income on Policyholder Supplied Funds allocated by line on basis of Beginning Capital and Surplus
- (5) Column (2) + Column (3) + Column (4)
- (6) From application of NAIC profitability formulas to Column (5)
- (7) Column (5) - Column (6)
- (8) Column (1) + Column (7) Excludes all direct adjustments to Capital and Surplus account

Method III
Without Annual Reallocation of Surplus

Line	1985							
	(1) Beginning Capital and Surplus	(2) Underwriting Income	(3) Investment Income on Policyholder Funds	(4) Investment Income on Non- Supplied Policyholder Funds	(5) Total Income Before Taxes	(6) Income Taxes	(7) Total Income After Taxes	(8) Ending Capital and Surplus
Private Passenger Auto Liability	\$13,831,897	(\$5,582,184)	\$3,431,596	\$1,593,749	(\$556,839)	(\$1,150,938)	\$594,099	\$14,425,997
Private Passenger Auto Physical Damage	2,506,995	50,872	645,642	288,863	985,377	286,879	698,498	3,205,492
Commercial Auto Liability	3,786,008	(2,623,164)	1,004,610	436,234	(1,182,320)	(800,418)	(381,902)	3,404,106
Commercial Auto Physical Damage	601,355	124,185	139,218	69,290	332,693	115,913	216,780	818,135
Homeowners	4,204,438	(1,614,248)	885,373	484,447	(244,429)	(356,342)	111,913	4,316,351
Farmowners	169,220	(111,296)	52,473	19,498	(39,326)	(30,905)	(8,421)	160,799
Commercial Multiple Peril	4,135,450	(2,701,304)	1,369,952	476,498	(854,854)	(722,004)	(132,850)	4,002,600
Ocean and Aircraft	1,096,798	(161,633)	236,136	126,376	200,879	27,857	173,022	1,269,820
Fire and Allied Lines	3,189,223	122,709	553,185	367,471	1,043,365	316,020	727,345	3,916,568
Medical Malpractice	4,773,320	(2,189,022)	1,379,310	549,995	(259,717)	(462,994)	203,277	4,976,598
Other Liability	11,513,098	(9,511,853)	3,164,740	1,326,571	(5,020,543)	(3,109,154)	(1,911,389)	9,601,710
Workers' Compensation	15,491,176	(3,873,270)	3,584,792	1,784,936	1,496,457	(267,741)	1,764,199	17,255,375
Group Accident & Health	945,587	(69,441)	680,024	108,953	719,536	190,504	529,031	1,474,618
Credit Accident & Health	20,674	8,332	5,132	2,382	15,846	5,951	9,895	30,569
Other Accident & Health	316,466	27,047	74,751	36,464	138,262	43,798	94,464	410,930
Fidelity and Surety	1,004,479	(471,110)	301,858	115,739	(53,514)	(98,972)	45,458	1,049,937
Financial Guaranty	0	0	0	0	0	0	0	0
Credit	12,166	(15,038)	30,697	1,402	17,061	2,133	14,928	27,094
Total of All Lines	\$67,598,352	(\$28,590,421)	\$17,539,488	\$7,788,867	(\$3,262,065)	(\$6,010,413)	\$2,748,348	\$70,346,700

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- (1) Ending Capital and Surplus by line from Column (8) of prior year
- (2) From application of NAIC profitability formulas to Best's data
- (3) From application of NAIC profitability formulas to Best's data
- (4) Total All Lines Investment Income from Exhibit IIIa, Column (3) less Total All Lines Investment Income on Policyholder Supplied Funds allocated by line on basis of Beginning Capital and Surplus
- (5) Column (2) + Column (3) + Column (4)
- (6) From application of NAIC profitability formulas to Column (5)
- (7) Column (5) - Column (6)
- (8) Column (1) + Column (7) Excludes all direct adjustments to Capital and Surplus account

Method III
Without Annual Reallocation of Surplus

Appendix F
Sheet 15

Line	1986							(8) Ending Capital and Surplus
	(1) Beginning Capital and Surplus	(2) Underwriting Income	(3) Investment Income on Policyholder Supplied Funds	(4) Investment Income on Non- Policyholder Supplied Funds	(5) Total Income Before Taxes	(6) Income Taxes	(7) Total Income After Taxes	
Private Passenger Auto Liability	\$14,425,997	(\$6,428,288)	\$3,795,506	\$1,879,901	(\$752,881)	(\$1,342,854)	\$589,973	\$15,015,970
Private Passenger Auto Physical Damage	3,205,492	1,391,310	730,576	417,719	2,539,604	966,592	1,573,012	4,778,504
Commercial Auto Liability	3,404,106	(1,224,581)	1,168,102	443,601	387,121	(104,919)	492,040	3,896,146
Commercial Auto Physical Damage	818,135	898,458	141,432	106,614	1,146,504	483,838	662,666	1,480,801
Homeowners	4,316,351	(369,448)	954,305	562,478	1,147,335	261,446	885,888	5,202,239
Farmowners	160,799	(81,751)	49,770	20,954	(11,027)	(17,491)	6,464	167,263
Commercial Multiple Peril	4,002,600	757,648	1,637,417	521,592	2,916,657	962,568	1,954,089	5,956,689
Ocean and Aircraft	1,269,820	110,762	234,156	165,475	510,392	164,610	345,782	1,615,602
Fire and Allied Lines	3,916,568	2,348,033	640,827	510,381	3,499,241	1,407,513	2,091,728	6,008,296
Medical Malpractice	4,976,598	(1,932,783)	1,535,784	648,517	251,519	(267,837)	519,356	5,495,953
Other Liability	9,601,710	(5,029,212)	3,753,915	1,251,231	(24,065)	(889,910)	865,845	10,467,555
Workers' Compensation	17,255,375	(4,425,099)	3,849,629	2,248,607	1,673,137	(301,129)	1,974,267	19,229,642
Group Accident & Health	1,474,618	(54,837)	854,458	192,162	991,784	272,447	719,336	2,193,954
Credit Accident & Health	30,569	5,843	5,945	3,984	15,771	5,512	10,260	40,829
Other Accident & Health	410,930	26,209	72,845	53,550	152,604	48,005	104,600	515,530
Fidelity and Surety	1,049,937	(255,527)	244,182	136,821	125,476	(9,180)	134,656	1,184,593
Financial Guaranty	0	177,250	252,032	0	429,282	153,216	276,066	276,066
Credit	27,094	4,819	19,669	3,531	28,018	8,815	19,203	46,298
Total of All Lines	\$70,346,700	(\$14,081,194)	\$19,940,549	\$9,167,118	\$15,026,473	\$1,801,242	\$13,225,231	\$83,571,931

- (1) Ending Capital and Surplus by line from Column (8) of prior year
- (2) From application of NAIC profitability formulas to Best's data
- (3) From application of NAIC profitability formulas to Best's data
- (4) Total All Lines Investment Income from Exhibit IIIa, Column (3) less Total All Lines Investment Income on Policyholder Supplied Funds allocated by line on basis of Beginning Capital and Surplus
- (5) Column (2) + Column (3) + Column (4)
- (6) From application of NAIC profitability formulas to Column (5)
- (7) Column (5) - Column (6)
- (8) Column (1) + Column (7) Excludes all direct adjustments to Capital and Surplus account

Method III
Without Annual Reallocation of Surplus

Appendix F
Sheet 16

Line	1987							
	(1) Beginning Capital and Surplus	(2) Underwriting Income	(3) Investment Income on Policyholder Supplied Funds	(4) Investment Income on Non- Policyholder Supplied Funds	(5) Total Income Before Taxes	(6) Income Taxes	(7) Total Income After Taxes	(8) Ending Capital and Surplus
Private Passenger Auto Liability	\$15,015,970	(\$6,677,698)	\$3,684,647	\$1,590,163	(\$1,402,887)	(\$1,155,792)	(\$247,095)	\$14,768,875
Private Passenger Auto Physical Damage	4,778,504	2,552,128	679,087	506,035	3,737,249	1,300,893	2,436,356	7,214,861
Commercial Auto Liability	3,896,146	(783,014)	1,179,556	412,595	809,137	172,029	637,107	4,533,253
Commercial Auto Physical Damage	1,480,801	1,109,731	133,498	156,814	1,400,042	512,537	887,505	2,368,306
Homeowners	5,202,239	703,935	840,535	550,907	2,095,377	631,739	1,463,638	6,665,877
Farmowners	167,263	29,235	46,033	17,713	92,981	28,119	64,862	232,125
Commercial Multiple Peril	5,956,689	2,276,875	1,529,404	630,802	4,437,081	1,517,769	2,919,313	8,876,002
Ocean and Aircraft	1,615,602	249,157	222,287	171,089	642,534	197,833	444,702	2,060,304
Fire and Allied Lines	6,008,296	2,357,344	660,088	636,267	3,653,699	1,260,691	2,393,009	8,401,305
Medical Malpractice	5,495,953	(1,355,488)	1,496,200	582,011	722,723	199,662	523,062	6,019,015
Other Liability	10,467,555	(3,985,903)	3,908,774	1,108,495	1,031,366	566,865	464,501	10,932,055
Workers' Compensation	19,229,642	(4,536,830)	3,499,359	2,036,383	998,912	77,243	921,669	20,151,311
Group Accident & Health	2,193,954	(127,534)	499,174	232,336	603,976	121,396	482,580	2,676,534
Credit Accident & Health	40,829	5,678	7,319	4,324	17,321	5,032	12,289	53,118
Other Accident & Health	515,530	(107,325)	34,237	54,594	(18,494)	(22,138)	3,644	519,173
Fidelity and Surety	1,184,593	48,874	217,657	125,446	391,977	101,758	290,219	1,474,812
Financial Guaranty	276,066	(87,160)	203,272	29,235	145,347	21,653	123,695	399,761
Credit	46,298	49,085	32,340	4,903	86,328	27,924	58,404	104,702
Total of All Lines	\$83,571,931	(\$8,278,912)	\$18,873,469	\$8,850,112	\$19,444,670	\$5,565,211	\$13,879,459	\$97,451,390

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- (1) Ending Capital and Surplus by line from Column (8) of prior year
- (2) From application of NAIC profitability formulas to Best's data
- (3) From application of NAIC profitability formulas to Best's data
- (4) Total All Lines Investment Income from Exhibit IIIa, Column (3) less Total All Lines Investment Income on Policyholder Supplied Funds allocated by line on basis of Beginning Capital and Surplus
- (5) Column (2) + Column (3) + Column (4)
- (6) From application of NAIC profitability formulas to Column (5)
- (7) Column (5) - Column (6)
- (8) Column (1) + Column (7) Excludes all direct adjustments to Capital and Surplus account

(000) omitted

Method III
Without Annual Reallocation of Surplus

Appendix F
Sheet 17

Line	1988							
	(1) Beginning Capital and Surplus	(2) Underwriting Income	(3) Investment Income on Policyholder Supplied Funds	(4) Investment Income on Non- Policyholder Supplied Funds	(5) Total Income Before Taxes	(6) Income Taxes	(7) Total Income After Taxes	(8) Ending Capital and Surplus
Private Passenger Auto Liability	\$14,768,875	(\$6,492,620)	\$4,114,543	\$1,494,138	(\$883,939)	(\$823,498)	(\$60,440)	\$14,708,435
Private Passenger Auto Physical Damage	7,214,861	2,023,110	706,009	729,913	3,459,032	992,921	2,466,111	9,680,971
Commercial Auto Liability	4,533,253	(982,576)	1,385,861	458,620	861,905	128,523	733,383	5,266,636
Commercial Auto Physical Damage	2,368,306	961,120	185,719	239,597	1,386,436	415,675	970,761	3,339,068
Homeowners	6,665,877	143,241	870,873	674,374	1,688,488	388,180	1,300,309	7,966,186
Farmowners	232,125	(38,380)	49,949	23,484	35,053	2,773	32,279	264,404
Commercial Multiple Peril	8,876,002	1,231,923	1,642,986	897,968	3,772,877	1,036,608	2,736,268	11,612,270
Ocean and Aircraft	2,060,304	(179,561)	217,241	208,437	246,117	41,128	204,989	2,265,293
Fire and Allied Lines	8,401,305	1,377,469	708,811	849,944	2,936,223	803,199	2,133,025	10,534,329
Medical Malpractice	6,019,015	(1,290,913)	1,834,687	608,932	1,152,706	283,371	869,335	6,888,350
Other Liability	10,932,055	(2,946,125)	4,626,490	1,105,975	2,786,340	687,973	2,098,367	13,030,422
Workers' Compensation	20,151,311	(5,754,216)	3,770,238	2,038,669	54,691	(132,369)	187,060	20,338,371
Group Accident & Health	2,676,534	(113,873)	181,260	270,780	338,167	55,543	282,624	2,939,158
Credit Accident & Health	53,118	13,646	980	5,374	19,999	5,982	14,017	67,135
Other Accident & Health	519,173	(71,619)	55,544	52,524	36,449	(1,635)	38,083	557,257
Fidelity and Surety	1,474,812	527,723	244,454	149,204	921,381	256,772	664,608	2,139,421
Financial Guaranty	399,761	(322,729)	225,667	40,443	(56,619)	(51,329)	(5,290)	394,470
Credit	104,702	38,797	24,630	10,593	74,020	20,027	53,993	158,695
Total of All Lines	\$97,451,390	(\$11,875,585)	\$20,845,944	\$9,858,967	\$18,829,325	\$4,109,844	\$14,719,481	\$112,170,871

- (1) Ending Capital and Surplus by line from Column (8) of prior year
- (2) From application of NAIC profitability formulas to Best's data
- (3) From application of NAIC profitability formulas to Best's data
- (4) Total All Lines Investment Income from Exhibit IIIa, Column (3) less Total All Lines Investment Income on Policyholder Supplied Funds allocated by line on basis of Beginning Capital and Surplus
- (5) Column (2) + Column (3) + Column (4)
- (6) From application of NAIC profitability formulas to Column (5)
- (7) Column (5) - Column (6)
- (8) Column (1) + Column (7) Excludes all direct adjustments to Capital and Surplus account

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Method III
Without Annual Reallocation of Surplus

Appendix F
Sheet 18

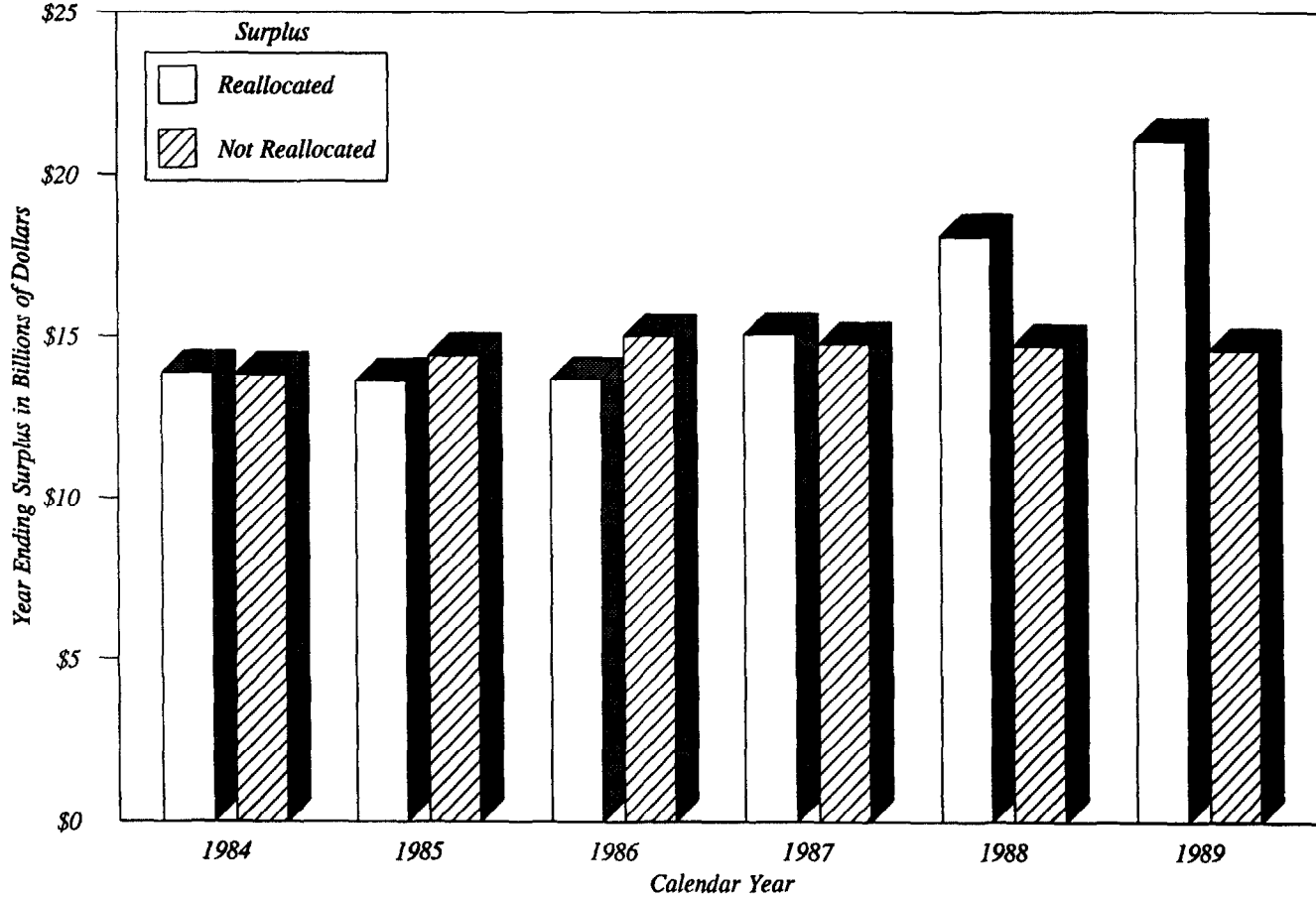
Line	1989							
	(1) Beginning Capital and Surplus	(2) Underwriting Income	(3) Investment Income on Policyholder Supplied Funds	(4) Investment Income on Non- Policyholder Supplied Funds	(5) Total Income Before Taxes	(6) Income Taxes	(7) Total Income After Taxes	(8) Ending Capital and Surplus
Private Passenger Auto Liability	\$14,708,435	(\$8,035,696)	\$4,932,260	\$1,512,784	(\$1,590,652)	(\$1,459,624)	(\$131,028)	\$14,577,407
Private Passenger Auto Physical Damage	9,680,971	967,857	818,236	995,702	2,781,796	737,981	2,043,815	11,724,787
Commercial Auto Liability	5,266,636	(2,586,631)	1,601,462	541,681	(443,489)	(465,201)	21,712	5,288,348
Commercial Auto Physical Damage	3,339,068	611,583	181,372	343,428	1,136,383	326,304	810,079	4,149,147
Homeowners	7,966,186	(3,202,308)	1,011,491	819,334	(1,371,483)	(708,635)	(662,848)	7,303,338
Farmowners	264,404	(117,454)	57,446	27,194	(32,814)	(22,687)	(10,127)	254,277
Commercial Multiple Peril	11,612,270	(1,289,576)	1,952,408	1,194,339	1,857,170	182,234	1,674,936	13,287,287
Ocean and Aircraft	2,265,293	(351,969)	250,339	232,989	131,359	(24,463)	155,822	2,421,116
Fire and Allied Lines	10,534,329	(1,531,795)	865,504	1,083,471	417,180	(82,624)	499,803	11,034,133
Medical Malpractice	6,888,350	15,409	1,553,419	708,477	2,277,304	392,366	1,884,939	8,773,289
Other Liability	13,030,422	(6,309,652)	5,492,831	1,340,198	523,376	(1,053,095)	1,576,471	14,606,893
Workers' Compensation	20,338,371	(6,415,075)	4,680,842	2,091,831	357,597	(962,855)	1,320,452	21,658,823
Group Accident & Health	2,959,158	10,432	145,290	304,354	460,075	104,294	355,781	3,314,940
Credit Accident & Health	67,135	30,223	13,763	6,905	50,892	14,946	35,946	103,081
Other Accident & Health	557,257	(119,514)	57,477	57,315	(4,723)	(14,975)	10,253	567,509
Fidelity and Surety	2,139,421	245,932	255,803	220,042	721,777	189,967	531,809	2,671,230
Financial Guaranty	394,470	82,926	192,719	40,572	322,217	82,260	239,957	634,427
Credit	158,695	54,252	26,745	16,322	97,319	28,115	69,204	227,899
Total of All Lines	\$112,170,871	(\$27,941,056)	\$24,095,405	\$11,536,935	\$7,691,285	(\$2,735,692)	\$10,426,977	\$122,597,848

- (1) Ending Capital and Surplus by line from Column (8) of prior year
- (2) From application of NAIC profitability formulas to Best's data
- (3) From application of NAIC profitability formulas to Best's data
- (4) Total All Lines Investment Income from Exhibit IIIa, Column (3) less Total All Lines Investment Income on Policyholder Supplied Funds allocated by line on basis of Beginning Capital and Surplus
- (5) Column (2) + Column (3) + Column (4)
- (6) From application of NAIC profitability formulas to Column (5)
- (7) Column (5) - Column (6)
- (8) Column (1) + Column (7) Excludes all direct adjustments to Capital and Surplus account

(000) omitted

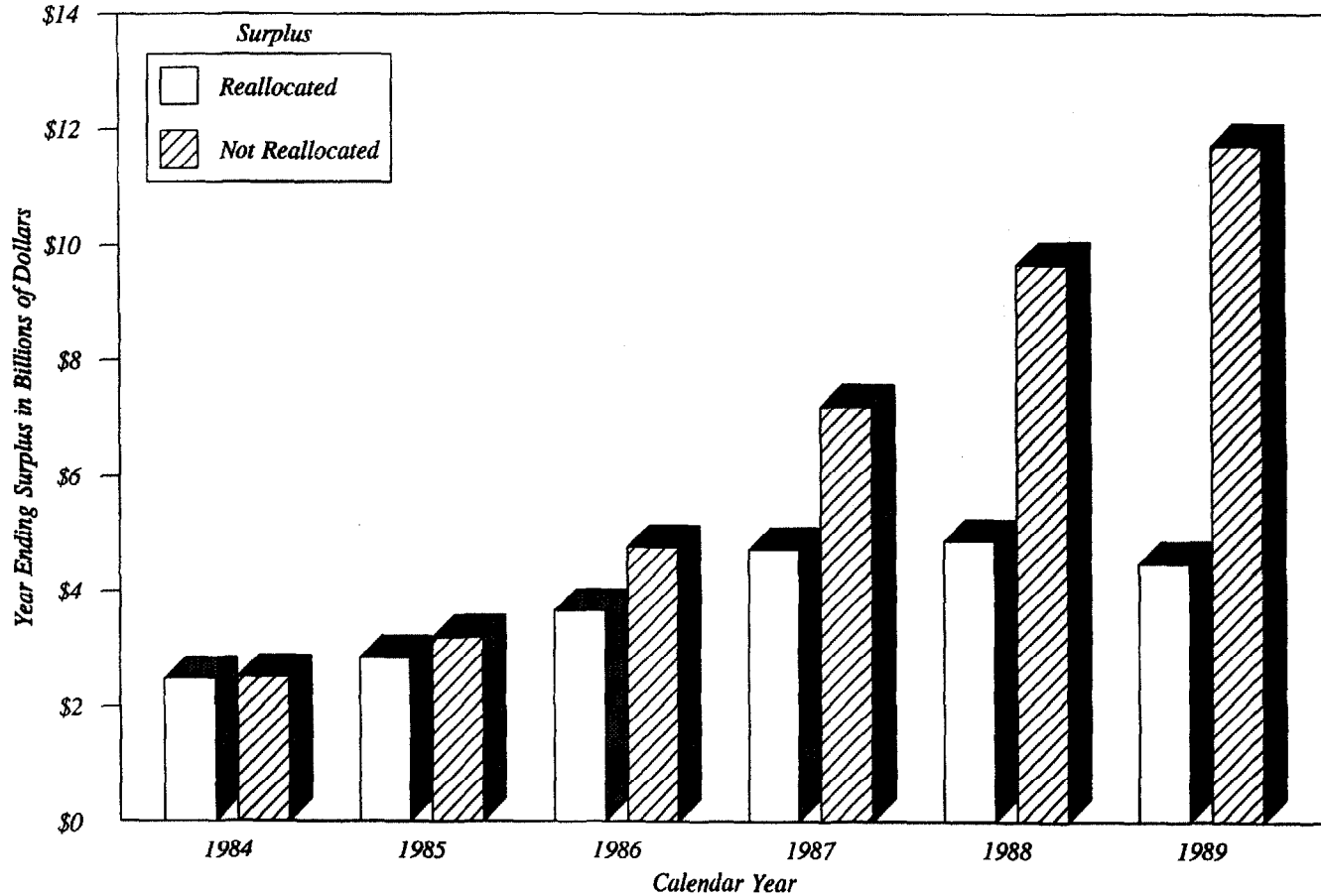
Private Passenger Auto Liability

Comparison of Year Ending Surplus With and Without Annual Reallocation

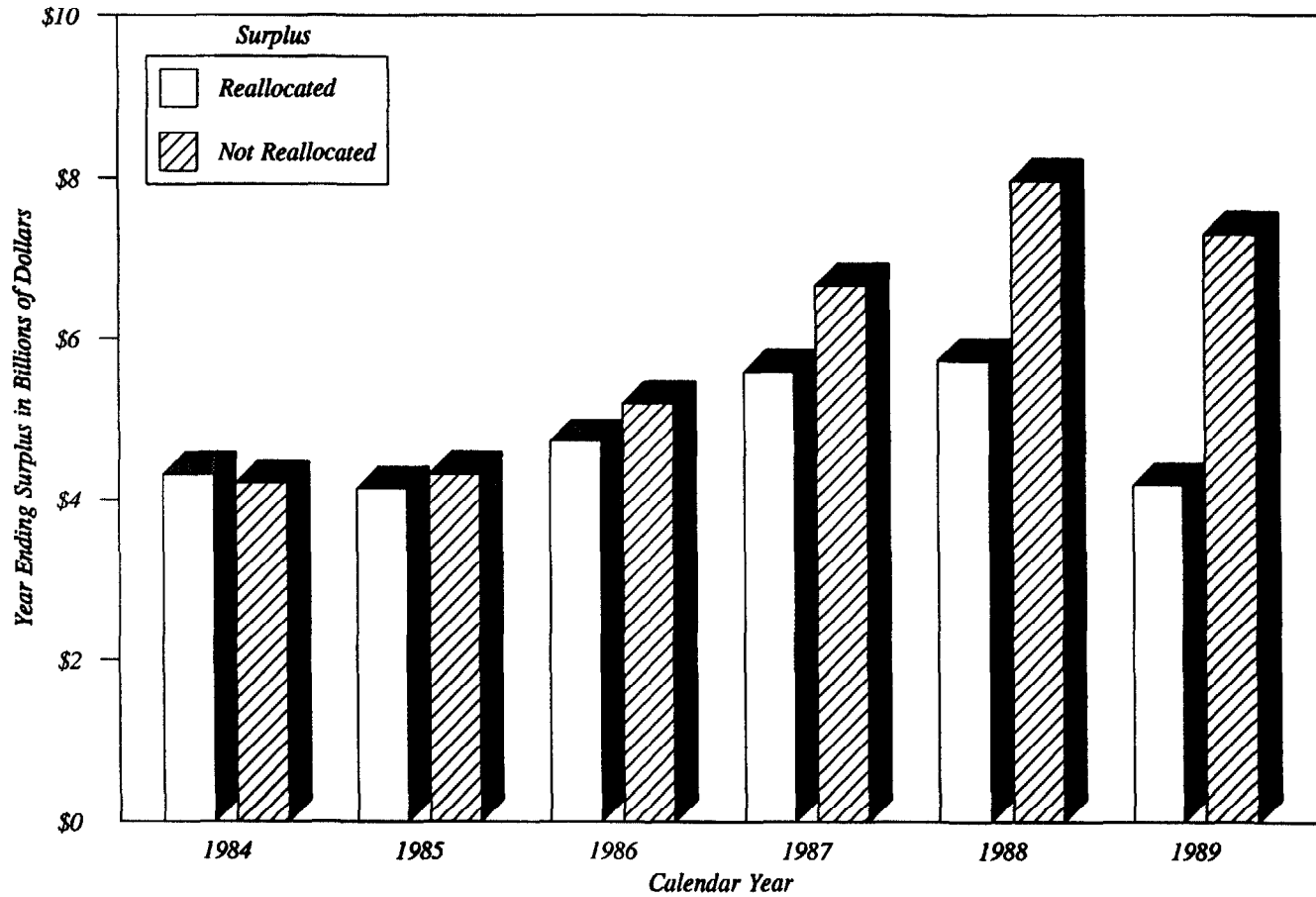


Private Passenger Auto Physical Damage

Comparison of Year Ending Surplus With and Without Annual Reallocation

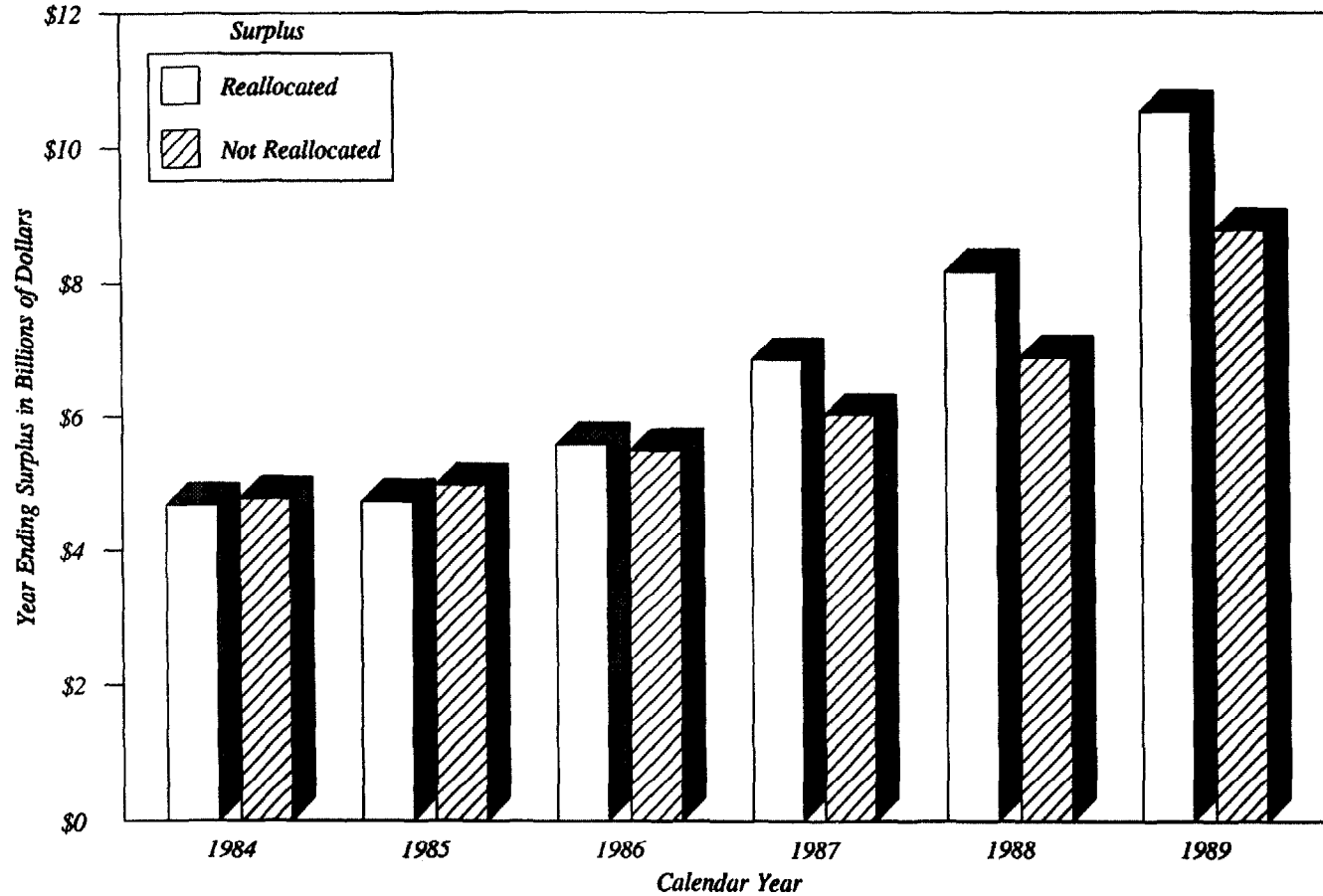


Comparison of Year Ending Surplus With and Without Annual Reallocation



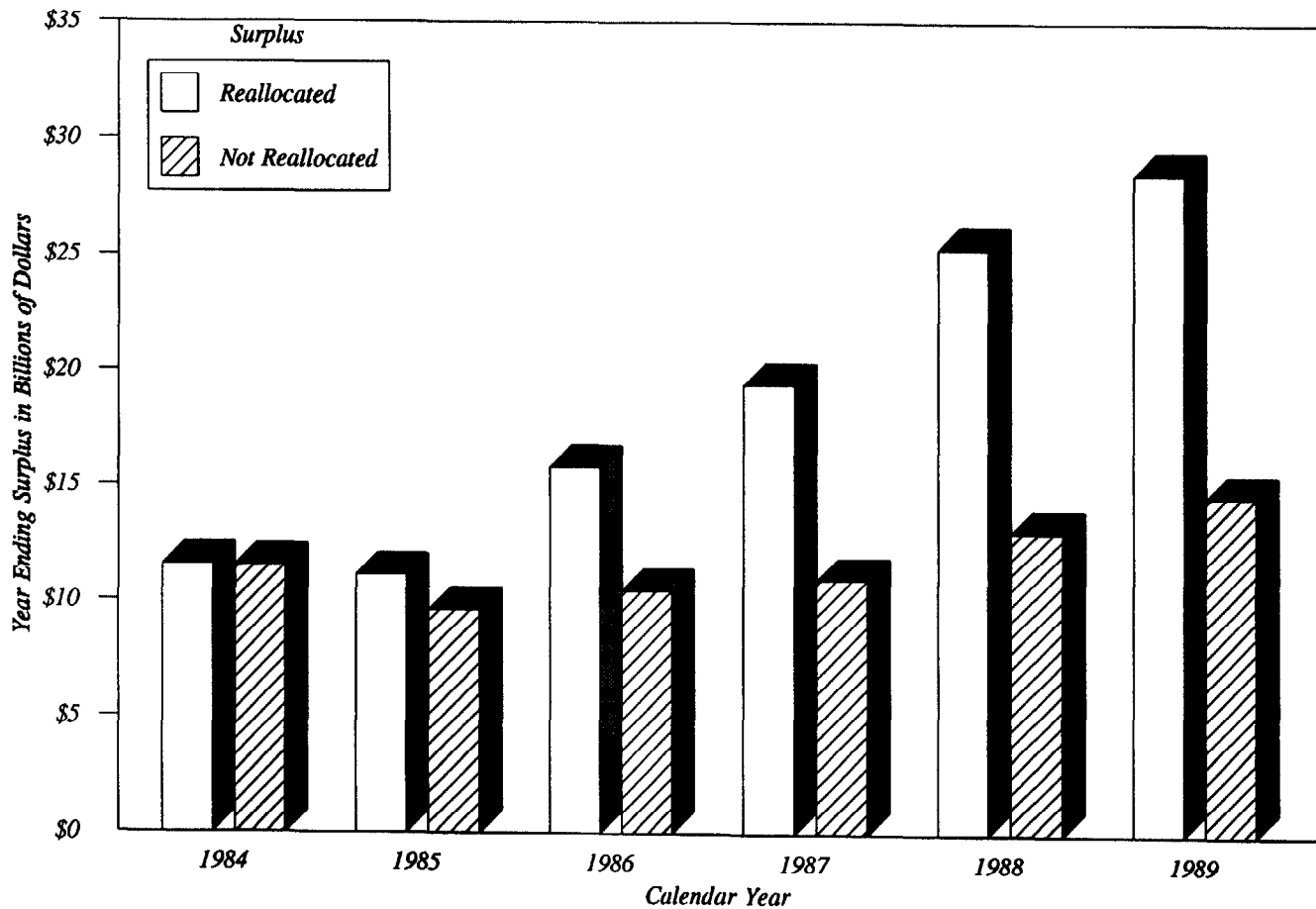
Medical Malpractice

Comparison of Year Ending Surplus With and Without Annual Reallocation



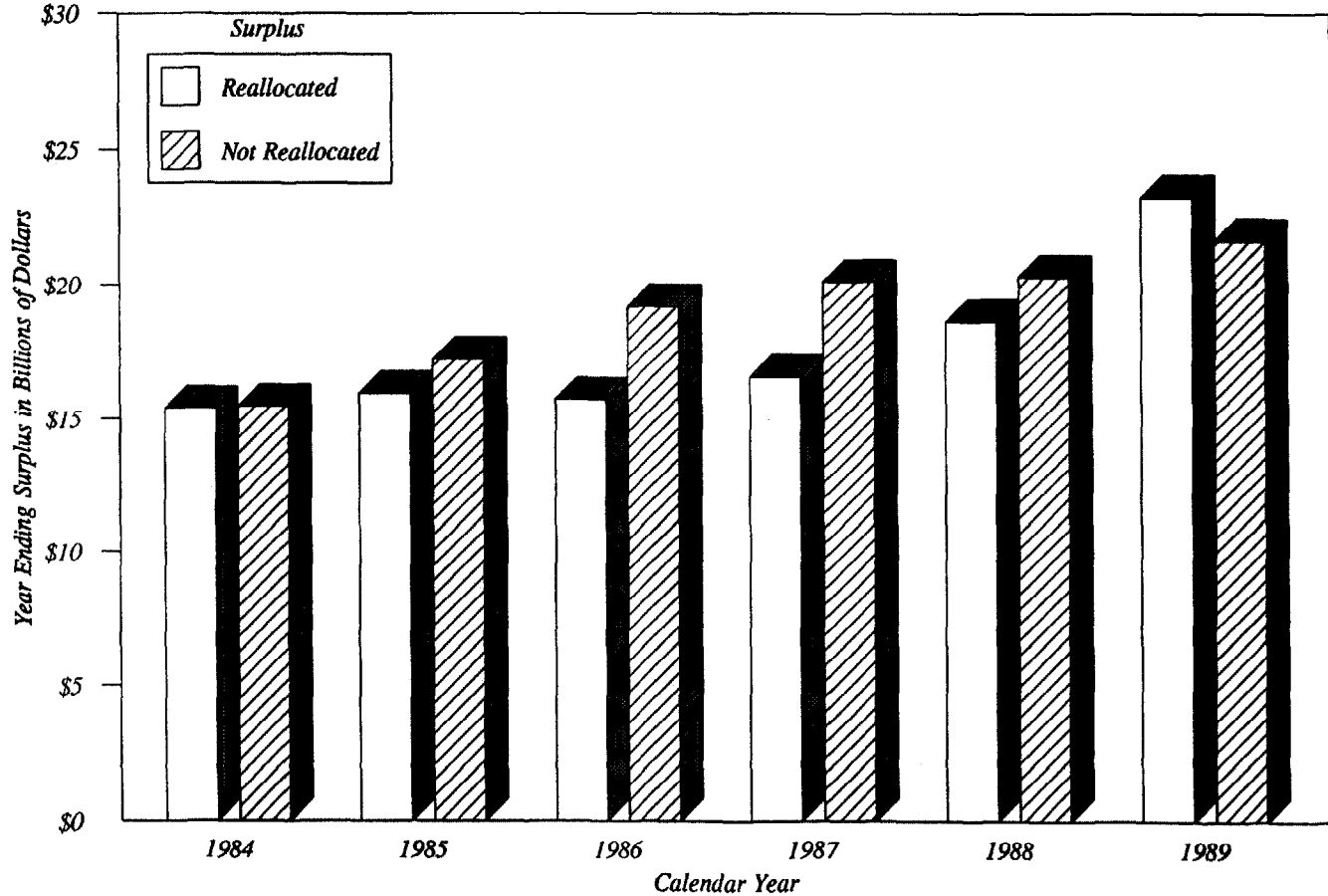
Other Liability

Comparison of Year Ending Surplus With and Without Annual Reallocation



Workers' Compensation

Comparison of Year Ending Surplus With and Without Annual Reallocation



Method IV
With Annual Reallocation of Surplus

Line	1984						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Beginning Capital and Surplus	Underwriting Income	Total Investment Income	Total Income Before Taxes	Income Taxes	Total Income After Taxes	Ending Capital and Surplus
Private Passenger Auto Liability	\$14,597,964	(\$3,784,091)	\$4,617,279	\$833,189	(\$546,104)	\$1,379,292	\$15,977,256
Private Passenger Auto Physical Damage	3,853,994	(378,434)	1,231,863	853,429	144,627	708,802	4,562,797
Commercial Auto Liability	3,219,753	(2,645,135)	1,031,794	(1,613,342)	(949,817)	(663,524)	2,556,229
Commercial Auto Physical Damage	656,913	(389,791)	213,658	(176,132)	(124,026)	(52,106)	604,806
Homeowners	6,250,607	(1,105,589)	1,960,029	854,440	(1,474)	855,914	7,106,521
Farmowners	366,394	(162,099)	114,175	(47,925)	(45,027)	(2,898)	363,496
Commercial Multiple Peril	6,261,492	(3,805,476)	2,000,460	(1,805,016)	(1,232,962)	(572,054)	5,689,437
Ocean and Aircraft	2,135,573	(50,601)	675,942	625,341	151,602	473,738	2,609,312
Fire and Allied Lines	3,251,021	(840,118)	1,038,072	197,954	(117,885)	315,839	3,566,860
Medical Malpractice	2,531,283	(1,318,711)	822,535	(496,176)	(393,801)	(102,374)	2,428,908
Other Liability	9,638,708	(5,714,887)	3,115,943	(2,598,944)	(1,822,694)	(776,250)	8,862,458
Workers' Compensation	9,821,793	(4,045,483)	3,105,514	(939,969)	(1,057,467)	117,498	9,939,290
Group Accident & Health	1,103,983	42,983	343,207	386,191	108,567	277,624	1,381,607
Credit Accident & Health	27,092	10,013	8,071	18,083	6,694	11,389	38,481
Other Accident & Health	541,279	9,690	179,991	189,681	51,025	138,657	679,936
Fidelity and Surety	1,077,287	(187,725)	350,841	163,116	4,416	158,700	1,235,988
Financial Guaranty	0	0	0	0	0	0	0
Credit	65,834	(159,526)	20,612	(138,914)	(68,049)	(70,864)	(5,030)
Total of All Lines	\$65,400,970	(\$24,524,980)	\$20,829,986	(\$3,694,995)	(\$5,892,377)	\$2,197,382	\$67,598,352

- (1) Total 1983 Ending Capital and Surplus from Best's data allocated as per Appendix A
- (2) From application of NAIC profitability formulas to Best's data
- (3) From application of NAIC profitability formulas to Best's data using allocation Method IV
- (4) Column (2) + Column (3)
- (5) From application of NAIC profitability formulas to Column (4)
- (6) Column (4) - Column (5)
- (7) Column (1) + Column (6) Excludes all direct adjustments to Capital and Surplus account

Method IV
With Annual Reallocation of Surplus

Appendix G
Sheet 2

Line	1985						
	(1) Beginning Capital and Surplus	(2) Underwriting Income	(3) Total Investment Income	(4) Total Income Before Taxes	(5) Income Taxes	(6) Total Income After Taxes	(7) Ending Capital and Surplus
Private Passenger Auto Liability	\$14,214,034	(\$5,582,184)	\$5,088,878	(\$493,306)	(1,133,026)	\$639,720	\$14,853,753
Private Passenger Auto Physical Damage	3,823,045	50,872	1,378,716	1,429,588	412,122	1,017,466	4,840,511
Commercial Auto Liability	3,579,613	(2,623,164)	1,412,376	(1,210,789)	(808,445)	(402,344)	3,177,269
Commercial Auto Physical Damage	691,700	124,185	258,658	382,842	130,052	252,790	944,490
Homeowners	5,895,424	(1,614,248)	2,065,772	451,524	(160,122)	611,646	6,507,069
Farmowners	341,073	(111,296)	118,734	7,438	(17,720)	25,158	366,231
Commercial Multiple Peril	6,821,359	(2,701,304)	2,657,233	(44,071)	(493,409)	449,338	7,270,697
Ocean and Aircraft	2,083,994	(161,633)	747,127	585,494	136,297	449,197	2,533,192
Fire and Allied Lines	3,265,477	122,709	1,191,749	1,314,458	392,453	922,005	4,187,482
Medical Malpractice	2,820,723	(2,189,022)	1,103,476	(1,085,546)	(695,832)	(389,714)	2,431,009
Other Liability	11,489,859	(9,511,853)	4,729,069	(4,782,784)	(3,042,119)	(1,740,665)	9,749,194
Workers' Compensation	9,781,284	(3,873,270)	3,573,599	(299,671)	(774,149)	474,478	10,255,762
Group Accident & Health	1,027,503	(69,441)	358,445	289,004	69,119	219,886	1,247,389
Credit Accident & Health	25,497	8,332	9,340	17,671	6,466	11,205	36,702
Other Accident & Health	555,439	27,047	199,294	226,341	68,632	157,710	713,149
Fidelity and Surety	1,117,871	(471,110)	412,487	(58,623)	(100,412)	41,789	1,159,661
Financial Guaranty	0	0	0	0	0	0	0
Credit	64,458	(15,038)	23,402	8,364	(319)	8,684	73,141
Total of All Lines	\$67,598,352	(\$28,590,421)	\$25,328,356	(\$3,262,065)	(\$6,010,413)	\$2,748,348	\$70,346,700

- (1) Total Ending Capital and Surplus from Column (7) of prior year reallocated by individual line as per Appendix A
- (2) From application of NAIC profitability formulas to Best's data
- (3) From application of NAIC profitability formulas to Best's data using allocation Method IV
- (4) Column (2) + Column (3)
- (5) From application of NAIC profitability formulas to Column (4)
- (6) Column (4) - Column (5)
- (7) Column (1) + Column (6) Excludes all direct adjustments to Capital and Surplus account

(000) omitted

Method IV
With Annual Reallocation of Surplus

Appendix G
Sheet 3

Line	1986						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Beginning Capital and Surplus	Underwriting Income	Total Investment Income	Total Income Before Taxes	Income Taxes	Total Income After Taxes	Ending Capital and Surplus
Private Passenger Auto Liability	\$13,313,019	(\$6,428,288)	\$5,248,049	(\$1,180,239)	(\$1,464,400)	\$284,161	\$13,597,180
Private Passenger Auto Physical Damage	3,574,142	1,391,310	1,397,916	2,789,225	1,037,587	1,751,638	5,325,780
Commercial Auto Liability	4,188,035	(1,224,581)	1,817,122	592,541	(46,495)	639,036	4,827,071
Commercial Auto Physical Damage	690,745	898,458	277,036	1,175,494	492,083	683,411	1,374,156
Homeowners	5,194,356	(369,448)	1,976,897	1,607,449	392,308	1,215,140	6,409,496
Farmowners	295,883	(81,751)	111,672	29,921	(5,845)	35,765	331,648
Commercial Multiple Peril	7,625,412	757,648	3,233,047	3,990,695	1,268,038	2,722,657	10,348,069
Ocean and Aircraft	1,919,033	110,762	744,518	855,280	262,701	592,579	2,511,612
Fire and Allied Lines	3,181,504	2,348,033	1,275,653	3,623,686	1,442,907	2,180,779	5,362,283
Medical Malpractice	3,103,986	(1,932,783)	1,296,795	(635,988)	(520,255)	(115,733)	2,988,254
Other Liability	15,265,037	(5,029,212)	6,992,589	1,963,377	(324,656)	2,288,033	17,553,070
Workers' Compensation	9,308,701	(4,425,099)	3,655,984	(769,115)	(995,737)	226,622	9,535,323
Group Accident & Health	905,240	(54,837)	345,901	291,064	73,154	217,910	1,123,150
Credit Accident & Health	25,892	5,843	10,698	16,541	5,731	10,811	36,702
Other Accident & Health	492,275	26,209	184,251	210,460	64,460	146,001	638,276
Fidelity and Surety	1,054,280	(255,527)	407,234	151,708	(1,720)	153,427	1,207,707
Financial Guaranty	155,033	177,250	113,361	290,611	113,776	176,834	331,868
Credit	54,126	4,819	18,945	23,764	7,605	16,159	70,285
Total of All Lines	\$70,346,700	(\$14,081,194)	\$29,107,667	\$15,026,473	\$1,801,242	\$13,225,231	\$83,571,931

- (1) Total Ending Capital and Surplus from Column (7) of prior year reallocated by individual line as per Appendix A
- (2) From application of NAIC profitability formulas to Best's data
- (3) From application of NAIC profitability formulas to Best's data using allocation Method IV
- (4) Column (2) + Column (3)
- (5) From application of NAIC profitability formulas to Column (4)
- (6) Column (4) - Column (5)
- (7) Column (1) + Column (6) Excludes all direct adjustments to Capital and Surplus account

(000) omitted

Method IV
With Annual Reallocation of Surplus

Appendix G
Sheet 4

Line	1987						
	(1) Beginning Capital and Surplus	(2) Underwriting Income	(3) Total Investment Income	(4) Total Income Before Taxes	(5) Income Taxes	(6) Total Income After Taxes	(7) Ending Capital and Surplus
Private Passenger Auto Liability	\$15,192,723	(\$6,677,698)	\$5,076,853	(\$1,600,845)	(1,201,959)	(\$398,886)	\$14,793,837
Private Passenger Auto Physical Damage	4,011,764	2,552,128	1,330,293	3,882,420	1,334,749	2,547,671	6,559,436
Commercial Auto Liability	5,226,326	(783,014)	1,736,571	953,556	205,710	747,846	5,974,372
Commercial Auto Physical Damage	775,477	1,109,731	251,359	1,361,090	503,453	857,637	1,633,114
Homeowners	5,582,424	703,935	1,824,230	2,528,165	732,672	1,795,493	7,377,918
Farmowners	313,208	29,235	101,709	130,944	36,972	93,971	407,179
Commercial Multiple Peril	9,299,243	2,276,875	3,089,816	5,366,691	1,734,567	3,632,124	12,931,367
Ocean and Aircraft	2,047,630	249,157	652,664	901,822	258,302	643,519	2,691,149
Fire and Allied Lines	3,545,906	2,357,344	1,141,805	3,499,148	1,224,647	2,274,501	5,820,408
Medical Malpractice	3,764,724	(1,355,488)	1,261,140	(94,348)	9,109	(103,456)	3,661,268
Other Liability	20,333,161	(3,985,903)	6,821,024	2,835,121	987,527	1,847,594	22,180,755
Workers' Compensation	10,571,362	(4,536,830)	3,528,913	(1,007,917)	(390,779)	(617,138)	9,954,224
Group Accident & Health	956,267	(127,534)	306,328	178,794	22,237	156,556	1,112,823
Credit Accident & Health	29,303	5,678	9,303	14,981	4,486	10,495	39,798
Other Accident & Health	480,201	(107,325)	144,869	37,544	(9,069)	46,613	526,814
Fidelity and Surety	1,163,705	48,874	384,408	433,282	111,391	321,891	1,485,597
Financial Guaranty	223,824	(87,160)	44,197	(42,963)	(22,264)	(20,699)	203,125
Credit	54,482	49,085	18,099	67,184	23,459	43,725	98,207
Total of All Lines	\$83,571,931	(\$8,278,912)	\$27,723,582	\$19,444,670	\$5,565,211	\$13,879,459	\$97,451,390

- (1) Total Ending Capital and Surplus from Column (7) of prior year reallocated by individual line as per Appendix A
- (2) From application of NAIC profitability formulas to Best's data
- (3) From application of NAIC profitability formulas to Best's data using allocation Method IV
- (4) Column (2) + Column (3)
- (5) From application of NAIC profitability formulas to Column (4)
- (6) Column (4) - Column (5)
- (7) Column (1) + Column (6) Excludes all direct adjustments to Capital and Surplus account

(000) omitted

Method IV
With Annual Reallocation of Surplus

Line	1988						
	(1) Beginning Capital and Surplus	(2) Underwriting Income	(3) Total Investment Income	(4) Total Income Before Taxes	(5) Income Taxes	(6) Total Income After Taxes	(7) Ending Capital and Surplus
Private Passenger Auto Liability	\$18,466,392	(\$6,492,620)	\$6,006,236	(\$486,384)	(\$740,632)	\$254,247	\$18,720,639
Private Passenger Auto Physical Damage	4,748,006	2,023,110	1,517,754	3,540,864	1,009,979	2,530,886	7,278,892
Commercial Auto Liability	5,961,652	(982,376)	1,835,240	832,663	126,596	726,067	6,687,720
Commercial Auto Physical Damage	886,448	961,120	280,177	1,241,297	385,422	855,876	1,742,324
Homeowners	6,453,598	143,241	2,045,874	2,189,115	492,531	1,696,584	8,150,182
Farmowners	358,630	(38,380)	113,333	74,953	11,090	63,863	422,492
Commercial Multiple Peril	10,725,088	1,231,923	3,338,106	4,570,029	1,202,768	3,367,261	14,092,349
Ocean and Aircraft	2,172,496	(179,561)	647,679	468,118	87,402	380,716	2,553,212
Fire and Allied Lines	3,913,372	1,377,469	1,202,698	2,580,167	728,982	1,851,185	5,764,557
Medical Malpractice	4,522,453	(1,290,913)	1,451,991	161,077	76,674	84,403	4,606,856
Other Liability	23,180,467	(2,946,125)	7,062,720	4,116,595	965,254	3,151,341	26,331,808
Workers' Compensation	12,845,882	(5,754,216)	4,181,054	(1,573,162)	(471,681)	(1,101,481)	11,744,401
Group Accident & Health	1,066,596	(113,873)	332,981	219,108	30,726	188,382	1,254,978
Credit Accident & Health	36,596	13,646	12,709	26,355	7,307	19,048	55,644
Other Accident & Health	507,377	(71,619)	159,303	87,684	9,045	78,639	586,016
Fidelity and Surety	1,372,642	527,723	438,969	966,692	266,217	700,475	2,073,118
Financial Guaranty	163,361	(322,729)	53,894	(268,836)	(95,564)	(173,272)	(9,911)
Credit	70,332	38,797	24,191	62,988	17,727	45,261	115,593
Total of All Lines	\$97,451,390	(\$11,875,585)	\$30,704,910	\$18,829,325	\$4,109,844	\$14,719,481	\$112,170,871

- (1) Total Ending Capital and Surplus from Column (7) of prior year reallocated by individual line as per Appendix A
- (2) From application of NAIC profitability formulas to Best's data
- (3) From application of NAIC profitability formulas to Best's data using allocation Method IV
- (4) Column (2) + Column (3)
- (5) From application of NAIC profitability formulas to Column (4)
- (6) Column (4) - Column (5)
- (7) Column (1) + Column (6) Excludes all direct adjustments to Capital and Surplus account

Method IV
With Annual Reallocation of Surplus

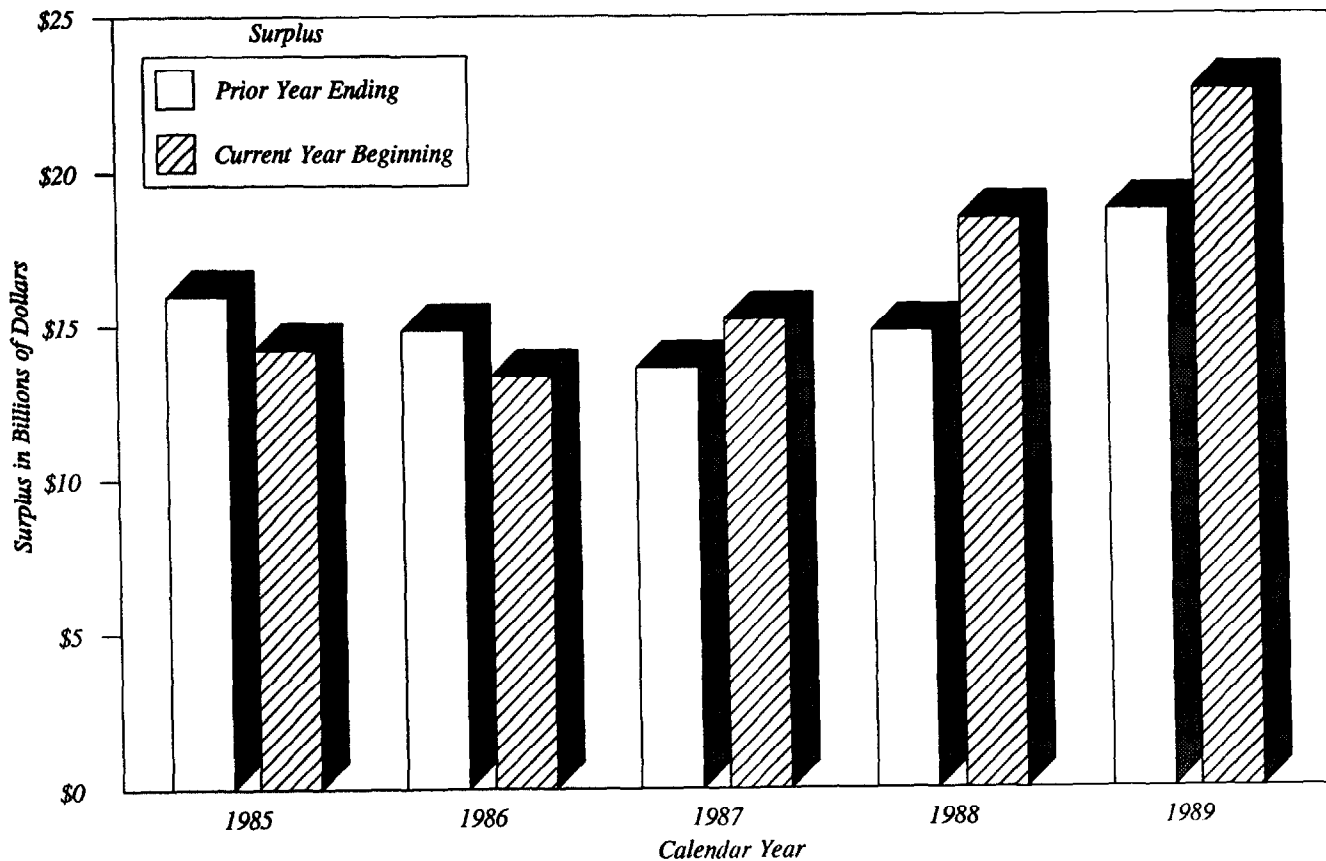
Line	1989						
	(1) Beginning Capital and Surplus	(2) Underwriting Income	(3) Total Investment Income	(4) Total Income Before Taxes	(5) Income Taxes	(6) Total Income After Taxes	(7) Ending Capital and Surplus
Private Passenger Auto Liability	\$22,583,666	(\$8,035,696)	\$7,372,884	(\$662,812)	(1,249,439)	\$586,627	\$23,170,293
Private Passenger Auto Physical Damage	5,603,783	967,857	1,798,436	2,766,294	734,469	2,031,825	7,635,608
Commercial Auto Liability	6,703,443	(2,586,631)	2,129,102	(457,529)	(468,381)	10,852	6,714,295
Commercial Auto Physical Damage	1,023,256	611,583	324,961	936,544	281,034	655,509	1,678,766
Homeowners	7,496,409	(3,202,308)	2,388,276	(814,032)	(582,354)	(231,678)	7,264,732
Farmowners	416,962	(117,454)	133,362	15,908	(11,650)	27,558	444,520
Commercial Multiple Peril	11,977,349	(1,289,576)	3,737,354	2,447,778	316,025	2,131,752	14,109,102
Ocean and Aircraft	2,230,791	(351,969)	666,695	314,726	17,075	297,651	2,528,442
Fire and Allied Lines	4,375,787	(1,531,795)	1,384,470	(147,324)	(210,502)	63,177	4,438,964
Medical Malpractice	5,313,948	15,409	1,690,996	1,706,405	263,039	1,443,366	6,757,315
Other Liability	24,772,443	(6,309,652)	7,550,271	1,240,619	(890,617)	2,131,235	26,903,678
Workers' Compensation	15,961,773	(6,415,075)	3,283,576	(1,131,499)	(1,300,183)	168,684	16,130,457
Group Accident & Health	1,161,948	10,432	352,213	362,645	82,223	280,422	1,442,370
Credit Accident & Health	51,460	30,223	17,907	48,130	14,320	33,810	85,270
Other Accident & Health	604,493	(119,514)	199,007	79,493	4,102	75,390	679,883
Fidelity and Surety	1,609,686	245,932	513,209	759,141	198,431	560,709	2,170,395
Financial Guaranty	190,839	82,926	58,748	141,674	41,362	100,313	291,152
Credit	92,835	54,252	30,873	85,125	25,352	59,772	152,608
Total of All Lines	\$112,170,871	(\$27,941,056)	\$35,632,341	\$7,691,285	(\$2,735,692)	\$10,426,977	\$122,597,848

- (1) Total Ending Capital and Surplus from Column (7) of prior year reallocated by individual line as per Appendix A
- (2) From application of NAIC profitability formulas to Best's data
- (3) From application of NAIC profitability formulas to Best's data using allocation Method IV
- (4) Column (2) + Column (3)
- (5) From application of NAIC profitability formulas to Column (4)
- (6) Column (4) - Column (5)
- (7) Column (1) + Column (6) Excludes all direct adjustments to Capital and Surplus account

Private Passenger Auto Liability

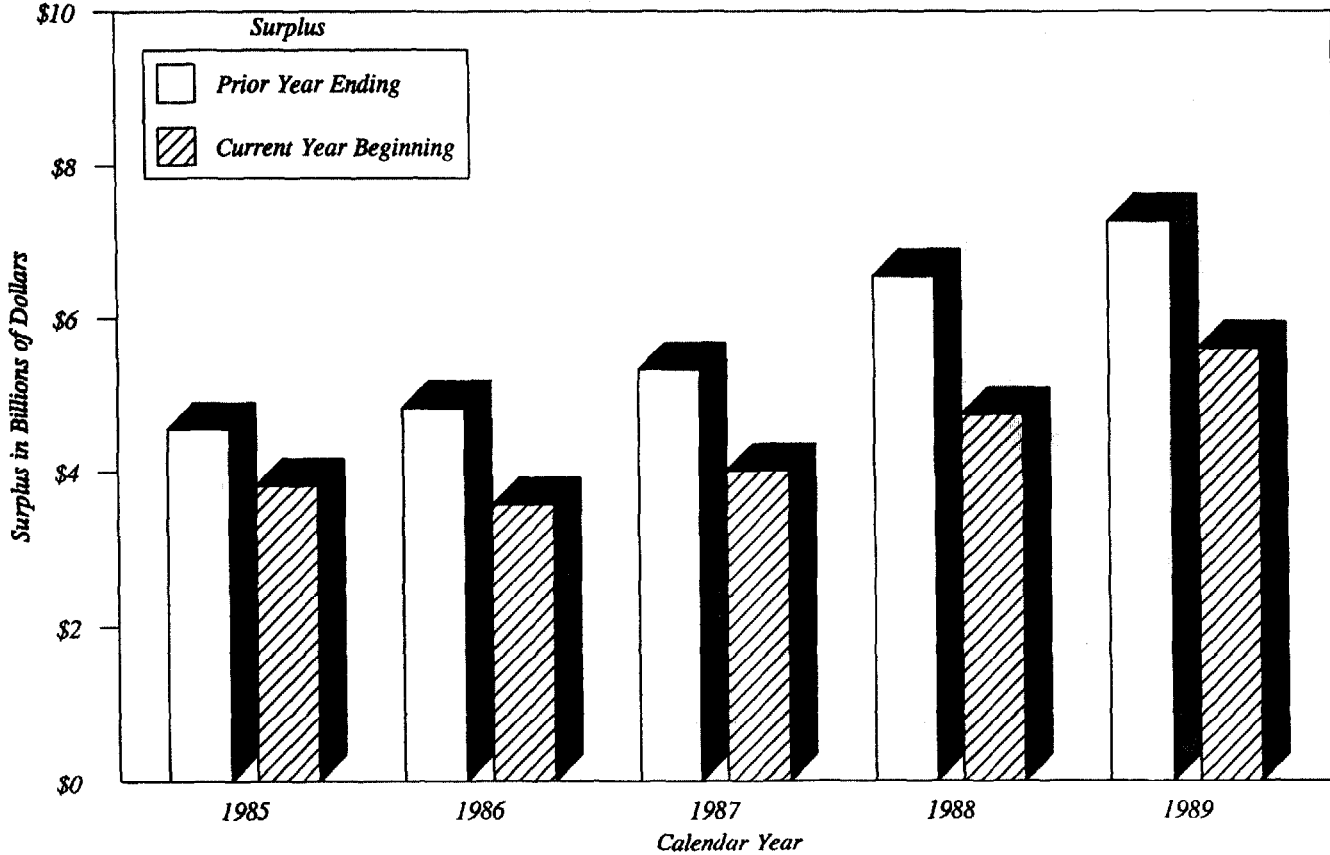
With Annual Surplus Reallocation

Comparison of Prior Year Ending and Current Year Beginning Surplus



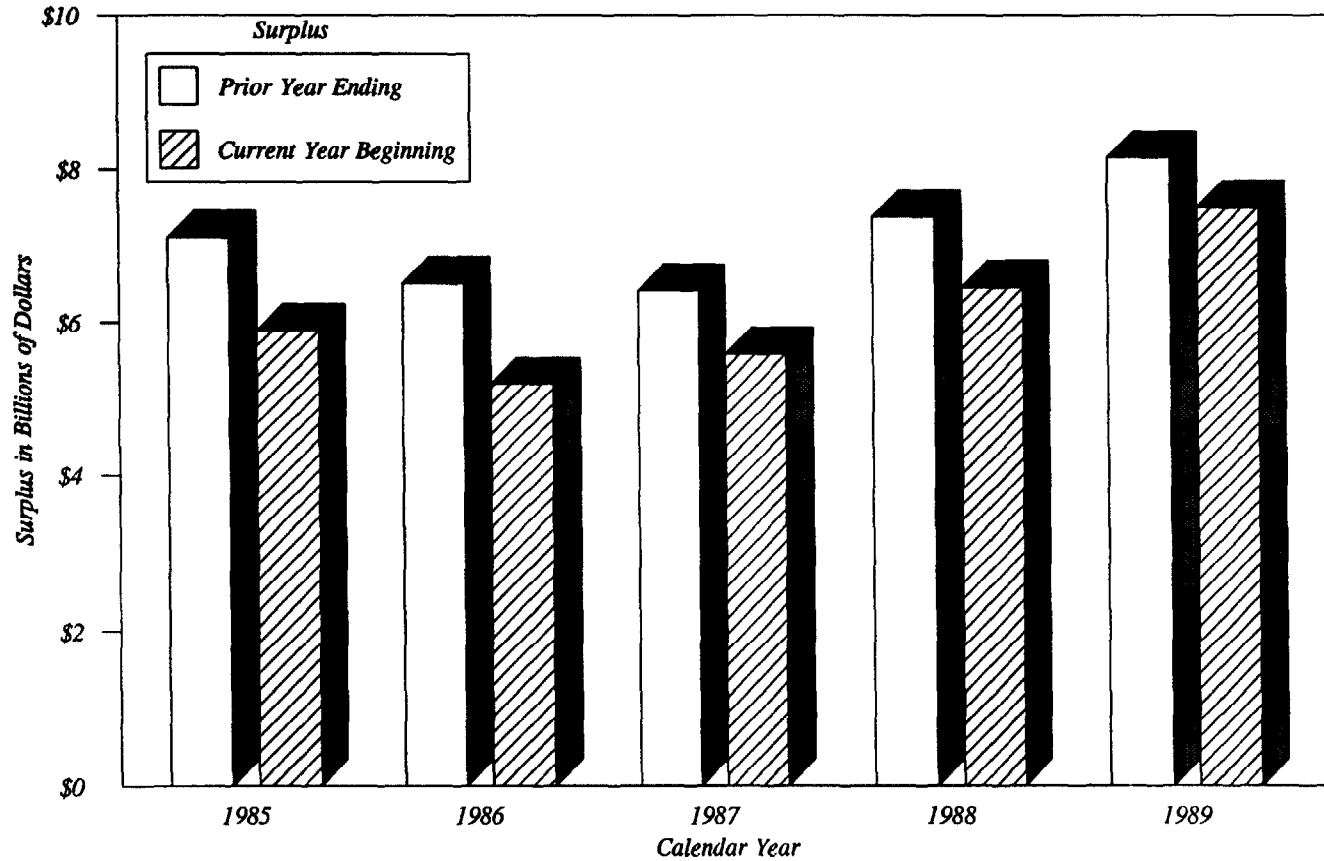
Private Passenger Auto Physical Damage With Annual Surplus Reallocation

Comparison of Prior Year Ending and Current Year Beginning Surplus



With Annual Surplus Reallocation

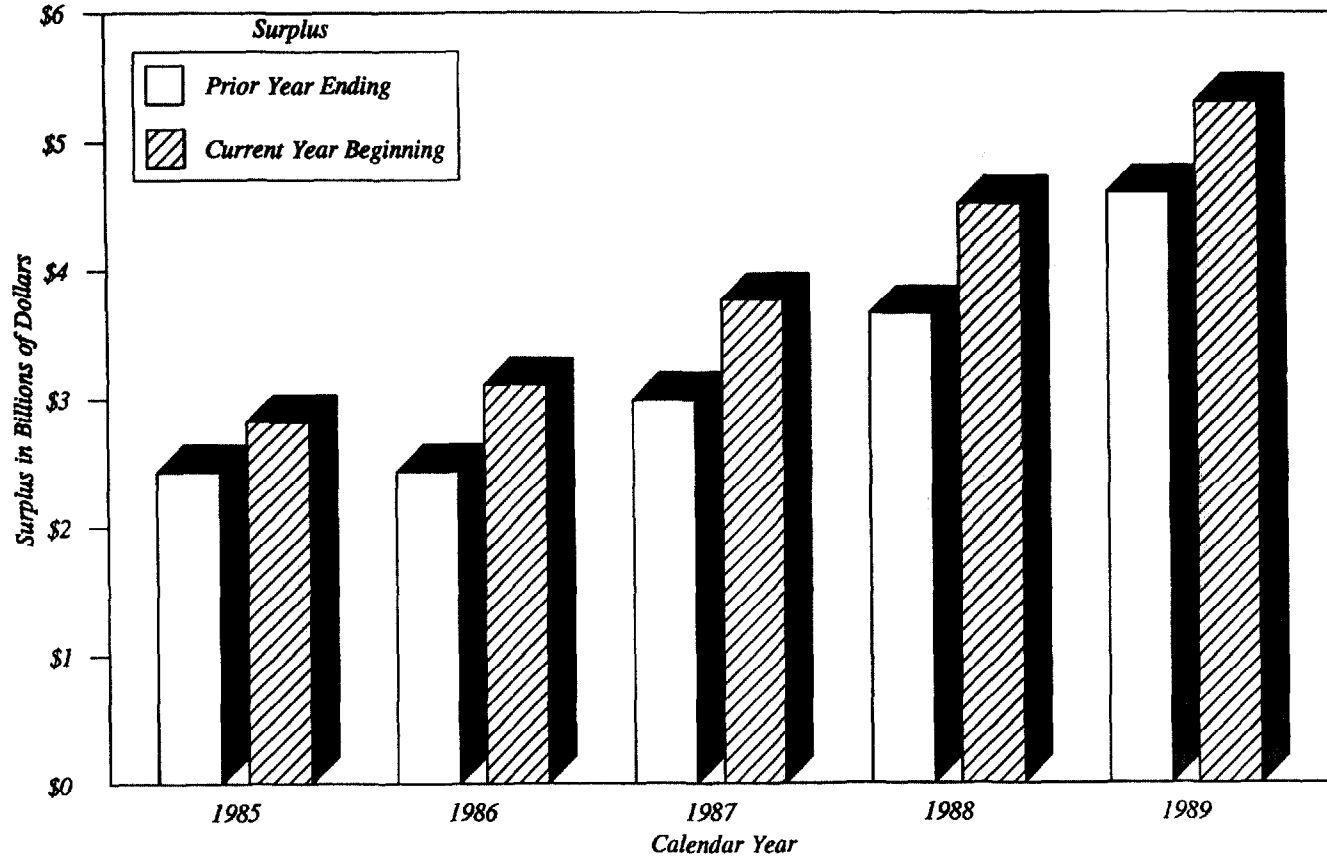
Comparison of Prior Year Ending and Current Year Beginning Surplus



Medical Malpractice

With Annual Surplus Reallocation

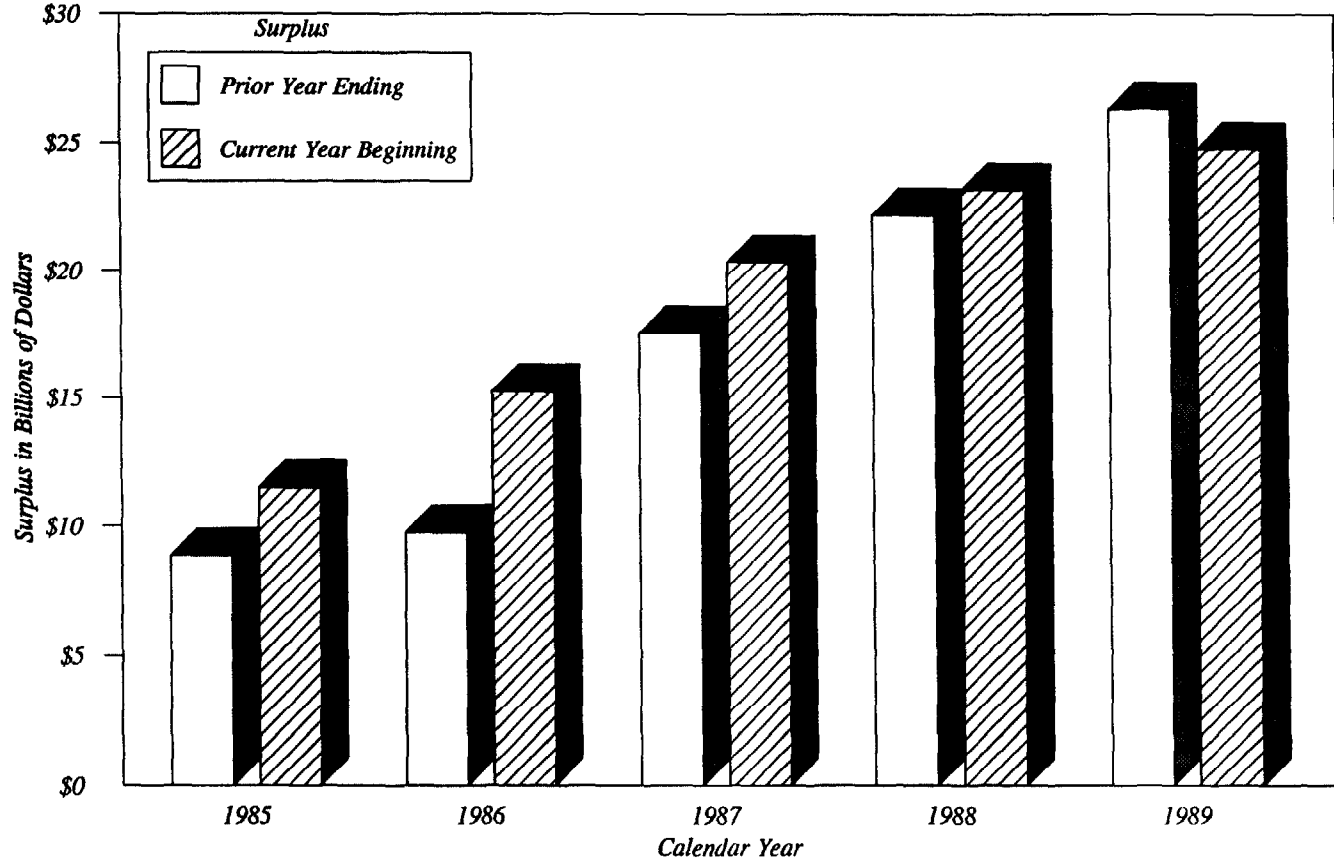
Comparison of Prior Year Ending and Current Year Beginning Surplus



Other Liability

With Annual Surplus Reallocation

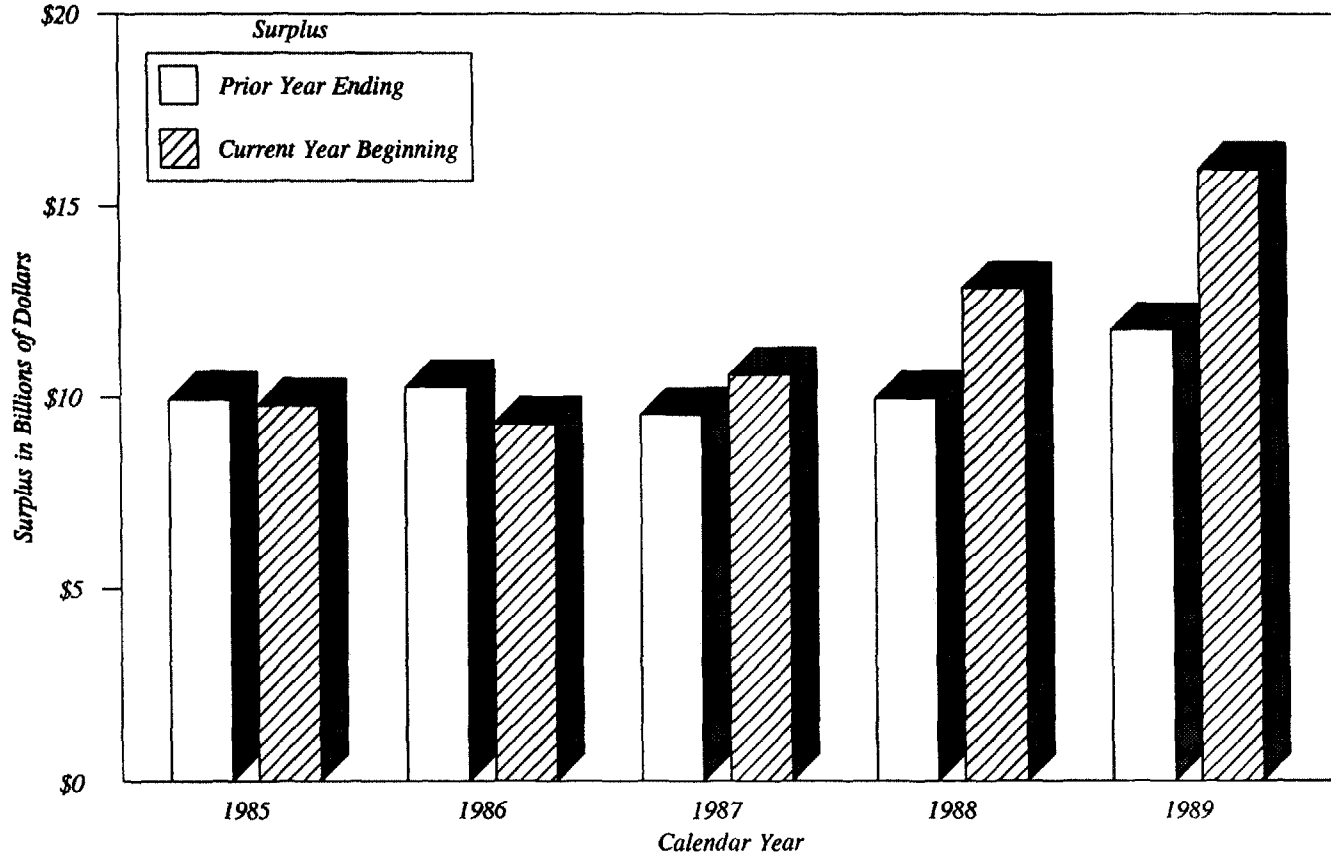
Comparison of Prior Year Ending and Current Year Beginning Surplus



Workers' Compensation

With Annual Surplus Reallocation

Comparison of Prior Year Ending and Current Year Beginning Surplus



Method IV
Without Annual Reallocation of Surplus

Appendix G
Sheet 13

Line	1984							
	(1) Beginning Capital and Surplus	(2) Underwriting Income	(3) Investment Income on Policyholder Supplied Funds	(4) Investment Income on Non- Policyholder Supplied Funds	(5) Total Income Before Taxes	(6) Income Taxes	(7) Total Income After Taxes	(8) Ending Capital and Surplus
Private Passenger Auto Liability	\$14,597,964	(\$3,784,091)	\$2,693,690	\$1,520,150	\$429,749	(\$650,481)	\$1,080,230	\$15,678,194
Private Passenger Auto Physical Damage	3,853,994	(378,434)	512,533	401,333	535,432	62,355	473,077	4,327,072
Commercial Auto Liability	3,219,753	(2,645,135)	763,826	335,287	(1,546,022)	(932,401)	(613,622)	2,606,131
Commercial Auto Physical Damage	656,913	(389,791)	97,838	68,407	(223,545)	(136,293)	(87,252)	569,660
Homeowners	6,250,607	(1,105,589)	700,600	650,903	245,914	(158,911)	404,825	6,655,432
Farmowners	366,394	(162,099)	40,838	38,154	(83,107)	(54,129)	(28,978)	337,416
Commercial Multiple Peril	6,261,492	(3,805,476)	1,014,467	652,037	(2,138,972)	(1,319,363)	(819,610)	5,441,882
Ocean and Aircraft	2,135,573	(50,601)	201,478	222,387	373,263	86,385	286,878	2,422,452
Fire and Allied Lines	3,251,021	(840,118)	514,961	338,543	13,386	(165,637)	179,023	3,430,043
Medical Malpractice	2,531,283	(1,318,711)	1,081,490	263,594	26,373	(258,608)	284,981	2,816,264
Other Liability	9,638,708	(5,714,887)	2,483,802	1,003,721	(2,227,364)	(1,726,559)	(500,805)	9,137,904
Workers' Compensation	9,821,793	(4,045,483)	3,107,867	1,022,786	85,170	(792,244)	877,414	10,699,207
Group Accident & Health	1,103,983	42,983	512,972	114,963	670,918	182,231	488,687	1,592,670
Credit Accident & Health	27,092	10,013	5,583	2,821	18,417	6,780	11,637	38,729
Other Accident & Health	541,279	9,690	62,891	56,366	128,946	35,311	93,635	634,914
Fidelity and Surety	1,077,287	(187,725)	195,639	112,183	120,097	(6,714)	126,811	1,204,098
Financial Guaranty	0	0	0	0	0	0	0	0
Credit	65,834	(159,526)	29,021	6,856	(123,650)	(64,100)	(59,549)	6,285
Total of All Lines	\$65,400,970	(\$24,524,980)	\$14,019,495	\$6,810,490	(\$3,694,995)	(\$5,892,377)	\$2,197,382	\$67,598,352

- (1) Total 1983 Ending Capital and Surplus from Best's data allocated as per Appendix A
- (2) From application of NAIC profitability formulas to Best's data
- (3) From application of NAIC profitability formulas to Best's data
- (4) Total All Lines Investment Income from Exhibit IVa, Column (3) less Total All Lines Investment Income on Policyholder Supplied Funds allocated by line on basis of Beginning Capital and Surplus
- (5) Column (2) + Column (3) + Column (4)
- (6) From application of NAIC profitability formulas to Column (5)
- (7) Column (5) - Column (6)
- (8) Column (1) + Column (7) Excludes all direct adjustments to Capital and Surplus account

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Method IV
Without Annual Reallocation of Surplus

Appendix G
Sheet 14

Line	1985							
	(1) Beginning Capital and Surplus	(2) Underwriting Income	(3) Investment Income on Policyholder Supplied Funds	(4) Investment Income on Non- Policyholder Supplied Funds	(5) Total Income Before Taxes	(6) Income Taxes	(7) Total Income After Taxes	(8) Ending Capital and Surplus
Private Passenger Auto Liability	\$15,678,194	(\$5,582,184)	\$3,431,596	\$1,806,484	(\$344,104)	(\$1,090,959)	\$746,855	\$16,425,049
Private Passenger Auto Physical Damage	4,327,072	50,872	645,642	498,577	1,195,091	346,007	849,084	5,176,156
Commercial Auto Liability	2,606,131	(2,623,164)	1,004,610	300,286	(1,318,268)	(838,748)	(479,521)	2,126,611
Commercial Auto Physical Damage	569,660	124,185	139,218	65,638	329,041	114,883	214,158	783,818
Homeowners	6,655,432	(1,614,248)	885,373	766,857	37,982	(276,718)	314,699	6,970,132
Farmowners	337,416	(111,296)	52,473	38,878	(19,946)	(25,441)	5,495	342,911
Commercial Multiple Peril	5,441,882	(2,701,304)	1,369,952	627,029	(704,324)	(679,563)	(24,761)	5,417,121
Ocean and Aircraft	2,422,452	(161,633)	236,136	279,122	353,624	70,922	282,702	2,705,153
Fire and Allied Lines	3,430,043	122,709	553,185	395,219	1,071,113	323,843	747,270	4,177,313
Medical Malpractice	2,816,264	(2,189,022)	1,379,310	324,498	(485,214)	(526,572)	41,357	2,857,621
Other Liability	9,137,904	(9,511,853)	3,164,740	1,052,894	(5,294,219)	(3,186,315)	(2,107,904)	7,030,000
Workers' Compensation	10,699,207	(3,873,270)	3,584,792	1,232,792	944,314	(423,415)	1,367,729	12,066,935
Group Accident & Health	1,592,670	(69,441)	680,024	183,512	794,094	211,526	582,569	2,175,238
Credit Accident & Health	38,729	8,332	5,132	4,462	17,926	6,538	11,389	50,118
Other Accident & Health	634,914	27,047	74,751	73,157	174,955	54,143	120,811	755,725
Fidelity and Surety	1,204,098	(471,110)	301,858	138,739	(30,513)	(92,487)	61,974	1,266,072
Financial Guaranty	0	0	0	0	0	0	0	0
Credit	6,285	(15,038)	30,697	724	16,383	1,942	14,442	20,726
Total of All Lines	\$67,598,352	(\$28,590,421)	\$17,539,488	\$7,788,867	(\$3,262,065)	(\$6,010,413)	\$2,748,348	\$70,346,700

- (1) Ending Capital and Surplus by line from Column (8) of prior year
(2) From application of NAIC profitability formulas to Best's data
(3) From application of NAIC profitability formulas to Best's data
(4) Total All Lines Investment Income from Exhibit IVa, Column (3) less Total All Lines Investment Income on Policyholder Supplied Funds allocated by line on basis of Beginning Capital and Surplus
(5) Column (2) + Column (3) + Column (4)
(6) From application of NAIC profitability formulas to Column (5)
(7) Column (5) - Column (6)
(8) Column (1) + Column (7) Excludes all direct adjustments to Capital and Surplus account

(000) omitted

Method IV
Without Annual Reallocation of Surplus

Appendix G
Sheet 15

Line	1986							
	(1) Beginning Capital and Surplus	(2) Underwriting Income	(3) Investment Income on Policyholder Supplied Funds	(4) Investment Income on Non- Policyholder Supplied Funds	(5) Total Income Before Taxes	(6) Income Taxes	(7) Total Income After Taxes	(8) Ending Capital and Surplus
Private Passenger Auto Liability	\$16,425,049	(\$6,428,288)	\$3,795,506	\$2,140,404	(\$492,378)	(\$1,268,764)	\$776,386	\$17,201,435
Private Passenger Auto Physical Damage	5,176,156	1,391,310	730,576	674,522	2,796,408	1,039,630	1,756,778	6,932,933
Commercial Auto Liability	2,126,611	(1,224,581)	1,168,102	277,126	220,646	(152,266)	372,913	2,499,523
Commercial Auto Physical Damage	783,818	898,458	141,432	102,142	1,142,032	482,566	659,466	1,443,284
Homeowners	6,970,132	(369,448)	954,305	908,302	1,493,158	359,803	1,133,355	8,103,487
Farmowners	342,911	(81,751)	49,770	44,686	12,705	(10,741)	23,446	366,357
Commercial Multiple Peril	5,417,121	757,648	1,637,417	705,924	3,100,988	1,014,994	2,085,994	7,503,116
Ocean and Aircraft	2,705,153	110,762	234,156	352,518	697,436	217,808	479,628	3,184,781
Fire and Allied Lines	4,177,313	2,348,033	640,827	544,360	3,533,220	1,417,177	2,116,042	6,293,355
Medical Malpractice	2,857,621	(1,932,783)	1,535,784	372,386	(24,612)	(346,372)	321,760	3,179,381
Other Liability	7,030,000	(5,029,212)	3,753,915	916,103	(359,194)	(985,225)	626,031	7,656,031
Workers' Compensation	12,066,935	(4,425,099)	3,849,629	1,572,483	997,014	(493,427)	1,490,442	13,557,377
Group Accident & Health	2,175,238	(54,837)	854,458	283,463	1,083,084	298,414	784,670	2,959,908
Credit Accident & Health	50,118	5,843	5,945	6,531	18,319	6,236	12,083	62,200
Other Accident & Health	755,725	26,209	72,845	98,481	197,536	60,784	136,752	892,477
Fidelity and Surety	1,266,072	(255,527)	244,182	164,986	153,641	(1,170)	154,811	1,420,883
Financial Guaranty	0	177,250	252,032	0	429,282	153,216	276,066	276,066
Credit	20,726	4,819	19,669	2,701	27,188	8,579	18,610	39,336
Total of All Lines	\$70,346,700	(\$14,081,194)	\$19,940,549	\$9,167,118	\$15,026,473	\$1,801,242	\$13,225,231	\$83,571,931

- (1) Ending Capital and Surplus by line from Column (8) of prior year
- (2) From application of NAIC profitability formulas to Best's data
- (3) From application of NAIC profitability formulas to Best's data
- (4) Total All Lines Investment Income from Exhibit IVa, Column (3) less Total All Lines Investment Income on Policyholder Supplied Funds allocated by line on basis of Beginning Capital and Surplus
- (5) Column (2) + Column (3) + Column (4)
- (6) From application of NAIC profitability formulas to Column (5)
- (7) Column (5) - Column (6)
- (8) Column (1) + Column (7) Excludes all direct adjustments to Capital and Surplus account

(000) omitted

Method IV
Without Annual Reallocation of Surplus

Appendix G
Sheet 16

Line	1987							
	(1) Beginning Capital and Surplus	(2) Underwriting Income	(3) Investment Income on Policyholder Supplied Funds	(4) Investment Income on Non- Policyholder Supplied Funds	(5) Total Income Before Taxes	(6) Income Taxes	(7) Total Income After Taxes	(8) Ending Capital and Surplus
Private Passenger Auto Liability	\$17,201,435	(\$6,677,698)	\$3,684,647	\$1,821,600	(\$1,171,450)	(\$1,101,818)	(\$69,633)	\$17,131,803
Private Passenger Auto Physical Damage	6,932,933	2,552,128	679,087	734,185	3,965,399	1,354,101	2,611,298	9,544,232
Commercial Auto Liability	2,499,523	(783,014)	1,179,556	264,695	661,237	137,537	523,700	3,023,223
Commercial Auto Physical Damage	1,443,284	1,109,731	133,498	152,841	1,396,069	511,611	884,458	2,327,742
Homeowners	8,103,487	703,935	840,535	858,144	2,402,614	703,391	1,699,223	9,802,709
Farmowners	366,357	29,235	46,033	38,797	114,064	33,036	81,029	447,386
Commercial Multiple Peril	7,503,116	2,276,875	1,529,404	794,566	4,600,845	1,555,961	3,044,884	10,548,000
Ocean and Aircraft	3,184,781	249,157	222,287	337,262	808,707	236,587	572,121	3,756,901
Fire and Allied Lines	6,293,355	2,357,344	660,088	666,455	3,683,887	1,267,731	2,416,156	8,709,511
Medical Malpractice	3,179,381	(1,355,488)	1,496,200	336,691	477,403	142,449	334,953	3,514,334
Other Liability	7,656,031	(3,985,903)	3,908,774	810,760	733,631	497,429	236,202	7,892,233
Workers' Compensation	13,557,377	(4,536,830)	3,499,359	1,435,701	398,230	(62,845)	461,075	14,018,452
Group Accident & Health	2,959,908	(127,534)	499,174	313,449	685,089	140,313	544,776	3,504,684
Credit Accident & Health	62,200	5,678	7,319	6,587	19,584	5,560	14,024	76,225
Other Accident & Health	892,477	(107,325)	34,237	94,512	21,424	(12,828)	34,252	926,730
Fidelity and Surety	1,420,883	48,874	217,657	150,469	416,999	107,594	309,406	1,730,289
Financial Guaranty	276,066	(87,160)	203,272	29,235	145,347	21,633	123,695	399,761
Credit	39,336	49,085	32,340	4,166	85,591	27,752	57,839	97,175
Total of All Lines	\$83,571,931	(\$8,278,912)	\$18,873,469	\$8,850,112	\$19,444,670	\$5,565,211	\$13,879,459	\$97,451,390

- (1) Ending Capital and Surplus by line from Column (8) of prior year
- (2) From application of NAIC profitability formulas to Best's data
- (3) From application of NAIC profitability formulas to Best's data
- (4) Total All Lines Investment Income from Exhibit IVa, Column (3) less Total All Lines Investment Income on Policyholder Supplied Funds allocated by line on basis of Beginning Capital and Surplus
- (5) Column (2) + Column (3) + Column (4)
- (6) From application of NAIC profitability formulas to Column (5)
- (7) Column (5) - Column (6)
- (8) Column (1) + Column (7) Excludes all direct adjustments to Capital and Surplus account

(000) omitted

Method IV
Without Annual Reallocation of Surplus

Appendix G
Sheet 17

Line	1988							
	(1) Beginning Capital and Surplus	(2) Underwriting Income	(3) Investment Income on Policyholder Supplied Funds	(4) Investment Income on Non- Policyholder Supplied Funds	(5) Total Income Before Taxes	(6) Income Taxes	(7) Total Income After Taxes	(8) Ending Capital and Surplus
Private Passenger Auto Liability	\$17,131,803	(\$6,492,620)	\$4,114,543	\$1,733,191	(\$644,886)	(\$773,670)	\$128,784	\$17,260,587
Private Passenger Auto Physical Damage	9,544,232	2,023,110	706,009	965,571	3,694,690	1,042,042	2,652,648	12,196,880
Commercial Auto Liability	3,023,223	(982,576)	1,385,861	305,854	709,139	96,680	612,459	3,635,682
Commercial Auto Physical Damage	2,327,742	961,120	185,719	235,493	1,382,332	414,820	967,513	3,295,255
Homeowners	9,802,709	143,241	870,873	991,721	2,005,836	454,328	1,551,508	11,354,217
Farmowners	447,386	(38,380)	49,949	45,261	56,830	7,313	49,517	496,903
Commercial Multiple Peril	10,548,000	1,231,923	1,642,986	1,067,121	3,942,029	1,071,867	2,870,163	13,418,163
Ocean and Aircraft	3,756,901	(179,561)	217,241	380,078	417,758	76,905	340,854	4,097,755
Fire and Allied Lines	8,709,511	1,377,469	708,811	881,124	2,967,404	809,698	2,157,706	10,867,217
Medical Malpractice	3,514,334	(1,290,913)	1,834,687	355,538	899,312	230,553	668,759	4,183,093
Other Liability	7,892,233	(2,946,125)	4,626,490	798,442	2,478,807	623,871	1,854,937	9,747,170
Workers' Compensation	14,018,452	(5,754,216)	3,770,238	1,418,219	(565,758)	(261,696)	(304,062)	13,714,389
Group Accident & Health	3,504,684	(113,873)	181,260	354,562	421,949	73,007	348,942	3,853,627
Credit Accident & Health	76,225	13,646	980	7,711	22,337	6,469	15,868	92,092
Other Accident & Health	926,730	(71,619)	55,544	93,755	77,680	6,960	70,721	997,450
Fidelity and Surety	1,730,289	527,723	244,454	175,050	947,227	262,160	685,067	2,415,356
Financial Guaranty	399,761	(322,729)	225,667	40,443	(56,619)	(51,329)	(5,290)	394,470
Credit	97,175	38,797	24,630	9,831	73,258	19,868	53,390	150,565
Total of All Lines	\$97,451,390	(\$11,875,585)	\$20,845,944	\$9,858,967	\$18,829,325	\$4,109,844	\$14,719,481	\$112,170,871

- (1) Ending Capital and Surplus by line from Column (8) of prior year
- (2) From application of NAIC profitability formulas to Best's data
- (3) From application of NAIC profitability formulas to Best's data
- (4) Total All Lines Investment Income from Exhibit IVa, Column (3) less Total All Lines Investment Income on Policyholder Supplied Funds allocated by line on basis of Beginning Capital and Surplus
- (5) Column (2) + Column (3) + Column (4)
- (6) From application of NAIC profitability formulas to Column (5)
- (7) Column (5) - Column (6)
- (8) Column (1) + Column (7) Excludes all direct adjustments to Capital and Surplus account

(000) omitted

Method IV
Without Annual Reallocation of Surplus

Appendix G
Sheet 18

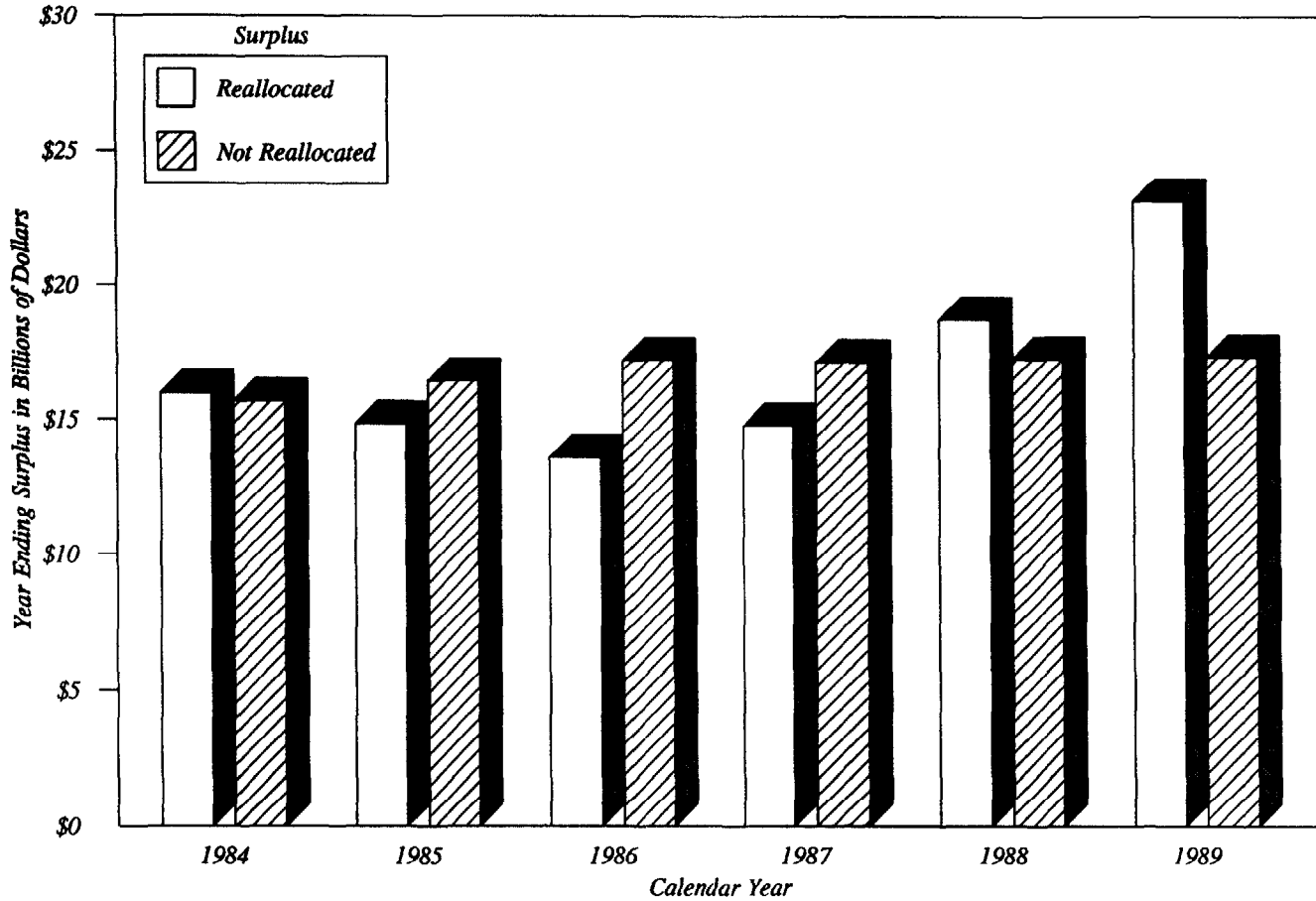
Line	1989							
	(1) Beginning Capital and Surplus	(2) Underwriting Income	(3) Investment Income on Policyholder Supplied Funds	(4) Investment Income on Non- Supplied Funds	(5) Total Income Before Taxes	(6) Income Taxes	(7) Total Income After Taxes	(8) Ending Capital and Surplus
Private Passenger Auto Liability	\$17,260,587	(\$8,035,696)	\$4,932,260	\$1,775,276	(\$1,328,160)	(\$1,400,161)	\$72,002	\$17,332,588
Private Passenger Auto Physical Damage	12,196,880	967,857	818,236	1,254,467	3,040,561	796,599	2,243,961	14,440,841
Commercial Auto Liability	3,635,682	(2,586,631)	1,601,462	373,935	(611,235)	(503,201)	(108,034)	3,527,648
Commercial Auto Physical Damage	3,295,255	611,583	181,372	338,922	1,131,877	325,284	806,593	4,101,848
Homeowners	11,354,217	(3,202,308)	1,011,491	1,167,798	(1,023,020)	(629,697)	(393,323)	10,960,894
Farmowners	496,903	(117,454)	57,446	51,107	(8,901)	(17,270)	8,369	505,272
Commercial Multiple Peril	13,418,163	(1,289,576)	1,952,408	1,380,077	2,042,909	224,310	1,818,599	15,236,762
Ocean and Aircraft	4,097,755	(351,969)	250,339	421,460	319,830	18,232	301,599	4,399,354
Fire and Allied Lines	10,867,217	(1,531,795)	865,504	1,117,709	451,418	(74,868)	526,285	11,393,502
Medical Malpractice	4,183,093	15,409	1,553,419	430,237	1,999,065	329,335	1,669,729	5,852,823
Other Liability	9,747,170	(6,309,652)	5,492,831	1,002,510	185,689	(1,129,592)	1,315,281	11,062,451
Workers' Compensation	13,714,389	(6,415,075)	4,680,842	1,410,545	(323,689)	(1,117,188)	793,499	14,507,888
Group Accident & Health	3,853,627	10,432	145,290	396,351	552,073	125,134	426,938	4,280,565
Credit Accident & Health	92,092	30,223	13,763	9,472	53,459	15,528	37,931	130,024
Other Accident & Health	997,450	(119,514)	57,477	102,589	40,552	(4,719)	45,271	1,042,721
Fidelity and Surety	2,415,356	245,932	255,803	248,423	750,157	196,396	553,761	2,969,117
Financial Guaranty	394,470	82,926	198,719	40,572	322,217	82,260	239,957	634,427
Credit	150,565	54,252	26,745	15,486	96,483	27,925	68,558	219,123
Total of All Lines	\$112,170,871	(\$27,941,056)	\$24,095,405	\$11,536,935	\$7,691,285	(\$2,735,692)	\$10,426,977	\$122,597,848

- (1) Ending Capital and Surplus by line from Column (8) of prior year
- (2) From application of NAIC profitability formulas to Best's data
- (3) From application of NAIC profitability formulas to Best's data
- (4) Total All Lines Investment Income from Exhibit IVa, Column (3) less Total All Lines Investment Income on Policyholder Supplied Funds allocated by line on basis of Beginning Capital and Surplus
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- (7) Column (5) - Column (6)
- (8) Column (1) + Column (7) Excludes all direct adjustments to Capital and Surplus account

(000) omitted

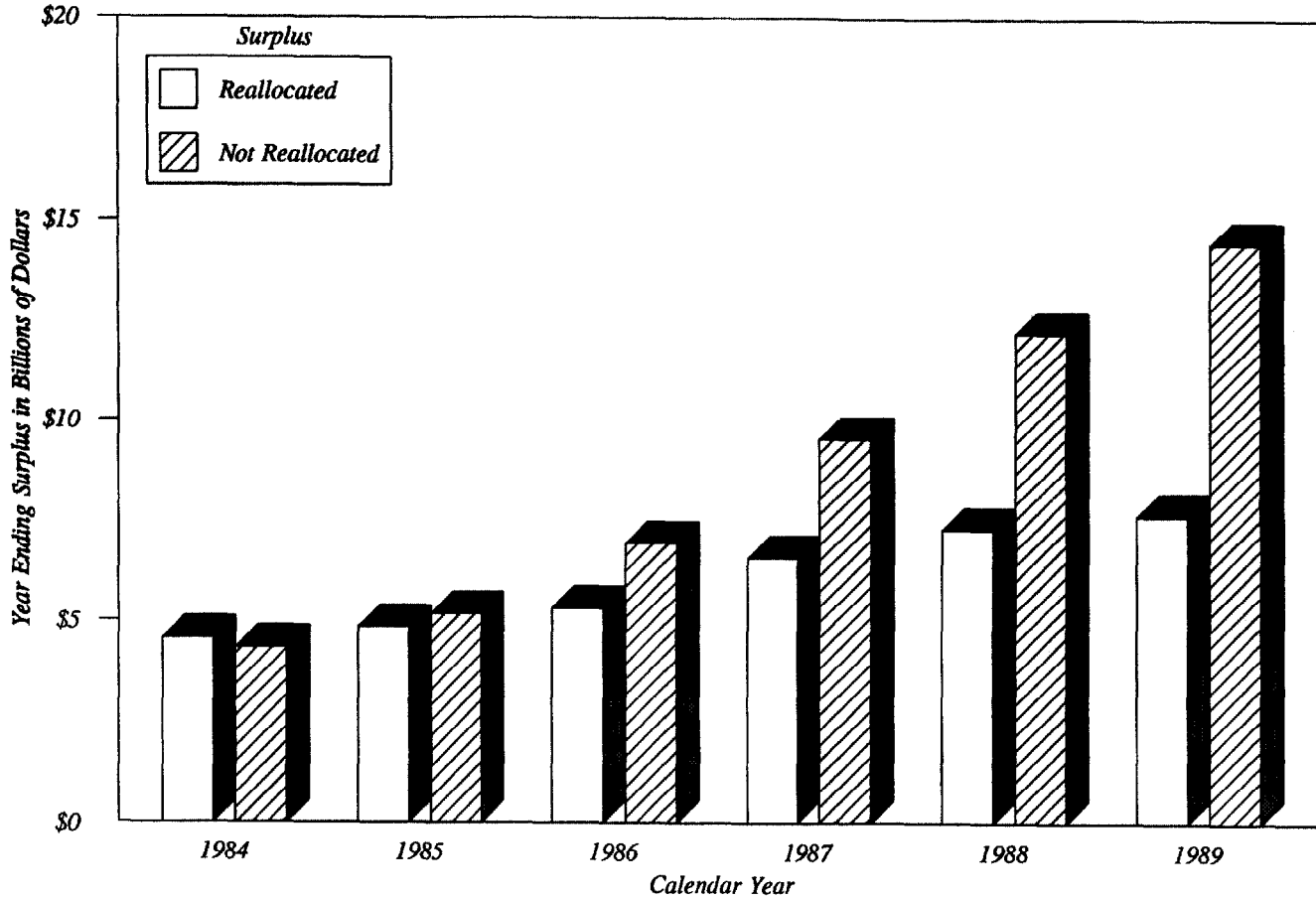
Private Passenger Auto Liability

Comparison of Year Ending Surplus With and Without Annual Reallocation

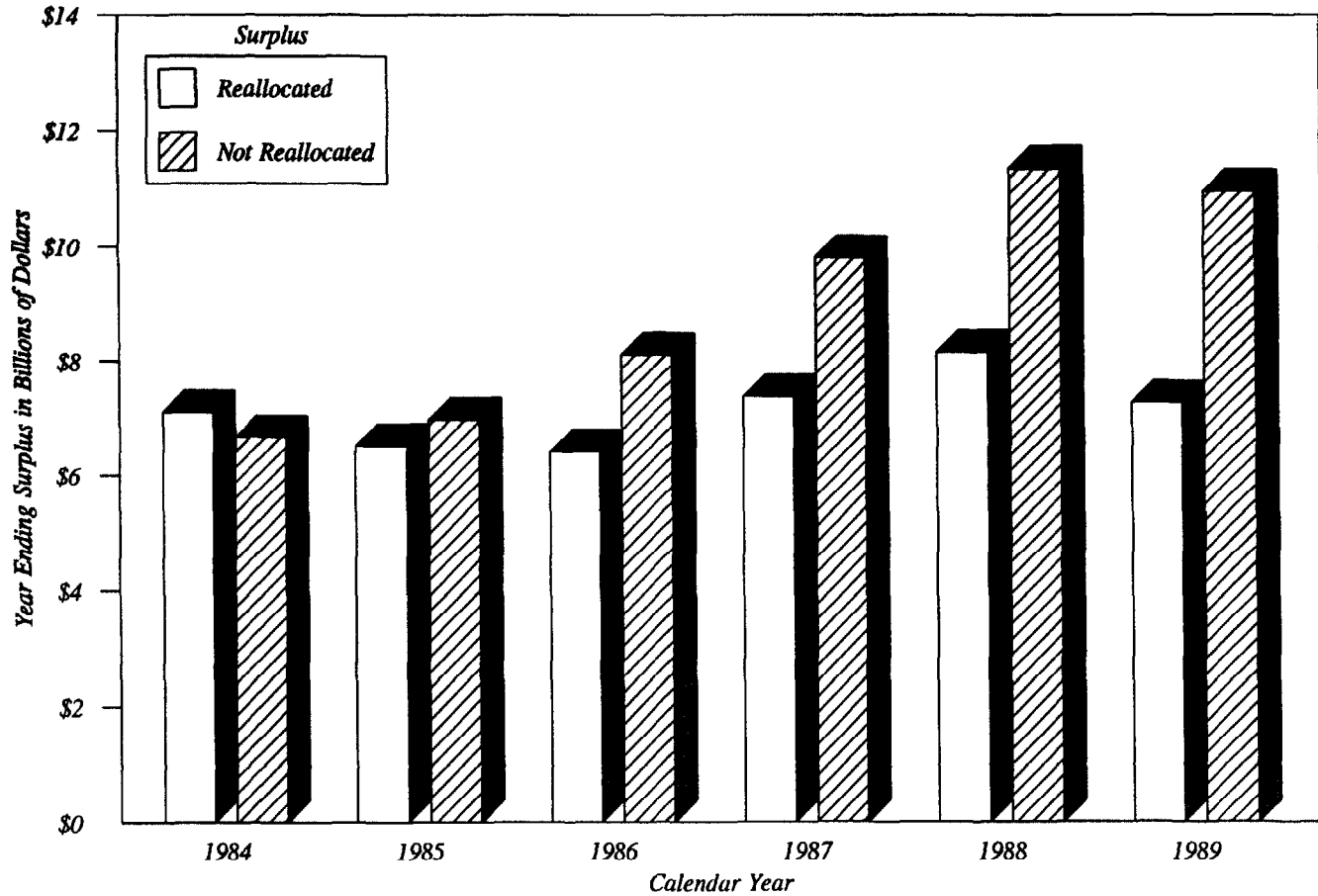


Private Passenger Auto Physical Damage

Comparison of Year Ending Surplus With and Without Annual Reallocation

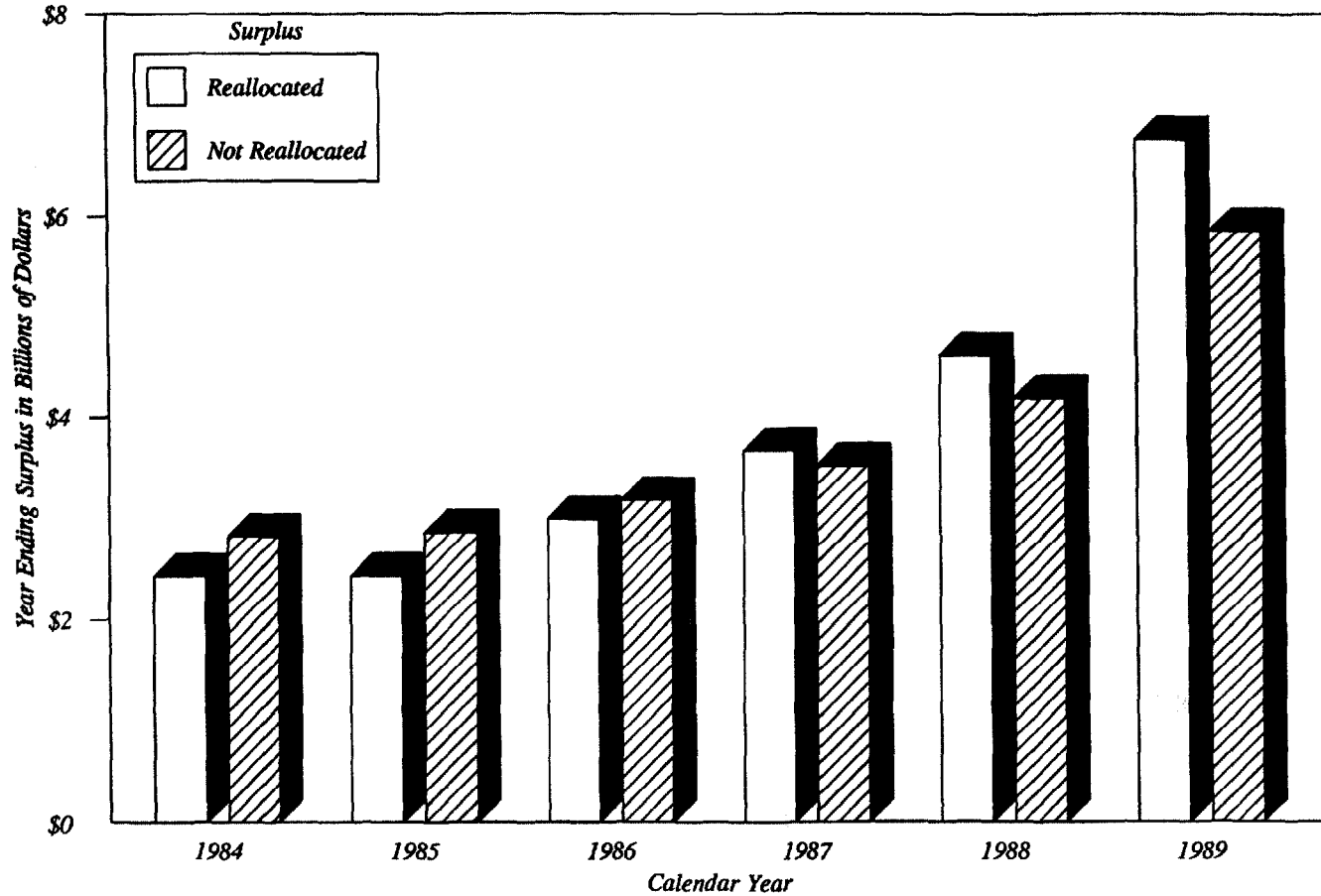


Comparison of Year Ending Surplus With and Without Annual Reallocation



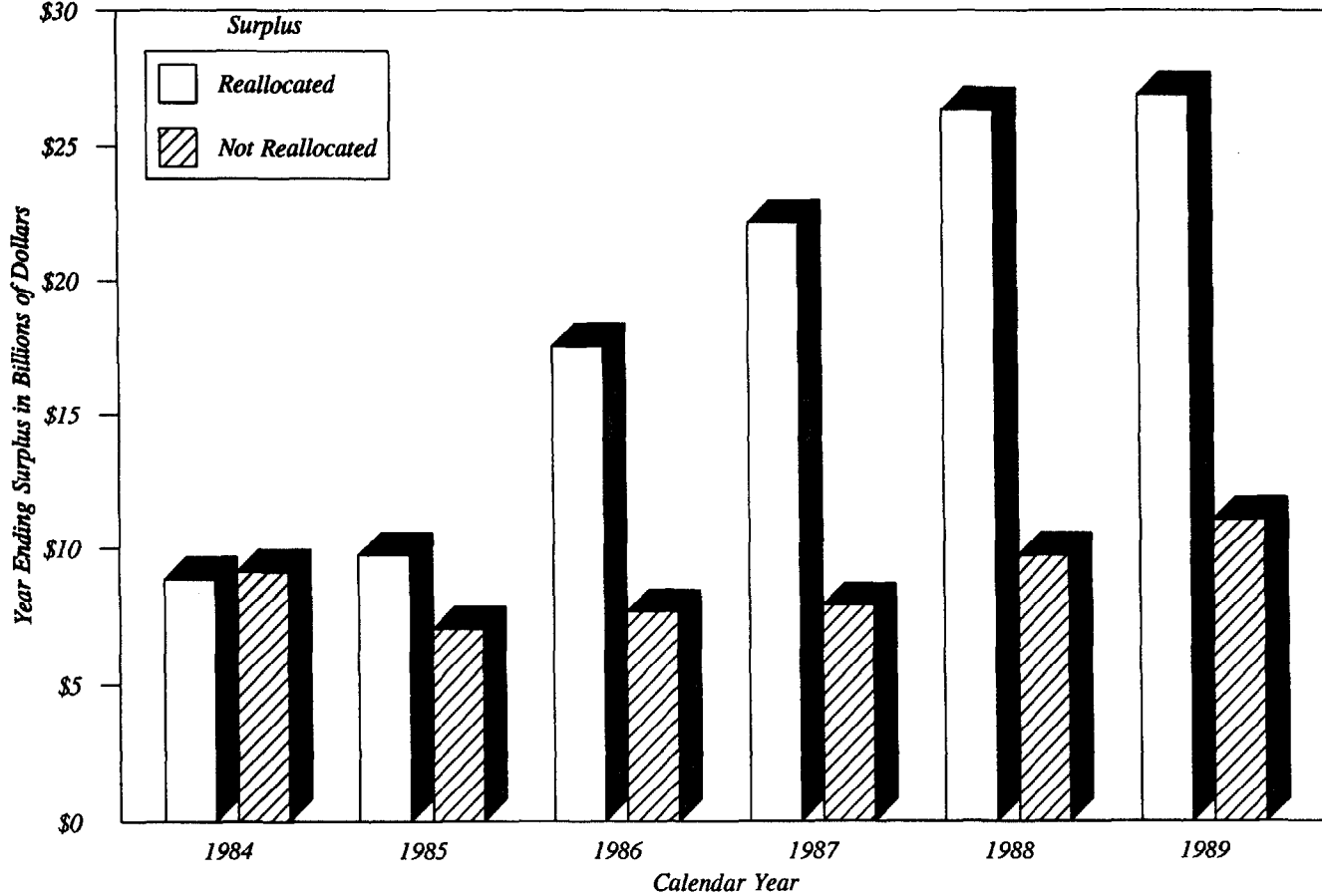
Medical Malpractice

Comparison of Year Ending Surplus With and Without Annual Reallocation



Other Liability

Comparison of Year Ending Surplus With and Without Annual Reallocation



Workers' Compensation

Comparison of Year Ending Surplus With and Without Annual Reallocation

