

# Sample: Best's Aggregates & Averages— Property/Casualty - U.S. & Canada

PROPERTY CASUALTY				
2	ANNUAL STATEMENT FOR THE YEAR 2007 OF THE <b>Total US PC Industry</b>			
ASSETS (\$000 omitted)				
	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1-2)	Net Admitted Assets
1. Bonds (Schedule D) .....	884,893,468	138,730	884,754,739	
2. Stocks (Schedule D):				
2.1 Preferred stocks .....	19,753,383	28,580	19,724,803	
2.2 Common stocks .....	228,524,985	1,060,545	227,464,439	
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....	4,611,868	2,974	4,608,894	
3.2 Other than first liens .....	205,074	905	204,168	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ 165,379 encumbrances) .....	8,951,024	8,612	8,942,412	
4.2 Properties held for the production of income (less \$ 95,202 encumbrances) .....	1,117,180	15,659	1,101,522	
4.3 Properties held for sale (less \$ 3,918 encumbrances) .....	560,320	177	560,142	
5. Cash (\$ 15,781,182, Schedule E-Part 1), cash equivalents (\$ 28,566,721, Schedule E-Part 2) and short-term investments (\$ 55,498,707, Schedule DA) .....	99,856,176	10,009	99,846,166	
6. Contract loans (including \$ — premium notes) .....	2,775	2,775	—	
7. Other invested assets (Schedule BA) .....	75,175,427	579,779	74,595,648	
8. Receivables for securities .....	1,797,013	1,548	1,795,465	
9. Aggregate write-ins for invested assets .....	10,413,481	3,611,428	6,802,053	
10. Subtotals, cash and invested assets (Lines 1 to 9) .....	1,335,862,173	5,461,722	1,330,400,451	
11. Title plants less \$ — charged off (for Title insurers only) .....	—	—	—	
12. Investment income due and accrued .....	11,320,678	34,493	11,286,186	
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection .....	43,989,699	3,573,327	40,416,372	
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 2,156,731 earned but unbilled premiums) .....	70,006,525	363,170	69,643,355	
13.3 Accrued retrospective premiums .....	7,091,136	367,141	6,723,994	
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers .....	24,604,267	20,895	24,583,372	
14.2 Funds held by or deposited with reinsured companies .....	9,455,960	65,576	9,390,384	
14.3 Other amounts receivable under reinsurance contracts .....	1,714,411	12,245	1,702,166	
15. Amounts receivable relating to uninsured plans .....	56,319	3,220	53,099	
16.1 Current federal and foreign income tax recoverable and interest thereon .....	3,116,696	105,607	3,011,089	
16.2 Net deferred tax asset .....	41,612,791	23,231,146	18,381,645	
17. Guaranty funds receivable or on deposit .....	1,080,930	7,981	1,072,950	
18. Electronic data processing equipment and software .....	4,666,771	3,132,943	1,533,828	
19. Furniture and equipment, including health care delivery assets (\$ 2,997 ) .....	2,483,723	2,465,999	17,724	
20. Net adjustment in assets and liabilities due to foreign exchange rates .....	33,686	235	33,451	
21. Receivables from parent, subsidiaries and affiliates .....	9,389,001	469,532	8,919,469	
22. Health care (\$ 1,793 ) and other amounts receivable .....	66,084	13,966	52,118	
23. Aggregate write-ins for other than invested assets .....	37,280,808	13,298,827	23,981,980	
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23) .....	1,603,831,657	52,628,024	1,551,203,633	
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	53,312	-2,148	55,460	
26. TOTALS (Lines 24 and 25) .....	1,603,884,969	52,625,877	1,551,259,092	
<b>DETAILS OF WRITE-INS</b>				
901. ....				
902. ....				
903. ....				
998. Summary of remaining write-ins for Line 9 from overflow page .....				
999. Totals (Lines 901 through 903 plus 998) (Line 9 above) .....				
2301. Future investment income on loss reserves .....	28,559	—	28,559	
2302. Other write-ins for assets other than invested assets .....	37,252,249	13,298,827	23,953,422	
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page .....				
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above) .....				

Source: A.M. Best's Global Insurance & Banking Database

**Bird's Eye View of the Industry:** *Best's Aggregates & Averages* is a unique cornucopia of benchmarking, composite and trend information.

# QAR QUANTITATIVE ANALYSIS REPORT

## Total US PC Industry 964 Property/Casualty Organizations (2346 Companies) (In Millions)

### QAR OVERVIEW

Summary Page

#### Financial Indicators

Year	Net Premiums Written	% Chg.	Pretax Operating Income/Loss	% Chg.	Net Income/Loss	% Chg.	Admitted Assets	% Chg.	Loss & LAE Reserves	% Chg.	Year-End Surplus	% Chg.
2003	421,032	9.7	35,917	311.2	31,694	226.1	1,203,720	12.5	457,909	8.0	358,141	21.5
2004	439,754	4.4	43,468	21.0	38,058	20.1	1,309,151	8.8	501,753	9.6	402,082	12.3
2005	439,593	-0.0	46,298	6.5	47,709	25.4	1,412,684	7.9	545,126	8.6	437,565	8.8
2006	457,306	4.0	89,116	92.5	70,518	47.8	1,501,185	6.3	554,793	1.8	503,211	15.0
2007	452,379	-1.1	76,339	-14.3	65,573	-7.0	1,551,259	3.3	572,238	3.1	537,188	6.8
5 Yr. CAGR		3.3						7.7		6.2		12.8
5 Yr. Chg.		17.9						45.0		35.0		82.2

#### Profitability Analysis (%)

Year	ROIA (P.1)			ROR (P.1)			ROE (P.1)			Underwtg. & Oper. Ratios (P.2)			
	Inv. Yield	NI (W/ RCG)	Total ROIA	POI/ NPE	NI/ NPE	Total ROR	POI/ PHS	NI/ PHS	Total ROE	Loss & LAE	Underwtg. Expenses	Combined A/Phds.	Operating
2003	4.5	5.2	8.3	8.9	7.9	14.5	11.0	9.7	17.9	75.0	24.6	100.1	89.9
2004	4.1	5.0	6.3	10.1	8.9	11.8	11.4	10.0	13.4	73.5	24.9	98.9	89.2
2005	4.7	5.8	5.2	10.7	11.1	9.7	11.0	11.4	10.0	75.3	25.4	101.2	89.2
2006	4.6	4.9	6.7	19.9	15.7	20.5	18.9	15.0	19.5	65.4	26.1	92.4	80.2
2007	4.5	5.2	5.2	16.9	14.5	14.3	14.7	12.6	12.4	67.7	27.1	95.5	82.7
5 Yr. Avg.	4.5	5.2	6.2	13.5	11.7	14.2	13.8	12.0	14.5	71.3	25.6	97.5	86.1
10 Yr. Avg.	4.7	5.8	5.8	9.1	9.0	9.1	9.0	9.0	9.1	75.5	26.1	102.5	90.4

#### Investment and Liquidity Analysis (%)

Year	Inv. Portfolio (% of Inv. Assets) (P.8)					Inv. Leverage (% of PHS) (P.5)			Liq. & Cash Flow Ratios (P.6)			
	L-Term Bonds	Total Stocks	Cash & S-Term Inv.	Affil. Inv.	All Other	Common Stocks	Nonaffil. Inv. Lvg.	Affil. Inv.	Quick Liq.	Current Liq.	U/W CF(%)	Oper. CF(%)
2003	66.0	13.7	9.2	6.7	4.4	35.8	49.9	18.8	37.9	117.2	111.7	119.8
2004	67.0	13.8	8.5	6.8	4.0	35.6	47.7	18.5	38.5	119.6	117.6	124.5
2005	67.7	13.6	7.9	6.1	4.7	34.7	48.3	16.6	36.9	121.0	110.1	119.5
2006	66.4	14.7	8.0	5.9	5.0	34.8	48.6	15.1	39.7	128.1	112.7	121.6
2007	65.4	14.4	7.4	6.4	6.5	32.7	49.9	15.9	37.3	129.8	110.1	117.0

#### Underwriting Leverage and Loss Reserve Analysis (%)

Year	Underwriting Leverage Ratios (P.9)						Loss Reserve Ratios (P.12-13)					
	NPW	Net Liab.	Net	Ceded	Gross	Bus. Ret.	Res./PHS	Res./NPE	Dev./Orig.	Dev./PHS	AY Comb.	(CY-AY)
2003	1.2	2.3	3.4	0.9	4.3	80.8	127.9	113.8	9.6	12.0	91.7	8.4
2004	1.1	2.2	3.2	0.8	4.1	82.3	124.8	116.9	2.1	2.5	90.2	8.8
2005	1.0	2.1	3.1	0.8	4.0	81.7	124.6	126.3	-1.3	-1.6	96.1	5.1
2006	0.9	1.9	2.8	0.7	3.5	82.9	110.3	123.7	-1.5	-1.6	91.3	1.1
2007	0.8	1.8	2.7	0.6	3.3	83.0	106.5	127.0	—	—	97.5	-2.0

Top Lines (P.10): Priv. Pass. Auto Liab. (21.0%), Auto Phy. Damage (15.7%), Homeowners M.P. (12.4%), Workers' Comp. (10.1%), Other Liability (9.1%)  
Top States (P.3): CA (12.2%), FL (8.0%), NY (7.2%), TX (7.1%), IL (4.2%)

Source: 2008 Best's Quantitative Analysis Report