

2014 Ward's 50 Top Performing P&C Insurers



To develop its annual list of the top 50 performing insurance companies, Ward Group analyzes the financial performance of over 3,000 property-casualty insurance companies domiciled in the United States and identifies the top performers based on objective data and subjective quality measures. Each company has passed all safety and consistency screens and achieved superior performance over the five years analyzed. This is the 24th consecutive year Ward Group has conducted the analysis.

The Ward's 50 property-casualty group of insurance companies produced a 10.6% statutory return on average equity from 2009 to 2013 compared to 6.9% for the property-casualty industry overall.

"Most insurers saw improvements in both financial returns and overall premium levels," explained Jeff Rieder, Partner and Head of Ward Group. "In clear signs of continued optimism, our research shows considerable investments are being made in technology, product enhancements and identifying ways to deliver a better customer experience. Companies will be challenged to manage the costs of these initiatives, but have strong financial positions to support the investments. Total policyholder surplus continues to grow and overall financial stability for the industry remains very strong. In selecting the Ward's 50, we identified companies that pass financial stability requirements and measure their ability to grow while maintaining strong capital positions and underwriting results."

Safety and Consistency

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

and consistency tests, including:

- Surplus and premiums of at least \$50 million for each of the 5 years analyzed
- Net income in at least 4 of the last 5 years
- Compound annual growth in premiums between -10% and +40%

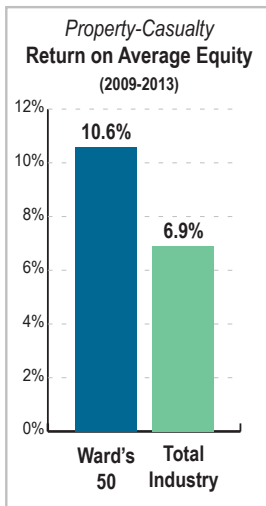
Performance Measurements

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

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

Key Performance Benchmarks

An important objective of the Ward's 50 is to compare their performance as a group with the rest of the industry. In addition to achieving greater levels of income returns, the Ward's 50 benchmarks also outperformed in other key performance benchmarks. The Ward's 50 property-casualty group compared 7.6 points lower for the five year combined ratio (94.7% compared to 102.3%) and grew policyholder surplus by 28.0% compared to 20.0% for the industry since 2009. Net premiums written for the Ward's 50 property-casualty group grew 14.4% compared to the industry's 10.8% growth.



In addition to achieving higher financial returns, the Ward's 50 benchmark continues to achieve lower expense ratios. "The expense ratio declined slightly in 2013 for the property-casualty. We still find the Ward's 50 benchmarks comparing better than the industry average." said Rieder. In 2013, expenses relative to revenue were 9.2% lower for the Ward's 50 property-casualty group of companies.

2014 Ward's 50® Companies

Property-Casualty (listed alphabetically)

ACE American Insurance Company
ACUIITY
Alaska National Insurance Company
Alleghany Group
Allstate Insurance Company
American Financial Group
AMERISAFE
The Andover Companies
Assurant Group
Auto Club Enterprises Insurance Group
Chubb Group
Cincinnati Insurance Group
Coverys
The Doctors Company
Eastern Alliance Insurance Group
Erie Insurance Group
First Insurance Company of Hawaii, LTD
FM Global
Franklin Mutual Insurance Group
GEICO*
Goodville Mutual Casualty Company
HCC Insurance Holdings Group
Island Insurance Companies
Jewelers Mutual Insurance Company
Lackawanna Casualty Company
Markel Corporation Group
Metropolitan Property and Casualty Insur. Co.
MMG Insurance Company
Munich Reinsurance America, Inc.
Nodak Mutual Insurance Company
North Star Mutual Insurance Company
Pacific Specialty Insurance Company
Philadelphia Insurance Companies
ProAssurance
Progressive Insurance Group
RLI Insurance Company*
Rural Mutual Insurance Company
SECURA Insurance Companies
Texas Mutual Insurance Company
Travelers Insurance Group
United Educators
USAA Group*
Utica First Insurance Company
Vermont Mutual Insurance Company
W.R. Berkley Corporation
West Bend Mutual
Western Mutual Insurance Group
Western National Insurance Group
Westfield Insurance
Zurich American Insurance Company
*24-year recipient (1991-2014)

An important objective of the Ward's 50 is to compare their performance as a group with the rest of the industry. Comparisons based on benchmarks set by the Ward's 50 group of companies are available for individual companies and the total industry. Visit www.wardinc.com for more information.