

Top 50 Property-Casualty Companies



Annually, Ward Group analyzes the financial performance of over 3,000 property-casualty insurance companies domiciled in the United States and identifies the top performing companies. This group is called the Ward's 50 for the year. Each Ward's 50 company has passed all safety and consistency screens and achieved superior performance over the five years analyzed. The Ward's 50 property-casualty insurance companies produced a 14.1% return on average equity from 2001-2005 compared to 6.3% for the property-casualty industry overall.

The insurance industry today faces tremendous challenges including market pressures, expense management, technology, rising claim costs, compliance, legislation and more. Top performing companies take these challenges in stride. The best companies often do things differently in order to set themselves apart from the competition. In particular, these companies maintain efficient operating models, meet the needs of customers and successfully execute their strategy. Results from the Ward Group Benchmarking Programs confirm these findings and identify best practices that set the top performing companies apart from the rest of the industry.

Operational Efficiency

Due to technological advances and changing market conditions, companies must now manage significant changes in workloads and workflow that affect all areas of the organization. Top performing companies have 19% fewer employees when measured to premiums written. Web-based technology, predictive modeling and enterprise content management have significantly influenced operating models. The ability to adapt to new technology provides significant expense savings and a more efficient workforce. For example, imaging and automated workflow enable companies to centralize back office operations while keeping the customer-facing activities in the field. They also tend to do many of the little things right. For example,

top performers maintain a staff to management ratio of 6.8 to 1, compared to 5.3 to 1, on average. A flatter organization produces a more efficient operation and also reduces company wide staffing costs. The difference in staff to management translates into a savings of nearly \$2,200 per employee, on average.

Customer Focus

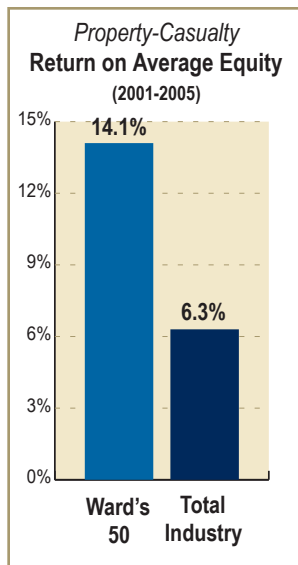
With increasing demands by consumers, it is easy to get lost in the myriad of requests and even lose focus on your customers. Customer service has expanded to include more than just servicing the policyholder. Insurers recognize they have many customers to support, both external and internal. Top performers consciously service all customers, including policyholders, agents, employees and outside service partners.

Superior customer service and ease of doing business significantly improve customer loyalty and retention.

Strategic Execution

In order to remain competitive, companies must clearly understand their core competencies to develop and execute corporate strategy. Top performing companies achieve superior results through combinations of effective distribution channels, technology, product focus and strong market knowledge within

their geographic territories. Companies that capitalize quickly on these strengths gain a tremendous competitive edge.



Jeff Rieder
President



www.wardinc.com



2006 Ward's 50 Property-Casualty Companies (listed alphabetically)

- Accident Fund
 - Acuity
 - Allstate Insurance Company
 - American Modern Insurance Group
 - Amerisure Companies
 - ANPAC
 - Automobile Club of Southern California
 - Auto-Owners Insurance Group *
 - California State Automobile Association
 - Canal Insurance Group *
 - Central Mutual of Ohio Group
 - Chubb Group
 - Church Mutual Insurance Company
 - Cincinnati Insurance Group *
 - Columbia Insurance Group
 - The Commerce Group, Inc.
 - Donegal Insurance Group
 - Farm Bureau of Michigan Group
 - Federated Mutual Group
 - Frankenmuth Financial Group
 - GEICO *
 - Germania Insurance Group
 - Grange Mutual Casualty Group
 - Grinnell Mutual Group
 - The Hartford Fire Group
 - Hastings Mutual Insurance Company
 - IDS Property Casualty Insurance Company
 - Indiana Farmers Mutual Insurance Company
 - Jewelers Mutual Insurance Company
 - Kentucky Farm Bureau Mutual Insurance Co.
 - Louisiana Workers' Compensation Corporation
 - Maine Employers Mutual Insurance Company
 - Markel Corporation Group
 - Mercury Casualty Group
 - Metropolitan Property and Casualty Insur. Co.
 - North Star Mutual Insurance Company
 - Old Republic Insurance Group
 - Pennsylvania Lumbermens Mutual Insur. Co.
 - Philadelphia Insurance Companies
 - Progressive Casualty Insurance Company
 - Protective Insurance Group
 - RLI Insurance Group *
 - SECURA Insurance Companies
 - Selective Insurance Company of America
 - Tennessee Farmers Mutual Insurance Co. *
 - United Fire & Casualty Group
 - USAA Group *
 - West Bend Mutual
 - Western National Mutual Insurance Group
 - Western World Group
- * 16-year recipient (1991-2006)