Calculation of Leverage Factors - [Earned Premium to Average Surplus]

Data from the 2007 edition of AM Best's Aggregates & Averages [Rounded to the nearest million]

This calculation allocates Policyholders Surplus by Reserves and Earned Premium.

		2005 Allocated Policyholders Surplus							2006 Allocated Policyholders Surplus									
[1a]	[1b]	[2]	[3]	[4]	[4.b.]	[5]	[6]	[7]	[8]	[9]	[10]	[10.b.]	[11]	[12]	[13]	[14]	[15]	[16]
								Surplus							Surplus	Two Year	2006	Calculated
						Total	% of Total	By Line					Total	% of Total	By Line	Average	Net	Leverage
Line	Line	U/E	Unpaid	Unpaid	Earned	Reserves+EP	Col. [5] /	Col. [6] *	U/E	Unpaid	Unpaid	Earned	Reserves	Col. [11] /	Col. [12] *	Surplus	**Earned**	Factor
Number	Name	Prem.	Losses	L.A.E.	Premium	[2]+[3]+[4]+[4.b.]	Total Col.[5]	Total Col.[7]	Prem.	Losses	L.A.E.	Premium	{8]+[9]+[10]+[10.b]	Total Col.[11]	Total Col.[13]	{[7]+[13]}/2	Premium	[15]/[14]
1	Fire	4,119	3,870	367	7,650	16,006	1.38%	5,987	4,596	4,147	345	8,850	17,938	1.50%	7,500	6,743	8,850	1.3125
2	Allied Lines	2,962	6,422	559	8,020	17,963	1.54%	6,719	3,529	5,627	452	8,815	18,423	1.54%	7,702	7,210	8,815	1.2225
3	Farmowners	1,125	640	140	2,197	4,102	0.35%	1,534	1,151	676	146	2,272	4,245	0.35%	1,775	1,654	2,272	1.3732
4	Homeowners	28,729	15,021	3,944	50,593	98,287	8.44%	36,761	30,622	13,537	3,593	52,930	100,682	8.40%	42,093	39,427	52,930	1.3425
5.1	CMP - NL	9,436	10,290	1,756	17,195	38,677	3.32%	14,466	9,975	7,916	1,593	18,529	38,013	3.17%	15,893	15,179	18,529	1.2207
5.2	CMP - Liab.	5,956	16,419	7,983	11,680	42,038	3.61%	15,723	6,334	18,418	8,674	12,313	45,739	3.82%	19,123	17,423	12,313	0.7067
5	CMP	15,392	26,709	9,739	28,875	80,715	6.93%	30,189	16,309	26,334	10,267	30,842	83,752	6.99%	35,015	32,602	30,842	0.9460
6	Mortgage	690	7,411	104	4,321	12,526	1.08%	4,685	714	7,836	112	4,518	13,180	1.10%	5,510	5,098	4,518	0.8863
8	Ocean Marine	1,078	3,141	326	2,876	7,421	0.64%	2,776	1,198	3,018	328	3,015	7,559	0.63%	3,160	2,968	3,015	1.0159
9	Inland Marine	4,496	3,044	394	7,964	15,898	1.37%	5,946	4,917	2,733	385	8,795	16,830	1.40%	7,036	6,491	8,795	1.3549
10	Financial G.	10,621	613	(29)	2,330	13,535	1:16%	5,062	11,249	249	28	2,389	13,915	1.16%	5,818	5,440	2,389	0.4392
11.1	Med. Mal. Occ.	961	8,762	2,712	2,153	14,588	1.25%	5,456	1,058	9,003	2,800	2,311	15,172	1.27%	6,343	5,900	2,311	0.3917
11.2	Med. Mal. cm.	3,492	12,504	4,326	7,153	27,475	2.36%	10,276	3,612	12,801	4,786	7,388	28,587	2.38%	11,952	11,114	7,388	0.6647
11	Med. Mal.	4,453	21,266	7,038	9,306	42,063	3.61%	15,732	4,670	21,804	7,586	9,699	43,759	3.65%	18,295	17,014	9,699	0.5701
12	Earthquake	898	348	37	1,407	2,690	0.23%	1,006	1,043	234	27	1,495	2,799	0.23%	1,170	1,088	1,495	**1.0000**
13	Group A&H	1,186	2,288	183	6,168	9,825	0.84%	3,675	1,396	2,231	243	4,112	7,982	0.67%	3,337	3,506	4,112	1.1729
14	Credit A&H	122	98	4	281	505	0.04%	189	113	86	4	278	481	0.04%	201	195	278	1.4257
15	Other A&H	4,817	1,903	155	2,262	9,137	0.78%	3,417	5,015	1,641	143	1,839	8,638	0.72%	3,611	3,514	1,839	0.5233
16	Workers' Comp.	12,319	108,480	14,497	48,135	183,431	15.76%	68,607	12,584	115,886	15,599	47,694	191,763	16.00%	80,173	74,390	47,694	0.6411
17.1	O. Liab. Occ.	14,268	61,112	15,363	23,578	114,321	9.82%	42,758	14,512	64,596	16,380	26,385	121,873	10.17%	50,953	46,856	26,385	0.5631
17.2	O. Liab. cm.	8,428	23,728	6,139	15,377	53,672	4.61%	20,074	8,774	26,030	6,614	15,178	56,596	4.72%	23,662	21,868	15,178	0.6941
17	O. Liab.	22,696	84,840	21,502	38,955	167,993	14.43%	62,833	23,286	90,626	22,994	41,563	178,469	14.89%	74,615	68,724	41,563	0.6048
18.1	Products - Occ.	1,367	10,793	4,732	2,936	19,828	1.70%	7,416	1,406	10,440	4,702	3,043	19,591	1.63%	8,191	7,803	3,043	0.3900
18.2	Products - cm.	207	687	259	512	1,665	0.14%	623	216	710	250	528	1,704	0.14%	712	668	528	0.7909
18	Products	1,574	11,480	4,991	3,448	21,493	1.85%	8,039	1,622	11,150	4,952	3,571	21,295	1.78%	8,903	8,471	3,571	0.4216
19.2	PP Auto Liab.	29,329	68,712	16,082	94,162	208,285	17.89%	77,903	29,394	68,190	16,593	95,177	209,354	17.46%	87,527	82,715	95,177	1.1507
19.4	C. Auto Liab.	9,376	21,900	3,844	19,393	54,513	4.68%	20,389	9,573	22,444	3,969	19,478	55,464	4.63%	23,189	21,789	19,478	0.8939
21.1	PP Auto PD	20,282	2,972	1,238	64,194	88,685	7.62%	33,170	20,480	2,648	1,212	64,415	88,754	7.40%	37,106	35,138	64,415	1.8332
21.2	Comm Auto PD	3,419	809	577	7,405	12,211	1.05%	4,567	3,415	829	632	7,441	12,318	1.03%	5,150	4,859	7,441	1.5316
21	Auto PD.	23,701	3,781	1,815	71,599	100,896	8.67%	37,737	23,895	3,477	1,844	71,856	101,072	8.43%	42,256	39,997	71,856	1.7965
22	Aircraft	763	2,162	204	1,998	5,127	0.44%	1,918	785	2,194	223	1,989	5,191	0.43%	2,170	2,044	1,989	0.9731
23	Fidelity	687	1,076	170	1,220	3,153	0.27%	1,179	712	1,220	166	1,220	3,318	0.28%	1,387	1,283	1,220	0.9507
24	Surety	2,657	2,726	559	3,686	9,628	0.83%	3,601	2,885	2,941	644	4,186	10,656	0.89%	4,455	4,028	4,186	1.0392
26	Burglary & Theft	69	44	6	128	247	0.02%	92	70	60	8	141	279	0.02%	117	105	141	1.3491
27	Boiler & Mach.	760	621	74	1,581	3,036	0.26%	1,136	809	725	77	1,627	3,238	0.27%	1,354	1,245	1,627	1.3072
28	Credit	750	415	22	807	1,994	0.17%	746	915	484	34	926	2,359	0.20%	986	866	926	1.0693
29	International	28	604	20	295	947	0.08%	354	11	451	19	210	691	0.06%	289	322	210	0.6531
30	Reins. Property	838	11,061	349	4,170	16,418	1.41%	6,141	1,455	8,474	321	5,546	15,796	1.32%	6,604	6,372	5,546	0.8703
31	Reins. Liab.	2,354	38,288	3,319	3,372	47,333	4.07%	17,703	2,235	37,784	3,446	7,475	50,940	4.25%	21,297	19,500	7,475	0.3833
32	Reins. Finc'l.	81	750	37	174	1,042	0.09%	390	37	728	44	276	1,085	0.09%	454	422	276	0.6545
33	Agg. Write-ins.	4,800	335	58	2,569	7,762	0.67%	2,903	4,685	413	62	2,509	7,669	0.64%	3,206	3,055	2,509	0.8214
34	Total	193,470	450,049	90,510	429,942	1,163,971	100.00%	435,348	201,475	457,400	94,654	445,293	1,198,822	100.00%	501,207	468,278	445,293	0.9509
	P.H. Surplus							435,348							501,207			Note: EQ Levg = 1.0