

# TEXAS WATCH

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March 1, 2011

*Via hand delivery and electronic mail (bc@senate.state.tx.us)*

Senate Committee on Business & Commerce  
Attn: Chairman John Carona  
P.O. Box 12068  
SHB 370  
Austin, TX 78711

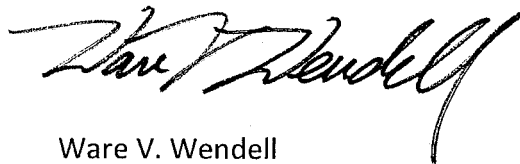
Re: SB 95 by Lucio; written supplement to testimony

Dear Chairman Carona and Members of the Committee:

Please allow the attached sections from the Texas Department of Insurance's "Quarterly Legislative Report on Market Conditions" to serve as a written supplement to my oral testimony in favor of SB 95 by Senator Lucio.

These tables demonstrate how the homeowners insurance market has remained concentrated over the years and underscore the need to empower consumers to shop the market.

Sincerely,



Ware V. Wendell  
Director of Legislative Affairs

Enclosure (4 pgs.)



**Texas Department  
of Insurance**

**Quarterly Legislative Report  
on Market Conditions**

*3rd Quarter  
2010*

## Homeowners Multiple Peril (All Companies)

There were 66 groups, 111 companies, that had premiums on policies written for Homeowners Multiple Peril (includes renters' insurance) in the third quarter of 2010, as compared to 68 groups, 116 companies, in the third quarter of 2009.

The table below represents the top 25 groups for premiums on policies written based on a sum of the most recent four quarters. Also included is a comparison of premiums on policies written in the third quarter of 2010 to premiums on policies written in the third quarter of 2009 for the same groups.

### DIRECT PREMIUMS WRITTEN MARKET SHARE FOR HOMEOWNERS MULTIPLE PERIL

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 3rd Quarter 2010	% Change 3rd Quarter 2009 to 2010	4 Quarters Ending 3rd Qtr 2010	% Change 4 Qtrs Ending 2009 to 2010	Net Underwriting Profit or Loss 3rd Qtr 2010	Loss Ratio 3rd Qtr 2010
1	State Farm IL	28.31%	\$449,450,550	6.27%	\$1,617,956,271	5.93%	\$55,530,583	42.34
2	Allstate Insurance Group	12.93%	\$203,552,928	(0.72%)	\$738,997,558	1.35%	\$89,047,317	46.73
3	Zurich Insurance Group	12.84%	\$201,212,954	(5.10%)	\$733,676,241	(0.35%)	\$44,235,633	37.29
4	United Services Automobile Assn. Group	7.86%	\$127,600,412	(0.65%)	\$449,407,083	3.31%	\$67,126,847	35.44
5	Liberty Mutual Group	5.14%	\$91,180,234	18.56%	\$293,589,456	22.01%	\$32,884,285	32.93
6	Travelers Group	4.93%	\$78,833,467	2.00%	\$281,531,935	2.22%	\$1,380,042	41.17
7	Nationwide Corp.	3.70%	\$60,072,842	(16.28%)	\$211,612,502	(11.04%)	\$2,918,380	43.11
8	Texas Farm Bureau Mutual	2.72%	\$42,313,693	(6.73%)	\$155,384,943	(2.42%)	\$4,257,859	65.12
9	Chubb & Son Inc.	2.00%	\$30,520,319	2.59%	\$114,158,926	1.90%	\$6,162,724	62.88
10	Hartford Fire & Casualty Group	1.88%	\$28,490,382	(11.77%)	\$107,558,664	1.32%	\$2,507,243	49.65
11	ARX Holding Corp. Group	1.64%	\$29,757,298	22.44%	\$93,459,699	32.96%	\$8,805,447	25.07
12	Delek Group	1.54%	\$33,042,577	(7.83%)	\$88,271,397	(5.35%)	(\$2,994,767)	34.35
13	Auto Club Enterprises Insurane Group	1.05%	\$17,975,912	17.27%	\$60,031,140	19.10%	\$1,685,754	38.15
14	Amica Mutual Group	1.02%	\$17,444,768	19.49%	\$58,145,526	19.82%	\$411,107	34.83
15	Texas Fair Plan Association	0.89%	\$15,938,098	15.82%	\$51,056,818	17.89%	(\$8,085,999)	39.18
16	NLASCO	0.88%	\$13,572,919	18.25%	\$50,513,956	8.07%	\$3,986,098	42.12
17	Metropolitan Group	0.75%	\$14,082,497	20.63%	\$43,127,169	22.26%	\$1,422,465	35.83
18	State National Group	0.72%	\$19,012,801	8.70%	\$41,184,268	11.49%	\$200,796	13.14
19	Universal Insurance Company Group	0.71%	\$15,250,059	101.35%	\$40,600,925	61.48%	\$60,435	21.10
20	State Automobile Mutual Group	0.57%	\$10,036,315	35.27%	\$32,842,169	58.69%	\$6,505,110	35.18
21	Unitrin Group	0.57%	\$9,500,429	1.29%	\$32,356,814	(1.03%)	\$5,357,375	43.25
22	Allianz Insurance Group	0.54%	\$9,565,766	6.28%	\$31,094,924	(1.59%)	(\$1,968,163)	44.55
23	Homeowners of America Insurance Company	0.54%	\$8,915,789	60.47%	\$30,953,210	87.54%	\$158,898	49.69
24	Cypress Holdings Group	0.54%	\$8,316,975	(11.03%)	\$30,667,231	(7.84%)	\$2,687,597	41.14
25	Wellington Insurance Company	0.53%	\$8,676,458	20.04%	\$30,409,172	13.69%	(\$1,502,110)	45.71
<b>Top 25 Groups Total</b>		<b>94.80%</b>	<b>\$1,544,316,442</b>	<b>2.83%</b>	<b>\$5,418,587,997</b>	<b>4.80%</b>	<b>\$322,780,956</b>	<b>41.00</b>
<b>Total Market</b>		<b>100.00%</b>	<b>\$1,621,086,509</b>	<b>1.38%</b>	<b>\$5,715,974,203</b>	<b>4.52%</b>	<b>\$331,328,796</b>	<b>41.15</b>



**Texas Department  
of Insurance**

**Quarterly Legislative Report  
on Market Conditions**

*3rd Quarter  
2003*

## Homeowners Multiple Peril (All Companies)

There were 78 groups, 103 companies, that had premiums on policies written for Homeowners Multiple Peril (includes renters' insurance) in the third quarter of 2003, as compared to 82 groups, 118 companies, in the third quarter of 2002.

The table below represents the top 25 groups for premiums on policies written based on a sum of the most recent four quarters. Also included is a comparison of premiums on policies written in the third quarter of 2003 to premiums on policies written in the third quarter of 2002 for the same groups.

### DIRECT PREMIUMS WRITTEN MARKET SHARE FOR HOMEOWNERS MULTIPLE PERIL

4 Qtrs Rank	Group Name	Market Share (4 Qtrs)	Written 3rd Quarter 2003	% Change 3rd Quarter 2002 to 2003	4 Quarters Ending 3rd Qtr 2003	% Change 4 Qtrs Ending 2002 to 2003
1	State Farm IL	28.81%	\$346,127,026	(1.73%)	\$1,235,127,487	2.03%
2	Allstate Insurance Group	17.47%	\$216,077,382	7.95%	\$748,734,585	3.10%
3	Zurich Insurance Group	8.93%	\$151,078,532	(10.45%)	\$382,874,910	(41.21%)
4	United Services Automobile Assn. Group	6.73%	\$81,590,578	1.20%	\$288,354,509	12.86%
5	Travelers Property Casualty Corp Group	5.15%	\$61,244,151	26.45%	\$220,957,245	20.47%
6	Vesta Insurance Group	5.04%	\$39,125,488	12.20%	\$216,247,314	63.58%
7	Nationwide Corp	3.83%	\$44,290,886	9.30%	\$164,380,889	21.94%
8	Chubb & Son Inc.	2.87%	\$32,224,785	8.05%	\$122,939,215	27.07%
9	Texas Farm Bureau Mutual	1.99%	\$24,318,462	5.25%	\$85,371,148	11.86%
10	Safeco Insurance Group	1.45%	\$16,252,777	(3.04%)	\$62,075,218	(4.48%)
11	Texas FAIR Plan Association	1.44%	\$30,862,895	*	\$61,899,077	*
12	Liberty Mutual Group	1.31%	\$17,101,957	31.86%	\$56,334,865	23.09%
13	Hartford Fire & Casualty Group	1.28%	\$16,690,049	17.72%	\$54,827,964	22.57%
14	Credit Suisse Group	1.26%	\$15,242,425	21.33%	\$54,017,324	33.53%
15	NLASCO	1.25%	\$13,652,929	130.41%	\$53,615,102	282.19%
16	Amica Mutual Group	1.18%	\$14,820,880	31.28%	\$50,480,139	46.41%
17	American National Financial Group	1.06%	\$11,719,222	(16.10%)	\$45,366,938	2.71%
18	Allianz Insurance Group	0.83%	\$8,142,565	(21.26%)	\$35,445,230	2.59%
19	Titus Group	0.77%	\$9,180,003	5.03%	\$32,984,351	5.55%
20	CNA Insurance Group	0.69%	\$7,671,454	(12.52%)	\$29,593,773	(15.94%)
21	UNITRIN Group	0.67%	\$8,957,314	21.00%	\$28,702,835	(1.48%)
22	Metropolitan Group	0.64%	\$10,766,625	57.18%	\$27,525,733	15.48%
23	Service Life Group	0.54%	\$4,989,165	(56.02%)	\$23,283,319	(39.91%)
24	ARX Holding Corp Group	0.51%	\$1,636,903	(4.49%)	\$21,802,542	889.65%
25	Colonial Savings Group	0.50%	\$5,434,868	(3.31%)	\$21,647,708	33.51%
<b>Top 25 Groups Total</b>		<b>96.21%</b>	<b>\$1,189,199,321</b>	<b>5.53%</b>	<b>\$4,124,589,420</b>	<b>3.98%</b>
<b>Total Market</b>		<b>100.00%</b>	<b>\$1,228,849,308</b>	<b>4.98%</b>	<b>\$4,287,025,521</b>	<b>4.10%</b>

\* Premiums from prior reporting period were \$0, less than \$0, or negligible.