

**NEW JERSEY HOMEOWNER  
AIS RISK CONSULTANTS FAST TRACK TREND ANALYSIS**

Summary of Loss Trends Based on Fast Track Data Through 09/30/2011

New Jersey Homeowner Forms 1-3 and 5

|                 | Linear Loss Trends |                  |                 |                 |                 | Exponential Loss Trends |                  |                 |                 |                 |
|-----------------|--------------------|------------------|-----------------|-----------------|-----------------|-------------------------|------------------|-----------------|-----------------|-----------------|
|                 | <u>16 Points</u>   | <u>12 Points</u> | <u>9 Points</u> | <u>8 Points</u> | <u>6 Points</u> | <u>16 Points</u>        | <u>12 Points</u> | <u>9 Points</u> | <u>8 Points</u> | <u>6 Points</u> |
| Claim Cost      | -3.1%              | -6.2%            | -5.4%           | -2.1%           | 11.5%           | -3.1%                   | -6.0%            | -5.2%           | -2.1%           | 11.2%           |
| Claim Frequency | 16.3%              | 22.6%            | 22.1%           | 17.5%           | -6.7%           | 20.0%                   | 28.7%            | 26.9%           | 20.6%           | -8.5%           |
| Pure Premium    | 13.5%              | 17.5%            | 17.8%           | 16.1%           | 2.2%            | 16.2%                   | 21.0%            | 20.4%           | 18.1%           | 1.7%            |

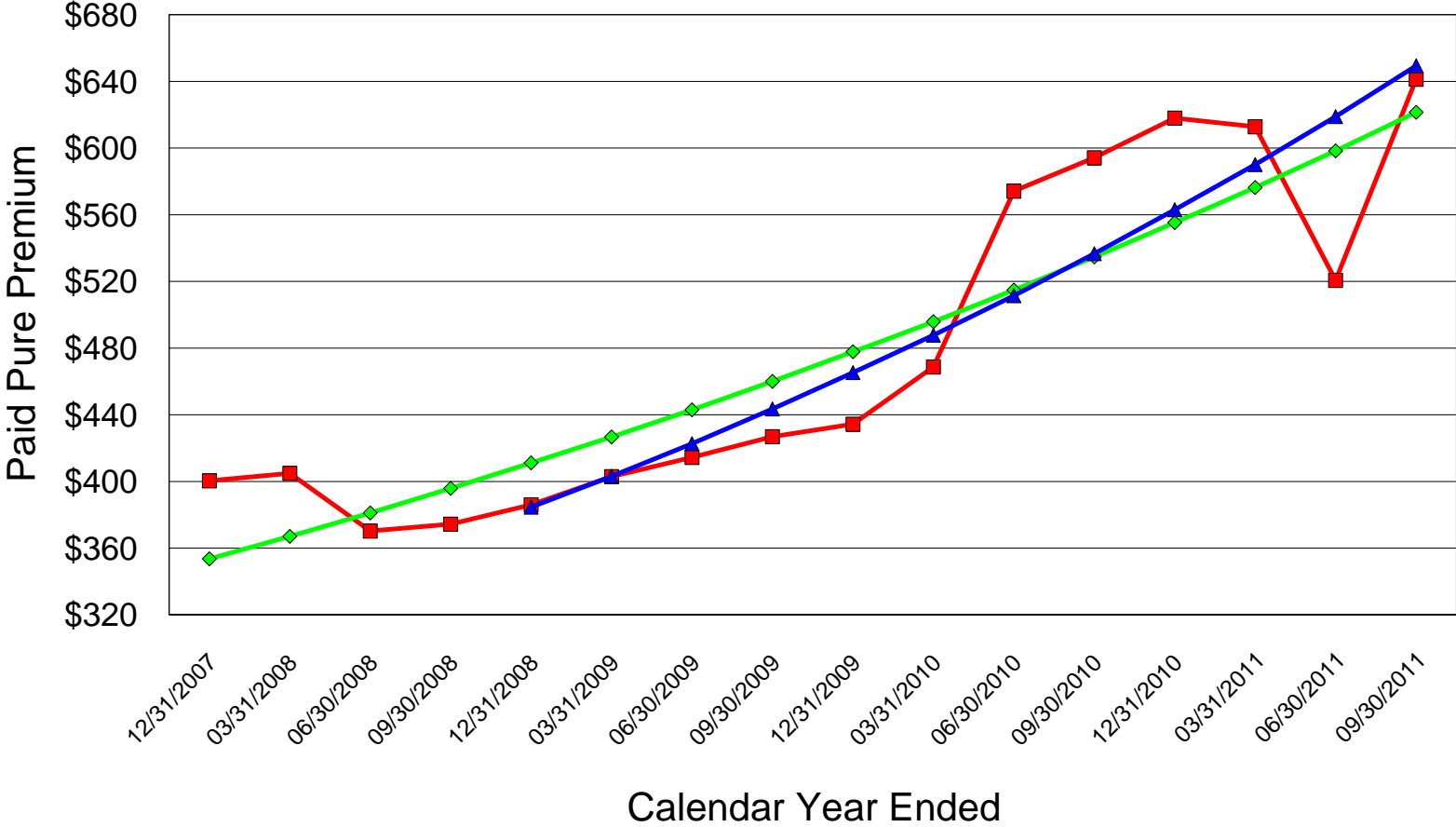
New Jersey Homeowner All Forms Combined

|                 |       |       |       |       |       |       |       |       |       |       |
|-----------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Claim Cost      | -2.3% | -5.0% | -4.2% | -1.5% | 9.9%  | -2.4% | -4.9% | -4.2% | -1.5% | 9.6%  |
| Claim Frequency | 14.6% | 20.5% | 20.4% | 16.4% | -5.5% | 17.3% | 25.4% | 24.2% | 18.9% | -7.1% |
| Pure Premium    | 12.4% | 16.3% | 16.8% | 15.3% | 2.1%  | 14.5% | 19.2% | 19.1% | 17.1% | 1.8%  |

New Jersey Homeowner All Forms Combined - Excluding Catastrophes

|                 |      |      |      |      |       |      |      |      |      |       |
|-----------------|------|------|------|------|-------|------|------|------|------|-------|
| Claim Cost      | 1.0% | 0.1% | 0.4% | 0.4% | 0.9%  | 1.0% | 0.1% | 0.4% | 0.4% | 0.9%  |
| Claim Frequency | 6.8% | 7.7% | 7.3% | 8.5% | 12.3% | 7.4% | 8.2% | 7.5% | 8.6% | 12.4% |
| Pure Premium    | 7.6% | 7.8% | 7.7% | 8.8% | 13.3% | 8.5% | 8.3% | 7.8% | 9.0% | 13.4% |

**NEW JERSEY HOMEOWNER FAST TRACK TREND**  
**Homeowners Forms 1-3 and 5 Pure Premium Trend**

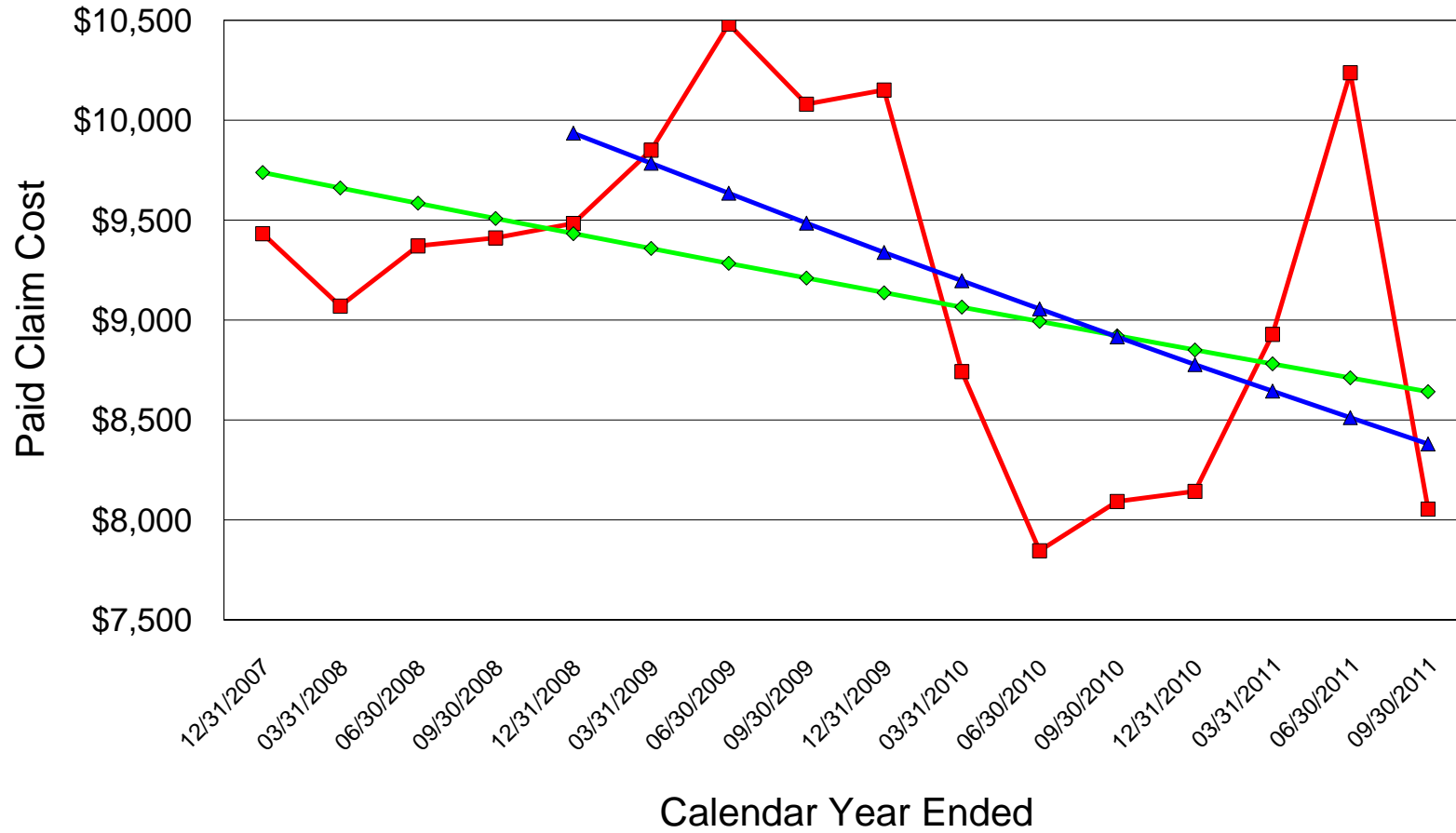


Actual    16-Point Exponential    12-Point Exponential

16-Point Exponential Average Annual Trend = 16.2%  
 12-Point Exponential Average Annual Trend = 21.0%

## NEW JERSEY HOMEOWNER FAST TRACK TREND

### Homeowners Forms 1-3 and 5 Claim Cost Trend

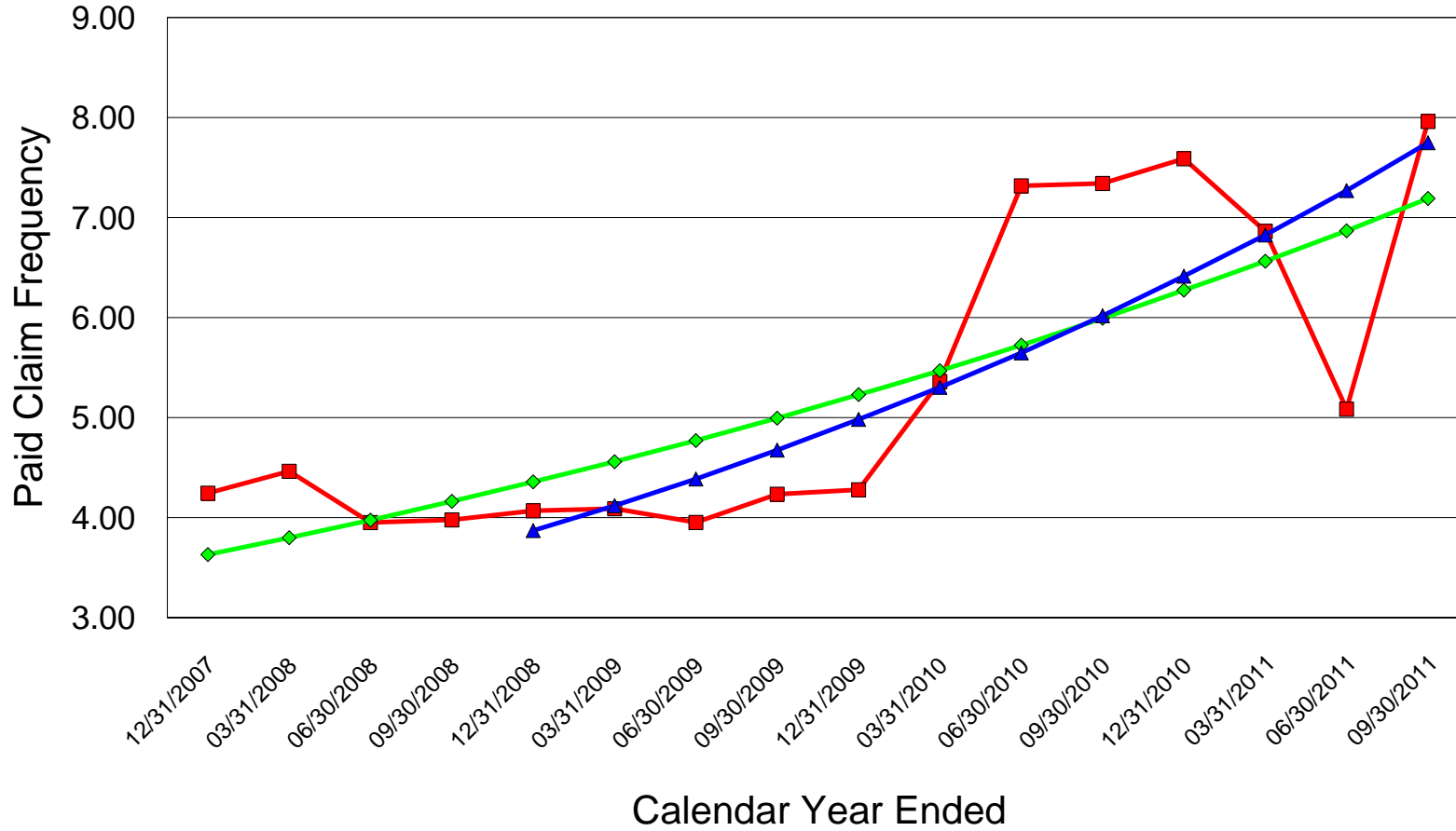


■ Actual   
 ◆ 16-Point Exponential   
 ▲ 12-Point Exponential

16-Point Exponential Average Annual Trend = -3.1%  
 12-Point Exponential Average Annual Trend = -6.0%

## NEW JERSEY HOMEOWNER FAST TRACK TREND

### Homeowners Forms 1-3 and 5 Frequency Trend



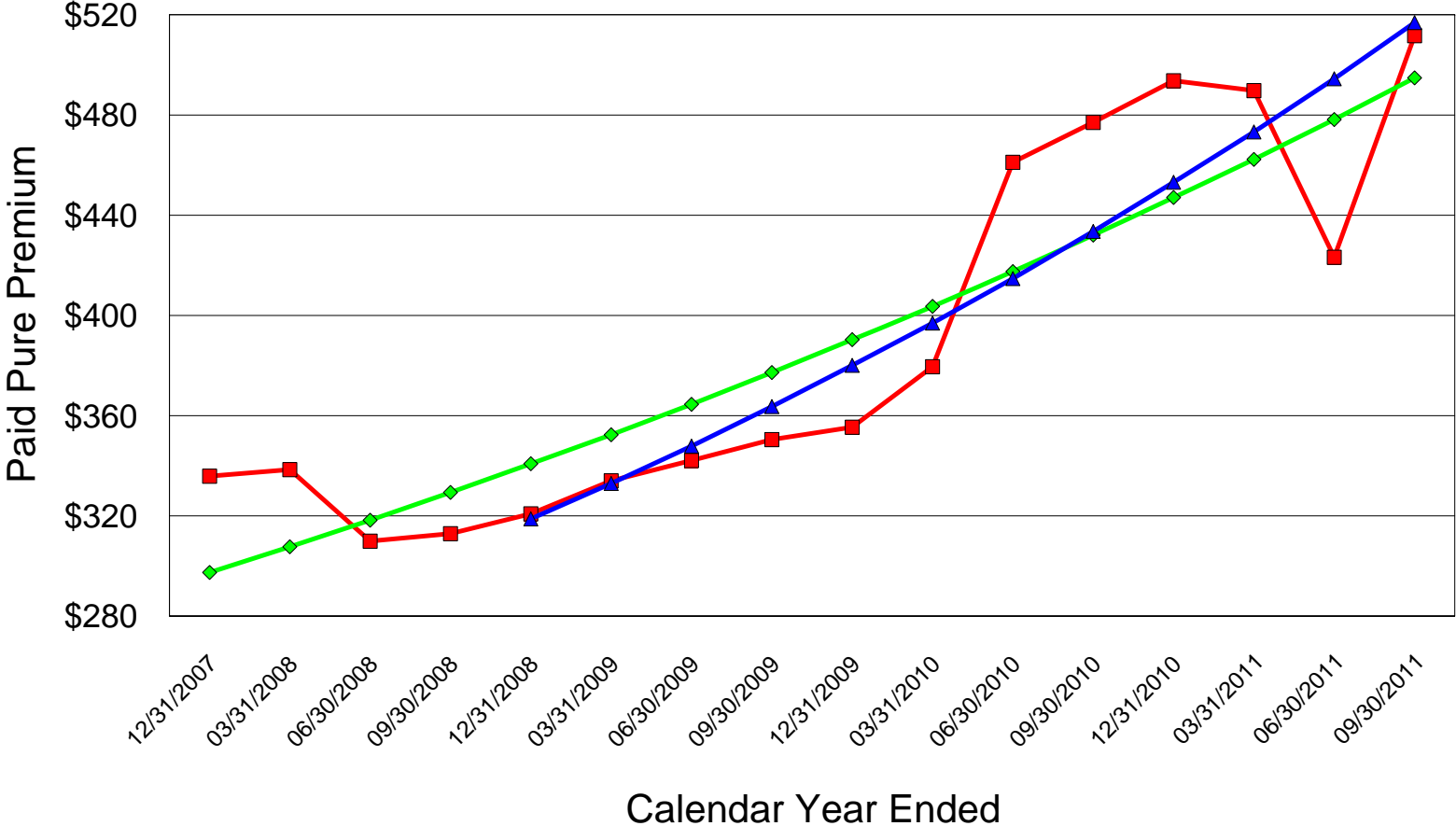
■ Actual   
 ◆ 16-Point Exponential   
 ▲ 12-Point Exponential

16-Point Exponential Average Annual Trend = 20.0%

12-Point Exponential Average Annual Trend = 28.7%

# NEW JERSEY HOMEOWNER FAST TRACK TREND

## Homeowners All Forms Pure Premium Trend

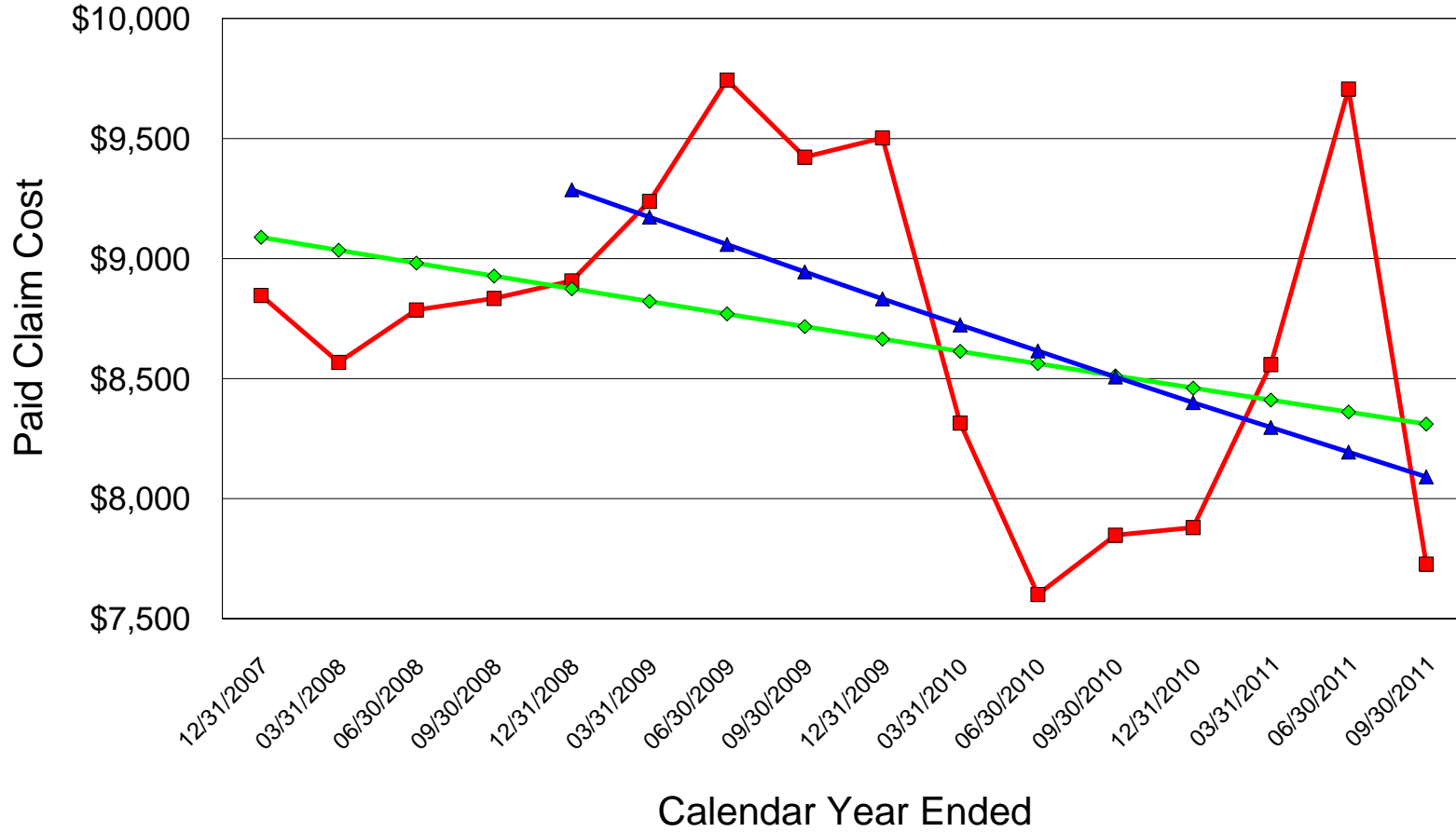


■ Actual   
 ◆ 16-Point Exponential   
 ▲ 12-Point Exponential

16-Point Exponential Average Annual Trend = 14.5%  
 12-Point Exponential Average Annual Trend = 19.2%

## NEW JERSEY HOMEOWNER FAST TRACK TREND

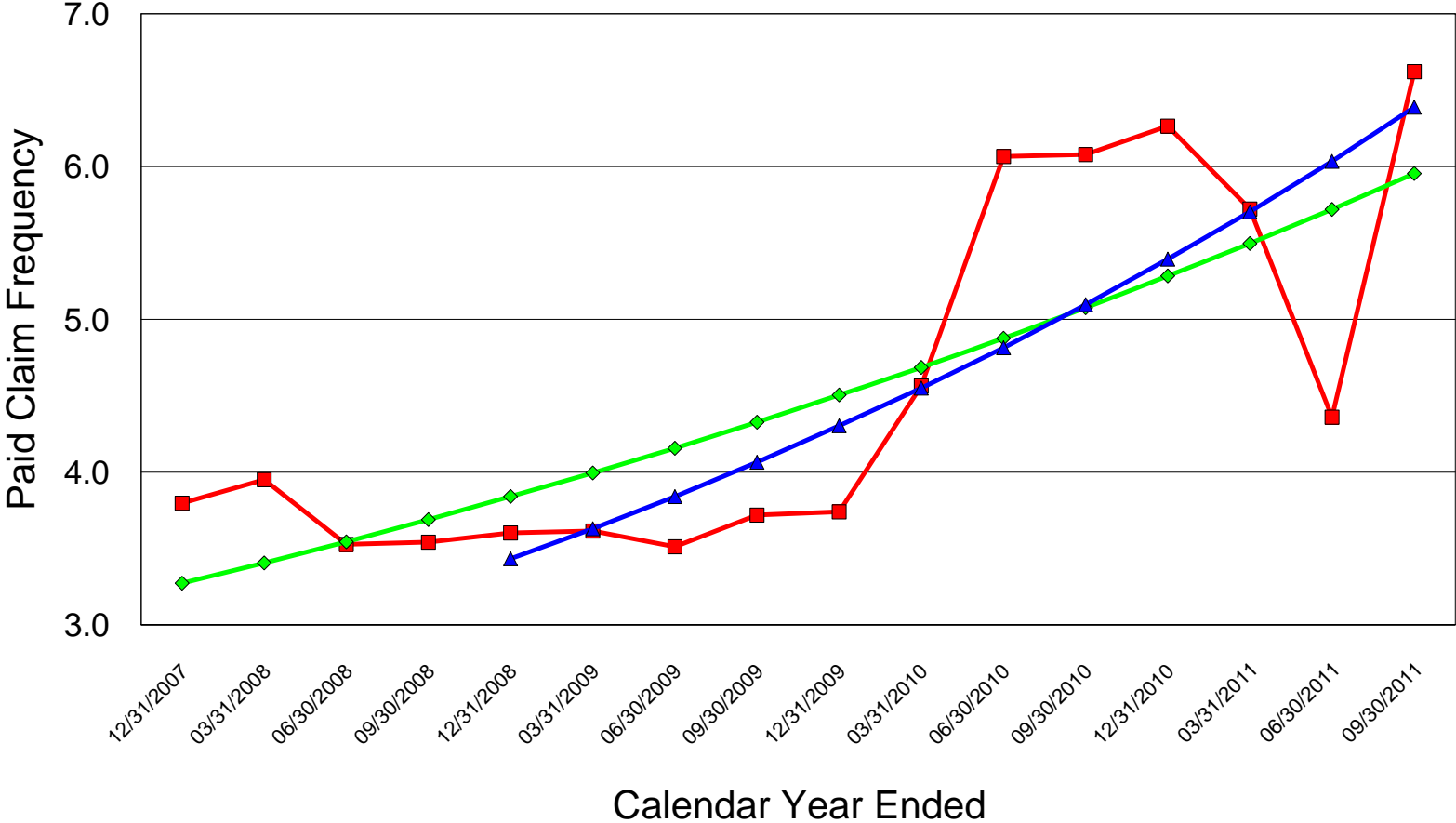
### Homeowners All Forms Claim Cost Trend



■ Actual   
 ◆ 16-Point Exponential   
 ▲ 12-Point Exponential

16-Point Exponential Average Annual Trend = -2.4%  
 12-Point Exponential Average Annual Trend = -4.9%

## NEW JERSEY HOMEOWNER FAST TRACK TREND Homeowners All Forms Frequency Trend

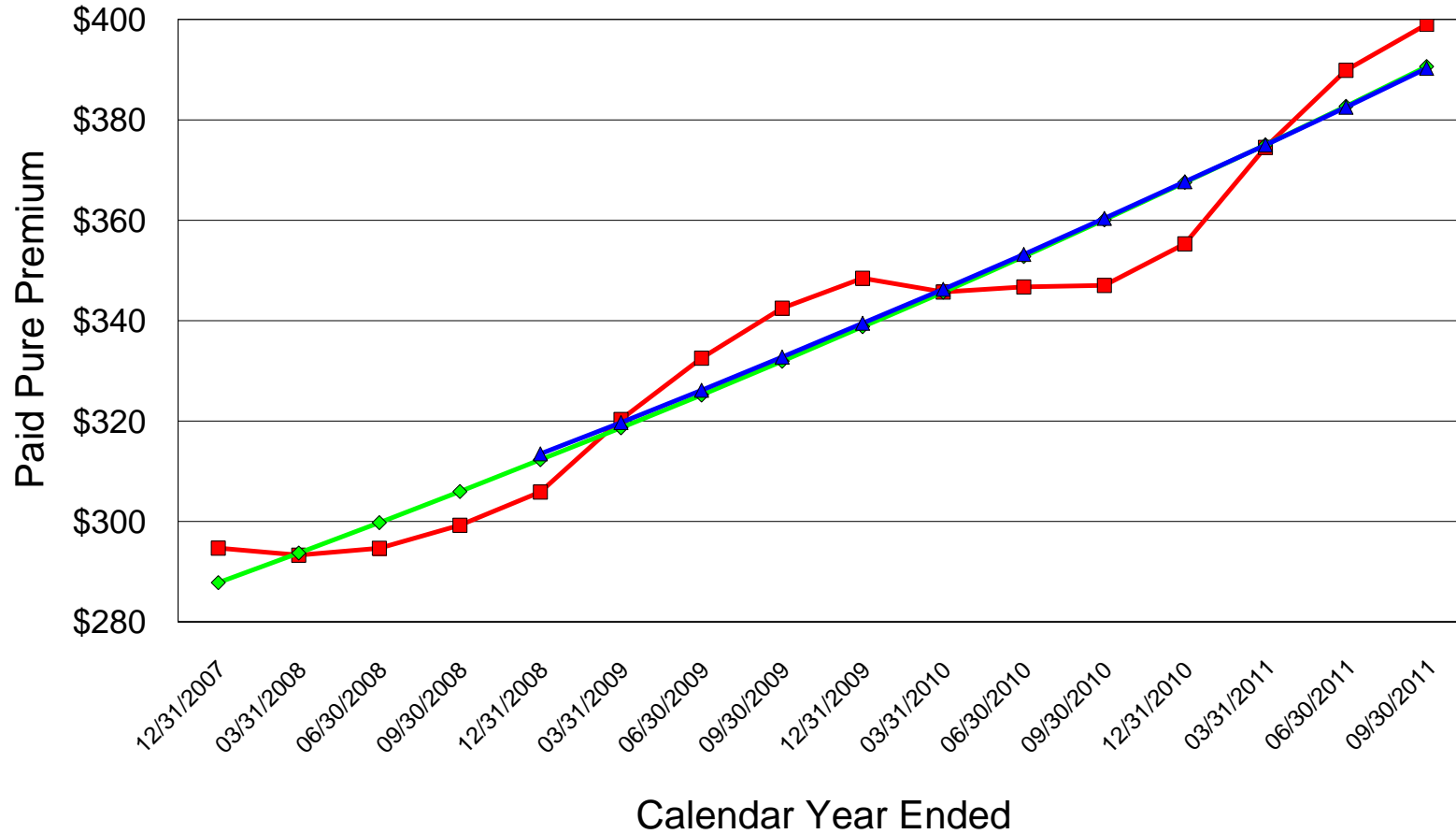


■ Actual   
 ◆ 16-Point Exponential   
 ▲ 12-Point Exponential

16-Point Exponential Average Annual Trend = 17.3%  
 12-Point Exponential Average Annual Trend = 25.4%

## NEW JERSEY HOMEOWNER FAST TRACK TREND

### Homeowners All Forms - Excluding Catastrophes Pure Premium Trend

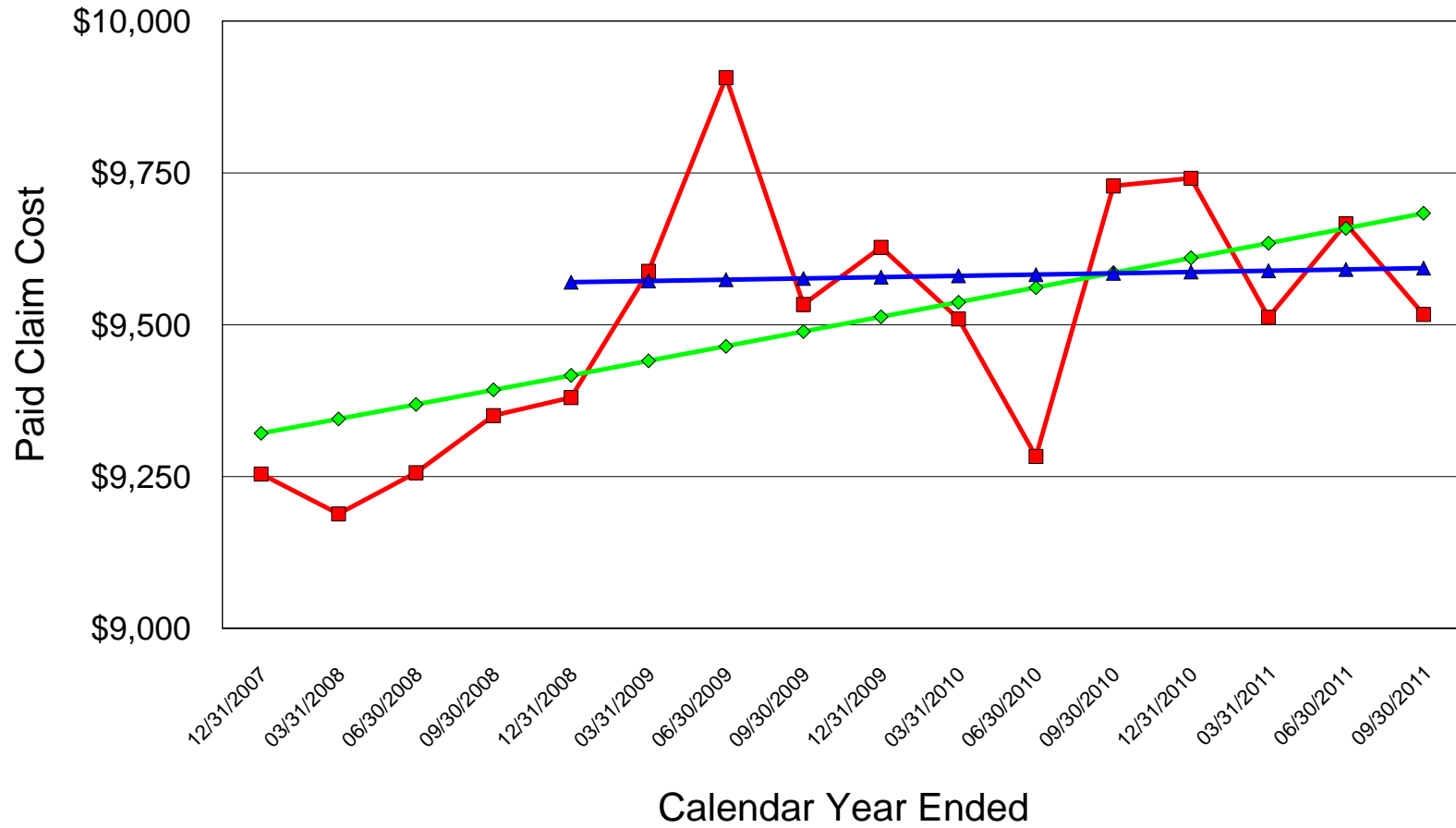


■ Actual   
 ◆ 16-Point Exponential   
 ▲ 12-Point Exponential

16-Point Exponential Average Annual Trend = 8.5%  
 12-Point Exponential Average Annual Trend = 8.3%

## NEW JERSEY HOMEOWNER FAST TRACK TREND

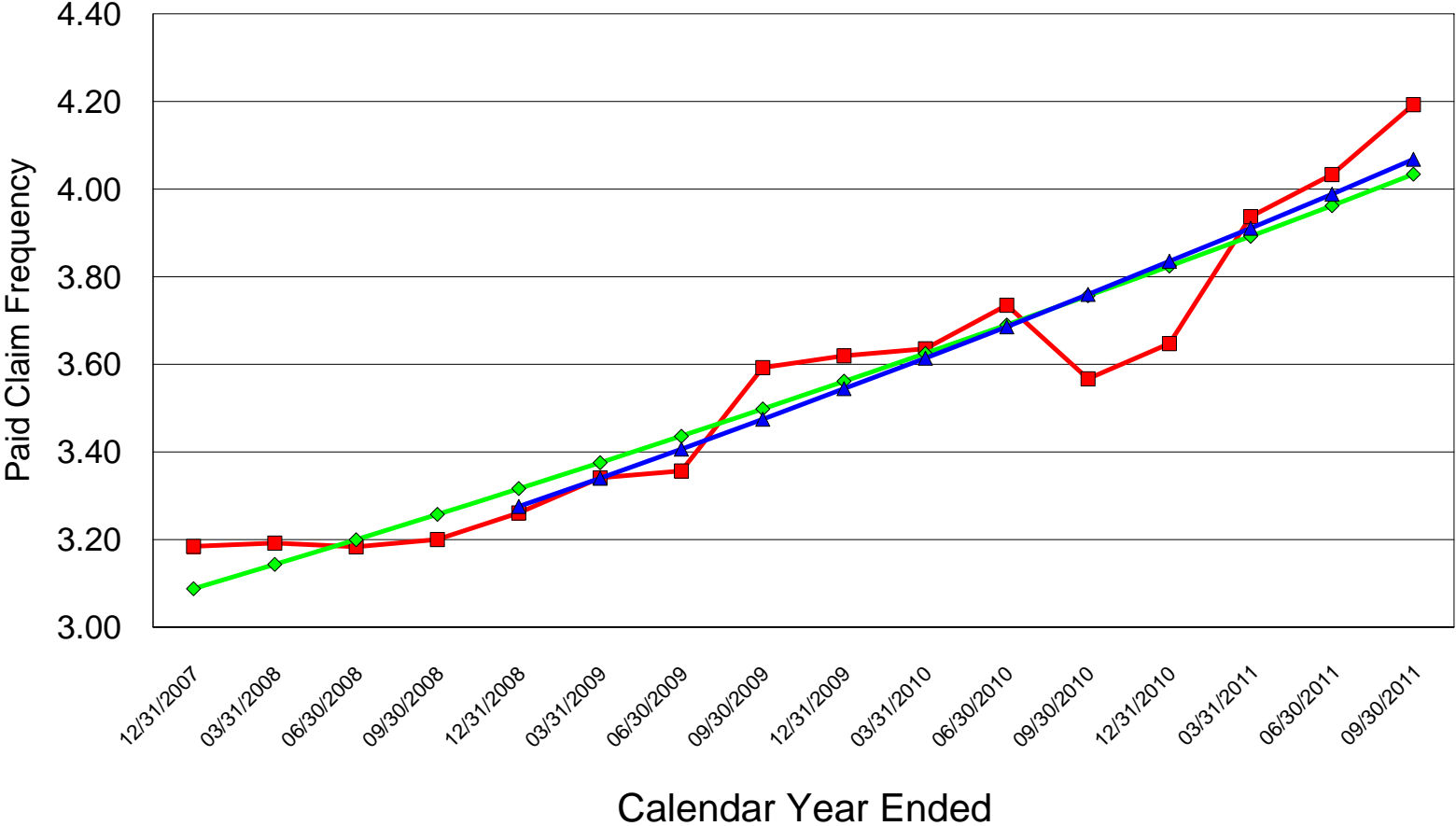
### Homeowners All Forms - Excluding Catastrophes Claim Cost Trend



■ Actual   
 ◆ 16-Point Exponential   
 ▲ 12-Point Exponential

16-Point Exponential Average Annual Trend = 1.0%  
 12-Point Exponential Average Annual Trend = 0.1%

**NEW JERSEY HOMEOWNER FAST TRACK TREND**  
Homeowners All Forms - Excluding Catastrophes Frequency Trend



■ Actual   
 ◆ 16-Point Exponential   
 ▲ 12-Point Exponential

16-Point Exponential Average Annual Trend = 7.4%  
 12-Point Exponential Average Annual Trend = 8.2%