

AUTOMOBILE INSURANCE COSTS IN THE UNITED STATES

COMPARISON OF PERSONAL INJURY COSTS FOR PRIVATE PASSENGER AUTOMOBILE INSURANCE IN TORT, NO-FAULT AND ADD-ON STATES

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AUTOMOBILE INSURANCE IN TORT, NO-FAULT AND ADD-ON STATES**

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COMPARISON OF PERSONAL INJURY COSTS FOR PRIVATE PASSENGER AUTOMOBILE INSURANCE IN TORT, NO-FAULT AND ADD-ON STATES

1. Summary

This report presents an analysis of the cost of private passenger automobile insurance personal injuries depending upon the compensation system used. In broad categories, the various states fall into one of three types of compensation systems. These arrangements are: (a) tort, (b) no-fault and (c) add-on. The majority of states retained the same compensation system during the period of time examined in this report (1997 - 2001).

In tort states, the predominant mechanism through which personal injury claims are compensated remains the traditional tort liability system. To receive compensation, the injured party must show that some other entity was responsible for the injury. Limited first party coverage is available in tort states through medical payments coverage.

In no-fault states, covered persons can receive compensation for economic damages regardless of who was at fault. The extent and nature of the economic compensation received depends upon the laws in the state and the policy options selected by the insured. In addition, at fault drivers can be sued for non-economic damages if the injured party exceeds the "tort threshold" applicable in the state. The threshold can be expressed either as the amount of medical expenses, or as a verbal description of the injury.

In add-on states a tort threshold restriction is not placed upon the ability of injured parties to sue for non-economic damages. However, larger amounts of first party economic damages are available than for tort states.

A choice system exists in three states (i.e., Kentucky, New Jersey and Pennsylvania). Under this arrangement the insured can select to be compensated under either a tort system or a no-fault system. Because there are only three choice states, for the purpose of this report, we did not segregate them into a separate category. Instead, where possible we placed these states into one of the main groups depending upon the compensation system used by the majority of insureds in the state. For example, in New Jersey, most insureds are covered under a verbal no-fault threshold system. Therefore, in our analysis we included the statistical information for New Jersey within the no-fault group of states. Likewise, in Kentucky, since insureds are required to reject no-fault, more drivers opt for no-fault than tort. Pennsylvania has about an equal number of "full" tort versus "limited" tort policies, thus we classified it as a "mixed" state. Because of the potential distorting impact of these data on the losses, Pennsylvania was not included in the main part of our analysis comparing loss costs (Exhibits AIS-2 to AIS-12). However, the basic loss data for Pennsylvania are included as an Appendix to this report (Appendix AIS-1, Sheets 1 to 5).

Exhibit AIS-1 summarizes the type of reparation system in each state by: (1) type of liability law¹, (2) whether first party liability insurance is compulsory or optional, (3) whether third party liability insurance is compulsory or optional, (4) the minimum liability limits, (5) the tort threshold, if applicable, (6) the limit of medical expenses included in the first party coverage in no-fault and add-on states and (7) whether economic damages other than medical (i.e., wage loss, incidental expenses) are included under the first party coverage in no-fault and add-on states. As can be seen, there exists a wide diversity of provisions among the various states. None of the three groupings of states -- add-on, no-fault or tort -- is a homogeneous collection with regard to the characteristics that could impact costs.

In this study we have examined various cost and profitability statistics with regard to the three groupings of states by compensation system. We have not explicitly analyzed various external economic, social or demographic factors that could influence the level of personal injury costs in a given jurisdiction. For the purpose of this study, we have used bodily injury liability plus personal injury protection experience to measure personal injury costs. Bodily injury liability and personal injury protection constitute the major private passenger automobile insurance personal injury costs. For tort states, personal injury protection costs would be \$0, since that coverage is not applicable in tort states.

The results of our study are as follows:

(1) During the five year period from 1997 to 2001, the level of personal injury costs has been highest for no-fault states, less for add-on states and lowest for tort states. The rate of change in personal injury costs has been highest for no-fault states, less for tort states and lowest for add-on states. Furthermore, personal injury costs are higher and have increased faster in verbal threshold states than in monetary threshold states. [Exhibit AIS-2]

(2) Tort states experienced a decrease in the cost of bodily injury liability costs in three of the four years from 1997 to 2001. The total decrease in bodily injury liability costs for tort states during this period was -1.9%, for an average annual decrease of -0.5%. The total increase in bodily injury liability costs for no-fault states during this period was 7.7%, for an average annual increase of 1.9%. The total decrease in bodily injury liability costs for add-on states during this period was -8.4%, for an average annual decrease of -2.2%. [Exhibit AIS-3]

¹ Various sources were examined to determine whether a state had a tort, no-fault or add-on system. These were the (a) National Association of Insurance Commissioners publication "No-Fault Auto Insurance: A Survey", (b) Insurance Information Institute web page article "What are the driving laws in my state?", and (c) State Farm's publication "No Fault Press Reference Manual". There were some minor differences among the three sources as to whether certain states should be classified as tort or add-on. These differences would not impact the overall results of our study. Another issue is that certain states allow for different no-fault threshold options. For example, New Jersey allows policyholders to have either a zero or verbal threshold. Most policyholders have the verbal threshold, and we therefore classified New Jersey as a verbal threshold state.

(3) Tort states experienced a decrease in the frequency of bodily injury liability claims in each year from 1997 to 2001. The total decrease in bodily injury liability claim frequency for tort states during this period was -11.6%, for an average annual decrease of -3.0%. The total decrease in bodily injury liability claim frequency for no-fault states during this period was -5.2% for an average annual decrease of -1.3%. The total decrease in bodily injury liability claim frequency for add-on states was -13.8% for an average annual decrease of -3.6%. [Exhibit AIS-4]

(4) Tort states experienced an increase in the claim severity of bodily injury liability claims in each year from 1997 to 2001. The increase in bodily injury claim severity for tort states during 1997 to 2001 was 10.3%, for an average annual increase of 2.5%. The increase in bodily injury claim severity for no-fault states was 13.9%, for an average annual change of 3.3%. The increase in bodily injury claim severity for add-on states was 6.0% for an average annual change of 1.5%. [Exhibit AIS-5]

(5) The rate of inflation has been higher for first party personal injury protection losses than for third party bodily injury liability tort losses. [Exhibits AIS-3 and AIS-6]

(6) The rate of inflation of bodily injury liability costs has been higher in no-fault states than in tort states. This is attributable to both the higher rate of increase for the frequency and severity of bodily injury liability claims in no-fault than in tort states. The higher rate of increase for the frequency of bodily injury liability claims in no-fault states may be attributable to the general decline in the ability of tort thresholds to prevent recovery for non-economic losses. [Exhibits AIS-3, AIS-4, and AIS-14]

(7) After adjusting for differences between states through the use of the cost of property damage liability claims, no-fault states had a higher cost for personal injury claims than tort states.² [Exhibit AIS-12]

(8) For tort states, the rate of inflation for personal injury liability losses was lower than that for property damage liability losses in each year from 1997 to 2001. During this time period, the ratio of personal injury liability losses to property damage liability losses dropped by a total of -14.6% in tort states, which is an annual decrease of -3.9%. For add-on and no-fault states, this ratio (including consideration of personal injury protection losses) decreased at -5.0% per year and -0.9% per year, respectively. [Exhibit AIS-12]

(9) The cost impact of no-fault in the years immediately after its introduction in various states was mixed. Half of the eight states examined saw the cost of private passenger automobile insurance personal injuries increase as a result of the introduction of no-fault, while the other four states experienced a cost decrease. [Page 23]

(10) The impact of no-fault on personal injury claim frequency in the years immediately after its introduction in various states was somewhat mixed. Two of the eight states examined saw a

² This was also true before making an adjustment for the difference in property damage liability costs between the groups of states.

decrease in claim frequency. The other six states experienced claim frequency increases in varying percentages as a result of the introduction of no-fault. Across all eight states, personal injury claim frequency increased by 35% after the introduction of no-fault. [Page 25]

(11) On a long term basis covering the period from 1969/1971 to 1995/1997, the rate of personal injury cost inflation was higher for no-fault states than for tort states. The difference was about 1.5% per year, which compounds to a 50% higher increase in the cost for no-fault states than for tort states over the entire 26 year period. [Exhibit AIS-13]

(12) The effectiveness of thresholds in eliminating tort claims has decreased during the last twenty years. Between 1977 and 1987 the proportion of personal injury protection claimants judged eligible to file a tort claim increased 66%. This increased another 15% from 1987 to 1992, and then decreased by -8% from 1992 to 1997. This overall decrease in the effectiveness of tort thresholds has occurred in the monetary threshold states, as well as in verbal threshold states. [Exhibit AIS-14, Sheets 1 to 3]

(13) The number of possible tort claims eliminated by no-fault systems averaged about 35% on a countrywide basis during 1987. The percentage of non-economic losses removed will be much smaller, since the serious claims which have the potential for the largest amount of non-economic compensation, will not be eliminated. [Exhibit AIS-14, Sheet 4]

(14) The transaction costs of investigating and settling losses are not materially different in the three types of systems. To the extent there is a difference, no-fault states have somewhat higher transaction costs than add-on or tort states. [Exhibit AIS-15]

(15) The overall level of profitability for private passenger automobile insurance is close for no-fault and tort states. To the extent there is a difference, no-fault states were somewhat more profitable for insurance companies than both add-on and tort states. [Exhibits AIS-16, AIS-17 and AIS-18]

(16) We estimate that about 35% to 40% more claimants are eligible to receive compensation under a no-fault system than a tort system. These first party benefits paid to at-fault drivers can easily exceed the reduction in costs from the tort threshold denying compensation for non-economic damages to certain classes of injuries. The end result is that a no-fault system can easily cost as much, or more, than a tort liability system. [Page 30]

(17) During the period from 1989 to 1999, average liability premiums increased most rapidly in add-on states, followed by no-fault states, with tort states having the smallest increase. The average annual liability premium increase in tort states was 1.1%, compared to a 2.7% increase in add-on states and a 2.1% increase in no-fault states. In addition, two verbal threshold states (i.e., Michigan and New York) experienced larger liability premium increases than the average of the tort states. [Exhibit AIS-20, Sheets 1 and 2]

(18) The average loss payment per injury claim during 1997 was 32% higher in no-fault states than in tort states. [Exhibit AIS-22]

(19) The average economic loss per injury claim during 1997 was 82% higher in no-fault states than in tort states. [Exhibit AIS-23]

(20) The rate of inflation of both injury claim loss payments and economic loss per injury claim was higher in no-fault states than in tort states. [Exhibits AIS-22 and AIS-23]

(21) Non-economic losses have had a lower rate of cost increase than economic losses. [Page 32]

In preparing our report we have relied on various sources of information. These included the National Association of Insurance Commissioners, insurance statistical agencies and the Insurance Research Council (formerly known as the All-Industry Research Advisory Council). We have not audited this information for accuracy, although these sources of information are generally recognized as being reasonably accurate.

AIS Risk Consultants prepared this report for the Association of Trial Lawyers of New Jersey. The conclusions set forth herein represent the opinions of AIS Risk Consultants.

2. Recent Cost Experience Under Various Reparation Systems

Our analysis of the recent cost experience for private passenger automobile insurance personal injuries was based upon Fast Track data through the fourth quarter of 2001. These data are collected and compiled for the National Association of Insurance Commissioners by three statistical agents: (1) Insurance Services Office [ISO], (2) National Association of Independent Insurers [NAII] and (3) National Independent Statistical Services [NISS].

Data elements gathered through the Fast Track system are the: (a) number of exposures, (b) dollars of paid losses, (c) number of claims paid and (d) number of claims arising. These figures are assembled for each of the major private passenger automobile insurance coverages -- bodily injury liability, property damage liability, personal injury protection, comprehensive and collision. From these data elements, the following statistics can be obtained:

$$\text{Claim Frequency} = \frac{\text{Number of Claims}}{\text{Number of Exposures}}$$

$$\text{Claim Severity} = \frac{\text{Dollars of Claims}}{\text{Number of Claims}}$$

$$\text{Pure Premium} = \text{Claim Frequency} \times \text{Claim Severity}$$

$$\text{Pure Premium} = \frac{\text{Dollars of Claims}}{\text{Number of Exposures}}$$

Claim frequency measures the number of claims per exposure. The unit of exposure is one car insured for a time period of one year. This is referred to as a car-year. The claim

severity measures the average cost of the loss payments per claim. Pure premium is a combination of the claim frequency and claim severity which measures the average cost of the loss payments for an insured car during a one year time period.

Through an analysis of these statistics, the cost of private passenger automobile insurance personal injuries can be compared across states, both in absolute value and as to trends over time.

Recent annual statistics for claim frequency, claim severity and pure premium by jurisdiction, as well as grouped between add-on, no-fault, tort and mixed states are set forth in Appendix AIS-4. Bodily injury liability and personal injury protection pure premiums are shown in Sheet 1. Information regarding bodily injury liability losses are contained in Sheet 2. Information regarding personal injury protection losses are contained in Sheet 3.

The coverages we examined in detail were bodily injury liability (third party tort coverage) and personal injury protection (first party economic loss coverage). We also examined property damage liability to provide a baseline to compare costs across states. This coverage provides a basis for a comparison across states, since its cost is not impacted by the type of personal injury reparation system used.

The results of our analysis are set forth in the remainder of this report.

*Bodily Injury Liability and Personal
Injury Protection Combined : Exhibit AIS-2*

Bodily injury liability and personal injury protection constitute the major private passenger automobile insurance personal injury costs.³ Hence, the combination of these two coverages shows the cost of the majority of private passenger automobile insurance personal injury losses. The analysis of the combined cost of these two coverages is contained in Exhibit AIS-2.

A comparison of the level and trend in costs from 1997 to 2001 is set forth in the following tables.

³ The other personal injury liability costs are medical payments coverage and uninsured / underinsured motorists coverage. Information for these two coverages is not collected through the Fast Track data system. Medical payments is an optional coverage and is usually small in magnitude. The cost of uninsured / underinsured motorists coverage is a function of many factors other than the personal injury reparations system. Examples of these factors are the percentage of the population that does not carry insurance, the minimum limits of financial responsibility, the number of insureds with limits of liability coverage higher than those imposed by the financial responsibility requirements, whether stacking is allowed, whether a limits or damage trigger is used, etc. The percentage of personal injury payments made by coverage during part of 1987 is shown in the following table .

<u>Type of System</u>	<u>Percentage of Automobile Insurance Compensation</u>		
	<u>Bodily Injury Liability & Personal Injury Protection</u>	<u>Medical Payments</u>	<u>Uninsured/ Underinsured</u>
Add-On	81.8%	4.8%	13.4%
No-Fault	87.0%	0.9%	12.1%
Tort	74.0%	9.4%	16.6%

Source: "Compensation for Automobile Injuries in the United States", All-Industry Research Advisory Committee, March 1989, page 132.

*Level of Paid Pure Premium for Bodily Injury
Liability and Personal Injury Protection Combined*

Year Ending In the Fourth Quarter of	Type of Personal Injury Reparation System			
	<u>Add-On</u>	<u>No-Fault</u>	<u>Tort</u>	<u>All</u>
1997	\$138.29	\$205.14	\$105.51	\$141.97
1998	\$130.41	\$206.20	\$106.96	\$141.18
1999	\$127.38	\$209.81	\$104.94	\$140.57
2000	\$130.25	\$225.67	\$104.72	\$145.73
2001	\$130.29	\$232.72	\$103.52	\$147.21

*Annual Change in the Level of Paid Pure Premium for Bodily
Injury Liability and Personal Injury Protection Combined*

Year Ending In the Fourth Quarter of	Type of Personal Injury Reparation System			
	<u>Add-On</u>	<u>No-Fault</u>	<u>Tort</u>	<u>All</u>
1998	-5.7%	0.5%	1.4%	-0.6%
1999	-2.3%	1.8%	-1.9%	-0.4%
2000	2.3%	7.6%	-0.2%	3.7%
2001	0.0%	3.1%	-1.2%	1.0%
Average	-1.5%	3.2%	-0.5%	0.9%

(see Exhibit AIS-2, Sheet 1)

In examining the level in personal injury costs during the five year period from 1997 to 2001, tort states have been the lowest, add-on states have been in the middle, and no-fault states have been the highest. For the trend, add-on states have been the lowest, no-fault states have been the highest and tort states have been in the middle.

The difference in the level of costs is not necessarily relevant by itself, since many factors other than the personal injury reparation system will impact the absolute level of costs. Examples of these factors are the level of traffic density and the overall cost of living. The impact of these factors is seen in the wide disparity of costs between states within each of the

three systems. Within each group of states (i.e., add-on, no-fault and tort), the cost in the most expensive state is about three to five times larger than that in the least expensive state.

A comparison of the trend in costs across the various reparation systems can validly be made, since the factors that would influence the level of costs should remain relatively consistent by state during the period of time being studied. As previously discussed, no-fault states had the highest trend, followed by tort states, with add-on states having the lowest annual trend during this time period.⁴ The difference in the cost trend between the no-fault group of states and the tort groups of states is statistically significant. That is, it can be inferred that there is a real difference in the annual cost trends between no-fault states and tort states, with no-fault states having a materially higher rate of inflation. The statistical possibility that no-fault states do not have a higher rate of cost inflation than tort states is relatively small. Therefore, it can be concluded that not only has the inflation in costs not been restrained through the use of a no-fault system, but in fact no-fault states have experienced a higher cost trend.

Within the no-fault states, a distinction is sometimes made between states with a verbal threshold as opposed to a monetary threshold. Four states have a verbal threshold. They are Florida, Michigan, New Jersey and New York (see page 1 for an explanation of why New Jersey has been included with verbal threshold states). In two of the four verbal threshold states, the rate of cost inflation has been greater than that for all no-fault states combined. The average annual trends for these states were 5.3%, 1.8%, 1.1% and 5.7% respectively, versus 3.2% for all no-fault states combined. The average inflation rate for the four verbal threshold states combined was 3.9%, compared to 1.2% for all monetary threshold states combined. Hence, verbal thresholds have not been any more effective than monetary thresholds in containing cost inflation. In fact, the rate of cost inflation for personal injury costs in all verbal threshold states combined has been higher than in all monetary threshold states combined. Furthermore, each of the four verbal threshold states had a higher rate of inflation than the average of the tort states.

⁴ This situation of no-fault states having a higher cost inflation than tort states has existed over an extended period of time. The annual change in bodily injury liability plus personal injury protection costs for prior years is summarized below.

Year Ending	Annual Change in Bodily Injury Liability Plus Personal Injury Protection Costs		
	<u>Tort</u>	<u>No-Fault</u>	<u>No-Fault Trend Above Tort</u>
<u>9/30</u>			
1997	-2.8%	+5.0%	+7.8%
1996	-7.6%	-1.3%	+6.3%
1995	-1.6%	+1.3%	+2.9%
1994	-1.8%	+3.0%	+4.8%
1993	+0.4%	+6.9%	+6.5%
1992	+1.8%	+5.9%	+4.1%
1991	+7.6%	+9.1%	+1.5%
1990	+9.9%	+10.5%	+0.6%
Average	+0.7%	+5.1%	+4.4%

In the following sections, the cost of private passenger automobile insurance personal injuries is broken down between bodily injury liability and personal injury protection, as well as between claim frequency and claim severity. This will provide a better understanding of what factors influence the cost of coverage by state and by group.

Bodily Injury Liability :
Exhibits AIS-3, 4 and 5 and Appendix AIS-4, Sheet 2

Statistics examined with regard to bodily injury liability costs were the pure premium (Exhibit AIS-3), claim frequency (Exhibit AIS-4) and claim severity (Exhibit AIS-5) over time, as well as summary data for the most recent year (Appendix AIS-4, Sheet 2).

Bodily Injury Liability Pure Premium

A summary of the level and trend in costs from 1997 to 2001 is set forth in the following tables.

Level of Paid Pure Premium for Bodily Injury Liability

Year Ending In the Fourth Quarter of	Type of Personal Injury Reparation System			
	<u>Add-On</u>	<u>No-Fault</u>	<u>Tort</u>	<u>All</u>
1997	\$112.55	\$108.74	\$105.51	\$108.05
1998	\$106.35	\$108.87	\$106.96	\$107.38
1999	\$103.49	\$108.69	\$104.94	\$105.70
2000	\$104.36	\$114.26	\$104.72	\$107.42
2001	\$103.14	\$117.08	\$103.52	\$107.38

*Annual Change in the Level of
Paid Pure Premium for Bodily Injury Liability*

Year Ending In the Fourth Quarter of	Type of Personal Injury Reparation System			
	<u>Add-On</u>	<u>No-Fault</u>	<u>Tort</u>	<u>All</u>
1998	-5.5%	0.1%	1.4%	-0.6%
1999	-2.7%	-0.2%	-1.9%	-1.6%
2000	0.8%	5.1%	-0.2%	1.6%
2001	-1.2%	2.5%	-1.2%	-0.0%
Average	-2.2%	1.9%	-0.5%	-0.2%

(see Exhibit AIS-3, Sheet 1)

A common expectation is that the level of bodily injury liability costs is lower for no-fault states than for tort states. This is because in no-fault states, some portion of economic losses are compensated by first party coverage instead of through third party liability coverage. In addition, for no-fault states, the tort threshold prevents compensation of non-economic losses for certain types of injuries. However, contrary to that expectation, during the five year period examined, the level of bodily injury losses in tort states was lower than in no-fault states.

The trend in bodily injury liability losses for no-fault states is higher than that in tort states : an annual increase of 1.9% compared to an annual decrease of -0.5%, respectively. That is, while the tort threshold may perhaps lower the level of bodily injury liability losses somewhat, (although that is not the current situation) it has not held down the rate of growth in these costs. During the four most recent years the rate of inflation of bodily injury costs has been higher in no-fault states than in tort states. In fact, bodily injury liability costs for tort states in the aggregate have decreased in three of the four years from 1998 to 2001, while no-fault states had an overall increase. Verbal threshold states have not been more effective than monetary threshold states in controlling inflation in costs. The average annual inflation rates for the verbal threshold states of Florida, Michigan, New Jersey and New York were 3.6%, -3.3%, 2.6% and 4.1%, respectively, versus -0.6% for all monetary threshold states combined (see page 1 for an explanation of why New Jersey has been included with verbal threshold states). The average inflation rate for these four verbal threshold states combined was 2.7%, versus 1.9% for all no-fault states combined. Also, three of the four verbal threshold states had a higher rate of inflation than the average of the tort states.

Summary of Annual Trend in
Bodily Injury Liability Pure Premium
From the 4th Quarter of 1997 to the 4th Quarter of 2001

<u>Jurisdiction</u>	<u>Average Annual Trend</u>
Florida	3.6%
Michigan	-3.3%
New Jersey	2.6%
New York	4.1%
Four Verbal Threshold States Combined	2.7%
Monetary Threshold States	-0.6%
All No-Fault States Combined	1.9%
Tort States	-0.5%

Bodily Injury Liability Claim Frequency

A summary of the level and trend in claim frequency from 1997 to 2001 is set forth in the following tables.

Level of Paid Claim Frequency for Bodily Injury Liability

<u>Year Ending In the Fourth Quarter of</u>	<u>Type of Personal Injury Reparation System</u>			
	<u>Add-On</u>	<u>No-Fault</u>	<u>Tort</u>	<u>All</u>
1997	0.0146	0.0069	0.0133	0.0117
1998	0.0140	0.0067	0.0132	0.0115
1999	0.0138	0.0067	0.0128	0.0113
2000	0.0133	0.0066	0.0122	0.0108
2001	0.0126	0.0065	0.0117	0.0104

*Annual Change in the Level of
Paid Claim Frequency for Bodily Injury Liability*

Year Ending In the Fourth Quarter of	Type of Personal Injury Reparation System			
	<u>Add-On</u>	<u>No-Fault</u>	<u>Tort</u>	<u>All</u>
1998	-4.6%	-2.8%	-0.9%	-2.3%
1999	-1.1%	-0.1%	-2.7%	-1.8%
2000	-3.7%	-0.6%	-5.1%	-3.9%
2001	-5.1%	-1.7%	-3.5%	-3.6%
Average	-3.6%	-1.3%	-3.0%	-2.9%

(see Exhibit AIS-4, Sheet 1)

The claim frequency level in add-on states was about 8% higher than in tort states for all five years combined. Also, during the most recent year the claim frequency in add-on states was about 7% higher than in tort states. The claim frequency in no-fault states was much lower than in either add-on or tort states. This is due in significant part to the elimination of the ability to receive non-economic damages for certain classes of injuries. In addition, some portion of the claims with only economic damages can be dealt with through the first party coverage alone in no-fault states.

With regard to the trend in bodily injury liability claim frequency, all three categories displayed a decrease in every year from 1997 to 2001. However, no-fault states had the smallest decrease. The average annual claim frequency trend for the verbal threshold states of Florida, Michigan, New Jersey and New York were -0.4%, -11.2%, -2.1% and 2.4%, respectively, versus -2.2% for all monetary threshold states combined (see page 1 for an explanation of why New Jersey has been included with verbal threshold states). The average inflation rate for these four verbal threshold states combined was -0.9%, versus -1.3% for all no-fault states combined. Also, three of the four verbal threshold states had a higher claim frequency trend than the average of the tort states. A summary of these data are set forth in the following table.

Summary of Annual Trend in
Bodily Injury Liability Claim Frequency
From the 4th Quarter of 1997 to the 4th Quarter of 2001

<u>Jurisdiction</u>	<u>Average Annual Trend</u>
Florida	-0.4%
Michigan	-11.2%
New Jersey	-2.1%
New York	2.4%
Four Verbal Threshold States Combined	-0.9%
Monetary Threshold States	-2.2%
All No-Fault States Combined	-1.3%
Tort States	-3.0%

Bodily Injury Liability Claim Severity

A summary of the level and trend in claim severity from 1997 to 2001 is set forth in the following tables.

Level of Paid Claim Severity for Bodily Injury Liability

<u>Year Ending In the Fourth Quarter of</u>	<u>Type of Personal Injury Reparation System</u>			
	<u>Add-On</u>	<u>No-Fault</u>	<u>Tort</u>	<u>All</u>
1997	\$7,709	\$15,791	\$7,986	\$9,328
1998	\$7,644	\$16,207	\$8,172	\$9,487
1999	\$7,502	\$16,242	\$8,199	\$9,469
2000	\$7,845	\$17,173	\$8,617	\$9,960
2001	\$8,174	\$17,981	\$8,811	\$10,303

Annual Change in the Level of

Paid Claim Severity for Bodily Injury Liability

Year Ending In the Fourth Quarter of	Type of Personal Injury Reparation System			
	<u>Add-On</u>	<u>No-Fault</u>	<u>Tort</u>	<u>All</u>
1998	-0.8%	2.6%	2.3%	1.7%
1999	-1.9%	0.2%	0.3%	-0.2%
2000	4.6%	5.7%	5.1%	5.2%
2001	4.2%	4.7%	2.3%	3.4%
Average	1.5%	3.3%	2.5%	2.5%

(see Exhibit AIS-5, Sheet 1)

The claim severity for no-fault states was much higher -- about twice as much -- than in either add-on or tort states. This is due in significant part to only the more costly claims being compensated on a third-party liability basis in no-fault states.

With regard to the trend in claim severity, no-fault states had the highest trend, followed by tort states and then by add-on states.

Personal Injury Protection :
Exhibits AIS-6, 7 and 8 and Appendix AIS-4, Sheet 3

Statistics examined with regard to personal injury protection costs were the pure premium (Exhibit AIS-6), claim frequency (Exhibit AIS-7) and claim severity (Exhibit AIS-8) over time, as well as summary data for the most recent year (Appendix AIS-4, Sheet 3).

Personal Injury Protection Pure Premium

A summary of the level and trend in costs from 1997 to 2001 is set forth in the following tables.

Level of Paid Pure Premium for Personal Injury Protection

Year Ending In the Fourth Quarter of	Type of Personal Injury Reparation System			
	<u>Add-On</u>	<u>No-Fault</u>	<u>Tort</u>	<u>All</u>
1997	\$38.36	\$96.35	N/A	\$78.82
1998	\$35.87	\$97.27	N/A	\$78.71
1999	\$35.95	\$101.07	N/A	\$81.39
2000	\$39.41	\$111.37	N/A	\$89.62
2001	\$40.91	\$115.61	N/A	\$93.03

Annual Change in the Level of
Paid Pure Premium for Personal Injury Protection

Year Ending In the Fourth Quarter of	Type of Personal Injury Reparation System			
	<u>Add-On</u>	<u>No-Fault</u>	<u>Tort</u>	<u>All</u>
1998	-6.5%	1.0%	N/A	-0.1%
1999	0.2%	3.9%	N/A	3.4%
2000	9.6%	10.2%	N/A	10.1%
2001	3.8%	3.8%	N/A	3.8%
Average	1.6%	4.7%	N/A	4.2%

(see Exhibit AIS-6, Sheet 1)

N/A means not applicable, as personal injury protection coverage does not exist in tort states. See pages 10 to 15 for a discussion of bodily injury costs and trends in tort states.

As can be seen, the cost of first party economic loss benefits, which covers both innocent and at-fault drivers, can be significant. This is especially so in the no-fault states. The high cost of this first party coverage explains in large part why the total cost of the bodily injury liability plus personal injury protection coverages combined is significantly more expensive for no-fault states than for tort states.

The cost level of personal injury protection coverage within each group of states varies dramatically, depending upon many factors. These include the statutory level of benefits and

policy options selected by insureds. Within each group (i.e., add-on and no-fault), the most expensive state is about six times as costly as the least expensive state.

With regard to trends, the cost of first party benefits has been escalating faster than third party benefits on a countrywide basis. The comparison is an annual rate of inflation of 4.2% for first party costs, versus -0.2% for third party costs countrywide and -0.5% for third party costs in tort states. In the four verbal threshold states -- Florida, Michigan, New Jersey and New York -- the average annual increase in first party benefits was 7.5%, 4.7%, -0.3% and 7.7%, respectively (see page 1 for an explanation of why New Jersey has been included with verbal threshold states).

The higher rate of escalation for first party benefits has contributed to driving up overall personal injury costs in add-on and no-fault states compared to tort states.

Personal Injury Protection Claim Frequency

A summary of the level and trend in claim frequency from 1997 to 2001 is set forth in the following tables.

Level of Paid Claim Frequency for Personal Injury Protection

Year Ending In the Fourth Quarter of	Type of Personal Injury Reparation System			
	<u>Add-On</u>	<u>No-Fault</u>	<u>Tort</u>	<u>All</u>
1997	0.0177	0.0181	N/A	0.0180
1998	0.0165	0.0176	N/A	0.0172
1999	0.0159	0.0171	N/A	0.0167
2000	0.0161	0.0171	N/A	0.0168
2001	0.0163	0.0172	N/A	0.0169

*Annual Change in the Level of
Paid Claim Frequency for Personal Injury Protection*

Year Ending In the Fourth Quarter of	Type of Personal Injury Reparation System			
	<u>Add-On</u>	<u>No-Fault</u>	<u>Tort</u>	<u>All</u>
1998	-7.0%	-2.9%	N/A	-4.1%
1999	-3.5%	-2.8%	N/A	-3.0%
2000	1.4%	0.2%	N/A	0.6%
2001	1.3%	0.4%	N/A	0.7%
Average	-2.0%	-1.3%	N/A	-1.5%

(see Exhibit AIS-7, Sheet 1)

The claim frequency level for personal injury protection has been somewhat higher in no-fault states than add-on states during the five year period from 1997 to 2001. For both groups of states, the level of claim frequency is much higher for first party claims than for third party claims. In add-on states, first party claims are about 29% more frequent than third party claims. This provides a rough estimate of the number of additional claimants who receive benefits under a first party system. The funding of benefits for these at-fault drivers raises the cost of personal injury compensation in a no-fault system compared to a tort system. For no-fault states, first party claims are more than two and one half times as frequent as third party claims. This large difference exists because in addition to more people receiving first party compensation, the tort thresholds eliminate a portion of the possible third party liability claims.

With regard to the trend in claim frequency, the rate of change for no-fault states was higher (i.e., smaller decreases) than for add-on in recent years. For tort and add-on states the average annual bodily injury claim frequency trends of -3.0% and -3.6% are larger decreases than the no-fault personal injury protection frequency trend of -1.3%. The countrywide bodily injury claim frequency trend of -2.9% shows a larger decrease than the first party personal injury protection claim frequency trend of -1.5%.

Personal Injury Protection Claim Severity

A summary of the level and trend in claim severity from 1997 to 2001 is set forth in the following tables.

Level of Paid Claim Severity for Personal Injury Protection

Year Ending In the Fourth Quarter of	Type of Personal Injury Reparation System			
	<u>Add-On</u>	<u>No-Fault</u>	<u>Tort</u>	<u>All</u>
1997	\$2,173	\$5,228	N/A	\$4,337
1998	\$2,183	\$5,459	N/A	\$4,504
1999	\$2,267	\$5,897	N/A	\$4,838
2000	\$2,444	\$6,455	N/A	\$5,285
2001	\$2,504	\$6,724	N/A	\$5,494

Annual Change in the Level of
Paid Claim Severity for Personal Injury Protection

Year Ending In the Fourth Quarter of	Type of Personal Injury Reparation System			
	<u>Add-On</u>	<u>No-Fault</u>	<u>Tort</u>	<u>All</u>
1998	0.5%	4.4%	N/A	3.8%
1999	3.9%	8.0%	N/A	7.4%
2000	7.8%	9.5%	N/A	9.2%
2001	2.5%	4.2%	N/A	3.9%
Average	3.6%	6.5%	N/A	6.1%

(see Exhibit AIS-8, Sheet 1)

The average severity of first party benefits is much higher in no-fault states than in add-on states. The trend is also higher for no-fault states. This is likely attributable in large part to the higher amount of statutory first party benefits in no-fault states. This high average first party benefit cost in no-fault states is a part of the reason why no-fault states have the highest personal injury costs among the three groups of states. The trend in the average first party benefit cost in no-fault states is a part of the reason why no-fault states have a higher trend in personal injury costs than tort states.

On a countrywide basis, the average cost of first party claims have been growing faster than the average cost of third party claims. The average annual increase in claim severity has

been 6.1% for first party benefits, compared to an annual increase of 2.5% for third party benefits.

Property Damage Liability : Exhibits AIS-9, 10 and 11

The statistics examined with regard to property damage liability costs were the pure premium (Exhibit AIS-9), claim frequency (Exhibit AIS-10) and claim severity (Exhibit AIS-11).

A summary of the results is given in the following tables.

Level of Paid Property Damage Liability Costs

Five Years Ending in The Fourth Quarter of 00	Type of Personal Injury Reparation System			
	<u>Add-On</u>	<u>No-Fault⁵</u>	<u>Tort</u>	<u>All</u>
Pure Premium	\$90.41	\$74.74	\$85.86	\$83.65
Claim Frequency	0.0419	0.0349	0.0401	0.0390
Claim Severity	\$2,158	\$2,142	\$2,142	\$2,146

Annual Change in the Level of
Paid Property Damage Liability Costs

Five Years Ending in The Fourth Quarter of 00	Type of Personal Injury Reparation System			
	<u>Add-On</u>	<u>No-Fault</u>	<u>Tort</u>	<u>All</u>
Pure Premium	4.4%	3.9%	3.6%	3.9%
Claim Frequency	-0.2%	-0.8%	-0.6%	-0.6%
	4.5%	4.6%	4.2%	4.4%

⁵ The inclusion of Michigan in these values, which has a no-fault system for property damage liability claims, lowers the claim frequency and pure premium values for all no-fault states combined by about -15%. With Michigan excluded, the no-fault pure premium would be \$90.39, the frequency 0.0409 and the severity \$2,212.

Claim Severity

(see Exhibits AIS-9, AIS-10 and AIS-11, Sheet 1)

The property damage liability experience by itself is not important for this study, since it is not expected that these costs would be influenced by the type of reparation system used to compensate personal injuries. However, it does provide a point of reference against which to measure differences in the cost of personal injury claims across states. Factors such as traffic density and road conditions would influence the frequency of both property damage and personal injury claims. Other items such as the overall cost of living and the minimum level of financial responsibility limits would influence the severity of both property damage and personal injury claims.⁶

The level and trend in property damage liability costs between the three groups of states are similar. The pure premium and the claim frequency level are somewhat lower in no-fault states than in add-on or tort states (this comparison includes Michigan, which somewhat distorts the results because it has a no-fault system for property damage liability claims as well as for bodily injury liability claims; if Michigan were excluded the relationship of no-fault states to tort states would be reversed). Also, the trends in claim frequency are close for all three groups of states. With regard to claim severity, the level of and trend in costs are close for the three groups of states.

Using these property damage liability data, an additional comparison of the cost of personal injury claims across the three groups of states can be made. The analysis performed is discussed below.

Comparison of the Ratio of Bodily Injury Liability Plus Personal Injury Protection to Property Damage Costs Across States : Exhibit AIS-12

As previously discussed, a direct comparison of the level of combined bodily injury liability plus personal injury protection costs across states is not necessarily relevant by itself. This is because there are many factors that influence personal injury costs between states in addition to the type of reparation system. Some of these differences are legal (i.e., optional versus mandatory insurance requirement), others are economic (i.e., cost of living), while additional ones are demographic (i.e., traffic density).

⁶ Admittedly, not all items which would influence personal injury claim frequency would also influence property damage claim frequency. For example, the degree of litigiousness could strongly impact bodily injury claim frequency, but would hardly impact property damage claim frequency. Also, differences in the cost of living between states may not be the same for the items that constitute personal injury claims as those that impact property damage liability claims. For example, the wage rate paid to health care providers may vary differently among states than the wage rate paid to automobile mechanics. However, as a first attempt to control for differences between states, property damage liability costs provide a reasonable basis for comparison.

To control for these variables, we have examined the property damage liability costs across states. Property damage liability costs are not influenced by the type of personal injury repair system used, but are influenced by the other types of variables⁷.

The ratio of bodily injury liability plus personal injury protection costs to property damage liability costs is shown in Exhibit AIS-12. A summary of that experience is given in the following table.

*Ratio of Paid Bodily Injury Liability Plus Personal
Injury Protection Costs to Property Damage Liability Costs*

Year Ending In the Fourth Quarter of	Type of Personal Injury Reparation System			
	<u>Add-On</u>	<u>No-Fault</u>	<u>Tort</u>	<u>All</u>
1997	1.660	2.681	1.314	1.771
1998	1.537	2.717	1.293	1.743
1999	1.423	2.613	1.214	1.649
2000	1.387	2.610	1.173	1.619
2001	1.355	2.585	1.121	1.579
Average	1.472	2.641	1.223	1.672
Annual Trend	-5.0%	-0.9%	-3.9%	-2.8%

(see Exhibit AIS-12, Sheet 1)

Three main conclusions can be drawn from these data. First, the cost of private passenger automobile insurance personal injuries in tort states are no more expensive than in no-fault states.

In fact, the indication from these data are that tort states are significantly less expensive than no-fault states. Second, for tort states, the cost of personal injury claims relative to property damage liability claims decreased every year from 1997 to 2001. Third, the decrease in personal injury costs has been at a significantly larger downward rate in tort states than in no-fault states.

For verbal threshold states, New Jersey and New York had ratios above the average of all no-fault states during the five year period from 1997 to 2001, whereas Florida had a ratio somewhat below the no-fault average (see page 1 for an explanation of why New Jersey has been

⁷ Although personal injury and property damage costs are not necessarily impacted to the exact same degree by all the various factors.

included with verbal threshold states). An analysis could not be performed for Michigan since property damage liability claims are handled on a no-fault basis instead of a tort basis.

3. Initial Experience Under No-Fault Laws

We were able to find information on the experience just before and after eight states adopted no-fault systems in the early to mid 1970's. These eight states were Connecticut, Florida, Kansas, Massachusetts, Michigan, Minnesota, New Jersey and New York. A comparison of the change in personal injury pure premiums attributable to the shift from a tort to a no-fault system is shown in the following table. The data are arranged in chronological order by when the state implemented no-fault coverage.

<u>State</u>	<i>Personal Injury Pure Premium Relative to Year Prior to No-Fault⁸</i>				
	<u>1st Yr</u>	<u>2nd Year</u>	<u>3rd Yr</u>	<u>4th Yr</u>	<u>5th Yr</u>
Massachusetts	-45.8%	-46.1%	-48.1%	-48.1%	-52.5%
Florida	-17.9%	+ 5.3%	+15.5%	+28.5%	+26.0%
Connecticut	- 8.5%	- 2.6%	- 3.6%	- 3.6%	
New Jersey	- 5.2%	+ 9.3%	+16.3%	+11.3%	
Michigan	-20.7%	-19.8%	-16.2%		
Kansas	+28.1%	+ 6.7%	+ 4.2%		
New York	+ 3.4%	+19.7%	+24.6%		
Minnesota	- 6.8%	-22.3%			
Number Showing					
Increase	2	4	4	2	1
Decrease	6	4	3	2	1

The results from these data are mixed. Half the states showed cost increases, while the other half showed cost decreases. Some of the states that initially had cost decreases eventually

⁸ Source: "An Evaluation of No-Fault Automobile Insurance Costs", prepared by Conning & Company for the American Insurance Association, November 1977, page 7. The pure premium changes are net of cost changes in liability states to remove the effect of inflation, the energy crisis, etc. The coverages included are bodily injury liability, medical, uninsured motorists and personal injury protection.

had the costs increase in later years (i.e., Florida and New Jersey). Other states had the cost decrease become smaller or the cost increase become larger over time (i.e., Connecticut, Michigan and New York). For other states, the cost increase became smaller or the cost decrease became larger (i.e., Kansas, Massachusetts and Minnesota).

Another statistic which is useful to examine is the change in the number of claims which are compensated when going from a tort to a no-fault system. The number of claims will tend to decrease because some third party liability claims will be eliminated by the tort threshold. On the other hand, the number of claims will tend to increase because at-fault drivers will receive first party benefits under a no-fault system.

On balance, the number of claims compensated will tend to increase under a no-fault system compared to a tort system. A comparison of the changes in personal injury claim frequency for the mandatory coverages which are attributable to the shift from a tort to a no-fault system are shown in the following table. The data are arranged in chronological order by when the state implemented no-fault coverage.

<u>State</u>	<i>Personal Injury Claim Frequency Relative to Year Prior to No-Fault⁹</i>				
	<u>1st Yr</u>	<u>2nd Year</u>	<u>3rd Yr</u>	<u>4th Yr</u>	<u>5th Yr</u>
Massachusetts	-41.0%	-49.7%	-55.6%	-55.4%	-52.9%
Florida	+29.6%	+31.6%	+31.6%	+47.6%	+40.5%
Connecticut	+29.4%	+42.5%	+55.9%	+52.9%	
New Jersey	+57.7%	+72.4%	+87.1%	+76.2%	
Michigan	-10.2%	-12.5%	-18.1%		
Kansas	+90.7%	+72.3%	+75.1%		
New York	+46.4%	+70.8%	+80.2%		
Minnesota	+61.1%	+29.1%			
Number Showing					
Increase	6	6	5	3	1
Decrease	2	2	2	1	1

These results show that in the majority of states, claim frequency increases after the introduction of no-fault. The average increase in claim frequency across all states was 35%. This differential provides an estimate of the additional number of claims covered under a no-fault system which are not entitled to compensation under a traditional liability system.

4. Long-Term Experience Under Various Compensation Systems - Exhibits AIS-13 and 14

Most no-fault laws were adopted during the beginning to middle 1970's. By comparing the experience of these states just prior to the introduction of no-fault with the experience in recent years, a long-term perspective on the cost implications of no-fault systems can be obtained. By also examining the cost changes for add-on and tort states, a comparison can be made as to which of the three systems has led to the largest increase in costs. This comparison is set forth in Exhibit AIS-13. The results are summarized below.

Change in the Cost of Bodily Injury Liability Plus

⁹ Source: "An Evaluation of No-Fault Automobile Insurance Costs", prepared by Conning & Company for the American Insurance Association, November 1977, page 73. The pure premium changes are net of cost changes in liability states to remove the effect of inflation, the energy crisis, etc. Experience is for mandatory coverages of bodily injury, uninsured motorists and personal injury protection.

Personal Injury Protection Costs From 1969/1971 to 1995/1997

<u>Type of System</u>	<u>Annual Change</u>	<u>Total Change</u> ¹⁰
Add-On	+6.2%	+380.2%
No-Fault	+6.5%	+413.8%
Tort	+4.9%	+243.0%

On an annual basis, costs during this 26 year period have increased in no-fault states by about 1.5% per year more than in tort states¹¹. Over the entire period, the total inflation in costs for no-fault states was 50% more than for tort states¹².

The annual trends for verbal threshold states during this period have been as follows, Florida : +6.0%, Michigan : +5.9%, New Jersey : +8.4% and New York : +6.6%. These values are all above the average change for all tort states combined.

The differentially higher trend in no-fault states may be explained by the tradeoff made in switching from a tort system to a no-fault system. A no-fault system provides first party economic benefits to all covered individuals, whether or not they were at fault for the accident. In order to fund these first party benefits, the ability of innocent claimants to receive compensation for non-economic benefits is restricted. This constraint takes the form of a tort threshold which must be overcome before compensation can be obtained for non-economic damages.

However, the ability of tort thresholds to prevent claims for non-economic damages has decreased over time. This is seen from the data in Exhibit AIS-14, Sheets 1 to 3. For thirteen of the fourteen no-fault states,¹³ the effectiveness of the threshold in preventing compensation for non-economic losses was much less in 1987 than in 1977 (Sheet 1). The decrease in the effectiveness of tort thresholds continued between 1987 and 1992 in ten of eleven states (Sheet

¹⁰ The annual and total changes are somewhat overstated since the earlier experience (1969/71) is undeveloped, while the latter experience (1995/97) is developed to 63 months. The impact should be rather small -- no more than 1% on an annual basis. Furthermore, the relative changes between the add-on, no-fault and tort states should not be impacted.

¹¹ $1.5\% = 1.065/1.049 - 1$

¹² $50\% = 513.8/343.0 - 1$

¹³ The one state showing an increase in the effectiveness of the threshold was Utah. The change from 1977 to 1987 was very small -- from 19.4% to 19.1%. In addition, Utah raised the tort threshold from \$500 of medical expenses to \$3,000 of medical expenses in 1986. This increase in the threshold would be expected to have the impact of decreasing the number of tort claims. Utah also had a very small number of claims and the result is not statistically significant.

2). There was a smaller increase in effectiveness between 1992 and 1997¹⁴ (Sheet 3). The overall decrease in the ability to prevent compensation for non-economic damages occurred in both verbal and monetary threshold states.

From 1977 to 1987 the percentage of personal injury claimants judged eligible for benefits from the tort liability system increased from 23.9% to 39.7%, a 66% increase in the proportion of first party claimants who could file tort claims in no-fault states. From 1987 to 1992 the percentage of personal injury claimants judged eligible for benefits from the tort liability system increased from 28.7% to 33.1%, a 15% increase. The one state with a decline, Kansas, increased the monetary tort threshold from \$500 to \$2,000 effective January 1, 1988. During the years from 1992 to 1997, the percentage of personal injury claimants judged eligible to pursue tort claims decreased from 30.8% to 28.2%, a decrease of -8.4%¹⁵. The combined impact for these three periods is a decrease in the effectiveness of the tort threshold resulting in a 75% increase in claimants eligible to file tort claims in no-fault states.¹⁶ The combination of more injuries being qualified to receive compensation for non-economic damages, as well as the high rate of inflation for first party benefits, has caused costs to escalate faster for no-fault states than for tort states during this long term period.

In analyzing the effectiveness of tort thresholds, it should be remembered that a certain group of personal injury protection claimants would not be eligible to file a tort claim even if there was no threshold. For example, at fault claimants would not be eligible for tort benefits even if no threshold existed. During 1987, on a countrywide basis, the percentage of the possible number of tort claims that exceeded the threshold was 65%. As shown on Exhibit AIS-14, Sheet 4, only 35% of the possible tort claims were eliminated by the tort thresholds in the no-fault states. This ranged from a low of 15% in New Jersey to a high of 74% in Michigan. For Florida and New York, the other two verbal threshold states, the percentage of possible tort claims eliminated by the threshold were 44% in both states. For Hawaii, the state with the highest monetary threshold, the percentage of possible tort claims eliminated was 66%. Hawaii, however, suffered the largest deterioration in its tort threshold from 1977 to 1987, as the percentage of personal injury protection claimants eligible to file a tort claim increased by a factor of 6.

The above values deal with the number of tort claims eliminated in no-fault states compared to tort states. The percentage of total benefits eliminated is much smaller for two reasons. First, the economic damages that would have been recovered under a tort claim will instead be received from the first party coverage. Therefore, none of the economic losses on tort claims will be removed. Second, the non-economic damages eliminated will be much smaller than the number of tort claims excluded. This is because the claims removed from the system will be the least serious claims which have the lowest cost. The more serious claims, which have the potential for much higher levels of non-economic damages, are not eliminated by the tort

¹⁴ Some of the states with a reported increase in the effectiveness of the tort threshold from 1992 to 1997 had statutory/regulatory changes that could distort the results.

¹⁵ The group of states with reported data differed in each of the three periods.

¹⁶ $75\% = 1.66 \times 1.15 \times .916 - 1$

threshold. Therefore, the percentage of non-economic losses eliminated by the threshold will be much smaller than the number of claims removed from the system.

Overall, none of the economic losses are eliminated from tort claims in shifting to a no-fault system from a tort system. In addition, the percentage of the non-economic loss dollars removed can be relatively small. The additional economic benefits provided to at-fault claimants under a no-fault system can be substantial, and easily exceed the savings from the small amount of non-economic losses removed. This is why a no-fault system can cost just as much, or even more, than a tort system.

5. Claims Adjudication Transaction Costs - Exhibit AIS-15

Proponents of no-fault assert that switching from a tort to a no-fault system will lower the transaction costs associated with investigating and settling claims. The lower costs could arise from decreased use of the legal system to settle claims.

The insurance industry data we have examined does not show a significant difference in the transaction costs of investigating and settling claims for the three types of systems. To the extent there is a difference, no-fault states have somewhat higher costs than add-on or tort states. The ratio of loss adjustment expenses¹⁷ to earned premium from 1990 to 2000 for the three types of systems are shown in Exhibit AIS-15. The average ratio of loss adjustment expenses to premiums during this ten year period for add-on, no-fault and tort states are 12.6%, 14.3% and 12.8%, respectively. Based upon these data, there does not appear to be any transaction cost savings from a no-fault system.

6. Insurance Company Profitability - Exhibits AIS-16, 17 and 18

Insurance company profitability¹⁸ was examined to determine if a difference exists between the states with different types of personal injury reparations systems. The results are summarized in the following table.

Average Insurance Industry Profitability From 1985 to 2000

¹⁷ Loss adjustment expenses consist of allocated loss adjustment expenses (ALAE) and unallocated loss adjustment expenses (ULAE). ALAE are those costs that can be directly related to a particular claim. Examples of these costs would be legal fees, expert witnesses, transcripts of testimony, medical examinations, etc. ULAE are costs that cannot be attributed to a particular claim, such as rent, utilities and salaries for an insurance company's claim division.

¹⁸ The profit values used were derived by the National Association of Insurance Commissioners (NAIC). These profit values take into account underwriting results plus investment income on reserves and surplus. They are computed on an after federal income tax basis. The profit percentages are in relation to earned premium. The NAIC has provided standard disclaimers which are attached as Appendix 2.

<u>Type of System</u>	<u>Type of Automobile Insurance Coverage</u>		
	<u>Liability</u>	<u>Physical Damage</u>	<u>All</u>
Add-On	+4.5%	+1.4%	+3.4%
No-Fault	+5.6%	+4.9%	+5.4%
Tort	+5.0%	+3.1%	+4.3%
Countrywide	+5.2%	+3.5%	+4.6%

States with a no-fault system had a somewhat higher profitability than tort states for the liability and physical damage coverages, and a higher overall profit.

In two of the verbal threshold states -- Michigan and New York -- insurance company profitability has been higher than the average of all no-fault states. In Michigan, the profitability has been impacted by the experience reported for the Michigan Catastrophic Claims Association.¹⁹ Hawaii, the state with the highest monetary threshold, had a profit higher than the average across all no-fault states.

7. Additional Claimants Under a No-Fault System - Exhibit AIS-19

Based upon the preceding analysis, we have made two estimates of the additional claimants that qualify for benefits under a no-fault system as opposed to a tort system. One estimate was made by comparing claim frequencies in add-on states for first party and third party coverages. The result was an increase of 29% in the number of first party compared to third party claims. Another estimate was made in connection with an examination of claim frequency just before and after various states adopted no-fault in the early to mid-1970's. The average increase in claims frequency across the eight states examined was 35%. In this section we derive another estimate of the additional number of claimants who receive benefits under a no-fault system compared to a tort system.

¹⁹ The Michigan Catastrophic Claims Association (MCCA) collects a charge for both the current year and a deficit reduction amount for prior years. These revenues are included in companies' premiums on Page 14. The total impact of MCCA transactions is not easily determined because of the difficulty in identifying losses attributable to MCCA transactions. See Appendix 3 for an excerpt from the NAIC profitability report discussing the situation in Michigan as well as other state specific situations.

The results of a claim study²⁰ showing the number of claimants eligible under a tort system or a no-fault system are shown in Exhibit AIS-19. The average increase in the number of claimants eligible for benefits under a no-fault system compared to a tort system was +54%.

Based upon these three estimates, a reasonable projection for the increase in the number of claimants under a no-fault system is in the range of 35% to 40%. Funding first party benefits for these additional claimants can be quite expensive, depending upon the statutory provisions and the policy options selected by insureds. Given that a tort threshold may remove only a modest portion of the total non-economic damages, it is easy to see why a no-fault system can cost as much, or more, than a tort liability system.

The increase in the number of claimants receiving payments under a no-fault system is due to the fact that at fault drivers obtain benefits. This can be seen, for example, by comparing the number of single vehicle accidents receiving compensation under tort and no-fault systems. In tort states, single vehicle accidents constitute 3.4% of the number of personal injury claims.²¹ In no-fault states, single vehicle accidents constitute 16.0% of the number of personal injury claims -- or almost 5 times larger than the percent in tort states. The large increase in the number of claims covered in no-fault states, resulting from at fault drivers being compensated, drives up the cost of private passenger automobile insurance in no-fault states.

8. Premiums Under Different Reparation Systems - Exhibits AIS-20 and 21

Another way to examine the cost impact of a reparation system is to analyze the premium changes over time. Premium changes were reviewed by type of reparation system for the liability coverages alone, as well as combined for all coverages.²² A summary of the results is set forth in the following table.

²⁰ "Compensation for Automobile Injuries in the United States", All-Industry Research Advisory Committee, March 1989, page 150.

²¹ "Compensation for Automobile Injuries in the United States", All-Industry Research Advisory Committee, March 1989, page 40.

²² Liability includes bodily injury, property damage, personal injury protection, medical payments, uninsured motorists for both BI and PD, underinsured motorist for both BI and PD, and unique state coverages including property protection and limited property damage in Michigan. Combined all coverages consists of liability plus collision and other than collision.

Average Annual Premium Change From 1989 to 1999

<u>Type of System</u>	<u>Coverages Included</u>	
	<u>Liability</u>	<u>Combined</u>
Add-On	+2.7%	+2.8%
No-Fault	+2.1%	+2.4%
Tort	+1.1%	+1.7%
Countrywide	+1.7%	+2.2%

The highest average annual premium changes -- both for liability alone and combined all coverages -- were for the add-on states. The no-fault states had somewhat smaller premium changes. Tort states had the lowest premium changes, both for the liability coverages alone and combined for all coverages.

The states with verbal tort thresholds -- Florida, Michigan, New Jersey and New York -- had average annual liability premium changes of +1.0%, +1.3%, -0.1% and +4.9%, respectively (see page 1 for an explanation of why New Jersey has been included with verbal threshold states). The liability premium change for New York is higher than the average increase across all no-fault states. Both New York and Michigan experienced higher liability premium increases than the average for tort states.

**9. Average Economic Loss and Injury Payment
By Reparation System - Exhibits AIS-22 and 23**

An additional way of evaluating the cost impact of a reparation system is to examine the economic loss and injury payment per claimant. The average economic loss and injury payment per claim were calculated by type of reparation system for 1977 and 1997. A summary of the results is set forth in the table below.

Injury Loss Payment Per Claim & Change From 1977 to 1997

<u>Type of System</u>	<u>1977</u>	<u>1997</u>	<u>Annual Change</u>
Add-On	\$1,439	\$4,626	+ 6.0%
No-Fault	\$1,995	\$6,664	+ 6.2%
Tort	\$1,673	\$5,050	+ 5.7%
Countrywide	\$1,740	\$5,465	+ 5.9%

The average injury payment per claim was highest in no-fault states, lowest in add-on states, with tort states in the middle. The annual change in average loss payment per injury claim was highest in no-fault states at +6.2%, lowest in tort states at +5.7%, and in the middle for add-on states at +6.0%.

Economic Loss Per Injury Claim & Change From 1977 to 1997

<u>Type of System</u>	<u>1977</u>	<u>1997</u>	<u>Annual Change</u>
Add-On	\$ 910	\$3,369	+ 6.8%
No-Fault	\$1,413	\$6,512	+7.9%
Tort	\$ 961	\$3,587	+ 6.8%
Countrywide	\$1,112	\$4,470	+ 7.2%

As these data show, economic losses per injury claim increased more rapidly than the payment per claim. The residual amount, which is the non-economic loss per claim, is therefore increasing at a rate slower than either the total payments or the economic losses.

The average economic loss per injury claim was highest in no-fault states, with tort states and add-on states being the lower. For 1997, the average economic loss per injury claim was 82% higher in no-fault states than in tort states, and was 93% higher in no-fault states than in add-on states.

PRIVATE PASSENGER AUTOMOBILE INSURANCE

STATUTORY PROVISIONS IMPACTING PERSONAL INJURY COSTS

State	(1) Type of Liability	(2) 1 st Party Insurance Requirement	(3) 3 rd Party Liability Insurance Requirement	(4) Minimum Liability Limits	(5) Tort Threshold	(6) Medical Expenses	(7) Other Economic Losses
Alabama	Tort		Compulsory	20/40/10			
Alaska	Tort		Compulsory	50/100/25			
Arizona	Tort		Compulsory	15/30/10			
Arkansas	Add-on	Optional	Compulsory	25/50/25	None	\$5,000	Yes
California	Tort		Compulsory	15/30/5			
Colorado	No-fault	Compulsory	Compulsory	25/50/15	\$2,500	\$50,000	Yes
Connecticut (a)	Tort		Compulsory	20/40/10			
Delaware	Add-on	Compulsory	Compulsory	15/30/5	None	\$15,000	Yes
D. C. (b)	Add-on	Optional	Compulsory	25/50/10	None/Verbal	\$50,000	Yes
Florida (c)	No-fault	Compulsory	Optional	10/20/10	Verbal	\$10,000	Yes
Georgia (d)	Tort		Compulsory	25/50/25			
Hawaii (e)	No-fault	Compulsory	Compulsory	20/40/10	\$5,000	\$10,000	Yes
Idaho	Tort		Compulsory	25/50/15			
Illinois	Tort		Compulsory	20/40/15			
Indiana	Tort		Compulsory	25/50/10			
Iowa	Tort		Compulsory	20/40/15			
Kansas	No-fault	Compulsory	Compulsory	25/50/10	\$2,000	\$4,500	Yes
Kentucky (f)	No-fault	Compulsory	Compulsory	25/50/10	None/\$1,000	\$10,000	Yes
Louisiana	Tort		Compulsory	10/20/10			
Maine	Tort		Compulsory	50/100/25			
Maryland	Add-on	Compulsory	Compulsory	20/40/15	None	\$2,500	Yes
Massachusetts	No-fault	Compulsory	Compulsory	20/40/5	\$2,000	\$8,000	Yes
Michigan	No-fault	Compulsory	Compulsory	20/40/10	Verbal	Unlimited	Yes
Minnesota (g)	No-fault	Compulsory	Compulsory	30/60/10	\$4,000	\$20,000	Yes
Mississippi	Tort		Compulsory	10/20/5			
Missouri	Tort		Compulsory	25/50/10			
Montana	Tort		Compulsory	25/50/10			
Nebraska	Tort		Compulsory	25/50/25			
Nevada	Tort		Compulsory	15/30/10			
New Hampshire (h)	Tort		Optional	25/50/25		\$5,000	
New Jersey (i)	No-fault	Compulsory	Compulsory	15/30/5	None/Verbal	\$250,000	Yes
New Mexico	Tort		Compulsory	25/50/10			
New York (j)	No-fault	Compulsory	Compulsory	25/50/10	Verbal	\$50,000	Yes
North Carolina	Tort		Compulsory	30/60/25			
North Dakota	No-fault	Compulsory	Compulsory	25/50/25	\$2,500	\$30,000	Yes
Ohio	Tort		Compulsory	12.5/25/7.5			
Oklahoma	Tort		Compulsory	10/20/10			
Oregon	Add-on	Compulsory	Compulsory	25/50/10	None	\$10,000	Yes
Pennsylvania (k)	No-fault	Compulsory	Compulsory	15/30/5	None/Verbal	\$5,000	Yes
Rhode Island	Tort		Compulsory	25/50/25			
South Carolina (l)	Add-on	Optional	Optional	15/30/10	None	\$1,000	Yes
South Dakota	Add-on	Optional	Compulsory	25/50/25	None	\$2,000	Yes
Tennessee	Tort		Optional	25/50/10			
Texas	Add-on	Optional	Compulsory	20/40/15	None	\$2,500	Yes
Utah	No-fault	Compulsory	Compulsory	25/50/15	\$3,000	\$3,000	Yes
Vermont	Tort		Compulsory	25/50/10			
Virginia	Add-on	Optional	Compulsory	25/50/20	None	\$2,000	Yes
Washington (m)	Add-on	Optional	Compulsory	25/50/10	None	\$10,000	Yes
West Virginia	Tort		Compulsory	20/40/10			
Wisconsin (n)	Add-on	Optional	Optional	25/50/10	None	\$1,000	No
Wyoming	Tort		Compulsory	25/50/20			

PRIVATE PASSENGER AUTOMOBILE INSURANCE
STATUTORY PROVISIONS IMPACTING PERSONAL INJURY COSTS

Notes

- a) Connecticut changed from a no-fault system to a tort system on January 1, 1994.
- b) D. C. allows the injured party until 60 days after the accident to decide to elect PIP benefits. Injured individuals who elect PIP benefits have a verbal threshold. If PIP benefits are not elected tort liability applies. This change was effective June 2, 1986.
- c) In Florida BI liability is optional, while PD liability is compulsory.
- d) Georgia changed from a no-fault system to a tort system on October 1, 1991.
- e) Hawaii originally had a \$1,500 tort threshold. This was changed to a \$13,900 threshold that was indexed every year in September. Effective January 1, 1998 Hawaii changed to a right to sue with a verbal threshold or a \$5,000 covered loss deductible.
- f) Kentucky permits the insured to reject the tort limitation.
- g) The tort threshold in Minnesota excludes diagnostic x-rays and rehabilitation expenses.
- h) We have classified New Hampshire as a tort state based on an IRC study. Some studies classify New Hampshire as an add-on state. If you purchase liability insurance you must also purchase medical payments coverage.
- i) Effective January 1, 1989 New Jersey tort threshold options were changed to none and a verbal threshold. The medical expense coverage was reduced to \$250,000 per person from unlimited coverage effective January 1, 1989. In addition, effective in 1999, New Jersey offers a reduced price Basic policy with a \$15,000 limit to Medical expenses, except for specified serious injuries.
- j) New York amended the tort threshold from \$500 to a verbal threshold effective December 1, 1977. The bodily injury liability limits increase to 50/100 for fatal accidents.
- k) Pennsylvania has made various changes to their no-fault law. Originally a \$750 tort threshold existed. In 1984 the tort threshold was eliminated. In 1990 this changed to a choice system. The minimum no-fault benefits were reduced to \$5,000 of first party coverage. The tort option applies if the insured fails to select.
- l) South Carolina changed from mandatory to optional PIP coverage in 1977. In 1989 the law was changed to repeal the requirement that insurers offer PIP coverage. Effective March 1, 1999 liability insurance is no longer compulsory.
- m) Washington law gives the insurance companies the option to offer PIP benefits. Some insurers offer similar benefits but do not meet the state standards to be called personal injury protection coverage.
- n) We have classified Wisconsin as an add-on state based on the NAIC. Some studies classify Wisconsin as a tort state.

Sources: (1), (2) & (4) , Insurance Information Institute web page article "What are the driving laws in my state?", at site <http://www.iii.org/individuals/auto/a/stateautolaws/>

(3) & (5) to (7) NAIC Automobile Insurance Publication "No-Fault Auto Insurance: A Survey" by the Property & Casualty Insurance © Committee, December 2000.

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Changes in Bodily Injury Liability and Personal Injury Protection Pure Premiums

Fast Track Data

State	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Earned Car Years Yr. Ended 4th Qtr. 01	e Premiums Year Ending 1997	Year Ending 1998	4th Quarter 1999	2000	2001	Annual Percent Change
<u>Add-on States</u>							
Arkansas#	1,239,809	\$89.22	\$84.70	\$85.25	\$83.88	\$81.15	-2.3%
Delaware	357,348	\$256.96	\$246.47	\$236.58	\$266.41	\$269.96	1.2%
District of Columbia	163,464	\$188.64	\$187.41	\$178.61	\$183.40	\$179.31	-1.3%
Maryland	2,465,025	\$184.45	\$172.44	\$173.17	\$189.55	\$185.49	0.1%
Oregon	1,512,646	\$131.77	\$133.73	\$136.62	\$140.48	\$136.84	0.9%
South Carolina	1,815,549	\$115.57	\$117.96	\$114.72	\$119.32	\$123.80	1.7%
South Dakota#	278,185	\$70.04	\$77.57	\$73.69	\$76.61	\$71.67	0.6%
Texas	7,421,717	\$157.23	\$141.01	\$130.47	\$130.04	\$132.34	-4.2%
Virginia#	3,424,757	\$95.53	\$90.25	\$90.69	\$91.35	\$86.68	-2.4%
Washington	2,459,263	\$157.15	\$155.94	\$162.36	\$166.22	\$164.67	1.2%
Wisconsin#	1,866,210	\$98.68	\$93.23	\$91.21	\$87.11	\$95.31	-0.9%
Total/Wtd. Avg.	23,003,973	\$138.29	\$130.41	\$127.38	\$130.25	\$130.29	
Percent Change			-5.7%	-2.3%	2.3%	0.0%	-1.5%

No-Fault States

Colorado	2,318,599	\$180.28	\$187.57	\$180.67	\$197.15	\$221.85	5.3%
Florida	5,970,080	\$195.45	\$194.24	\$202.57	\$225.12	\$240.01	5.3%
Hawaii	400,236	\$197.68	\$189.92	\$147.41	\$147.97	\$135.73	-9.0%
Kansas	1,325,078	\$83.28	\$86.88	\$87.96	\$87.49	\$90.07	2.0%
Kentucky	1,756,151	\$151.00	\$148.20	\$150.50	\$149.30	\$155.29	0.7%
Massachusetts	877,260	\$227.16	\$215.15	\$211.67	\$213.72	\$226.72	0.0%
Michigan	5,048,556	\$156.99	\$147.92	\$148.53	\$154.26	\$168.65	1.8%
Minnesota	2,355,561	\$163.95	\$155.82	\$147.58	\$148.77	\$153.16	-1.7%
New Jersey	2,931,529	\$355.07	\$364.63	\$363.83	\$357.23	\$371.63	1.1%
New York	5,180,258	\$280.83	\$294.71	\$315.01	\$367.26	\$350.09	5.7%
North Dakota	245,343	\$70.58	\$69.68	\$65.33	\$63.99	\$60.91	-3.6%
Utah	1,001,060	\$102.54	\$103.00	\$104.62	\$116.26	\$121.44	4.3%
Total/Wtd. Avg.	29,409,711	\$205.14	\$206.20	\$209.81	\$225.67	\$232.72	
Percent Change			0.5%	1.8%	7.6%	3.1%	3.2%

Tort States

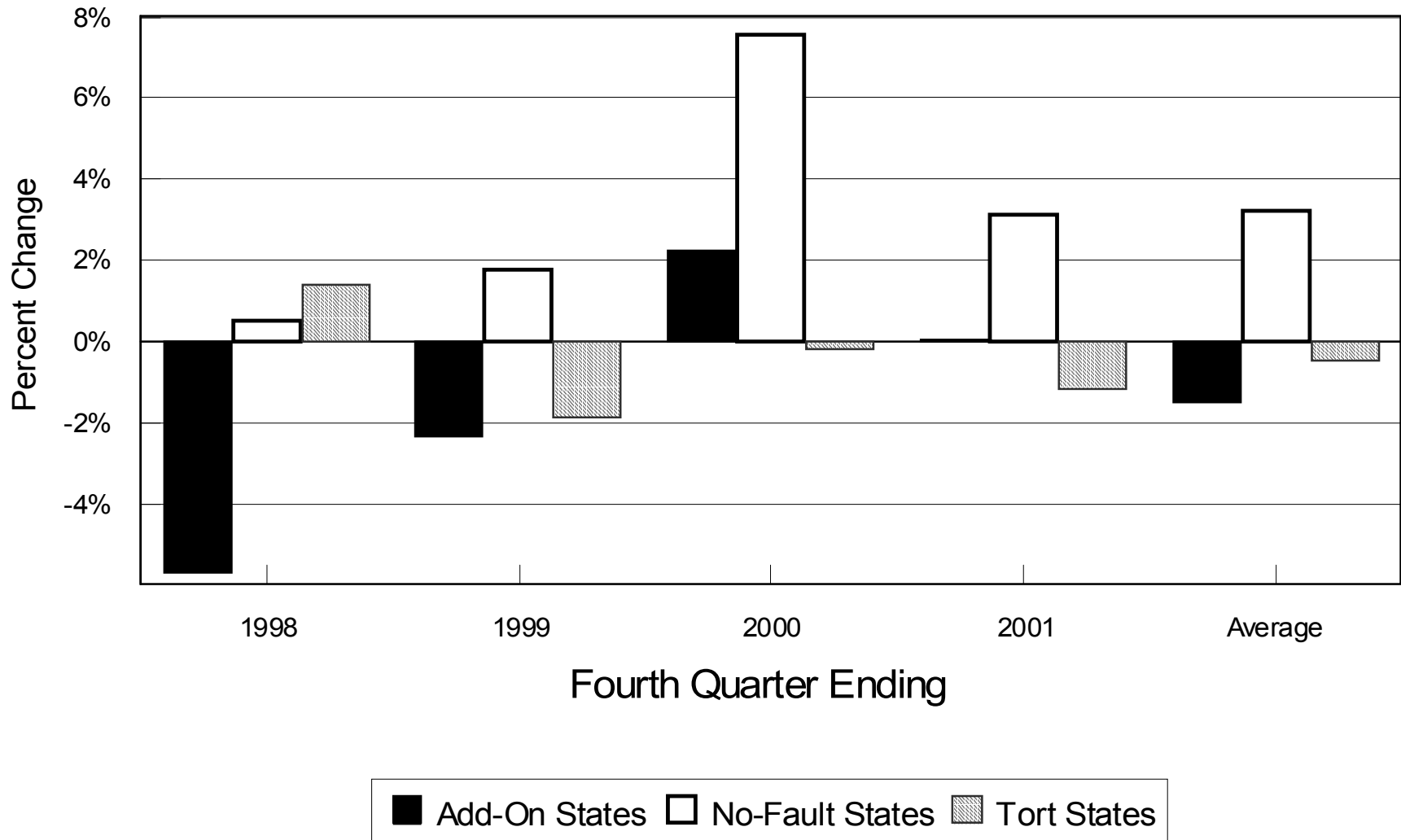
Alabama	2,112,375	\$69.27	\$69.01	\$69.02	\$70.04	\$72.92	1.3%
Alaska	281,535	\$95.03	\$116.88	\$131.57	\$136.89	\$110.86	3.9%
Arizona	2,106,251	\$144.74	\$131.73	\$129.51	\$126.81	\$127.05	-3.2%
California	9,735,611	\$119.34	\$122.95	\$122.07	\$121.43	\$115.56	-0.8%
Connecticut	1,178,431	\$172.75	\$191.35	\$200.00	\$187.18	\$195.87	3.2%
Georgia	3,485,188	\$91.11	\$91.57	\$90.56	\$88.17	\$92.49	0.4%
Idaho	629,733	\$68.25	\$76.16	\$71.91	\$82.05	\$77.87	3.4%
Illinois	5,044,354	\$106.50	\$100.13	\$97.23	\$93.80	\$96.66	-2.4%
Indiana	1,874,091	\$88.49	\$94.72	\$80.51	\$72.94	\$80.04	-2.5%
Iowa	870,430	\$68.73	\$65.62	\$67.73	\$62.10	\$66.30	-0.9%
Louisiana	1,811,630	\$172.50	\$175.16	\$175.67	\$182.53	\$183.80	1.6%
Maine	451,204	\$87.30	\$81.78	\$84.50	\$83.09	\$79.24	-2.4%
Mississippi	1,073,926	\$80.21	\$79.31	\$80.51	\$90.63	\$78.58	-0.5%
Missouri	2,459,036	\$88.53	\$89.40	\$87.30	\$88.68	\$89.66	0.3%
Montana	484,147	\$86.53	\$92.34	\$92.12	\$103.05	\$101.48	4.1%
Nebraska	714,606	\$68.04	\$74.77	\$69.26	\$76.74	\$72.39	1.6%
Nevada	869,179	\$161.87	\$177.85	\$172.36	\$164.20	\$150.38	-1.8%
New Hampshire	458,469	\$117.75	\$113.54	\$104.86	\$107.14	\$100.16	-4.0%
New Mexico	810,732	\$99.59	\$98.46	\$94.94	\$95.14	\$90.20	-2.4%
North Carolina	3,427,338	\$89.41	\$87.41	\$84.98	\$85.05	\$83.30	-1.8%
Ohio	3,791,355	\$93.95	\$98.68	\$89.20	\$90.06	\$89.87	-1.1%
Oklahoma	1,464,912	\$85.86	\$91.54	\$92.38	\$86.41	\$88.46	0.7%
Rhode Island	333,385	\$173.46	\$183.20	\$185.40	\$180.96	\$195.75	3.1%
Tennessee	1,847,099	\$81.43	\$82.64	\$84.24	\$84.28	\$80.79	-0.2%
Vermont	231,304	\$86.80	\$93.36	\$93.43	\$102.34	\$92.01	1.5%
West Virginia	824,369	\$132.97	\$136.86	\$138.85	\$167.92	\$151.61	3.3%
Wyoming	281,948	\$66.62	\$66.93	\$71.35	\$74.19	\$71.47	1.8%
Total/Wtd. Avg.	48,652,638	\$105.51	\$106.96	\$104.94	\$104.72	\$103.52	
Percent Change			1.4%	-1.9%	-0.2%	-1.2%	-0.5%
Countrywide	101,066,322	\$141.97	\$141.18	\$140.57	\$145.73	\$147.21	
Percent Change			-0.6%	-0.4%	3.7%	1.0%	0.9%

Notes:

Year ending data, losses paid during the calendar period.
BI only, PIP data unavailable for these states.

Source: Insurance Services Office, Fast Track trend data through fourth quarter 2001.

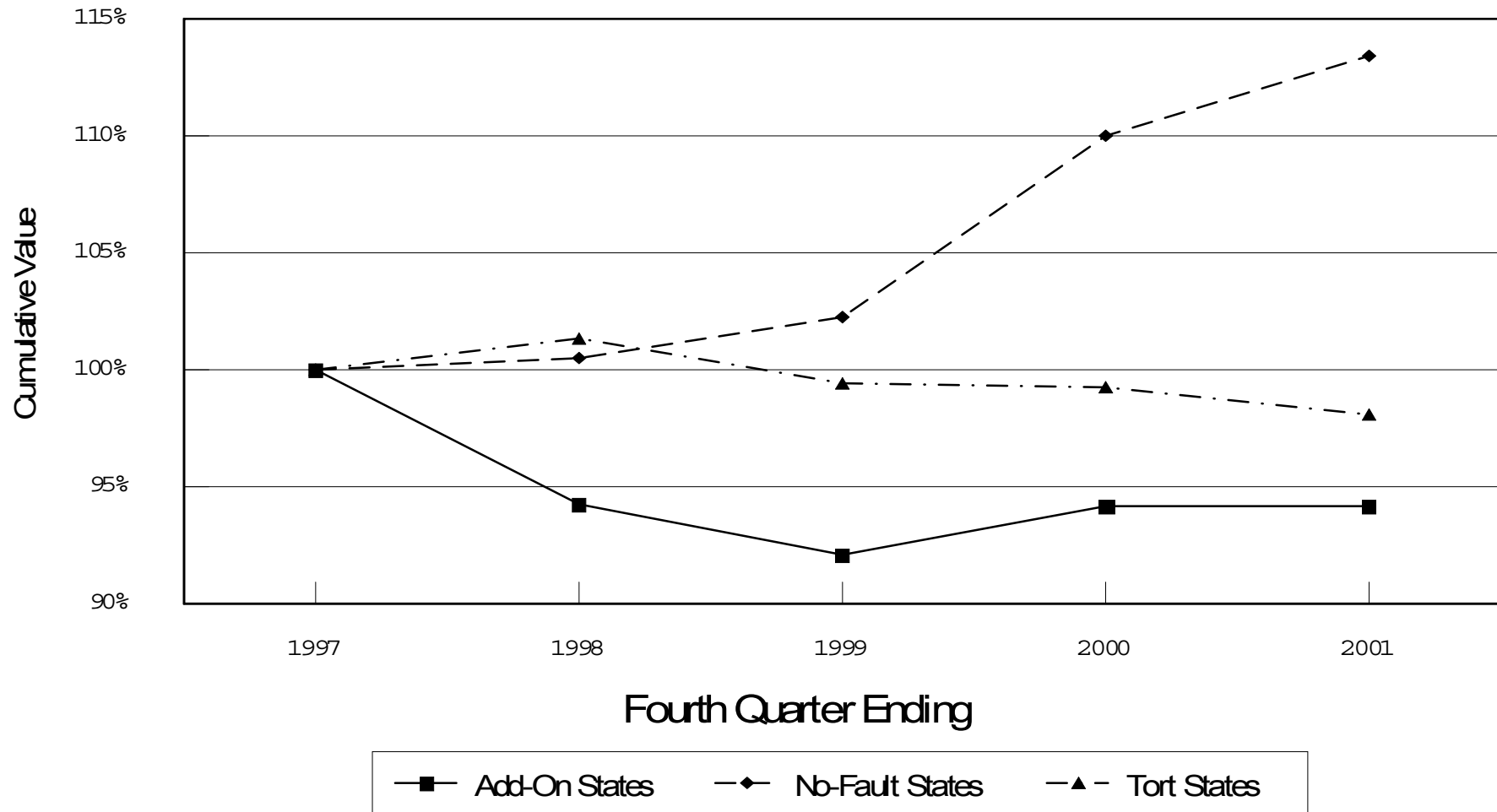
Changes in BI and PIP Pure Premiums



Source: Insurance Services Office,
Fast Track Trend Data through 4Q01

Exhibit AIS-2, Sheet 2a

Cumulative Growth in BI & PIP Pure Premiums



Source: Insurance Services Office,
Fast Track Trend Data through 4Q01

Exhibit AIS-2, Sheet 2b

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Changes in Bodily Injury Liability Pure Premiums

Fast Track Data

State	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Earned Car Years Yr. Ended 4th Qtr. 01	Total Limits	BI Pure Premiums	Year Ending	4th Quarter		Annual Percent Change
		1997	1998	1999	2000	2001	
<u>Add-on States</u>							
Arkansas	1,239,809	\$89.22	\$84.70	\$85.25	\$83.88	\$81.15	-2.3%
Delaware	357,348	\$174.60	\$164.53	\$155.64	\$171.44	\$168.53	-0.9%
District of Columbia	163,464	\$169.21	\$170.06	\$161.67	\$168.80	\$161.65	-1.1%
Maryland	2,465,025	\$138.21	\$129.10	\$130.73	\$142.25	\$137.24	-0.2%
Oregon	1,512,646	\$92.19	\$96.95	\$97.13	\$97.07	\$94.16	0.5%
South Carolina	1,815,549	\$92.65	\$94.92	\$94.70	\$100.54	\$100.12	2.0%
South Dakota	278,185	\$70.04	\$77.57	\$73.69	\$76.61	\$71.67	0.6%
Texas	7,421,717	\$123.35	\$110.67	\$100.89	\$99.21	\$99.81	-5.2%
Virginia	3,424,757	\$95.53	\$90.25	\$90.69	\$91.35	\$86.68	-2.4%
Washington	2,459,263	\$119.47	\$118.58	\$122.71	\$119.89	\$116.87	-0.5%
Wisconsin	1,866,210	\$98.68	\$93.23	\$91.21	\$87.11	\$95.31	-0.9%
Total/Wtd. Avg.	23,003,973	\$112.55	\$106.35	\$103.49	\$104.36	\$103.14	
Percent Change			-5.5%	-2.7%	0.8%	-1.2%	-2.2%

No-Fault States

Colorado	2,318,599	\$62.57	\$63.85	\$59.11	\$58.53	\$60.74	-0.7%
Florida	5,970,080	\$115.22	\$112.75	\$114.74	\$124.80	\$132.79	3.6%
Hawaii	400,236	\$90.53	\$105.79	\$93.01	\$86.57	\$77.17	-3.9%
Kansas	1,325,078	\$52.52	\$57.55	\$56.81	\$56.83	\$59.68	3.2%
Kentucky	1,756,151	\$94.31	\$92.89	\$95.82	\$94.70	\$97.56	0.9%
Massachusetts	877,260	\$191.82	\$179.56	\$180.89	\$181.62	\$183.73	-1.1%
Michigan	5,048,556	\$61.08	\$55.49	\$53.23	\$51.23	\$53.52	-3.3%
Minnesota	2,355,561	\$77.73	\$71.51	\$66.19	\$64.40	\$62.90	-5.2%
New Jersey	2,931,529	\$178.81	\$183.31	\$177.95	\$193.45	\$197.77	2.6%
New York	5,180,258	\$159.58	\$168.00	\$174.24	\$187.54	\$187.14	4.1%
North Dakota	245,343	\$39.36	\$42.46	\$38.45	\$38.33	\$33.27	-4.1%
Utah	1,001,060	\$73.13	\$74.81	\$76.74	\$85.55	\$91.52	5.8%
Total/Wtd. Avg.	29,409,711	\$108.74	\$108.87	\$108.69	\$114.26	\$117.08	
Percent Change			0.1%	-0.2%	5.1%	2.5%	1.9%

Tort States

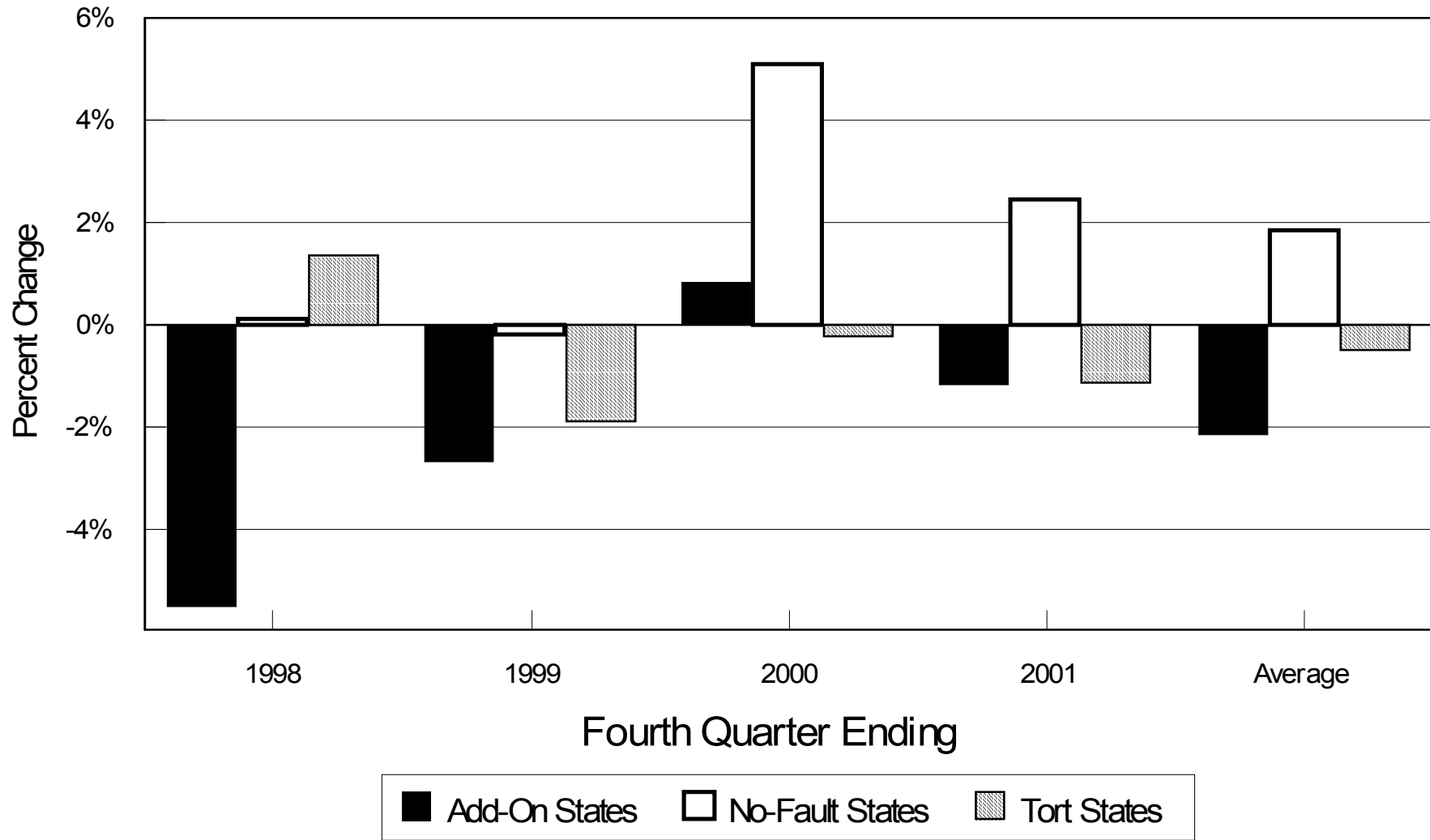
Alabama	2,112,375	\$69.27	\$69.01	\$69.02	\$70.04	\$72.92	1.3%
Alaska	281,535	\$95.03	\$116.88	\$131.57	\$136.89	\$110.86	3.9%
Arizona	2,106,251	\$144.74	\$131.73	\$129.51	\$126.81	\$127.05	-3.2%
California	9,735,611	\$119.34	\$122.95	\$122.07	\$121.43	\$115.56	-0.8%
Connecticut	1,178,431	\$172.75	\$191.35	\$200.00	\$187.18	\$195.87	3.2%
Georgia	3,485,188	\$91.11	\$91.57	\$90.56	\$88.17	\$92.49	0.4%
Idaho	629,733	\$68.25	\$76.16	\$71.91	\$82.05	\$77.87	3.4%
Illinois	5,044,354	\$106.50	\$100.13	\$97.23	\$93.80	\$96.66	-2.4%
Indiana	1,874,091	\$88.49	\$94.72	\$80.51	\$72.94	\$80.04	-2.5%
Iowa	870,430	\$68.73	\$65.62	\$67.73	\$62.10	\$66.30	-0.9%
Louisiana	1,811,630	\$172.50	\$175.16	\$175.67	\$182.53	\$183.80	1.6%
Maine	451,204	\$87.30	\$81.78	\$84.50	\$83.09	\$79.24	-2.4%
Mississippi	1,073,926	\$80.21	\$79.31	\$80.51	\$90.63	\$78.58	-0.5%
Missouri	2,459,036	\$88.53	\$89.40	\$87.30	\$88.68	\$89.66	0.3%
Montana	484,147	\$86.53	\$92.34	\$92.12	\$103.05	\$101.48	4.1%
Nebraska	714,606	\$68.04	\$74.77	\$69.26	\$76.74	\$72.39	1.6%
Nevada	869,179	\$161.87	\$177.85	\$172.36	\$164.20	\$150.38	-1.8%
New Hampshire	458,469	\$117.75	\$113.54	\$104.86	\$107.14	\$100.16	-4.0%
New Mexico	810,732	\$99.59	\$98.46	\$94.94	\$95.14	\$90.20	-2.4%
North Carolina	3,427,338	\$89.41	\$87.41	\$84.98	\$85.05	\$83.30	-1.8%
Ohio	3,791,355	\$93.95	\$98.68	\$89.20	\$90.06	\$89.87	-1.1%
Oklahoma	1,464,912	\$85.86	\$91.54	\$92.38	\$86.41	\$88.46	0.7%
Rhode Island	333,385	\$173.46	\$183.20	\$185.40	\$180.96	\$195.75	3.1%
Tennessee	1,847,099	\$81.43	\$82.64	\$84.24	\$84.28	\$80.79	-0.2%
Vermont	231,304	\$86.80	\$93.36	\$93.43	\$102.34	\$92.01	1.5%
West Virginia	824,369	\$132.97	\$136.86	\$138.85	\$167.92	\$151.61	3.3%
Wyoming	281,948	\$66.62	\$66.93	\$71.35	\$74.19	\$71.47	1.8%
Total/Wtd. Avg.	48,652,638	\$105.51	\$106.96	\$104.94	\$104.72	\$103.52	
Percent Change			1.4%	-1.9%	-0.2%	-1.2%	-0.5%
Countrywide	101,066,322	\$108.05	\$107.38	\$105.70	\$107.42	\$107.38	
Percent Change			-0.6%	-1.6%	1.6%	0.0%	-0.2%

Notes:

Year ending data, losses paid during the calendar period.

Source: Insurance Services Office, Fast Track trend data through fourth quarter 2001.

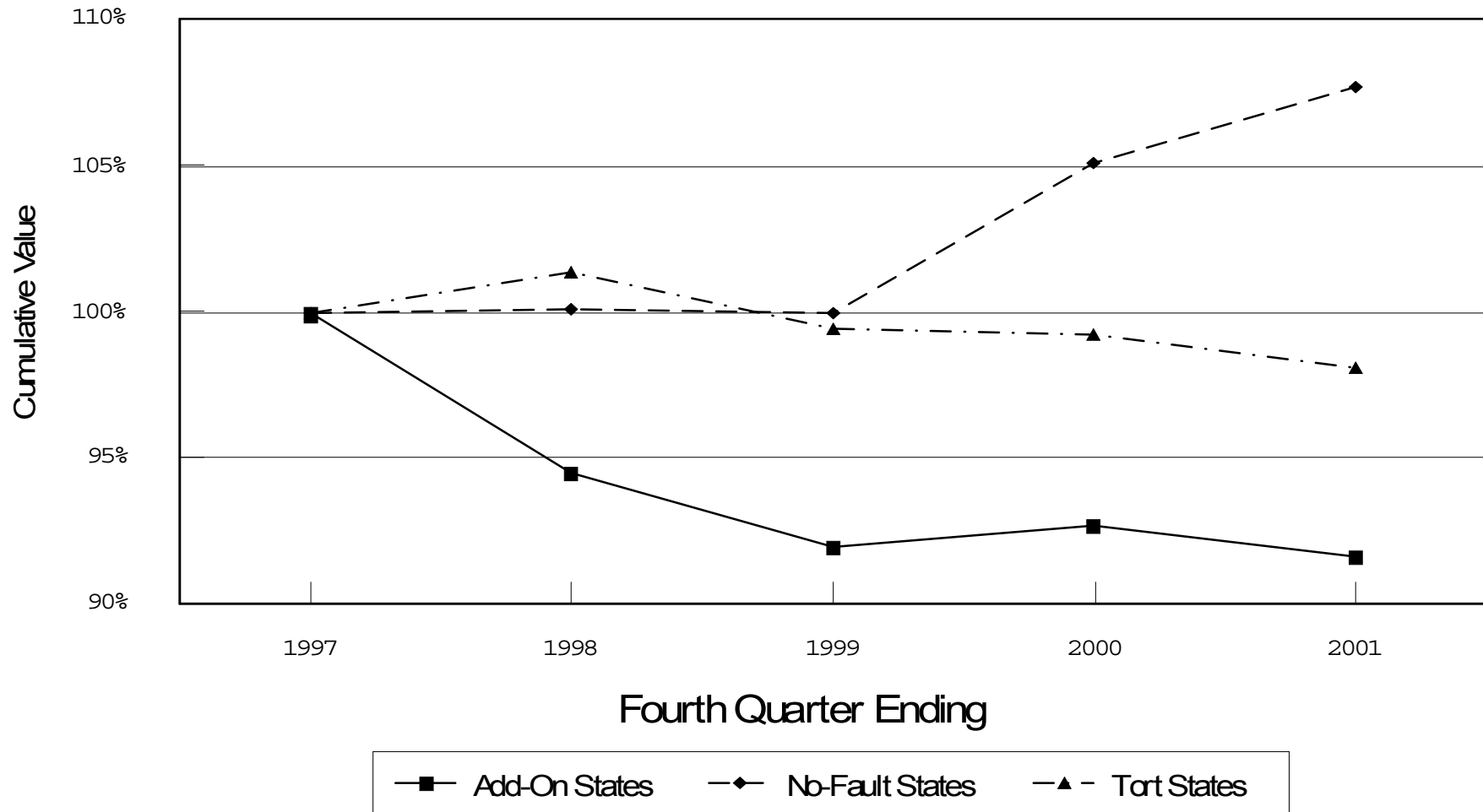
Changes in Bodily Injury Pure Premiums



Source: Insurance Services Office,
Fast Track Trend Data through 4Q01

Exhibit AIS-3, Sheet 2a

Cumulative Growth in BI Pure Premiums



Source: Insurance Services Office,
Fast Track Trend Data through 4Q01

Exhibit AIS-3, Sheet 2b

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Changes in Bodily Injury Liability Frequency

Fast Track Data

State	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Earned Car Years Yr. Ended	Total Limits BI Frequency Year Ending 4th Quarter					Annual Percent Change
	4th Qtr. 01	1997	1998	1999	2000	2001	
<u>Add-On States</u>							
Arkansas	1,239,809	0.0126	0.0124	0.0120	0.0112	0.0107	-4.1%
Delaware	357,348	0.0129	0.0124	0.0130	0.0133	0.0126	-0.7%
District of Columbia	163,464	0.0210	0.0205	0.0199	0.0207	0.0190	-2.5%
Maryland	2,465,025	0.0173	0.0159	0.0162	0.0166	0.0156	-2.6%
Oregon	1,512,646	0.0145	0.0141	0.0145	0.0133	0.0120	-4.7%
South Carolina	1,815,549	0.0152	0.0150	0.0147	0.0151	0.0138	-2.4%
South Dakota	278,185	0.0066	0.0066	0.0066	0.0065	0.0057	-3.5%
Texas	7,421,717	0.0171	0.0160	0.0153	0.0144	0.0141	-4.7%
Virginia	3,424,757	0.0117	0.0113	0.0113	0.0111	0.0104	-3.0%
Washington	2,459,263	0.0144	0.0145	0.0151	0.0142	0.0131	-2.3%
Wisconsin	1,866,210	0.0088	0.0083	0.0082	0.0076	0.0075	-4.1%
Total/Wtd. Avg.	23,003,973	0.0146	0.0140	0.0138	0.0133	0.0126	
Percent Change			-4.6%	-1.1%	-3.7%	-5.1%	-3.6%

No-Fault States

Colorado	2,318,599	0.0038	0.0036	0.0034	0.0033	0.0032	-4.0%
Florida	5,970,080	0.0087	0.0084	0.0085	0.0085	0.0086	-0.4%
Hawaii	400,236	0.0033	0.0036	0.0034	0.0034	0.0034	0.7%
Kansas	1,325,078	0.0037	0.0037	0.0036	0.0035	0.0034	-1.8%
Kentucky	1,756,151	0.0060	0.0061	0.0062	0.0060	0.0060	-0.2%
Massachusetts	877,260	0.0236	0.0223	0.0228	0.0227	0.0226	-1.1%
Michigan	5,048,556	0.0029	0.0024	0.0022	0.0021	0.0018	-11.2%
Minnesota	2,355,561	0.0040	0.0038	0.0036	0.0033	0.0030	-6.8%
New Jersey	2,931,529	0.0099	0.0097	0.0090	0.0091	0.0091	-2.1%
New York	5,180,258	0.0078	0.0081	0.0086	0.0088	0.0086	2.4%
North Dakota	245,343	0.0019	0.0019	0.0018	0.0017	0.0016	-4.0%
Utah	1,001,060	0.0095	0.0093	0.0091	0.0090	0.0089	-1.6%
Total/Wtd. Avg.	29,409,711	0.0069	0.0067	0.0067	0.0066	0.0065	
Percent Change			-2.8%	-0.1%	-0.6%	-1.7%	-1.3%

Tort States

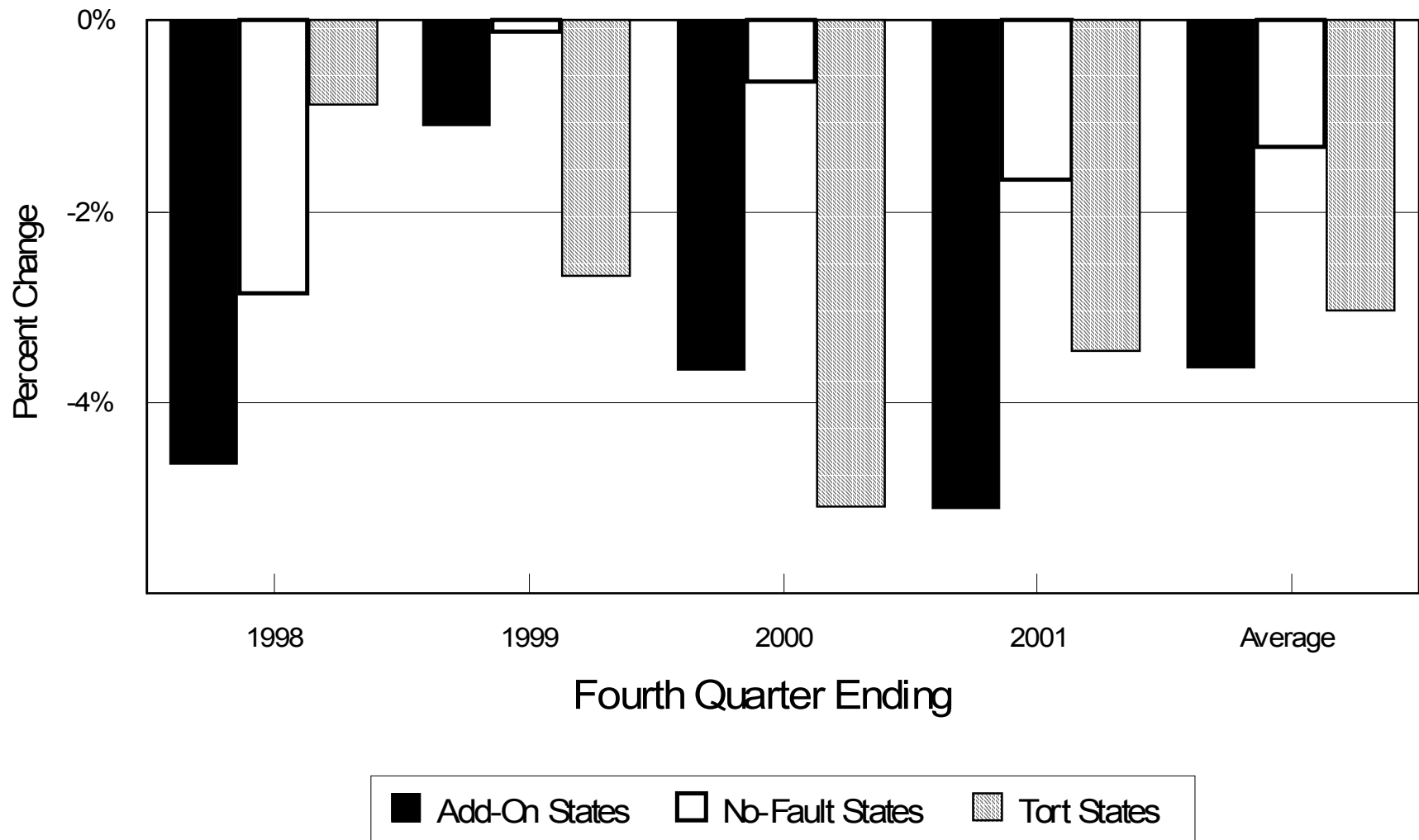
Alabama	2,112,375	0.0085	0.0080	0.0080	0.0076	0.0076	-2.9%
Alaska	281,535	0.0090	0.0088	0.0096	0.0087	0.0084	-1.6%
Arizona	2,106,251	0.0166	0.0163	0.0159	0.0151	0.0142	-3.8%
California	9,735,611	0.0168	0.0174	0.0162	0.0150	0.0142	-4.1%
Connecticut	1,178,431	0.0136	0.0149	0.0159	0.0140	0.0148	2.1%
Georgia	3,485,188	0.0139	0.0135	0.0130	0.0123	0.0124	-2.8%
Idaho	629,733	0.0088	0.0091	0.0091	0.0087	0.0088	0.1%
Illinois	5,044,354	0.0122	0.0113	0.0110	0.0106	0.0101	-4.7%
Indiana	1,874,091	0.0106	0.0101	0.0090	0.0087	0.0090	-3.9%
Iowa	870,430	0.0077	0.0071	0.0070	0.0065	0.0066	-4.0%
Louisiana	1,811,630	0.0214	0.0211	0.0213	0.0212	0.0207	-0.9%
Maine	451,204	0.0092	0.0087	0.0094	0.0081	0.0076	-4.8%
Mississippi	1,073,926	0.0099	0.0097	0.0100	0.0100	0.0087	-3.0%
Missouri	2,459,036	0.0120	0.0115	0.0112	0.0108	0.0102	-4.0%
Montana	484,147	0.0086	0.0083	0.0086	0.0090	0.0087	0.4%
Nebraska	714,606	0.0080	0.0079	0.0081	0.0079	0.0079	-0.4%
Nevada	869,179	0.0182	0.0182	0.0178	0.0169	0.0154	-4.1%
New Hampshire	458,469	0.0115	0.0113	0.0107	0.0096	0.0090	-5.9%
New Mexico	810,732	0.0123	0.0129	0.0127	0.0123	0.0116	-1.5%
North Carolina	3,427,338	0.0125	0.0122	0.0125	0.0119	0.0114	-2.4%
Ohio	3,791,355	0.0115	0.0112	0.0108	0.0106	0.0106	-1.9%
Oklahoma	1,464,912	0.0156	0.0152	0.0154	0.0140	0.0133	-3.9%
Rhode Island	333,385	0.0168	0.0185	0.0188	0.0184	0.0182	2.1%
Tennessee	1,847,099	0.0101	0.0100	0.0095	0.0091	0.0087	-3.6%
Vermont	231,304	0.0079	0.0083	0.0092	0.0081	0.0078	-0.4%
West Virginia	824,369	0.0108	0.0109	0.0115	0.0112	0.0111	0.6%
Wyoming	281,948	0.0061	0.0061	0.0063	0.0059	0.0055	-2.3%
Total/Wtd. Avg.	48,652,638	0.0133	0.0132	0.0128	0.0122	0.0117	
Percent Change			-0.9%	-2.7%	-5.1%	-3.5%	-3.0%
Countrywide	101,066,322	0.0117	0.0115	0.0113	0.0108	0.0104	
Percent Change			-2.3%	-1.8%	-3.9%	-3.6%	-2.9%

Notes:

Year ending data, losses paid during the calendar period.

Source: Insurance Services Office, Fast Track trend data through fourth quarter 2001.

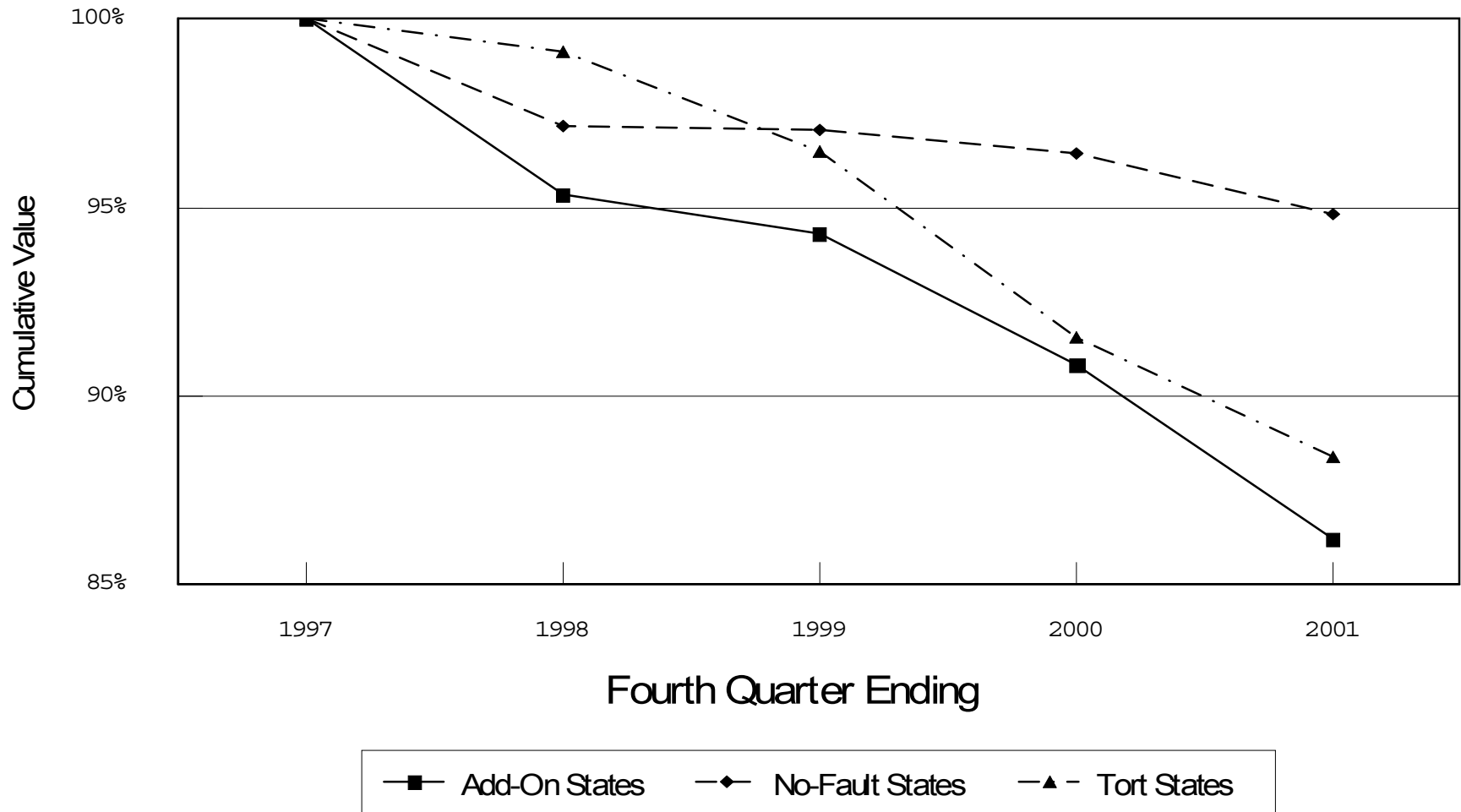
Changes in Bodily Injury Frequency



Source: Insurance Services Office,
Fast Track Trend Data through 4Q01

Exhibit AIS-4, Sheet 2a

Cumulative Growth in BI Frequency



Source: Insurance Services Office,
Fast Track Trend Data through 4Q01

Exhibit AIS-4, Sheet 2b

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Changes in Bodily Injury Liability Claim Cost

Fast Track Data

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
State	Paid Claims	Total Limits BI Claim Cost Year Ending 4th Quarter					Annual Percent Change
	Yr. Ended 4th Qtr. 01	1997	1998	1999	2000	2001	
<u>Add-On States</u>							
Arkansas	13,214	\$7,068	\$6,820	\$7,075	\$7,463	\$7,613	1.9%
Delaware	4,501	\$13,484	\$13,243	\$11,927	\$12,922	\$13,380	-0.2%
District of Columbia	3,105	\$8,043	\$8,292	\$8,117	\$8,142	\$8,510	1.4%
Maryland	38,351	\$7,993	\$8,115	\$8,069	\$8,560	\$8,821	2.5%
Oregon	18,138	\$6,344	\$6,896	\$6,697	\$7,302	\$7,852	5.5%
South Carolina	25,134	\$6,077	\$6,324	\$6,448	\$6,637	\$7,232	4.4%
South Dakota	1,579	\$10,687	\$11,762	\$11,243	\$11,828	\$12,627	4.3%
Texas	104,406	\$7,229	\$6,923	\$6,612	\$6,905	\$7,095	-0.5%
Virginia	35,588	\$8,141	\$8,015	\$8,011	\$8,264	\$8,341	0.6%
Washington	32,334	\$8,270	\$8,196	\$8,146	\$8,472	\$8,889	1.8%
Wisconsin	13,918	\$11,169	\$11,238	\$11,174	\$11,479	\$12,780	3.4%
Total/Wtd. Avg.	290,268	\$7,709	\$7,644	\$7,502	\$7,845	\$8,174	
Percent Change			-0.8%	-1.9%	4.6%	4.2%	1.5%

No-Fault States

Colorado	7,433	\$16,577	\$17,642	\$17,211	\$17,605	\$18,947	3.4%
Florida	51,091	\$13,259	\$13,468	\$13,457	\$14,750	\$15,516	4.0%
Hawaii	1,363	\$27,328	\$29,307	\$27,738	\$25,614	\$22,661	-4.6%
Kansas	4,533	\$14,304	\$15,367	\$15,744	\$16,045	\$17,447	5.1%
Kentucky	10,535	\$15,626	\$15,107	\$15,379	\$15,897	\$16,263	1.0%
Massachusetts	19,858	\$8,112	\$8,061	\$7,924	\$8,016	\$8,116	0.0%
Michigan	9,253	\$20,737	\$23,296	\$24,631	\$24,588	\$29,201	8.9%
Minnesota	7,124	\$19,356	\$18,749	\$18,252	\$19,699	\$20,797	1.8%
New Jersey	26,686	\$18,013	\$18,957	\$19,675	\$21,209	\$21,725	4.8%
New York	44,368	\$20,473	\$20,735	\$20,291	\$21,255	\$21,850	1.6%
North Dakota	397	\$20,651	\$22,758	\$21,384	\$23,036	\$20,560	-0.1%
Utah	8,860	\$7,731	\$8,080	\$8,427	\$9,472	\$10,340	7.5%
Total/Wtd. Avg.	191,501	\$15,791	\$16,207	\$16,242	\$17,173	\$17,981	
Percent Change			2.6%	0.2%	5.7%	4.7%	3.3%

Tort States

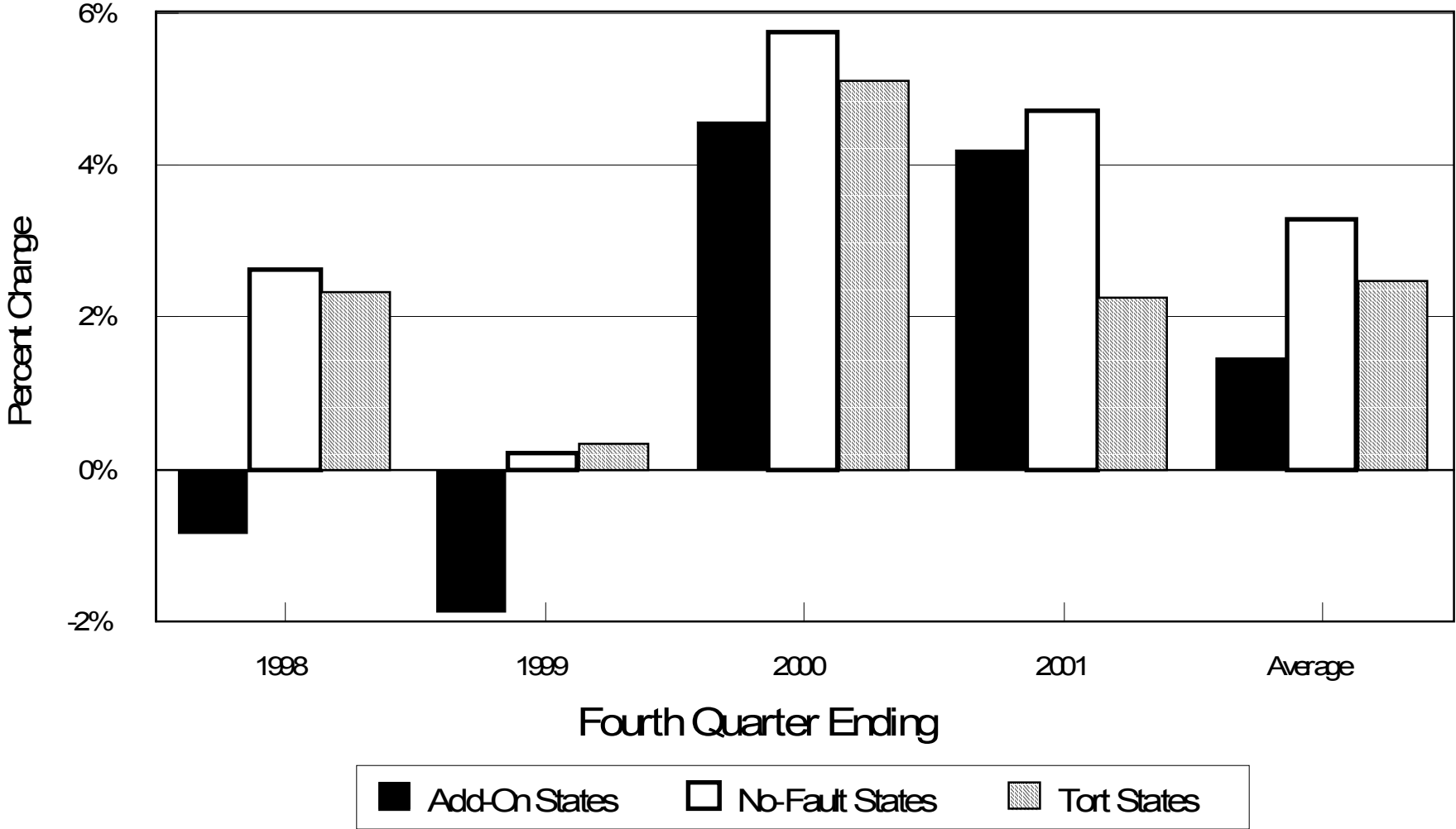
Alabama	16,006	\$8,121	\$8,669	\$8,668	\$9,185	\$9,624	4.3%
Alaska	2,366	\$10,610	\$13,272	\$13,722	\$15,704	\$13,191	5.6%
Arizona	29,982	\$8,717	\$8,095	\$8,149	\$8,426	\$8,926	0.6%
California	138,226	\$7,123	\$7,078	\$7,554	\$8,109	\$8,139	3.4%
Connecticut	17,429	\$12,691	\$12,855	\$12,579	\$13,323	\$13,243	1.1%
Georgia	43,071	\$6,576	\$6,772	\$6,941	\$7,158	\$7,484	3.3%
Idaho	5,553	\$7,786	\$8,345	\$7,941	\$9,389	\$8,831	3.2%
Illinois	50,794	\$8,728	\$8,861	\$8,868	\$8,852	\$9,599	2.4%
Indiana	16,904	\$8,360	\$9,336	\$8,903	\$8,375	\$8,873	1.5%
Iowa	5,706	\$8,910	\$9,253	\$9,712	\$9,497	\$10,113	3.2%
Louisiana	37,541	\$8,044	\$8,290	\$8,242	\$8,611	\$8,870	2.5%
Maine	3,421	\$9,474	\$9,383	\$9,023	\$10,274	\$10,452	2.5%
Mississippi	9,369	\$8,127	\$8,171	\$8,061	\$9,108	\$9,008	2.6%
Missouri	25,084	\$7,371	\$7,751	\$7,768	\$8,232	\$8,790	4.5%
Montana	4,202	\$10,117	\$11,147	\$10,721	\$11,472	\$11,692	3.7%
Nebraska	5,651	\$8,456	\$9,493	\$8,525	\$9,672	\$9,154	2.0%
Nevada	13,369	\$8,908	\$9,753	\$9,664	\$9,702	\$9,777	2.4%
New Hampshire	4,122	\$10,262	\$10,034	\$9,764	\$11,158	\$11,141	2.1%
New Mexico	9,368	\$8,101	\$7,647	\$7,483	\$7,762	\$7,806	-0.9%
North Carolina	38,958	\$7,141	\$7,170	\$6,822	\$7,157	\$7,328	0.6%
Ohio	40,234	\$8,201	\$8,817	\$8,249	\$8,466	\$8,469	0.8%
Oklahoma	19,546	\$5,488	\$6,041	\$6,015	\$6,187	\$6,630	4.8%
Rhode Island	6,078	\$10,345	\$9,903	\$9,864	\$9,847	\$10,737	0.9%
Tennessee	16,133	\$8,039	\$8,302	\$8,862	\$9,259	\$9,250	3.6%
Vermont	1,795	\$11,017	\$11,288	\$10,144	\$12,677	\$11,857	1.9%
West Virginia	9,116	\$12,338	\$12,613	\$12,102	\$14,929	\$13,710	2.7%
Wyoming	1,556	\$10,979	\$10,916	\$11,365	\$12,552	\$12,951	4.2%
Total/Wtd. Avg.	571,580	\$7,986	\$8,172	\$8,199	\$8,617	\$8,811	
Percent Change			2.3%	0.3%	5.1%	2.3%	2.5%
Countrywide	1,053,349	\$9,328	\$9,487	\$9,469	\$9,960	\$10,303	
Percent Change			1.7%	-0.2%	5.2%	3.4%	2.5%

Notes:

Year ending data, losses paid during the calendar period.

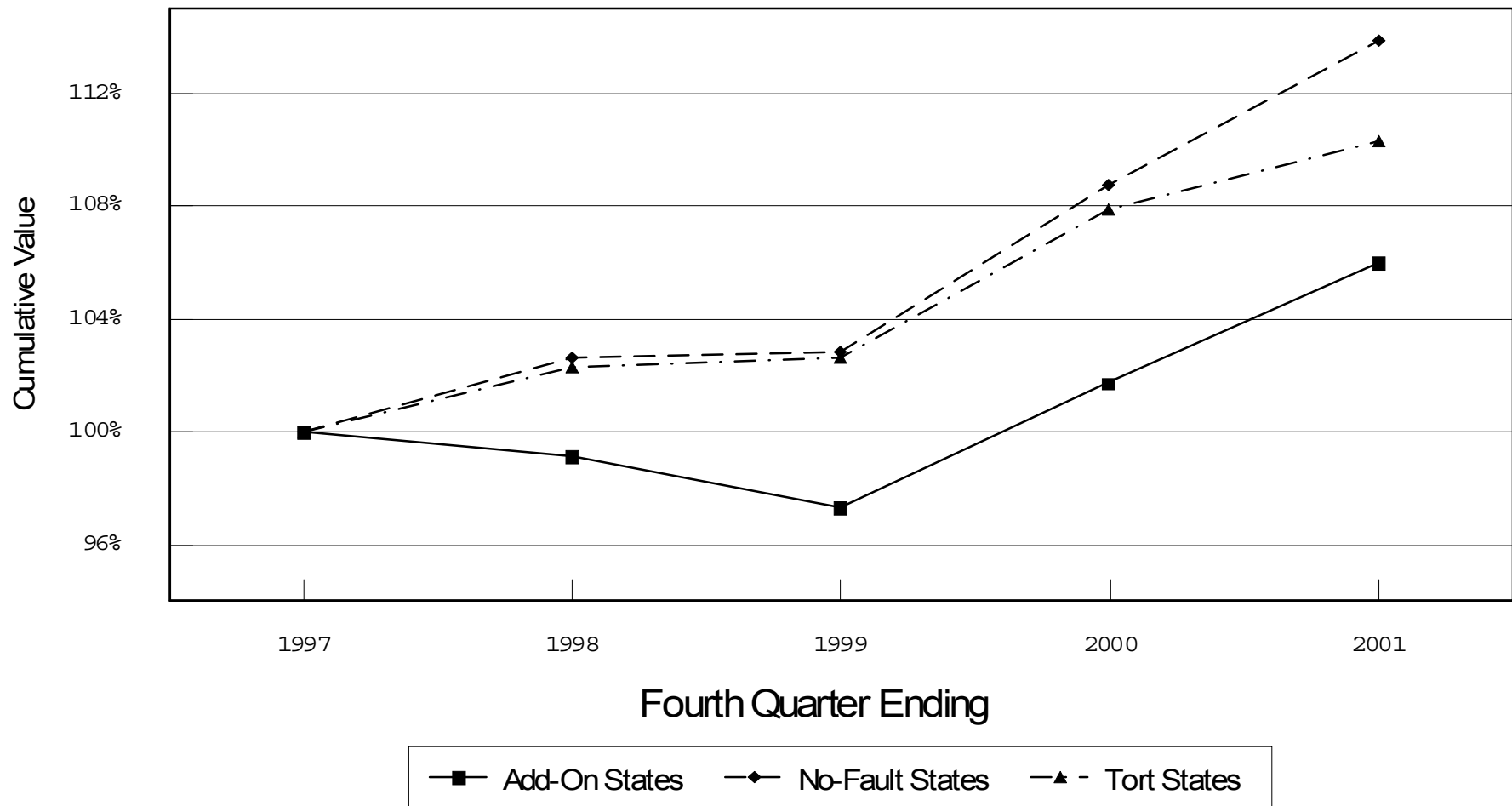
Source: Insurance Services Office, Fast Track trend data through fourth quarter 2001.

Changes in Bodily Injury Claim Cost



Source: Insurance Services Office,
Fast Track Trend Data through 4Q01

Cumulative Growth in BI Claim Cost



Source: Insurance Services Office,
Fast Track Trend Data through 4Q01

Exhibit AIS-5, Sheet 2b

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Changes in Personal Injury Protection Pure Premium

Fast Track Data

State	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Earned Car Years Yr. Ended 4th Qtr. 01	Total Limits	PIP Pure	Premiums	Year Ending	4th Quarter	Annual Percent Change
		1997	1998	1999	2000	2001	
Arkansas	NA	NA	NA	NA	NA	NA	NA
Delaware	357,348	\$82.36	\$81.95	\$80.95	\$94.97	\$101.42	5.3%
District of Columbia	163,464	\$19.43	\$17.36	\$16.94	\$14.60	\$17.66	-2.4%
Maryland	2,465,025	\$46.24	\$43.34	\$42.44	\$47.30	\$48.24	1.1%
Oregon	1,512,646	\$39.58	\$36.78	\$39.48	\$43.41	\$42.69	1.9%
South Carolina	512,295	\$22.92	\$23.05	\$20.02	\$18.77	\$23.68	0.8%
South Dakota	NA	NA	NA	NA	NA	NA	NA
Texas	5,453,990	\$33.88	\$30.34	\$29.58	\$30.83	\$32.53	-1.0%
Virginia	NA	NA	NA	NA	NA	NA	NA
Washington	2,323,215	\$37.68	\$37.36	\$39.66	\$46.32	\$47.80	6.1%
Wisconsin	NA	NA	NA	NA	NA	NA	NA
Total/Wtd. Avg.	12,787,983	\$38.36	\$35.87	\$35.95	\$39.41	\$40.91	
Percent Change			-6.5%	0.2%	9.6%	3.8%	1.6%

No-Fault States

Colorado	2,318,599	\$117.71	\$123.72	\$121.56	\$138.61	\$161.10	8.2%
Florida	6,078,330	\$80.23	\$81.50	\$87.83	\$100.32	\$107.22	7.5%
Hawaii	400,236	\$107.15	\$84.13	\$54.40	\$61.40	\$58.55	-14.0%
Kansas	1,325,078	\$30.76	\$29.33	\$31.15	\$30.65	\$30.38	-0.3%
Kentucky	1,754,421	\$56.69	\$55.32	\$54.69	\$54.60	\$57.72	0.5%
Massachusetts	877,260	\$35.34	\$35.60	\$30.78	\$32.10	\$42.99	5.0%
Michigan	5,048,556	\$95.91	\$92.43	\$95.31	\$103.04	\$115.13	4.7%
Minnesota	2,355,561	\$86.21	\$84.31	\$81.39	\$84.37	\$90.26	1.2%
New Jersey	2,931,529	\$176.26	\$181.32	\$185.88	\$163.78	\$173.86	-0.3%
New York	5,180,258	\$121.25	\$126.71	\$140.78	\$179.72	\$162.95	7.7%
North Dakota	245,343	\$31.22	\$27.22	\$26.88	\$25.66	\$27.64	-3.0%
Utah	1,001,060	\$29.42	\$28.20	\$27.88	\$30.72	\$29.93	0.4%
Total/Wtd. Avg.	29,516,231	\$96.35	\$97.27	\$101.07	\$111.37	\$115.61	
Percent Change			1.0%	3.9%	10.2%	3.8%	4.7%
Countrywide	42,304,214	\$78.82	\$78.71	\$81.39	\$89.62	\$93.03	
Percent Change			-0.1%	3.4%	10.1%	3.8%	4.2%

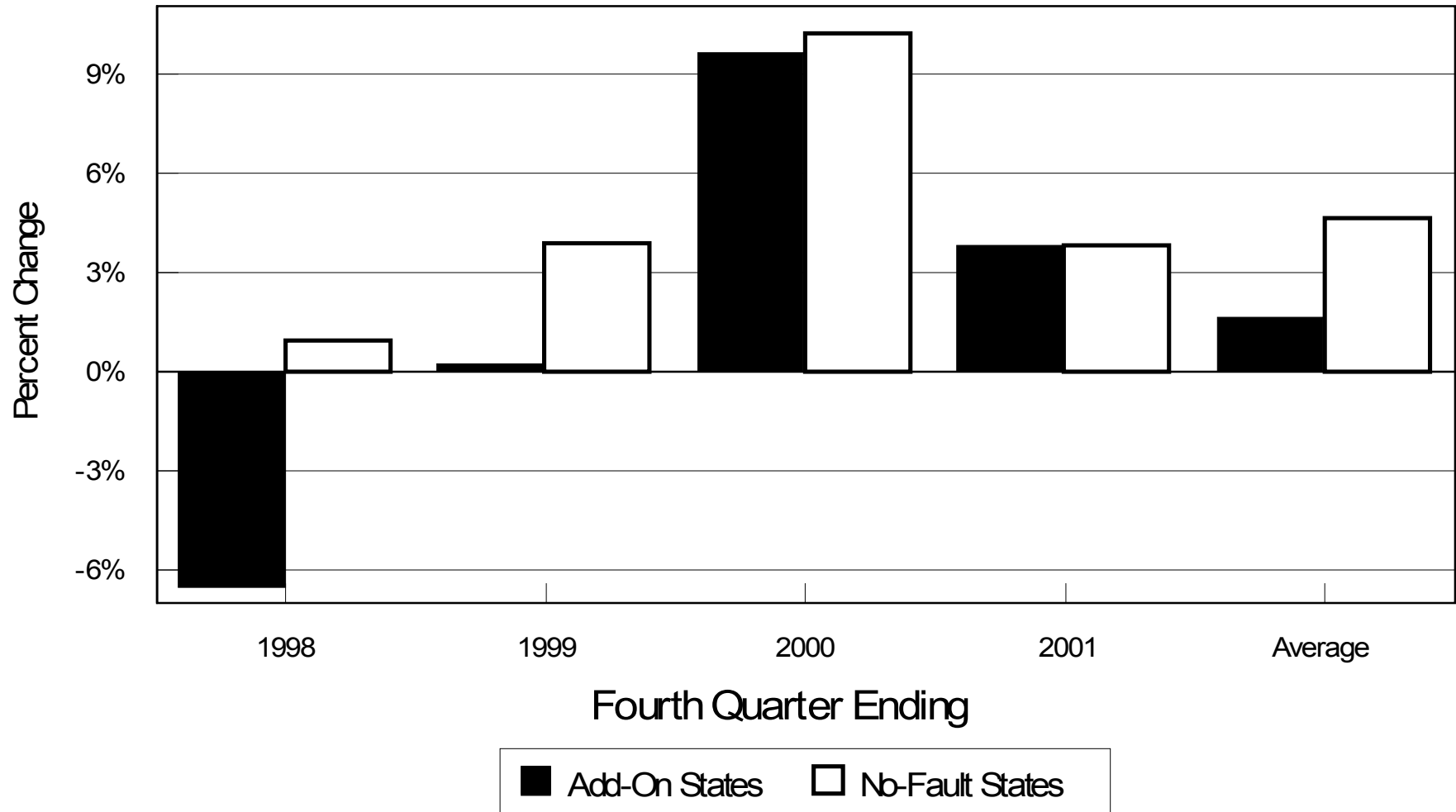
Notes:

Year ending data, losses paid during the calendar period.

NA = Not Available

Source: Insurance Services Office, Fast Track trend data through fourth quarter 2001.

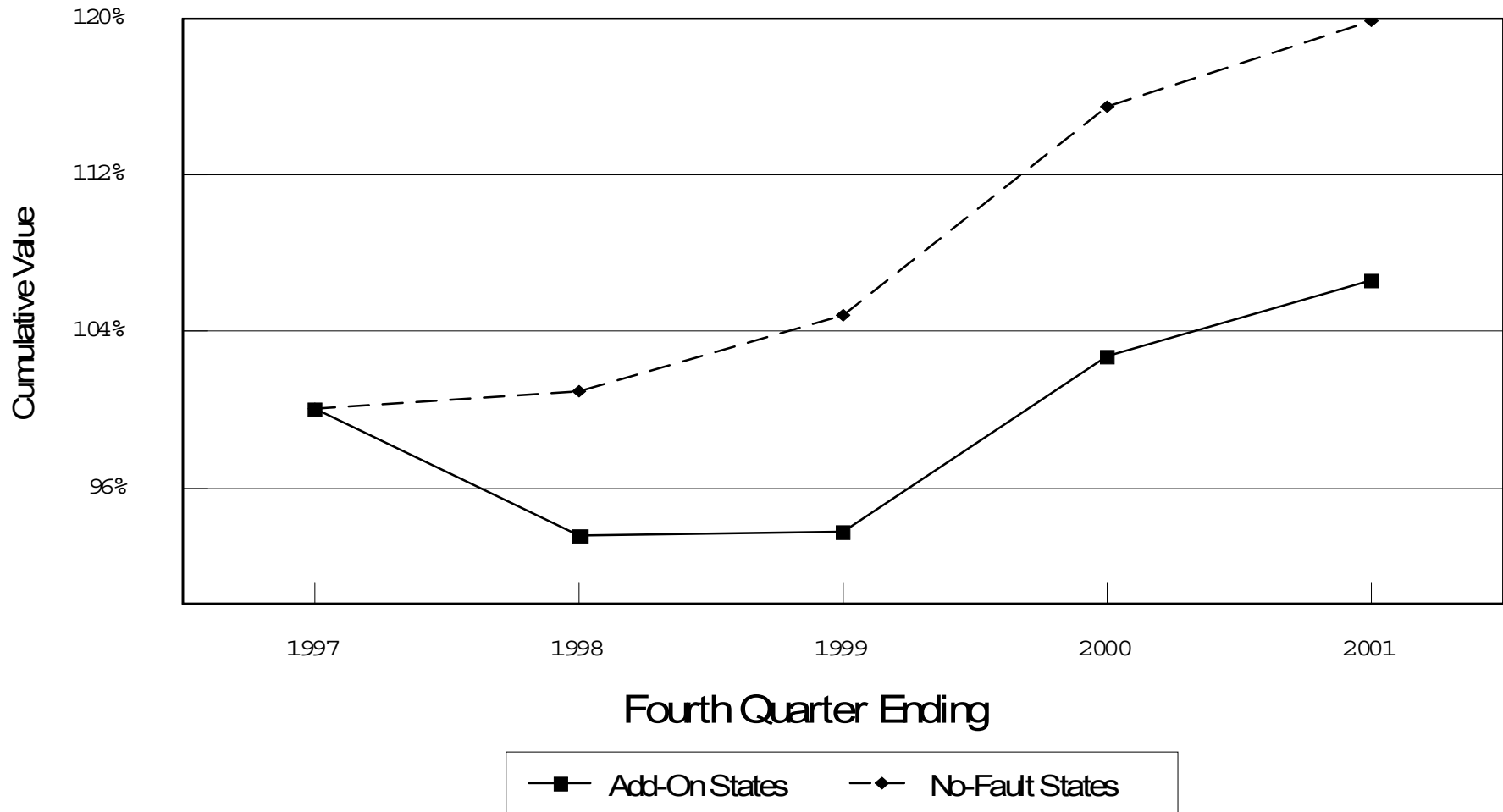
Changes in PIP Pure Premiums



Source: Insurance Services Office,
Fast Track Trend Data through 4Q01

Exhibit AIS-6, Sheet 2a

Cumulative Growth in PIP Pure Premiums



Source: Insurance Services Office,
Fast Track Trend Data through 4Q01

Exhibit AIS-6, Sheet 2b

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Changes in Personal Injury Protection Frequency

Fast Track Data

State	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Earned Car Years Yr. Ended 4th Qtr. 01	Total Limits PIP Frequency Year Ending 4th Quarter					Annual Percent Change
		1997	1998	1999	2000	2001	
<u>Add-On States</u>							
Arkansas	NA	NA	NA	NA	NA	NA	NA
Delaware	357,348	0.0198	0.0194	0.0182	0.0185	0.0191	-0.8%
District of Columbia	163,464	0.0049	0.0045	0.0040	0.0036	0.0035	-8.1%
Maryland	2,465,025	0.0210	0.0195	0.0186	0.0202	0.0195	-1.9%
Oregon	1,512,646	0.0225	0.0209	0.0209	0.0203	0.0198	-3.2%
South Carolina	512,295	0.0141	0.0147	0.0124	0.0103	0.0125	-2.9%
South Dakota	NA	NA	NA	NA	NA	NA	NA
Texas	5,453,990	0.0156	0.0141	0.0136	0.0136	0.0142	-2.4%
Virginia	NA	NA	NA	NA	NA	NA	NA
Washington	2,323,215	0.0172	0.0166	0.0164	0.0168	0.0170	-0.2%
Wisconsin	NA	NA	NA	NA	NA	NA	NA
Total/Wtd. Avg.	12,787,983	0.0177	0.0165	0.0159	0.0161	0.0163	
Percent Change			-7.0%	-3.5%	1.4%	1.3%	-2.0%

No-Fault States

Colorado	2,318,599	0.0233	0.0234	0.0207	0.0210	0.0209	-2.6%
Florida	6,078,330	0.0187	0.0188	0.0196	0.0188	0.0189	0.2%
Hawaii	400,236	0.0188	0.0164	0.0139	0.0166	0.0153	-5.1%
Kansas	1,325,078	0.0158	0.0156	0.0153	0.0144	0.0142	-2.6%
Kentucky	1,754,421	0.0164	0.0161	0.0150	0.0148	0.0145	-2.9%
Massachusetts	877,260	0.0243	0.0235	0.0224	0.0217	0.0249	0.6%
Michigan	5,048,556	0.0103	0.0098	0.0086	0.0084	0.0081	-5.8%
Minnesota	2,355,561	0.0196	0.0174	0.0174	0.0172	0.0177	-2.6%
New Jersey	2,931,529	0.0196	0.0188	0.0177	0.0180	0.0173	-3.1%
New York	5,180,258	0.0214	0.0209	0.0210	0.0224	0.0228	1.6%
North Dakota	245,343	0.0118	0.0098	0.0100	0.0096	0.0087	-7.4%
Utah	1,001,060	0.0186	0.0181	0.0180	0.0181	0.0184	-0.2%
Total/Wtd. Avg.	29,516,231	0.0181	0.0176	0.0171	0.0171	0.0172	
Percent Change			-2.9%	-2.8%	0.2%	0.4%	-1.3%
Countrywide	42,304,214	0.0180	0.0172	0.0167	0.0168	0.0169	
Percent Change			-4.1%	-3.0%	0.6%	0.7%	-1.5%

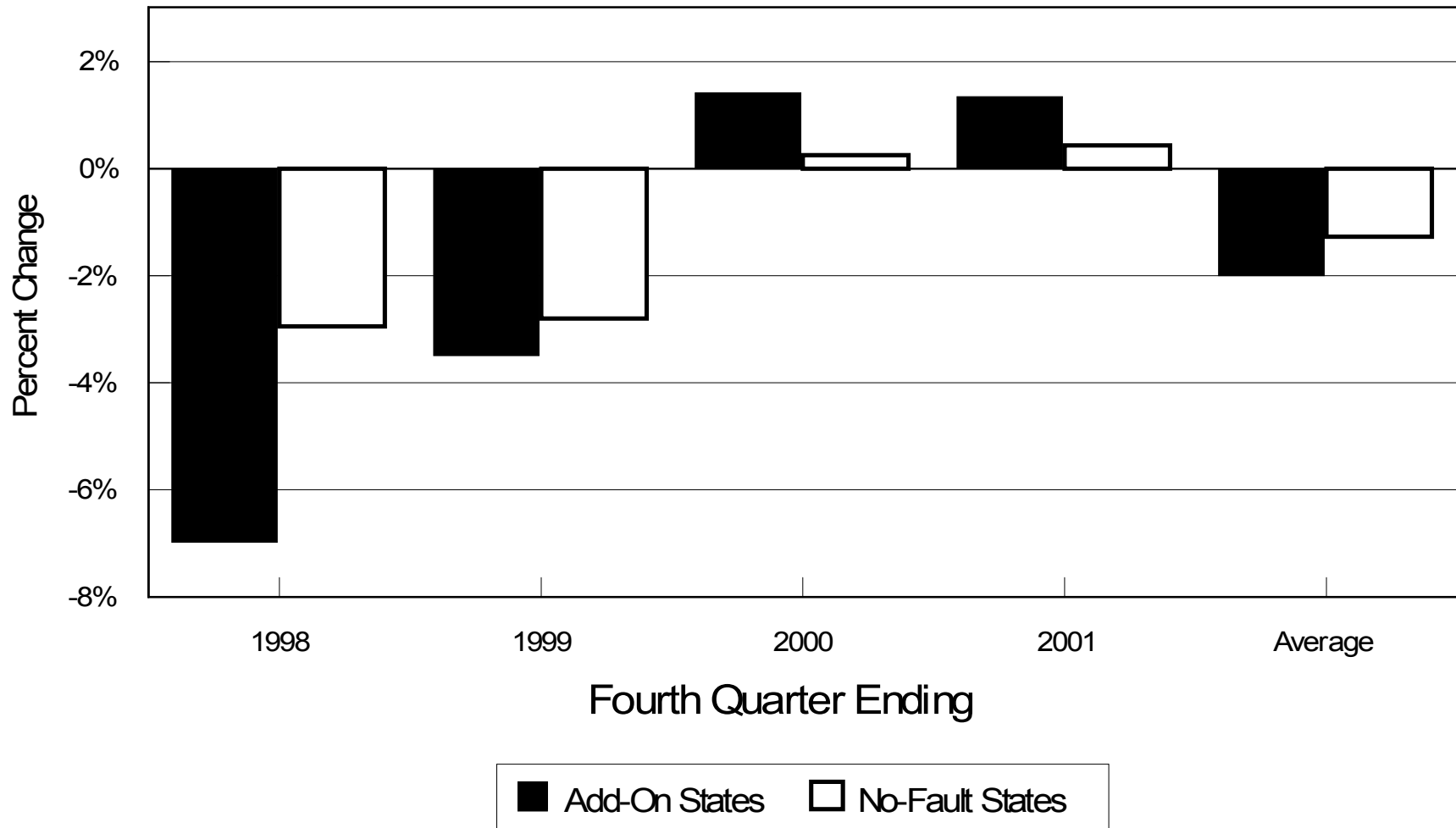
Notes:

Year ending data, losses paid during the calendar period.

NA = Not Available

Source: Insurance Services Office, Fast Track trend data through fourth quarter 2001.

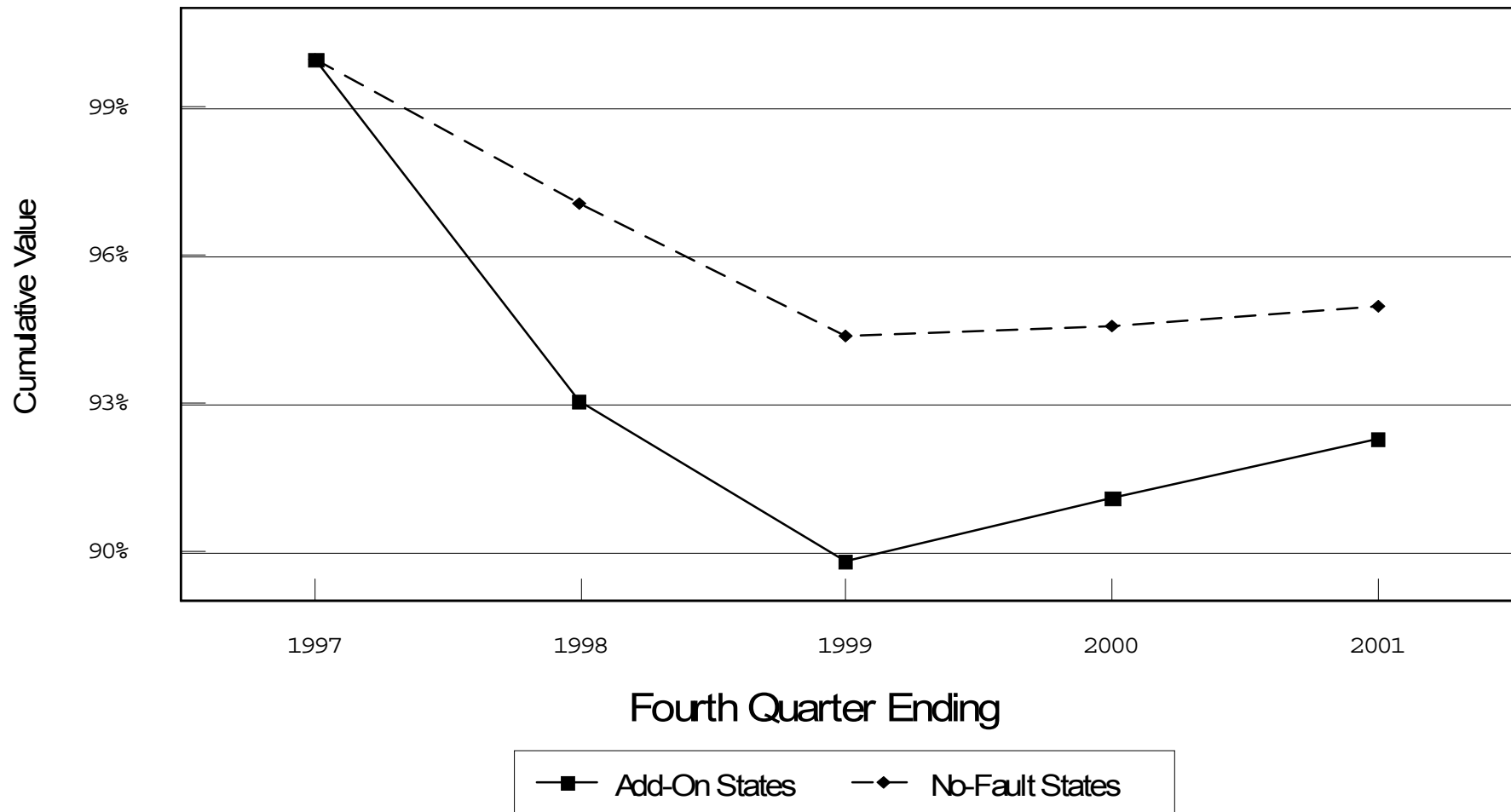
Changes in PIP Frequency



Source: Insurance Services Office,
Fast Track Trend Data through 4Q01

Exhibit AIS-7, Sheet 2a

Cumulative Growth in PIP Frequency



Source: Insurance Services Office,
Fast Track Trend Data through 4Q01

Exhibit AIS-7, Sheet 2b

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Changes in Personal Injury Protection Claim Cost

Fast Track Data

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
State	Paid Claims	Total Limits PIP Claim Cost Year Ending 4th Quarter					Annual Percent Change
	Yr. Ended 4th Qtr. 01	1997	1998	1999	2000	2001	
<u>Add-On States</u>							
Arkansas	NA	NA	NA	NA	NA	NA	NA
Delaware	6,843	\$4,159	\$4,220	\$4,450	\$5,121	\$5,296	6.2%
District of Columbia	575	\$3,936	\$3,860	\$4,272	\$4,077	\$5,021	6.3%
Maryland	48,086	\$2,197	\$2,220	\$2,286	\$2,342	\$2,473	3.0%
Oregon	29,968	\$1,757	\$1,758	\$1,889	\$2,135	\$2,155	5.2%
South Carolina	6,409	\$1,631	\$1,564	\$1,617	\$1,825	\$1,893	3.8%
South Dakota	NA	NA	NA	NA	NA	NA	NA
Texas	77,453	\$2,165	\$2,145	\$2,172	\$2,270	\$2,291	1.4%
Virginia	NA	NA	NA	NA	NA	NA	NA
Washington	39,585	\$2,190	\$2,256	\$2,416	\$2,755	\$2,806	6.4%
Wisconsin	NA	NA	NA	NA	NA	NA	NA
Total/Wtd. Avg.	208,919	\$2,173	\$2,183	\$2,267	\$2,444	\$2,504	
Percent Change			0.5%	3.9%	7.8%	2.5%	3.6%

No-Fault States

Colorado	48,430	\$5,062	\$5,298	\$5,863	\$6,592	\$7,713	11.1%
Florida	114,824	\$4,285	\$4,346	\$4,491	\$5,350	\$5,676	7.3%
Hawaii	6,109	\$5,696	\$5,123	\$3,914	\$3,703	\$3,836	-9.4%
Kansas	18,860	\$1,942	\$1,882	\$2,042	\$2,135	\$2,135	2.4%
Kentucky	25,491	\$3,467	\$3,436	\$3,650	\$3,701	\$3,973	3.5%
Massachusetts	21,850	\$1,452	\$1,514	\$1,375	\$1,477	\$1,726	4.4%
Michigan	40,873	\$9,326	\$9,435	\$11,107	\$12,234	\$14,221	11.1%
Minnesota	41,585	\$4,392	\$4,858	\$4,687	\$4,915	\$5,113	3.9%
New Jersey	50,744	\$8,979	\$9,633	\$10,498	\$9,121	\$10,044	2.8%
New York	118,141	\$5,675	\$6,063	\$6,699	\$8,030	\$7,145	5.9%
North Dakota	2,128	\$2,643	\$2,766	\$2,683	\$2,670	\$3,186	4.8%
Utah	18,448	\$1,581	\$1,560	\$1,551	\$1,699	\$1,624	0.7%
Total/Wtd. Avg.	507,483	\$5,228	\$5,459	\$5,897	\$6,455	\$6,724	
Percent Change			4.4%	8.0%	9.5%	4.2%	6.5%
Countrywide	716,402	\$4,337	\$4,504	\$4,838	\$5,285	\$5,494	
Percent Change			3.8%	7.4%	9.2%	3.9%	6.1%

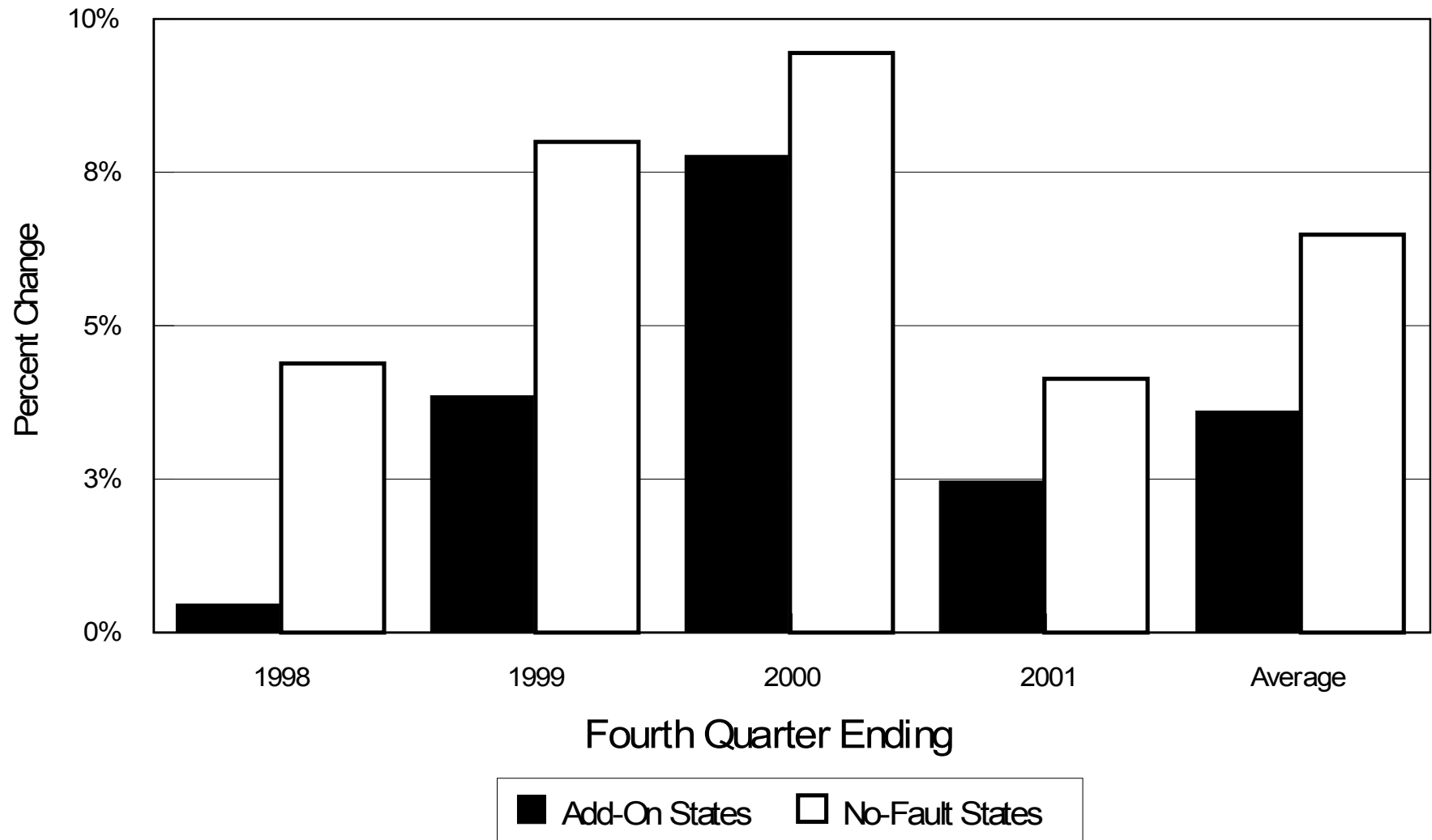
Notes:

Year ending data, losses paid during the calendar period.

NA = Not Available

Source: Insurance Services Office, Fast Track trend data through fourth quarter 2001.

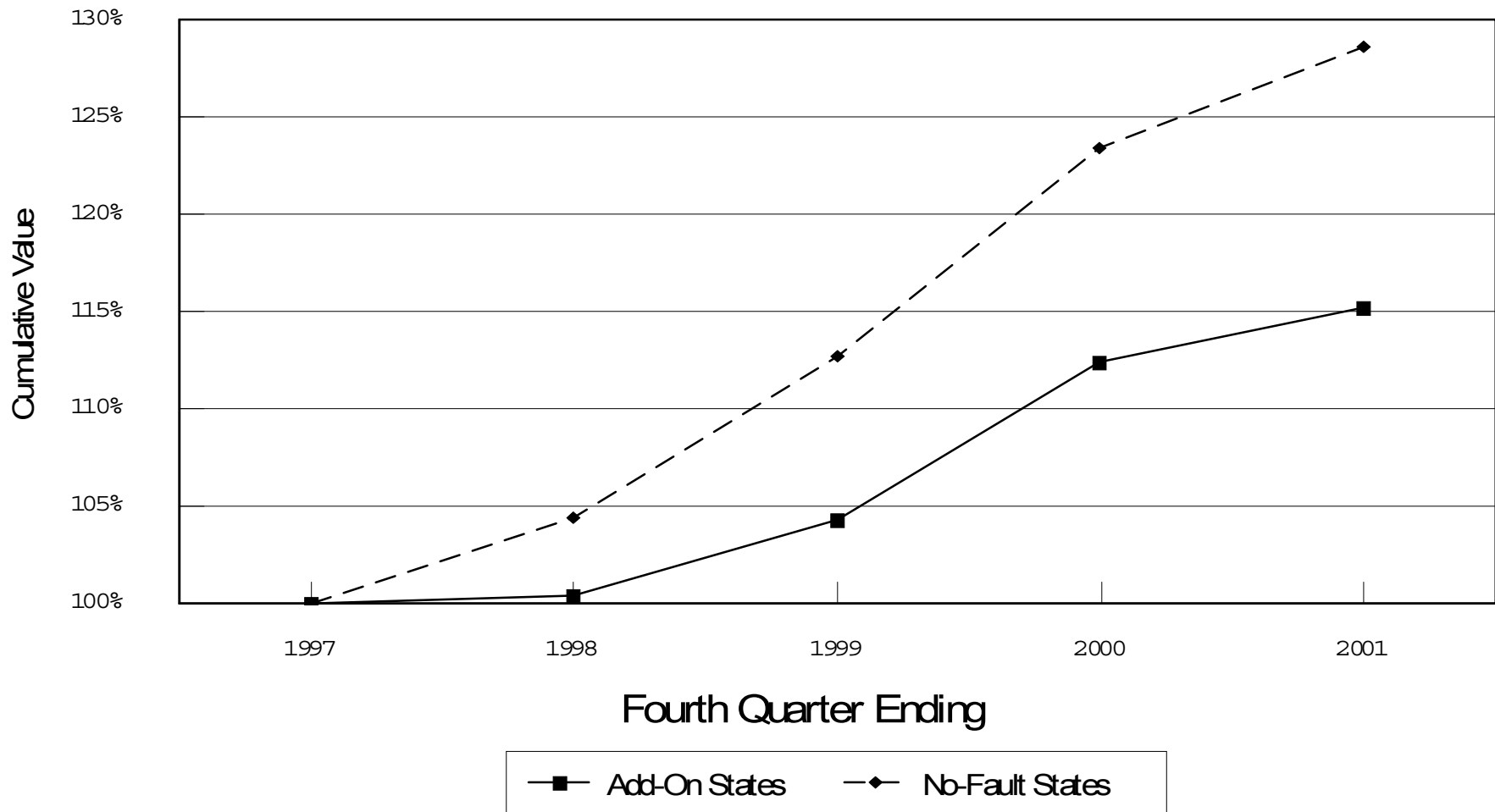
Changes in PIP Claim Cost



Source: Insurance Services Office,
Fast Track Trend Data through 4Q01

Exhibit AIS-8, Sheet 2a

Cumulative Growth in PIP Claim Cost



Source: Insurance Services Office,
Fast Track Trend Data through 4Q01

Exhibit AIS-8, Sheet 2b

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Changes in Property Damage Liability Pure Premiums

Fast Track Data

State	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Earned Car Years Yr. Ended 4th Qtr. 01	Total Limits	PD Pure	Premiums	Year Ending	4th Quarter	Annual Percent Change
		1997	1998	1999	2000	2001	
<u>Add-on States</u>							
Arkansas	1,239,809	\$74.14	\$73.40	\$77.67	\$77.53	\$81.28	2.3%
Delaware	357,348	\$81.57	\$82.58	\$86.08	\$90.54	\$91.40	2.9%
District of Columbia	163,464	\$109.97	\$111.68	\$117.11	\$119.71	\$120.87	2.4%
Maryland	2,465,025	\$89.06	\$90.72	\$95.73	\$103.79	\$108.35	5.0%
Oregon	1,512,646	\$76.57	\$79.06	\$80.97	\$80.90	\$78.74	0.7%
South Carolina	1,815,549	\$74.38	\$76.62	\$80.95	\$86.73	\$80.44	2.0%
South Dakota	278,185	\$55.47	\$52.32	\$53.91	\$53.35	\$55.66	0.1%
Texas	7,421,717	\$99.53	\$104.45	\$112.61	\$117.80	\$126.43	6.2%
Virginia	3,424,757	\$68.48	\$70.77	\$74.81	\$80.24	\$82.07	4.6%
Washington	2,459,263	\$80.62	\$81.05	\$86.66	\$89.62	\$89.09	2.5%
Wisconsin	1,866,210	\$59.15	\$57.77	\$60.20	\$63.07	\$65.91	2.7%
Total/Wtd. Avg.	23,003,973	\$82.89	\$85.22	\$90.60	\$95.01	\$98.35	
Percent Change			2.8%	6.3%	4.9%	3.5%	4.4%

No-Fault States

Colorado	2,318,599	\$75.00	\$79.39	\$84.66	\$91.67	\$95.91	6.3%
Florida	6,078,330	\$80.71	\$83.94	\$90.45	\$96.98	\$99.08	5.3%
Hawaii	400,236	\$68.58	\$68.73	\$66.66	\$73.44	\$73.27	1.7%
Kansas	1,325,078	\$73.68	\$78.39	\$83.43	\$82.01	\$86.46	4.1%
Kentucky	1,756,151	\$73.04	\$73.88	\$74.25	\$75.74	\$81.59	2.8%
Massachusetts	877,260	\$110.60	\$115.51	\$117.11	\$123.93	\$136.66	5.4%
Michigan	5,048,556	\$8.25	\$7.77	\$8.14	\$8.40	\$8.74	1.4%
Minnesota	2,355,561	\$69.01	\$60.88	\$65.48	\$69.13	\$74.08	1.8%
New Jersey	2,931,529	\$89.65	\$88.72	\$92.26	\$102.20	\$106.48	4.4%
New York	5,180,258	\$91.80	\$92.03	\$97.09	\$100.30	\$101.75	2.6%
North Dakota	245,343	\$59.88	\$49.33	\$49.63	\$48.84	\$51.35	-3.8%
Utah	1,001,060	\$86.55	\$88.34	\$89.14	\$94.08	\$94.02	2.1%
Total/Wtd. Avg.	29,517,961	\$69.75	\$70.36	\$74.08	\$78.34	\$81.18	
Percent Change			0.9%	5.3%	5.8%	3.6%	3.9%

Tort States

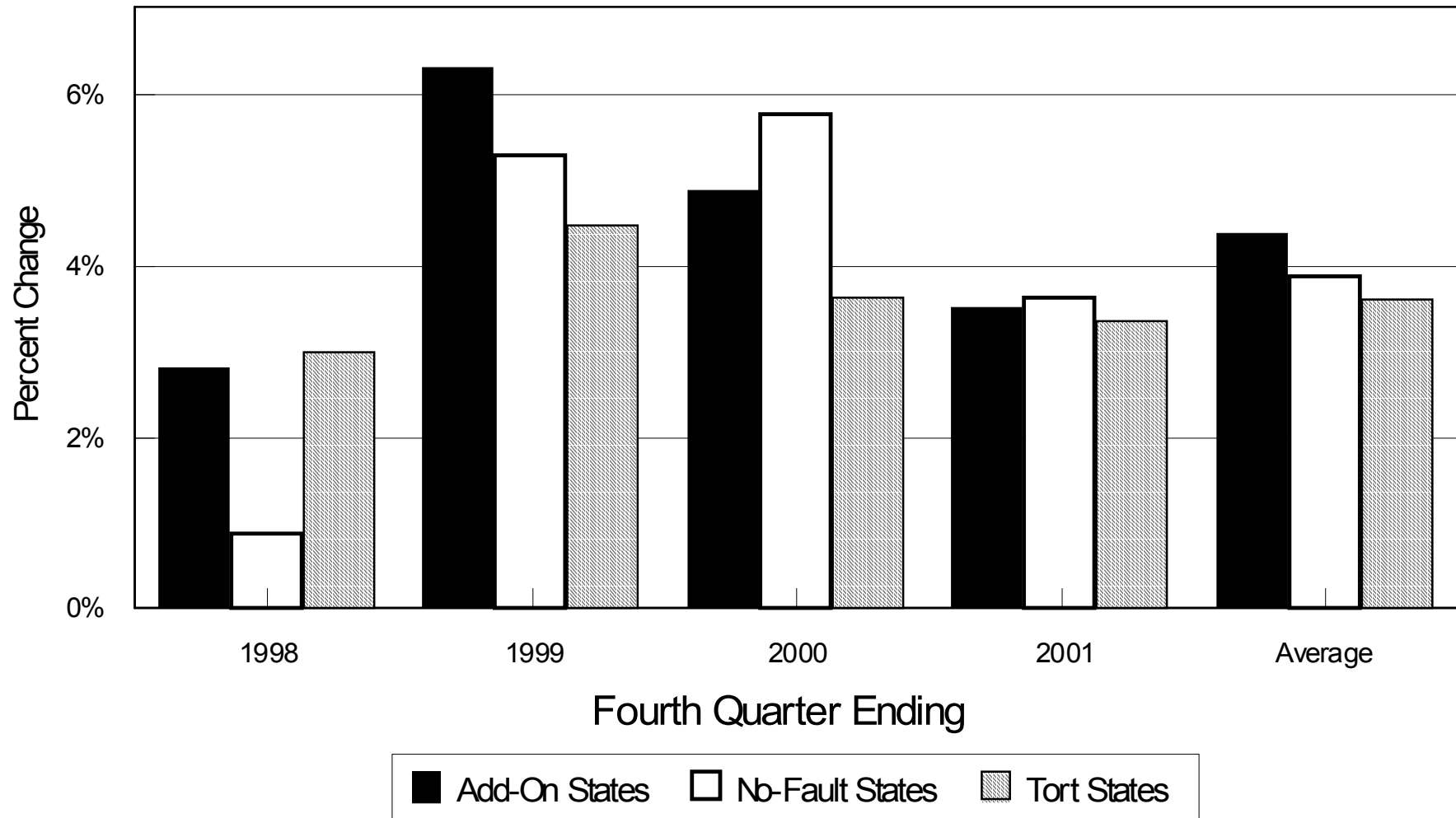
Alabama	2,112,375	\$70.05	\$69.40	\$72.97	\$74.35	\$77.06	2.4%
Alaska	281,535	\$83.64	\$82.39	\$96.37	\$91.24	\$91.94	2.4%
Arizona	2,106,251	\$87.91	\$93.68	\$96.78	\$100.88	\$104.37	4.4%
California	9,735,611	\$84.05	\$91.12	\$93.21	\$96.88	\$102.06	5.0%
Connecticut	1,178,431	\$86.79	\$86.46	\$94.24	\$98.30	\$101.10	3.9%
Georgia	3,485,188	\$91.12	\$93.10	\$98.89	\$103.11	\$106.15	3.9%
Idaho	629,733	\$56.63	\$56.56	\$59.11	\$61.69	\$61.74	2.2%
Illinois	5,044,354	\$83.11	\$83.91	\$88.72	\$93.51	\$97.96	4.2%
Indiana	1,874,091	\$80.16	\$80.26	\$83.52	\$87.23	\$89.89	2.9%
Iowa	870,430	\$61.02	\$60.97	\$62.52	\$63.81	\$68.77	3.0%
Louisiana	1,811,630	\$93.31	\$95.14	\$99.36	\$103.74	\$107.33	3.6%
Maine	451,204	\$58.90	\$61.44	\$62.58	\$62.81	\$67.89	3.6%
Mississippi	1,073,926	\$63.71	\$65.99	\$70.30	\$70.59	\$68.64	1.9%
Missouri	2,459,036	\$83.72	\$83.88	\$88.39	\$87.70	\$91.94	2.4%
Montana	484,147	\$57.01	\$55.93	\$58.73	\$62.07	\$63.19	2.6%
Nebraska	714,606	\$65.46	\$68.43	\$70.93	\$72.42	\$78.52	4.7%
Nevada	869,179	\$87.79	\$89.39	\$93.49	\$96.44	\$96.11	2.3%
New Hampshire	458,469	\$74.40	\$74.74	\$78.20	\$81.35	\$87.17	4.0%
New Mexico	810,732	\$73.42	\$75.47	\$75.43	\$78.92	\$83.50	3.3%
North Carolina	3,427,338	\$77.61	\$77.94	\$81.64	\$84.07	\$82.39	1.5%
Ohio	3,791,355	\$73.36	\$73.93	\$77.01	\$81.45	\$82.73	3.0%
Oklahoma	1,464,912	\$80.38	\$83.81	\$90.15	\$93.12	\$94.81	4.2%
Rhode Island	333,385	\$93.14	\$96.40	\$100.42	\$110.28	\$118.94	6.3%
Tennessee	1,847,099	\$76.24	\$76.74	\$80.97	\$81.55	\$83.02	2.2%
Vermont	231,304	\$61.89	\$63.94	\$64.85	\$65.57	\$69.79	3.0%
West Virginia	824,369	\$69.01	\$73.56	\$75.16	\$77.82	\$77.69	3.0%
Wyoming	281,948	\$53.20	\$53.00	\$56.43	\$57.20	\$56.25	1.4%
Total/Wtd. Avg.	48,652,638	\$79.90	\$82.29	\$85.96	\$89.08	\$92.07	
Percent Change			3.0%	4.5%	3.6%	3.4%	3.6%
Countrywide	101,174,572	\$77.62	\$79.48	\$83.55	\$87.30	\$90.32	
Percent Change			2.4%	5.1%	4.5%	3.5%	3.9%

Notes:

Year ending data, losses paid during the calendar period.

Source: Insurance Services Office, Fast Track trend data through fourth quarter 2001.

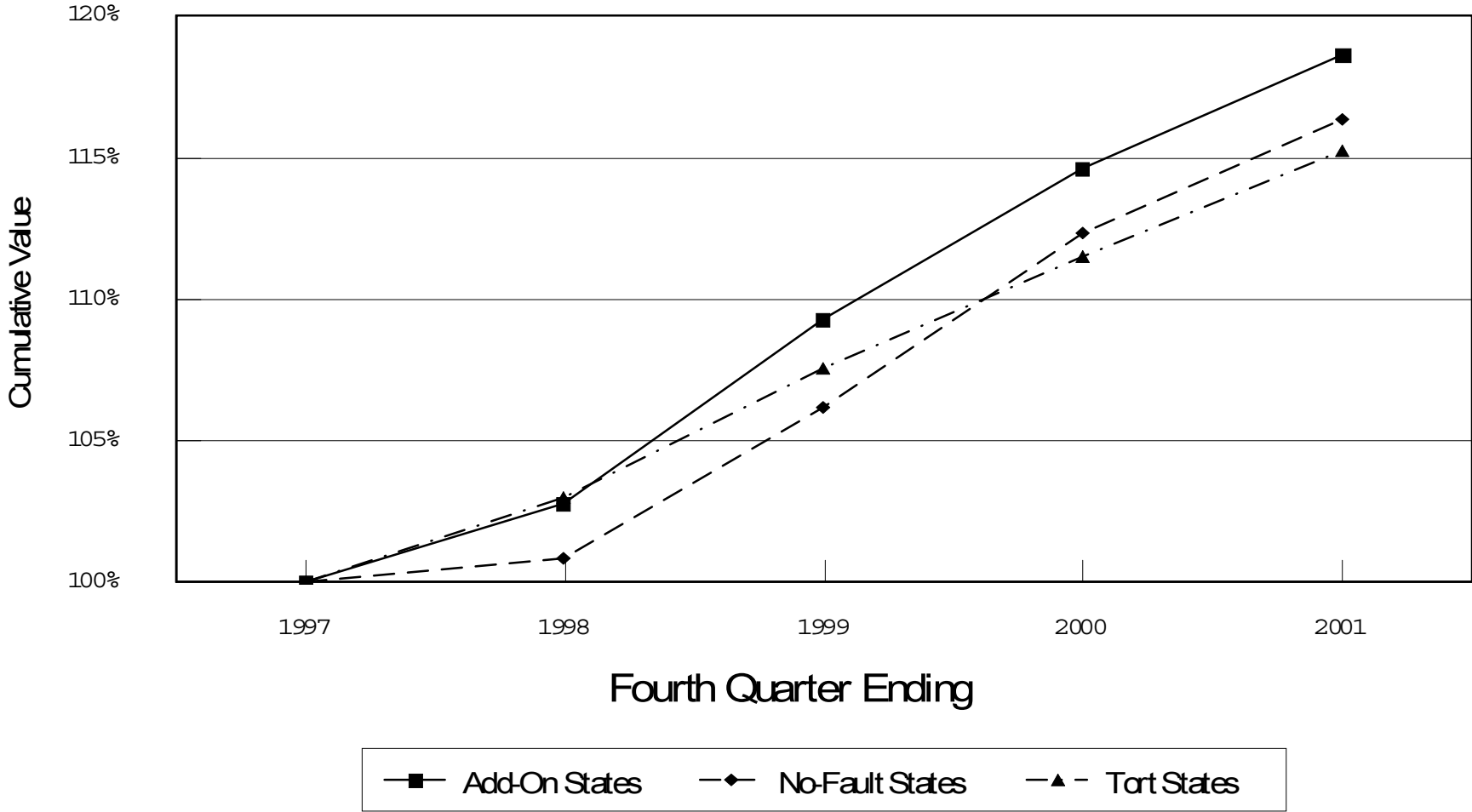
Changes in Property Damage Pure Premiums



Source: Insurance Services Office,
Fast Track Trend Data through 4Q01

Exhibit AIS-9, Sheet 2a

Cumulative Growth in PD Pure Premiums



Source: Insurance Services Office,
Fast Track Trend Data through 4Q01

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Changes in Property Damage Liability Frequency

Fast Track Data

State	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Earned Car Years Yr. Ended	Total Limits PD Frequency Year Ending 4th Quarter					Annual Percent Change
	4th Qtr. 01	1997	1998	1999	2000	2001	
<u>Add-On States</u>							
Arkansas	1,239,809	0.0361	0.0351	0.0354	0.0336	0.0346	-1.0%
Delaware	357,348	0.0404	0.0401	0.0400	0.0402	0.0393	-0.7%
District of Columbia	163,464	0.0600	0.0585	0.0611	0.0616	0.0585	-0.6%
Maryland	2,465,025	0.0466	0.0459	0.0479	0.0484	0.0479	0.7%
Oregon	1,512,646	0.0406	0.0399	0.0395	0.0378	0.0353	-3.5%
South Carolina	1,815,549	0.0363	0.0360	0.0363	0.0371	0.0342	-1.4%
South Dakota	278,185	0.0362	0.0314	0.0312	0.0299	0.0302	-4.5%
Texas	7,421,717	0.0474	0.0480	0.0486	0.0479	0.0494	1.0%
Virginia	3,424,757	0.0389	0.0386	0.0395	0.0396	0.0392	0.2%
Washington	2,459,263	0.0407	0.0394	0.0401	0.0392	0.0380	-1.7%
Wisconsin	1,866,210	0.0336	0.0311	0.0312	0.0305	0.0310	-2.0%
Total/Wtd. Avg.	23,003,973	0.0421	0.0416	0.0423	0.0418	0.0418	
Percent Change			-1.2%	1.6%	-1.1%	-0.2%	-0.2%

No-Fault States

Colorado	2,318,599	0.0382	0.0378	0.0382	0.0384	0.0378	-0.3%
Florida	6,078,330	0.0404	0.0402	0.0417	0.0419	0.0414	0.7%
Hawaii	400,236	0.0330	0.0339	0.0341	0.0371	0.0366	2.7%
Kansas	1,325,078	0.0393	0.0394	0.0398	0.0371	0.0382	-0.7%
Kentucky	1,756,151	0.0359	0.0355	0.0342	0.0325	0.0324	-2.6%
Massachusetts	877,260	0.0653	0.0653	0.0629	0.0626	0.0662	0.3%
Michigan	5,048,556	0.0067	0.0061	0.0062	0.0059	0.0059	-3.1%
Minnesota	2,355,561	0.0393	0.0328	0.0340	0.0334	0.0347	-3.0%
New Jersey	2,931,529	0.0391	0.0382	0.0385	0.0398	0.0397	0.4%
New York	5,180,258	0.0460	0.0448	0.0458	0.0446	0.0437	-1.3%
North Dakota	245,343	0.0396	0.0314	0.0311	0.0291	0.0298	-6.8%
Utah	1,001,060	0.0444	0.0441	0.0426	0.0418	0.0387	-3.4%
Total/Wtd. Avg.	29,517,961	0.0357	0.0346	0.0351	0.0347	0.0346	
Percent Change			-3.0%	1.4%	-1.1%	-0.5%	-0.8%

Tort States

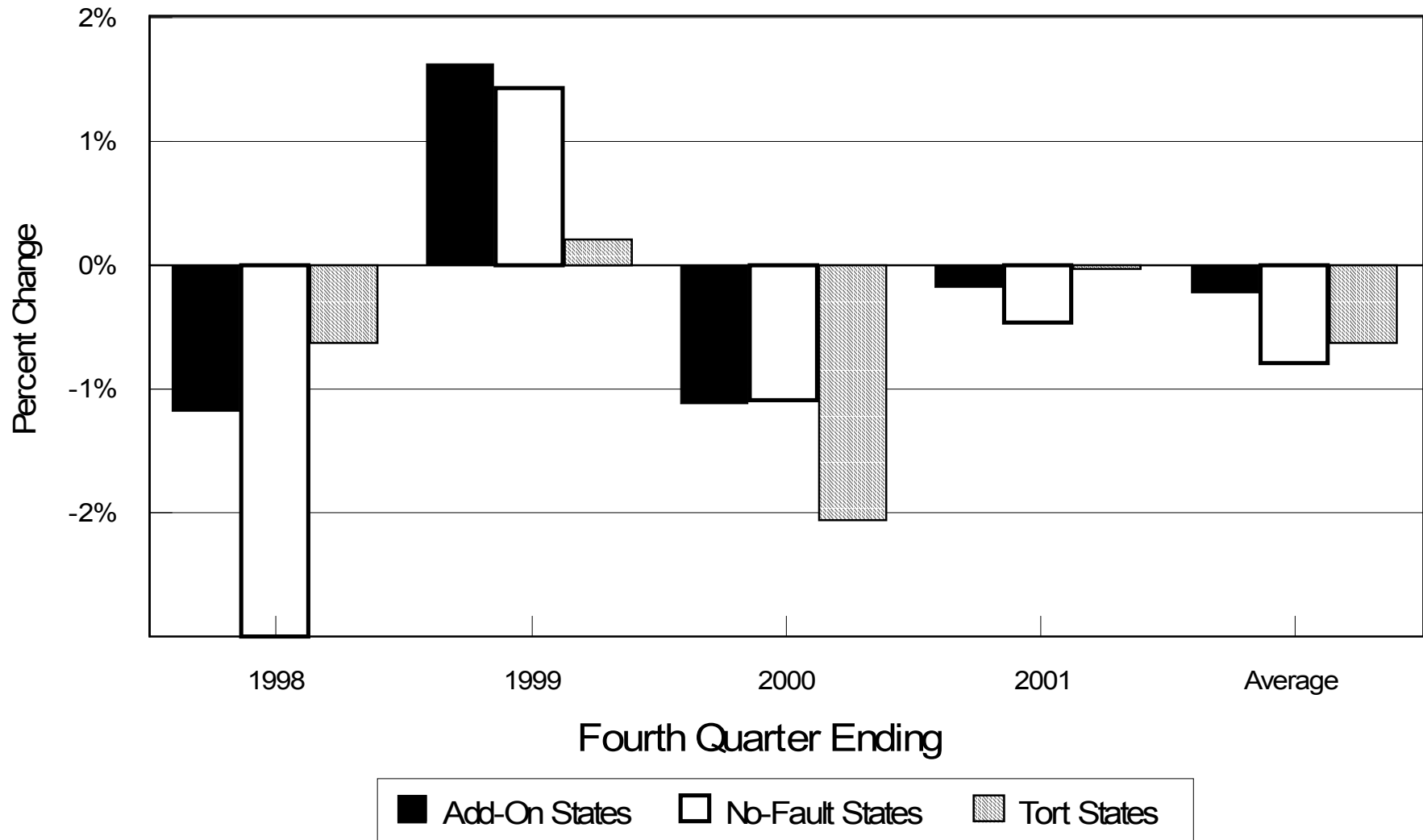
Alabama	2,112,375	0.0346	0.0333	0.0337	0.0321	0.0325	-1.6%
Alaska	281,535	0.0383	0.0367	0.0409	0.0377	0.0359	-1.5%
Arizona	2,106,251	0.0400	0.0403	0.0397	0.0385	0.0371	-1.9%
California	9,735,611	0.0417	0.0439	0.0434	0.0431	0.0436	1.1%
Connecticut	1,178,431	0.0426	0.0414	0.0440	0.0437	0.0440	0.8%
Georgia	3,485,188	0.0450	0.0450	0.0457	0.0452	0.0450	0.0%
Idaho	629,733	0.0337	0.0324	0.0328	0.0319	0.0303	-2.7%
Illinois	5,044,354	0.0439	0.0425	0.0430	0.0424	0.0426	-0.7%
Indiana	1,874,091	0.0417	0.0395	0.0390	0.0378	0.0382	-2.2%
Iowa	870,430	0.0375	0.0357	0.0354	0.0338	0.0353	-1.5%
Louisiana	1,811,630	0.0468	0.0458	0.0461	0.0456	0.0462	-0.3%
Maine	451,204	0.0360	0.0358	0.0356	0.0337	0.0344	-1.1%
Mississippi	1,073,926	0.0315	0.0315	0.0324	0.0306	0.0292	-1.9%
Missouri	2,459,036	0.0445	0.0436	0.0436	0.0416	0.0419	-1.5%
Montana	484,147	0.0351	0.0318	0.0314	0.0307	0.0298	-4.0%
Nebraska	714,606	0.0400	0.0391	0.0387	0.0370	0.0392	-0.5%
Nevada	869,179	0.0407	0.0402	0.0401	0.0390	0.0371	-2.3%
New Hampshire	458,469	0.0430	0.0412	0.0408	0.0393	0.0402	-1.7%
New Mexico	810,732	0.0351	0.0351	0.0342	0.0337	0.0325	-1.9%
North Carolina	3,427,338	0.0354	0.0346	0.0348	0.0341	0.0336	-1.3%
Ohio	3,791,355	0.0406	0.0396	0.0394	0.0393	0.0389	-1.0%
Oklahoma	1,464,912	0.0403	0.0403	0.0412	0.0395	0.0397	-0.4%
Rhode Island	333,385	0.0467	0.0472	0.0497	0.0517	0.0522	2.8%
Tennessee	1,847,099	0.0370	0.0364	0.0361	0.0343	0.0340	-2.1%
Vermont	231,304	0.0365	0.0361	0.0349	0.0333	0.0335	-2.2%
West Virginia	824,369	0.0366	0.0370	0.0366	0.0359	0.0346	-1.4%
Wyoming	281,948	0.0320	0.0302	0.0300	0.0283	0.0270	-4.2%
Total/Wtd. Avg.	48,652,638	0.0406	0.0403	0.0404	0.0396	0.0396	
Percent Change			-0.6%	0.2%	-2.1%	0.0%	-0.6%
Countrywide	101,174,572	0.0395	0.0390	0.0393	0.0387	0.0386	
Percent Change			-1.4%	0.9%	-1.6%	-0.2%	-0.6%

Notes:

Year ending data, losses paid during the calendar period.

Source: Insurance Services Office, Fast Track trend data through fourth quarter 2001.

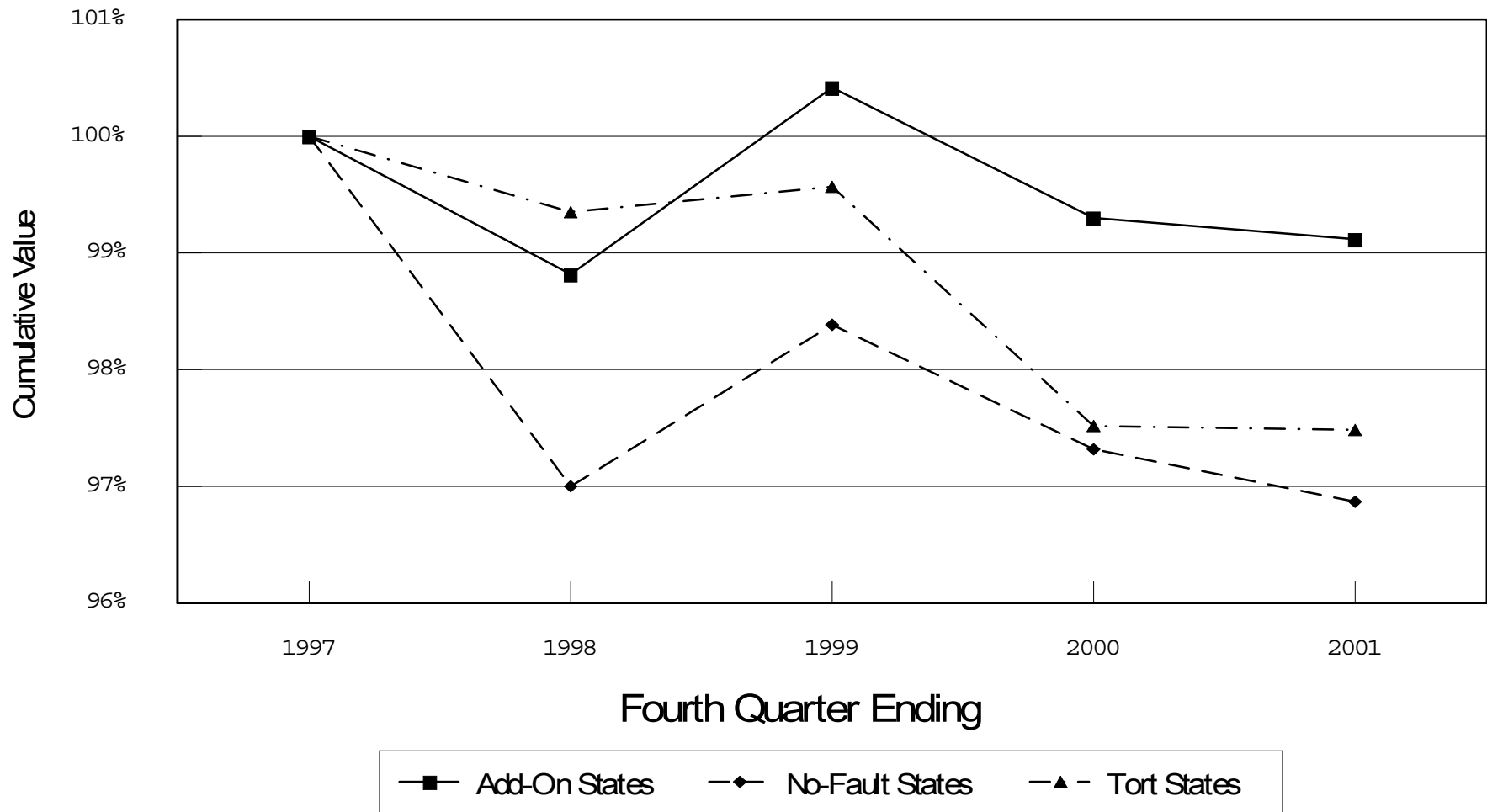
Changes in Property Damage Frequency



Source: Insurance Services Office,
Fast Track Trend Data through 4Q01

Exhibit AIS-10, Sheet 2a

Cumulative Growth in PD Frequency



Source: Insurance Services Office,
Fast Track Trend Data through 4Q01

Exhibit AIS-10, Sheet 2b

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Changes in Property Damage Liability Claim Cost

Fast Track Data

State	Paid Claims Yr. Ended 4th Qtr. 01	Total Limits PD Claim Cost Year Ending 4th Quarter					Annual Percent Change		
		(1)	(2)	(3)	(4)	(5)		(6)	(7)
		1997	1998	1999	2000	2001			
<u>Add-On States</u>									
Arkansas	42,881	\$2,056	\$2,088	\$2,191	\$2,306	\$2,350	3.4%		
Delaware	14,047	\$2,019	\$2,057	\$2,154	\$2,253	\$2,325	3.6%		
District of Columbia	9,566	\$1,833	\$1,907	\$1,917	\$1,943	\$2,065	3.0%		
Maryland	117,999	\$1,910	\$1,976	\$1,999	\$2,145	\$2,263	4.3%		
Oregon	53,341	\$1,886	\$1,981	\$2,049	\$2,138	\$2,233	4.3%		
South Carolina	62,127	\$2,051	\$2,128	\$2,232	\$2,338	\$2,351	3.5%		
South Dakota	8,390	\$1,533	\$1,665	\$1,727	\$1,785	\$1,845	4.8%		
Texas	366,912	\$2,099	\$2,178	\$2,315	\$2,460	\$2,557	5.1%		
Virginia	134,263	\$1,759	\$1,834	\$1,896	\$2,028	\$2,093	4.4%		
Washington	93,503	\$1,980	\$2,059	\$2,160	\$2,285	\$2,343	4.3%		
Wisconsin	57,931	\$1,760	\$1,859	\$1,930	\$2,066	\$2,123	4.8%		
Total/Wtd. Avg.	960,960	\$1,971	\$2,047	\$2,142	\$2,273	\$2,354			
Percent Change			3.9%	4.7%	6.1%	3.6%	4.5%		

No-Fault States

Colorado	87,528	\$1,964	\$2,099	\$2,213	\$2,385	\$2,541	6.7%
Florida	251,908	\$2,000	\$2,086	\$2,167	\$2,317	\$2,391	4.6%
Hawaii	14,668	\$2,079	\$2,029	\$1,956	\$1,977	\$1,999	-1.0%
Kansas	50,648	\$1,873	\$1,990	\$2,095	\$2,211	\$2,262	4.8%
Kentucky	56,822	\$2,033	\$2,082	\$2,170	\$2,329	\$2,522	5.5%
Massachusetts	58,066	\$1,694	\$1,768	\$1,862	\$1,979	\$2,065	5.1%
Michigan	29,801	\$1,231	\$1,273	\$1,313	\$1,429	\$1,481	4.7%
Minnesota	81,729	\$1,758	\$1,857	\$1,923	\$2,070	\$2,135	5.0%
New Jersey	116,297	\$2,294	\$2,323	\$2,394	\$2,571	\$2,684	4.0%
New York	226,531	\$1,996	\$2,056	\$2,120	\$2,247	\$2,327	3.9%
North Dakota	7,322	\$1,511	\$1,569	\$1,597	\$1,677	\$1,721	3.3%
Utah	38,710	\$1,951	\$2,005	\$2,093	\$2,251	\$2,431	5.7%
Total/Wtd. Avg.	1,020,030	\$1,961	\$2,035	\$2,111	\$2,255	\$2,349	
Percent Change			3.7%	3.8%	6.8%	4.2%	4.6%

Tort States

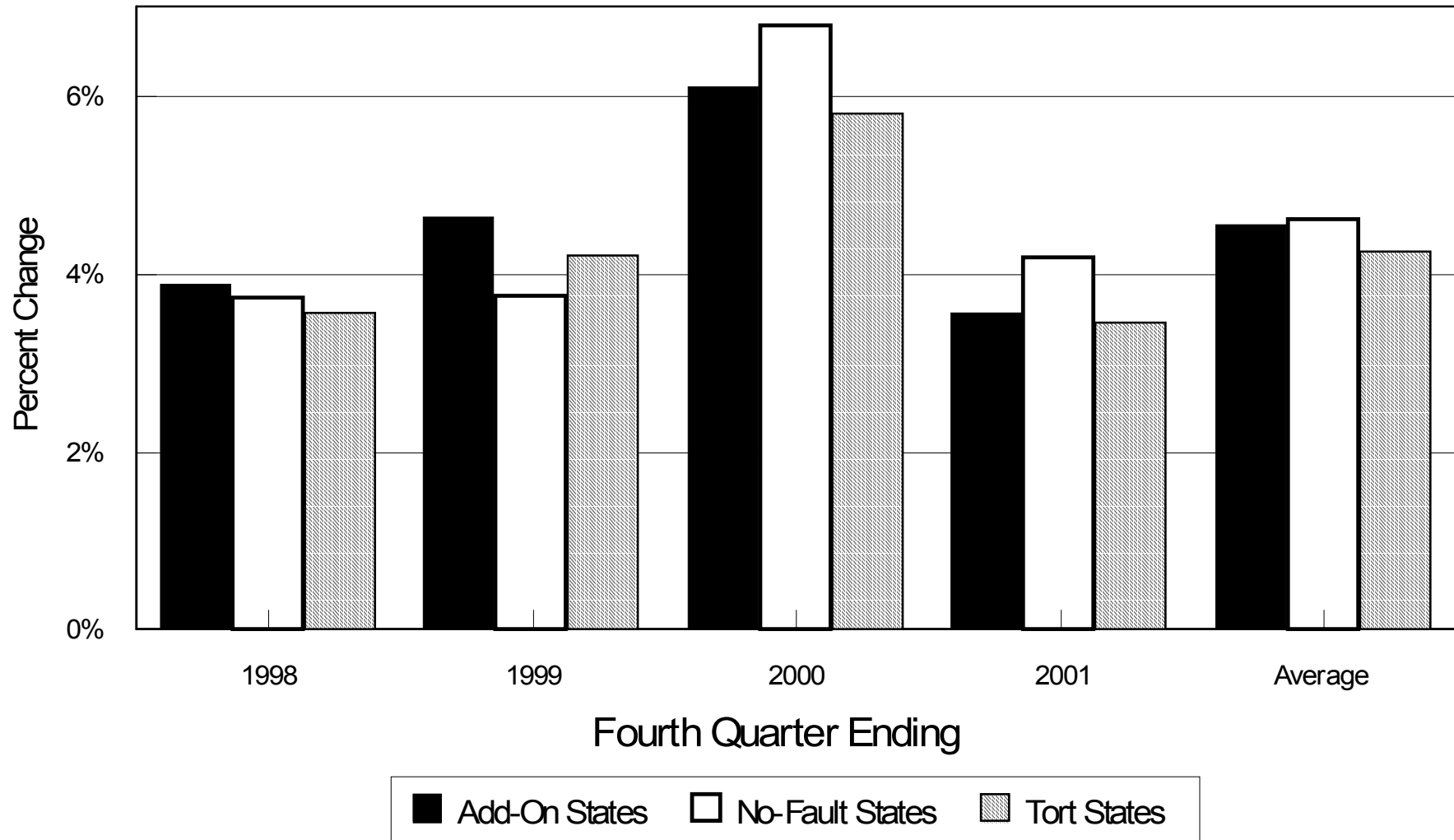
Alabama	68,557	\$2,026	\$2,087	\$2,166	\$2,313	\$2,374	4.0%
Alaska	10,121	\$2,186	\$2,245	\$2,358	\$2,418	\$2,557	4.0%
Arizona	78,084	\$2,200	\$2,323	\$2,441	\$2,617	\$2,815	6.4%
California	424,842	\$2,014	\$2,077	\$2,149	\$2,250	\$2,339	3.8%
Connecticut	51,909	\$2,038	\$2,091	\$2,142	\$2,247	\$2,295	3.0%
Georgia	156,936	\$2,025	\$2,070	\$2,164	\$2,279	\$2,357	3.9%
Idaho	19,052	\$1,681	\$1,746	\$1,801	\$1,934	\$2,041	5.0%
Illinois	215,124	\$1,891	\$1,976	\$2,063	\$2,206	\$2,297	5.0%
Indiana	71,615	\$1,921	\$2,030	\$2,143	\$2,306	\$2,352	5.2%
Iowa	30,715	\$1,626	\$1,708	\$1,767	\$1,888	\$1,949	4.6%
Louisiana	83,680	\$1,996	\$2,078	\$2,153	\$2,273	\$2,324	3.9%
Maine	15,534	\$1,637	\$1,715	\$1,758	\$1,863	\$1,972	4.8%
Mississippi	31,324	\$2,020	\$2,096	\$2,170	\$2,309	\$2,353	3.9%
Missouri	103,056	\$1,881	\$1,922	\$2,026	\$2,107	\$2,194	3.9%
Montana	14,418	\$1,624	\$1,760	\$1,872	\$2,020	\$2,122	6.9%
Nebraska	27,983	\$1,637	\$1,749	\$1,833	\$1,959	\$2,005	5.2%
Nevada	32,211	\$2,156	\$2,226	\$2,330	\$2,474	\$2,593	4.7%
New Hampshire	18,413	\$1,731	\$1,812	\$1,915	\$2,070	\$2,170	5.8%
New Mexico	26,382	\$2,089	\$2,148	\$2,208	\$2,342	\$2,566	5.3%
North Carolina	115,289	\$2,190	\$2,251	\$2,344	\$2,466	\$2,449	2.8%
Ohio	147,654	\$1,808	\$1,867	\$1,952	\$2,070	\$2,124	4.1%
Oklahoma	58,152	\$1,993	\$2,078	\$2,187	\$2,355	\$2,388	4.6%
Rhode Island	17,409	\$1,995	\$2,044	\$2,020	\$2,134	\$2,278	3.4%
Tennessee	62,714	\$2,060	\$2,108	\$2,243	\$2,376	\$2,445	4.4%
Vermont	7,741	\$1,694	\$1,772	\$1,857	\$1,971	\$2,085	5.3%
West Virginia	28,557	\$1,887	\$1,991	\$2,054	\$2,169	\$2,243	4.4%
Wyoming	7,621	\$1,661	\$1,755	\$1,881	\$2,020	\$2,081	5.8%
Total/Wtd. Avg.	1,925,093	\$1,970	\$2,040	\$2,126	\$2,249	\$2,327	
Percent Change			3.6%	4.2%	5.8%	3.4%	4.2%
Countrywide	3,906,083	\$1,968	\$2,040	\$2,126	\$2,257	\$2,339	
Percent Change			3.7%	4.2%	6.1%	3.7%	4.4%

Notes:

Year ending data, losses paid during the calendar period.

Source: Insurance Services Office, Fast Track trend data through fourth quarter 2001.

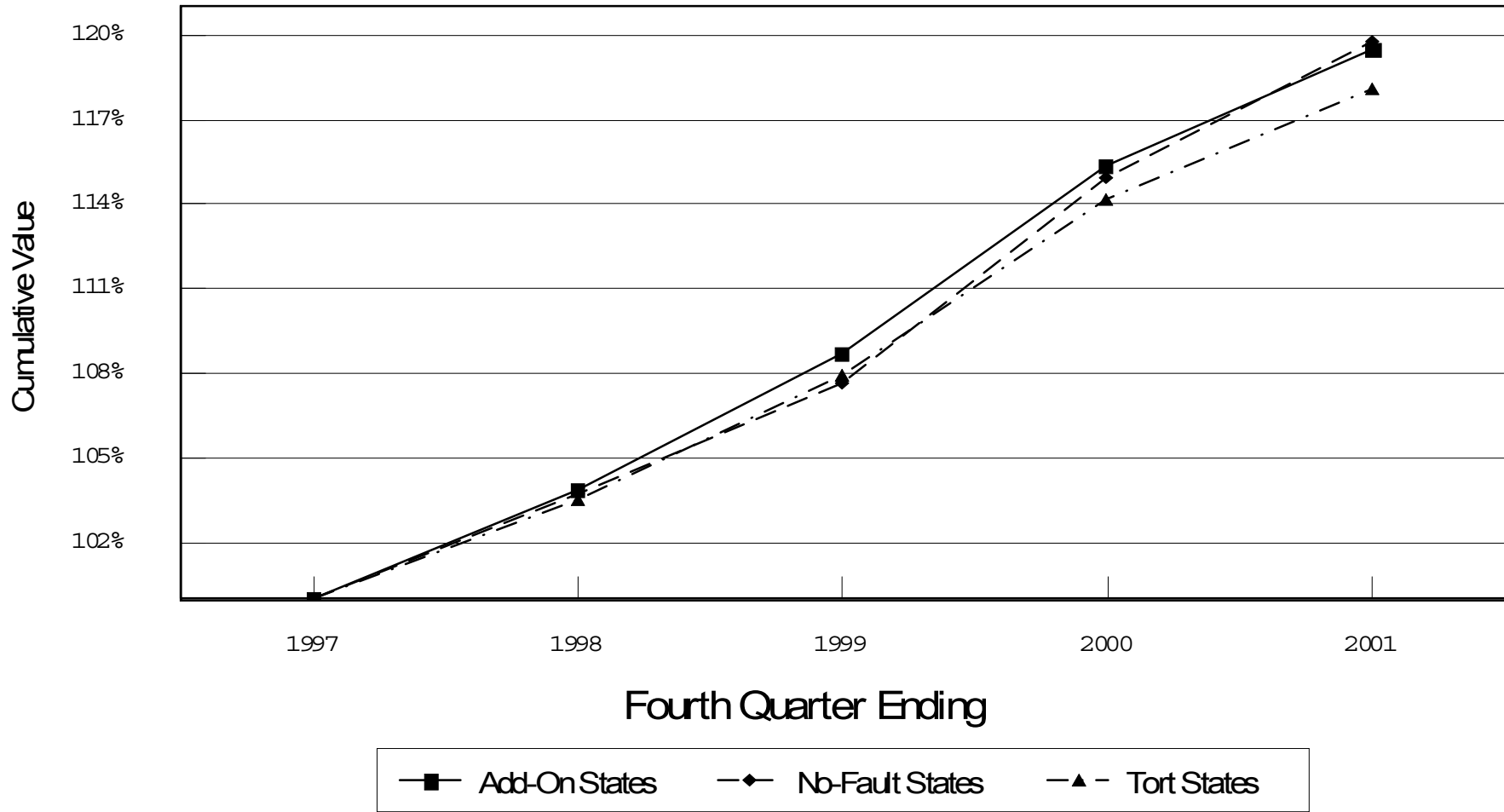
Changes in Property Damage Claim Cost



Source: Insurance Services Office,
Fast Track Trend Data through 4Q01

Exhibit AIS-11, Sheet 2a

Cumulative Growth in PD Claim Cost



Source: Insurance Services Office,
Fast Track Trend Data through 4Q01

Exhibit AIS-11, Sheet 2b

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Ratio of Bodily Injury Liability & Personal Injury Protection Pure Premiums to
Property Damage Liability Pure Premiums

Fast Track Data

State	(1)	(2)	(3)	(4)	(5)	(6)
	Ratio of BI and PIP Pure Premiums to PD Pure Premiums	Ratio of BI and PIP Pure Premiums to PD Pure Premiums	Ratio of BI and PIP Pure Premiums to PD Pure Premiums	Ratio of BI and PIP Pure Premiums to PD Pure Premiums	Ratio of BI and PIP Pure Premiums to PD Pure Premiums	Ratio of BI and PIP Pure Premiums to PD Pure Premiums
	1997	1998	1999	2000	2001	Average
<u>Add-On States</u>						
Arkansas#	1.203	1.154	1.098	1.082	0.998	1.107
Delaware	3.150	2.985	2.749	2.942	2.954	2.956
District of Columbia	1.715	1.678	1.525	1.532	1.484	1.587
Maryland	2.071	1.901	1.809	1.826	1.712	1.864
Oregon	1.721	1.691	1.687	1.737	1.738	1.715
South Carolina	1.554	1.540	1.417	1.376	1.539	1.485
South Dakota#	1.263	1.483	1.367	1.436	1.288	1.367
Texas	1.580	1.350	1.159	1.104	1.047	1.248
Virginia#	1.395	1.275	1.212	1.139	1.056	1.215
Washington	1.949	1.924	1.874	1.855	1.848	1.890
Wisconsin#	1.668	1.614	1.515	1.381	1.446	1.525
Total/Wtd. Avg.	1.660	1.537	1.423	1.387	1.355	1.472

No-Fault States*

Colorado	2.404	2.363	2.134	2.151	2.313	2.273
Florida	2.422	2.314	2.239	2.321	2.422	2.344
Hawaii	2.882	2.763	2.211	2.015	1.852	2.345
Kansas	1.130	1.108	1.054	1.067	1.042	1.080
Kentucky	2.067	2.006	2.027	1.971	1.903	1.995
Massachusetts	2.054	1.863	1.807	1.724	1.659	1.821
Michigan*						
Minnesota	2.376	2.559	2.254	2.152	2.067	2.282
New Jersey	3.961	4.110	3.944	3.495	3.490	3.800
New York	3.059	3.202	3.244	3.662	3.441	3.322
North Dakota	1.179	1.412	1.316	1.310	1.186	1.281
Utah	1.185	1.166	1.174	1.236	1.292	1.210
Total/Wtd. Avg.	2.681	2.717	2.613	2.610	2.585	2.641

Tort States

Alabama	0.989	0.994	0.946	0.942	0.946	0.963
Alaska	1.136	1.419	1.365	1.500	1.206	1.325
Arizona	1.646	1.406	1.338	1.257	1.217	1.373
California	1.420	1.349	1.310	1.253	1.132	1.293
Connecticut	1.990	2.213	2.122	1.904	1.937	2.034
Georgia	1.000	0.984	0.916	0.855	0.871	0.925
Idaho	1.205	1.347	1.217	1.330	1.261	1.272
Illinois	1.282	1.193	1.096	1.003	0.987	1.112
Indiana	1.104	1.180	0.964	0.836	0.890	0.995
Iowa	1.126	1.076	1.083	0.973	0.964	1.045
Louisiana	1.849	1.841	1.768	1.759	1.713	1.786
Maine	1.482	1.331	1.350	1.323	1.167	1.331
Mississippi	1.259	1.202	1.145	1.284	1.145	1.207
Missouri	1.057	1.066	0.988	1.011	0.975	1.019
Montana	1.518	1.651	1.568	1.660	1.606	1.601
Nebraska	1.039	1.093	0.976	1.060	0.922	1.018
Nevada	1.844	1.990	1.844	1.703	1.565	1.789
New Hampshire	1.583	1.519	1.341	1.317	1.149	1.382
New Mexico	1.356	1.305	1.259	1.206	1.080	1.241
North Carolina	1.152	1.122	1.041	1.012	1.011	1.067
Ohio	1.281	1.335	1.158	1.106	1.086	1.193
Oklahoma	1.068	1.092	1.025	0.928	0.933	1.009
Rhode Island	1.862	1.900	1.846	1.641	1.646	1.779
Tennessee	1.068	1.077	1.040	1.034	0.973	1.038
Vermont	1.402	1.460	1.441	1.561	1.318	1.436
West Virginia	1.927	1.861	1.847	2.158	1.952	1.949
Wyoming	1.252	1.263	1.265	1.297	1.271	1.270
Total/Wtd. Avg.	1.314	1.293	1.214	1.173	1.121	1.223
Countrywide	1.771	1.743	1.649	1.619	1.579	1.672

Notes:

Year ending data, losses paid during the calendar period.

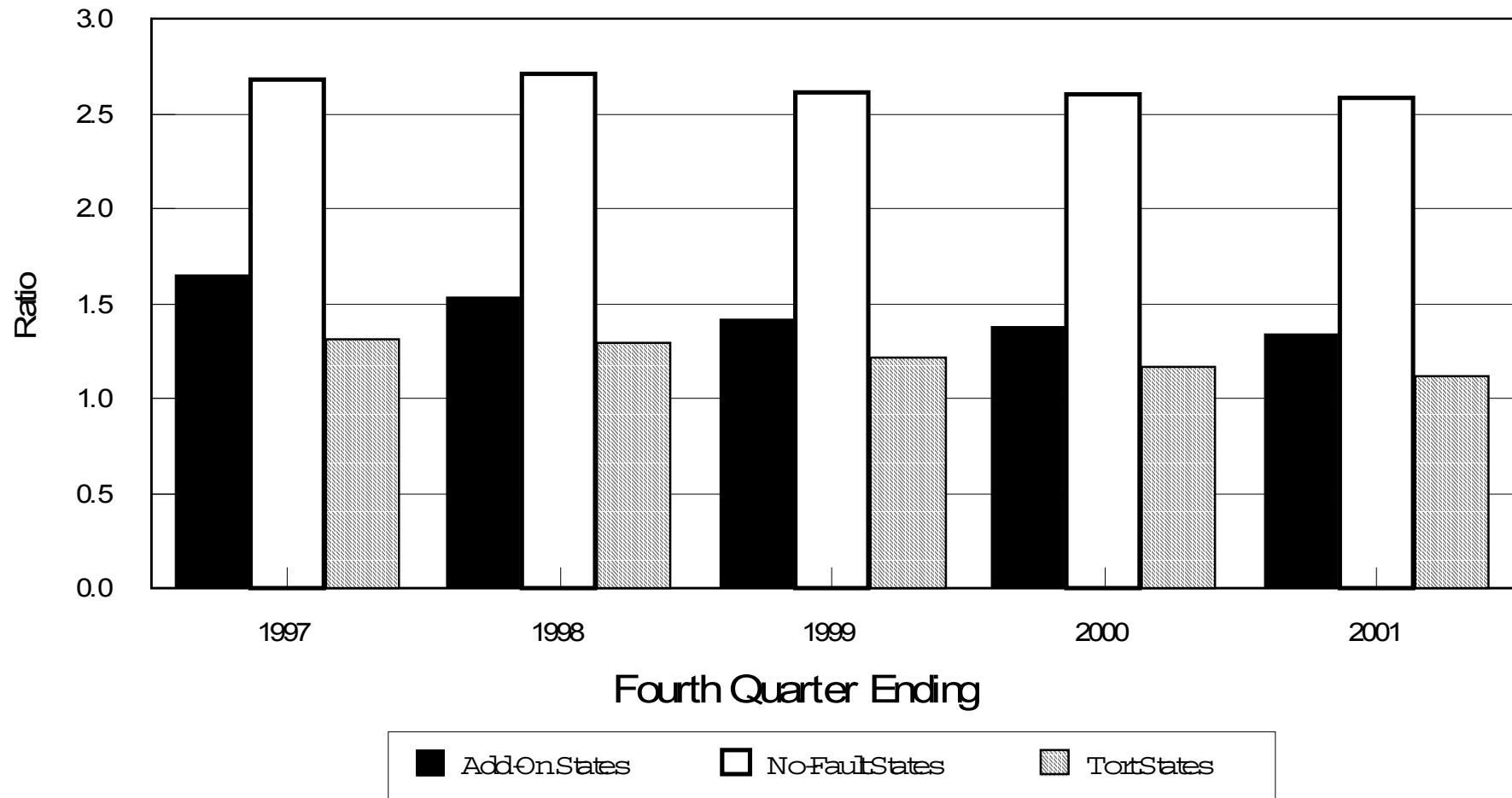
* excludes MI because property damage liability is on a no-fault basis.

BI only, PIP data unavailable for these states.

Source: Insurance Services Office, Fast Track trend data through fourth quarter 2001.

Exhibit AIS-12, Sheet 1

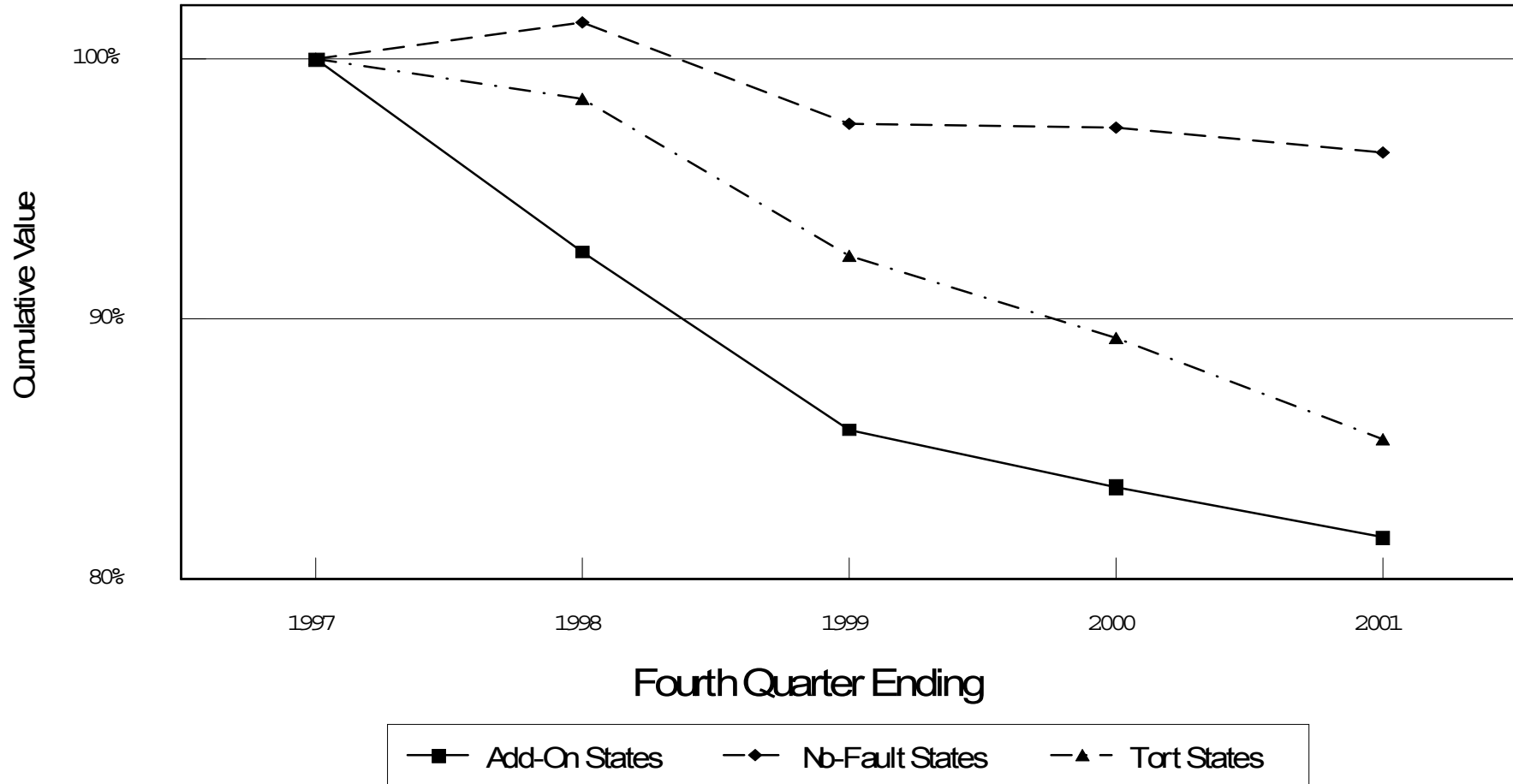
Ratio of BI and PIP Pure Premiums to PD Pure Premiums



Source: Insurance Services Office,
Fast Track Trend Data through 4Q01

Exhibit AIS-12, Sheet 2a

Cumulative Growth in Ratio of BI & PI Pure Premiums to PD Pure Premiums



Source: Insurance Services Office,
Fast Track Trend Data through 4Q01

Exhibit AIS-12, Sheet 2b

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Changes in Injury Losses Pre to Post No-Fault

(1) State	(2) Type of Liability Law	(3) Earned Exposures 1995-97	(4) (5) (6) Pure Premium - Total Limits				(7) (8) Percent Change	
			BI 69-71	BI 95-97	PIP 95-97	BI & PIP 95-97	Total	Annual
<u>Add-on States</u>								
Arkansas	Add-on	3,627,799	\$33.58	\$105.87		\$105.87	215.3%	4.5%
Delaware	Add-on	1,218,240	\$42.25	\$209.33	\$115.31	\$324.64	668.3%	8.2%
D. C.	No-Fault	511,759	\$62.63	\$214.72	\$25.24	\$239.96	283.2%	5.3%
Maryland	Add-on	8,804,208	\$46.29	\$168.45	\$52.28	\$220.73	376.9%	6.2%
New Hampshire	Tort	2,026,627	\$41.82	\$136.80		\$136.80	227.1%	4.7%
Oregon	Add-on	4,614,424	\$33.86	\$120.29	\$46.83	\$167.12	393.5%	6.3%
South Carolina	Add-on	7,129,995	\$31.31	\$185.12	\$26.62	\$211.74	576.3%	7.6%
South Dakota	Add-on	1,123,823	\$19.97	\$80.48		\$80.48	303.0%	5.5%
Texas#	Add-on	20,545,507	\$24.97	\$124.09	\$40.79	\$164.88	560.4%	7.5%
Virginia*	Add-on	12,025,969	\$35.09	\$116.19		\$116.19	231.1%	4.7%
Washington	Add-on	7,021,569	\$33.47	\$153.35	\$51.34	\$204.69	511.6%	7.2%
Wisconsin	Add-on	7,939,313	\$43.47	\$105.78		\$105.78	143.3%	3.5%
Weighted Avg.		76,589,233	\$34.14			\$163.94	380.2%	6.2%
<u>No-Fault States</u>								
Colorado	No-Fault	5,538,009	\$28.03	\$78.58	\$129.40	\$207.98	642.0%	8.0%
Florida*	No-Fault	19,973,820	\$49.72	\$133.12	\$91.40	\$224.52	351.5%	6.0%
Hawaii	No-Fault	1,753,368	\$55.28	\$110.07	\$116.32	\$226.39	309.5%	5.6%
Kansas	No-Fault	4,251,329	\$25.86	\$62.32	\$32.20	\$94.52	265.4%	5.1%
Kentucky	No-Fault	6,562,927	\$30.45	\$107.96	\$57.00	\$164.96	441.8%	6.7%
Michigan*	No-Fault	13,036,028	\$42.36	\$60.53	\$129.27	\$189.80	348.0%	5.9%
Minnesota	No-Fault	6,646,316	\$49.16	\$92.51	\$95.96	\$188.47	283.4%	5.3%
New Jersey	No-Fault	12,383,456	\$52.70	\$223.75	\$200.53	\$424.28	705.1%	8.4%
New York*	No-Fault	21,286,947	\$58.90	\$198.60	\$109.40	\$308.00	422.9%	6.6%
North Dakota	No-Fault	973,815	\$25.37	\$50.99	\$32.07	\$83.06	227.4%	4.7%
Pennsylvania	No-Fault	19,734,291	\$39.48	\$110.46	\$61.78	\$172.24	336.2%	5.8%
Utah	No-Fault	2,613,450	\$33.96	\$96.73	\$37.96	\$134.69	296.6%	5.4%
Weighted Avg.		114,753,756	\$45.60			\$234.30	413.8%	6.5%
<u>Tort States</u>								
Alabama	Tort	6,450,522	\$26.81	\$77.96		\$77.96	190.7%	4.2%
Alaska	Tort	853,602	\$44.42	\$147.67		\$147.67	232.4%	4.7%
Arizona	Tort	4,890,366	\$52.62	\$173.22		\$173.22	229.2%	4.7%
California	Tort	43,651,928	\$47.64	\$141.34		\$141.34	196.7%	4.3%
Connecticut	Tort	5,389,068	\$51.71	\$235.40		\$235.40	355.2%	6.0%
Georgia	Tort	12,180,283	\$29.60	\$116.84		\$116.84	294.7%	5.4%
Idaho	Tort	1,584,467	\$29.12	\$94.78		\$94.78	225.5%	4.6%
Indiana	Tort	9,309,236	\$29.34	\$104.03		\$104.03	254.5%	5.0%
Iowa	Tort	4,319,996	\$25.49	\$73.68		\$73.68	189.1%	4.2%
Louisiana	Tort	5,847,249	\$38.99	\$211.69		\$211.69	442.9%	6.7%
Maine	Tort	2,115,802	\$32.12	\$108.54		\$108.54	237.9%	4.8%
Mississippi	Tort	3,565,104	\$33.41	\$99.64		\$99.64	198.3%	4.3%
Missouri	Tort	7,460,107	\$43.28	\$100.16		\$100.16	131.4%	3.3%
Montana	Tort	783,699	\$26.01	\$110.93		\$110.93	326.5%	5.7%
Nebraska	Tort	2,911,575	\$25.86	\$77.36		\$77.36	199.1%	4.3%
Nevada	Tort	1,868,803	\$55.59	\$208.62		\$208.62	275.3%	5.2%
New Mexico	Tort	2,021,904	\$27.61	\$126.15		\$126.15	356.8%	6.0%
North Carolina**	Tort	15,226,799	\$19.84	\$115.33		\$115.33	481.2%	7.0%
Ohio	Tort	18,132,131	\$37.34	\$111.97		\$111.97	199.8%	4.3%
Oklahoma	Tort	4,472,342	\$23.98	\$102.39		\$102.39	327.0%	5.7%
Rhode Island	Tort	1,521,191	\$45.81	\$241.03		\$241.03	426.1%	6.6%
Tennessee	Tort	8,121,554	\$36.53	\$93.51		\$93.51	156.0%	3.7%
Vermont	Tort	1,073,811	\$42.18	\$110.57		\$110.57	162.2%	3.8%
West Virginia	Tort	3,258,947	\$26.72	\$140.54		\$140.54	426.0%	6.6%
Wyoming	Tort	794,359	\$19.18	\$70.69		\$70.69	268.5%	5.1%
Weighted Avg.		167,804,845	\$37.01			\$126.96	243.0%	4.9%
Countrywide		359,147,834	\$39.14			\$169.14	332.1%	5.8%

Notes:

- (1) : Illinois is excluded because data for 1969-1971 was not available and Massachusetts is excluded because they became a no-fault state in 1971.
 (3) : Voluntary business accident years or fiscal accident years 1969, 1970 and 1971. Losses include all loss adjustment expenses, not developed to ultimate.
 (4) & (5) : Total business accident years 1995 to 1997. Losses include allocated loss adjustment expenses and are as reported at 27, 27 & 15 months for voluntary business and 39, 27 & 15 months for involuntary business.
 * Voluntary only business for 1995 - 1997 accident years.
 ** Losses include allocated loss adjustment expenses as of 39, 27 & 15 months for voluntary & involuntary business.
 # Ten companies with greatest market share in state.

Sources: Insurance Services Office, Insurance Research Council, Trends in Auto Injury Claims, 2000 Edition, North Carolina Rate Bureau

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Percentage of PIP Claimants Eligible for Liability Claim
Change from 1977 to 1987

<u>No-Fault State</u>	(1)	(2)	(3)= (1)-(2)	(4)= (1)/(2)-1
	<u>Percentage of PIP Claimants Judged Eligible for Tort Claim 1987</u>	<u>1977</u>	<u>Change From Point Change</u>	<u>Change From 1977 to 1987 Percent Change</u>
New Jersey	62.7%	35.2%	27.5	78.1%
Massachusetts	53.5%	26.3%	27.2	103.4%
Georgia	49.4%	24.1%	25.3	105.0%
Connecticut	41.4%	18.7%	22.7	121.4%
Florida	32.5%	30.9%	1.6	5.2%
New York	28.7%	27.2%	1.5	5.5%
Kansas	28.6%	12.5%	16.1	128.8%
Colorado	26.4%	15.8%	10.6	67.1%
Kentucky	24.7%	10.4%	14.3	137.5%
Minnesota	21.8%	10.1%	11.7	115.8%
Hawaii	19.5%	3.2%	16.3	509.4%
Utah (a)	19.1%	19.4%	-0.3	-1.5%
North Dakota	12.5%	3.4%	9.1	267.6%
<u>Michigan</u>	<u>12.2%</u>	<u>6.0%</u>	<u>6.2</u>	<u>103.3%</u>
Total	39.7%	23.9%	15.8	66.1%

Notes:

(a) Utah increased the monetary threshold from \$500 to \$3,000 effective July 1, 1986.

Source: AIRAC, Compensation For Automobile Injuries In The United States, March 1989, p. 72.

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Percentage of PIP Claimants Eligible for Liability Claim Change from 1987 to 1992

<u>No-Fault State</u>	(1)	(2)	(3)= (1)-(2)	(4)= (1)/(2)-1
	<u>Percentage of PIP Claimants Judged Eligible for Tort Claim</u>		<u>Change From Point Change</u>	<u>1987 to 1992 Percent Change</u>
	<u>1992</u>	<u>1987</u>		
Connecticut	63.0%	41.0%	22.0	53.7%
Massachusetts	63.0%	54.0%	9.0	16.7%
Florida	37.0%	33.0%	4.0	12.1%
Hawaii	36.0%	20.0%	16.0	80.0%
Colorado	34.0%	26.0%	8.0	30.8%
Minnesota	34.0%	22.0%	12.0	54.5%
Kentucky	33.0%	25.0%	8.0	32.0%
New York	31.0%	29.0%	2.0	6.9%
Utah	23.0%	19.0%	4.0	21.1%
Michigan	19.0%	12.0%	7.0	58.3%
<u>Kansas (a)</u>	<u>17.0%</u>	<u>29.0%</u>	<u>-12.0</u>	<u>-41.4%</u>
Total	33.1%	28.7%	4.4	15.3%

Notes:

(a) Kansas increased the tort threshold from \$500 to \$2,000 effective January 1, 1988.

Source: IRC, Auto Injuries: Claiming Behavior and Its Impact on Insurance Costs, 1994, p. 46.

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Percentage of PIP Claimants Eligible for Liability Claim
Change from 1992 to 1997

<u>No-Fault State</u>	(1)	(2)	(3)= (1)-(2)	(4)= (1)/(2)-1
	<u>Percentage of PIP Claimants Judged Eligible for Tort Claim 1997</u>	<u>1992</u>	<u>Change From Point Change</u>	<u>1992 to 1997 Percent Change</u>
Massachusetts	52.0%	63.0%	-11.0	-17.5%
Florida	34.0%	37.0%	-3.0	-8.1%
Hawaii	21.0%	36.0%	-15.0	-41.7%
Colorado	30.0%	34.0%	-4.0	-11.8%
Minnesota	29.0%	34.0%	-5.0	-14.7%
Kentucky	42.0%	33.0%	9.0	27.3%
New York	22.0%	31.0%	-9.0	-29.0%
Utah	24.0%	23.0%	1.0	4.3%
Michigan	15.0%	19.0%	-4.0	-21.1%
<u>Kansas</u>	<u>22.0%</u>	<u>17.0%</u>	<u>5.0</u>	<u>29.4%</u>
Total	28.2%	30.8%	-2.6	-8.4%

Sources: IRC, Injuries In Auto Accidents An Analysis of Auto Insurance Claims, 1999, p. 75.

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Percentage of Potentially Eligible Tort Claimants Eliminated By Threshold

<u>No-Fault State</u>	(1)	(2)	(3)	(4)	(5) =
	<u>Percentage of PIP Claimants Judged Eligible for Tort Claim Number</u>	<u>Percent</u>	<u>Additional Tort Claimants Eligible If Tort Threshold Did Not Exist Number</u>	<u>Percent</u>	<u>(3)/[(1)+(3)] Claimants Eliminated By Threshold</u>
New Jersey	1,740	62.7%	297	10.7%	14.6%
Massachusetts	251	53.5%	61	13.0%	19.6%
Georgia	256	49.4%	72	13.9%	22.0%
Connecticut	196	41.4%	105	22.2%	34.9%
Florida	400	32.5%	314	25.5%	44.0%
New York	520	28.7%	409	22.6%	44.0%
Kansas	74	28.6%	65	25.1%	46.8%
Colorado	103	26.4%	117	30.0%	53.2%
Kentucky	55	24.7%	86	38.6%	61.0%
Minnesota	72	21.8%	90	27.3%	55.6%
Hawaii	22	19.5%	43	38.1%	66.2%
Utah	18	19.1%	19	20.2%	51.4%
North Dakota	6	12.5%	16	33.3%	72.7%
<u>Michigan</u>	<u>128</u>	<u>12.2%</u>	<u>373</u>	<u>35.5%</u>	<u>74.5%</u>
Total	3,841	39.7%	2,067	21.1%	35.0%

Source: AIRAC, Compensation For Automobile Injuries In The United States, March 1989, p. 150.

Private Passenger Automobile Insurance

Liability - Loss Adjustment Expense Ratios by Type of Law

State	(1) Earned Premiums 2000	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	Loss Adjustment Expense Ratio												
<u>Add-on States</u>													
Arkansas	\$589,576	15.0%	13.7%	11.5%	12.4%	10.5%	11.5%	11.5%	12.4%	13.1%	10.9%	12.1%	12.2%
Delaware	\$285,912	16.5%	15.8%	11.9%	11.6%	11.7%	13.9%	13.9%	15.8%	16.7%	14.9%	14.4%	14.3%
D. C.	\$107,562	14.1%	14.8%	12.0%	14.0%	11.6%	12.8%	10.9%	12.1%	13.6%	15.9%	14.2%	13.3%
Maryland	\$1,495,108	12.8%	12.2%	10.0%	10.1%	9.6%	10.3%	10.6%	11.5%	13.2%	13.5%	12.6%	11.5%
Oregon	\$893,569	11.9%	11.0%	10.2%	9.9%	10.3%	12.4%	12.6%	13.4%	14.4%	12.6%	13.0%	12.0%
South Carolina	\$959,915	17.7%	17.2%	12.0%	13.4%	12.8%	13.0%	13.9%	15.3%	16.4%	14.2%	13.5%	14.5%
South Dakota	\$144,556	16.1%	15.9%	16.3%	14.3%	14.6%	12.6%	11.9%	10.7%	12.9%	11.5%	12.7%	13.6%
Texas	\$4,871,956	15.2%	14.7%	12.9%	13.4%	12.6%	11.6%	10.9%	10.9%	12.5%	12.9%	12.8%	12.8%
Virginia	\$1,715,626	12.7%	12.6%	10.7%	10.6%	10.9%	10.4%	11.9%	11.8%	12.5%	12.1%	11.6%	11.6%
Washington	\$1,636,172	14.5%	14.0%	12.6%	11.7%	11.5%	11.9%	13.0%	13.9%	15.0%	14.0%	14.5%	13.3%
Wisconsin	\$1,014,992	13.9%	12.9%	12.1%	11.5%	11.7%	11.5%	12.3%	11.9%	13.1%	13.0%	13.2%	12.5%
Weighted Average	\$13,714,944	14.4%	13.9%	11.9%	12.1%	11.6%	11.6%	11.8%	12.2%	13.4%	13.0%	12.9%	12.6%

<u>No-Fault States</u>													
Colorado	\$1,292,020	16.2%	15.5%	13.6%	12.3%	10.8%	11.7%	11.7%	11.8%	14.5%	14.1%	14.0%	13.3%
Connecticut#	\$1,185,357	14.9%	15.4%	12.8%	10.4%	NA	NA	NA	NA	NA	NA	NA	13.4%
Florida	\$4,950,848	12.3%	13.1%	12.9%	12.9%	12.4%	12.6%	12.8%	13.5%	14.7%	16.0%	16.2%	13.6%
Georgia##	\$1,836,591	13.4%	13.0%	NA	NA	NA	NA	NA	NA	NA	NA	NA	13.2%
Hawaii	\$329,352	18.9%	15.8%	12.6%	14.5%	16.3%	13.5%	11.0%	9.3%	10.0%	7.4%	9.5%	12.6%
Kansas	\$536,725	12.9%	13.4%	13.5%	12.3%	10.4%	11.1%	11.7%	12.6%	12.2%	12.1%	12.1%	12.1%
Kentucky	\$1,038,282	16.1%	15.0%	12.5%	14.1%	13.2%	13.7%	14.4%	15.0%	14.7%	13.6%	13.1%	14.1%
Massachusetts	\$2,174,485	15.0%	14.6%	10.2%	9.3%	8.8%	8.6%	10.9%	12.4%	12.2%	12.6%	11.3%	11.4%
Michigan	\$1,865,529	17.6%	13.8%	11.2%	9.4%	13.2%	12.8%	12.9%	15.9%	20.5%	16.9%	18.3%	14.8%
Minnesota	\$1,356,853	13.7%	13.8%	13.5%	13.4%	12.1%	11.8%	11.6%	12.2%	13.3%	12.3%	12.8%	12.8%
New Jersey	\$2,904,763	16.8%	18.2%	16.1%	17.3%	17.1%	16.6%	18.8%	19.8%	21.5%	20.9%	22.1%	18.7%
New York	\$5,369,354	14.6%	15.5%	15.3%	15.7%	13.2%	13.4%	13.5%	14.2%	16.7%	18.3%	19.8%	15.5%
North Dakota	\$116,656	12.8%	12.7%	9.3%	12.4%	12.9%	12.0%	14.1%	12.8%	12.6%	12.1%	10.6%	12.2%
Pennsylvania	\$3,215,327	14.1%	14.1%	13.3%	12.4%	11.1%	12.1%	12.7%	12.9%	13.3%	15.8%	14.3%	13.3%
Utah	\$470,649	14.6%	14.1%	11.8%	12.1%	11.1%	11.6%	12.6%	11.2%	12.5%	12.3%	13.1%	12.5%
Weighted Average	\$28,642,791	14.6%	14.7%	13.5%	13.3%	12.6%	12.7%	13.3%	14.1%	15.7%	16.1%	16.5%	14.3%

<u>Tort States</u>													
Alabama	\$896,305	13.6%	13.7%	11.4%	11.8%	11.3%	11.9%	12.1%	12.1%	12.8%	12.7%	12.1%	12.3%
Alaska	\$150,068	14.2%	14.8%	14.0%	14.6%	13.1%	14.8%	12.0%	12.1%	26.6%	11.5%	16.1%	14.9%
Arizona	\$1,312,168	14.6%	13.5%	12.1%	11.6%	11.0%	11.8%	12.2%	11.2%	12.5%	12.5%	12.3%	12.3%
California	\$7,988,019	13.2%	12.0%	13.5%	13.1%	12.1%	10.5%	11.6%	11.4%	13.5%	14.0%	14.8%	12.7%
Connecticut#	\$1,185,357	NA	NA	NA	NA	10.5%	11.6%	10.7%	11.9%	13.2%	12.2%	13.6%	12.0%
Georgia##	\$1,836,591	NA	NA	11.7%	13.1%	12.9%	13.1%	13.1%	13.4%	14.6%	13.6%	12.6%	13.1%
Idaho	\$254,491	14.1%	13.8%	11.7%	11.9%	11.3%	12.0%	11.5%	11.5%	14.8%	14.2%	14.4%	12.8%
Illinois	\$2,487,860	12.9%	13.5%	14.1%	13.5%	12.3%	12.7%	12.9%	13.0%	14.3%	13.2%	14.4%	13.3%
Indiana	\$1,322,577	13.8%	14.0%	12.0%	11.7%	10.8%	12.0%	12.0%	12.6%	13.8%	12.9%	13.5%	12.6%
Iowa	\$547,635	14.3%	13.5%	12.6%	11.7%	11.0%	11.7%	11.9%	12.2%	12.8%	12.2%	11.6%	12.3%
Louisiana	\$1,236,156	14.8%	14.4%	14.8%	12.7%	11.4%	13.1%	14.2%	14.7%	16.8%	18.4%	20.3%	15.1%
Maine	\$264,892	12.8%	12.3%	10.6%	12.0%	10.4%	12.3%	12.0%	12.4%	11.2%	11.5%	11.2%	11.7%
Mississippi	\$479,754	13.8%	13.6%	11.8%	12.1%	10.7%	11.1%	11.9%	12.6%	14.3%	14.1%	14.0%	12.7%
Missouri	\$1,234,561	13.9%	13.6%	11.9%	11.5%	10.5%	10.3%	10.6%	11.3%	12.3%	11.7%	11.9%	11.8%
Montana	\$179,907	12.6%	13.0%	12.9%	13.9%	12.3%	12.7%	12.9%	15.8%	16.1%	13.5%	16.0%	13.8%
Nebraska	\$350,587	14.0%	14.8%	12.1%	11.0%	10.7%	12.3%	12.9%	12.4%	12.7%	12.3%	11.8%	12.5%
Nevada	\$657,312	16.4%	16.1%	14.8%	14.7%	13.9%	14.1%	14.7%	15.5%	15.7%	15.9%	14.1%	15.1%
New Hampshire	\$297,731	15.6%	14.4%	10.7%	10.1%	10.9%	11.6%	12.1%	11.8%	9.4%	11.5%	10.9%	11.7%
New Mexico	\$434,618	16.2%	15.3%	13.9%	13.3%	11.9%	11.5%	12.3%	11.6%	12.0%	11.8%	12.6%	12.9%
North Carolina	\$1,769,891	14.2%	13.4%	10.7%	10.1%	10.9%	10.2%	11.9%	11.4%	12.1%	12.2%	11.7%	11.7%
Ohio	\$2,552,524	13.5%	12.5%	11.4%	11.4%	11.3%	11.4%	11.6%	12.8%	13.6%	11.9%	11.5%	12.1%
Oklahoma	\$766,638	15.0%	15.3%	13.5%	13.8%	12.5%	12.1%	12.0%	12.8%	14.2%	14.3%	13.0%	13.5%
Rhode Island	\$342,038	16.2%	18.3%	12.8%	9.8%	9.8%	9.3%	10.7%	13.3%	11.7%	12.4%	12.7%	12.5%
Tennessee	\$1,089,742	13.0%	13.1%	13.0%	12.1%	12.0%	12.6%	12.9%	13.1%	13.8%	13.2%	13.4%	12.9%
Vermont	\$124,943	14.6%	15.4%	13.7%	11.9%	11.6%	13.0%	13.0%	14.2%	13.4%	15.3%	13.2%	13.6%
West Virginia	\$490,263	15.7%	17.7%	14.9%	14.8%	13.1%	13.1%	12.6%	13.6%	14.8%	15.8%	16.0%	14.7%
Wyoming	\$96,447	14.5%	14.7%	13.2%	13.4%	12.3%	14.2%	14.9%	13.5%	15.2%	14.7%	13.6%	14.0%
Weighted Avg.	\$27,327,127	13.8%	13.3%	12.8%	12.4%	11.7%	11.6%	12.1%	12.3%	13.7%	13.4%	13.7%	12.8%
Countrywide	\$69,684,862	14.3%	14.0%	12.9%	12.7%	12.0%	12.0%	12.5%	13.0%	14.4%	14.3%	14.5%	13.3%

Notes:

(1) : Earned Premiums in thousands

(2) - (11) *Percentage related to earned premiums

#Connecticut became a tort state January 1, 1994

##Georgia became a tort state October 1, 1991

Source: Report on Profitability By Line By State, NAIC, 1990-2000,
Private Passenger Automobile Liability Line

Profitability of Private Passenger Automobile Insurance - All Coverages

State	2000 Direct Premiums Earned (000's)	Total Profit*																
		1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	Average
<i>Add-On States</i>																		
Arkansas	\$1,066,313	0.4%	1.8%	1.8%	2.0%	-2.9%	-7.6%	0.2%	3.4%	3.9%	3.0%	3.4%	1.8%	4.2%	6.4%	3.1%	0.2%	1.6%
Delaware	\$431,011	-14.2%	-13.4%	-11.3%	-11.7%	-12.4%	-7.8%	-2.8%	5.5%	9.5%	10.1%	5.7%	7.5%	4.6%	8.1%	9.4%	2.2%	-0.7%
D.C.	\$194,755	-4.3%	-4.9%	3.2%	6.0%	-2.5%	0.7%	0.7%	11.5%	5.2%	6.8%	3.8%	8.9%	13.9%	17.3%	14.2%	8.8%	5.6%
Maryland	\$2,520,329	-4.9%	0.7%	0.4%	6.9%	4.3%	4.7%	9.3%	14.7%	12.8%	12.6%	9.9%	10.1%	10.8%	12.6%	9.5%	2.6%	7.3%
Oregon	\$1,479,125	-4.7%	0.8%	4.6%	4.5%	3.1%	7.2%	12.4%	11.7%	13.1%	10.1%	4.3%	5.9%	8.1%	8.1%	9.9%	4.4%	6.5%
South Carolina	\$1,673,807	-6.9%	-5.1%	-4.0%	-4.6%	-15.5%	-17.9%	-12.7%	2.2%	0.6%	-3.2%	-2.5%	-3.6%	-2.9%	-1.0%	-0.7%	-4.0%	-5.1%
South Dakota	\$276,734	2.7%	4.7%	3.6%	2.9%	-0.1%	-9.3%	-5.5%	-8.7%	-0.2%	-2.0%	6.5%	3.8%	9.4%	8.0%	8.0%	3.5%	1.7%
Texas	\$8,442,370	2.1%	3.2%	-0.9%	-1.8%	-4.8%	-8.5%	-3.3%	1.5%	1.0%	2.7%	3.4%	10.2%	11.3%	7.6%	5.2%	-2.6%	1.6%
Virginia	\$2,898,536	1.9%	2.9%	3.6%	5.3%	3.6%	4.2%	6.8%	9.5%	10.1%	7.6%	9.3%	7.3%	9.4%	10.8%	6.4%	5.9%	6.5%
Washington	\$2,671,865	-2.3%	0.3%	4.3%	1.8%	-2.2%	-2.9%	1.7%	4.6%	8.7%	8.4%	7.9%	7.1%	7.5%	7.9%	8.3%	3.1%	4.0%
Wisconsin	\$1,869,655	2.0%	8.7%	8.1%	7.4%	2.7%	0.9%	7.3%	10.4%	10.1%	7.2%	7.6%	8.1%	11.3%	10.6%	10.1%	-1.0%	7.0%
Total/Wtd. Avg.*	\$23,524,500	-0.7%	1.8%	1.2%	1.5%	-2.1%	-3.7%	1.2%	5.8%	6.0%	5.5%	5.4%	7.5%	8.9%	8.3%	6.5%	0.5%	3.4%
<i>No-Fault States</i>																		
Colorado	\$2,249,177	-4.8%	-0.1%	-1.6%	-1.0%	-8.2%	-11.0%	-5.3%	4.3%	9.0%	8.8%	8.7%	10.0%	9.8%	6.9%	6.5%	2.9%	2.2%
Connecticut#	\$1,879,540	3.3%	3.5%	1.8%	-1.9%	-1.6%	-1.5%	-1.1%	5.9%	10.6%	NA	NA	NA	NA	NA	NA	NA	2.1%
Florida	\$7,560,595	-1.2%	0.1%	3.4%	5.5%	6.1%	6.5%	5.1%	8.3%	5.8%	6.4%	5.8%	10.0%	10.6%	9.4%	4.6%	-3.3%	5.2%
Georgia##	\$3,696,305	-4.2%	-1.1%	0.2%	2.1%	-0.2%	-0.4%	3.1%	NA	NA	NA	NA	NA	NA	NA	NA	NA	-0.1%
Hawaii	\$461,908	0.6%	7.7%	3.0%	-3.2%	-6.7%	-21.3%	-4.8%	9.4%	10.7%	9.1%	18.0%	24.2%	26.4%	21.9%	26.9%	16.8%	8.7%
Kansas	\$1,106,623	3.0%	5.8%	5.2%	5.1%	1.9%	2.0%	2.3%	0.8%	3.9%	8.0%	6.0%	7.8%	7.7%	5.1%	5.6%	3.7%	4.6%
Kentucky	\$1,643,099	-2.9%	-1.4%	-0.4%	-6.2%	-8.5%	-11.0%	-4.2%	2.0%	-1.4%	-3.5%	2.1%	0.6%	3.3%	2.0%	6.4%	1.1%	-1.4%
Massachusetts	\$3,484,164	0.5%	-1.7%	0.3%	-0.5%	-1.0%	-2.5%	1.8%	11.0%	15.3%	15.6%	13.3%	7.6%	7.2%	6.1%	3.3%	5.9%	5.1%
Michigan	\$4,622,106	12.9%	8.0%	-4.9%	14.9%	6.5%	-1.4%	16.6%	27.0%	38.0%	15.8%	13.6%	11.7%	11.4%	10.7%	6.8%	3.9%	12.0%
Minnesota	\$2,298,168	1.1%	7.0%	11.1%	12.0%	0.9%	2.6%	4.2%	5.0%	6.4%	8.5%	10.3%	8.4%	8.7%	-3.2%	9.0%	2.7%	5.9%
New Jersey	\$4,802,941	14.0%	7.2%	4.2%	-3.5%	-3.1%	-6.1%	-9.0%	-8.5%	-6.2%	-3.4%	7.7%	8.0%	9.2%	14.0%	11.5%	8.3%	2.8%
New York	\$8,181,082	12.0%	9.5%	10.5%	9.4%	3.5%	0.0%	-1.1%	1.5%	1.2%	6.8%	11.4%	14.8%	14.4%	11.2%	7.2%	-1.2%	6.9%
North Dakota	\$241,829	2.9%	6.6%	5.7%	8.2%	9.7%	4.7%	7.1%	6.3%	6.4%	1.5%	-3.9%	-2.3%	-4.2%	11.6%	6.0%	-5.2%	3.8%
Pennsylvania	\$5,337,493	2.7%	-0.2%	-3.1%	-3.1%	-6.7%	4.0%	7.0%	9.4%	9.5%	11.4%	10.3%	9.6%	11.2%	13.1%	5.3%	4.7%	5.3%
Utah	\$828,109	-1.7%	-0.9%	0.2%	1.1%	-3.1%	-4.5%	-0.5%	2.6%	4.1%	4.8%	7.1%	7.0%	10.9%	9.5%	9.9%	2.4%	3.1%
Total/Wtd. Avg.**	\$42,817,294	4.4%	3.5%	2.6%	3.7%	0.3%	-0.5%	2.2%	6.3%	8.0%	7.6%	9.5%	10.2%	10.7%	9.5%	6.9%	2.2%	5.4%

* Percent of Direct Premiums Earned

** Includes CT and GA Premium only for No-Fault years.

#Connecticut became a tort state January 1, 1994

##Georgia became a tort state October 1, 1991

Source: Report on Profitability By Line By State, NAIC, 1994-2000

Profitability of Private Passenger Automobile Insurance - All Coverages

State	2000 Direct Premiums Earned (000's)	Total Profit*																
		1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	Average
<i>Tort States</i>																		
Alabama	\$1,726,969	0.4%	-1.5%	0.6%	0.5%	-2.3%	-1.3%	0.3%	5.5%	3.7%	2.7%	4.1%	5.5%	5.9%	7.7%	8.9%	4.8%	2.8%
Alaska	\$254,908	-6.6%	5.5%	8.3%	8.2%	5.2%	-3.6%	-3.7%	7.5%	1.5%	5.3%	5.6%	15.7%	14.4%	-5.3%	6.0%	-0.4%	4.0%
Arizona	\$2,306,141	-9.8%	-6.9%	-2.0%	-1.6%	-1.7%	-3.6%	3.7%	5.6%	7.6%	9.1%	3.7%	7.3%	10.7%	11.8%	7.6%	3.3%	2.8%
California	\$13,520,924	-2.0%	-1.1%	-3.8%	-1.4%	3.6%	2.5%	9.7%	13.4%	13.2%	12.5%	13.0%	14.5%	15.4%	11.1%	8.5%	0.3%	6.8%
Connecticut#	\$1,879,540	NA	NA	NA	NA	NA	NA	NA	NA	NA	11.9%	10.2%	15.9%	17.7%	18.0%	15.6%	10.0%	14.2%
Georgia##	\$3,696,305	NA	NA	NA	NA	NA	NA	NA	2.4%	0.2%	-4.8%	4.3%	6.1%	7.4%	6.9%	6.7%	4.9%	3.8%
Idaho	\$453,846	-8.1%	-0.8%	6.6%	5.2%	5.4%	-2.4%	1.2%	4.8%	5.8%	4.7%	7.8%	10.2%	10.0%	6.5%	8.4%	2.4%	4.2%
Illinois	\$4,652,841	3.1%	7.9%	10.6%	8.2%	5.2%	4.6%	4.2%	5.1%	4.5%	4.5%	8.0%	7.8%	11.6%	9.3%	8.5%	1.4%	6.5%
Indiana	\$2,353,562	-3.1%	-0.5%	-2.1%	2.9%	-5.2%	-0.9%	0.5%	6.0%	6.6%	5.3%	6.1%	3.5%	8.4%	8.1%	5.8%	1.2%	2.7%
Iowa	\$1,029,421	4.3%	6.3%	7.1%	-1.7%	-2.5%	-2.4%	3.3%	6.6%	6.9%	6.1%	7.7%	5.1%	6.5%	3.9%	6.7%	2.8%	4.2%
Louisiana	\$2,134,692	-5.5%	-2.7%	-3.0%	3.6%	-2.7%	-5.0%	-0.4%	5.8%	8.6%	10.4%	2.1%	4.1%	6.0%	5.8%	4.8%	-9.8%	1.4%
Maine	\$469,887	0.8%	1.9%	-2.0%	-0.6%	-0.4%	5.0%	9.7%	13.7%	8.7%	8.8%	8.8%	9.9%	7.4%	7.8%	10.2%	7.6%	6.1%
Mississippi	\$972,829	-5.6%	-5.5%	-7.0%	-1.5%	-1.4%	-2.1%	0.8%	8.3%	6.9%	6.1%	4.4%	3.5%	6.3%	2.7%	4.3%	1.3%	1.3%
Missouri	\$2,274,442	-1.4%	4.1%	5.7%	2.8%	0.4%	-1.7%	1.9%	5.0%	6.2%	7.0%	6.8%	9.3%	9.6%	8.3%	6.6%	4.5%	4.7%
Montana	\$333,134	-8.6%	-3.0%	5.3%	8.9%	9.5%	4.8%	5.0%	1.2%	-2.0%	2.4%	6.0%	6.6%	3.5%	3.1%	3.6%	-3.2%	2.7%
Nebraska	\$675,005	1.9%	4.8%	2.9%	0.1%	-0.4%	-1.3%	-2.3%	5.0%	7.4%	6.5%	2.0%	-3.9%	8.5%	8.5%	5.2%	3.9%	3.1%
Nevada	\$1,022,199	-3.9%	-3.2%	-7.0%	-1.2%	-5.4%	-12.7%	-8.8%	-2.5%	-4.9%	-2.0%	2.8%	5.9%	5.1%	6.7%	4.1%	4.0%	-1.4%
New Hampshire	\$538,009	-0.7%	-3.6%	-6.3%	-6.5%	-9.0%	-4.8%	2.9%	12.9%	14.2%	10.4%	11.3%	10.6%	12.0%	16.4%	12.4%	7.3%	5.0%
New Mexico	\$736,406	-5.1%	-3.7%	-9.1%	-7.9%	-14.6%	-10.5%	-3.8%	-1.8%	0.1%	2.8%	10.6%	9.6%	11.8%	12.6%	12.9%	7.0%	0.7%
North Carolina	\$3,250,796	-5.4%	-1.7%	-4.9%	-2.1%	1.0%	-3.3%	2.5%	5.5%	8.6%	4.3%	3.8%	-1.7%	6.1%	7.5%	4.5%	3.0%	1.7%
Ohio	\$4,369,192	-0.6%	1.4%	2.3%	2.9%	2.9%	2.0%	8.4%	8.9%	7.5%	4.3%	8.1%	8.6%	7.2%	10.1%	8.5%	5.3%	5.5%
Oklahoma	\$1,369,346	-4.7%	-2.4%	0.5%	-1.7%	-2.3%	-7.2%	-6.1%	-3.6%	1.9%	2.2%	6.4%	5.7%	9.2%	6.2%	-1.5%	2.4%	0.3%
Rhode Island	\$518,867	-1.1%	-5.4%	-4.3%	-5.6%	-11.6%	-5.9%	-12.1%	8.1%	17.6%	15.3%	18.8%	18.2%	13.1%	17.5%	11.5%	7.3%	5.1%
Tennessee	\$2,080,198	-2.2%	-1.2%	-1.4%	-3.4%	-0.7%	2.0%	3.8%	5.1%	6.2%	4.1%	1.4%	4.1%	6.7%	4.0%	6.1%	2.8%	2.3%
Vermont	\$241,658	0.8%	0.8%	-2.2%	-0.3%	-8.1%	-1.5%	-2.0%	1.5%	7.7%	4.6%	9.1%	10.1%	4.8%	11.0%	7.7%	5.6%	3.1%
West Virginia	\$820,310	-0.5%	1.4%	0.4%	-0.6%	-2.7%	-8.2%	-14.2%	-4.6%	-1.1%	3.5%	8.8%	7.7%	7.6%	2.2%	2.4%	-0.9%	0.1%
Wyoming	\$197,653	-5.5%	5.2%	2.7%	5.9%	5.2%	-4.5%	-3.0%	0.7%	0.6%	3.4%	6.8%	2.4%	8.4%	7.3%	5.9%	3.3%	2.8%
Total/Wtd. Avg.**	\$53,879,080	-2.2%	-0.1%	-0.5%	0.5%	0.7%	-0.4%	3.9%	7.1%	7.4%	6.7%	7.8%	8.5%	10.4%	9.1%	7.4%	2.4%	4.3%
Countrywide	\$120,220,874	0.8%	1.8%	1.1%	2.0%	0.0%	-1.1%	2.7%	6.6%	7.5%	6.8%	7.9%	8.9%	10.2%	9.1%	7.0%	1.9%	4.6%

* Percent of Direct Premiums Earned

** Includes CT and GA Premium only for Tort years.

#Connecticut became a tort state January 1, 1994

##Georgia became a tort state October 1, 1991

Source: Report on Profitability By Line By State, NAIC, 1994-2000

Profitability of Private Passenger Automobile Insurance - Liability Coverage*

State	2000 Direct Premiums Earned (000's)	Total Profit**																
		1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	Average
<i>Add-On States</i>																		
Arkansas	\$589,576	0.4%	1.8%	1.8%	2.0%	-2.9%	-7.6%	0.2%	3.4%	3.9%	3.0%	3.9%	8.9%	5.7%	6.0%	7.6%	0.5%	2.4%
Delaware	\$285,912	-14.2%	-13.4%	-11.3%	-11.7%	-12.4%	-7.8%	-2.8%	5.5%	9.5%	10.1%	3.2%	7.8%	3.0%	7.1%	10.3%	1.2%	-1.0%
D.C.	\$107,562	-4.3%	-4.9%	3.2%	6.0%	-2.5%	0.7%	0.7%	11.5%	5.2%	6.8%	5.6%	13.1%	15.1%	17.6%	14.1%	8.2%	6.0%
Maryland	\$1,495,108	-4.9%	0.7%	0.4%	6.9%	4.3%	4.7%	9.3%	14.7%	12.8%	12.6%	12.1%	13.5%	12.4%	14.1%	11.9%	3.8%	8.1%
Oregon	\$893,569	-4.7%	0.8%	4.6%	4.5%	3.1%	7.2%	12.4%	11.7%	13.1%	10.1%	6.0%	8.7%	9.5%	8.4%	10.6%	2.9%	6.8%
South Carolina	\$959,915	-6.9%	-5.1%	-4.0%	-4.6%	-15.5%	-17.9%	-12.7%	2.2%	0.6%	-3.2%	-3.4%	-1.9%	-5.0%	-4.1%	-0.5%	-2.2%	-5.3%
South Dakota	\$144,556	2.7%	4.7%	3.6%	2.9%	-0.1%	-9.3%	-5.5%	-8.7%	-0.2%	6.4%	10.2%	19.1%	13.0%	10.3%	4.9%	3.2%	3.2%
Texas	\$4,871,956	2.1%	3.2%	-0.9%	-1.8%	-4.8%	-8.5%	-3.3%	1.5%	1.0%	2.7%	7.7%	15.3%	16.5%	12.4%	7.6%	1.3%	3.3%
Virginia	\$1,715,626	1.9%	2.9%	3.6%	5.3%	3.6%	4.2%	6.8%	9.5%	10.1%	7.6%	12.5%	11.7%	12.9%	14.4%	12.3%	8.5%	8.0%
Washington	\$1,636,172	-2.3%	0.3%	4.3%	1.8%	-2.2%	-2.9%	1.7%	4.6%	8.7%	8.4%	9.3%	9.9%	10.8%	9.6%	8.7%	2.0%	4.5%
Wisconsin	\$1,014,992	2.0%	8.7%	8.1%	7.4%	2.7%	0.9%	7.3%	10.4%	10.1%	7.2%	9.0%	12.1%	16.6%	17.4%	12.6%	8.3%	8.8%
Total/Wtd. Avg.	\$13,714,944	-0.8%	1.8%	1.2%	1.4%	-2.1%	-3.6%	1.3%	5.8%	6.1%	5.6%	7.9%	11.6%	12.2%	11.1%	8.9%	3.0%	4.5%
<i>No-Fault States</i>																		
Colorado	\$1,292,020	-4.8%	-0.1%	-1.6%	-1.0%	-8.2%	-11.0%	-5.3%	4.3%	9.0%	8.8%	8.3%	11.7%	14.2%	7.5%	4.0%	-0.9%	2.2%
Connecticut#	\$1,185,357	3.3%	3.5%	1.8%	-1.9%	-1.6%	-1.5%	-1.1%	5.9%	10.6%	NA	NA	NA	NA	NA	NA	NA	2.1%
Florida	\$4,950,848	-1.2%	0.1%	3.4%	5.5%	6.1%	6.5%	5.1%	8.3%	5.8%	6.4%	7.8%	12.4%	12.7%	10.7%	4.5%	-5.3%	5.5%
Georgia##	\$1,836,591	-4.2%	-1.1%	0.2%	2.1%	-0.2%	-0.4%	3.1%	NA	NA	NA	NA	NA	NA	NA	NA	NA	-0.1%
Hawaii	\$329,352	0.6%	7.7%	3.0%	-3.2%	-6.7%	-21.3%	-4.8%	9.4%	10.7%	9.1%	17.5%	26.2%	30.4%	24.7%	32.7%	21.1%	9.8%
Kansas	\$536,725	3.0%	5.8%	5.2%	5.1%	1.9%	2.0%	2.3%	0.8%	3.9%	8.0%	10.8%	10.2%	10.1%	8.5%	6.0%	1.2%	5.3%
Kentucky	\$1,038,282	-2.9%	-1.4%	-0.4%	-6.2%	-8.5%	-11.0%	-4.2%	2.0%	-1.4%	-3.5%	0.6%	2.0%	3.5%	5.2%	5.4%	0.7%	-1.3%
Massachusetts	\$2,174,485	0.5%	-1.7%	0.3%	-0.5%	-1.0%	-2.5%	1.8%	11.0%	15.3%	15.6%	17.7%	13.2%	12.7%	14.0%	6.9%	10.1%	7.1%
Michigan	\$1,865,529	12.9%	8.0%	-4.9%	14.9%	6.5%	-1.4%	16.6%	27.0%	38.0%	15.8%	25.0%	25.6%	24.6%	16.3%	8.5%	10.1%	15.2%
Minnesota	\$1,356,853	1.1%	7.0%	11.1%	12.0%	0.9%	2.6%	4.2%	5.0%	6.4%	8.5%	13.6%	14.7%	15.9%	16.4%	14.2%	8.8%	8.9%
New Jersey	\$2,904,763	14.0%	7.2%	4.2%	-3.5%	-3.1%	-6.1%	-9.0%	-8.5%	-6.2%	-3.4%	0.5%	0.8%	2.2%	8.1%	6.0%	0.4%	0.2%
New York	\$5,369,354	12.0%	9.5%	10.5%	9.4%	3.5%	0.0%	-1.1%	1.5%	1.2%	6.8%	10.2%	15.6%	14.5%	9.4%	4.1%	-6.7%	6.3%
North Dakota	\$116,656	2.9%	6.6%	5.7%	8.2%	9.7%	4.7%	7.1%	6.3%	6.4%	1.5%	9.4%	6.8%	11.5%	15.3%	12.4%	13.7%	8.0%
Pennsylvania	\$3,215,327	2.7%	-0.2%	-3.1%	-3.1%	-6.7%	4.0%	7.0%	9.4%	9.5%	11.4%	12.0%	13.1%	13.2%	14.2%	4.1%	6.1%	5.8%
Utah	\$470,649	-1.7%	-0.9%	0.2%	1.1%	-3.1%	-4.5%	-0.5%	2.6%	4.1%	4.8%	7.0%	9.0%	15.7%	12.1%	11.4%	0.9%	3.6%
Total/Wtd. Avg.***	\$25,620,843	4.3%	3.5%	3.0%	3.4%	0.2%	-0.4%	1.7%	5.7%	7.0%	7.3%	10.3%	12.6%	12.9%	11.4%	6.1%	0.8%	5.6%

* Liability coverages include bodily injury liability, property damage liability, uninsured motorist, underinsured motorist, medical payments, personal injury protection and other coverages as defined by individual state regulatory authorities.

** Percent of Direct Premiums Earned

*** Includes CT and GA Premium only for No-Fault years.

#Connecticut became a tort state January 1, 1994

##Georgia became a tort state October 1, 1991

Source: Report on Profitability By Line By State, NAIC, 1994-2000

Profitability of Private Passenger Automobile Insurance - Liability Coverage*

State	2000 Direct Premiums Earned (000's)	Total Profit**																	
		1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	Average	
<i>Tort States</i>																			
Alabama	\$896,305	0.4%	-1.5%	0.6%	0.5%	-2.3%	-1.3%	0.3%	5.5%	3.7%	2.7%	5.0%	7.5%	8.4%	10.9%	9.5%	4.9%	3.4%	
Alaska	\$150,068	-6.6%	5.5%	8.3%	8.2%	5.2%	-3.6%	-3.7%	7.5%	1.5%	5.3%	0.1%	16.3%	15.3%	-17.6%	2.9%	-6.4%	2.4%	
Arizona	\$1,312,168	-9.8%	-6.9%	-2.0%	-1.6%	-1.7%	-3.6%	3.7%	5.6%	7.6%	9.1%	6.7%	9.4%	14.5%	15.5%	11.4%	6.7%	4.0%	
California	\$7,988,019	-2.0%	-1.1%	-3.8%	-1.4%	3.6%	2.5%	9.7%	13.4%	13.2%	12.5%	16.8%	18.2%	19.9%	14.8%	10.4%	1.4%	8.0%	
Connecticut#	\$1,185,357	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	11.9%	10.4%	18.2%	20.0%	19.3%	17.0%	11.6%	15.5%
Georgia##	\$1,836,591	NA	NA	NA	NA	NA	NA	NA	2.4%	0.2%	-4.8%	-3.3%	1.2%	4.9%	3.7%	2.9%	0.1%	0.8%	
Idaho	\$254,491	-8.1%	-0.8%	6.6%	5.2%	5.4%	-2.4%	1.2%	4.8%	5.8%	4.7%	6.5%	12.3%	13.0%	6.0%	8.2%	-0.8%	4.2%	
Illinois	\$2,487,860	3.1%	7.9%	10.6%	8.2%	5.2%	4.6%	4.2%	5.1%	4.5%	4.5%	7.5%	11.7%	15.3%	12.3%	12.0%	5.8%	7.7%	
Indiana	\$1,322,577	-3.1%	-0.5%	-2.1%	2.9%	-5.2%	-0.9%	0.5%	6.0%	6.6%	5.3%	6.1%	9.1%	10.8%	8.8%	8.6%	4.7%	3.6%	
Iowa	\$547,635	4.3%	6.3%	7.1%	-1.7%	-2.5%	-2.4%	3.3%	6.6%	6.9%	6.1%	7.4%	10.4%	11.6%	9.2%	8.5%	7.3%	5.5%	
Louisiana	\$1,236,156	-5.5%	-2.7%	-3.0%	3.6%	-2.7%	-5.0%	-0.4%	5.8%	8.6%	10.4%	8.1%	5.9%	8.2%	8.4%	4.0%	-7.1%	2.3%	
Maine	\$264,892	0.8%	1.9%	-2.0%	-0.6%	-0.4%	5.0%	9.7%	13.7%	8.7%	8.8%	8.4%	13.4%	12.5%	13.5%	12.7%	9.0%	7.2%	
Mississippi	\$479,754	-5.6%	-5.5%	-7.0%	-1.5%	-1.4%	-2.1%	0.8%	8.3%	6.9%	6.1%	6.7%	7.6%	8.6%	4.5%	2.8%	-2.2%	1.7%	
Missouri	\$1,234,561	-1.4%	4.1%	5.7%	2.8%	0.4%	-1.7%	1.9%	5.0%	6.2%	7.0%	10.2%	12.9%	12.5%	10.9%	7.1%	4.2%	5.5%	
Montana	\$179,907	-8.6%	-3.0%	5.3%	8.9%	9.5%	4.8%	5.0%	1.2%	-2.0%	2.4%	4.5%	7.6%	4.1%	1.9%	4.8%	-6.7%	2.5%	
Nebraska	\$350,587	1.9%	4.8%	2.9%	0.1%	-0.4%	-1.3%	-2.3%	5.0%	7.4%	6.5%	3.5%	3.9%	9.8%	10.6%	8.1%	4.3%	4.0%	
Nevada	\$657,312	-3.9%	-3.2%	-7.0%	-1.2%	-5.4%	-12.7%	-8.8%	-2.5%	-4.9%	-2.0%	-0.1%	5.4%	5.7%	8.0%	3.7%	3.9%	-1.6%	
New Hampshire	\$297,731	-0.7%	-3.6%	-6.3%	-6.5%	-9.0%	-4.8%	2.9%	12.9%	14.2%	10.4%	10.1%	12.8%	15.0%	20.4%	14.2%	8.4%	5.6%	
New Mexico	\$434,618	-5.1%	-3.7%	-9.1%	-7.9%	-14.6%	-10.5%	-3.8%	-1.8%	0.1%	2.8%	8.8%	11.1%	14.6%	14.1%	12.8%	5.4%	0.8%	
North Carolina	\$1,769,891	-5.4%	-1.7%	-4.9%	-2.1%	1.0%	-3.3%	2.5%	5.5%	8.6%	4.3%	7.7%	7.8%	7.3%	9.2%	6.8%	1.3%	2.8%	
Ohio	\$2,552,524	-0.6%	1.4%	2.3%	2.9%	2.9%	2.0%	8.4%	8.9%	7.5%	4.3%	8.4%	11.1%	8.8%	11.3%	9.7%	8.8%	6.1%	
Oklahoma	\$766,638	-4.7%	-2.4%	0.5%	-1.7%	-2.3%	-7.2%	-6.1%	-3.6%	1.9%	2.2%	4.8%	8.1%	7.5%	4.9%	-1.0%	0.2%	0.1%	
Rhode Island	\$342,038	-1.1%	-5.4%	-4.3%	-5.6%	-11.6%	-5.9%	-12.1%	8.1%	17.6%	15.3%	17.3%	19.0%	12.0%	18.4%	9.9%	5.8%	4.8%	
Tennessee	\$1,089,742	-2.2%	-1.2%	-1.4%	-3.4%	-0.7%	2.0%	3.8%	5.1%	6.2%	4.1%	3.7%	6.6%	9.2%	8.7%	5.8%	1.9%	3.0%	
Vermont	\$124,943	0.8%	0.8%	-2.2%	-0.3%	-8.1%	-1.5%	-2.0%	1.5%	7.7%	4.6%	7.3%	12.3%	5.8%	11.7%	5.9%	5.6%	3.1%	
West Virginia	\$490,263	-0.5%	1.4%	0.4%	-0.6%	-2.7%	-8.2%	-14.2%	-4.6%	-1.1%	3.5%	8.0%	10.2%	7.3%	6.8%	0.9%	-3.5%	0.2%	
Wyoming	\$96,447	-5.5%	5.2%	2.7%	5.9%	5.2%	-4.5%	-3.0%	0.7%	0.6%	3.4%	0.5%	1.3%	7.1%	2.1%	2.0%	-0.8%	1.4%	
Total/Wtd. Avg.***	\$30,349,075	-2.2%	-0.1%	-0.6%	0.5%	0.6%	-0.4%	3.9%	7.2%	7.6%	6.9%	9.1%	11.7%	13.0%	11.4%	8.6%	3.1%	5.0%	
Countrywide	\$69,684,862	0.7%	1.7%	1.2%	1.9%	-0.1%	-1.1%	2.5%	6.4%	7.1%	6.8%	9.3%	12.0%	12.8%	11.3%	7.8%	2.2%	5.2%	

* Liability coverages include bodily injury liability, property damage liability, uninsured motorist, underinsured motorist, medical payments, personal injury protection and other coverages as defined by individual state regulatory authorities.

** Percent of Direct Premiums Earned

*** Includes CT and GA Premium only for Tort years.

#Connecticut became a tort state January 1, 1994

##Georgia became a tort state October 1, 1991

Source: Report on Profitability By Line By State, NAIC, 1994-2000

Profitability of Private Passenger Automobile Insurance - Physical Damage Coverage*

State	2000 Direct Premiums Earned (000's)	Total Profit*																
		1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	Average
<i>Add-On States</i>																		
Arkansas	\$476,737	0.4%	1.8%	1.8%	2.0%	-2.9%	-7.6%	0.2%	3.4%	3.9%	3.0%	2.9%	-8.9%	2.0%	7.1%	-2.8%	-0.1%	0.4%
Delaware	\$145,099	-14.2%	-13.4%	-11.3%	-11.7%	-12.4%	-7.8%	-2.8%	5.5%	9.5%	10.1%	12.4%	6.7%	8.2%	10.2%	7.6%	4.3%	0.1%
D.C.	\$87,193	-4.3%	-4.9%	3.2%	6.0%	-2.5%	0.7%	0.7%	11.5%	5.2%	6.8%	1.1%	3.2%	12.4%	16.9%	14.4%	9.6%	5.0%
Maryland	\$1,025,221	-4.9%	0.7%	0.4%	6.9%	4.3%	4.7%	9.3%	14.7%	12.8%	12.6%	6.1%	4.5%	8.3%	10.4%	6.0%	0.9%	6.1%
Oregon	\$585,556	-4.7%	0.8%	4.6%	4.5%	3.1%	7.2%	12.4%	11.7%	13.1%	10.1%	1.0%	1.0%	5.7%	7.4%	8.6%	6.6%	5.8%
South Carolina	\$713,892	-6.9%	-5.1%	-4.0%	-4.6%	-15.5%	-17.9%	-12.7%	2.2%	0.6%	-3.2%	-1.3%	-6.6%	0.1%	3.1%	-1.0%	-6.4%	-5.0%
South Dakota	\$132,178	2.7%	4.7%	3.6%	2.9%	-0.1%	-9.3%	-5.5%	-8.7%	-0.2%	-2.0%	6.7%	-5.1%	-3.8%	1.5%	5.3%	1.9%	-0.3%
Texas	\$3,570,414	2.1%	3.2%	-0.9%	-1.8%	-4.8%	-8.5%	-3.3%	1.5%	1.0%	2.7%	-5.8%	-1.3%	0.5%	-1.1%	1.3%	-7.9%	-1.4%
Virginia	\$1,182,910	1.9%	2.9%	3.6%	5.3%	3.6%	4.2%	6.8%	9.5%	10.1%	7.6%	2.7%	-1.3%	3.2%	4.9%	-2.6%	2.1%	4.0%
Washington	\$1,035,693	-2.3%	0.3%	4.3%	1.8%	-2.2%	-2.9%	1.7%	4.6%	8.7%	8.4%	4.6%	1.2%	1.1%	5.0%	7.7%	4.9%	2.9%
Wisconsin	\$854,663	2.0%	8.7%	8.1%	7.4%	2.7%	0.9%	7.3%	10.4%	10.1%	7.2%	5.4%	2.2%	4.1%	1.5%	6.8%	-12.2%	4.5%
Total/Wtd. Avg.	\$9,809,556	-0.6%	2.0%	1.3%	1.5%	-2.2%	-3.8%	1.1%	5.7%	5.9%	5.4%	0.2%	-0.6%	2.5%	3.3%	2.8%	-3.0%	1.4%
<i>No-Fault States</i>																		
Colorado	\$957,157	-4.8%	-0.1%	-1.6%	-1.0%	-8.2%	-11.0%	-5.3%	4.3%	9.0%	8.8%	9.4%	6.8%	2.6%	5.8%	9.9%	8.2%	2.0%
Connecticut#	\$694,183	3.3%	3.5%	1.8%	-1.9%	-1.6%	-1.5%	-1.1%	5.9%	10.6%	NA	NA	NA	NA	NA	NA	NA	2.1%
Florida	\$2,609,747	-1.2%	0.1%	3.4%	5.5%	6.1%	6.5%	5.1%	8.3%	5.8%	6.4%	0.9%	4.6%	6.1%	6.7%	4.8%	0.6%	4.4%
Georgia##	\$1,859,714	-4.2%	-1.1%	0.2%	2.1%	-0.2%	-0.4%	3.1%	NA	NA	NA	NA	NA	NA	NA	NA	NA	-0.1%
Hawaii	\$132,556	0.6%	7.7%	3.0%	-3.2%	-6.7%	-21.3%	-4.8%	9.4%	10.7%	9.1%	20.3%	18.5%	14.1%	14.0%	11.9%	5.9%	5.6%
Kansas	\$569,898	3.0%	5.8%	5.2%	5.1%	1.9%	2.0%	2.3%	0.8%	3.9%	8.0%	0.1%	4.9%	5.0%	1.5%	5.3%	6.0%	3.8%
Kentucky	\$604,817	-2.9%	-1.4%	-0.4%	-6.2%	-8.5%	-11.0%	-4.2%	2.0%	-1.4%	-3.5%	5.1%	-1.9%	2.9%	-3.8%	8.1%	1.7%	-1.6%
Massachusetts	\$1,309,679	0.5%	-1.7%	0.3%	-0.5%	-1.0%	-2.5%	1.8%	11.0%	15.3%	15.6%	0.8%	-6.4%	-6.0%	-10.7%	-2.8%	-0.9%	0.8%
Michigan	\$2,756,577	12.9%	8.0%	-4.9%	14.9%	6.5%	-1.4%	16.6%	27.0%	38.0%	15.8%	-0.4%	-3.8%	-0.4%	7.1%	5.5%	-0.2%	8.8%
Minnesota	\$941,315	1.1%	7.0%	11.1%	12.0%	0.9%	2.6%	4.2%	5.0%	6.4%	8.5%	3.4%	-4.3%	-4.7%	-37.0%	0.8%	-6.3%	0.7%
New Jersey	\$1,898,178	14.0%	7.2%	4.2%	-3.5%	-3.1%	-6.1%	-9.0%	-8.5%	-6.2%	-3.4%	21.5%	21.8%	22.5%	24.7%	20.9%	20.5%	7.3%
New York	\$2,811,728	12.0%	9.5%	10.5%	9.4%	3.5%	0.0%	-1.1%	1.5%	1.2%	6.8%	14.0%	13.2%	14.2%	14.6%	13.5%	9.4%	8.3%
North Dakota	\$125,173	2.9%	6.6%	5.7%	8.2%	9.7%	4.7%	7.1%	6.3%	6.4%	1.5%	-19.0%	-12.4%	-21.2%	7.6%	-0.3%	-22.8%	-0.6%
Pennsylvania	\$2,122,166	2.7%	-0.2%	-3.1%	-3.1%	-6.7%	4.0%	7.0%	9.4%	9.5%	11.4%	6.7%	2.6%	7.6%	11.3%	7.2%	2.6%	4.3%
Utah	\$357,460	-1.7%	-0.9%	0.2%	1.1%	-3.1%	-4.5%	-0.5%	2.6%	4.1%	4.8%	6.7%	3.7%	3.1%	5.6%	7.8%	4.6%	2.1%
Total/Wtd. Avg.	\$17,196,451	4.5%	3.6%	2.1%	4.1%	0.5%	-0.6%	3.0%	7.1%	9.4%	8.1%	6.7%	4.9%	6.3%	6.3%	8.1%	4.5%	4.9%

* Percent of Direct Premiums Earned

** Includes CT and GA Premium only for No-Fault years.

#Connecticut became a tort state January 1, 1994

##Georgia became a tort state October 1, 1991

Source: Report on Profitability By Line By State, NAIC, 1994-2000

Profitability of Private Passenger Automobile Insurance - Physical Damage Coverage*

State	2000 Direct Premiums Earned (000's)	Total Profit*																
		1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	Average
Tort States																		
Alabama	\$830,664	0.4%	-1.5%	0.6%	0.5%	-2.3%	-1.3%	0.3%	5.5%	3.7%	2.7%	3.0%	3.3%	3.0%	4.3%	8.4%	4.6%	2.2%
Alaska	\$104,840	-6.6%	5.5%	8.3%	8.2%	5.2%	-3.6%	-3.7%	7.5%	1.5%	5.3%	14.2%	14.6%	13.1%	13.5%	10.3%	7.9%	6.3%
Arizona	\$993,973	-9.8%	-6.9%	-2.0%	-1.6%	-1.7%	-3.6%	3.7%	5.6%	7.6%	9.1%	-2.4%	2.9%	4.4%	6.3%	2.2%	-1.1%	0.8%
California	\$5,532,905	-2.0%	-1.1%	-3.8%	-1.4%	3.6%	2.5%	9.7%	13.4%	13.2%	12.5%	6.9%	7.9%	7.2%	4.8%	5.4%	-1.3%	4.8%
Connecticut#	\$694,183	NA	NA	NA	NA	NA	NA	NA	NA	NA	11.9%	9.9%	10.9%	13.3%	16.0%	13.1%	7.4%	11.8%
Georgia##	\$1,859,714	NA	NA	NA	NA	NA	NA	NA	2.4%	0.2%	-4.8%	13.0%	11.6%	10.3%	10.1%	10.7%	9.5%	7.0%
Idaho	\$199,355	-8.1%	-0.8%	6.6%	5.2%	5.4%	-2.4%	1.2%	4.8%	5.8%	4.7%	9.7%	7.2%	5.7%	7.2%	8.6%	6.4%	4.2%
Illinois	\$2,164,981	3.1%	7.9%	10.6%	8.2%	5.2%	4.6%	4.2%	5.1%	4.5%	4.5%	8.2%	2.7%	7.0%	5.4%	4.2%	-3.8%	5.1%
Indiana	\$1,030,985	-3.1%	-0.5%	-2.1%	2.9%	-5.2%	-0.9%	0.5%	6.0%	6.6%	5.3%	5.8%	-5.3%	4.7%	7.1%	2.1%	-3.1%	1.3%
Iowa	\$481,786	4.3%	6.3%	7.1%	-1.7%	-2.5%	-2.4%	3.3%	6.6%	6.9%	6.1%	8.1%	-1.9%	-0.2%	-2.9%	4.6%	-2.3%	2.5%
Louisiana	\$898,536	-5.5%	-2.7%	-3.0%	3.6%	-2.7%	-5.0%	-0.4%	5.8%	8.6%	10.4%	-11.7%	0.2%	1.6%	1.3%	6.0%	-13.4%	-0.4%
Maine	\$204,995	0.8%	1.9%	-2.0%	-0.6%	-0.4%	5.0%	9.7%	13.7%	8.7%	8.8%	9.5%	4.2%	-0.3%	-0.4%	6.7%	5.9%	4.5%
Mississippi	\$493,075	-5.6%	-5.5%	-7.0%	-1.5%	-1.4%	-2.1%	0.8%	8.3%	6.9%	6.1%	1.9%	-1.4%	3.8%	0.7%	5.7%	4.7%	0.9%
Missouri	\$1,039,881	-1.4%	4.1%	5.7%	2.8%	0.4%	-1.7%	1.9%	5.0%	6.2%	7.0%	2.1%	3.7%	5.8%	5.0%	6.1%	4.9%	3.6%
Montana	\$153,227	-8.6%	-3.0%	5.3%	8.9%	9.5%	4.8%	5.0%	1.2%	-2.0%	2.4%	8.0%	5.4%	2.7%	4.5%	1.9%	0.9%	2.9%
Nebraska	\$324,418	1.9%	4.8%	2.9%	0.1%	-0.4%	-1.3%	-2.3%	5.0%	7.4%	6.5%	0.2%	-13.5%	6.9%	6.0%	1.8%	3.5%	1.8%
Nevada	\$364,887	-3.9%	-3.2%	-7.0%	-1.2%	-5.4%	-12.7%	-8.8%	-2.5%	-4.9%	-2.0%	9.6%	7.2%	3.9%	3.9%	4.9%	4.3%	-1.1%
New Hampshire	\$240,278	-0.7%	-3.6%	-6.3%	-6.5%	-9.0%	-4.8%	2.9%	12.9%	14.2%	10.4%	12.8%	7.2%	7.9%	10.8%	9.8%	5.9%	4.0%
New Mexico	\$301,788	-5.1%	-3.7%	-9.1%	-7.9%	-14.6%	-10.5%	-3.8%	-1.8%	0.1%	2.8%	13.9%	7.3%	7.2%	10.1%	13.2%	9.3%	0.5%
North Carolina	\$1,480,905	-5.4%	-1.7%	-4.9%	-2.1%	1.0%	-3.3%	2.5%	5.5%	8.6%	4.3%	-4.5%	-21.5%	4.4%	4.9%	1.4%	4.9%	-0.4%
Ohio	\$1,816,668	-0.6%	1.4%	2.3%	2.9%	2.9%	2.0%	8.4%	8.9%	7.5%	4.3%	7.4%	4.5%	4.6%	8.5%	6.9%	0.3%	4.5%
Oklahoma	\$602,708	-4.7%	-2.4%	0.5%	-1.7%	-2.3%	-7.2%	-6.1%	-3.6%	1.9%	2.2%	8.6%	2.0%	11.8%	8.1%	-2.1%	5.1%	0.6%
Rhode Island	\$176,829	-1.1%	-5.4%	-4.3%	-5.6%	-11.6%	-5.9%	-12.1%	8.1%	17.6%	15.3%	22.3%	16.1%	15.9%	15.2%	15.0%	10.1%	5.6%
Tennessee	\$990,456	-2.2%	-1.2%	-1.4%	-3.4%	-0.7%	2.0%	3.8%	5.1%	6.2%	4.1%	-1.5%	0.9%	3.5%	-1.6%	6.5%	3.9%	1.5%
Vermont	\$116,715	0.8%	0.8%	-2.2%	-0.3%	-8.1%	-1.5%	-2.0%	1.5%	7.7%	4.6%	11.8%	7.2%	3.4%	10.1%	9.6%	5.8%	3.1%
West Virginia	\$330,047	-0.5%	1.4%	0.4%	-0.6%	-2.7%	-8.2%	-14.2%	-4.6%	-1.1%	3.5%	10.1%	3.4%	8.0%	-5.6%	4.8%	2.9%	-0.2%
Wyoming	\$101,206	-5.5%	5.2%	2.7%	5.9%	5.2%	-4.5%	-3.0%	0.7%	0.6%	3.4%	13.5%	3.5%	9.7%	12.5%	9.7%	7.3%	4.2%
Total/Wtd. Avg.**	\$23,530,005	-2.1%	0.0%	-0.3%	0.6%	0.7%	-0.3%	3.8%	7.0%	7.3%	6.4%	5.4%	3.0%	6.3%	5.6%	5.7%	1.3%	3.1%
Countrywide	\$50,536,012	0.8%	1.8%	0.9%	2.1%	0.0%	-1.1%	3.0%	6.9%	8.0%	6.8%	4.8%	2.9%	5.6%	5.4%	6.0%	1.5%	3.5%

* Percent of Direct Premiums Earned
 ** Includes CT and GA Premium only for Tort years.
 #Connecticut became a tort state January 1, 1994
 ##Georgia became a tort state October 1, 1991

Source: Report on Profitability By Line By State, NAIC, 1994-2000

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Percentage Increase in Personal Injury Claimants Under No-Fault

<u>No-Fault State</u>	(1) <u>Tort System</u>	(2) <u>No-Fault System</u>	(3) = (2)/(1) - 1 Percent <u>Increase in Claimants</u>
New Jersey	2,037	2,660	30.6%
Massachusetts	312	440	41.0%
Georgia	328	476	45.1%
Connecticut	301	451	49.8%
Florida	714	1,115	56.2%
New York	929	1,632	75.7%
Kansas	139	245	76.3%
Colorado	220	369	67.7%
Kentucky	141	219	55.3%
Minnesota	162	308	90.1%
Hawaii	65	110	69.2%
Utah	37	88	137.8%
North Dakota	22	40	81.8%
<u>Michigan</u>	<u>501</u>	<u>963</u>	<u>92.2%</u>
Total	5,908	9,116	54.3%

Source: AIRAC, Compensation For Automobile Injuries In The United States, March 1989, p. 150.

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Changes in Liability Average Premium 1989 - 1999

State#	Type of Liability Law#	(1) Written Exposures 1999	Liability Average Premium - Total Limits										(3) 1999	(4) (5) Percent Change 1989 to 1999	
			1989	1990	1991	1992	1993	1994	1995	1996	1997	1998		Total	Annual
<u>Add-On States</u>															
Arkansas	Add-on	1,703,334	\$203.53	\$216.72	\$228.67	\$246.90	\$266.44	\$299.38	\$297.98	\$331.12	\$326.03	\$329.12	\$331.74	63.0%	5.0%
Delaware	Add-on	483,246	\$378.71	\$456.18	\$505.55	\$529.13	\$530.28	\$556.34	\$564.70	\$568.57	\$575.79	\$579.51	\$584.76	54.4%	4.4%
D. C.	Add-on	192,995	\$465.93	\$482.74	\$504.85	\$517.80	\$518.07	\$545.84	\$548.41	\$576.46	\$597.84	\$569.37	\$557.50	19.7%	1.8%
Maryland	Add-on	3,245,391	\$429.18	\$442.16	\$459.23	\$471.90	\$484.06	\$478.89	\$476.06	\$478.22	\$480.98	\$469.65	\$457.47	6.6%	0.6%
Oregon	Add-on	2,256,741	\$295.33	\$328.38	\$352.89	\$358.85	\$383.88	\$380.91	\$373.27	\$382.37	\$395.02	\$390.61	\$382.09	29.4%	2.6%
South Carolina	Add-on	2,707,259	\$311.49	\$302.28	\$327.82	\$364.75	\$390.99	\$401.83	\$395.84	\$396.06	\$401.11	\$397.97	\$341.73	9.7%	0.9%
South Dakota	Add-on	530,852	\$140.77	\$148.46	\$165.26	\$183.64	\$206.28	\$231.17	\$251.11	\$261.01	\$270.39	\$266.53	\$259.41	84.3%	6.3%
Texas	Add-on	8,654,363	\$292.92	\$348.94	\$389.53	\$420.48	\$448.36	\$494.95	\$490.31	\$504.88	\$506.76	\$467.56	\$413.73	41.2%	3.5%
Virginia	Add-on	4,813,454	\$276.57	\$296.21	\$331.10	\$335.25	\$343.63	\$346.86	\$371.57	\$358.32	\$358.96	\$348.52	\$341.70	23.5%	2.1%
Washington	Add-on	3,263,739	\$316.86	\$333.13	\$369.52	\$400.03	\$446.19	\$459.92	\$453.01	\$455.97	\$467.59	\$460.36	\$445.63	40.6%	3.5%
Wisconsin	Add-on	3,369,598	\$225.83	\$242.58	\$273.27	\$292.00	\$300.49	\$297.03	\$301.57	\$315.65	\$318.53	\$314.84	\$303.27	34.3%	3.0%
Weighted Avg.		31,220,972	\$296.54	\$323.70	\$355.05	\$376.18	\$397.76	\$415.22	\$416.55	\$423.49	\$427.40	\$411.98	\$386.49	30.3%	2.7%
<u>No-Fault States</u>															
Colorado	No-Fault	2,809,614	\$317.43	\$333.04	\$372.09	\$422.27	\$458.62	\$475.52	\$472.89	\$481.50	\$487.57	\$456.37	\$434.87	37.0%	3.2%
Florida	No-Fault	8,199,846	\$420.61	\$441.07	\$470.47	\$486.72	\$500.25	\$440.73	\$490.50	\$512.23	\$508.30	\$483.86	\$465.43	10.7%	1.0%
Hawaii	No-Fault	671,755	\$467.87	\$532.74	\$653.61	\$752.72	\$743.74	\$740.97	\$736.78	\$726.32	\$695.95	\$585.01	\$538.53	15.1%	1.4%
Kansas	No-Fault	1,928,241	\$179.90	\$185.67	\$198.17	\$211.85	\$231.11	\$252.96	\$261.68	\$271.31	\$275.04	\$271.06	\$269.06	49.6%	4.1%
Kentucky	No-Fault	2,636,233	\$219.63	\$246.70	\$275.27	\$307.98	\$330.98	\$345.25	\$364.11	\$381.18	\$390.96	\$401.18	\$391.77	78.4%	6.0%
Massachusetts	No-Fault	3,810,626	\$426.77	\$494.95	\$540.26	\$602.61	\$657.35	\$720.96	\$639.87	\$588.22	\$563.33	\$541.25	\$553.98	29.8%	2.6%
Michigan	No-Fault	6,133,526	\$251.73	\$264.97	\$316.36	\$359.43	\$375.93	\$358.44	\$343.22	\$348.49	\$326.76	\$312.06	\$285.66	13.5%	1.3%
Minnesota	No-Fault	3,212,869	\$294.95	\$313.09	\$342.78	\$367.99	\$394.10	\$421.65	\$426.33	\$437.10	\$438.01	\$427.29	\$418.75	42.0%	3.6%
New Jersey	No-Fault	4,610,389	\$649.73	\$706.56	\$583.32	\$649.60	\$650.86	\$639.52	\$662.04	\$726.86	\$738.08	\$730.47	\$642.31	-1.1%	-0.1%
New York	No-Fault	8,645,650	\$387.42	\$419.25	\$459.17	\$507.39	\$544.58	\$578.22	\$607.44	\$654.73	\$645.48	\$640.09	\$623.93	61.0%	4.9%
North Dakota	No-Fault	452,545	\$150.45	\$160.41	\$176.59	\$170.87	\$188.00	\$198.40	\$204.49	\$214.13	\$228.36	\$230.74	\$234.89	56.1%	4.6%
Pennsylvania	No-Fault	7,698,435	\$438.89	\$432.72	\$413.05	\$433.06	\$433.93	\$447.02	\$444.29	\$443.57	\$455.95	\$446.32	\$421.11	-4.1%	-0.4%
Utah	No-Fault	1,277,263	\$217.89	\$234.34	\$256.40	\$282.20	\$325.53	\$346.98	\$351.73	\$370.31	\$377.36	\$367.70	\$355.01	62.9%	5.0%
Weighted Avg.		52,086,992	\$379.54	\$403.58	\$418.47	\$455.78	\$476.81	\$481.27	\$489.36	\$505.86	\$503.07	\$489.26	\$466.86	23.0%	2.1%
<u>Tort States</u>															
Alabama	Tort	2,506,782	\$203.37	\$218.16	\$239.93	\$252.82	\$263.31	\$279.11	\$296.24	\$313.61	\$331.08	\$334.55	\$316.71	55.7%	4.5%
Alaska	Tort	317,642	\$330.64	\$345.83	\$376.03	\$424.46	\$443.38	\$452.40	\$452.17	\$464.97	\$482.62	\$468.61	\$450.30	36.2%	3.1%
Arizona	Tort	2,773,231	\$393.06	\$415.58	\$443.72	\$468.79	\$492.53	\$506.79	\$489.87	\$514.62	\$513.41	\$495.61	\$463.95	18.0%	1.7%
California*	Tort	19,028,375	\$519.39	\$501.34	\$522.95	\$510.71	\$512.52	\$502.76	\$514.53	\$508.71	\$497.39	\$452.35	\$407.39	-21.6%	-2.4%
Connecticut#	Tort	2,261,751	\$473.31	\$522.10	\$569.26	\$614.73	\$665.25	\$600.93	\$603.11	\$605.23	\$604.09	\$585.83	\$525.66	11.1%	1.1%
Georgia#	Tort	5,372,381	\$324.93	\$337.89	\$341.73	\$299.15	\$305.12	\$309.34	\$315.98	\$332.82	\$348.17	\$348.23	\$337.03	3.7%	0.4%
Idaho	Tort	766,741	\$203.02	\$213.12	\$225.29	\$242.89	\$260.69	\$271.23	\$273.32	\$284.36	\$289.19	\$288.47	\$282.38	39.1%	3.4%
Illinois	Tort	6,901,160	\$272.18	\$286.30	\$303.25	\$295.55	\$318.44	\$336.27	\$353.51	\$363.09	\$374.97	\$365.97	\$352.77	29.6%	2.6%
Indiana	Tort	3,863,855	\$236.17	\$259.83	\$276.10	\$299.33	\$300.02	\$324.43	\$337.47	\$335.41	\$346.12	\$343.71	\$332.26	40.7%	3.5%
Iowa	Tort	2,212,880	\$167.39	\$178.83	\$196.09	\$212.04	\$225.46	\$241.43	\$247.98	\$255.55	\$259.92	\$256.52	\$254.41	52.0%	4.3%
Louisiana	Tort	2,338,265	\$375.19	\$402.17	\$453.51	\$495.39	\$525.76	\$535.88	\$547.55	\$543.62	\$548.72	\$520.94	\$479.68	27.8%	2.5%
Maine	Tort	882,590	\$237.00	\$271.87	\$283.66	\$283.00	\$291.91	\$291.49	\$289.23	\$286.04	\$284.19	\$291.53	\$299.61	26.4%	2.4%
Mississippi	Tort	1,369,506	\$237.92	\$254.38	\$272.31	\$295.02	\$309.27	\$314.76	\$322.17	\$333.14	\$347.17	\$337.65	\$333.66	40.2%	3.4%
Missouri	Tort	3,556,645	\$233.33	\$245.12	\$266.40	\$286.96	\$307.05	\$331.91	\$345.50	\$356.03	\$355.25	\$347.78	\$334.39	43.3%	3.7%
Montana	Tort	606,285	\$198.36	\$201.53	\$214.89	\$227.85	\$250.46	\$272.03	\$273.97	\$275.93	\$283.88	\$284.81	\$282.59	42.5%	3.6%
Nebraska	Tort	1,231,346	\$148.96	\$164.31	\$188.19	\$195.37	\$224.46	\$243.88	\$250.58	\$262.03	\$277.17	\$280.03	\$278.65	87.1%	6.5%
Nevada	Tort	1,062,309	\$393.56	\$397.92	\$416.14	\$452.71	\$495.96	\$514.62	\$530.51	\$555.60	\$586.83	\$569.48	\$541.96	37.7%	3.3%
New Hampshire	Tort	754,853	\$320.65	\$344.96	\$367.44	\$390.53	\$398.88	\$379.37	\$371.97	\$371.09	\$366.45	\$359.48	\$394.41	23.0%	2.1%
New Mexico	Tort	1,064,480	\$266.51	\$290.71	\$323.11	\$343.21	\$376.14	\$405.61	\$408.56	\$420.66	\$441.33	\$423.32	\$405.97	52.3%	4.3%
North Carolina	Tort	5,848,535	\$248.85	\$265.33	\$286.75	\$300.59	\$305.01	\$310.88	\$348.38	\$350.75	\$341.79	\$337.00	\$315.90	26.9%	2.4%
Ohio	Tort	7,398,346	\$255.37	\$270.65	\$289.35	\$304.46	\$302.14	\$317.89	\$327.21	\$341.11	\$349.20	\$349.86	\$341.59	33.8%	3.0%
Oklahoma	Tort	2,160,631	\$218.04	\$227.37	\$239.01	\$262.89	\$280.46	\$298.69	\$324.91	\$333.72	\$337.45	\$334.66	\$329.76	51.2%	4.2%
Rhode Island	Tort	615,947	\$407.83	\$443.61	\$509.56	\$550.24	\$605.83	\$611.59	\$619.18	\$615.83	\$602.69	\$583.40	\$561.51	37.7%	3.2%
Tennessee	Tort	3,438,856	\$215.93	\$233.23	\$247.35	\$257.95	\$273.84	\$287.67	\$293.65	\$313.04	\$325.01	\$319.53	\$311.89	44.4%	3.7%
Vermont	Tort	413,063	\$212.99	\$234.91	\$250.73	\$261.92	\$276.41	\$284.33	\$293.27	\$292.10	\$287.38	\$290.17	\$295.01	38.5%	3.3%
West Virginia	Tort	1,169,288	\$253.49	\$283.84	\$322.28	\$352.38	\$365.28	\$399.62	\$412.87	\$433.37	\$446.41	\$451.58	\$419.22	65.4%	5.2%
Wyoming	Tort	355,412	\$152.84	\$150.53	\$156.97	\$180.27	\$207.17	\$223.10	\$230.56	\$238.90	\$250.61	\$252.94	\$248.80	62.8%	5.0%
Weighted Avg.		80,271,155	\$329.62	\$338.91	\$359.82	\$365.97	\$377.88	\$384.33	\$396.11	\$402.40	\$405.08	\$389.99	\$367.90	11.6%	1.1%
Countrywide		163,579,119	\$339.20	\$356.60	\$377.59	\$396.52	\$413.18	\$421.09	\$429.70	\$439.37	\$440.54	\$425.80	\$402.96	18.8%	1.7%

Notes:

Liability premiums include bodily injury, property damage, medical payments, personal injury protection, Uninsured motorists bodily injury & property damage and underinsured motorist bodily injury & property damage. See technical notes to NAIC publication for more specific details.

(1) : Voluntary and involuntary business calendar year 1999 written exposures.

(4) = [(3)/(2)-1.0] x 100

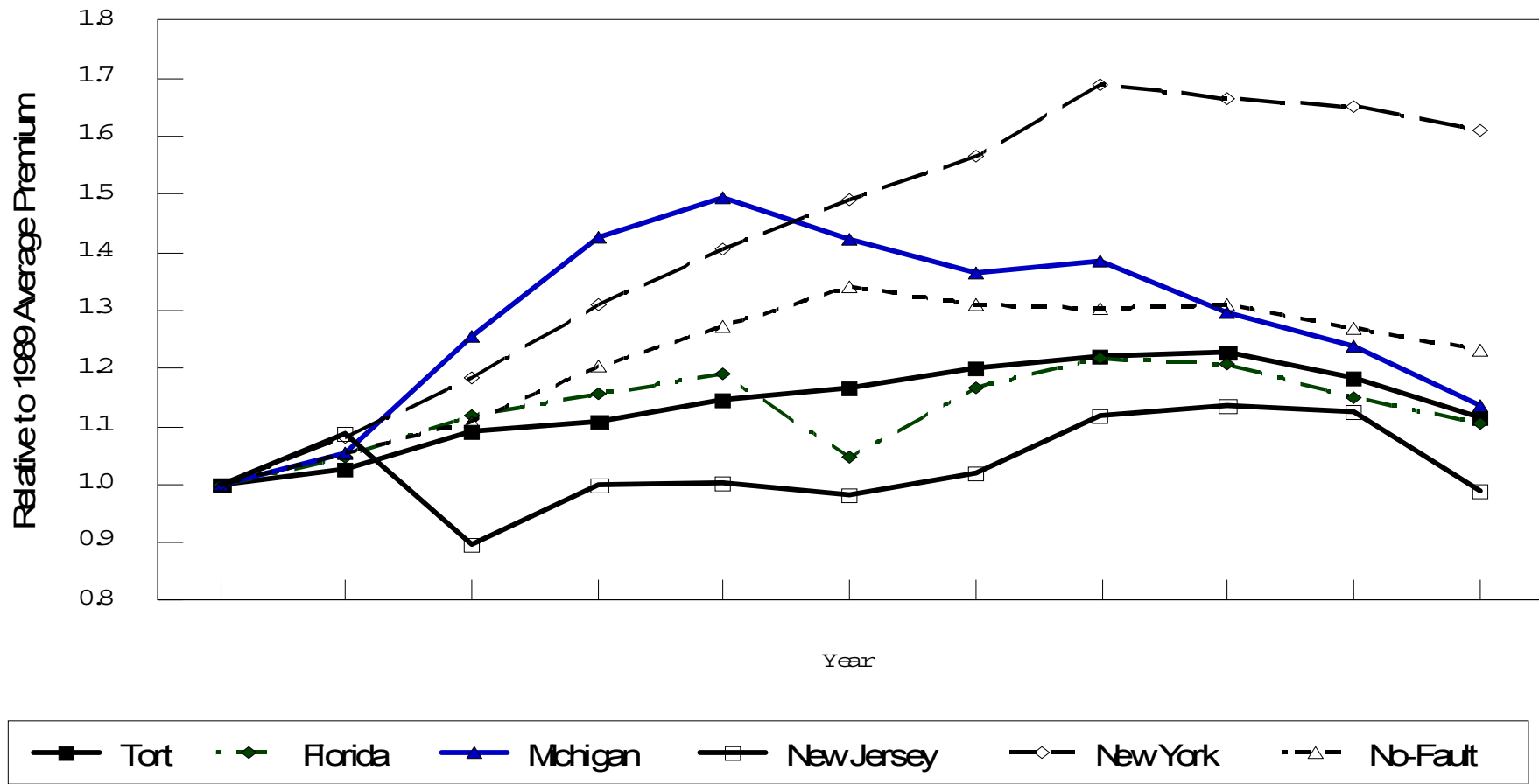
(5) = [1.0 + (4)]^(1/9)-1.0

* Preliminary 1999 exposures.

States are classified by the type of law in 1999, Connecticut repealed no-fault effective 1/1/94, Georgia's repeal was effective 10/1/91.

Source: National Association of Insurance Commissioners, "State Average Expenditures & Premiums for Personal Automobile Insurance", January 1995, 1996, 1997, 1998, 1999, April 2000 and May 2001.

Changes in Personal Auto Liability Premiums for Tort, Verbal Threshold and No-Fault States



Source: NAIC, "State Average Expenditures & Premiums for Personal Automobile Insurance", January 1995 to 1999, May 2001.

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Changes in Combined Average Premium 1989 - 1999

State	(1)	(2)		Combined Average Premium - Total Limits								(3)	(4)	(5)
	Written Exposures 1999	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	Total	Annual
<u>Add-on States</u>														
Arkansas	1,703,334	\$455.64	\$481.13	\$507.77	\$539.52	\$565.35	\$612.26	\$612.26	\$663.67	\$669.66	\$700.53	\$721.15	58.3%	4.7%
Delaware	483,246	\$645.62	\$732.37	\$783.59	\$814.95	\$813.00	\$843.82	\$850.24	\$873.66	\$892.20	\$907.41	\$936.79	45.1%	3.8%
D. C.	192,995	\$895.39	\$937.40	\$980.88	\$996.28	\$1,001.09	\$1,033.11	\$1,072.63	\$1,123.18	\$1,180.30	\$1,185.07	\$1,139.58	27.3%	2.4%
Maryland	3,245,391	\$696.51	\$726.77	\$744.88	\$756.98	\$761.57	\$766.13	\$789.79	\$817.89	\$835.37	\$836.04	\$830.33	19.2%	1.8%
Oregon	2,256,741	\$532.87	\$576.01	\$598.04	\$608.43	\$632.21	\$633.57	\$634.87	\$660.76	\$696.89	\$707.66	\$705.32	32.4%	2.8%
South Carolina	2,707,259	\$603.82	\$584.79	\$615.89	\$655.07	\$684.10	\$680.80	\$675.93	\$698.30	\$732.92	\$766.23	\$692.36	14.7%	1.4%
South Dakota	530,852	\$367.62	\$382.17	\$409.16	\$448.00	\$484.96	\$516.18	\$548.60	\$570.86	\$595.58	\$611.70	\$617.84	68.1%	5.3%
Texas	8,654,363	\$579.09	\$631.88	\$709.79	\$763.37	\$785.78	\$832.58	\$820.58	\$820.38	\$824.68	\$813.03	\$778.01	34.4%	3.0%
Virginia	4,813,454	\$499.25	\$525.95	\$559.45	\$561.66	\$564.07	\$570.62	\$603.11	\$608.87	\$628.51	\$630.12	\$634.92	27.2%	2.4%
Washington	3,263,739	\$553.06	\$577.56	\$627.71	\$667.50	\$711.57	\$727.27	\$716.86	\$732.72	\$762.79	\$781.66	\$784.56	41.9%	3.6%
Wisconsin	3,369,598	\$433.43	\$457.39	\$510.11	\$541.99	\$554.10	\$555.20	\$563.31	\$586.98	\$603.84	\$609.43	\$604.82	39.5%	3.4%
Weighted Avg.	31,220,972	\$552.00	\$583.75	\$630.59	\$661.77	\$681.01	\$700.81	\$705.30	\$720.94	\$738.94	\$744.49	\$729.57	32.2%	2.8%
<u>No-Fault States</u>														
Colorado	2,809,614	\$602.63	\$629.78	\$684.81	\$760.72	\$804.17	\$823.36	\$823.69	\$854.87	\$880.09	\$873.74	\$866.85	43.8%	3.7%
Florida	8,199,846	\$668.54	\$691.67	\$727.60	\$739.81	\$753.94	\$702.28	\$778.74	\$823.65	\$833.50	\$814.82	\$800.90	19.8%	1.8%
Hawaii	671,755	\$784.18	\$862.15	\$999.01	\$1,099.65	\$1,078.32	\$1,090.32	\$1,094.02	\$1,092.57	\$1,033.76	\$916.29	\$857.43	9.3%	0.9%
Kansas	1,928,241	\$422.07	\$434.96	\$459.62	\$491.36	\$526.96	\$561.74	\$582.43	\$606.29	\$631.85	\$653.45	\$671.34	59.1%	4.8%
Kentucky	2,636,233	\$476.13	\$512.11	\$543.37	\$583.80	\$616.22	\$639.17	\$672.05	\$697.99	\$716.44	\$736.01	\$731.22	53.6%	4.4%
Massachusetts	3,810,626	\$820.98	\$864.11	\$912.83	\$962.30	\$1,009.56	\$1,025.47	\$979.45	\$914.08	\$874.29	\$889.46	\$976.32	18.9%	1.7%
Michigan	6,133,526	\$635.08	\$669.06	\$716.78	\$780.51	\$788.26	\$797.44	\$796.00	\$834.64	\$855.30	\$867.59	\$837.36	31.9%	2.8%
Minnesota	3,212,869	\$508.13	\$537.20	\$584.92	\$625.38	\$656.87	\$680.23	\$690.67	\$713.33	\$730.94	\$741.55	\$752.57	48.1%	4.0%
New Jersey	4,610,389	\$1,074.38	\$1,164.52	\$968.14	\$1,119.90	\$1,094.56	\$1,106.21	\$1,169.21	\$1,259.42	\$1,292.76	\$1,305.70	\$1,200.40	11.7%	1.1%
New York	8,645,650	\$798.74	\$847.38	\$908.47	\$949.86	\$985.07	\$1,029.09	\$1,063.30	\$1,113.21	\$1,118.19	\$1,112.40	\$1,107.96	38.7%	3.3%
North Dakota	452,545	\$366.53	\$383.57	\$413.64	\$424.28	\$448.24	\$467.15	\$481.61	\$505.97	\$545.50	\$572.26	\$595.94	62.6%	5.0%
Pennsylvania	7,698,435	\$719.19	\$707.96	\$683.57	\$717.73	\$721.50	\$731.42	\$742.54	\$764.15	\$801.27	\$800.24	\$781.93	8.7%	0.8%
Utah	1,277,263	\$468.09	\$496.38	\$525.15	\$558.31	\$607.42	\$628.88	\$634.45	\$671.31	\$702.64	\$714.78	\$716.31	53.0%	4.3%
Weighted Avg.	52,086,992	\$702.41	\$735.00	\$750.14	\$800.55	\$819.68	\$829.37	\$854.17	\$886.84	\$901.86	\$902.63	\$890.69	26.8%	2.4%
<u>Tort States</u>														
Alabama	2,506,782	\$506.32	\$527.59	\$560.41	\$590.57	\$604.07	\$610.52	\$632.24	\$661.60	\$703.43	\$719.72	\$704.99	39.2%	3.4%
Alaska	317,642	\$709.98	\$760.76	\$810.11	\$843.24	\$873.87	\$877.56	\$885.41	\$904.05	\$922.74	\$921.32	\$896.23	26.2%	2.4%
Arizona	2,773,231	\$636.65	\$665.60	\$704.41	\$746.40	\$782.68	\$809.56	\$810.34	\$869.08	\$901.65	\$901.65	\$876.12	37.6%	3.2%
California*	19,028,375	\$875.60	\$872.33	\$897.32	\$887.30	\$892.80	\$874.84	\$886.76	\$878.95	\$871.36	\$823.10	\$773.26	-11.7%	-1.2%
Connecticut#	2,261,751	\$827.25	\$879.39	\$928.10	\$965.82	\$1,002.84	\$943.38	\$958.18	\$976.97	\$982.78	\$970.49	\$927.89	12.2%	1.2%
Georgia#	5,372,381	\$635.01	\$659.67	\$677.73	\$636.48	\$664.85	\$696.83	\$726.15	\$761.34	\$787.53	\$803.18	\$804.85	26.7%	2.4%
Idaho	766,741	\$427.17	\$444.68	\$472.71	\$490.20	\$513.32	\$533.21	\$535.53	\$556.22	\$576.50	\$591.56	\$596.81	39.7%	3.4%
Illinois	6,901,160	\$555.83	\$588.68	\$621.37	\$604.97	\$649.48	\$654.47	\$679.51	\$703.73	\$726.58	\$729.09	\$713.79	28.4%	2.5%
Indiana	3,863,855	\$487.12	\$525.61	\$548.99	\$584.18	\$586.58	\$601.78	\$616.01	\$637.22	\$663.48	\$659.95	\$659.99	35.5%	3.1%
Iowa	2,212,880	\$365.38	\$394.59	\$422.46	\$451.17	\$467.45	\$484.89	\$489.13	\$507.16	\$520.77	\$530.65	\$543.44	48.7%	4.0%
Louisiana	2,338,265	\$660.82	\$706.06	\$778.70	\$829.25	\$862.62	\$876.70	\$908.83	\$922.18	\$965.22	\$962.07	\$944.40	42.9%	3.6%
Maine	882,590	\$508.18	\$566.82	\$558.21	\$549.74	\$556.67	\$547.51	\$542.78	\$538.13	\$543.02	\$560.41	\$591.40	16.4%	1.5%
Mississippi	1,369,506	\$532.52	\$554.11	\$576.42	\$618.90	\$643.74	\$659.47	\$679.36	\$706.40	\$753.20	\$761.97	\$763.86	43.4%	3.7%
Missouri	3,556,645	\$506.64	\$524.22	\$551.85	\$581.05	\$600.64	\$628.71	\$651.89	\$681.20	\$700.50	\$697.44	\$706.67	39.5%	3.4%
Montana	606,285	\$437.24	\$447.44	\$475.81	\$509.05	\$551.37	\$576.56	\$591.61	\$605.52	\$630.41	\$643.67	\$653.11	49.4%	4.1%
Nebraska	1,231,346	\$352.59	\$376.92	\$424.72	\$450.86	\$494.85	\$526.21	\$544.48	\$572.91	\$608.11	\$626.54	\$636.19	80.4%	6.1%
Nevada	1,062,309	\$692.51	\$717.34	\$752.76	\$797.54	\$853.93	\$881.52	\$876.66	\$912.96	\$956.06	\$957.95	\$938.97	35.6%	3.1%
New Hampshire	754,853	\$645.49	\$678.42	\$706.28	\$688.94	\$710.77	\$693.20	\$679.47	\$681.30	\$687.54	\$691.84	\$737.57	14.3%	1.3%
New Mexico	1,064,480	\$546.46	\$582.51	\$628.37	\$676.24	\$727.43	\$766.85	\$785.37	\$812.03	\$834.54	\$820.76	\$816.64	49.4%	4.1%
North Carolina	5,848,535	\$469.49	\$496.04	\$522.39	\$541.07	\$528.43	\$547.08	\$576.83	\$594.79	\$652.46	\$664.06	\$656.95	39.9%	3.4%
Ohio	7,398,346	\$498.93	\$523.57	\$547.38	\$557.16	\$550.52	\$567.10	\$588.05	\$609.67	\$630.71	\$641.36	\$646.34	29.5%	2.6%
Oklahoma	2,160,631	\$516.46	\$537.62	\$554.09	\$589.80	\$604.38	\$628.00	\$649.98	\$670.87	\$697.52	\$710.31	\$712.84	38.0%	3.3%
Rhode Island	615,947	\$826.81	\$849.95	\$939.06	\$969.67	\$1,034.46	\$1,033.52	\$1,027.41	\$1,014.05	\$1,000.45	\$981.86	\$981.24	18.7%	1.7%
Tennessee	3,438,856	\$507.43	\$539.86	\$554.60	\$569.02	\$574.08	\$581.63	\$602.18	\$637.78	\$668.18	\$669.86	\$675.53	33.1%	2.9%
Vermont	413,063	\$504.93	\$537.06	\$554.28	\$564.66	\$577.94	\$582.57	\$587.23	\$589.72	\$592.98	\$610.58	\$640.74	26.9%	2.4%
West Virginia	1,169,288	\$527.44	\$569.69	\$621.65	\$667.52	\$696.89	\$733.77	\$762.90	\$784.49	\$821.43	\$840.81	\$813.81	54.3%	4.4%
Wyoming	355,412	\$419.93	\$433.90	\$450.33	\$496.04	\$531.91	\$549.72	\$566.96	\$590.71	\$620.11	\$641.85	\$642.24	52.9%	4.3%
Weighted Avg.	80,271,155	\$621.25	\$642.97	\$671.72	\$681.52	\$697.37	\$704.25	\$721.91	\$738.97	\$758.75	\$751.92	\$737.29	18.7%	1.7%
Countrywide	163,579,119	\$633.88	\$660.98	\$688.84	\$715.65	\$733.20	\$743.43	\$760.86	\$782.62	\$800.54	\$798.49	\$784.66	23.8%	2.2%

Notes:

Combined average premium = (Liability + Collision + Comprehensive Average Premiums) where liability premiums include bodily injury, property damage, medical payments, personal injury protection, Uninsured motorists bodily injury & property damage and underinsured motorist bodily injury & property damage.

See technical notes to NAIC publication for more specific details.

(1) : Voluntary and involuntary business calendar year 1999 written exposures.

(4) = [(3)/(2)-1.0] x 100

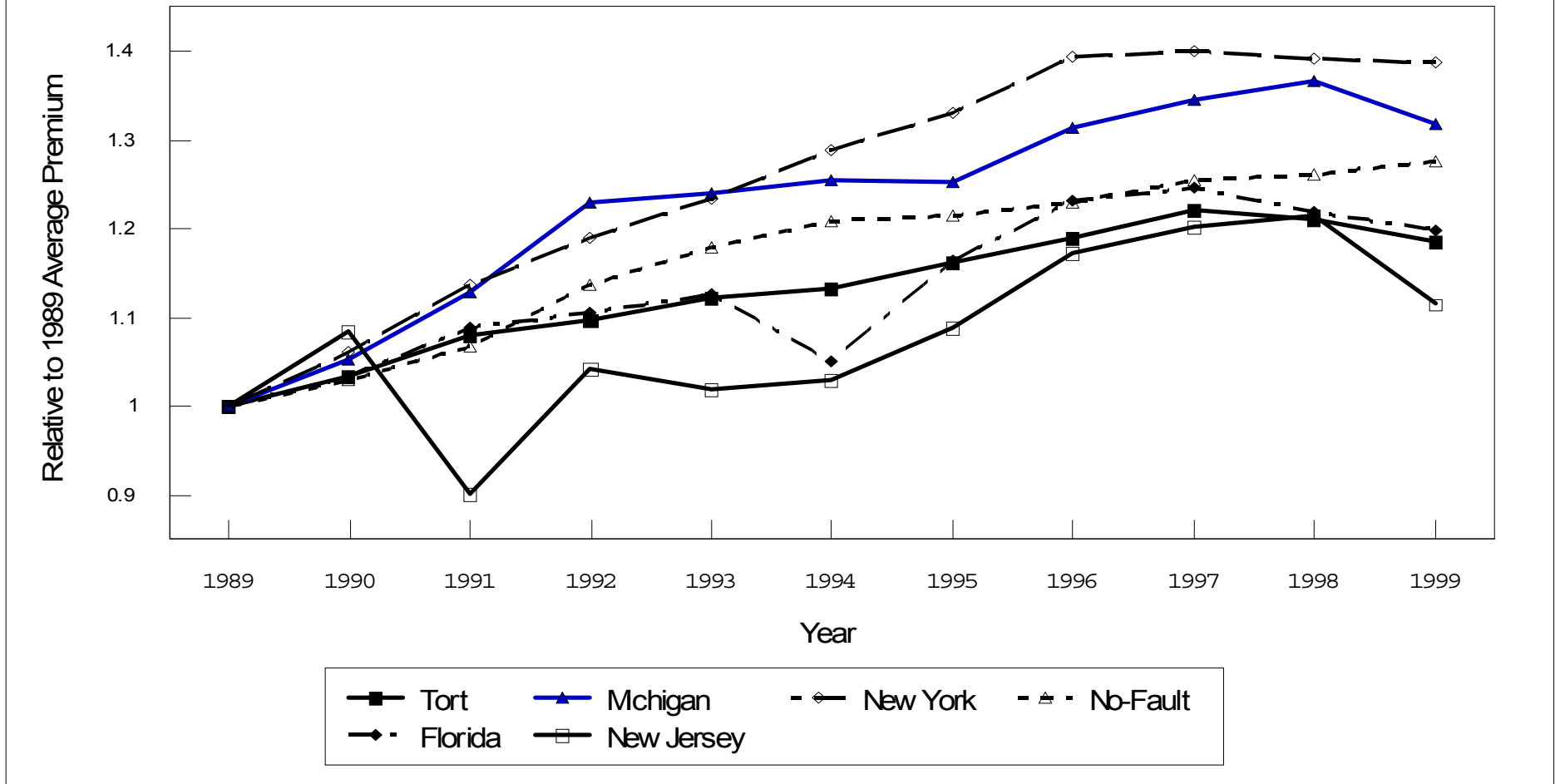
(5) = [1.0 + (4)]^(1/9)-1.0

* Preliminary 1999 data, final 1998 data.

States are classified by type of law in 1998, Connecticut repealed no-fault effective 1/1/94, Georgia's repeal was effective 10/1/91.

Source: National Association of Insurance Commissioners, "State Average Expenditures & Premiums for Personal Automobile Insurance", January 1995, 1996, 1997, 1998, 1999, April 2000 and May 2001.

Changes in Personal Auto Premiums for Tort, Verbal Threshold and No-Fault States



Source: NAIC, "State Average Expenditures & Premiums for Personal Automobile Insurance", January 1995 to 1999, May 2001.

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Average Injury Payment Per Injury Claim by Type of Reparation System

<u>State</u>	<u>1977 Average Injury Payment</u>	<u>1997 Average Injury Payment</u>	<u>Annual Percent Change</u>
<u>Add-On States</u>			
Arkansas	\$1,628	\$4,824	5.6%
Delaware	\$1,834	\$6,615	6.6%
District of Columbia	\$1,420	\$4,794	6.3%
Maryland	\$1,432	\$4,482	5.9%
Oregon	\$1,467	\$4,838	6.1%
South Carolina	\$978	\$3,706	6.9%
South Dakota	\$1,247	\$3,990	6.0%
Texas	\$1,301	\$4,347	6.2%
Virginia	\$1,411	\$4,414	5.9%
Washington	\$2,358	\$6,192	4.9%
Wisconsin	\$1,691	\$5,029	5.6%
Subtotal Add On	\$1,439	\$4,626	6.0%
<u>No-Fault States</u>			
Colorado	\$1,879	\$7,665	7.3%
Florida	\$2,750	\$5,319	3.4%
Hawaii	\$988	\$8,229	11.2%
Kansas	\$1,370	\$4,355	6.0%
Kentucky	\$1,232	\$5,095	7.4%
Massachusetts	\$1,620	\$4,963	5.8%
Michigan	\$2,317	\$7,771	6.2%
Minnesota	\$1,175	\$8,018	10.1%
New Jersey	\$1,739	\$9,284	8.7%
New York	\$2,290	\$7,632	6.2%
North Dakota	\$1,005	\$5,279	8.6%
Pennsylvania	\$1,570	\$6,556	7.4%
Utah	\$1,429	\$3,518	4.6%
Subtotal No Fault	\$1,995	\$6,664	6.2%
<u>Tort States</u>			
Alabama	\$1,188	\$4,497	6.9%
Alaska	\$3,757	\$3,842	0.1%
Arizona	\$1,879	\$5,061	5.1%
California	\$1,881	\$5,384	5.4%
Connecticut*	\$2,214	\$8,454	6.9%
Georgia*	\$1,543	\$4,138	5.1%
Idaho	\$2,432	\$6,725	5.2%
Illinois	\$1,700	\$5,234	5.8%
Indiana	\$1,607	\$5,770	6.6%
Iowa	\$1,311	\$4,577	6.5%
Louisiana	\$1,740	\$5,833	6.2%
Maine	\$2,733	\$4,923	3.0%
Mississippi	\$1,351	\$3,878	5.4%
Missouri	\$1,120	\$4,729	7.5%
Montana	\$1,802	\$4,680	4.9%
Nebraska	\$1,498	\$4,135	5.2%
Nevada	\$2,771	\$6,826	4.6%
New Hampshire	\$1,270	\$6,235	8.3%
New Mexico	\$1,504	\$5,468	6.7%
North Carolina	\$1,078	\$3,839	6.6%
Ohio	\$1,521	\$4,097	5.1%
Oklahoma	\$1,175	\$4,009	6.3%
Rhode Island	\$1,341	\$7,462	9.0%
Tennessee	\$1,713	\$4,056	4.4%
Vermont	\$4,346	\$3,777	-0.7%
West Virginia	\$1,859	\$5,810	5.9%
Wyoming	\$1,622	\$8,106	8.4%
Subtotal Tort	\$1,673	\$5,050	5.7%
Grand Total	\$1,740	\$5,465	5.9%

* These were no-fault states during much of this time period. Georgia changed to a tort system in October of 1991 and Connecticut changed in January of 1994.

Source: IRC, Injuries in Auto Accidents, 1999, Tables A-17, A-18 & A-19.

AIRAC, Automobile Injuries And Their Compensation in The United States, 1979, Tables 8-3, 8-4 & 8-5.

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Average Economic Loss Per Injury Claim by Type of Reparation System

<u>State</u>	<u>1977 Average Economic Loss</u>	<u>1997 Average Economic Loss</u>	<u>Annual Percent Change</u>
<u>Add-On States</u>			
Arkansas	\$976	\$3,283	6.3%
Delaware	\$1,586	\$4,798	5.7%
District of Columbia	\$1,058	\$3,486	6.1%
Maryland	\$1,008	\$3,190	5.9%
Oregon	\$893	\$4,362	8.3%
South Carolina	\$621	\$2,109	6.3%
South Dakota	\$776	\$2,619	6.3%
Texas	\$953	\$3,394	6.6%
Virginia	\$799	\$3,014	6.9%
Washington	\$1,116	\$4,029	6.6%
Wisconsin	\$834	\$3,208	7.0%
Subtotal Add On	\$910	\$3,369	6.8%
<u>No-Fault States</u>			
Colorado	\$1,238	\$6,592	8.7%
Florida	\$1,877	\$6,910	6.7%
Hawaii	\$807	\$9,438	13.1%
Kansas	\$1,425	\$4,541	6.0%
Kentucky	\$886	\$4,795	8.8%
Massachusetts	\$1,227	\$4,521	6.7%
Michigan	\$1,568	\$8,578	8.9%
Minnesota	\$1,005	\$6,857	10.1%
New Jersey	\$1,256	\$8,819	10.2%
New York	\$1,505	\$5,559	6.8%
North Dakota	\$683	\$4,629	10.0%
Pennsylvania	\$1,268	\$5,728	7.8%
Utah	\$951	\$3,091	6.1%
Subtotal No Fault	\$1,413	\$6,512	7.9%
<u>Tort States</u>			
Alabama	\$789	\$3,438	7.6%
Alaska	\$1,152	\$2,530	4.0%
Arizona	\$1,015	\$3,384	6.2%
California	\$1,118	\$4,068	6.7%
Connecticut*	\$1,129	\$4,475	7.1%
Georgia*	\$1,157	\$3,115	5.1%
Idaho	\$1,504	\$6,687	7.7%
Illinois	\$832	\$4,009	8.2%
Indiana	\$851	\$3,824	7.8%
Iowa	\$798	\$3,266	7.3%
Louisiana	\$624	\$3,387	8.8%
Maine	\$1,094	\$2,814	4.8%
Mississippi	\$1,028	\$2,929	5.4%
Missouri	\$627	\$3,352	8.7%
Montana	\$1,348	\$3,605	5.0%
Nebraska	\$777	\$3,002	7.0%
Nevada	\$2,285	\$4,532	3.5%
New Hampshire	\$609	\$3,872	9.7%
New Mexico	\$1,222	\$3,828	5.9%
North Carolina	\$603	\$2,719	7.8%
Ohio	\$933	\$2,900	5.8%
Oklahoma	\$680	\$3,268	8.2%
Rhode Island	\$713	\$3,475	8.2%
Tennessee	\$817	\$2,865	6.5%
Vermont	\$1,193	\$1,946	2.5%
West Virginia	\$1,317	\$3,373	4.8%
Wyoming	\$1,786	\$4,080	4.2%
Subtotal Tort	\$961	\$3,587	6.8%
Grand Total	\$1,112	\$4,470	7.2%

* These were no-fault states during much of this time period. Georgia changed to a tort system in October of 1991 and Connecticut changed in January of 1994.

Source: IRC, Injuries in Auto Accidents, 1999, Tables A-17, A-18 & A-19.

AIRAC, Automobile Injuries And Their Compensation in The United States, 1979, Tables 8-3, 8-4 & 8-5.

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Mixed States - Bodily Injury Liability and Personal Injury Protection

Fast Track Data

Changes in Pure Premiums

<u>State</u>	(1) Earned Car Years Yr. Ended 4th Qtr. 01	(2) Total Limits BI & PIP 1997	(3) Pure Premiums 1998	(4) Pure Premiums 1999	(5) Year Ending 4th Quarter 2000	(6) Year Ending 4th Quarter 2001	(7) Annual Percent Change
Pennsylvania	4,692,637	\$148.72	\$150.48	\$147.49	\$149.30	\$148.37	-0.1%
Total/Wtd. Avg.	4,692,637	\$148.72	\$150.48	\$147.49	\$149.30	\$148.37	
Percent Change			1.2%	-2.0%	1.2%	-0.6%	-0.1%

Notes:

Year ending data, losses paid during the calendar period.
BI data only

Source: Insurance Services Office, Fast Track trend data through fourth quarter 2001.

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Mixed States - Bodily Injury Liability

Fast Track Data

Changes in Pure Premiums

State	(1) Earned Car Years Yr. Ended 4th Qtr. 01	(2) Total Limits BI Pure Premiums Year Ending 4th Quarter 1997	(3) 1998	(4) 1999	(5) 2000	(6) 2001	(7) Annual Percent Change
	Pennsylvania	4,692,637	\$104.97	\$105.67	\$101.92	\$102.36	\$97.40
Total/Wtd. Avg.	4,692,637	\$104.97	\$105.67	\$101.92	\$102.36	\$97.40	
Percent Change			0.7%	-3.5%	0.4%	-4.8%	-1.9%

Changes in Frequency

State	(8) Earned Car Years Yr. Ended 4th Qtr. 01	(9) Total Limits BI Frequency Year Ending 4th Quarter 1997	(10) 1998	(11) 1999	(12) 2000	(13) 2001	(14) Annual Percent Change
	Pennsylvania	4,692,637	0.0072	0.0071	0.0071	0.0066	0.0064
Total/Wtd. Avg.	4,692,637	0.0072	0.0071	0.0071	0.0066	0.0064	
Percent Change			-2.1%	0.4%	-7.3%	-3.1%	-3.1%

Changes in Claim Cost

State	(15) Paid Claims Yr. Ended 4th Qtr. 01	(16) Total Limits BI Claim Cost Year Ending 4th Quarter 1997	(17) 1998	(18) 1999	(19) 2000	(20) 2001	(21) Annual Percent Change
	Pennsylvania	29,981	\$14,502	\$14,918	\$14,332	\$15,528	\$15,245
Total/Wtd. Avg.	29,981	\$14,502	\$14,918	\$14,332	\$15,528	\$15,245	
Percent Change			2.9%	-3.9%	8.3%	-1.8%	1.3%

Notes:

Year ending data, losses paid during the calendar period.

Source: Insurance Services Office, Fast Track trend data through fourth quarter 2001.

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Mixed States - Personal Injury Protection

Fast Track Data

Changes in Pure Premiums

<u>State</u>	(1) Earned Car Years Yr. Ended 4th Qtr. 01	(2)	(3)	(4)	(5)	(6)	(7) Annual Percent Change
		<u>Total Limits PIP Pure Premiums Year Ending 4th Quarter</u>					
		<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	
Pennsylvania	4,691,161	\$43.75	\$44.81	\$45.57	\$46.94	\$50.98	
Percent Change			2.4%	1.7%	3.0%	8.6%	3.9%

Changes in Frequency

<u>State</u>	(8) Earned Car Years Yr. Ended 4th Qtr. 01	(9)	(10)	(11)	(12)	(13)	(14) Annual Percent Change
		<u>Total Limits PIP Frequency Year Ending 4th Quarter</u>					
		<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	
Pennsylvania	4,691,161	0.0136	0.0134	0.0136	0.0129	0.0128	
Percent Change			-1.1%	0.8%	-5.1%	-0.3%	-1.5%

Changes in Claim Cost

<u>State</u>	(15) Paid Claims Yr. Ended 4th Qtr. 01	(16)	(17)	(18)	(19)	(20)	(21) Annual Percent Change
		<u>Total Limits PIP Claim Cost Year Ending 4th Quarter</u>					
		<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	
Pennsylvania	60,109	\$3,218	\$3,332	\$3,362	\$3,651	\$3,978	
Percent Change			3.5%	0.9%	8.6%	9.0%	5.4%

Notes:

Year ending data, losses paid during the calendar period.

Source: Insurance Services Office, Fast Track trend data through fourth quarter 2001.

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Mixed States - Property Damage Liability

Fast Track Data

Changes in Pure Premiums

State	(1) Earned Car Years Yr. Ended 4th Qtr. 01	(2) Total Limits	(3) PD Pure	(4) Premiums	(5) Year Ending 4th Quarter		(7) Annual Percent Change
		1997	1998	1999	2000	2001	
Pennsylvania	4,692,637	\$76.24	\$76.82	\$80.35	\$81.36	\$84.09	2.5%
Total/Wtd. Avg.	4,692,637	\$76.24	\$76.82	\$80.35	\$81.36	\$84.09	
Percent Change			0.8%	4.6%	1.3%	3.4%	2.5%

Changes in Frequency

State	(8) Earned Car Years Yr. Ended 4th Qtr. 01	(9) Total Limits	(10) PD Frequency	(11) Year Ending	(12) 4th Quarter		(14) Annual Percent Change
		1997	1998	1999	2000	2001	
Pennsylvania	4,692,637	0.0389	0.0383	0.0387	0.0370	0.0368	-1.4%
Total/Wtd. Avg.	4,692,637	0.0389	0.0383	0.0387	0.0370	0.0368	
Percent Change			-1.5%	1.1%	-4.5%	-0.5%	-1.4%

Changes in Claim Cost

State	(15) Paid Claims Yr. Ended 4th Qtr. 01	(16) Total Limits	(17) PD Claim	(18) Cost Year	(19) Ending 4th Quarter		(21) Annual Percent Change
		1997	1998	1999	2000	2001	
Pennsylvania	172,718	\$1,960	\$2,005	\$2,074	\$2,200	\$2,285	3.9%
Total/Wtd. Avg.	172,718	\$1,960	\$2,005	\$2,074	\$2,200	\$2,285	
Percent Change			2.3%	3.4%	6.1%	3.8%	3.9%

Notes:

Year ending data, losses paid during the calendar period.

Source: Insurance Services Office, Fast Track trend data through fourth quarter 2001.

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Mixed States - Ratio of Bodily Injury Liability & Personal Injury Protection Pure Premiums to
Property Damage Liability Pure Premiums

Fast Track Data

<u>State</u>	(1)	(2)	(3)	(4)	(5)	<u>4th Quarter Average</u>
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	
Pennsylvania	1.951	1.959	1.836	1.835	1.764	1.869
Total/Wtd. Avg.	1.951	1.959	1.836	1.835	1.764	1.869

Notes:

Year ending data, losses paid during the calendar period.
BI data only

Source: Insurance Services Office, Fast Track trend data through fourth quarter 2001.

DISCLAIMERS

NAIC Report on Profitability By Line By State

The NAIC *Report on Profitability By Line By State* has been appreciated for many years because it provides a consistent view of the underwriting and investment experiences of the property/casualty insurance industry for each line of insurance in each state. Because it has been produced for many years, it allows changes in results to be viewed over time. It is prepared by an objective source, the NAIC, and is carefully viewed for accuracy and reasonableness. However, the report's limitations should be clearly understood. The report contains some caveats regarding the data used in the report, the procedures used to compile the data, and the validity of that data for various uses. These caveats are contained in the introductory and explanatory material in the first section of the report. Selected caveats are shown or summarized below:

"The report cannot and should not be used to determine whether current rates are adequate to cover future costs." (page 1)

"To the extent possible, the data from the annual statement utilized in the report are adjusted to approximate figures on a generally accepted accounting principles (GAAP) basis.the GAAP adjustments made for the profitability report are imperfect approximations." (page 1)

"It is necessary to emphasize that because of inherent data limitations and the need to apply a "one size fits all" methodology, the profitability report provides only approximations of actual profits earned by line and by state. Some components of profit in a particular state and line could differ significantly from the results shown in the report. " (page 2)

"Unrealized capital gains and losses generally are not included in net income under generally accepted accounting principles and, accordingly, are not included as investment gain in this report." (page 4)

"Federal taxes are estimated..." (page 5)

The data for all companies in all states are aggregated prior to allocation of that data by line by state. Data which the companies do not allocate by state and which the report allocates by state from countrywide aggregates for all companies combined includes: net worth, investment gain, federal taxes, general expenses, unallocated loss adjustment expenses, other acquisition expenses, and the effects of consolidation of affiliated insurers. (Summary of portions of pages 1-32.)

Some general qualifications shown on page 6 of the report are as follows'

"The development of this report is dependent on the accuracy of the information contained in the annual statements filed by the insurers. Although the data used to calculate the statistics contained in this report were extracted from annual statements filed with the NAIC, the NAIC does not guarantee their accuracy."

"While the NAIC exercises a great deal of care in capturing data from annual statements and producing this report, as with any statistical project of this magnitude, errors can occur. Consequently the NAIC makes no representations or warranties with respect to the accuracy of the data and statistics in this report."

If you have any questions regarding this report, please contact jim Bugenhagen at the NAIC at (816) 783-8229. Additional copies of this report can be obtained from the NAIC Publications Department at (816) 783-8300.

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Technical Notes

TECHNICAL NOTES

1

State Specific Exceptions

This report is developed using the same methodology for all states. When unique situations exist, the NAIC works with the insurance departments of those states to develop explanatory notes and if requested, supplemental reports for use by those departments. These supplemental reports should provide a more accurate reflection of profitability than the reports contained in this publication.

The following states have unique situations for which an explanatory note has been provided. Since these notes are developed at the request of the respective insurance departments, any inquiries concerning these explanatory notes should be directed to those insurance departments.

a. Maine

The State of Maine had a unique Residual Market mechanism for workers' compensation insurance during the policy years 1988 through 1992. Over seventy percent of the workers' compensation insurance was written in the Pool. The law controlling the Pool recognized the deficits were to be funded by assessments on employers and insurers over many years after the policies were written and the claims incurred.

Because of the structure of the Maine residual market, the standardized method used in this report does not present an accurate measure of profitability for the workers' compensation line of insurance in Maine. The report is based on calendar year incurred losses and loss adjustment expenses, which includes reserve adjustments on all outstanding claims, including claims incurred during prior workers' compensation laws and adjustments to the substantial pre-1993 claims reserves.

The investment gain attributed to Maine workers' compensation insurers is also inaccurate and overstates profitability. Investment results are not based on actual returns of the insurers and the pre-1993 residual market pool, but on the assumption that an average investment return is earned on reported claim reserves. In fact, reserves for prior years were not fully funded and assessments are still being collected to pay for the pre-1993 residual market operating losses. Because of the operating deficits, the Pool did not have the funds to invest to produce the investment gains attributed to insurers in this report.

b. Michigan

Michigan law requires unlimited medical coverage for all auto lines. The Michigan Catastrophic Claims Association (MCCA) was created in law (MCLA 500.3104) as a nonprofit reinsurer of no fault personal injury protection (PIP) claims in excess of \$250,000. Membership in the association is mandatory for all insurers authorized to write auto lines. Control of the MCCA is vested in a board of insurers that write in aggregate no less than 40 percent of premiums. Revenues for the MCCA consist of assessments on earned car years adequate to cover expected losses and administrative expenses net of investment income. Adjustments to reserves or surplus can raise or lower assessments.

For annual statement purposes, individual insurers treat MCCA assessments as direct written and earned premium. Catastrophic claims, which continue to be administered by insurers, become direct incurred losses. The insurer reports MCCA assessments and losses as premium ceded and

reinsurance recoverable from reinsurers. Insurers also make their own evaluations of incurred losses. A result of this accounting process is that unless the MCCA results are essentially similar to the industry loss ratios, the loss ratio basis for the NAIC's profitability report may be skewed.

Unfortunately, the MCCA assessments and incurred losses, which have been a large fraction of auto earned premiums and incurred losses, have varied considerably since 1994. As a result, the profitability statistics for auto liability and total auto insurance lines may not be reflective of actual results in Michigan. The table at right provides loss ratio data for the last seven years for the MCCA and for the total auto liability. The MCCA "% Premium" is the percent MCCA's fiscal year earned premium is of the prior calendar year's total auto liability premium earned. It is apparent from the data that the MCCA's catastrophic claims data will skew the statistics. MCCA data cannot be simply deducted from the results because insurers' estimates of incurred losses are not based on the MCCA's but, rather, on their own evaluations. To obtain a more accurate adjustment would require looking at each insurer's reporting of reinsurance premiums ceded and losses recoverable.

MCCA Fiscal Year	MCCA % Premium	MCCA Loss Ratios	Calendar Year	Auto Liability Loss Ratios
6/94	28%	105%	1993	50%
6/95	26%	47%	1994	68%
6/96	19%	-5%	1995	64%
6/97	10%	54%	1996	66%
6/98	3%	614%	1997	71%
6/99	2%	1782%	1998	94%
6/00	2%	2599%	1999	96%
6/01	3%	2102%	2000	97%

These results are due to the return of MCCA's excess assets to members that has been taking place since 1995. Some of the excess has been used to maintain assessment rates below what the pure premiums would indicate. For example, 1997 pure premium indications called for a rate of \$62.03, although the assessment rate was held to \$14.94 per car-year. This is reflected in the declining percentage of MCCA premiums shown in the second column of the chart. MCCA assessment rates have been or will be held at \$5.60 for 1998, 1999 and 2000. Much of the excess assets were reduced with a \$180 per car-year return of premium to member insurers in 1998. Several large insurers have included the return of the MCCA excess as negative direct premium in their 1998 financial statements. This greatly raised the loss ratios of those insurers that reported in this way having a significant impact on the auto liability loss ratio for 1998.

c. New Jersey

The 1994 taxes, licenses and fees on Private Passenger Auto Liability and Auto Physical Damage in the state included a one time reversal of the Market Transition Facility assessment that was accrued by some private passenger auto insurers in 1993. Actual taxes, license and fees in the state may be higher than indicated.

Included in the 1993 report were charges unique to New Jersey that may not have been included in prior reports and were removed from subsequent reports. The taxes include the Property- Liability Guaranty Association Assessment which expired in 1997 and the Market Transition Facility Liability which ceased to exist after 1994.

The 1992 profitability report indicated that taxes on Total Private Passenger Auto liability in New Jersey were 17.0% of direct earned premiums. Unique New Jersey taxes accounted for this higher than average percentage. The Unsatisfied Claim Judgment Fund (UCJF) was included as a tax in 1992. As of the 1993 report, this funding should no longer be included as a tax because it is now handled as a reinsurance transaction. Other charges included in 1992 were the automobile surtax which expired at the end of 1992, the Market Transition Facility assessment which is not permanent, and the Property-Liability Guaranty Association Assessment which expired in 1997.

In addition, certain accounting practices for UCJF taxes distort the Personal Injury Protection (PIP) portion of Private Passenger Auto Liability profitability data for New Jersey. For example, a company that reports full PIP losses might pay a \$125,000 claim in calendar year 1995 and show the full amount as paid on page 15, a direct transaction. The \$50,000 reimbursement that would be received from the UCJF would then be set up as a reinsurance transaction not appearing on page 15. In 1992, the surcharge on the premium to fund the UCJF was passed through as a tax expense and appeared on page 14 as a direct transaction. To offset the effect of including the UCJF surcharge as a direct tax expense, a supplemental report was developed for the New Jersey Department of Insurance reflecting a reduction in 1992 PIP incurred losses and PIP reserves in the amount of \$175 million. No such report has been necessary since 1993 because treatment of UCJF funding and losses as reinsurance transactions in 1993 effectively minimizes or eliminates this problem.

d. Ohio

Results for the years 1989 through 1991 include anomalies in data as a result of misallocation of premiums by several insurers and subsequent adjustments for prior years and may not reflect actual calendar year results. These same anomalies may be present in the results of other years as well. The ten-year average and aggregate figures in the Ten- Year Summary would tend to minimize these distortions but would not necessarily eliminate them.

d. South Carolina

Prior to 2000, insurers in South Carolina did not include recoupment assessments for the South Carolina Reinsurance Facility in their page 15 premium data. The recoupment was collected into a liability account and paid to the South Carolina Reinsurance Facility. Each company assumed a portion of the total recoupment which was shown as a negative reinsurance commission. No part of the recoupment was reflected in page 15 data. However, the losses were included as a direct transaction on page 15. This resulted in an incomplete reflection of the dollars which were collected to cover the losses shown on page 15. To correct this unique accounting situation, a supplemental report was prepared annually for the South Carolina Department of Insurance. Recoupment assessment data for premiums written, earned and unearned are developed from data provided by the South Carolina Department of Insurance and were added to the page 15 data. For example, the premiums written for the supplemental report for South Carolina in 1999 included recoupment assessments for Total Private Passenger Auto in the amount of \$108,292,801. Insurers in South Carolina now include recoupment in their page 15 premium data. Therefore, comparisons between the years 2000 and after and prior years in the ten-year summary are not appropriate.

2. Effect of State Specific Data and Revised IEE on Ten- Year History

a. Effect of State Specific Data

State specific data included in the 1993 and later reports which were not included in prior reports are direct allocated loss adjustment expense unpaid.

State specific data included in the 1992 and later reports which were not included in prior reports are:

direct allocated loss adjustment expense incurred;
commissions and brokerage expenses;
and taxes, licenses and fees.

As a result of utilizing state specific data, comparison of results from year to year may not be appropriate in certain states and certain lines of business. It is believed that the ten year history continues to be useful. but the reader should be aware that state specific data can heavily affect state results. For example, catastrophes have had a significant impact on loss adjustment expense percentages in several states. Previously, this impact would have been spread evenly on a countrywide basis.

b. Effect of Revision of IEE

In 1992, the Insurance Expense Exhibit was revised and certain direct countywide data from Part III of the revised exhibit were utilized beginning with the 1994 reports. Whether this has a significant impact on any profitability results is not known. For further discussion of this issue, refer to " Allocation of Expenses" in the "Methodology" section of the Introduction of this report.

3. Workers' Compensation State Funds

The following workers. compensation state funds are included in this report:

<u>NAIC Co Code</u>	<u>Name of State Fund</u>	<u>2000 Premium Earned</u>
10033	Workers' Compensation Fund of Utah	\$103,255,340
10320	Kentucky Mutual Insurance Company	\$36,735,907
11347	State Fund Mutual Insurance Company (Minnesota)	\$56,003,043
22945	Texas Workers' Compensation Insurance Fund	\$277,175,839
35076	State Compensation Insurance Fund (California)	\$1,737,617,655
36102	New York State Insurance Fund	\$1,055,816,198
36129	Idaho State Insurance Fund	\$106,685,502
36196	SAIF Corporation (Oregon)	\$208,748,258
36714	Arizona State Compensation Fund	\$164,235,498

Workers' compensation state funds for the following states are not included in this report: Colorado, Maryland, Montana, Nevada, North Dakota, Ohio, Oklahoma, Pennsylvania, South Carolina,

Washington, West Virginia and Wyoming. Therefore, the results that appear in this report for workers compensation in these states may not be truly indicative of the actual experience in the state.

4. Unrealized Capital Gains and Losses

Changes in unrealized capital gains or losses as reported in the annual statement are shown in Column 1 below.

In Column 2, the dollar amounts of gain or loss have been converted into percentages of the investment gain (pre-tax) underlying the percentages shown in Columns SA and 10 of the related annual *Profitability Reports*. The percentages shown in Column 2 could be applied to any results in Columns SA and 10 to gain an estimate of what the results would have been if unrealized capital gains and losses had been included. For example, the 2000 all-lines countrywide IEE Columns SA and 10 show 10.7 and 7.9, respectively. These amounts could be decreased by the percentage shown in Column 2 below to gain an indication of what the result would have been had unrealized capital gains or losses been included. The adjusted results in Columns SA and 10 would be 7.7 and 5.7, respectively.

Column 3 shows the unrealized gain or loss as a post-tax percentage of net worth for each year. **These percentages relate only to the net worth underlying the all-lines countrywide IEE returns on net worth**, and may be added to those reported returns to gain an indication of what the returns on net worth would have been had unrealized capital gains and losses been included. For example, the 2000 return on net worth of 6.6 could be decreased by the (3.0) shown in Column 3 below, resulting in an adjusted return on net worth of 3.6 percent.

Column 1	Column 2	Column 3
<u>Changes in Unrealized Capital Gains and Losses</u>	<u>On Pre-tax Basis as Percentage of Investment Gain Reflected in Report Results</u>	<u>On Post-tax Basis as Percentage of All-lines, Countrywide Net Worth (Countrywide IEE)</u>
1986 \$1,700,000,000	5.7	0.9
1987 (\$2, 750,000,000)	(9.7)	(1.4)
1988 \$2,500,000,000	7.8	1.2
1989 \$7,750,000,000	21.2	3.4
1990 (\$4,250,000,000)	(11.2)	(1.6)
1991 \$13,775,000,000	31.8	4.8
1992 (\$50,000,000)	(0.1)	(0.0)
1993 \$3,350,000,000	7.6	1.0
1994 (\$3,625,000,000)	(9.6)	(1.0)
1995 \$19,850,000,000	43.8	5.0
1996 \$11,350,000,000	23.1	2.5
1997 \$31, 700,000,000	57.3	6.2
1998 \$8,000,000,000	13.6	1.5
1999 (\$1,125,000,000)	(2.1)	(0.2)
2000 (\$17,000,000,000)	(27.7)	(3.0)

The unrealized gains or losses shown above, while not included in income, are included in surplus and, with provision for related prospective taxes, GAAP net worth. Under recent changes in GAAP, additional gains or losses on some bond holdings should be reflected in net worth and, to a very limited extent, income. No adjustment has been made in this report to reflect such gains or losses. The exact amounts of

such gains or losses are not known, but are thought to be of such size that their omission will not cause this report's results to be materially understated or overstated over time.

5. Total Profit as a Percentage of Premiums

Reports in prior years showed total profits both as a percentage of premiums and as a percentage of net worth. Total profit as a percentage of premiums is no longer shown in the report, but can be derived by dividing the return on net worth shown in Column 12 by the ratio of premiums to net worth indicated in Column 9.

6. Underlying Premium to Net Worth and Surplus Ratios

Beginning with the 1996 *Report on Profitability By Line By State* Columns 9, 10 and 11 display earned premium, investment gain and tax on investment gain as a percentage of net worth. The underlying ratios of premium to net worth and premium to surplus for the countrywide direct and countrywide IEE reports are shown below:

Line of Business	1 Ratio of Direct Earned Premium to Net Worth	2 Ratio of Direct Earned Premium to Surplus	3 Ratio of Net Earned Premium to Net Worth	4 Ratio of Net Earned Premium to Surplus
Priv. Pass. Auto Liability	0.9	1.0	1.0	1.0
Priv. Pass. Auto Physical Damage	1.6	1.7	1.6	1.7
Priv. Pass. Auto Total	1.1	1.2	1.2	1.2
Comm. Auto Liability	0.7	0.8	0.7	0.8
Comm. Auto Physical Damage	1.4	1.5	1.4	1.5
Comm. Auto Total	0.9	0.9	0.8	0.9
Homeowners	1.1	1.3	1.1	1.3
Farmowners	1.2	1.3	1.1	1.3
Commercial Multiple Peril	0.8	0.8	0.7	0.8
Fire	1.2	1.2	1.0	1.1
Allied Lines	1.4	1.4	1.3	1.3
Inland Marine	1.2	1.3	1.2	1.3
Medical Malpractice	0.4	0.4	0.4	0.5
Other Liability	0.4	0.4	0.4	0.4
Workers' Compensation	0.5	0.5	0.5	0.5
All Other	1.0	1.0	0.8	0.8
Total All Lines	0.8	0.9	0.8	0.9

7. Underlying Reserve to Surplus Ratios

The report's underlying ratios of mean loss reserves and mean loss adjustment expense reserves to mean surplus and mean total reserves (including unearned premium reserves) to mean surplus are shown below on both a countrywide direct and countrywide net basis.

Line of Business	1	2	3	4
	Ratio of Direct Loss and ALAE Reserves to Surplus	Ratio of Direct Total Reserves to Surplus	Ratio of Net Loss and ALAE Reserves to Surplus	Ratio of Total Reserves to Surplus
Priv. Pass. Auto Liability	1.1	1.4	1.0	1.4
Priv. Pass. Auto Physical Damage	0.1	0.7	0.1	0.7
Priv. Pass. Auto Total	0.8	1.2	0.8	1.2
Comm. Auto Liability	1.3	1.6	1.2	1.6
Comm. Auto Physical Damage	0.2	0.9	0.2	0.9
Comm. Auto Total	1.1	1.5	1.0	1.5
Homeowners	0.4	1.1	0.4	1.1
Farmowners	0.5	1.1	0.5	1.1
Commercial Multiple Peril	1.2	1.6	1.2	1.6
Fire	0.6	1.2	0.7	1.3
Allied Lines	0.6	1.0	0.6	1.1
Inland Marine	0.5	1.1	0.4	1.1
Medical Malpractice	1.8	2.0	1.7	1.9
Other Liability	1.7	2.0	1.7	2.0
Workers' Compensation	1.8	1.9	1.7	1.8
All Other	0.7	1.4	1.2	1.6
Total All Lines	1.2	1.5	1.1	1.5

8. Minor Programming Errors

During the conversion to new software for production of the 2000 report, minor programming errors were discovered in the programs used to produce reports for the most recent prior years. The potential impact of these errors was deemed immaterial, i.e., too small to suggest recalculation of prior years' results. However, it is likely that the results reported for affected prior years would in some cases, have rounded to higher or lower levels, or otherwise differed by a tenth of a percentage point, had the programming errors not been present.

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Bodily Injury Liability & Personal Injury Protection Pure Premium

Fast Track Data - Year Ending 4th Quarter 2001

<u>State</u>	<u>Bodily Injury Pure Premium</u>	<u>Personal Injury Protection Pure Premium</u>	<u>Personal Injury Pure Premium</u>
<i>Add-On States</i>			
Arkansas	\$81.15	NA	\$81.15
Delaware	\$168.53	\$101.42	\$269.96
District of Columbia	\$161.65	\$17.66	\$179.31
Maryland	\$137.24	\$48.24	\$185.49
Oregon	\$94.16	\$42.69	\$136.84
South Carolina	\$100.12	\$23.68	\$123.80
South Dakota	\$71.67	NA	\$71.67
Texas	\$99.81	\$32.53	\$132.34
Virginia	\$86.68	NA	\$86.68
Washington	\$116.87	\$47.80	\$164.67
Wisconsin	\$95.31	NA	\$95.31
Subtotal Add-On	\$103.14	\$40.91	\$144.05

<i>No-Fault States</i>			
Colorado	\$60.74	\$161.10	\$221.85
Florida	\$132.79	\$107.22	\$240.01
Hawaii	\$77.17	\$58.55	\$135.73
Kansas	\$59.68	\$30.38	\$90.07
Kentucky	\$97.56	\$57.72	\$155.29
Massachusetts	\$183.73	\$42.99	\$226.72
Michigan	\$53.52	\$115.13	\$168.65
Minnesota	\$62.90	\$90.26	\$153.16
New Jersey	\$197.77	\$173.86	\$371.63
New York	\$187.14	\$162.95	\$350.09
North Dakota	\$33.27	\$27.64	\$60.91
Utah	\$91.52	\$29.93	\$121.44
Subtotal No Fault	\$117.08	\$115.61	\$232.69

<i>Tort States</i>			
Alabama	\$72.92	NA	\$72.92
Alaska	\$110.86	NA	\$110.86
Arizona	\$127.05	NA	\$127.05
California	\$115.56	NA	\$115.56
Connecticut	\$195.87	NA	\$195.87
Georgia	\$92.49	NA	\$92.49
Idaho	\$77.87	NA	\$77.87
Illinois	\$96.66	NA	\$96.66
Indiana	\$80.04	NA	\$80.04
Iowa	\$66.30	NA	\$66.30
Louisiana	\$183.80	NA	\$183.80
Maine	\$79.24	NA	\$79.24
Mississippi	\$78.58	NA	\$78.58
Missouri	\$89.66	NA	\$89.66
Montana	\$101.48	NA	\$101.48
Nebraska	\$72.39	NA	\$72.39
Nevada	\$150.38	NA	\$150.38
New Hampshire	\$100.16	NA	\$100.16
New Mexico	\$90.20	NA	\$90.20
North Carolina	\$83.30	NA	\$83.30
Ohio	\$89.87	NA	\$89.87
Oklahoma	\$88.46	NA	\$88.46
Rhode Island	\$195.75	NA	\$195.75
Tennessee	\$80.79	NA	\$80.79
Vermont	\$92.01	NA	\$92.01
West Virginia	\$151.61	NA	\$151.61
Wyoming	\$71.47	NA	\$71.47
Total/Wtd. Avg.	\$103.52	NA	\$103.52

<i>Mixed States</i>			
Pennsylvania	\$97.40	\$50.98	\$148.37
Subtotal Mixed States	\$97.40	\$50.98	\$148.37

Total - All States	\$106.93	\$88.83	\$195.77
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Source: ISO Fast Track Data through fourth quarter 2001.

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Bodily Injury Liability Claim Cost, Frequency & Pure Premium

Fast Track Data - Year Ending 4th Quarter 2001

<u>State</u>	<u>2001 Average Claim Cost</u>	<u>2001 Average Claim Frequency</u>	<u>2001 Average Pure Premium</u>
<u>Add-On States</u>			
Arkansas	\$7,613	0.0107	\$81.15
Delaware	\$13,380	0.0126	\$168.53
District of Columbia	\$8,510	0.0190	\$161.65
Maryland	\$8,821	0.0156	\$137.24
Oregon	\$7,852	0.0120	\$94.16
South Carolina	\$7,232	0.0138	\$100.12
South Dakota	\$12,627	0.0057	\$71.67
Texas	\$7,095	0.0141	\$99.81
Virginia	\$8,341	0.0104	\$86.68
Washington	\$8,889	0.0131	\$116.87
Wisconsin	\$12,780	0.0075	\$95.31
Subtotal Add-On	\$8,174	0.0126	\$103.14
<u>No-Fault States</u>			
Colorado	\$18,947	0.0032	\$60.74
Florida	\$15,516	0.0086	\$132.79
Hawaii	\$22,661	0.0034	\$77.17
Kansas	\$17,447	0.0034	\$59.68
Kentucky	\$16,263	0.0060	\$97.56
Massachusetts	\$8,116	0.0226	\$183.73
Michigan	\$29,201	0.0018	\$53.52
Minnesota	\$20,797	0.0030	\$62.90
New Jersey	\$21,725	0.0091	\$197.77
New York	\$21,850	0.0086	\$187.14
North Dakota	\$20,560	0.0016	\$33.27
Utah	\$10,340	0.0089	\$91.52
Subtotal No Fault	\$17,981	0.0065	\$117.08
<u>Tort States</u>			
Alabama	\$9,624	0.0076	\$72.92
Alaska	\$13,191	0.0084	\$110.86
Arizona	\$8,926	0.0142	\$127.05
California	\$8,139	0.0142	\$115.56
Connecticut	\$13,243	0.0148	\$195.87
Georgia	\$7,484	0.0124	\$92.49
Idaho	\$8,831	0.0088	\$77.87
Illinois	\$9,599	0.0101	\$96.66
Indiana	\$8,873	0.0090	\$80.04
Iowa	\$10,113	0.0066	\$66.30
Louisiana	\$8,870	0.0207	\$183.80
Maine	\$10,452	0.0076	\$79.24
Mississippi	\$9,008	0.0087	\$78.58
Missouri	\$8,790	0.0102	\$89.66
Montana	\$11,692	0.0087	\$101.48
Nebraska	\$9,154	0.0079	\$72.39
Nevada	\$9,777	0.0154	\$150.38
New Hampshire	\$11,141	0.0090	\$100.16
New Mexico	\$7,806	0.0116	\$90.20
North Carolina	\$7,328	0.0114	\$83.30
Ohio	\$8,469	0.0106	\$89.87
Oklahoma	\$6,630	0.0133	\$88.46
Rhode Island	\$10,737	0.0182	\$195.75
Tennessee	\$9,250	0.0087	\$80.79
Vermont	\$11,857	0.0078	\$92.01
West Virginia	\$13,710	0.0111	\$151.61
Wyoming	\$12,951	0.0055	\$71.47
Total/Wtd. Avg.	\$8,811	0.0117	\$103.52
<u>Mixed States</u>			
Pennsylvania	\$15,245	0.0064	\$97.40
Subtotal Mixed States	\$15,245	0.0064	\$97.40
Total - All States	\$10,439	0.0102	\$106.93

Source: ISO Fast Track Data through fourth quarter 2001.

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Personal Injury Protection Claim Cost, Frequency & Pure Premium

Fast Track Data - Year Ending 4th Quarter 2001

<u>State</u>	<u>2001 Average Claim Cost</u>	<u>2001 Average Claim Frequency</u>	<u>2001 Average Pure Premium</u>
<u>Add-On States</u>			
Arkansas	NA	NA	NA
Delaware	\$5,296	0.0191	\$101.42
District of Columbia	\$5,021	0.0035	\$17.66
Maryland	\$2,473	0.0195	\$48.24
Oregon	\$2,155	0.0198	\$42.69
South Carolina	\$1,893	0.0125	\$23.68
South Dakota	NA	NA	NA
Texas	\$2,291	0.0142	\$32.53
Virginia	NA	NA	NA
Washington	\$2,806	0.0170	\$47.80
Wisconsin	NA	NA	NA
Subtotal Add-On	\$2,504	0.0163	\$40.91
<u>No-Fault States</u>			
Colorado	\$7,713	0.0209	\$161.10
Florida	\$5,676	0.0189	\$107.22
Hawaii	\$3,836	0.0153	\$58.55
Kansas	\$2,135	0.0142	\$30.38
Kentucky	\$3,973	0.0145	\$57.72
Massachusetts	\$1,726	0.0249	\$42.99
Michigan	\$14,221	0.0081	\$115.13
Minnesota	\$5,113	0.0177	\$90.26
New Jersey	\$10,044	0.0173	\$173.86
New York	\$7,145	0.0228	\$162.95
North Dakota	\$3,186	0.0087	\$27.64
Utah	\$1,624	0.0184	\$29.93
Subtotal No Fault	\$6,724	0.0172	\$115.61
<u>Tort States</u>			
Alabama	NA	NA	NA
Alaska	NA	NA	NA
Arizona	NA	NA	NA
California	NA	NA	NA
Connecticut	NA	NA	NA
Georgia	NA	NA	NA
Idaho	NA	NA	NA
Illinois	NA	NA	NA
Indiana	NA	NA	NA
Iowa	NA	NA	NA
Louisiana	NA	NA	NA
Maine	NA	NA	NA
Mississippi	NA	NA	NA
Missouri	NA	NA	NA
Montana	NA	NA	NA
Nebraska	NA	NA	NA
Nevada	NA	NA	NA
New Hampshire	NA	NA	NA
New Mexico	NA	NA	NA
North Carolina	NA	NA	NA
Ohio	NA	NA	NA
Oklahoma	NA	NA	NA
Rhode Island	NA	NA	NA
Tennessee	NA	NA	NA
Vermont	NA	NA	NA
West Virginia	NA	NA	NA
Wyoming	NA	NA	NA
Total/Wtd. Avg.	NA	NA	NA
<u>Mixed States</u>			
Pennsylvania	\$3,978	0.0128	\$50.98
Subtotal Mixed States	\$3,978	0.0128	\$50.98
Total - All States	\$5,376	0.0165	\$88.83

ick Data through fourth quarter 2001.