EXHIBITS

TESTIMONY AS DELIVERED

BY

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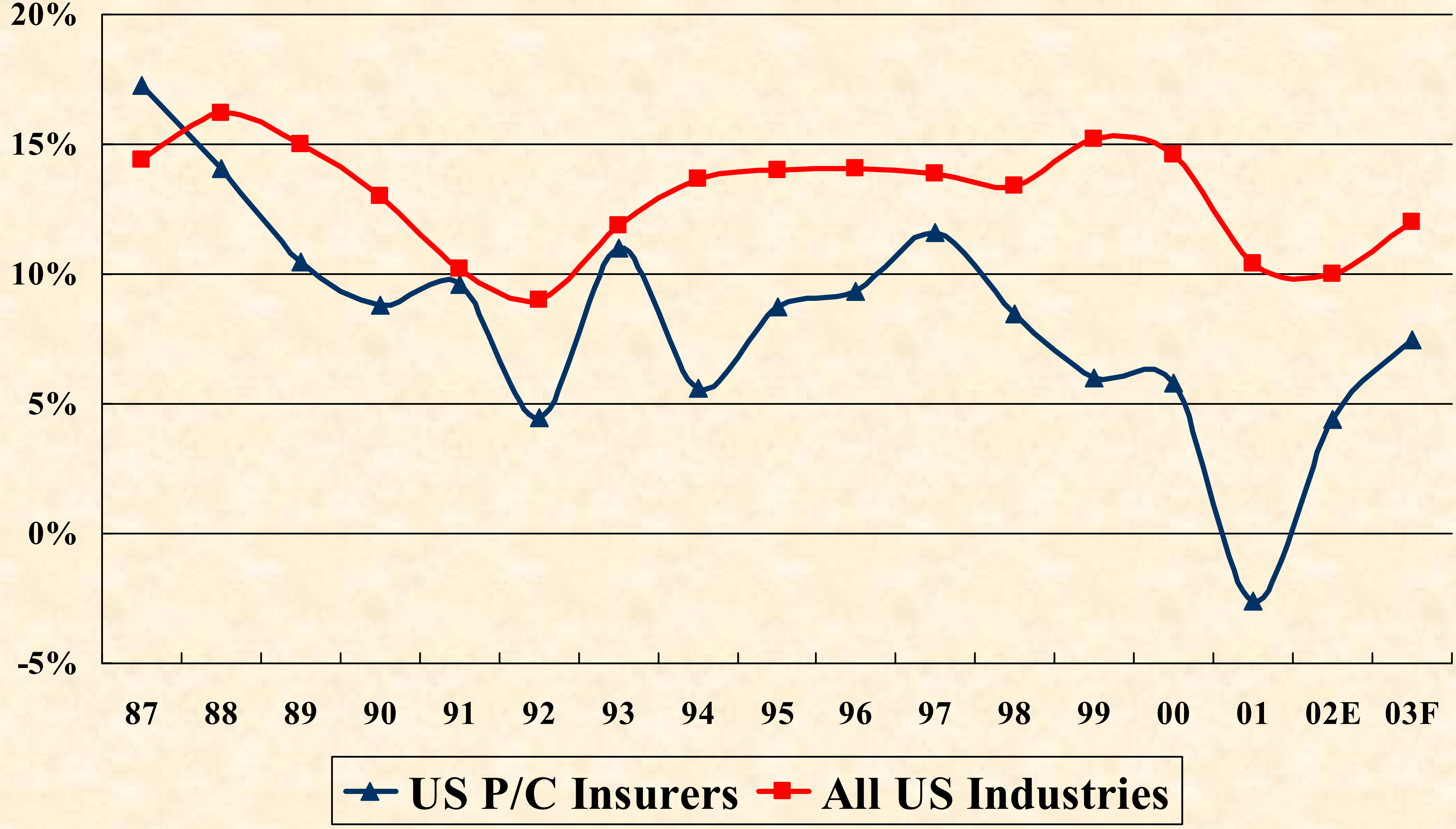
BEFORE THE HOUSE FINANCIAL SERVICES SUBCOMMITTEE ON CAPITAL MARKETS, INSURANCE AND GOVERNMENT SPONSORED ENTERPRISES

APRIL 10, 2003

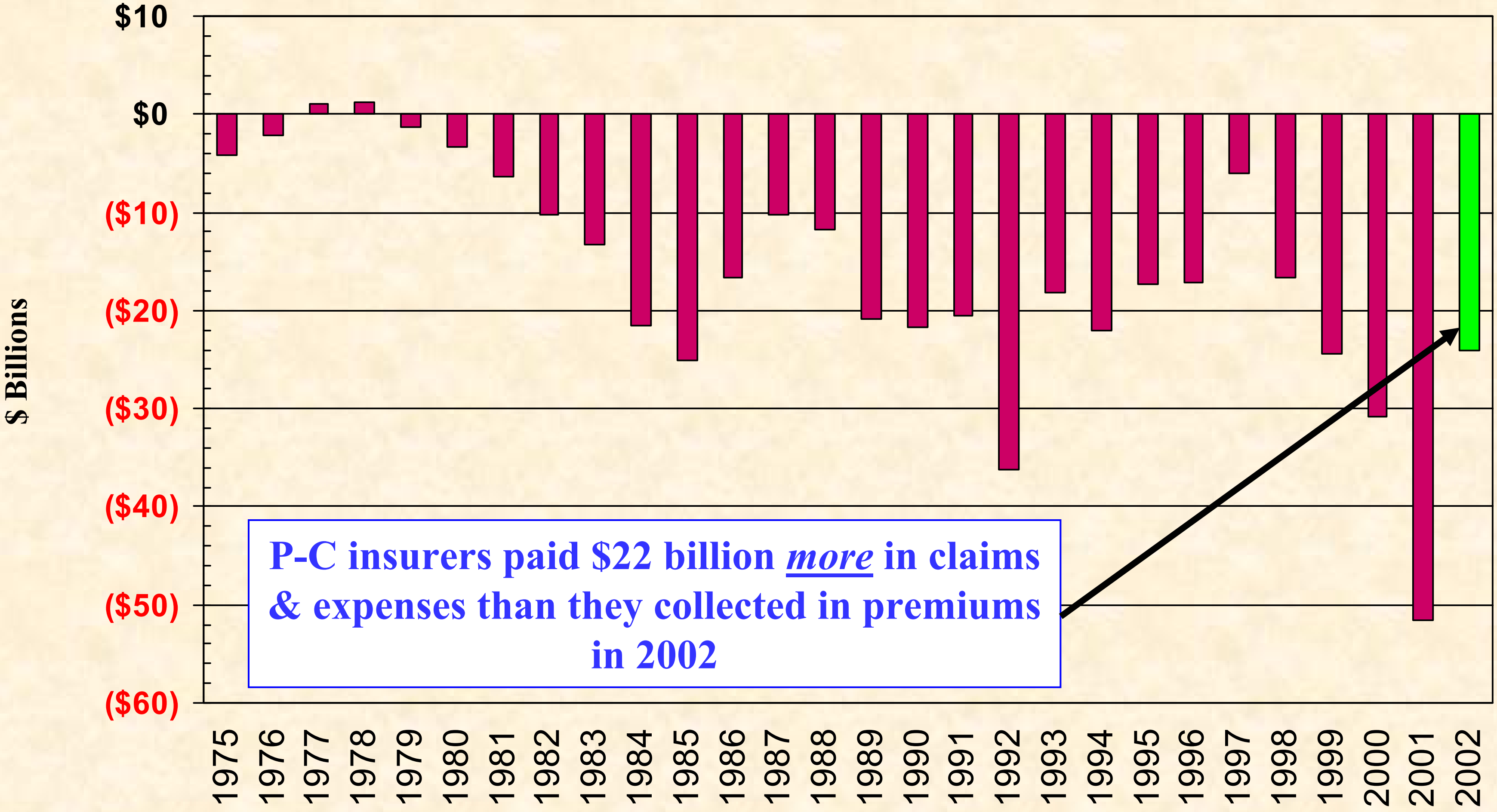
Exhibit 1.

ROE: P/C vs. All Industries: 1987–2003F



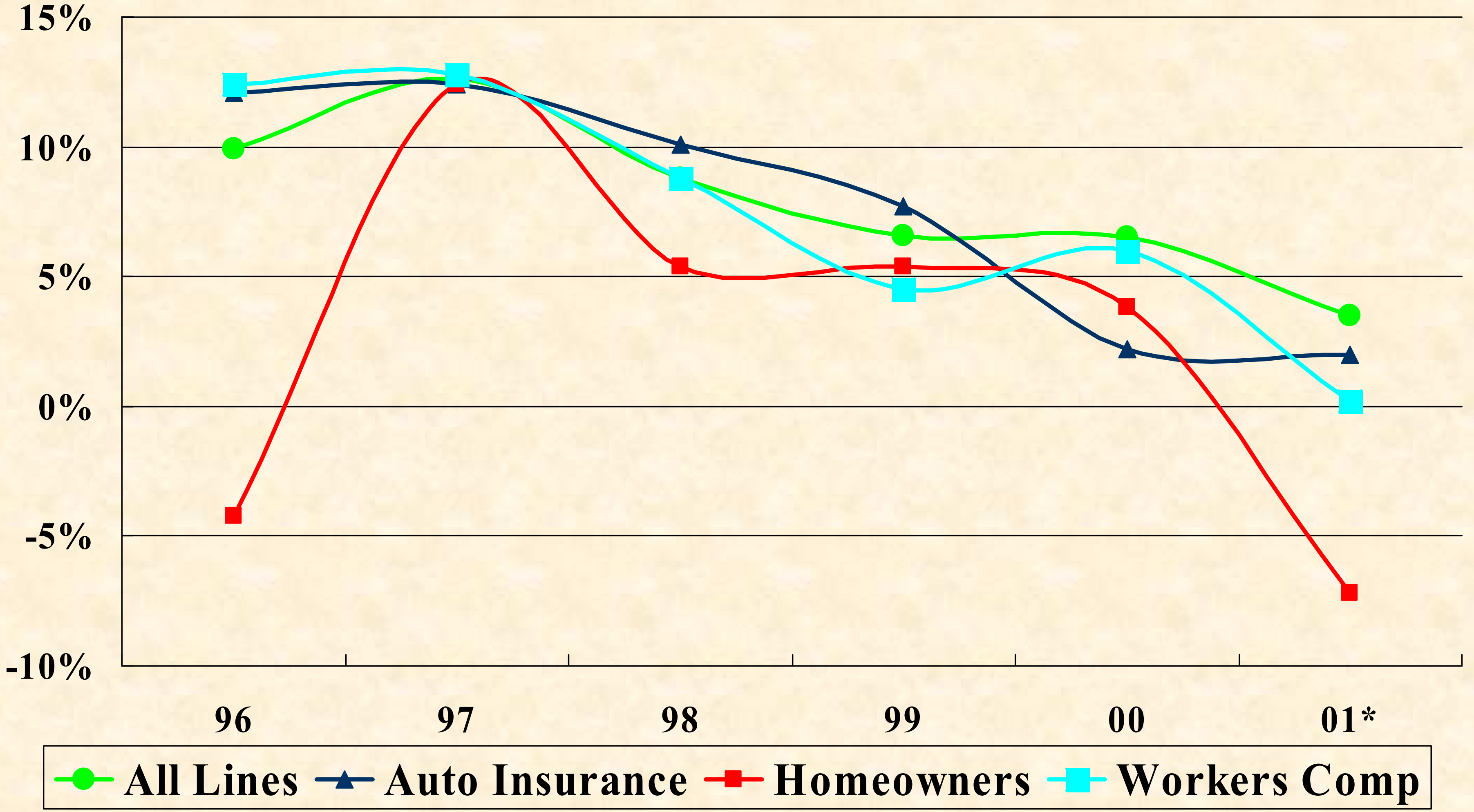
Source: Insurance Information Institute; *Fortune*

Exhibit 2:
Underwriting Gain (Loss):1975-2002*



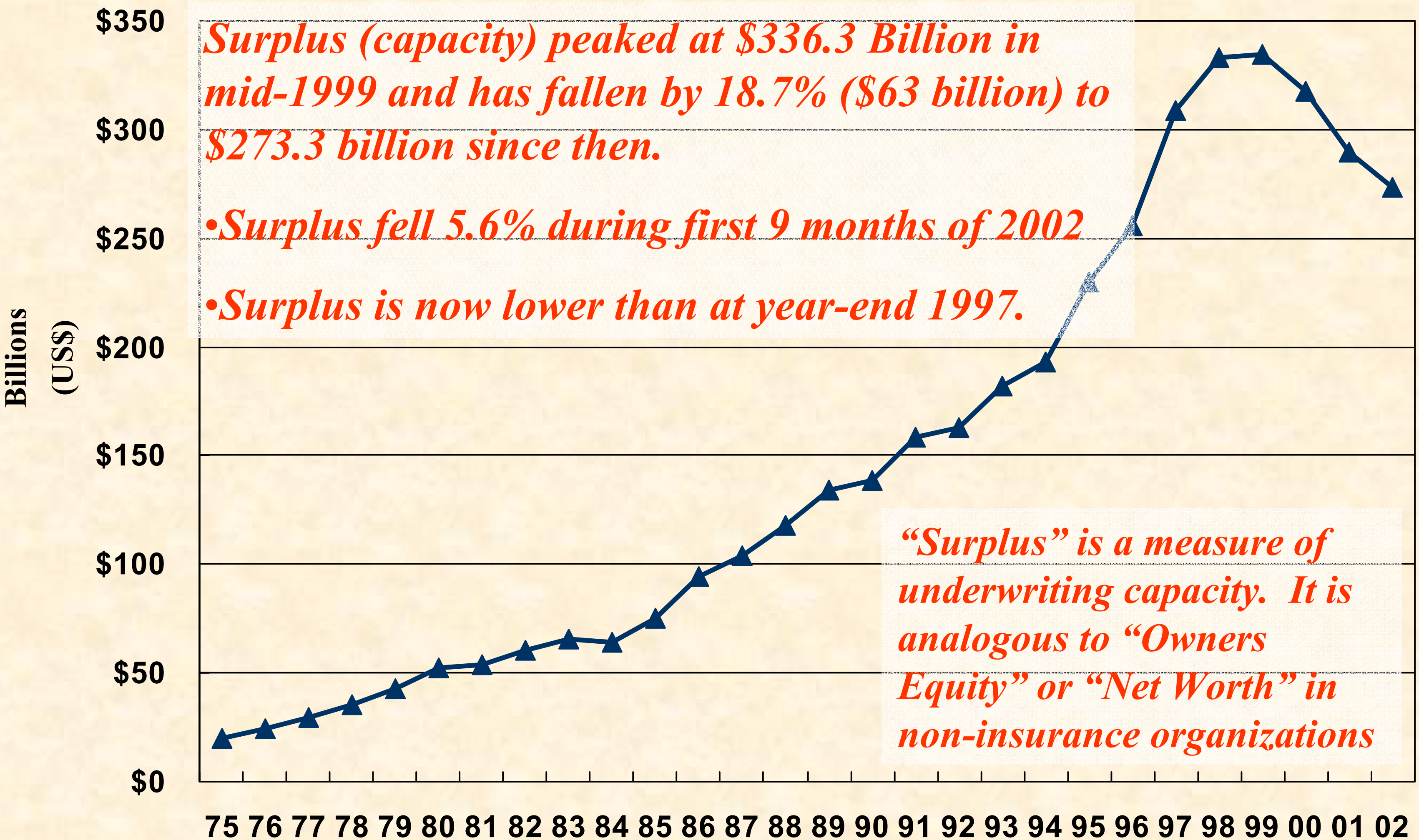
*Annualized estimate based on first 9 months of 2002 data.
Source: A.M. Best, Insurance Information Institute

Exhibit 3.
Return on Net Worth: Auto, Home & Workers Comp vs. All Lines: 1996–2001



***All Lines 2001 figure is adjusted to remove the impact of 9/11 terrorist attacks.**
Source: National Association of Insurance Commissioners, Insurance Information Institute.

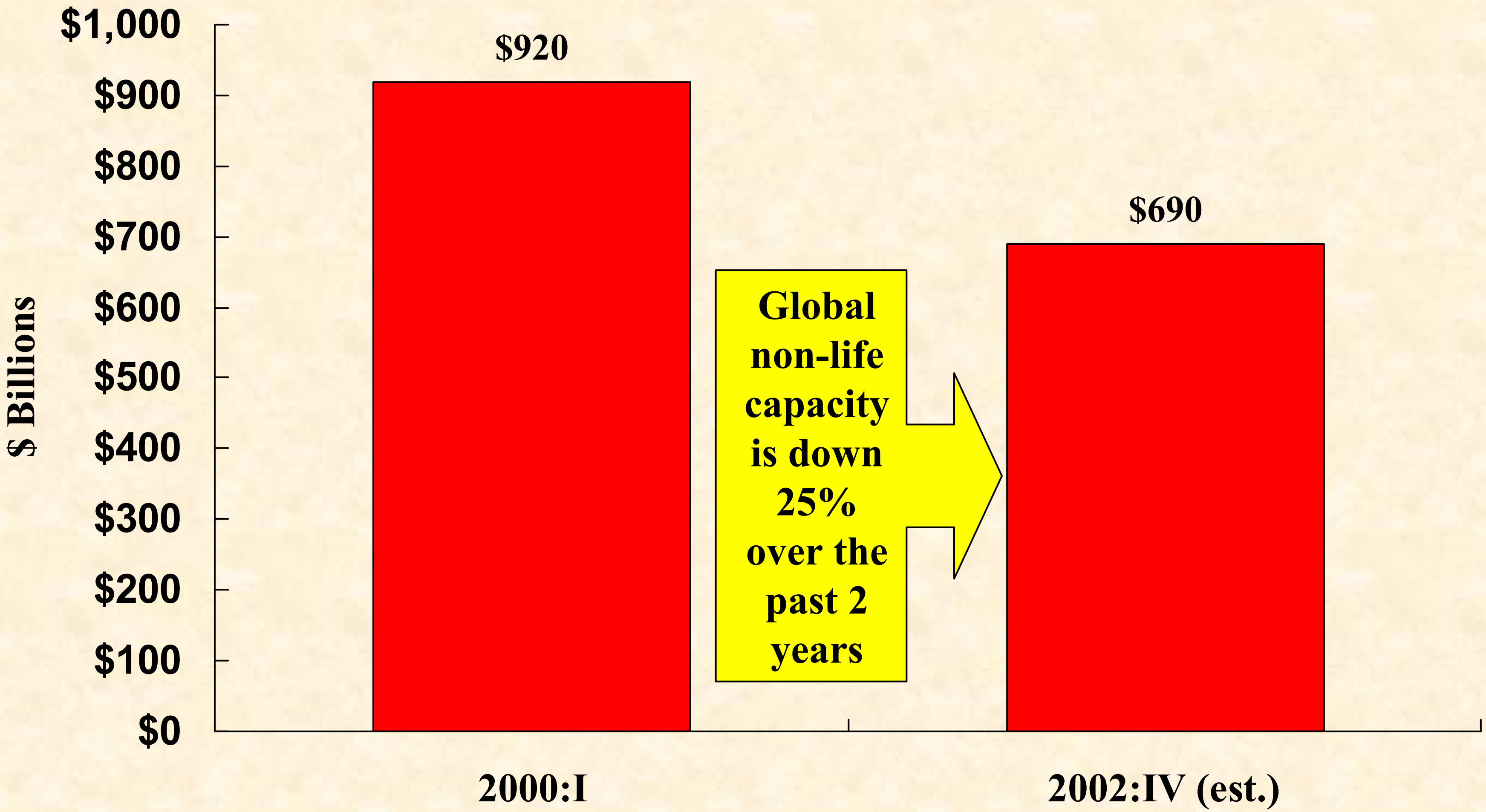
Exhibit 4.
Policyholder Surplus: 1975-2002*



*As of September 30, 2002

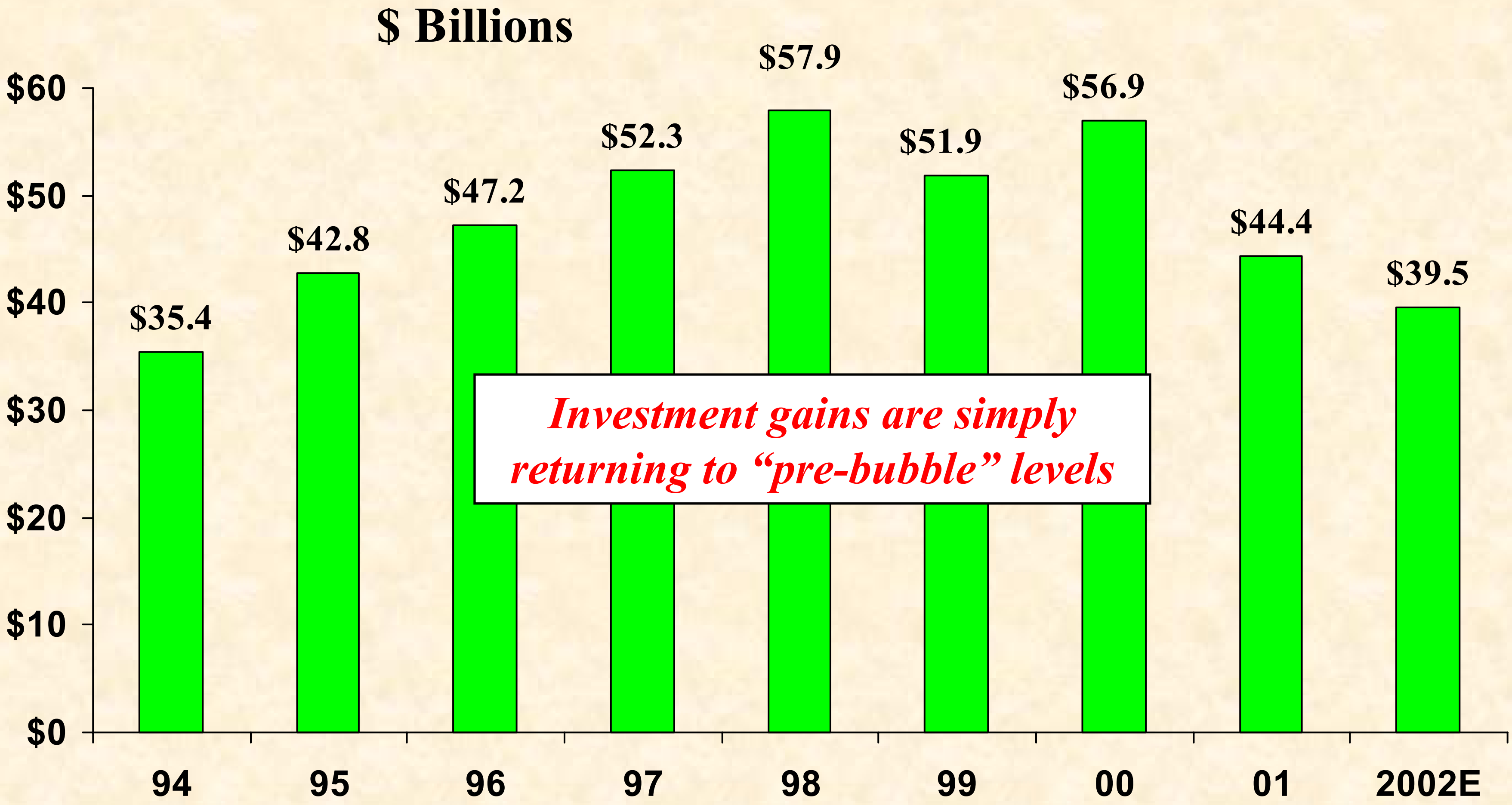
Source: A.M. Best, Insurance Information Institute

Exhibit 5.
Global P/C Insurance Capacity is Falling Dramatically



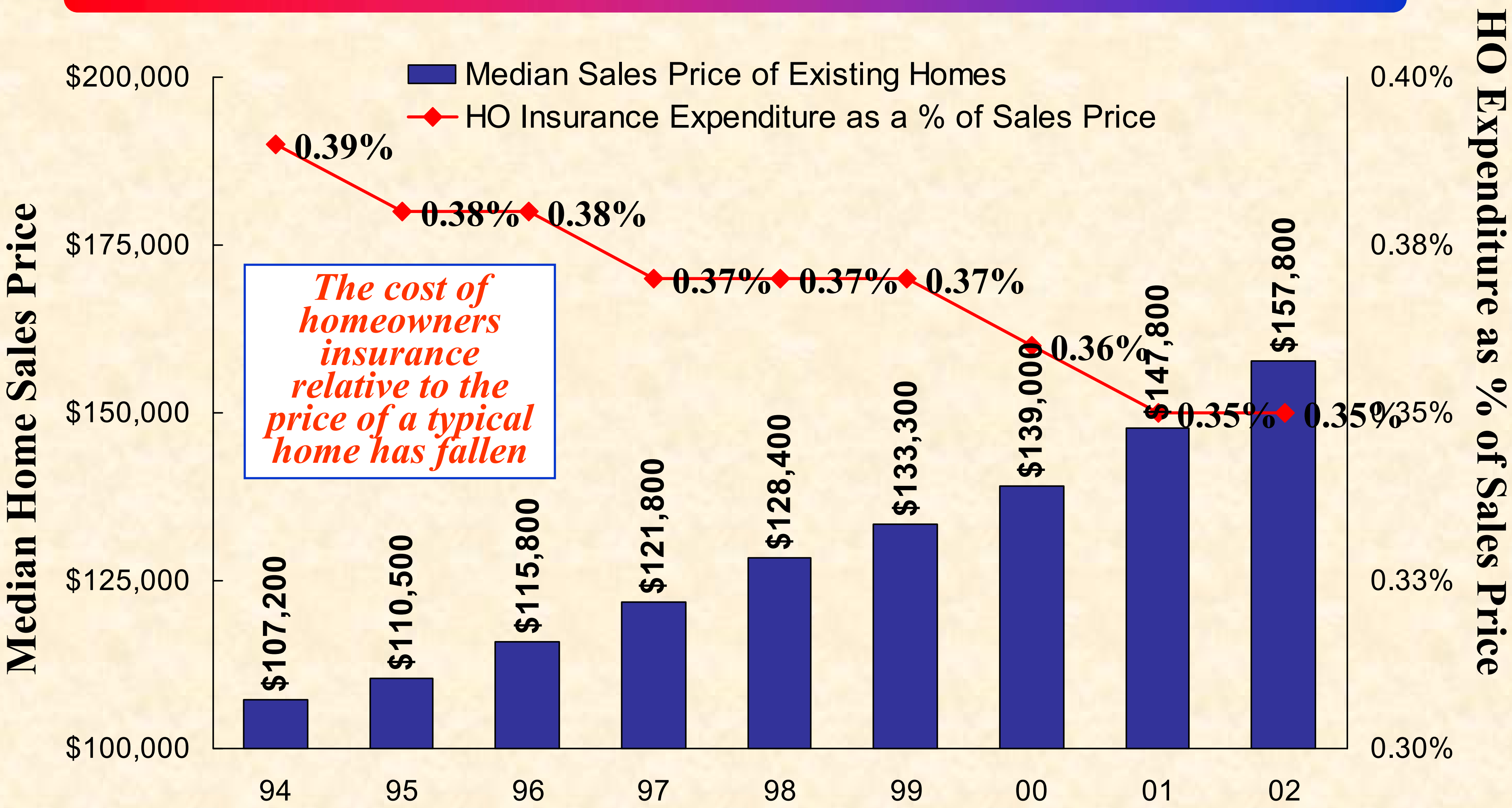
Sources: Insurance Information Institute, Swiss Re

Exhibit 6.
Property/Casualty Insurance Industry Investment Gain*



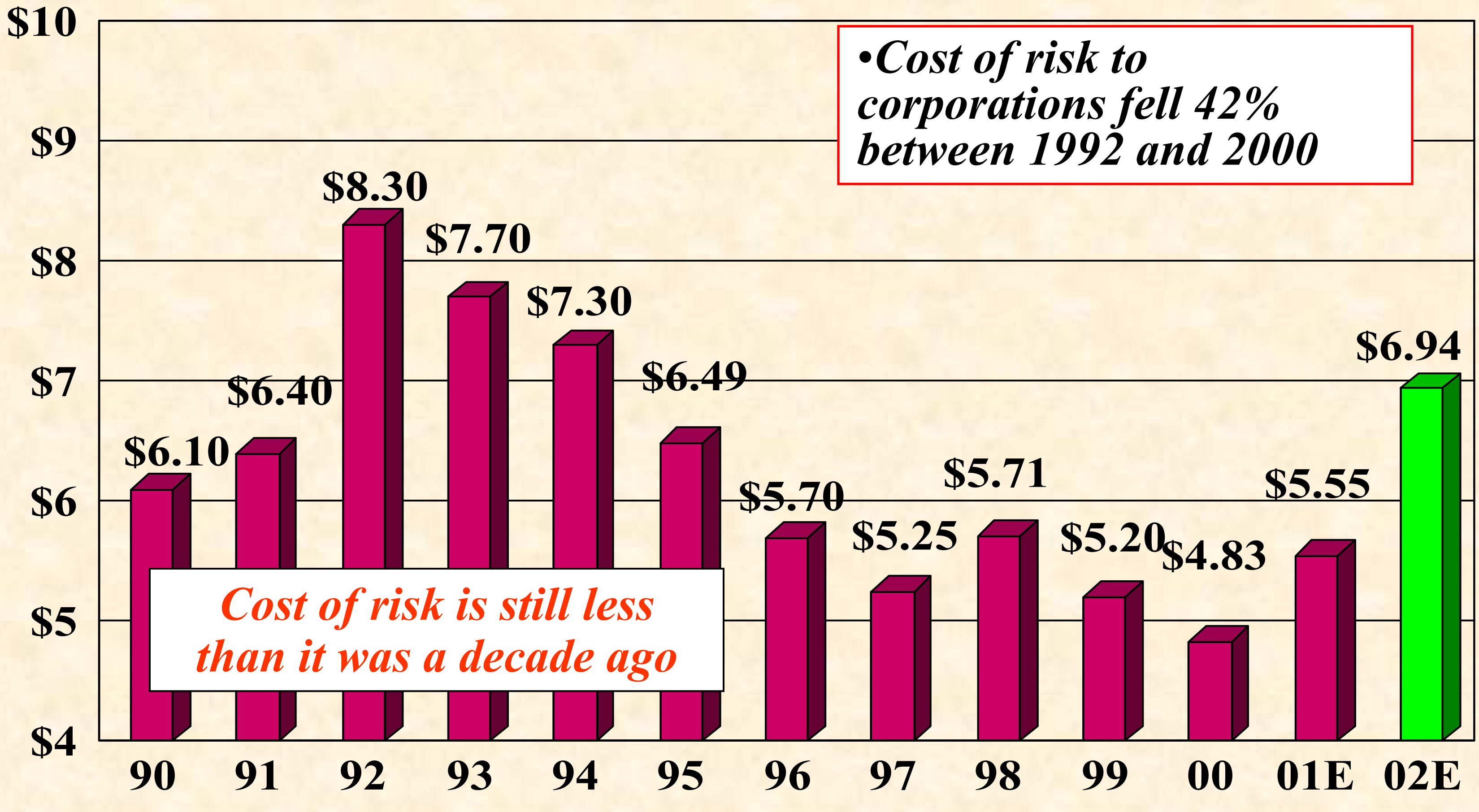
*Investment gains consists primarily of interest, stock dividends and realized capital gains and losses.
Source: Insurance Services Office; Insurance Information Institute estimate annualized as of 9/30/02.

Exhibit 7.
Homeowners Insurance Expenditure as a % of Median Home Price



Source: Insurance Information Institute calculations based on data from National Association of Realtors, NAIC.

Exhibit 8.
Corporate Cost of Risk per $1,000 of Revenues: 1990-2002E



Source: 2001 RIMS Benchmark Survey; Insurance Information Institute estimates.