Summary Information
on the
Florida Property Insurance Market

March 9, 2011

RAYMOND JAMES

INTRODUCTION

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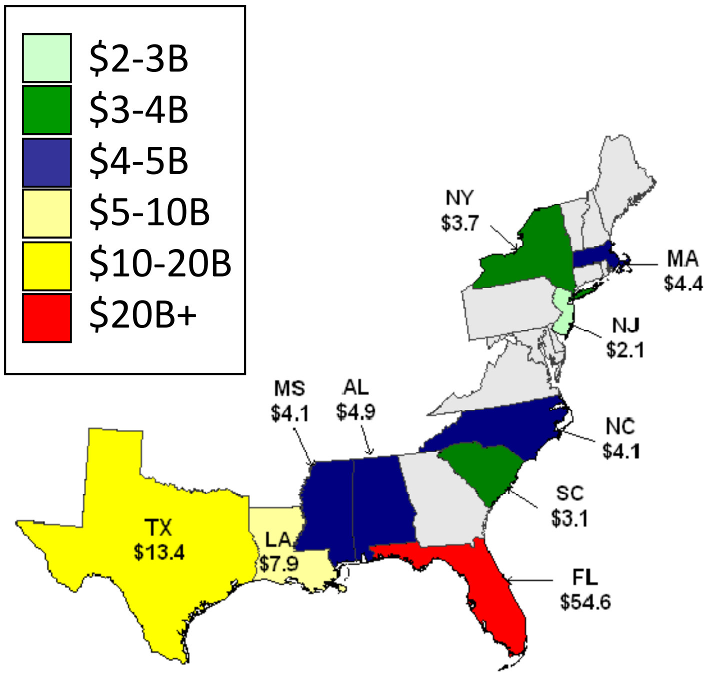
Section I:
Key Facts

- **Florida's PML is greater than the sum of the PML's of all other states from Texas to Maine**
- **Florida is the only state with an AAL over $1 billion**
- **According to Paragon's FHCF 2010 Ratemaking report, FL residential AAL is $3.6 billion**

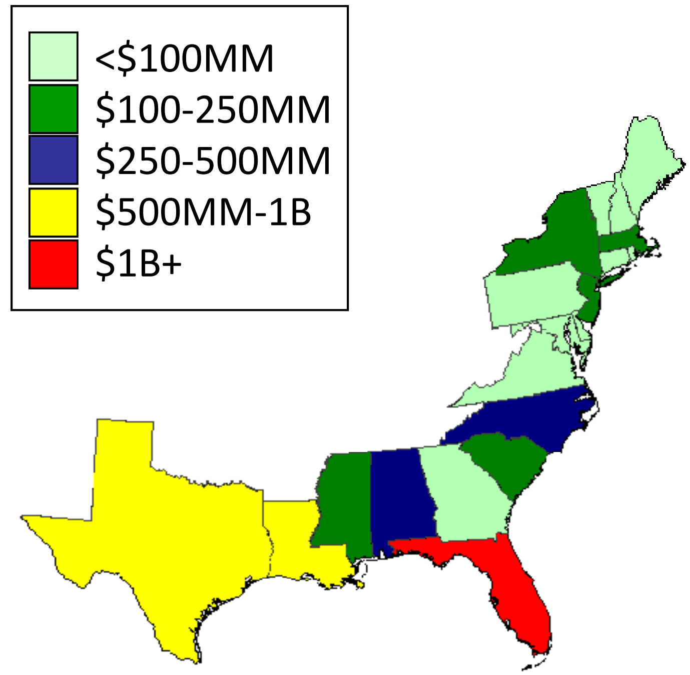
KEY FACT #1

- Catastrophic hurricane risk of the size that exists in Florida is difficult to insure in the private markets, because it violates principles of insurability

100 Year Residential PML By State



Hurricane Related Residential Lines Average Annual Losses (AAL)



Based on the RMS RiskLink hurricane model assuming long term historical event rates.
Source: RMS.

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THE PROBLEM IN WORDS

- Insurance exists to solve timing risk

but some academics and industry leaders believe:

- Catastrophic risks "are uninsurable through conventional markets…."
- "Because they defy the conditions private markets require for operation."
  - What conditions?
    - Individual exposures NOT independent
    - Losses are NOT predictable
    - Events are NOT relatively small & relatively frequent

and the actions of insurance firms indicate there may be some truth to this

- *Insuring the Uninsurable: Private Insurance Markets and Government Intervention in Cases of Extreme Risk,"* Sophie M. Korczyk, Ph.D., A Public Policy Paper of the National Association of Mutual Insurance Companies, June 2005
- *"Should the Government Provide Insurance for Catastrophes?,"* J. David Cummins, Federal Reserve Bank of St. Louis Review, July/August 2006

THE CATASTROPHE CONTINUUM

State Farm losses in FL exceed its total capital base nationally; industry losses greater than 50 years of premium collections

Industry losses greater than all premiums ever collected in California

1992
Andrew
($15.5 B)

1994
Northridge
($12.5 B)

2001
WTC
($18.8 B)

2004
Four Storms
(Charley, Ivan,
Frances, Jeanne
($18 B)

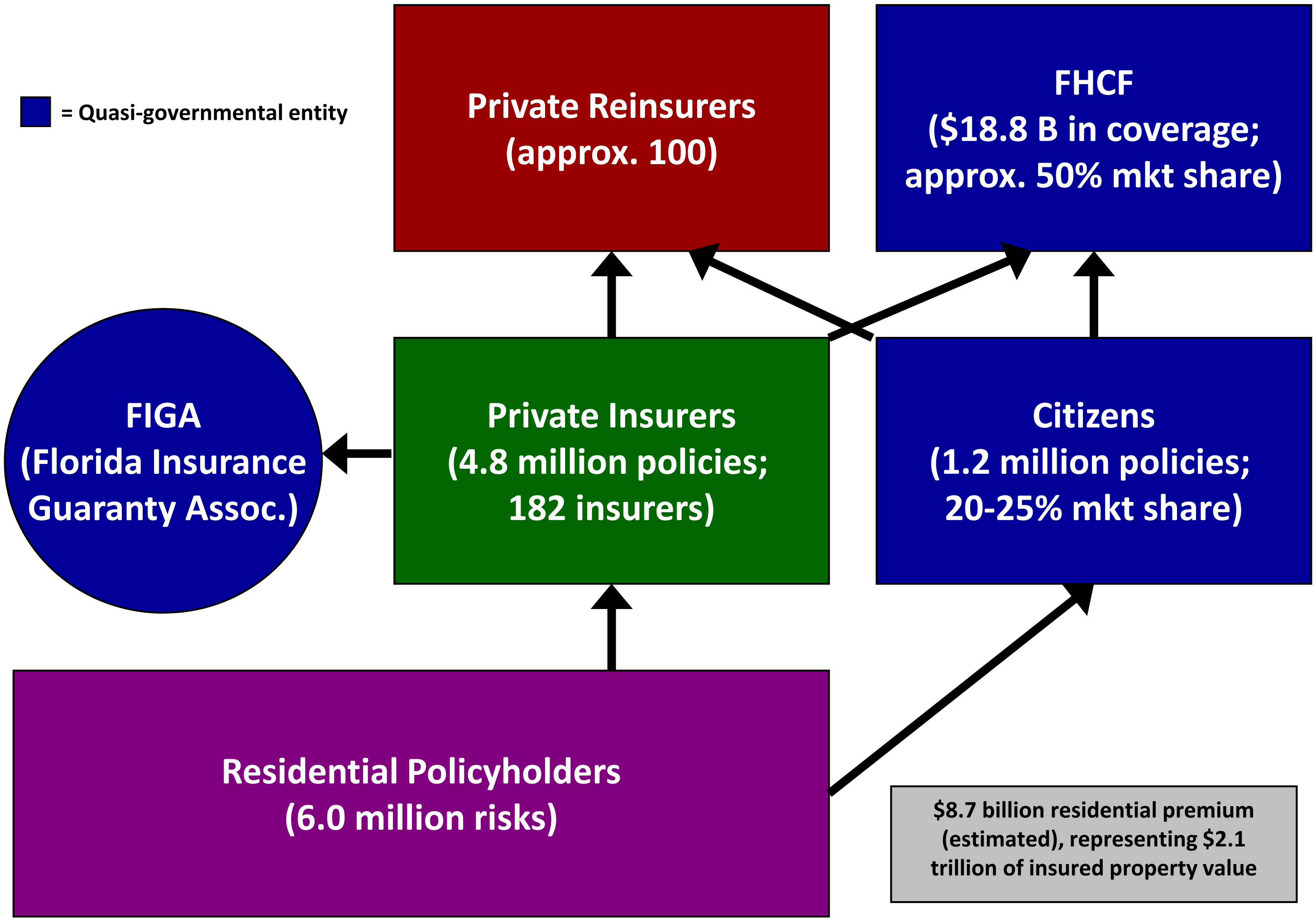
2005
Four Storms
(Dennis, Katrina
Rita, Wilma
($58 B)

2008
Gustav, Ike, Global
Financial Meltdown
($??? T)

8 of the 12 most expensive natural disasters in U.S. history have occurred since 2004; with each occurrence, private insurers withdraw further from this market

KEY FACT #2 – GOVERNMENTAL ENTITIES HAVE A LARGE SHARE OF THE FL MARKET

- Through Citizens, the State of Florida insures more Florida wind risk than any private insurer
- Through the FHCF, the State of Florida provides greater coverage of insurance companies' Florida hurricane losses than any private reinsurer



SUMMARY OF FLORIDA PROPERTY AND CASUALTY GOVERNMENTAL ENTITIES

- The FHCF has limited staff and customers and performs mainly a financial function – paying hurricane loss claims after an event. It can be thought of as the State's wholesale insurance entity

- Citizens has significant staff, operations and customers, servicing both hurricane and non-hurricane losses for over one million policyholders. It can be thought of as the State's retail insurance entity

- **FHCF**
  - The FHCF is a state tax-exempt trust fund that reimburses residential property and casualty insurers in the state for statutorily specified losses after a hurricane in exchange for annual premium payments from those insurers
  - The FHCF has three sources of revenue: reimbursement premiums from participating insurers, emergency assessments on all property and casualty policyholders, and investment earnings
- **Citizens**
  - Citizens is a state-created tax-exempt government entity established principally to provide property insurance for those unable to procure it in the voluntary market
  - Citizens has multiple sources of revenue: policyholder premiums, FHCF reimbursements, and three different types of assessments (assessments on Citizens' policyholders, regular assessments levied on member insurers, and emergency assessments levied on all property and casualty policyholders)
- **FIGA**
  - FIGA is a statutorily created nonprofit corporation to pay covered claims of insolvent property and casualty insurers
  - FIGA has two assessment mechanisms: regular assessments levied on member insurers and emergency assessments levied on all property and casualty policyholders

FHCF AND CITIZENS POTENTIAL ASSESSMENT AND BONDING SUMMARY

($'s in Billions)

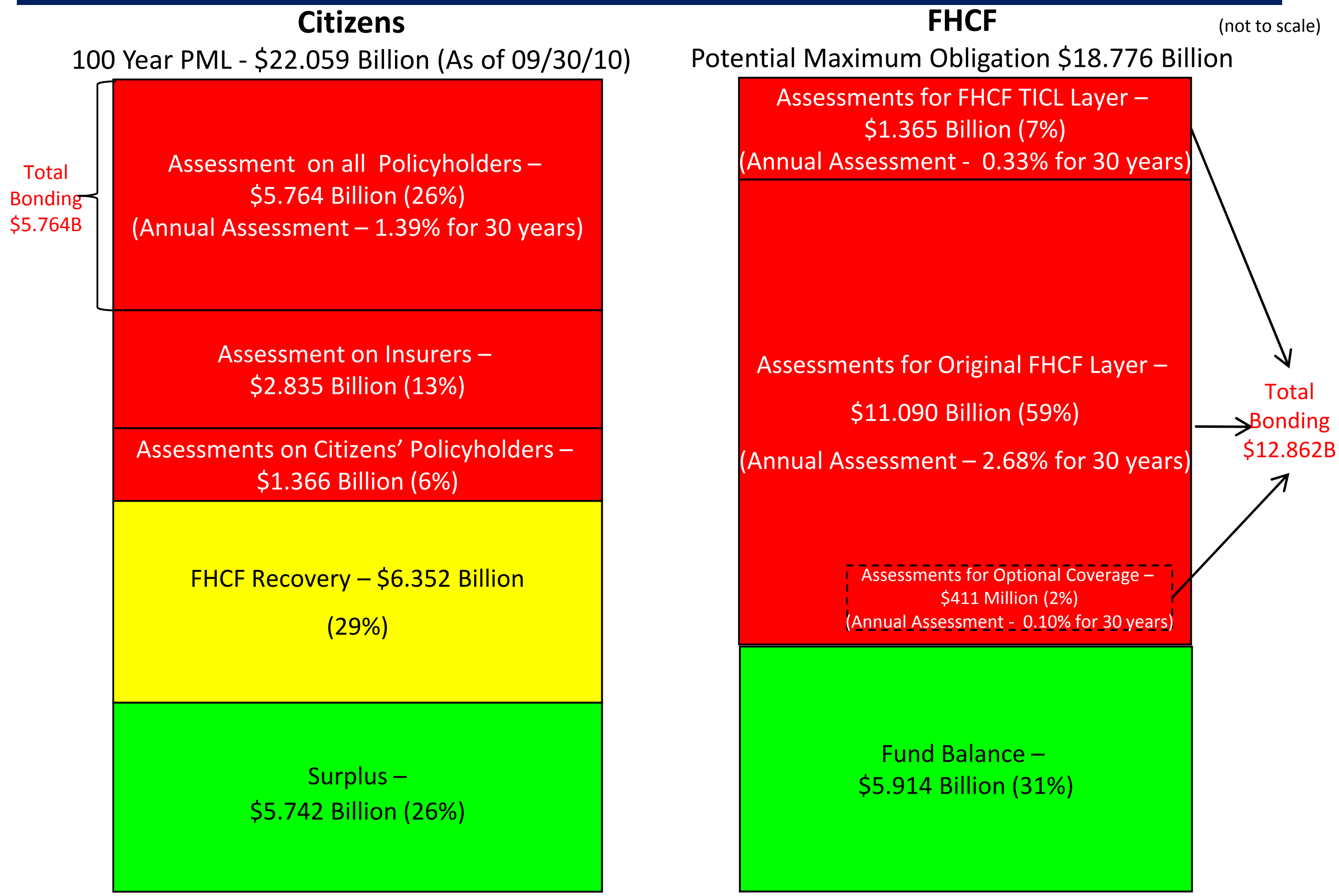
Event Size	Citizens and FHCF Non-Overlapping Liability	Available Surplus	Total Assessments	Potential Bonding	Annual Bonding Assessment Required[1,2]
1 in 25 Years	$16.9	$9.4	$7.5	$7.5	1.81%
Andrew	$25.8	$11.0	$14.8	$12.9	3.11%
1 in 50 Years	$26.2	$10.6	$15.7	$13.4	3.24%
1 in 100 Years	$34.5	$11.7	$22.8	$18.6	4.51%

[1] Assumes annual emergency assessment for 30 years using an interest rate of 7%. There is no certainty that assessable shortfalls can be financed at assumed interest rates, or at any interest rates. The amount which can be financed after an event could be significantly smaller and is subject to market conditions.

[2] Assumes annual assessment base of $33.312 billion, which is the actual 2009 base. If the base shrinks in size, as it has done for each of the past three years, required assessment percentages would be higher than show above.

CITIZENS AND FHCF 100-YEAR PML EVENT – WHERE WOULD THE $ COME FROM?

- **Citizens and FHCF non-overlapping liability is $34.5 billion, or approximately 55-60% of State PML**
- **Total debt required to support this obligation is approximately $18.6 billion**
- **Annual assessment required to support this debt is approximately 4.51% for 30 years**



Total Potential FHCF Liability includes Mandatory Coverage of $17 Billion, Estimated 2010 Year-End Fund balance of $5.914 Billion, Total TICL Coverage of $1.365 Billion, and Total Optional Coverage of $411 Million

Assumes annual emergency assessment for 30 years using an interest rate of 7%. There is no certainty that assessable shortfalls can be financed at assumed interest rates, or at any interest rates. The amount which can be financed after an event could be significantly smaller and is subject to market conditions.

100-YEAR PML EVENT – ESTIMATED CITIZENS, FHCF, AND FIGA ASSESSMENTS

- **Citizens' policyholders may face an assessment of 49% in the first year after the event**
- **Other policyholders' first - year assessment is 13.37%**
- **Ongoing annual assessment for both Citizens and non-Citizens policyholders is 8.5%, assuming Citizens, FHCF and FIGA finance the debt-based portion of their assessments over 30 years**

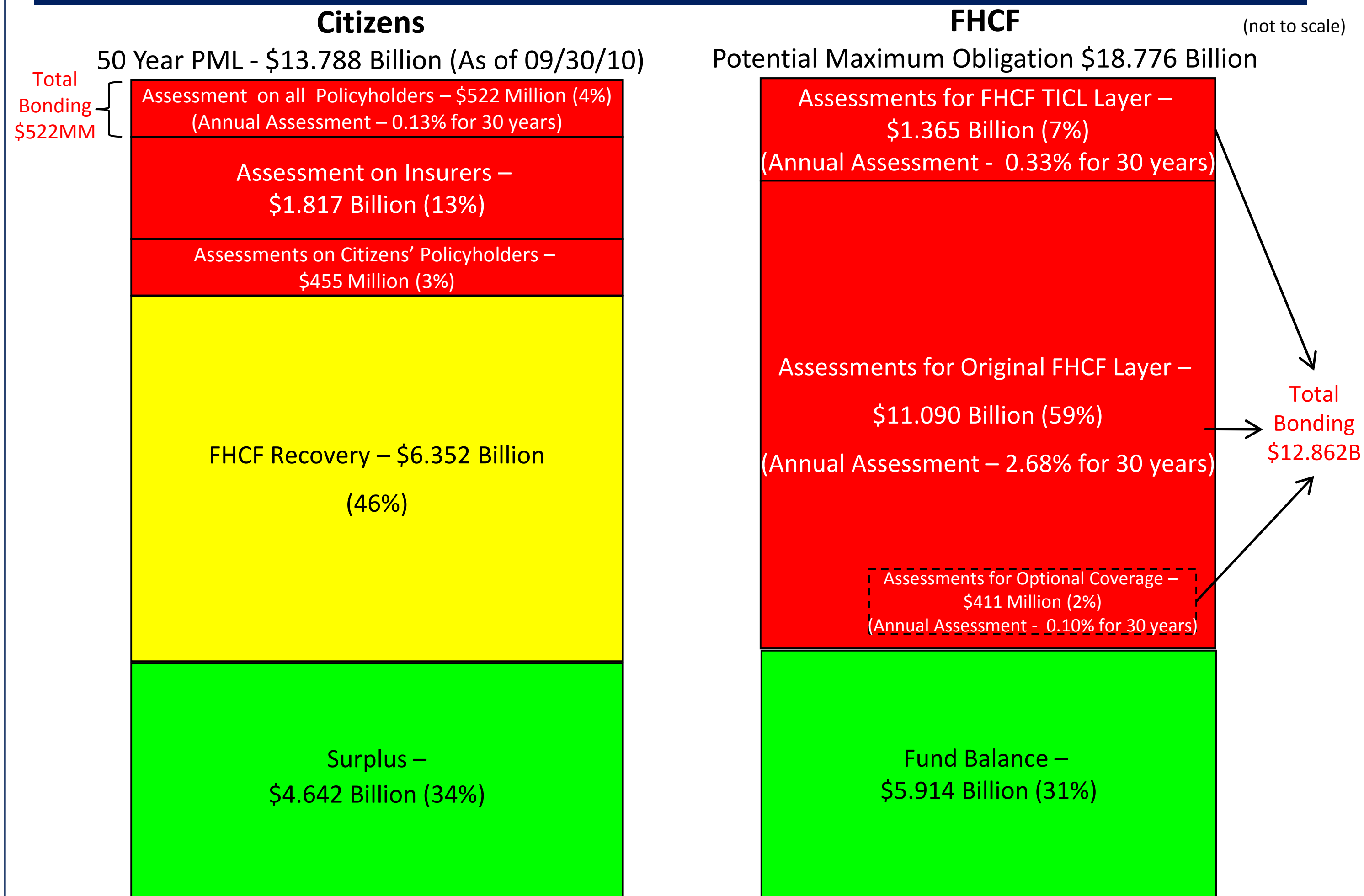
	Potential Assessments 1 / 100 Year Event						
	One year			Annual		Total	
	Citizens Policyholders Surcharge (CPS)	Regular	Emergency	Regular	Emergency	Year 1	Annual
Citizens							
Citizens Policyholders	45.00%	0.00%	0.00%	0.00%	1.39%	45.00%	1.39%
Non-Citizens Policyholders	0.00%	9.37%	0.00%	0.00%	1.39%	9.37%	1.39%
FHCF	0.00%	0.00%	0.00%	0.00%	3.11%	0.00%	3.11%
FIGA	0.00%	2.00%	2.00%	2.00%	2.00%	4.00%	4.00%
Potential Maximum for Citizens Policyholders	45.00%	11.37%	2.00%	2.00%	6.50%	49.00%	8.50%
Potential Maximum for Non Citizens Policyholders	0.00%	11.37%	2.00%	2.00%	6.50%	13.37%	8.50%

		New Premium after 1 / 100 Event	
	Current	Year 1	Annual
Average Citizens Homeowner Policy premium	$ 2,108	$ 3,141	$ 2,287
Average Non Citizens Homeowner Policy premium	1,534	1,739	1,664
Average Auto Policy Premium	1,123	1,273	1,218
Total Citizens Policyholder Average Premium	3,231	4,414	3,506
Total Non-Citizens Policyholder Average Premium	2,657	3,012	2,883
Average Household Income = $46,206			
% of Average Household for Citizens Policyholder	6.99%	9.55%	7.59%
% of Average Household for Non-Citizens	5.75%	6.52%	6.24%

Notes:
Citizens Policyholders Surcharge and Assessments are based on deficit in all three accounts
FHCF Assessment is levied after year 1 as the interest expenses are capitalized for year 1
FIGA Assessments are projected to be potentially maximum assessments, which can potentially finance $3.8 billion

CITIZENS AND FHCF 50-YEAR PML EVENT – WHERE WOULD THE $ COME FROM?

- **Citizens and FHCF non-overlapping liability is $26.2 billion; total required assessments are $15.7 billion**
- **Total debt required to support this obligation is approximately $13.4 billion**
- **Annual assessment required to support this debt is approximately 3.24% for 30 years; this could be financed over a shorter time period, subject to statutory limitations on maximum assessment rates**



Total Potential FHCF Liability includes Mandatory Coverage of $17 Billion, Estimated 2010 Year-End Fund balance of $5.914 Billion, Total TICL Coverage of $1.365 Billion, and Total Optional Coverage of $411 Million

Assumes annual emergency assessment for 30 years using an interest rate of 7%. There is no certainty that assessable shortfalls can be financed at assumed interest rates, or at any interest rates. The amount which can be financed after an event could be significantly smaller and is subject to market conditions.

50-YEAR PML EVENT – ESTIMATED CITIZENS, FHCF, AND FIGA ASSESSMENTS

- **Citizens' policyholders may face an assessment of 19% in the first year after the event**
- **Other policyholders' first - year assessment is 10%**
- **Ongoing annual assessment for both Citizens and non-Citizens policyholders is 7.24%, assuming Citizens, FHCF and FIGA finance the debt-based portion of their assessments over 30 years**

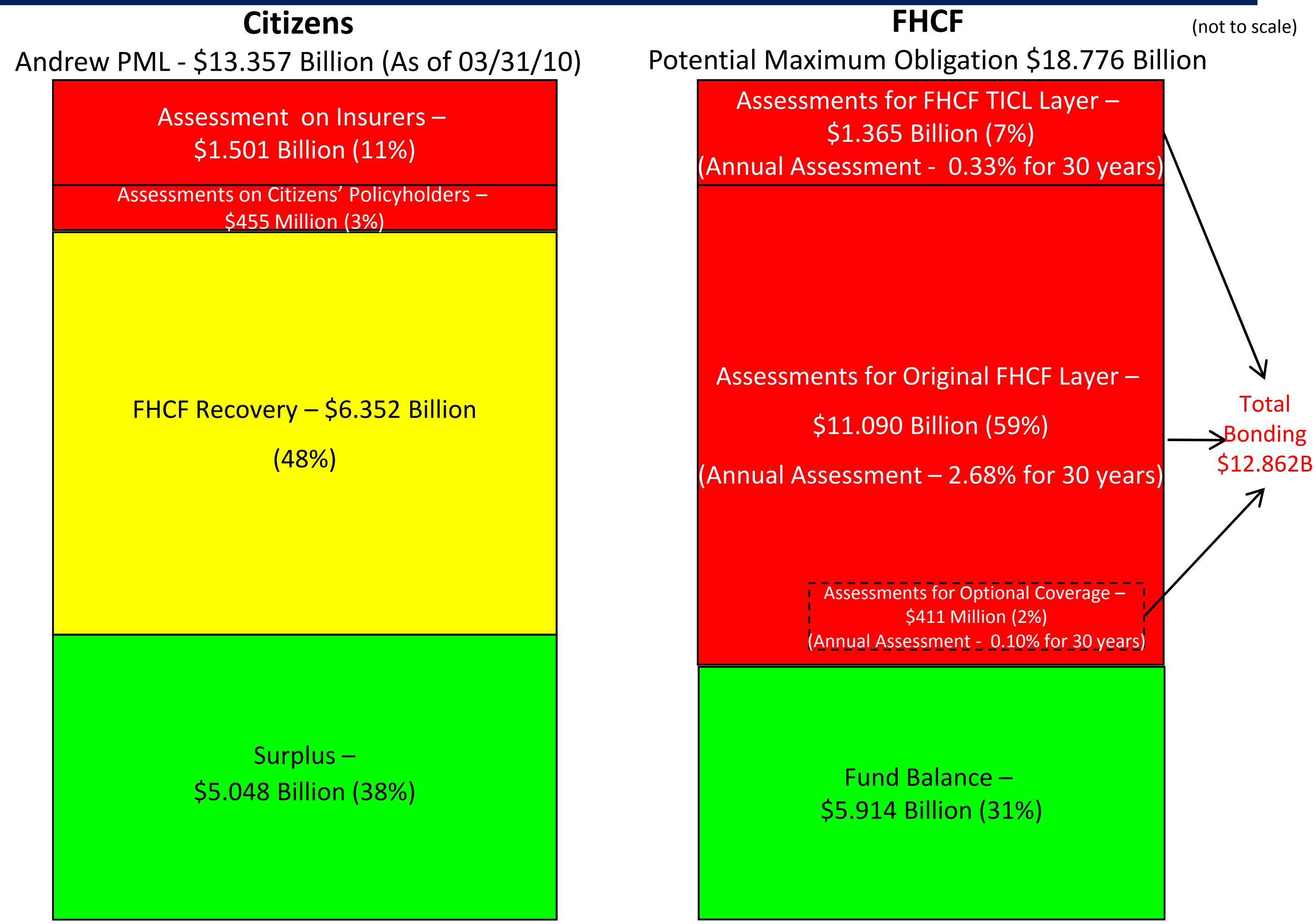
	Potential Assessments 1 / 50 Year Event						
	One year			Annual		Total	
	Citizens Policyholders Surcharge (CPS)	Regular	Emergency	Regular	Emergency	Year 1	Annual
Citizens							
Citizens Policyholders	15.00%	0.00%	0.00%	0.00%	0.13%	15.00%	0.13%
Non-Citizens Policyholders	0.00%	6.00%	0.00%	0.00%	0.13%	6.00%	0.13%
FHCF	0.00%	0.00%	0.00%	0.00%	3.11%	0.00%	3.11%
FIGA	0.00%	2.00%	2.00%	2.00%	2.00%	4.00%	4.00%
Potential Maximum for Citizens Policyholders	15.00%	8.00%	2.00%	2.00%	5.24%	19.00%	7.24%
Potential Maximum for Non Citizens Policyholders	0.00%	8.00%	2.00%	2.00%	5.24%	10.00%	7.24%

		New Premium after 1 / 50 Event	
	Current	Year 1	Annual
Average Citizens Homeowner Policy premium	$ 2,108	$ 2,509	$ 2,261
Average Non Citizens Homeowner Policy premium	1,534	1,687	1,645
Average Auto Policy Premium	1,123	1,235	1,204
Total Citizens Policyholder Average Premium	3,231	3,744	3,465
Total Non-Citizens Policyholder Average Premium	2,657	2,923	2,849
Average Household Income = $46,206			
% of Average Household for Citizens Policyholder	6.99%	8.10%	7.50%
% of Average Household for Non-Citizens	5.75%	6.33%	6.17%

Notes:
Citizens Policyholders Surcharge and Assessments are based on deficit in all three accounts
FHCF Assessment is levied after year 1 as the interest expenses are capitalized for year 1
FIGA Assessments are projected to be potentially maximum assessments, which can potentially finance $3.8 billion

CITIZENS AND FHCF ANDREW PML EVENT – WHERE WOULD THE $ COME FROM?

- **Citizens and FHCF non-overlapping liability is $25.8 billion; total required assessments are $14.8 billion**
- **Total debt-based assessments required to support this obligation are approximately $12.9 billion**
- **Annual assessment required to support this debt is approximately 3.11% for 30 years; this could be financed over a shorter time period, subject to statutory limitations on maximum assessment rates**



Total Potential FHCF Liability includes Mandatory Coverage of $17 Billion, Estimated 2010 Year-End Fund balance of $5.914 Billion, Total TICL Coverage of $1.365 Billion, and Total Optional Coverage of $411 Million

Assumes annual emergency assessment for 30 years using an interest rate of 7%. There is no certainty that assessable shortfalls can be financed at assumed interest rates, or at any interest rates. The amount which can be financed after an event could be significantly smaller and is subject to market conditions.

ANDREW PML EVENT – ESTIMATED CITIZENS, FHCF, AND FIGA ASSESSMENTS

- **Citizens policyholders may face an assessment of 19% in the first year after the event**
- **Other policyholders' first - year assessment is 8.96%**
- **Ongoing annual assessment for both Citizens and non-Citizens policyholders is 7.11%, assuming Citizens, FHCF and FIGA finance the debt-based portion of their assessments over 30 years**

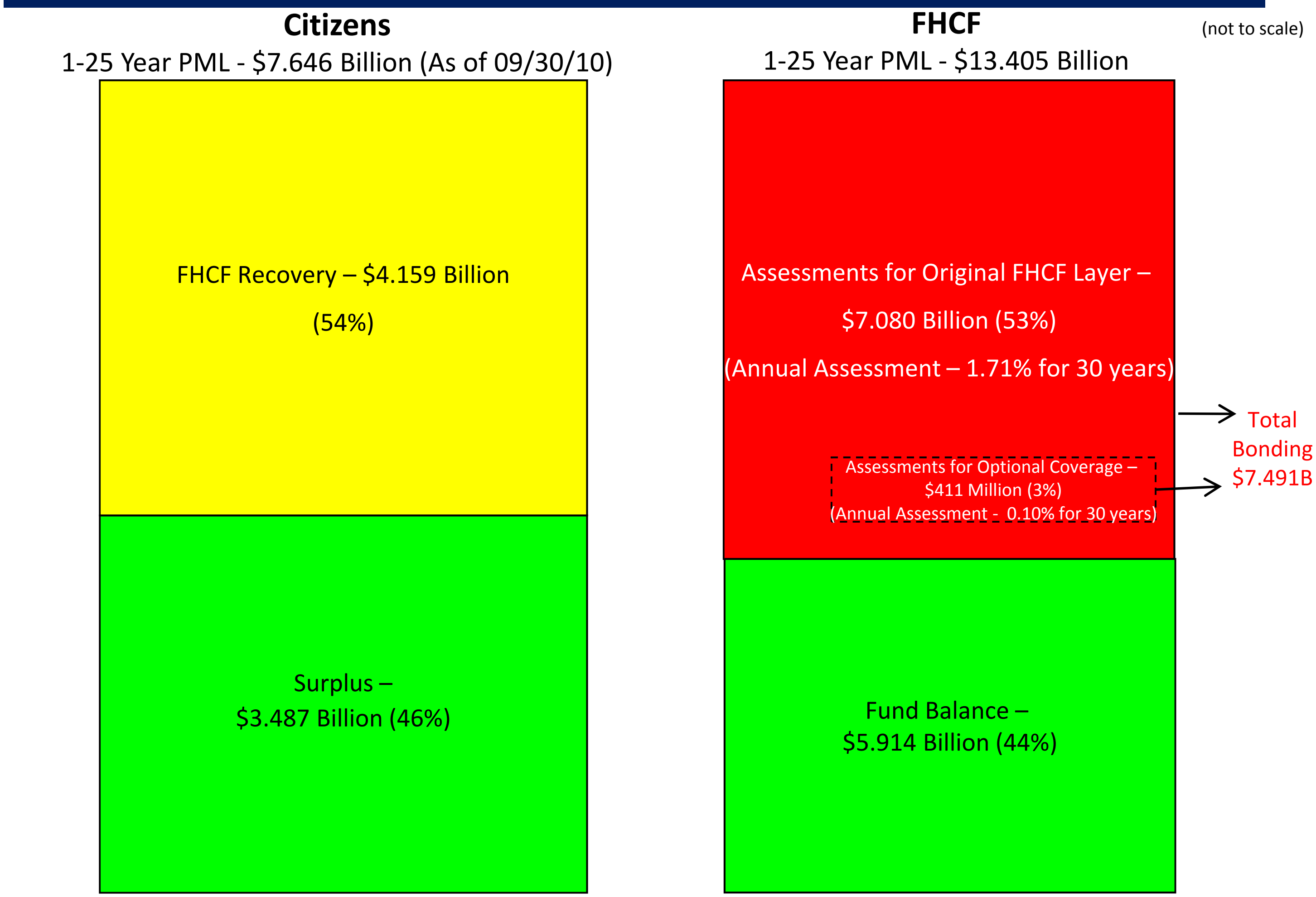
	Potential Assessments for Andrew						
	One year			Annual		Total	
	Citizens Policyholders Surcharge (CPS)	Regular	Emergency	Regular	Emergency	Year 1	Annual
Citizens							
Citizens Policyholders	15.00%	0.00%	0.00%	0.00%	0.00%	15.00%	0.00%
Non-Citizens Policyholders	0.00%	4.96%	0.00%	0.00%	0.00%	4.96%	0.00%
FHCF	0.00%	0.00%	0.00%	0.00%	3.11%	0.00%	3.11%
FIGA	0.00%	2.00%	2.00%	2.00%	2.00%	4.00%	4.00%
Potential Maximum for Citizens Policyholders	15.00%	6.96%	2.00%	2.00%	5.11%	19.00%	7.11%
Potential Maximum for Non Citizens Policyholders	0.00%	6.96%	2.00%	2.00%	5.11%	8.96%	7.11%

	Current	New Premium after Andrew	
		Year 1	Annual
Average Citizens Homeowner Policy premium	$ 2,108	$ 2,509	$ 2,258
Average Non Citizens Homeowner Policy premium	1,534	1,671	1,643
Average Auto Policy Premium	1,123	1,224	1,203
Total Citizens Policyholder Average Premium	3,231	3,732	3,461
Total Non-Citizens Policyholder Average Premium	2,657	2,895	2,846
Average Household Income = $46,206			
% of Average Household for Citizens Policyholder	6.99%	8.08%	7.49%
% of Average Household for Non-Citizens	5.75%	6.27%	6.16%

Notes:
Citizens Policyholders Surcharge and Assessments are based on deficit in all three accounts
FHCF Assessment is levied after year 1 as the interest expenses are capitalized for year 1
FIGA Assessments are projected to be potentially maximum assessments, which can potentially finance $3.8 billion

CITIZENS AND FHCF 1-25 YEAR PML EVENT – WHERE WOULD THE $ COME FROM?

- Citizens and FHCF non-overlapping liability is $16.9 billion in a 1-25 year event; total assessments required are $7.5 billion – all from the FHCF
- Total debt required to support this obligation is approximately $7.5 billion – all from the FHCF
- Annual assessment required to support this debt is approximately 1.81% for 30 years; this could be financed over a shorter time period, subject to statutory limitations on maximum assessment rates



Total Potential FHCF Liability includes Mandatory Coverage of $13.405 Billion, Estimated 2010 Year-End Fund balance of $5.914 Billion, and Total Optional Coverage of $411 Million

Assumes annual emergency assessment for 30 years using an interest rate of 7%. There is no certainty that assessable shortfalls can be financed at assumed interest rates, or at any interest rates. The amount which can be financed after an event could be significantly smaller and is subject to market conditions.

25-YEAR PML EVENT – ESTIMATED CITIZENS, FHCF, AND FIGA ASSESSMENTS

- **Citizens' policyholders may face an assessment of 4% in the first year after the event**
- **Other policyholders' first - year assessment is 4%**
- **Ongoing annual assessment for both Citizens and non-Citizens policyholders is 5.81%, assuming FHCF and FIGA finance the debt-based portion of their assessments over 30 years**

	Potential Assessments for 1 / 25 Year Event						
	One year			Annual		Total	
	Citizens Policyholders Surcharge (CPS)	Regular	Emergency	Regular	Emergency	Year 1	Annual
Citizens							
Citizens Policyholders	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Non-Citizens Policyholders	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FHCF	0.00%	0.00%	0.00%	0.00%	1.81%	0.00%	1.81%
FIGA	0.00%	2.00%	2.00%	2.00%	2.00%	4.00%	4.00%
Potential Maximum for Citizens Policyholders	0.00%	2.00%	2.00%	2.00%	3.81%	4.00%	5.81%
Potential Maximum for Non Citizens Policyholders	0.00%	2.00%	2.00%	2.00%	3.81%	4.00%	5.81%

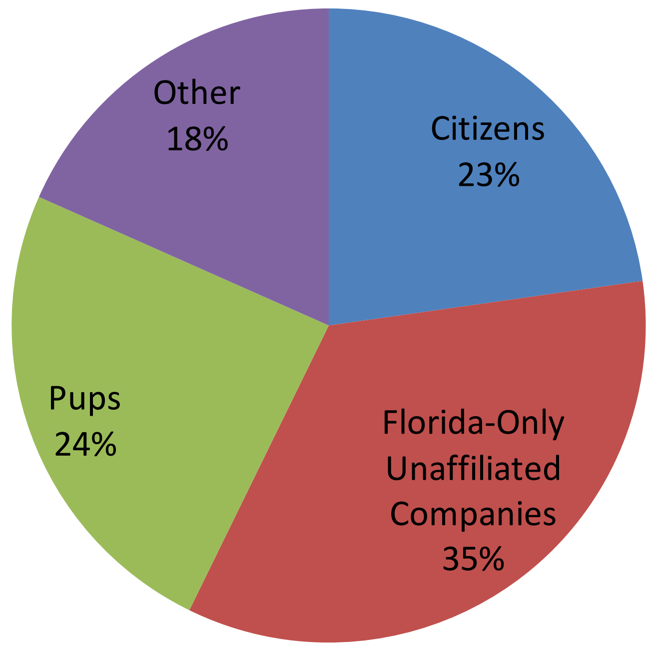
		New Premium after 1 / 25 Event	
	Current	Year 1	Annual
Average Citizens Homeowner Policy premium	$ 2,108	$ 2,192	$ 2,230
Average Non Citizens Homeowner Policy premium	1,534	1,595	1,623
Average Auto Policy Premium	1,123	1,168	1,188
Total Citizens Policyholder Average Premium	3,231	3,360	3,419
Total Non-Citizens Policyholder Average Premium	2,657	2,763	2,811
Average Household Income = $46,206			
% of Average Household for Citizens Policyholder	6.99%	7.27%	7.40%
% of Average Household for Non-Citizens	5.75%	5.98%	6.08%

Notes:
Citizens Policyholders Surcharge and Assessments are based on deficit in all three accounts
FHCF Assessment is levied after year 1 as the interest expenses are capitalized for year 1
FIGA Assessments are projected to be potentially maximum assessments, which can potentially finance $3.8 billion

KEY FACT #3 – FLORIDA HAS A STRUCTURALLY UNSTABLE MARKET

- Small, Florida-only insurers are heavily reliant on private reinsurance to meet their claims-paying obligations; private reinsurance pricing and capacity is subject to wide swings based on various factors. This introduces additional instability into the FL market

- The predominance of small, reinsurance-reliant Florida-only companies creates instability



- The Florida Residential Property Insurance Admitted Market is divided into 4 major parts: (1) Citizens; (2) the Florida only subsidiaries "pups" of the major national writers; (3) the Florida-only domestic companies; and (4) non-domestic nationwide property writers, such as USAA, etc.

Data Source: Florida Office of Insurance Regulation, Quarterly Supplemental Report. List is determined based on premium written for residential policies statewide that include wind coverage. As of 9/30/10.

Section II:
The Building Blocks to a Successful Market

- **All of these are potentially beneficial, but need not be enacted simultaneously to produce meaningful progress**

THE BASICS

- Financially strong, right-sized FHCF and Citizens
  - Citizens serving as a true residual market
  - FHCF consistently sized and financeable
- Cost drivers under control
- Rates don't encourage residual market growth
- Private companies are adequately capitalized
- Building codes in place and enforced to reduce claims and costs
- Consideration of a responsibly funded national backstop
  - Could bring national companies back
  - Complements private reinsurance markets

- **FHCF pre-event financing provides an additional liquidity source to pay claims and provides flexibility in the timing of any required post-event financing**
- **The costs of pre-event debt are paid from FHCF's reimbursement premiums and investment income, not from assessments; there is no cost to the State from pre-event debt**
- **Pre-event debt is not a factor in rating agency analysis of State's ratings**
- **The state has no legal or financial obligation to support FHCF's pre-event or post-event debt, other than through the levy and collection of assessments for post-event bonds**

THOUGHTS ON THE FHCF

- **The FHCF provides significant economic benefits to Florida**
  - The FHCF is not primarily intended to be a rate-reducing entity, but its structure (even with actuarially sound rates) saves Florida policyholders several billion dollars annually, and has a high ROI

but

Fiscal Year (06/30)	FHCF Reimbursement Premiums	Savings to Florida Policyholders	FHCF Hurricane Losses	Total FHCF Emergency Assessments
2000	$438	$876		$0
2001	$439	$878		$0
2002	$478	$956		$0
2003	$498	$996		$0
2004	$488	$976	$3,950	$0
2005	$617	$1,234	$5,700	$0
2006	$735	$1,470		$1,350
2007	$1,189	$2,378		$0
2008	$1,320	$2,641		$0
2009	$1,276	$2,553		$625
2010	$1,440	$2,880		$675
2011	$1,388	$2,775		$0
Total	**$10,306**	**$20,613**	**$9,650**	**$2,650**

Actual Return on Investment (2000-2011)	**678%**
Projected Long-Term Return on Investment	**100%**

Savings are calculated based on FHCF costing 1/3rd of private reinsurance.

- The FHCF can only work if it is the right size – not too big, as it became post-2007
  - Statutory capacity limitations should strive to make the FHCF financeable and a complement for the private market, not a replacement

Summary of Outstanding Debt

Series	Amount ($MM)	Average Yield	Final Maturity	Ratings	Repayment Source
Pre-Event Issuances (Taxable)					
2007A	$ 3,500.000	1-Month LIBOR + 0.78%	10/15/2012	Aa3/AA-/AA	Bond Proceeds, Investment Earnings, Reimbursement Premiums, and Emergency Assessments
Sub-Total	*$ 3,500.000*				
Post-Event Issuances (Tax-Exempt)					
2006A	$ 579.455	3.892%	7/1/2012	Aa3/AA-/AA	1.30% Emergency Assessment through 2016
2008A	$ 625.000	4.565%	7/1/2014	Aa3/AA-/AA	
2010A	$ 675.920	3.723%	7/1/2016	Aa3/AA-/AA	
Sub-Total	*$ 1,880.375*				
Grand Total	**$ 5,380.375**				

- **Citizens’ pre-event financing provides a liquidity source to help ensure Citizens’ ability to pay claims to its policyholders in a timely manner**
- **The costs of pre-event debt are all borne by Citizens’ policyholders, not from assessments – there is no cost to the State for Citizens’ pre-event debt**
- **Pre-event debt is not a factor in rating agency analysis of State’s ratings**
- **The State has no legal or financial obligation to support Citizens pre-event or post-event debt, other than through the levy and collection of assessments for post-event bonds.**

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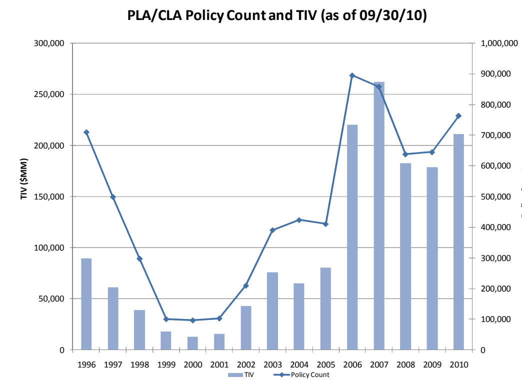
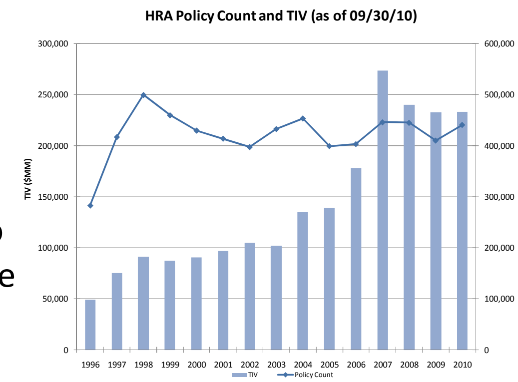
THOUGHTS ON CITIZENS

- Citizens
  - Became an alternative market rather than a residual market post-2007
  - Core coastal policy base has not varied much over time
  - Growth in Citizens driven by inland multi-peril policies
- How to shrink it?
  - Enact rates sufficient to ensure private companies will assume significant numbers of noncoastal policies
  - Actuarial soundness is very difficult to measure for this type of risk – Citizens rates just need to be the highest in a given area wherever possible





Summary of Outstanding Debt						
Series	Amount ($MM)		Average Yield	Final Maturity	Ratings	Repayment Source
Pre-Event Issuances						
2010A-3	$	350.000	SIFMA + 1.75%	6/1/2013	A2/A+	
2010A-2	$	500.000	1.280%	4/20/2011	MIG 1/SP-1+	Bond Proceeds, Investment Earnings, Net Premiums and
2010A-1	$	1,550.000	3.825%	6/1/2017	A2/A+	Surcharges, FHCF Reimbursements, Citizens Policyholders
2009A-1	$	1,021.000	5.307%	6/1/2017	A2/A+	Surcharge, Regular Assessments, and Emergency Assessments
2008A-1	$	250.000	4.370%	6/1/2011	A2/A+	
Sub-Total	*$*	*3,671.000*				
Post-Event Issuances						
2007A	$	824.800	3.950%	3/1/2017	A2/A+	1.0% Emergency Assessment through 2017
Sub-Total	*$*	*824.800*				
Grand Total	**$**	**4,495.800**				

CONSIDERATIONS FOR A PRE-FUNDED NATIONAL BACKSTOP

- A properly designed national cat plan can strengthen America's financial infrastructure by replacing the current reliance on post-event bailouts with a pre-funded program that provides both financial protection and risk reduction.

- Of $90 billion in post-Katrina Federal appropriations, $26 billion was to make up residential insurance shortfalls
  - *Source: Government Accounting Office, 2007 Report*
- www.ProtectingAmerica.org

PROTECTING AMERICA.org
PREPARING FOR AND PROTECTING AMERICA FROM CATASTROPHE

- 111th Congress Legislation
  - HR 2555 (Klein Bill)
  - SB 886 (Nelson Bill)
  - Provide combination of debt guarantees and loans for state entities, plus (in the case of HR 2555) a national reinsurance program (similar to FHCF)

STATE COMPARISON ANALYSIS: NOTES AND ASSUMPTIONS FOR SLIDES 11, 13, 15, 17

Homeowners Premiums Notes:

Based on the HO-3 policy for owner-occupied dwellings, 1 to 4 family units. Provides "all risks" coverage (except those specifically excluded in the policy) on buildings and broad named-peril coverage on personal property, and is the most common policy written.

Florida data exclude policies written by Citizens Property Insurance Corporation.

Average premium=Premiums/exposure per house years. A house year is equal to 365 days of insured coverage for a single dwelling. The NAIC does not rank state average expenditures and does not endorse any conclusions drawn from this data.

Auto Premium Notes:

The state combined average premium per insured vehicle is calculated by summing the average premiums paid for liability, comprehensive and collision coverages. Aggregate written premiums and aggregate written exposures are used in calculations with no distinction as to policyholder classifications, vehicle characteristics or the selection of specific limits or deductibles. Nor do the results consider differences in state auto and tort laws, rate filing laws, traffic conditions or other demographics. CAUTION: Because of these differences, direct comparisons between state results would be misleading.

Data Sources:

Insurance premium data: Most recently reported premium data from the National Association of Insurance Commissioners (NAIC) as of 2007.

Income data: U.S. Census Bureau, Current Population Survey, based on the 2-year median average from 2007 to 2008 http://www.census.gov/hhes/www/income/statemedfaminc.html

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