



Impact of Hurricane Sandy on Property & Casualty Insurance and Reinsurance Industry

Assessing the Credit Impact on Insurers

Positive Factors for the Industry

- » Good risk-adjusted capitalization
- » Moderate financial leverage
- » Earnings benefit from price increases
- » Relatively low weather-related losses through the first three quarters of the year
- » Recent experience with Hurricane Irene in 2011

Risk Factors for the Industry

- » Reliability of current loss estimates
- » Difficulty in assessing claims
- » Unique storm characteristics

Assessing the Credit Impact on Insurers

Types of Insured Losses

- » Homeowners – high frequency, low severity
- » Auto – probably a higher percentage of losses than typical for hurricane, but still a minority of claim dollars
- » Commercial Property and Business Interruption – the biggest wild card, likely to be higher than typical for a hurricane

Companies with the Most Exposure

- » Mainly primary P&C insurance companies rather than reinsurance companies

Homeowners Market Share

Top 10 Homeowners' Insurance Companies (New Jersey, New York)

	Insurance Financial Strenght Rating	Outlook	Market Share (2011)	Direct Premium Written (2011)
State Farm	Not Rated	N/A	14.9%	984,712
Allstate	Aa3	Negative	13.6%	901,981
Travelers	Aa2	Stable	9.2%	611,294
Chubb	Aa2	Stable	8.3%	545,999
Liberty Mutual	A2	Stable	8.0%	531,751
Tower Group	Not Rated	N/A	3.4%	227,475
USAA	Aaa	Stable	2.7%	179,053
Nationwide Mutual	A1	Stable	2.6%	172,477
NJ Manufacturers	Not Rated	N/A	2.5%	165,492
NYCM Insurance	Not Rated	N/A	2.5%	162,931

Source: SNL & Moody's

Commercial Property Market Share

Top 10 Commercial Property Companies (Fire, Allied, Non-Liab Comm Multi-Peril, Inland Marine)
(New Jersey, New York)

	Insurance Financial Strenght Rating	Outlook	Market Share (2011)	Direct Premium Written (2011)
Liberty Mutual	A2	Stable	8.6%	481,239
Travelers	Aa2	Stable	8.0%	444,288
Chubb	Aa2	Stable	7.1%	396,403
AIG	A1	Stable	6.0%	333,692
Assurant	A2	Stable	4.2%	231,175
FM Global	Not Rated	N/A	3.6%	200,484
Hartford Financial	A2	Stable	3.5%	197,087
CNA	A3	Positive	3.5%	193,907
Tower Group	Not Rated	N/A	3.2%	177,164
Zurich	Not Rated	N/A	3.0%	168,147

Source: SNL & Moody's

Personal and Commercial Auto Market Share

Top 10 Automobile Companies (Personal and Commercial Auto Physical Damage)
(New Jersey, New York)

	Insurance Financial Strenght Rating	Outlook	Market Share (2011)	Direct Premium Written (2011)
GEICO (Berkshire Hathaway)	Aa1	Stable	20.2%	1,151,572
Allstate	Aa3	Negative	16.4%	936,198
State Farm	Not Rated	N/A	9.7%	554,426
Liberty Mutual	A2	Stable	7.0%	397,666
NJ Manufacturers	Not Rated	N/A	5.2%	294,795
Progressive	Aa2	Stable	5.2%	294,715
Travelers	Aa2	Stable	5.0%	282,056
USAA	Aaa	Stable	3.7%	211,224
Plymouth Rock	Not Rated	N/A	3.4%	192,594
MetLife	Not Rated	N/A	2.1%	119,022

Source: SNL & Moody's

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