

IIAT Coastal Markets Survey

June 15, 2006

| | Count | Percent | Harris County only | |
|---|------------|-----------------|--------------------|----------------|
| Q. Please select the Tier 1 or Tier 2 county where your agency's home office is located. | | | | |
| --Select County-- | 1 | 0.68 % | | |
| Aransas | 2 | 1.35 % | | |
| Brazoria | 10 | 6.76 % | | |
| Calhoun | 2 | 1.35 % | | |
| Cameron | 16 | 10.81 % | | |
| Chambers | 1 | 0.68 % | | |
| Fort Bend | 5 | 3.38 % | | |
| Galveston | 3 | 2.03 % | | |
| Goliad | 1 | 0.68 % | | |
| Hardin | 1 | 0.68 % | | |
| Harris | 52 | 35.14 % | 52 | 35.14 % |
| Hidalgo | 12 | 8.11 % | | |
| Jackson | 2 | 1.35 % | | |
| Jefferson | 11 | 7.43 % | | |
| Liberty | 3 | 2.03 % | | |
| Matagorda | 1 | 0.68 % | | |
| Nueces | 11 | 7.43 % | | |
| Orange | 3 | 2.03 % | | |
| San Patricio | 1 | 0.68 % | | |
| Victoria | 7 | 4.73 % | | |
| Wharton | 2 | 1.35 % | | |
| Willacy | 1 | 0.68 % | | |
| Total Responses | 148 | 100.00 % | 52 | 100.00% |
| Q. Do you write any coverage in Tier 1 counties? | | | | |
| Yes | 134 | 90.54 % | 47 | 90.38 % |
| No | 14 | 9.46 % | 5 | 9.62 % |
| Total Responses | 148 | 100.00 % | 52 | 100.00% |

IIAT Coastal Markets Survey

Q. Are more companies in your agency excluding windstorm on renewal policies *anywhere* in Tier 1?

Personal Lines

| | | |
|---|------------|-----------------|
| (Not Answered) | 23 | 15.54 % |
| Yes, a few | 35 | 23.65 % |
| Yes, many companies are excluding coverage that they wrote last year | 36 | 24.32 % |
| No, companies are renewing policies with windstorm coverage for the most part | 11 | 7.43 % |
| All companies are excluding wind | 43 | 29.05 % |
| Total Responses | 148 | 100.00 % |

Harris County only

| | |
|-----------|----------------|
| 9 | 17.31 % |
| 13 | 25.00 % |
| 6 | 11.54 % |
| 4 | 7.69 % |
| 20 | 38.46 % |
| 52 | 100.00% |

Commercial Lines

| | | |
|---|------------|-----------------|
| (Not Answered) | 30 | 20.27 % |
| Yes, a few | 21 | 14.19 % |
| Yes, many companies are excluding windstorm coverage that they wrote last year. | 37 | 25.00 % |
| No, companies are renewing policies with windstorm coverage for the most part. | 5 | 3.38 % |
| All companies are excluding wind | 55 | 37.16 % |
| Total Responses | 148 | 100.00 % |

| | |
|-----------|----------------|
| 15 | 28.85 % |
| 9 | 17.31 % |
| 10 | 19.23 % |
| 4 | 7.69 % |
| 14 | 26.92 % |
| 52 | 100.00% |

Q. How difficult is it for property owners in Tier 1 to obtain inspection certificates when applying for coverage in TWIA?

| | | |
|------------------------|------------|-----------------|
| (Not Answered) | 22 | 14.86 % |
| Very difficult | 27 | 18.24 % |
| Somewhat difficult | 73 | 49.32 % |
| Not difficult | 26 | 17.57 % |
| Total Responses | 148 | 100.00 % |

| | |
|-----------|----------------|
| 9 | 17.31 % |
| 9 | 17.31 % |
| 25 | 48.08 % |
| 9 | 17.31 % |
| 52 | 100.00% |

IIAT Coastal Markets Survey

Q. Have some insureds in Tier 1 been unable to obtain coverage in TWIA because storm damage has not been repaired?

| | | |
|------------------------|----|---------------------|
| (Not Answered) | 27 | 18.24 % |
| Yes | 58 | 39.19 % |
| No | 63 | 42.57 % |
| Total Responses | | 148 100.00 % |

Harris County only

| | |
|-----------|----------------|
| 9 | 17.31 % |
| 16 | 30.77 % |
| 27 | 51.92 % |
| 52 | 100.00% |

Q. How would you characterize recent changes in the market for excess windstorm coverage above TWIA building limits in Tier 1?

Personal Lines excess wind limits

| | | |
|--|----|---------------------|
| (Not Answered) | 26 | 17.11 % |
| We don't write excess wind coverage | 63 | 41.45 % |
| We have no markets for excess wind coverage | 19 | 12.50 % |
| Excess coverage is not available for some properties. | 19 | 12.50 % |
| Coverage is available, but full building limits cannot be purchased. | 25 | 16.45 % |
| Total Responses | | 152 100.00 % |

| | |
|-----------|---------------|
| 12 | 22.22 % |
| 26 | 48.15 % |
| 2 | 3.70 % |
| 4 | 7.41 % |
| 10 | 18.52 % |
| 54 | 100.00 |

Personal Lines excess wind price increases

| | | |
|------------------------|----|---------------------|
| (Not Answered) | 83 | 56.08 % |
| 0 - 10% | 24 | 16.22 % |
| 11 - 20% | 13 | 8.78 % |
| 21 - 40% | 12 | 8.11 % |
| 41 - 60% | 10 | 6.76 % |
| 61 - 80% | 3 | 2.03 % |
| More than 80% | 3 | 2.03 % |
| Total Responses | | 148 100.00 % |

| | |
|-----------|----------------|
| 33 | 63.46 % |
| 8 | 15.38 % |
| 4 | 7.69 % |
| 4 | 7.69 % |
| 2 | 3.85 % |
| 1 | 1.92 % |
| 0 | 05 |
| 52 | 100.00% |

Commercial Lines excess wind limits

| | | |
|--|----|--------------------|
| (Not Answered) | 40 | 25.97 % |
| We don't write excess wind coverage | 42 | 27.27 % |
| We have no markets for excess wind coverage | 18 | 11.69 % |
| Excess coverage is not available for some properties | 26 | 16.88 % |
| Coverage is available, but full building limits cannot be purchased. | 28 | 18.18 % |
| Total Responses | | 154 100.00% |

| | |
|-----------|----------------|
| 18 | 32.73 % |
| 14 | 25.45 % |
| 5 | 9.09 % |
| 9 | 16.36 % |
| 9 | 16.36 % |
| 55 | 100.00% |

IIAT Coastal Markets Survey

Commercial Lines excess wind price increases

| | | |
|------------------------|------------|-----------------|
| (Not Answered) | 76 | 51.35 % |
| 0 - 10% | 17 | 11.49 % |
| 11 - 20% | 17 | 11.49 % |
| 21 - 40% | 10 | 6.76 % |
| 41 - 60% | 14 | 9.46 % |
| 61 - 80% | 1 | 0.68 % |
| More than 80% | 13 | 8.78 % |
| <hr/> | | |
| Total Responses | 148 | 100.00 % |

Harris County only

| | |
|-----------|----------------|
| 32 | 61.54 % |
| 3 | 5.77 % |
| 8 | 15.38 % |
| 4 | 7.69 % |
| 3 | 5.77 % |
| 2 | 3.85 % |
| <hr/> | |
| 52 | 100.00% |
| | |
| | |
| | |
| | |
| 13 | 25.00 % |
| 11 | 21.15 % |
| 15 | 28.85 % |
| 10 | 19.23 % |
| 3 | 5.77 % |
| <hr/> | |
| 52 | 100.00% |
| | |
| | |
| | |
| | |
| 19 | 36.54 % |
| 5 | 9.62 % |
| 8 | 15.38 % |
| 14 | 26.92 % |
| 6 | 11.54 % |
| <hr/> | |
| 52 | 100.00 |

Q. What common windstorm deductibles are you seeing on renewals in the voluntary market today in Tier 1?

Personal Lines deductibles

| | | |
|------------------------|------------|-----------------|
| (Not Answered) | 31 | 20.95 % |
| Less than 2 % | 40 | 27.03 % |
| 2 % | 45 | 30.41 % |
| 2 - 5% | 28 | 18.92 % |
| 5% or more | 4 | 2.70 % |
| <hr/> | | |
| Total Responses | 148 | 100.00 % |

Commercial Lines deductibles

| | | |
|------------------------|------------|-----------------|
| (Not Answered) | 41 | 27.70 % |
| Less than 2% | 19 | 12.84 % |
| 2% | 28 | 18.92 % |
| 2 - 5% | 49 | 33.11 % |
| 5% or more | 11 | 7.43 % |
| <hr/> | | |
| Total Responses | 148 | 100.00 % |

IIAT Coastal Markets Survey

Q. How has windstorm pricing changed for most property in Tier 1?

Personal Lines: Admitted (standard)

| | | |
|--------------------------|------------|-----------------|
| (Not Answered) | 34 | 22.97 % |
| Little change in pricing | 30 | 20.27 % |
| Less than 10% increase | 30 | 20.27 % |
| 11 - 15% increase | 37 | 25.00 % |
| 16 - 20% increase | 8 | 5.41 % |
| More than 20% increase | 9 | 6.08 % |
| Total Responses | 148 | 100.00 % |

Personal Lines: Surplus lines

| | | |
|--------------------------|------------|-----------------|
| (Not Answered) | 42 | 28.38 % |
| Little change in pricing | 23 | 15.54 % |
| Less than 10% increase | 26 | 17.57 % |
| 11 - 15% increase | 32 | 21.62 % |
| 16 - to 20% increase | 15 | 10.14 % |
| More than 20% increase | 10 | 6.76 % |
| Total Responses | 148 | 100.00 % |

Commercial Lines: Admitted (standard)

| | | |
|--------------------------|------------|-----------------|
| (Not Answered) | 46 | 31.08 % |
| Little change in pricing | 23 | 15.54 % |
| Less than 10% increase | 28 | 18.92 % |
| 11 - 15% increase | 25 | 16.89 % |
| 16 - 20% increase | 8 | 5.41 % |
| More than 20% increase | 18 | 12.16 % |
| Total Responses | 148 | 100.00 % |

Commercial Lines: Surplus lines

| | | |
|--------------------------|------------|-----------------|
| (Not Answered) | 48 | 32.43 % |
| Little change in pricing | 18 | 12.16 % |
| Less than 10% increase | 18 | 12.16 % |
| 11 - 15% increase | 23 | 15.54 % |
| 16 - 20% increase | 12 | 8.11 % |
| More than 20% increase | 29 | 19.59 % |
| Total Responses | 148 | 100.00 % |

Harris County only

| | |
|-----------|----------------|
| 12 | 23.08 % |
| 12 | 23.08 % |
| 13 | 25.00 % |
| 11 | 21.15 % |
| 4 | 7.69 % |
| 0 | 0% |
| 52 | 100.00% |
| 15 | 28.85 % |
| 7 | 13.46 % |
| 12 | 23.08 % |
| 13 | 25.00 % |
| 4 | 7.69 % |
| 1 | 1.92 % |
| 52 | 100.00% |
| 18 | 34.62 % |
| 8 | 15.38 % |
| 11 | 21.15 % |
| 7 | 13.46 % |
| 2 | 3.85 % |
| 6 | 11.54 % |
| 52 | 100.00% |
| 21 | 40.38 % |
| 5 | 9.62 % |
| 6 | 11.54 % |
| 8 | 15.38 % |
| 4 | 7.69 % |
| 8 | 15.38 % |
| 52 | 100.00% |

IIAT Coastal Markets Survey

Q. How many companies have placed volume limitations on new business in your agency in Tier 1?

Personal Lines

| | | |
|---|------------|-----------------|
| (Not Answered) | 41 | 27.70 % |
| A few companies are limiting our writings | 46 | 31.08 % |
| Many companies are limiting our writings | 22 | 14.86 % |
| Most companies have placed some limits on the amount of new business we can write | 39 | 26.35 % |
| Total Responses | 148 | 100.00 % |

Commercial Lines

| | | |
|---|------------|-----------------|
| (Not Answered) | 51 | 34.46 % |
| A few companies are limiting our writings | 53 | 35.81 % |
| Many companies are limiting our writings | 18 | 12.16 % |
| Most companies have placed some limits on the amount of new business we can write | 26 | 17.57 % |
| Total Responses | 148 | 100.00 % |

Harris County only

| | |
|-----------|----------------|
| 16 | 30.77 % |
| 6 | 11.54 % |
| 8 | 15.38 % |
| 22 | 42.31 % |
| 52 | 100.00% |
| | |
| 19 | 36.54 % |
| 11 | 21.15 % |
| 10 | 19.23 % |
| 12 | 23.08 % |
| 52 | 100.00% |
| | |
| 8 | 15.38 % |
| 6 | 11.54 % |
| 7 | 13.46 % |
| 1 | 1.92 % |
| 30 | 57.69 % |
| 52 | 100.00% |

Q. How many of your companies will not write any new windstorm coverage in Tier 1?

| | | |
|------------------------|------------|-----------------|
| (Not Answered) | 20 | 13.51 % |
| 1 | 11 | 7.43 % |
| 2 | 14 | 9.46 % |
| 3 | 9 | 6.08 % |
| More than 3 | 94 | 63.51 % |
| Total Responses | 148 | 100.00 % |

IIAT Coastal Markets Survey

This section pertains only to Tier 2 counties

Q. Do you write any coverage in Tier 2 counties?

| | | |
|------------------------|-----|---------------------|
| Yes | 129 | 87.16 % |
| No | 19 | 12.84 % |
| Total Responses | | 148 100.00 % |

Harris County only

| | |
|-----------|----------------|
| 47 | 90.38 % |
| 5 | 9.62 % |
| 52 | 100.00% |

Q. Are companies in your agency excluding windstorm coverage on renewals in Tier 2?

Personal Lines (surplus lines)

| | | |
|---|----|---------------------|
| (Not Answered) | 35 | 23.65 % |
| Yes, a few | 34 | 22.97 % |
| Yes, many companies are excluding wind | 9 | 6.08 % |
| No, companies are renewing policies with windstorm coverage for the most part | 70 | 47.30 % |
| Total Responses | | 148 100.00 % |

| | |
|-----------|----------------|
| 13 | 25.00 % |
| 10 | 19.23 % |
| 2 | 3.85 % |
| 27 | 51.92 % |
| 52 | 100.00% |

Commercial Lines (surplus lines and large risks)

| | | |
|--|----|---------------------|
| (Not Answered) | 40 | 27.03 % |
| Yes, a few | 40 | 27.03 % |
| Yes, many companies are excluding wind | 15 | 10.14 % |
| No, companies are renewing policies with windstorm coverage for the most part. | 53 | 35.81 % |
| Total Responses | | 148 100.00 % |

| | |
|-----------|----------------|
| 17 | 32.69 % |
| 9 | 17.31 % |
| 6 | 11.54 % |
| 20 | 38.46 % |
| 52 | 100.00% |

Q. What common windstorm deductibles are you seeing on renewals in the voluntary windstorm market today in Tier 2?

Personal Lines

| | | |
|--|----|---------------------|
| (Not Answered) | 32 | 21.62 % |
| Less than 2% | 58 | 39.19 % |
| 2% | 32 | 21.62 % |
| 2 - 5% | 23 | 15.54 % |
| 5% or more | 1 | 0.68 % |
| My agency has no voluntary windstorm markets | 2 | 1.35 % |
| Total Responses | | 148 100.00 % |

| | |
|-----------|----------------|
| 13 | 25.00 % |
| 15 | 28.85 % |
| 14 | 26.92 % |
| 9 | 17.31 % |
| 1 | 1.92 % |
| 0 | 0 |
| 52 | 100.00% |

IIAT Coastal Markets Survey

Commercial Lines

| | | |
|--|------------|-----------------|
| (Not Answered) | 35 | 23.65 % |
| Less than 2% | 42 | 28.38 % |
| 2% | 23 | 15.54 % |
| 2 - 5% | 35 | 23.65 % |
| 5% or more | 9 | 6.08 % |
| My agency has no voluntary windstorm markets | 4 | 2.70 % |
| Total Responses | 148 | 100.00 % |

Harris County only

| | |
|-----------|----------------|
| 16 | 30.77 % |
| 9 | 17.31 % |
| 12 | 23.08 % |
| 10 | 19.23 % |
| 4 | 7.69 % |
| 1 | 1.92 % |
| 0 | 0 |
| 52 | 100.00% |

Q. How has windstorm pricing changed for most property in Tier 2?

Personal Lines: Admitted (standard)

| | | |
|--------------------------|------------|-----------------|
| (Not Answered) | 36 | 24.32 % |
| Little change in pricing | 41 | 27.70 % |
| Less than 10% increase | 42 | 28.38 % |
| 11 - 15% increase | 23 | 15.54 % |
| 16 - 20% increase | 3 | 2.03 % |
| More than 20% increase | 3 | 2.03 % |
| Total Responses | 148 | 100.00 % |

| | |
|-----------|----------------|
| 12 | 23.08 % |
| 15 | 28.85 % |
| 13 | 25.00 % |
| 11 | 21.15 % |
| 0 | 0 |
| 1 | 1.92 % |
| 52 | 100.00% |

Personal Lines: Surplus lines

| | | |
|--------------------------|------------|-----------------|
| (Not Answered) | 39 | 26.35 % |
| Little change in pricing | 33 | 22.30 % |
| Less than 10% increase | 42 | 28.38 % |
| 11 - 15% increase | 24 | 16.22 % |
| 16 - 20% increase | 8 | 5.41 % |
| More than 20% increase | 2 | 1.35 % |
| Total Responses | 148 | 100.00 % |

| | |
|-----------|----------------|
| 13 | 25.00 % |
| 11 | 21.15 % |
| 14 | 26.92 % |
| 11 | 21.15 % |
| 3 | 5.77 % |
| 0 | 0% |
| 52 | 100.00% |

IIAT Coastal Markets Survey

Harris County only

Commercial Lines: Admitted (standard)

| | | | | |
|--------------------------|------------|-----------------|-----------|----------------|
| (Not Answered) | 43 | 29.05 % | 17 | 32.69 % |
| Little change in pricing | 29 | 19.59 % | 8 | 15.38 % |
| Less than 10% increase | 38 | 25.68 % | 12 | 23.08 % |
| 11 - 15% increase | 26 | 17.57 % | 10 | 19.23 % |
| 16 - 20% increase | 7 | 4.73 % | 4 | 7.69 % |
| More than 20% increase | 5 | 3.38 % | 1 | 1.92 % |
| | | | 0 | 0% |
| Total Responses | 148 | 100.00 % | 52 | 100.00% |

Commercial Lines: Surplus lines

| | | | | |
|--------------------------|------------|-----------------|-----------|----------------|
| (Not Answered) | 44 | 29.73 % | 17 | 32.69 % |
| Little change in pricing | 27 | 18.24 % | 8 | 15.38 % |
| Less than 10% increase | 31 | 20.95 % | 10 | 19.23 % |
| 11 - 15% increase | 25 | 16.89 % | 10 | 19.23 % |
| 16 - 20% increase | 11 | 7.43 % | 1 | 1.92 % |
| More than 20% increase | 10 | 6.76 % | 6 | 11.54 % |
| Total Responses | 148 | 100.00 % | 52 | 100.00% |

Q. How many companies have placed volume limitations on new windstorm business in your agency in Tier 2?

Personal Lines

| | | | | |
|--|------------|-----------------|-----------|----------------|
| (Not Answered) | 53 | 35.81 % | 18 | 34.62 % |
| A few companies are limiting our writings | 62 | 41.89 % | 20 | 38.46 % |
| Many companies are limiting our writings | 12 | 8.11 % | 3 | 5.77 % |
| Most companies have placed some limits on the amount of new business we can write. | 21 | 14.19 % | 11 | 21.15 % |
| Total Responses | 148 | 100.00 % | 52 | 100.00% |

Commercial Lines

| | | | | |
|--|------------|-----------------|-----------|----------------|
| (Not Answered) | 59 | 39.86 % | 21 | 40.38 % |
| A few companies are limiting our writings | 63 | 42.57 % | 19 | 36.54 % |
| Many companies are limiting our writings | 12 | 8.11 % | 6 | 11.54 % |
| Most companies have placed some limits on the amount of new business we can write. | 14 | 9.46 % | 6 | 11.54 % |
| Total Responses | 148 | 100.00 % | 52 | 100.00% |