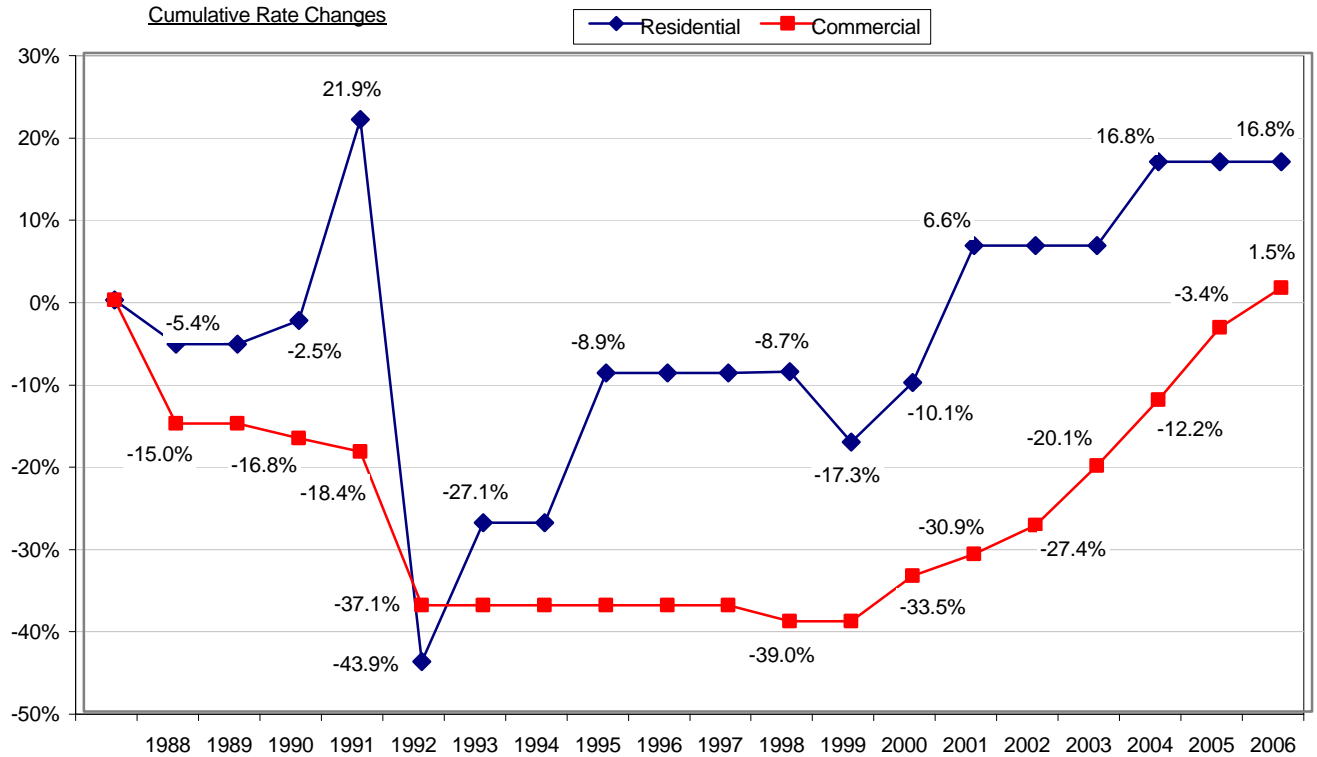




History of Rate Changes

Year	Residential	Commercial
1988	-5.4%	-15.0%
1989	0.0%	0.0%
1990	3.1%	-2.1%
1991	25.0%	-2.0%
1992	-54.0%	-22.9%
1993	30.0%	0.0%
1994	0.0%	0.0%
1995	25.0%	0.0%
1996	0.0%	0.0%
1997	0.0%	0.0%
1998	0.2%	-3.0%
1999	-9.4%	0.0%
2000	8.7%	9.0%
2001	18.5%	4.0%
2002	0.0%	5.0%
2003	0.0%	10.0%
2004	9.6%	10.0%
2005	0.0%	10.0%
2006	0.0%	5.0%
Cumulative Change	16.8%	1.5%
Annual Average	0.8%	0.1%

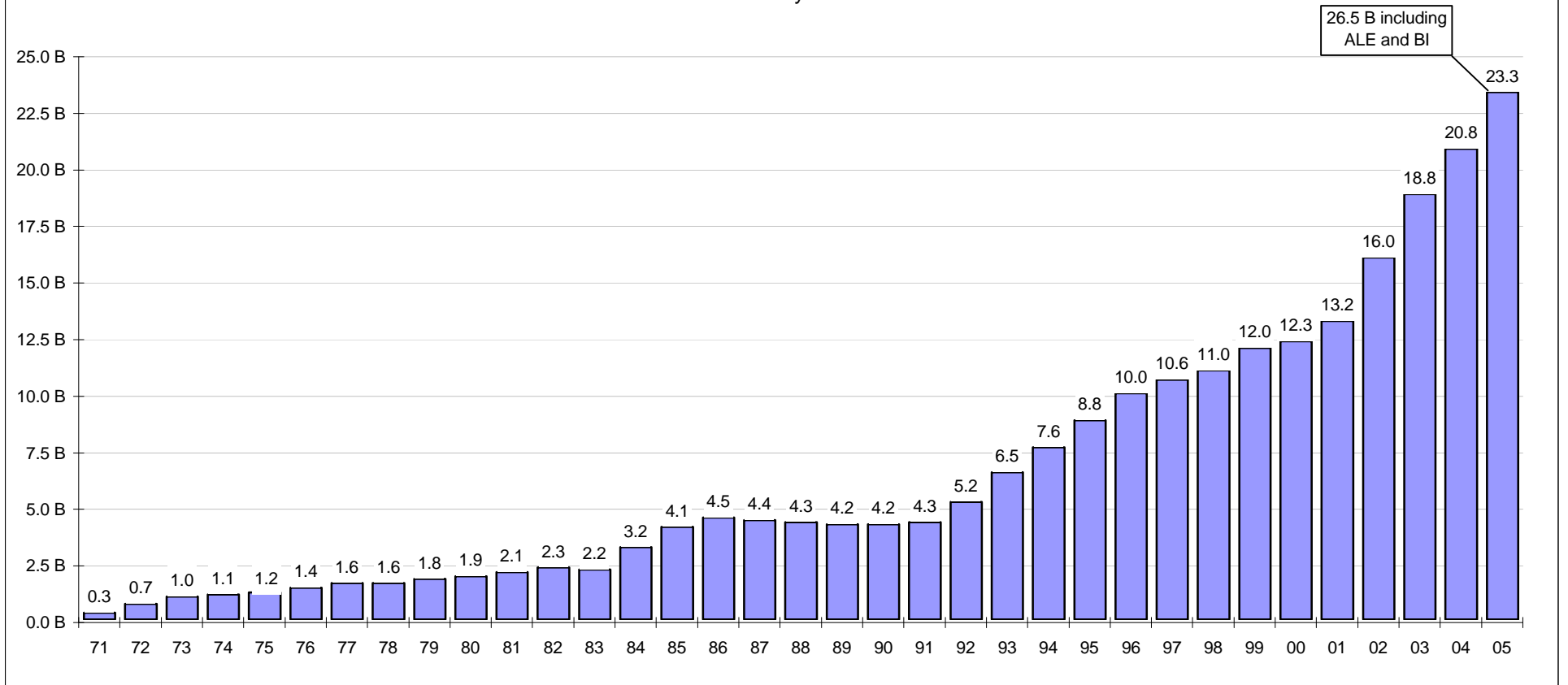


Notes

- 1992 - Elimination of 400% beach / 25% inland surcharges
- 1993 - Addition of 30% to residential benchmark rates
- 2002 - Separation of residential rates from benchmark rates



TWIA Liability In-Force



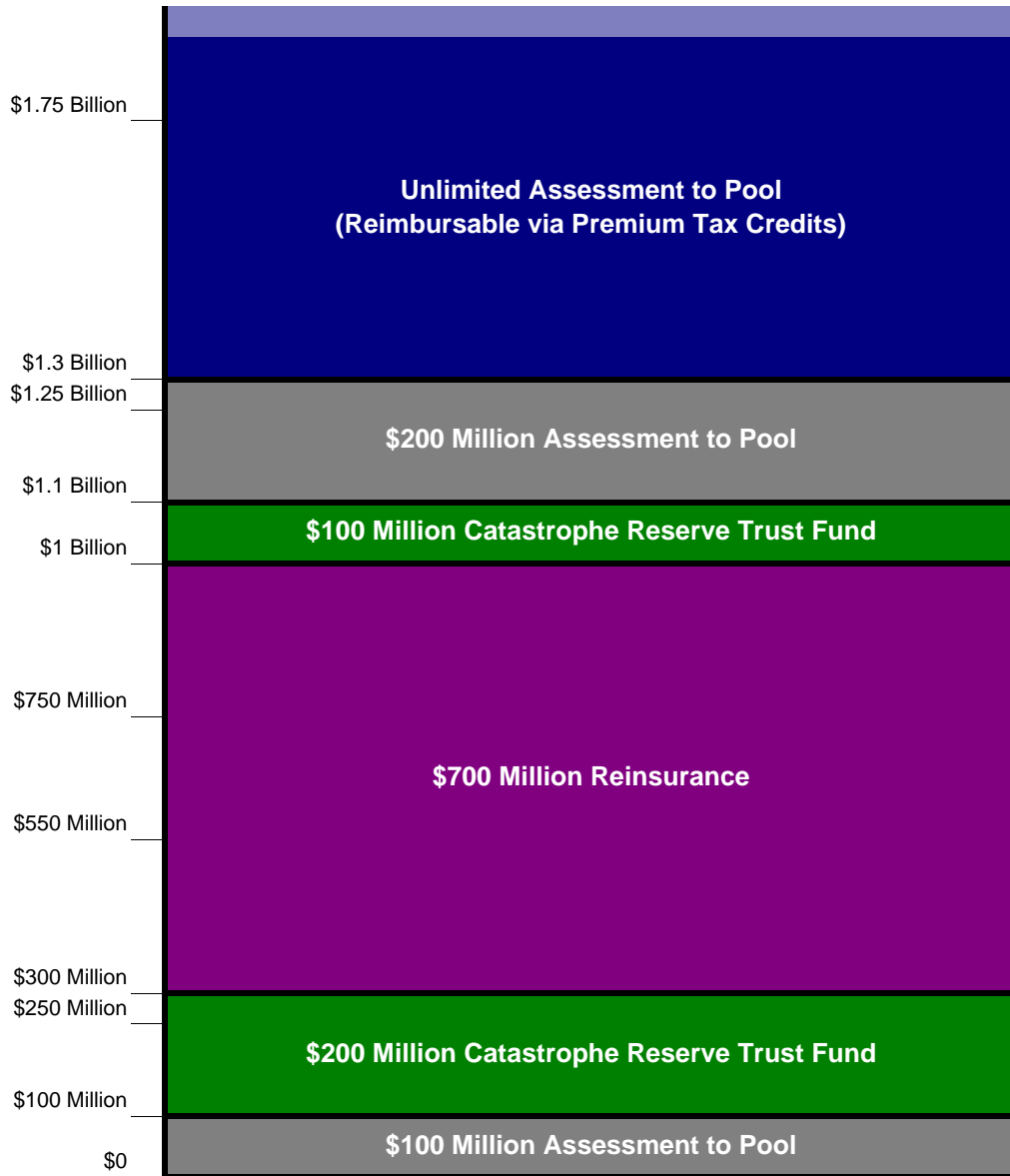


Texas Windstorm Insurance Association
Statistical Report
As of 12/31/05

County	# PIF 12/31/04	# PIF 12/31/05	# Gain	% Gain	Liability 12/31/04	Liability 12/31/05	# Gain	% Gain	Prem YTD 12/31/04	Prem YTD 12/31/05	Premium Gain	% Premium
Aransas	3,489	3,435	-54	-1.50	\$716,084,510	\$764,009,210	\$47,924,700	6.70	\$3,734,519	\$3,841,334	\$106,815	2.90
Brazoria	12,342	13,072	730	5.90	\$2,359,448,710	\$2,621,305,171	\$261,856,461	11.10	\$11,207,151	\$12,184,882	\$977,731	8.70
Calhoun	1,941	2,078	137	7.10	\$304,482,884	\$349,817,455	\$45,334,571	14.90	\$1,657,196	\$1,927,852	\$270,656	16.30
Cameron	5,947	6,285	338	5.70	\$1,554,918,831	\$1,688,109,525	\$133,190,694	8.60	\$7,287,659	\$8,135,178	\$847,519	11.60
Chambers	895	955	60	6.70	\$177,695,469	\$201,497,106	\$23,801,637	13.40	\$962,147	\$952,844	\$-9,303	-1.00
Galveston	44,947	48,170	3,223	7.20	\$8,939,961,766	\$10,273,262,171	\$1,333,300,405	14.90	\$44,643,777	\$49,599,050	\$4,955,273	11.10
Harris	1,613	1,867	254	15.70	\$325,402,494	\$398,153,141	\$72,750,647	22.40	\$1,050,493	\$1,250,866	\$200,373	19.10
Jefferson	3,973	3,689	-284	-7.10	\$709,994,337	\$667,870,241	\$-42,124,096	-5.90	\$3,709,119	\$3,496,966	\$-212,153	-5.70
Kenedy	12	15	3	25.00	\$838,400	\$864,900	\$26,500	3.20	\$5,334	\$6,589	\$1,255	23.50
Kleberg	397	428	31	7.80	\$88,143,448	\$79,512,267	\$-8,631,181	-9.80	\$440,716	\$380,414	\$-60,302	-13.70
Matagorda	1,551	1,625	74	4.80	\$244,954,658	\$260,064,055	\$15,109,397	6.20	\$1,260,145	\$1,446,874	\$186,729	14.80
Nueces	22,692	24,320	1,628	7.20	\$4,675,250,838	\$5,213,845,949	\$538,595,111	11.50	\$23,174,459	\$26,855,975	\$3,681,516	15.90
Refugio	165	178	13	7.90	\$23,391,723	\$38,044,932	\$14,653,209	62.60	\$150,961	\$213,654	\$62,693	41.50
San Patricio	3,187	3,211	24	0.80	\$623,953,367	\$662,802,484	\$38,849,117	6.20	\$2,938,563	\$3,302,745	\$364,182	12.40
Willacy	352	365	13	3.70	\$52,134,328	\$57,270,074	\$5,135,746	9.90	\$267,771	\$332,599	\$64,828	24.20
Total:	103,503	109,693	6,190	5.98	\$20,796,655,763	\$23,276,428,681	\$2,479,772,918	11.92	\$102,490,010	\$113,927,822	\$11,437,812	11.16



Current Funding Structure (Aggregate Basis)



Proposed Funding Structure (Occurrence Basis)

