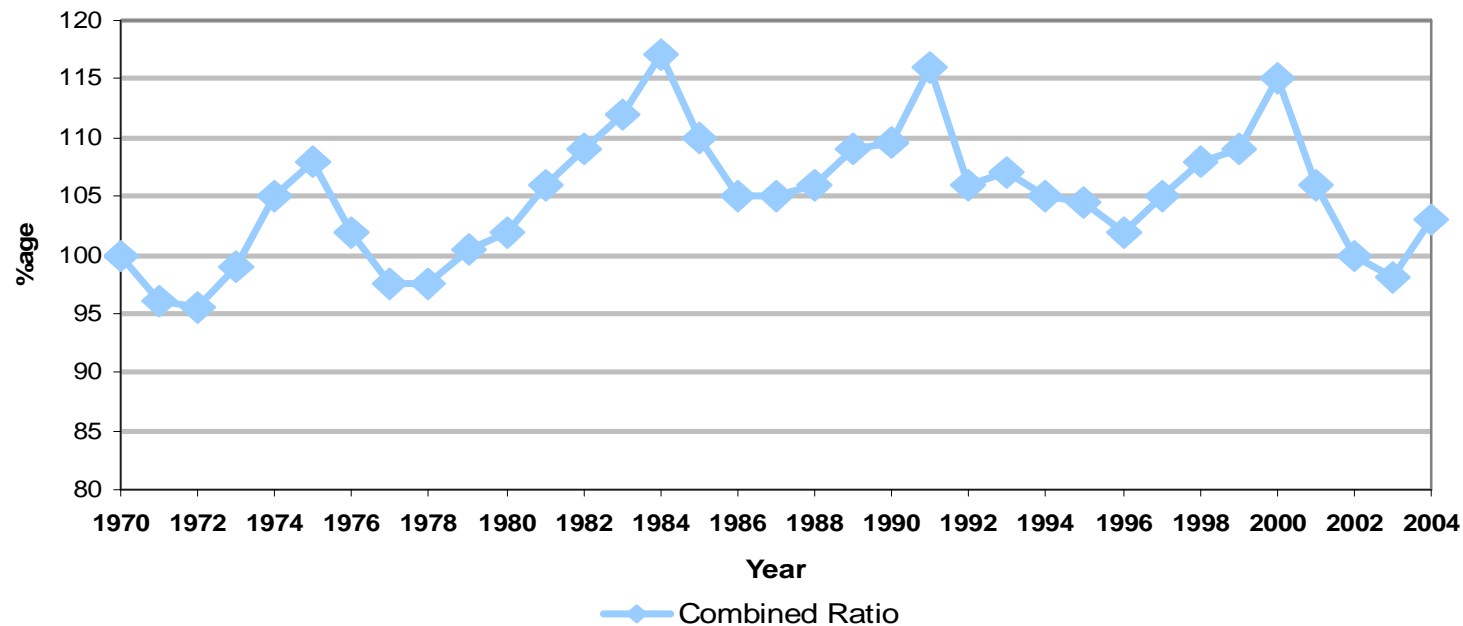


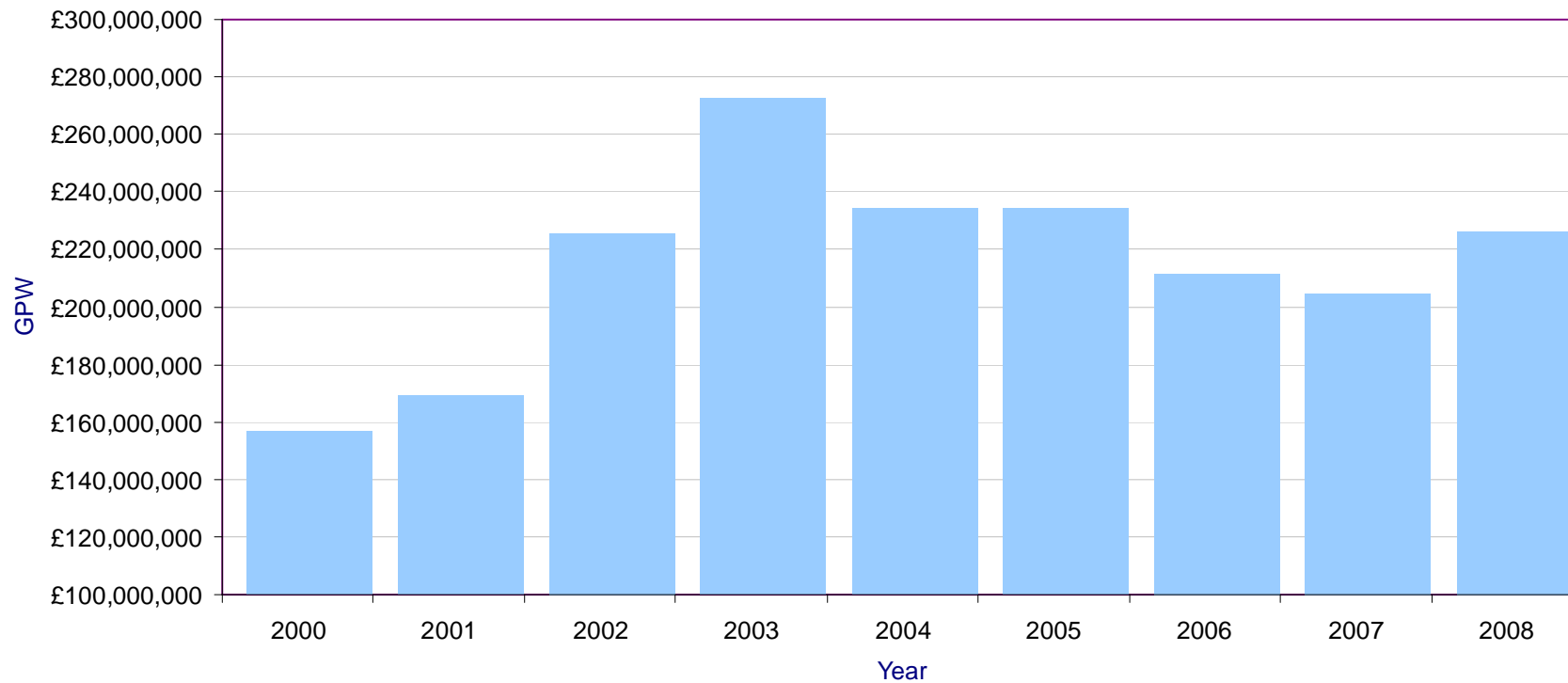
WHY INSURERS ARE LIKELY TO INCREASE PREMIUMS IN 2009

Insurance Cycles (combined ratio)



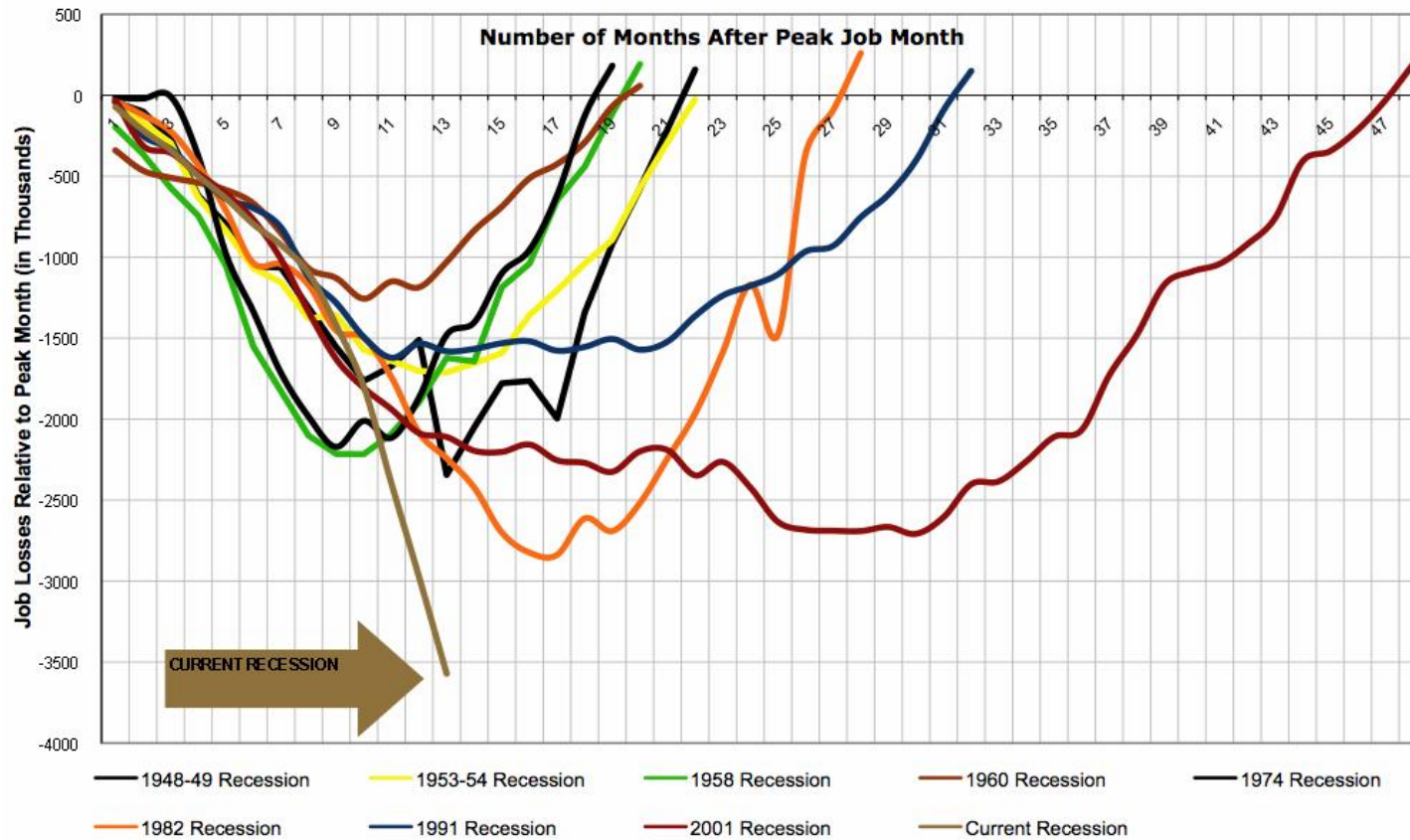
The combined ratio is the ratio of Gross Written Premium (“GWP”) to claims and expenses. Insurers are in underwriting profit only when the combined ratio is less than 100%

'OPEN MARKET' PRIMARY PREMIUM POST SIF



RECESSION – SOURCE OF CLAIMS CONCERN

Job Losses* in Post WWII Recessions



* Change in Nonfarm Payrolls, Reported Monthly, Bureau of Labor Statistics, US Dept. of Labor