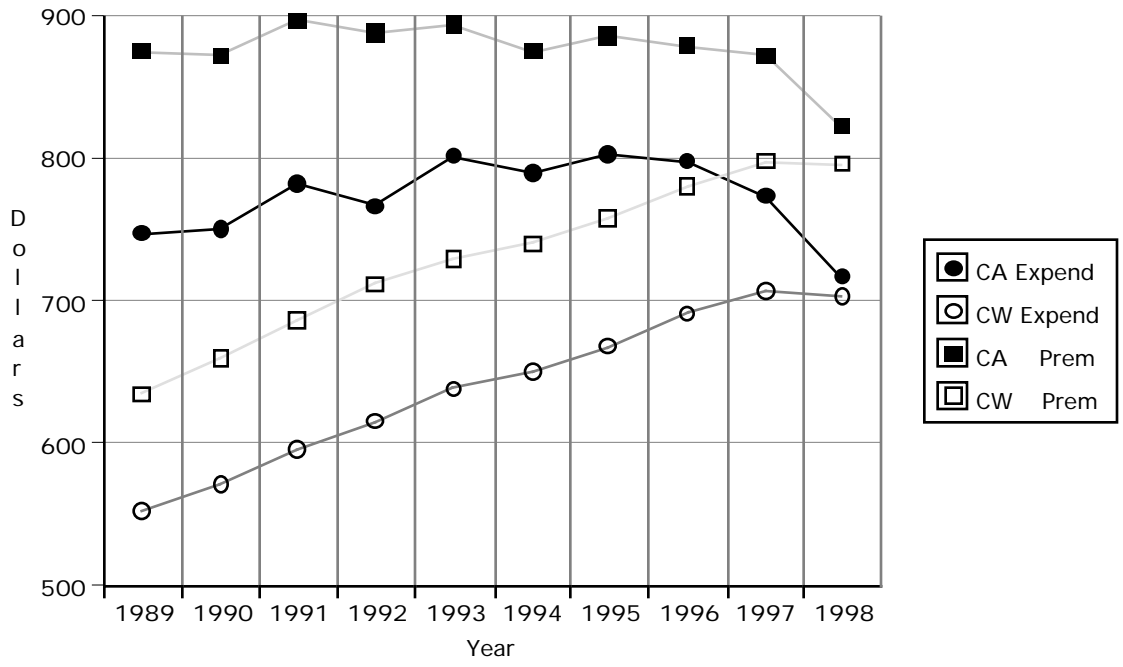
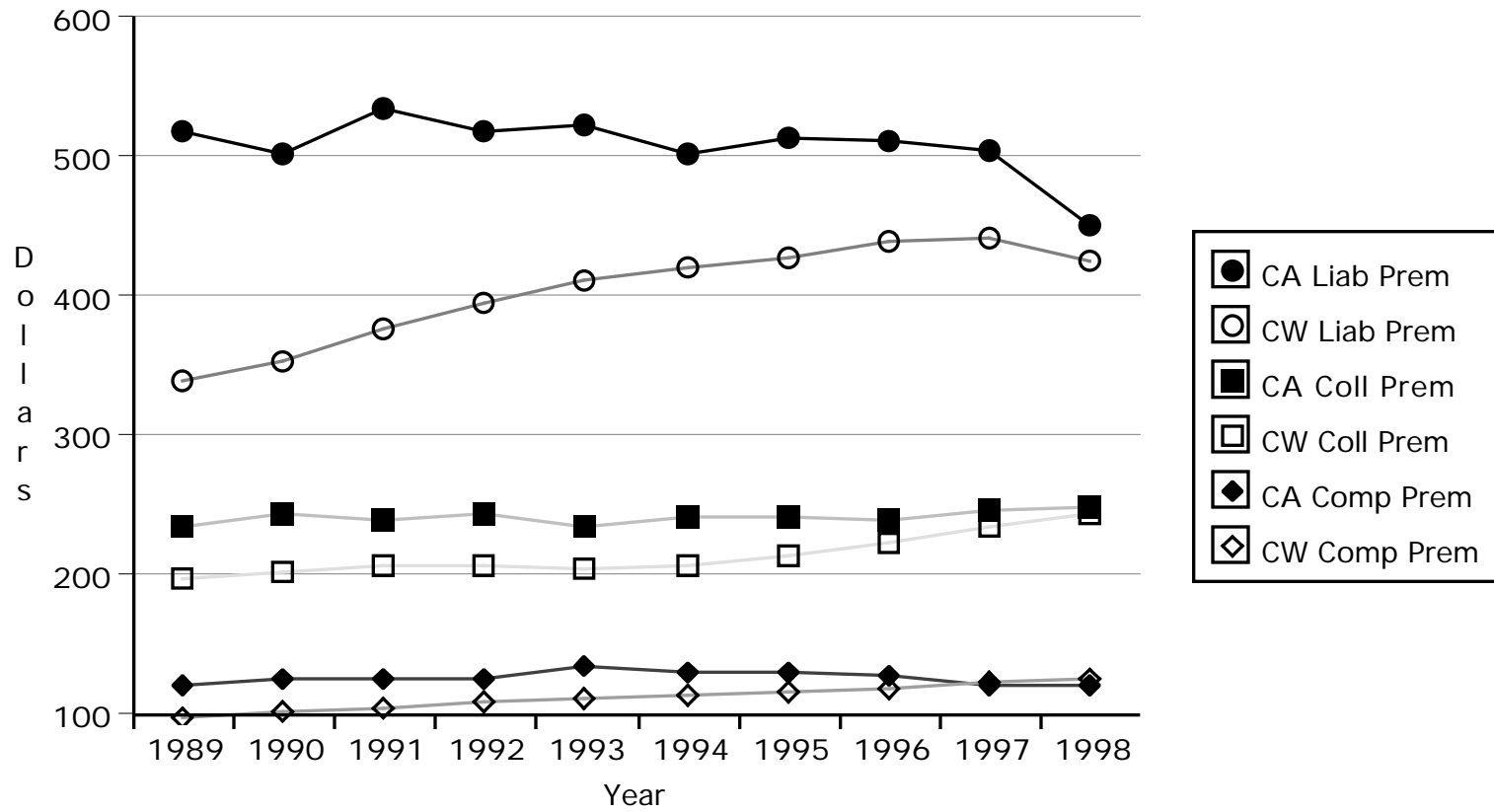


Auto Insurance Price Changes All Coverages



Auto Insurance Price Changes by Coverage



	AVERAGE EXPENDITURE		AVERAGE PREMIUM TOTAL		AVERAGE PREMIUM LIAB		AVERAGE PREMIUM COLL		AVERAGE PREMIUM COMP	
	CALIFORNIA	COUNTRYWIDE	CALIFORNIA	COUNTRYWIDE	CALIFORNIA	COUNTRYWIDE	CALIFORNIA	COUNTRYWIDE	CALIFORNIA	COUNTRYWIDE
1989	747.97	551.95	875.6	635.58	519.39	339.82	235.53	197.33	120.68	98.44
1990	751.32	571.69	872.33	658.83	501.34	354.61	245.19	202.34	125.8	101.88
1991	783.18	596.91	897.32	686.79	533.93	377.15	238.78	206.01	124.61	103.63
1992	766.11	616.18	887.3	711.97	518.3	395.54	243.98	207.34	125.02	109.09
1993	802.63	637.72	892.8	730.39	523.21	412.7	234.83	205.78	134.76	111.91
1994	789.54	650.73	874.84	740.38	502.76	420.23	241.68	206.6	130.41	113.55
1995	803.19	668.27	886.76	757.56	514.53	428.51	240.93	213.32	131.3	115.74
1996	799.04	691.32	878.95	780.11	511.14	438.7	238.64	222.4	128.91	119.01
1997	773.32	707.39	871.36	798.91	504	441.28	246.33	235.4	121.04	122.23
1998	717.98	704.32	823.1	797.23	452.23	426.21	249.97	245.28	120.9	125.74
89/98										
% CHG	0.960	1.276	0.940	1.254	0.871	1.254	1.061	1.243	1.002	1.277
89/98										
\$ CHG	-29.99	152.37	-52.5	161.65	-67.16	86.39	14.44	47.95	0.22	27.3
CA RANK										
1989	3		3		2		9		9	
1998	20		17		18		28		3	

Source: National Association of Insurance Commissioners State Expenditures and Premiums Reports

Expenditure Change by State

STATE	1989 Ave. Expenditure	1998 Ave. Expenditure	Percent Change 89 to 98
California	747.97	717.98	-4.0
New Hampshire	609.13	621.5	2.0
Pennsylvania	646.03	721.91	11.7
Massachusetts	728.39	815.62	12.0
Maine	434.84	492.05	13.2
New Jersey	982.93	1138.28	15.8
Rhode Island	725.82	851.79	17.4
Hawaii	673.36	797.49	18.4
Maryland	646.18	769.34	19.1
Connecticut	740.02	900.6	21.7
Vermont	423.43	534.37	26.2
Florida	610.21	770.55	26.3
Georgia	531.01	672.38	26.6
Virginia	437.87	563.74	28.7
Dist. of Col.	796.72	1032.52	29.6
Ohio	447.73	581.47	29.9
Illinois	505.32	667.66	32.1
South Carolina	494.25	655.33	32.6
Wisconsin	392.46	522.07	33.0
Michigan	550.84	736.71	33.7
Oregon	466.29	630.41	35.2
Indiana	426.29	583.21	36.8
Alaska	560.27	771.32	37.7
Tennessee	423.26	586.65	38.6
Arizona	581.42	817.65	40.6
Idaho	348.31	494.02	41.8
Missouri	430.05	611.48	42.2
Nevada	586.6	842.67	43.7
Oklahoma	399.19	575.4	44.1
New York	665.07	959.77	44.3
Washington	490.5	710	44.8
Louisiana	571.96	830.3	45.2
North Carolina	388	564.35	45.5
Iowa	315.02	458.98	45.7
Texas	497.35	730.66	46.9
Delaware	574.04	845.32	47.3
Minnesota	460.41	679.62	47.6
Colorado	515.31	763.75	48.2
Mississippi	440.8	653.41	48.2
Alabama	426.3	632.24	48.3
Montana	336.04	509.58	51.6
New Mexico	443.76	675.94	52.3
Wyoming	318.28	492.45	54.7

Kansas	340.76	532.15	56.2
North Dakota	283.11	452.03	59.7
Utah	385.44	618.88	60.6
Arkansas	364.68	589.05	61.5
Kentucky	375.71	617.32	64.3
West Virginia	437.09	724.58	65.8
South Dakota	273.51	479.24	75.2
Nebraska	284.86	517.52	81.7
Countrywide	551.95	704.32	27.6

Source: State Average Expenditures and Premiums for Personal Automobile Insurance, National Association of Insurance Commissioners, 1995 and 2000 Editions

Expenditure By Seatbelt Law Status

STATE	1989 Ave. Expenditure	1998 Ave. Expenditure	Percent Change 89 to 98 (6/98)	SEAT BELT LAW	Primary Enforcement
Alabama	426.3	632.24	48.3	S	
Alaska	560.27	771.32	37.7	S	
Arizona	581.42	817.65	40.6	S	
Arkansas	364.68	589.05	61.5	S	
California	747.97	717.98	-4.0	P	-4.0
Colorado	515.31	763.75	48.2	P	48.2
Connecticut	740.02	900.6	21.7	P	21.7
Delaware	574.04	845.32	47.3	S	
Dist. of Col.	796.72	1032.52	29.6	P	29.6
Florida	610.21	770.55	26.3	S	
Georgia	531.01	672.38	26.6	P	26.6
Hawaii	673.36	797.49	18.4	P	18.4
Idaho	348.31	494.02	41.8	S	
Illinois	505.32	667.66	32.1	S	
Indiana	426.29	583.21	36.8	P	36.8
Iowa	315.02	458.98	45.7	P	45.7
Kansas	340.76	532.15	56.2	S	
Kentucky	375.71	617.32	64.3	S	
Louisiana	571.96	830.3	45.2	P	45.2
Maine	434.84	492.05	13.2	S	
Maryland	646.18	769.34	19.1	P	19.1
Massachusetts	728.39	815.62	12.0	S	
Michigan	550.84	736.71	33.7	S	
Minnesota	460.41	679.62	47.6	S	
Mississippi	440.8	653.41	48.2	S	
Missouri	430.05	611.48	42.2	P	42.2
Montana	336.04	509.58	51.6	S	
Nebraska	284.86	517.52	81.7	S	
Nevada	586.6	842.67	43.7	S	
New Hampshire	609.13	621.5	2.0	P	2.0
New Jersey	982.93	1138.28	15.8	S	
New Mexico	443.76	675.94	52.3	P	52.3
New York	665.07	959.77	44.3	P	44.3
North Carolina	388	564.35	45.5	P	45.5
North Dakota	283.11	452.03	59.7	S	
Ohio	447.73	581.47	29.9	S	
Oklahoma	399.19	575.4	44.1	P	44.1
Oregon	466.29	630.41	35.2	P	35.2
Pennsylvania	646.03	721.91	11.7	S	

Rhode Island	725.82	851.79	17.4 S	
South Carolina	494.25	655.33	32.6 S	
South Dakota	273.51	479.24	75.2 S	
Tennessee	423.26	586.65	38.6 S	
Texas	497.35	730.66	46.9 P	46.9
Utah	385.44	618.88	60.6 S	
Vermont	423.43	534.37	26.2 S	
Virginia	437.87	563.74	28.7 P	28.7
Washington	490.5	710	44.8 S	
West Virginia	437.09	724.58	65.8 S	
Wisconsin	392.46	522.07	33.0 S	
Wyoming	318.28	492.45	54.7 S	
Countrywide	551.95	704.32	38.9	33.1

Source: State Average Expenditures and Premiums
for Personal Automobile Insurance, National Association
of Insurance Commissioners, 1995 and 2000 Editions

Seatbelt law: "S" is secondary enforcement, "P" is primary.

Expenditure By Moradi Law Status

STATE	1989 Ave. Expenditure	1998 Ave. Expenditure	Percent Change 89 to 98	STATE HAS "MORADI" TYPE LAW	
Alabama	426.3	632.24	48.3		
Alaska	560.27	771.32	37.7	YES	37.7
Arizona	581.42	817.65	40.6		
Arkansas	364.68	589.05	61.5		
California	747.97	717.98	-4.0	YES	-4.0
Colorado	515.31	763.75	48.2	YES	48.2
Connecticut	740.02	900.6	21.7		
Delaware	574.04	845.32	47.3	YES	47.3
Dist. of Col.	796.72	1032.52	29.6		
Florida	610.21	770.55	26.3		
Georgia	531.01	672.38	26.6		
Hawaii	673.36	797.49	18.4		
Idaho	348.31	494.02	41.8	YES	41.8
Illinois	505.32	667.66	32.1	YES	32.1
Indiana	426.29	583.21	36.8	YES	36.8
Iowa	315.02	458.98	45.7	YES	45.7
Kansas	340.76	532.15	56.2	YES	56.2
Kentucky	375.71	617.32	64.3		
Louisiana	571.96	830.3	45.2	YES	45.2
Maine	434.84	492.05	13.2		
Maryland	646.18	769.34	19.1	YES	19.1
Massachusetts	728.39	815.62	12.0		
Michigan	550.84	736.71	33.7	YES	33.7
Minnesota	460.41	679.62	47.6		
Mississippi	440.8	653.41	48.2	YES	48.2
Missouri	430.05	611.48	42.2	YES	42.2
Montana	336.04	509.58	51.6		
Nebraska	284.86	517.52	81.7		
Nevada	586.6	842.67	43.7	YES	43.7
New Hampshire	609.13	621.5	2.0		
New Jersey	982.93	1138.28	15.8		
New Mexico	443.76	675.94	52.3	YES	52.3
New York	665.07	959.77	44.3	YES	44.3
North Carolina	388	564.35	45.5	YES	45.5
North Dakota	283.11	452.03	59.7	YES	59.7
Ohio	447.73	581.47	29.9		
Oklahoma	399.19	575.4	44.1		
Oregon	466.29	630.41	35.2	YES	35.2
Pennsylvania	646.03	721.91	11.7	YES	11.7
Rhode Island	725.82	851.79	17.4		

South Carolina	494.25	655.33	32.6	YES	32.6
South Dakota	273.51	479.24	75.2	YES	75.2
Tennessee	423.26	586.65	38.6		
Texas	497.35	730.66	46.9		
Utah	385.44	618.88	60.6	YES	60.6
Vermont	423.43	534.37	26.2		
Virginia	437.87	563.74	28.7		
Washington	490.5	710	44.8		
West Virginia	437.09	724.58	65.8		
Wisconsin	392.46	522.07	33.0	YES	33.0
Wyoming	318.28	492.45	54.7	YES	54.7
Countrywide	551.95	704.32	38.9		41.5

Source: State Average Expenditures and Premiums
for Personal Automobile Insurance, National Association
of Insurance Commissioners, 1995 and 2000 Editions

Expenditure By Regulatory Status

STATE	1989 Ave. Expenditure	1998 Ave. Expenditure	Percent Change 89 to 98	TYPE OF RATE REGULATION (IN 1988)	Prior Approval	File & Use	Use & File	Other
Alabama	426.3	632.24	48.3	MPA				48.3
Alaska	560.27	771.32	37.7	PA	37.7			
Arizona	581.42	817.65	40.6	U&F			40.6	
Arkansas	364.68	589.05	61.5	F&U		61.5		
California	747.97	717.98	-4.0	PA	-4.0			
Colorado	515.31	763.75	48.2	F&U		48.2		
Connecticut	740.02	900.6	21.7	F&U		21.7		
Delaware	574.04	845.32	47.3	F&U		47.3		
Dist. of Col.	796.72	1032.52	29.6	F&U		29.6		
Florida	610.21	770.55	26.3	F&U		26.3		
Georgia	531.01	672.38	26.6	PA	26.6			
Hawaii	673.36	797.49	18.4	PA	18.4			
Idaho	348.31	494.02	41.8	NF				41.8
Illinois	505.32	667.66	32.1	U&F			32.1	
Indiana	426.29	583.21	36.8	F&U		36.8		
Iowa	315.02	458.98	45.7	U&F			45.7	
Kansas	340.76	532.15	56.2	PA	56.2			
Kentucky	375.71	617.32	64.3	U&F			64.3	
Louisiana	571.96	830.3	45.2	PA	45.2			
Maine	434.84	492.05	13.2	F&U		13.2		
Maryland	646.18	769.34	19.1	F&U		19.1		
Massachusetts	728.39	815.62	12.0	SET				12
Michigan	550.84	736.71	33.7	F&U		33.7		
Minnesota	460.41	679.62	47.6	F&U		47.6		
Mississippi	440.8	653.41	48.2	PA	48.2			
Missouri	430.05	611.48	42.2	U&F			42.2	
Montana	336.04	509.58	51.6	F&U		51.6		

Nebraska	284.86	517.52	81.7	PA	81.7			
Nevada	586.6	842.67	43.7	PA	43.7			
New Hampshire	609.13	621.5	2.0	PA	2.0			
New Jersey	982.93	1138.28	15.8	PA	15.8			
New Mexico	443.76	675.94	52.3	PA	52.3			
New York	665.07	959.77	44.3	PA	44.3			
North Carolina	388	564.35	45.5	F&U		45.5		
North Dakota	283.11	452.03	59.7	PA	59.7			
Ohio	447.73	581.47	29.9	F&U		29.9		
Oklahoma	399.19	575.4	44.1	FLEX			44.1	
Oregon	466.29	630.41	35.2	F&U		35.2		
Pennsylvania	646.03	721.91	11.7	PA	11.7			
Rhode Island	725.82	851.79	17.4	F&U		17.4		
South Carolina	494.25	655.33	32.6	PA	32.6			
South Dakota	273.51	479.24	75.2	F&U		75.2		
Tennessee	423.26	586.65	38.6	PA	38.6			
Texas	497.35	730.66	46.9	F&U		46.9		
Utah	385.44	618.88	60.6	U&F			60.6	
Vermont	423.43	534.37	26.2	U&F			26.2	
Virginia	437.87	563.74	28.7	F&U		28.7		
Washington	490.5	710	44.8	PA	44.8			
West Virginia	437.09	724.58	65.8	PA	65.8			
Wisconsin	392.46	522.07	33.0	U&F			33	
Wyoming	318.28	492.45	54.7	NF				54.7
Countrywide	551.95	704.32	38.9		38.0	37.7	43.1	40.2

Source: State Average Expenditures and Premiums
for Personal Automobile Insurance, National Association
of Insurance Commissioners, 1995 and 2000 Editions

Profits By Regulatory Status

STATE	TYPE OF RATE REGULATION (IN 1988)	1989 to 1998 Profitability Personal Auto	Prior Approval	File & Use	Use & File	Other
Alabama	MPA	11.5				11.5
Alaska	PA	11.2	11.2			
Arizona	U&F	8.9			8.9	
Arkansas	F&U	5.3		5.3		
California	PA	16	16			
Colorado	F&U	6.5		6.5		
Connecticut	F&U	12.7		12.7		
Delaware	F&U	8.3		8.3		
Dist. of Col.	F&U	12.8		12.8		
Florida	F&U	9.1		9.1		
Georgia	PA	9.5	9.5			
Hawaii	PA	14.9	14.9			
Idaho	NF	11.8				11.8
Illinois	U&F	11.4			11.4	
Indiana	F&U	9.6		9.6		
Iowa	U&F	8.7			8.7	
Kansas	PA	0.6	0.6			
Kentucky	U&F	2.9			2.9	
Louisiana	PA	7.5	7.5			
Maine	F&U	15.4		15.4		
Maryland	F&U	14.4		14.4		
Massachusetts	SET	10.8				10.8
Michigan	F&U	13		13		
Minnesota	F&U	8.3		8.3		
Mississippi	PA	8	8			
Missouri	U&F	10.4			10.4	
Montana	F&U	6		6		
Nebraska	PA	5.4	5.4			
Nevada	PA	3.3	3.3			
New Hampshire	PA	15.6	15.6			
New Jersey	PA	4.8	4.8			
New Mexico	PA	9.8	9.8			
New York	PA	9.9	9.9			
North Carolina	F&U	6.8		6.8		

North						
Dakota	PA	4.7	4.7			
Ohio	F&U	12.1		12.1		
Oklahoma	FLEX	7.1				7.1
Oregon	F&U	14.5		14.5		
Pennsylvania	PA	11.2	11.2			
Rhode Island	F&U	14.6		14.6		
South						
Carolina	PA	-2.6	-2.6			
South						
Dakota	F&U	2.1		2.1		
Tennessee	PA	10.2	10.2			
Texas	F&U	6		6		
Utah	U&F	11.7			11.7	
Vermont	U&F	12.2			12.2	
Virginia	F&U	12.3		12.3		
Washington	PA	9.5	9.5			
West						
Virginia	PA	4.7	4.7			
Wisconsin	U&F	10.7			10.7	
Wyoming	NF	10				10
Country (Average of State Profits)		9.3	8.1	10.0	9.6	10.2

Profit on weighted basis in USA was 10.9% for period.

Source: Report on Profitability by Line by State in 1999
National Association of Insurance Commissioners

California Profits by Line (1992-1999)

PROPOSITION 103	1992 ROR ON	1993 ROR ON	1994 ROR ON	1995 ROR ON	1996 ROR ON	1997 ROR ON	1998 ROR ON	1999 ROR ON	92 TO 99 AVE
LINES OF BUSINESS	NET WORTH	NET WORTH	NET WORTH	NET WORTH	NET WORTH	NET WORTH	NET WORTH	NET WORTH	ROR ON N/W
CALIFORNIA DATA									
PVT. PASS. AUTO LIABILITY	17.7	16.4	15.5	20.3	21	21.6	14.5	10	17.1
PVT. PASS. AUTO PHY. DG.	32.6	24.5	20.4	14.1	14.4	11.6	6.9	7.6	16.5
PVT. PASS. AUTO TOTAL	21.2	18.4	16.7	18.7	19.3	18.9	12.4	9.3	16.9
COMM AUTO LIABILITY	12.1	12.4	8	12.3	9.3	14	8	3.1	9.9
COMM AUTO PHY. DG.	30.5	34.9	27.5	14.2	11.1	11.7	12.9	5	18.5
COMM AUTO TOTAL	15.2	15.4	10.5	12.7	9.6	13.6	8.9	3.5	11.2
HOMEOWNERS M/P	-3.7	-13.8	-1.6	-5.4	18.3	17.1	12.5	15.9	4.9
FARMOWNERS M/P	2.5	5.6	14.4	1.3	18.6	1	6	-0.9	6.1
COMMERCIAL M/P	-11.5	5.9	-14.6	0.6	4.5	8.6	2.9	10.3	0.8
FIRE	8.7	6.5	14.7	42.1	34	29.7	28.6	17.8	22.8
ALLIED LINES	-4.1	30.5	-24.5	-1.3	26	10.3	4.8	29	8.8
INLAND MARINE	30.5	38.8	-58.5	25.1	42.4	28.1	25.5	26.4	19.8
MEDICAL MALPRACTICE	15.9	15.1	15	13	11.6	13.8	13.8	8.8	13.4
OTHER LIABILITY	-13.1	-11.3	2.4	-3.5	4	6.4	3.1	5.7	-0.8
ALL OTHERS	25.6	23.5	-207.9	-5.5	21.7	16.6	15.9	20.3	-11.2
Source: Report on Profitability By Line By State in 1999, NAIC.									

Countrywide Profits by Line (1992-1999)

	92 TO 99								
PROPOSITION 103	1992 ROR ON	1993 ROR ON	1994 ROR ON	1995 ROR ON	1996 ROR ON	1997 ROR ON	1998 ROR ON	1999 ROR ON	AVE ROR
LINE OF BUSINESS	NET WORTH	NET WORTH	NET WORTH	NET WORTH	NET WORTH	NET WORTH	NET WORTH	NET WORTH	ON N/W
CONTRYWIDE DATA									
PVT. PASS. AUTO LIABILITY	9.4	10.1	9	11.6	13.7	13.1	10.5	7	10.6
PVT. PASS. AUTO PHY. DG.	29.6	27.6	19.1	11.5	6.8	10.2	9	9.4	15.4
PVT. PASS. AUTO TOTAL	14.3	14.2	11.4	11.6	12.1	12.4	10.1	7.7	11.7
COMM AUTO LIABILITY	12.8	12.8	8.2	9.1	7.4	8.2	4.3	0.5	7.9
COMM AUTO PHY. DG.	28.5	41.8	27.9	13	5	4.4	2	-1.4	15.2
COMM AUTO TOTAL	15.2	15.7	10.1	9.7	7	7.6	3.9	0.1	8.7
HOMEOWNERS M/P	-54.3	2.5	-1.7	3.7	-4.2	12.4	5.4	5.4	-3.9
FARMOWNERS M/P	3.1	0.5	5.4	2.6	-9.6	6.4	-4	2	0.8
COMMERCIAL M/P	-5.6	7.9	3.7	7.5	5.2	8.9	3.5	1.6	4.1
FIRE	-2.3	20.7	18.6	14.4	18.3	21.8	11	7.7	13.8
ALLIED LINES	-63.6	-23.2	2.3	-17.9	-6.7	19.6	-12.9	-2.3	-13.1
INLAND MARINE	13.2	12.8	10.5	25.9	25.1	23.5	17.5	11.8	17.5
MEDICAL MALPRACTICE	15.5	15.3	13.7	12.7	12.6	12.6	7.6	5.1	11.9
OTHER LIABILITY	8.3	6.4	6.3	2.6	8.6	12.1	9.7	8	7.8
ALL OTHERS	18.3	22.7	-14	15.3	17.5	18.1	16.7	16.1	13.8

Source: Report on Profitability By Line By State in 1999, NAIC.

WHICH STATES MEET CONSUMER STANDARDS FOR EXCELLENCE IN REGULATION?

- **Make regulation easily understood by, responsive to, accountable to and inspire confidence from the public and regulated entities.**
 - Outlaw passing through excess costs such as fines – California
 - ZIP Code data available – California and a few other states
 - Open records – California and many other states
 - Funds consumer intervention – California,
 - Funded consumer advocate – Georgia, Massachusetts, South Carolina, Texas
 - Prior approval – California and 18 other states
- **Promote beneficial competition towards the end of fair profits for regulated entities and fair treatment of consumers.**
 - Antitrust law applies – California, Texas
 - Agent rebating allowed – California, Florida
 - Bank insurance sales – now available in all states due to congressional action
 - Group sales allowed – California and several other states
- **Address the problems with selection competition¹ and make public policy the primary determinant of risk classification schemes.**
 - Good Driver Protection² – California, New Hampshire and North Carolina
 - Good Driver Discount of at least 20% -- California
 - Class Plan Puts Driving Record as Primary – California
 - Controls Risk Classes – California and many other states, but California only state where classes other than statutory must have less weight than record, experience and miles driven.
- **Provide for public involvement in the regulatory process, including institutionalized consumer participation in review of forms, manuals and rates.**
 - Funds consumer intervention – California
 - Funds consumer group – Georgia, Massachusetts, South Carolina, Texas
- **Provide the regulator, regulated entities and the public with the tools to identify market problems and harmful competition.**
 - Outlaw passing through excess costs such as fines – California
 - ZIP Code data available – California and a few other states
 - Open records – California and many other states
 - Funds consumer involvement – California, Georgia, Massachusetts, South Carolina, Texas
- **Prevent harmful products from coming to market, deter regulated entities from unfair and harmful practices, stop harmful practices from continuing and provide restitution to consumers injured by harmful and unfair practices of regulated entities.**
 - Prior approval – California and 18 other states (California regulations are state-of-the-art)
- **Promote loss prevention and loss mitigation as the most important way for insurers to manage exposure.**
 - Good Driver Protection³ – California, New Hampshire and North Carolina
 - Good Driver Discount of at least 20% -- California
 - Class Plan Puts Driving Record as Number One – California
- **Promote uniformity among the states at the highest levels of consumer service and protection and that utilizes the tools of the NAIC to help every state insurance department match the skills and resources of large insurers operating in many states – i.e., a regulatory system that prevents regulatory arbitrage by insurers.**

¹ Commissioner Benjamin R. Schenk of New York said of selection competition, “ In insurance there is one form of competition that seldom exists in other products or services. That is selection competition – the ability of an insurer to affect its success, not by the price or quality of its products, but by selecting its customers in a fashion that will give it an advantage over its rivals...Selection competition should have few admirers. It is capable of denying to some people the opportunity to buy insurance at all in a day when many forms of insurance have become legal and practical necessities.” Convention of Casualty and Surety Agents, White Sulphur Springs, West Virginia, October 9, 1972.

² Good driver has right to obtain insurance from the company the consumer wants.

³ Good driver has right to obtain insurance from the company the consumer wants.