

# 2008 Momentum Rankings

by Streff Insurance Services

The Momentum Rankings are based on data from Best's 2009 Key Rating Guide. By measuring financial indicators over a five year span and weighting toward the current years, a company's momentum can be quantified. Reviewing hot and cold companies can teach us lessons about current business strategy.

In our model, surplus growth accounts for 40% of each company's score with a 55% weight assigned to the growth in 2008. Combined ratios and premium growth each account for 30% of the score. Insurers' are penalized for premium growth that is excessively fast or slow. The industry's 2008 revenue growth was -2.1%, so companies were rewarded for disciplined underwriting.

The nearby table ranks the largest 50 companies by momentum. The scores for the three components are measured with symbols similar to those found in *Consumer Reports*. Solid circles represent the top quintile and completely hollow circles represent the bottom quintile.

	Momentum Rank	Company	Surplus Growth	Combined Ratio	Premium Growth	Premium Rank
hot	1	Chubb	●	●	●	11
	2	Assurant	●	●	○	26
	3	Bank of Am. (Balboa)	●	●	○	39
	4	Tokio Marine	●	●	○	38
	5	Auto-Owners	●	○	●	17
	6	Citizens Prop. of FL	●	●	○	41
	7	FM Global	○	●	●	28
	8	Travelers	●	●	●	6
	9	USAA	●	○	○	12
	10	ACE INA	●	●	○	20
warm	11	Nationwide	●	○	●	7
	12	Progressive	●	●	●	9
	13	MetLife Auto & Home	●	●	●	23
	14	Erie	●	●	●	18
	15	Hartford	○	●	●	10
	16	AIG	●	○	●	2
	17	Fairfax	●	○	○	24
	18	XL America	●	●	○	42
	19	NJM	●	○	●	50
	20	Auto Club Enterprises	●	●	●	31
neutral	21	Southern Farm Bureau	●	○	●	47
	22	Hanover	●	●	○	30
	23	Selective	○	●	●	48
	24	Sentry	●	○	●	43
	25	Commerce	○	○	●	44
	26	Allianz	●	●	○	15
	27	CNA	●	○	●	13
	28	Cincinnati	○	●	●	22
	29	WR Berkley	●	●	○	19
	30	Swiss Re	●	○	●	36
cool	30	Great American	○	●	○	27
	32	Allstate	○	○	●	3
	33	Farmers	●	○	●	8
	34	CA State Auto	○	●	●	32
	35	Zurich U.S.	●	○	○	16
	36	Mercury General	○	●	●	25
	37	State Comp. Fund of CA	●	○	○	45
	38	Liberty Mutual	○	○	●	4
	39	Berkshire Hathaway	○	●	○	5
	40	Country	●	○	○	37
cold	41	Mortgage Guaranty	●	○	○	49
	42	Westfield	○	●	○	46
	43	GMAC	○	●	○	35
	44	Old Republic	○	○	●	34
	45	Unitrin	○	○	●	40
	46	White Mountains	○	○	●	29
	47	State Farm	○	○	●	1
	48	American Family	○	○	●	14
	49	QBE	○	●	○	33
	50	Munich Re	○	○	○	21

Key: Companies ranked by quintile  
 ●=1-10, ●=11-20, ●=21-30, ○=31-40, ○=41-50

