

TEN YEAR SUMMARY — FINANCIAL HIGHLIGHTS

(unaudited — not covered by report of independent auditors)

(millions—except ratios, per share amounts and number of people employed)	2003	2002	2001	2000	1999
INSURANCE COMPANIES SELECTED FINANCIAL INFORMATION AND OPERATING STATISTICS — STATUTORY BASIS					
Policyholders' surplus	\$ 4,538.3	\$ 3,370.2	\$ 2,647.7	\$ 2,177.0	\$ 2,258.9
Net premiums written to policyholders' surplus ratio	2.6	2.8	2.7	2.8	2.7
Loss and loss adjustment expense	67.4	70.9	73.6	83.2	75.0
Underwriting expense	18.8	20.4	21.1	21.0	22.1
Statutory combined ratio	86.2	91.3	94.7	104.2	97.1
SELECTED CONSOLIDATED FINANCIAL INFORMATION — GAAP BASIS					
Total revenues	\$ 11,892.0	\$ 9,294.4	\$ 7,488.2	\$ 6,771.0	\$ 6,124.2
Total assets	16,281.5	13,564.4	11,122.4	10,051.6	9,704.7
Total shareholders' equity ¹	5,030.6	3,768.0	3,250.7	2,869.8	2,752.8
Common Shares outstanding	216.4	218.0	220.3	220.6	219.3
Common Share price:					
High	\$ 84.68	\$ 60.49	\$ 50.60	\$ 37.00	\$ 58.08
Low	46.25	44.75	27.38	15.00	22.83
Close ²	83.59	49.63	49.77	34.54	24.38
Market capitalization	\$ 18,088.9	\$ 10,819.3	\$ 10,958.6	\$ 7,616.8	\$ 5,345.4
Book value per Common Share ¹	\$ 23.25	\$ 17.28	\$ 14.76	\$ 13.01	\$ 12.55
Return on average common shareholders' equity ³	29.1%	19.3%	13.5%	1.7%	10.9%
Debt outstanding	\$ 1,489.8	\$ 1,489.0	\$ 1,095.7	\$ 748.8	\$ 1,048.6
Ratios:					
Debt to total capital	23%	28%	25%	21%	28%
Earnings to fixed charges ⁴	18.8x	13.2x	10.7x	1.3x	5.7x
Price to earnings ⁵	15	17	27	164	18
Price to book	3.6	2.9	3.4	2.7	1.9
Net premiums written growth	26%	30%	17%	1%	16%
GAAP underwriting margin ¹	12.7%	7.6%	4.8%	(4.4)%	1.7%
Number of people employed	25,834	22,974	20,442	19,490	18,753

All share and per share amounts were adjusted for the April 22, 2002, 3-for-1 stock split.

¹In 1994, the \$71.0 million "supplemental reserve" was eliminated, increasing book value per share \$.21, underwriting profit margin 3.2% and shareholders' equity \$46.1 million.²Represents the closing price at December 31.

(millions—except ratios, per share amounts
and number of people employed)

	1998	1997	1996	1995	1994
INSURANCE COMPANIES SELECTED FINANCIAL INFORMATION AND OPERATING STATISTICS					
— STATUTORY BASIS					
Policyholders' surplus	\$ 2,029.9	\$ 1,722.9	\$ 1,292.4	\$ 1,055.1	\$ 945.1
Net premiums written to policyholders' surplus ratio	2.6	2.7	2.7	2.8	2.6
Loss and loss adjustment expense	68.5	71.1	70.2	71.6	64.2
Underwriting expense	22.4	20.7	19.8	21.4	22.4
Statutory combined ratio	90.9	91.8	90.0	93.0	86.6
SELECTED CONSOLIDATED FINANCIAL INFORMATION					
— GAAP BASIS					
Total revenues	\$ 5,292.4	\$ 4,608.2	\$ 3,478.4	\$ 3,011.9	\$ 2,415.3
Total assets	8,463.1	7,559.6	6,183.9	5,352.5	4,675.1
Total shareholders' equity ¹	2,557.1	2,135.9	1,676.9	1,475.8	1,151.9
Common Shares outstanding	217.6	216.9	214.5	216.3	213.6
Common Share price:					
High	\$ 57.33	\$ 40.29	\$ 24.08	\$ 16.50	\$ 13.50
Low	31.33	20.50	13.46	11.58	9.25
Close ²	56.46	39.96	22.46	16.29	11.67
Market capitalization	\$ 12,279.7	\$ 8,667.0	\$ 4,817.3	\$ 3,523.9	\$ 2,492.0
Book value per Common Share ¹	\$ 11.75	\$ 9.85	\$ 7.82	\$ 6.44	\$ 4.99
Return on average common shareholders' equity ³	19.3%	20.9%	20.5%	19.6%	27.4%
Debt outstanding	\$ 776.6	\$ 775.9	\$ 775.7	\$ 675.9	\$ 675.6
Ratios:					
Debt to total capital	23%	27%	32%	31%	37%
Earnings to fixed charges ⁴	10.2x	9.2x	7.7x	5.6x	6.1x
Price to earnings ⁵	28	23	16	15	10
Price to book	4.8	4.1	2.9	2.5	2.3
Net premiums written growth	14%	36%	18%	19%	35%
GAAP underwriting margin ¹	8.4%	6.6%	8.5%	5.7%	11.5%
Number of people employed	15,735	14,126	9,557	8,025	7,544

³Net income minus preferred share dividends ÷ average common shareholders' equity.

⁴1995 and 1994 represents the ratio of earnings to combined fixed charges and preferred share dividends.

⁵Represents the closing stock price ÷ earnings per share.

TEN YEAR SUMMARY—GAAP CONSOLIDATED OPERATING RESULTS

(unaudited — not covered by report of independent auditors)

(millions — except per share amounts)	2003	2002	2001	2000	1999
Direct premiums written:					
Personal Lines	\$ 10,594.4	\$ 8,431.1	\$ 6,485.1	\$ 5,773.2	\$ 5,799.4
Commercial Auto Business	1,359.2	1,004.3	665.7	442.2	321.4
Other businesses	234.3	230.3	228.4	186.7	184.5
Total direct premiums written	12,187.9	9,665.7	7,379.2	6,402.1	6,305.3
Reinsurance assumed	—	.1	.1	—	—
Reinsurance ceded	(274.5)	(213.8)	(119.2)	(206.0)	(180.6)
Net premiums written	11,913.4	9,452.0	7,260.1	6,196.1	6,124.7
Net change in unearned premiums reserve ¹	(572.4)	(568.5)	(98.3)	152.3	(441.1)
Net premiums earned	11,341.0	8,883.5	7,161.8	6,348.4	5,683.6
Expenses:					
Losses and loss adjustment expenses ²	7,640.4	6,299.1	5,264.1	5,279.4	4,256.4
Policy acquisition costs	1,249.1	1,031.6	864.9	788.0	745.0
Other underwriting expenses	1,010.1	874.2	686.9	559.3	583.8
Total underwriting expenses	9,899.6	8,204.9	6,815.9	6,626.7	5,585.2
Underwriting profit (loss) before taxes	1,441.4	678.6	345.9	(278.3)	98.4
Provision (benefit) for income taxes	504.5	237.5	121.1	(97.4)	34.4
Underwriting profit (loss) after taxes	936.9	441.1	224.8	(180.9)	64.0
Service operations profit (loss) after taxes	10.5	8.0	3.2	(.6)	4.3
Investment income after taxes	947.4	449.1	228.0	(181.5)	68.3
Net realized gains (losses) on securities after taxes	345.9	324.4	296.1	278.3	249.6
after taxes	8.3	(51.1)	(72.7)	11.0	30.7
Interest expense after taxes	(62.1)	(48.5)	(33.9)	(50.6)	(49.7)
Nonrecurring items after taxes ³	—	—	—	(4.2)	—
Other income after taxes ⁴	20.3	—	—	—	3.4
Net expenses after taxes ⁵	(4.4)	(6.6)	(6.1)	(6.9)	(7.1)
Net income	\$ 1,255.4	\$ 667.3	\$ 411.4	\$ 46.1	\$ 295.2
Per share ⁶					
Net income	\$ 5.69	\$ 2.99	\$ 1.83	\$.21	\$ 1.32
Dividends	.100	.096	.093	.090	.087
Average equivalent shares					
Basic	216.8	219.0	221.0	219.6	218.7
Diluted	220.5	223.2	225.2	223.0	223.9

All share and per share amounts were adjusted for the April 22, 2002, 3-for-1 stock split.

¹Amount represents change in unearned premiums reserve less change in prepaid reinsurance premiums.²In 1994, the “supplemental reserve” was eliminated, resulting in a one-time decrease to losses and loss adjustment expenses of \$71.0 million, or \$.21 per share.³2000 reflects a foreign currency translation loss.⁴2003 reflects interest income related to an income tax refund; 1999 reflects a gain on the sale of the corporate aircraft.⁵Reflects investment expenses after taxes and other tax adjustments.⁶Presented on a diluted basis. In 1997, the Company adopted SFAS 128, “Earnings Per Share,” and, as a result, restated prior periods per share amounts, if applicable.

(millions—except per share amounts)	1998	1997	1996	1995	1994
Direct premiums written:					
Personal Lines	\$ 4,987.1	\$ 4,355.9	\$ 3,165.4	\$ 2,644.6	\$ 2,181.7
Commercial Auto Business	265.2	253.5	229.9	210.5	183.7
Other businesses	199.0	215.8	243.1	213.8	279.7
Total direct premiums written	5,451.3	4,825.2	3,638.4	3,068.9	2,645.1
Reinsurance assumed	—	—	3.8	.1	2.9
Reinsurance ceded	(151.6)	(160.1)	(200.5)	(156.2)	(190.8)
Net premiums written	5,299.7	4,665.1	3,441.7	2,912.8	2,457.2
Net change in unearned premiums reserve ¹	(351.7)	(475.6)	(242.4)	(185.6)	(266.1)
Net premiums earned	4,948.0	4,189.5	3,199.3	2,727.2	2,191.1
Expenses:					
Losses and loss adjustment expenses ²	3,376.3	2,967.5	2,236.1	1,943.8	1,397.3
Policy acquisition costs	659.9	607.8	482.6	459.6	391.5
Other underwriting expenses	495.8	336.0	208.5	167.2	150.8
Total underwriting expenses	4,532.0	3,911.3	2,927.2	2,570.6	1,939.6
Underwriting profit (loss) before taxes	416.0	278.2	272.1	156.6	251.5
Provision (benefit) for income taxes	145.6	97.4	95.2	54.8	88.0
Underwriting profit (loss) after taxes	270.4	180.8	176.9	101.8	163.5
Service operations profit (loss) after taxes	4.8	.9	2.8	5.6	6.5
Investment income after taxes	275.2	181.7	179.7	107.4	170.0
Net realized gains (losses) on securities after taxes	221.3	205.3	175.6	156.2	131.2
Interest expense after taxes	7.4	64.0	4.6	30.4	15.5
Nonrecurring items after taxes ³	(39.7)	(42.0)	(40.0)	(37.1)	(35.9)
Other income after taxes ⁴	—	—	—	—	—
Net expenses after taxes ⁵	—	—	—	—	—
Net income	(7.5)	(90)	(6.2)	(6.4)	(6.5)
Net income	\$ 456.7	\$ 400.0	\$ 313.7	\$ 250.5	\$ 274.3
Per share ⁶					
Net income	\$ 2.04	\$ 1.77	\$ 1.38	\$ 1.09	\$ 1.20
Dividends	.083	.080	.077	.073	.070
Average equivalent shares					
Basic	217.4	216.0	214.8	215.4	214.8
Diluted	224.1	225.9	222.6	222.6	222.0