



NCCI Holdings, Inc.

Workers Compensation Financial Update

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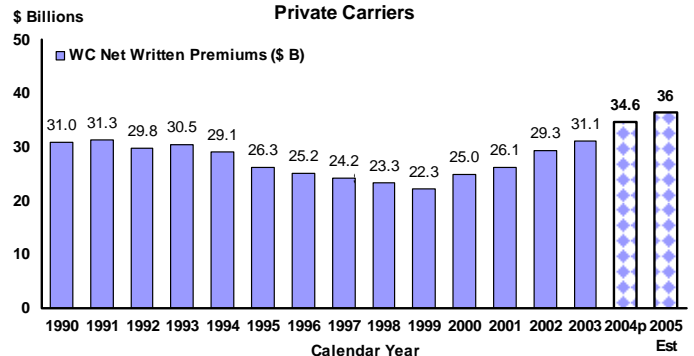
Workers Compensation Financial Results Update

The growth in net written premiums for workers compensation is projected to continue this year, with 2005 estimates between 4% and 5% greater than 2004. This is a statistical estimate based on reported growth in direct written premium for the first nine months of 2005 and the historical relationship between direct and net written premium over the past decade.

The net combined ratio for workers compensation is projected to decline in 2005 compared to 2004. This decline is based on a projected decline in incurred losses and modest growth in premium. This is a statistical estimate based on reported growth in direct calendar period losses incurred, direct earned premium for the first nine months of 2005, and the historical relationship between direct and net losses and premium over the past decade.

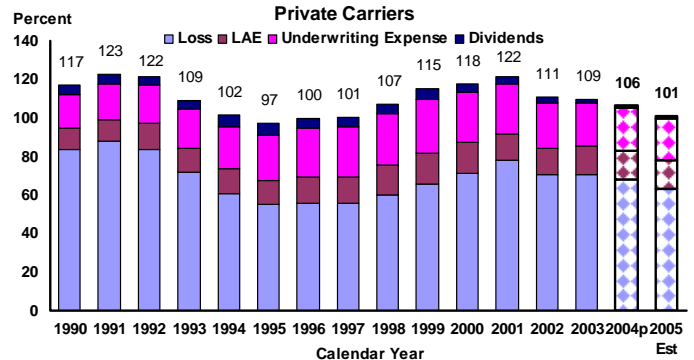
On average, the approved workers compensation bureau rates/loss costs decreased slightly in 2005, following the more significant decrease in 2004. The decrease in both years was largely driven by California.

**Workers Compensation Premium Volume Level:
A Modest Increase**



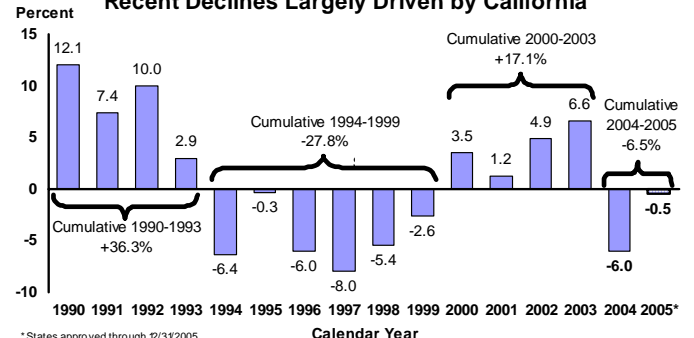
Sources: 1990-2003, A.M. Best Aggregates & Averages; 2004p and 2005 Est., NCCI estimates based on projection of direct premium as of 3rd Quarter 2005

**WC Calendar Year Combined Ratio:
A Continued Period of Decline**



Sources: 1990-2003, A.M. Best Aggregates & Averages; 2004p and 2005 Est., NCCI estimates based on projection of direct premium and direct incurred losses as of 3rd Quarter 2005

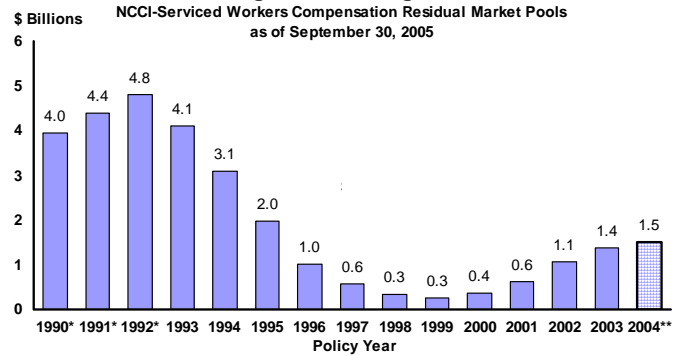
**History of Average Approved Bureau Rate/Loss Cost Level Changes:
Recent Declines Largely Driven by California**



* States approved through 12/31/2005
 Countrywide approved changes in advisory rates, loss costs, and assigned risk rates as filed by the applicable rating organization.
 The countrywide change is a weighted average of individual state changes based on state premium volumes and ignoring effective dates.

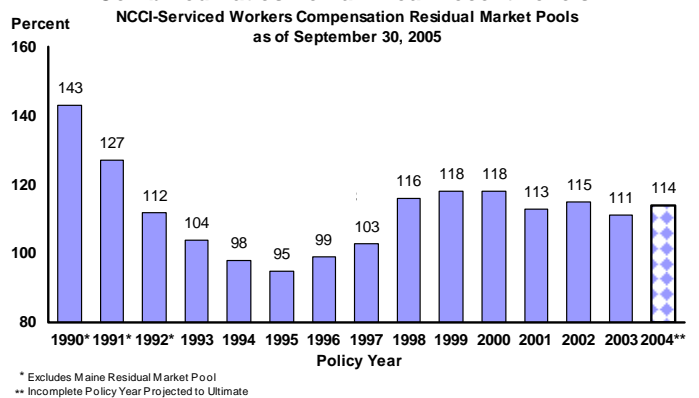
The most recent policy year financial results, valued as of September 30, 2005, indicate that the residual market continued to grow in Policy Year 2004, the most recent policy year. However, application data in 2005 suggests that the rate of new assignments is starting to drop. The first reports on residual market financial results for Policy Year 2005 will be available later in the first quarter of 2006.

WC Residual Market Premium Volume: Growth Slowing as New Assignments Decline



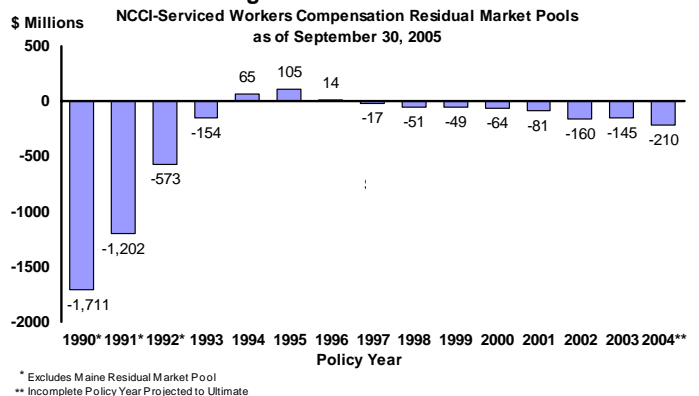
The latest financial data, valued as of September 30, 2005, show that the combined ratio for the residual market pools serviced by NCCI is projected to remain near recent levels for Policy Year 2004.

Workers Compensation Residual Market Combined Ratios Remain Near Recent Levels



The underwriting loss in Policy Year 2004 for NCCI-administered residual market pools is projected to grow slightly due to the growth in the exposure insured by these pools.

Workers Compensation Residual Market Underwriting Results Continue to Decline



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