

MSA/Baron Outlook Report

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Q4 - 2005

Released April 2006



Baron
Insurance Services Inc.

Introduction

We are delighted to release the fourth quarter *2005 MSA/Baron Outlook Report* covering the Canadian P&C industry. Our mission of providing Canada's insurance professionals with unwavering, unbiased analysis of this dynamic industry remains steadfast.

We welcome your comments and feedback regarding any aspect of these reports. You are invited to send your messages to msabaron@msaresearch.com, or contact any of the undersigned directly.

We are pleased to advise you that starting with this issue, the MSA/Baron Outlook Reports will include Standard and Poor's financial strength ratings for rated insurers. The S&P ratings can be found starting on page 20 in the new '**Standard and Poor's Rating Roundup**' section. Ratings are provided in three separate tables as follows:

1. S&P Ratings of Canadian insurers (insurers incorporated in Canada).
2. S&P Ratings of foreign insurers that operate in Canada via branches.
3. S&P Ratings of selected unlicensed reinsurers. Mostly Bermuda based.

We're confident that this new feature will be valued by many of our subscribers.

In this issue you will find:

- An analysis of year-end 2005 industry results and our view of where we believe the industry is heading into 2006.
- A review of the current M&A logjam.
- Our second annual table of top markets by major line in each region.
- A look at how direct/agency writers are growing their share of the personal lines arena.
- Standard and Poor's Rating Roundup.
- Summarized fourth quarter 2005 financial results for the overwhelming majority of Canadian insurers.

For detailed fourth quarter company results please see MSA's *2006 Researcher Software (Complete)* which was released on March 20th, or the upcoming **2006 MSA Report**.

Stumped by terminology or industry jargon contained in this report? If so, check out our on-line glossary of terms and abbreviations. You can find this resource under www.msaresearch.com/outlook .

The *MSA/Baron Outlook Report* is produced and authored jointly by MSA Research Inc., Canada's leading provider of insurance analytics and Baron Insurance Services Inc., a well-respected actuarial and consulting firm.

Subscription information can be found on the outside back cover.

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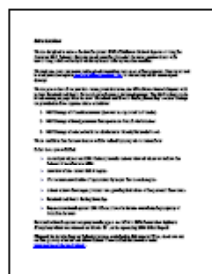
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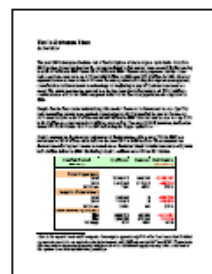
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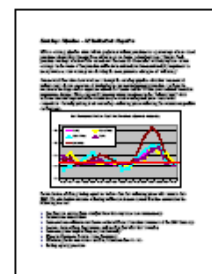
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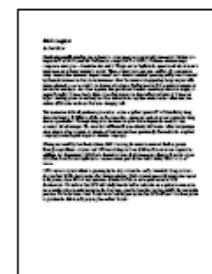
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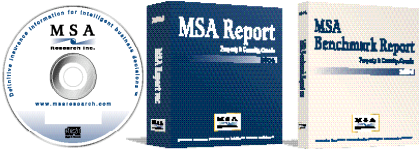
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MSA/Baron Outlook Report Q4-2005 Abstract.

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