001791 Dealers Assurance Company

As of October 5, 2010

Company Information

Address: 3518 Riverside Drive
Upper Arlington, OH 43221

Top Officer: **Kirk A. Borchardt**
Top Officer's Title: **Chief Executive Officer**
Secretary: **N/A**

Telephone: **614-459-0364**
Fax: **614-459-2665**
Web: **www.dealersassurance.com**

A.M.Best Number: **001791**
NAIC Number: **16705**
FEIN Number: **346513705**

History: Dealers Assurance Company began business in 1935.

Best's Ratings

Financial Strength Ratings	
Rating:	**A- (Excellent)**
Affiliation Code:	**N/A**
Financial Size Category:	**VI ($25 Million to $50 Million)**
Outlook:	**Stable**
Action:	**Affirmed**
Effective Date:	**03/09/2010**

Issuer Credit Rating	
Long-Term:	**a-**
Outlook:	**Stable**
Action:	**Affirmed**
Effective Date:	**03/09/2010**

Previous FSR Rating Event
A- (Excellent) 2010

Security Ratings
No data available

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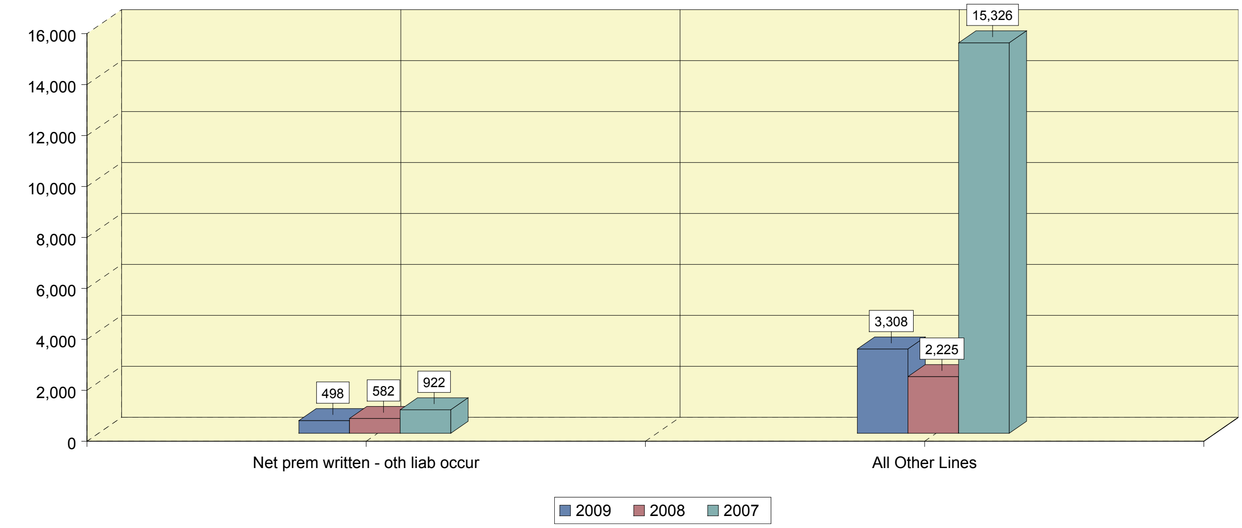
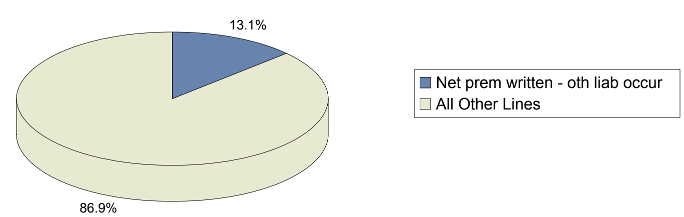
Top Lines and States of Business ($000)

3-Year Net Premiums Trend Analysis

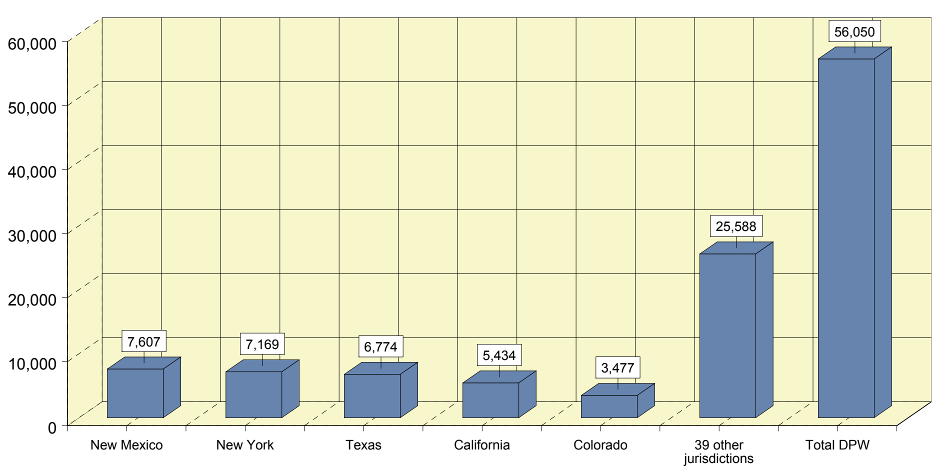


Top Lines of Business (Net Premiums Written)



	2009	2008	2007
Net prem written - oth liab occur	498	582	922
All Other Lines	3,308	2,225	15,326
Total	3,806	2,807	16,248

Top States of Business (Direct Premiums Written)



	2009
New Mexico	7,607
New York	7,169
Texas	6,774
California	5,434
Colorado	3,477
39 other jurisdictions	25,588
Total DPW	56,050

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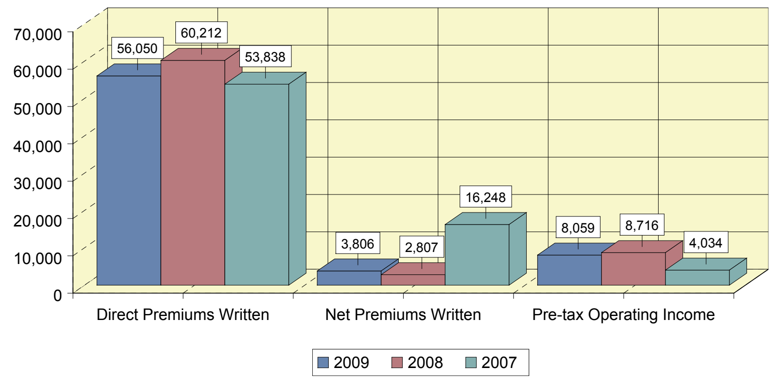
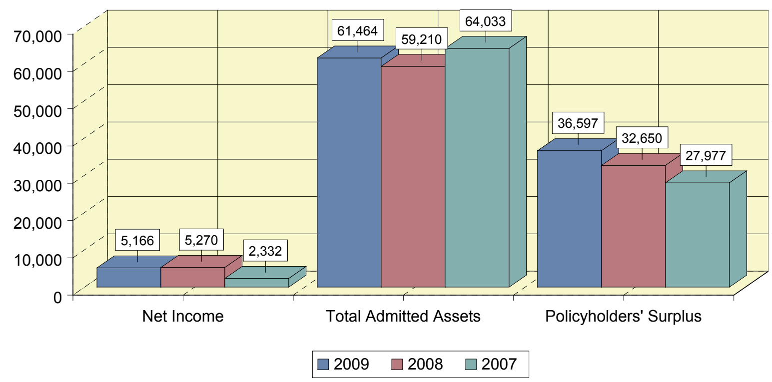
Key Financial Indicators ($000)

	Direct Premiums Written	Net Premiums Written	Pre-tax Operating Income
2009	56,050	3,806	8,059
2008	60,212	2,807	8,716
2007	53,838	16,248	4,034



	Net Income	Total Admitted Assets	Policyholders' Surplus
2009	5,166	61,464	36,597
2008	5,270	59,210	32,650
2007	2,332	64,033	27,977

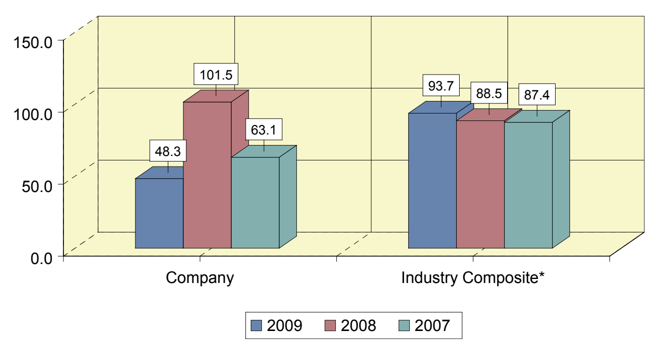


	Profitability			Leverage			Liquidity	
	Comb. Ratio	Inv. Yield (%)	Pre-tax ROR (%)	NA Inv. Leverage.	NPW to PHS	Net Leverage	Overall Liq. (%)	Oper. Cash Flow (%)
2009	48.3	2.8	103.1	8.1	0.1	0.8	247.2	144.1
2008	101.5	3.3	77.7	7.6	0.1	0.9	222.9	82.2
2007	63.1	3.7	40.6	10.3	0.6	1.9	177.6	197.6

Combined Ratio

	Company	Industry Composite*
2009	48.3	93.7
2008	101.5	88.5
2007	63.1	87.4

Combined Ratio



*Industry Composite for this company is Warranty Composite

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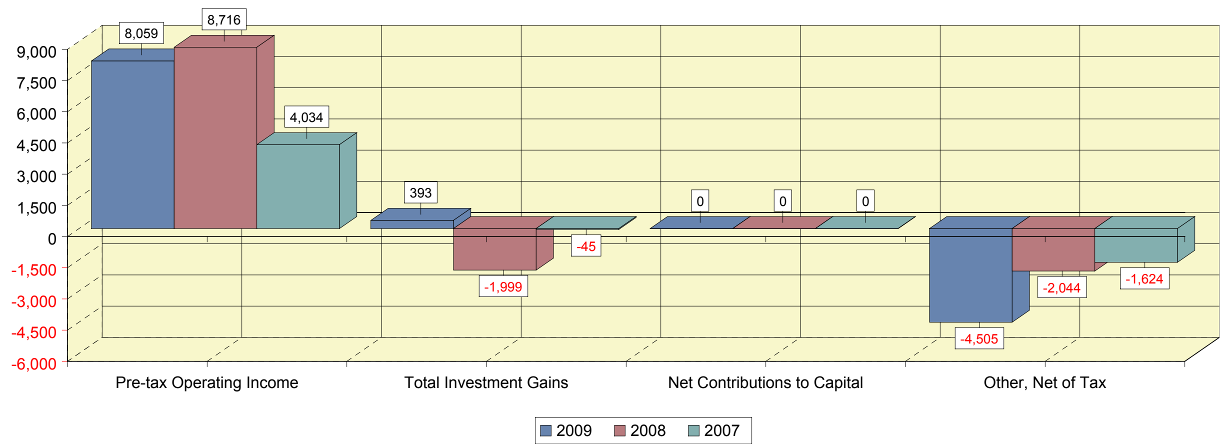
Underwriting Experience ($000)

		Loss Ratios			Expense Ratios				
	Net Underwriting Income	Pure Loss	LAE	Loss & LAE	Net Comm.	Other Exp.	Total Exp.	Div. Pol.	Comb. Ratio
2009	6,386	-13.7	3.6	-10.1	-17.4	75.7	58.3	0.0	48.3
2008	6,730	16.9	2.5	19.5	-3.3	85.3	82.0	0.0	101.5
2007	2,014	32.3	4.8	37.1	8.4	17.6	26.1	0.0	63.1

	2009	2008	Change Amount	Change %
Direct Premiums Written	56,050	60,212	-4,162	-6.9%
Net Premiums Written	3,806	2,807	999	35.6%
Pretax Operating Income	8,059	8,716	-657	-7.5%
Net Income	5,166	5,270	-104	-2%
Total Admitted Assets	61,464	59,210	2,253	3.8%
Policyholders' Surplus	36,597	32,650	3,947	12.1%

001791 Dealers Assurance Company *As of October 5, 2010*

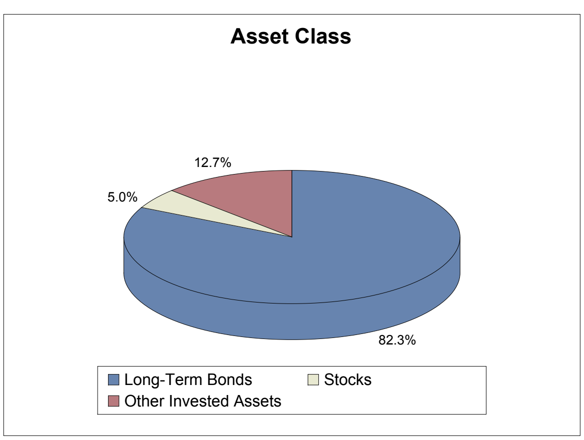
Capital Generation Analysis ($000)



	Pre-tax Operating Income	Total Investment Gains	Net Contributions to Capital	Other, Net of Tax
2009	8,059	393	0	-4,505
2008	8,716	-1,999	0	-2,044
2007	4,034	-45	0	-1,624
3-Year Total	20,808	-1,650	0	-8,173

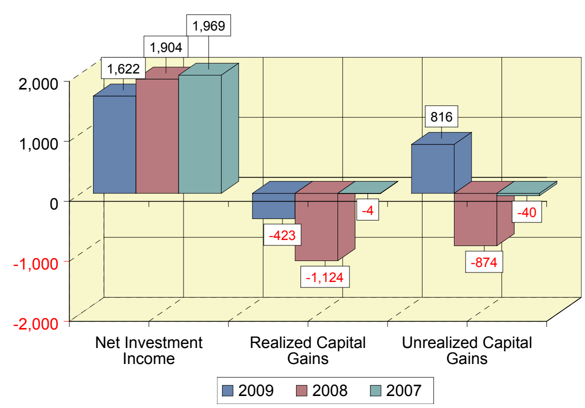
Investment Portfolio Analysis ($000)

Asset Class	2009
Long-Term Bonds	48,851
Stocks	2,948
Affiliated Investments	0
Other Invested Assets	7,533
Total	59,332



Investment Income Analysis ($000)

	Net Investment Income	Realized Capital Gains	Unrealized Capital Gains
2009	1,622	-423	816
2008	1,904	-1,124	-874
2007	1,969	-4	-40



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Balance Sheet ($000)

ADMITTED ASSETS	2009
Bonds	48,851
Common stock	2,948
Cash & short-term invest	7,018
Other non-affil inv asset	1
Total invested assets	58,818
Premium balances	1,637
Accrued interest	514
All other assets	495
Total Assets	61,464

LIABILITIES & SURPLUS	2009
Loss & LAE reserves	19
Unearned premiums	13,128
All other liabilities	11,719
Total Liabilities	24,866
Surplus notes	3,000
Capital & assigned surplus	13,434
Unassigned surplus	20,163
Total policyholders' surplus	36,597
Total Liabilities & Surplus	61,464

Summary of Operations

STATEMENT OF INCOME	2009
Premiums earned	7,818
Losses incurred	-1,069
LAE incurred	281
Undrw expenses incurred	2,220
Net underwriting income	6,386
Net investment income	1,622
Other income/expense	51
Pre-tax oper income	8,059
Realized capital gains	-423
Income taxes incurred	2,470
Net Income	5,166

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Note: The most recent data contained in this AMB Credit Report is "Quality Checked" indicating that this financial data was recorded after having cleared A.M. Best Quality Checks.

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A Best's Debt/Issuer Credit Rating is an opinion regarding the relative future credit risk of an entity, a credit commitment or a debt or debt-like security.

Credit risk is the risk that an entity may not meet its contractual, financial obligations as they come due. These credit ratings do not address any other risk, including but not limited to liquidity risk, market value risk or price volatility of rated securities. The rating is not a recommendation to buy, sell or hold any securities, insurance policies, contracts or any other financial obligations, nor does it address the suitability of any particular financial obligation for a specific purpose or purchaser.

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