Best's Rating Report

THE MAIN STREET AMERICA GROUP

NGM Insurance Company • Old Dominion Insurance Company
Main Street America Assurance Company • MSA Insurance Company
Great Lakes Casualty Insurance Company
Grain Dealers Mutual Insurance Company

MAIN STREET AMERICA GROUP MUTUAL HOLDINGS, INC.

MAIN STREET AMERICA GROUP **A**

Jacksonville , Florida

Financial Strength Rating
A M BEST
A Excellent

A

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MAIN STREET AMERICA GROUP MUTUAL HOLDINGS, INC.

4601 Touchton Road East, Suite 3400, Jacksonville, FL 32246
Web: www.ngminsurance.com

AMB#: 051272
Ultimate Parent# 051272

CORPORATE OVERVIEW

Main Street America Group Mutual Holdings, Inc., was established October 27, 2005, as a Florida-domiciled holding company that owns 94.2% of Main Street America Group, Inc. (MSAG), a Florida stock intermediate holding company. The remaining shares are owned by the White Mountains Insurance Group (4.9%) and Newco Financial Holdings (0.9%).

MSAG in turn owns 100% of NGM Insurance Company (NGM), a Florida stock insurance company which previously was National Grange Mutual Insurance Company, a Florida mutual insurance company. NGM owns 100% of the outstanding stock of Main Street America Financial Corporation (MSAFC) which in turn owns 100% of MSA Insurance Company, MSA Information Systems and Services Corp., Main Street America Holdings, Inc. (MSAH), Old Dominion Insurance Company, Main Street America Assurance Company, Main Street America Capital Corporation, Great Lakes Casualty Insurance Company and Main Street America Protection Insurance Company. As of November 2009, Grain Dealers Mutual Insurance Company became an affiliated member of MSAG.

CORPORATE STRUCTURE

AMB #	COMPANY NAME	DOMICILE	% OWN
051272	*Main Street Amer Grp Mut Hldgs*	FL	
051271	*Main Street America Group Inc*	FL	94.40
000678	NGM Insurance Company	FL	100.00
050352	*Main Street America Fin Corp*	NH	100.00
012080	Great Lakes Casualty Ins Co	MI	100.00
000526	Main Street America Assur Co	FL	100.00
013849	Main Street America Protection	FL	100.00
013037	MSA Insurance Company	SC	100.00
002822	Old Dominion Insurance Co	FL	100.00
002207	Grain Dealers Mutual Ins Co	IN	

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Associated With: Main Street America Grp Mut Hldgs, Inc.

MAIN STREET AMERICA GROUP

4601 Touchton Road East, Suite 3400, Jacksonville, FL 32246-4486
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Tel: 800-207-0446 Fax: 904-380-7244
AMB#: 018355
Ultimate Parent#: 051272

BEST'S FINANCIAL STRENGTH RATING

Based on our opinion of the group's Financial Strength, it is assigned a Best's Financial Strength Rating of A (Excellent). The group's Financial Size Category is Class X.

RATING UNIT MEMBERS

Main Street America Group (AMB # 018355):

AMB #	COMPANY	BEST'S FSR	
002207	Grain Dealers Mutual Ins Co	A	r
012080	Great Lakes Casualty Ins Co	A	r
013037	MSA Insurance Company	A	r
000526	Main Street America Assur Co	A	r
002822	Old Dominion Insurance Co	A	r
000678	NGM Insurance Company	A	

RATING RATIONALE

Rating Rationale: The rating reflects Main Street America Group's excellent risk-adjusted capitalization, trend of favorable operating performance, diversified product offerings and established regional market presence along the East Coast. These positive factors are derived from the group's focused marketing and branding strategies, disciplined underwriting philosophy and pricing segmentation. Main Street America's products are distributed exclusively through independent agents and include small commercial and personal lines of business. The rating also considers the financial flexibility afforded by its mutual holding company, Main Street America Group Mutual Holdings, Inc.

Somewhat offsetting these positive rating factors are Main Street's elevated underwriting leverage ratio as compared to its composite measure, susceptibility to weather-related losses and history of fluctuating reserve development. The group's operating performance is susceptible to weather-related losses due to its geographic concentration in the Northeast and coastal exposure from Florida to Maine. However, over the latest five-year period, the group implemented a risk mitigation program to reduce coastal exposures while maintaining extensive reinsurance. Additionally, over the past two years, the group increased its geographic spread of risk by expanding into six (6) Midwest and Southwestern states. Future capital generation will be slowed due to the payment of dividends upstream to MSA Group, Inc., in order to fulfill the trust preferred note interest and preferred stock dividend requirements. Additionally, regulatory changes in Massachusetts and increased competition within its commercial lines segment will challenge the group's operating performance and ability to maintain market share and profitability.

Main Street America Group's rating is based on the consolidated financial results of its members which are reinsured through a 100% Quota Share agreement with the lead company of the group, NGM Insurance Company. The following are members of the group: Main Street America Assurance Company, MSA Insurance Company, Grain Dealers Mutual Insurance Company, Great Lakes Casualty Insurance Company and Old Dominion Insurance Company.

Best's Financial Strength Rating: A **Outlook: Stable**

FIVE YEAR RATING HISTORY

Date	Best's FSR	Date	Best's FSR
04/19/10	A	01/24/07	A
02/13/09	A	11/16/05	A
01/29/08	A		

KEY FINANCIAL INDICATORS ($000)

	Statutory Data					
Period Ending	Direct Premiums Written	Net Premiums Written	Pretax Operating Income	Net Income	Total Admitted Assets	Policy-holders' Surplus
2005	813,428	808,360	19,600	21,342	1,550,051	508,221
2006	854,285	838,630	76,633	73,755	1,664,332	564,419
2007	861,064	846,335	97,369	115,241	1,843,947	623,306
2008	816,480	809,276	101,373	-1,862	1,809,501	607,491
2009	807,333	815,500	78,714	90,480	1,901,650	691,974

	Profitability			Leverage			Liquidity	
Period Ending	Comb. Ratio	Inv. Yield (%)	Pretax ROR (%)	NA Inv Lev	NPW to PHS	Net Lev.	Overall Liq. (%)	Oper. Cash-flow (%)
2005	102.1	3.6	2.5	41.1	1.6	3.6	148.8	115.3
2006	96.6	3.7	9.3	51.5	1.5	3.4	151.4	114.5
2007	96.1	4.5	11.6	48.7	1.4	3.3	151.2	118.2
2008	95.2	3.8	12.4	11.0	1.3	3.3	150.7	114.9
2009	97.5	4.1	9.8	19.2	1.2	2.9	157.3	112.3
5-Yr	97.4	4.0	9.2	…	…	…	…	…

(*) Data reflected within all tables of this report has been compiled through the A.M. Best Consolidation of statutory filings. Within several financial tables of this report, this group is compared against the Commercial Casualty Composite.

BUSINESS REVIEW

Main Street America Group offers insurance products and services through five primary insurance companies. The five companies provide personal and commercial coverages that are sold through independent agents. Over 40% of MSAG's business writings are in New York and Massachusetts. Personal automobile coverages comprise approximately 32% of premium volume. Approximately 17% of the personal automobile premium is in Massachusetts. Commercial multiple peril represents 29% of net premiums, commercial automobile liability 11% and homeowners 14% account for most of the remaining writings of the group.

2009 BUSINESS PRODUCTION AND PROFITABILITY ($000)

Product Line	Premiums Written — Direct	Premiums Written — Net	% of Total NPW	Pure Loss Ratio	Loss & LAE Res.
Com'l MultiPeril	247,308	230,225	28.2	43.4	265,189
Priv Pass Auto Liab	128,000	155,449	19.1	62.3	133,854
Homeowners	132,970	128,528	15.8	63.4	28,164
Auto Physical	101,996	113,651	13.9	61.8	7,646
Comm'l Auto Liab	75,218	77,833	9.5	52.6	76,311
Workers' Comp	56,619	56,683	7.0	45.7	114,836
Oth Liab Occur	16,895	18,332	2.2	42.5	29,966
Surety	19,266	17,280	2.1	27.5	6,469
Allied Lines	19,749	4,933	0.6	38.9	1,517
All Other	9,312	12,586	1.5	31.5	4,040
Totals	807,333	815,500	100.0	53.1	667,991

Geographical breakdown of direct premium writings ($000): New York, $212,875 (26.4%); Massachusetts, $105,984 (13.1%); Florida, $104,422 (12.9%); Connecticut, $68,468 (8.5%); Pennsylvania, $40,526 (5.0%); 40 other jurisdictions, $275,058 (34.1%).

FINANCIAL PERFORMANCE

Overall Earnings: MSA group's growing five-year pre-tax operating income resulted from increased underwriting income, policy issuance fees and increased net investment income. Although five-year average pre-tax returns on revenue and surplus lagged the composite, returns improved during the latest three year period due to controlled growth, rate increases and enhanced underwriting and pricing systems. Earlier in the five-year period, the group reported underwriting losses primarily due to hurricanes in Florida, winter storms in New England and higher than anticipated loss costs in its commercial lines of business.

PROFITABILITY ANALYSIS

Period Ending	Company: Pretax ROR (%)	Return on PHS	Comb. Ratio	Oper. Ratio	Industry Composite: Pretax ROR (%)	Return on PHS	Comb. Ratio	Oper. Ratio
2005	2.5	5.1	102.1	96.7	8.2	7.9	105.0	90.9
2006	9.3	12.6	96.6	90.9	19.2	19.1	94.4	79.5
2007	11.6	21.2	96.1	88.6	20.9	15.4	94.6	78.4
2008	12.4	-4.6	95.2	88.3	16.9	-1.2	99.0	83.4
2009	9.8	16.8	97.5	89.7	…	…	…	…
5 -Yr	9.2	10.4	97.4	90.8	…	…	…	…

Underwriting Income: Earlier in the five-year period, rate increases and increased commercial business drove MSA Group's premium growth. As competitive market conditions emerged later in the period, premium growth slowed and turned negative in 2008. In 2009 however, premiums growth rebounded and showed a slight positive increase as a result of MSA Group's geographic expansion into six additional states. The group entered Michigan with the Great Lakes Casualty acquisition; started writing commercial lines business in Arizona, Nevada, and Utah through a partnership with a large agency network and increased assumed reinsurance Homeowners' premiums in Oklahoma and Texas through two MGA partnerships. Although MSA Group's combined ratio rose earlier in the period, over the most recent three years it has reported underwriting profitability and compared favorably by 1.6 points to its five-year average composite ratio. These positive underwriting results were due to underwriting and pricing discipline, improved loss control through system enhancements, reserve strengthening, coastal exposure management and utilization of predictive modeling. Additionally, over this period the group's underwriting results benefited from the lack of any major hurricane catastrophe.

Underwriting losses in 2004-5 resulted from poor automobile experience and weather-related losses that primarily affected the group's property book of business. With over 50% of the group's premium writings in New York, Massachusetts and Florida, underwriting results were impacted by frequent and severe winter storms and hurricanes. In 2005, the group experienced $15.6 million of net losses in Florida due to hurricane Wilma. However, an effective catastrophe management program, combined with an adequate reinsurance program, mitigated the potential impact of catastrophe losses. Over the five-year period, increased earned premiums from higher rates, improvements in claim processes and less frequent weather-related losses contributed to the company's favorable loss ratio which was better than its composite by 5 points.

UNDERWRITING EXPERIENCE

Period Ending	Net Undrw Income ($000)	Loss Ratios: Pure Loss	LAE	Loss & LAE	Expense Ratios: Net Comm.	Other Exp.	Total Exp.	Div. Pol.	Comb. Ratio
2005	-23,645	59.1	12.7	71.8	18.7	11.6	30.4	…	102.1
2006	22,930	54.1	11.1	65.2	19.3	12.1	31.4	…	96.6
2007	30,870	53.0	10.3	63.3	19.3	13.5	32.8	…	96.1
2008	41,683	52.8	10.2	63.0	18.9	13.4	32.2	…	95.2
2009	16,411	53.1	11.2	64.2	19.5	13.8	33.3	…	97.5
5-Yr	…	54.4	11.1	65.4	19.1	12.9	32.0	…	97.4

Investment Income: The group's strong investment income during the five-year period was generated primarily from its high quality bond holdings. Investment yields declined over the five-year period as interest rates dropped and the group allocated more of its investments to tax-preferred bonds. This resulted in the group's five-year average yield to be lower than its composite. The bond portfolio represents 86% of the group's invested assets and was comprised of 54% tax-preferred, 42% corporates and the remainder in governments. The bond portfolio's average maturity approximates 8 years with a duration of 5 years that approximates the liability tail of its loss reserves.

Prior to 2008, the level of invested assets increased primarily due to appreciation of its common stock portfolio which represented approximately 20% of invested assets during the period. Total return on invested assets was supplemented by capital gains. However, due to the economic downturn in 2008, the company sold almost all of its stock portfolio by year-end and reported investment losses of approximately $111 million. In 2009 the group reported increased net investment income from its bond investments and positive capital gains as a result of its decision in late 2008 to significantly reduce its equity holdings and reallocate its investable assets to fixed income securities.

INVESTMENT INCOME ANALYSIS ($000)

Period Ending	Company: Net Inv. Income	Realized Capital Gains	Unrealized Capital Gains	Inv. Inc. Growth (%)	Inv. Yield (%)	Total Return (%)	Industry Composite: Inv. Inc. Growth (%)	Inv. Yield (%)
2005	42,484	7,997	3,935	4.5	3.6	4.7	20.0	4.9
2006	46,970	12,373	-6,264	10.6	3.7	4.1	9.8	4.9
2007	62,573	40,663	10,641	33.2	4.5	8.3	9.8	5.0
2008	56,552	-84,041	-26,691	-9.6	3.8	-3.5	-4.5	4.8
2009	62,506	16,160	18,550	10.5	4.1	6.5	…	…
5-Yr	…	…	…	8.8	4.0	3.9	…	…

INVESTMENT PORTFOLIO ANALYSIS

Asset Class	2009 Inv. Assets ($000)	% of Invested Assets: 2009	2008	Annual % Change
Long-term bonds	1,396,983	88.0	85.8	9.1
Stocks	103,659	6.5	3.7	88.5
Affiliated Investments	44,283	2.8	3.0	-1.0
Other Inv Assets	42,317	2.7	7.5	-62.4
Total	1,587,242	100.0	100.0	6.3

2009 BOND PORTFOLIO ANALYSIS

Asset Class	% of Total Bonds	Mkt. Val to Stmt Val (%)	Avg. Maturity (Yrs)	Class 1-2 (%)	Class 3-6 (%)	Struc. Secur. (%)	Struc. Secur. (% of PHS)
Governments	3.3	-1.3	6.8	100.0	…	…	…
States, terr & poss.	13.2	3.0	10.6	100.0	…	…	…
Special Revenue	41.4	2.7	8.7	100.0	…	16.5	13.9
Corporates	42.2	0.3	6.9	96.6	3.4	41.7	35.8
Total all bonds	100.0	1.6	8.1	98.6	1.4	24.4	49.7

CAPITALIZATION

Capital Generation: The group's capital growth over the latest five-year period was attained by overall underwriting profitability, strong net investment income and capital gains. In 2009 capital rebounded from the decline in 2008 as the group added $84.5 million to policyholders' surplus due to strong pre-tax operating profitability and solid investment gains. After reporting underwriting losses earlier in the period, the group generated four consecutive years of underwriting profits that contributed to the growth in policyholders' surplus.

Net negative capital contributions during the latest five-year period include $35.1 million of dividends paid to MSAG Inc., an upstream holding company, for debt service on trust preferred notes and dividends on cumulative preferred stock. These instruments were issued in 2006 to finance the buyout of the 50% equity interest that White Mountains Insurance Group owned in Main Street America Holdings, Inc., in exchange for a 4.9% interest MSAG Inc. In 2005, the group received a $5 million contribution to capitalize MSA Insurance Company. Surplus notes were issued by NGM Insurance Company earlier in the period totaling $30 million, which augmented the internal generation of capital. In 2008, NGM, the lead member of the MSA group, received a $34.3 million capital contribution from its parent holding company MSAG Inc.

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CAPITAL GENERATION ANALYSIS ($000)

	Source of Surplus Growth					
Period Ending	Pretax Operating Income	Total Inv. Gains	Net Contrib. Capital	Other, Net of Tax	Change in PHS	PHS Growth (%)
2005	19,600	11,933	5,618	-10,270	26,881	5.6
2006	76,633	6,109	-1,781	-24,763	56,198	11.1
2007	97,369	51,304	-52,315	-37,470	58,887	10.4
2008	101,373	-110,732	23,201	-29,657	-15,815	-2.5
2009	78,714	34,709	-20,606	-8,334	84,483	13.9
5-Yr	373,689	-6,677	-45,883	-110,494	210,634	…

Overall Capitalization: Main Street America Group's current rating level is supported by Best's Capital Adequacy Ratio (BCAR) that reflects its excellent capitalization. The group's capital adequacy is derived from its modest credit, investment and underwriting risk offset somewhat by its fluctuating reserve development over the past five years. Capitalization is insulated from catastrophic losses through a comprehensive reinsurance program and close management of its coastal exposures that reduced its probable maximum loss (PML) exposure to a 1/100 year hurricane event to less than 10% of surplus.

NGM Insurance Company issued a $30 million in surplus notes during the period that enhanced the group's overall capitalization. In 2005, the group contributed $5.3 million to capitalize MSA Insurance Company, domiciled in South Carolina. In 2007 the group contributed $10 million to capitalize Main Street America Protection Insurance Company. In October 2008, the group contributed $10 million to increase the capitalization in Great Lakes Casualty Insurance Company. The establishment of Main Street America Group Inc. (MSAGI) enhanced the group's overall financial flexibility and access to capital markets. In late 2008, MSAGI contributed $34.5 million as paid in capital to NGM Insurance Company.

QUALITY OF SURPLUS ($000)

		% of PHS			Dividend Requirements		
Period Ending	Year-End PHS	Cap. Stock/ Contrib. Cap.	Other	Unassigned Surplus	Stock-holder Divs	Div. To POI (%)	Div. To Net Inc. (%)
2005	508,221	14.2	6.0	79.8	…	…	…
2006	564,419	8.4	5.3	86.3	-26,799	35.0	36.3
2007	623,306	7.6	4.8	87.6	-52,465	53.9	45.5
2008	607,491	12.3	4.9	82.8	-11,318	11.2	-99.9
2009	691,974	10.8	5.6	83.6	-20,606	26.2	22.8

LEVERAGE ANALYSIS

	Company				Industry Composite			
Period Ending	NPW to PHS	Res. to PHS	Net Lev.	Gross Lev.	NPW to PHS	Res. to PHS	Net Lev.	Gross Lev.
2005	1.6	1.0	3.6	3.9	1.0	1.8	3.7	4.9
2006	1.5	1.0	3.4	3.6	0.9	1.6	3.3	4.3
2007	1.4	1.0	3.3	3.5	0.8	1.5	3.0	3.9
2008	1.3	1.1	3.3	3.5	0.9	1.6	3.3	4.3
2009	1.2	1.0	2.9	3.1	…	…	…	…

Current BCAR: 298.0

PREMIUM COMPOSITION & GROWTH ANALYSIS

	DPW		GPW		NPW		NPE	
Period Ending	($000)	(% Chg)	($000)	(% Chg)	($000)	(% Chg)	($000)	(% Chg)
2005	813,428	5.6	861,289	5.9	808,360	5.6	785,156	7.0
2006	854,285	5.0	896,270	4.1	838,630	3.7	823,331	4.9
2007	861,064	0.8	915,857	2.2	846,335	0.9	840,163	2.0
2008	816,480	-5.2	871,860	-4.8	809,276	-4.4	817,039	-2.8
2009	807,333	-1.1	883,770	1.4	815,500	0.8	803,703	-1.6
5-Yr CAGR	…	0.9	…	1.7	…	1.3	…	1.8
5-Yr Chg	…	4.8	…	8.7	…	6.6	…	9.5

Reserve Quality: Prior to 2000, Main Street America Group maintained favorable loss reserve development. However in 2000, adverse development on both a calendar and accident year basis began to emerge. Management increased reserves for accident years 2000 to 2003 in the workers' compensation, commercial multi-peril and commercial auto lines of business. Salvage and subrogation are included in the reserves. In 2003 claim file and reserve audits were conducted and claim processes revised as a result of the continued adverse reserve development in the commercial business. Beginning in 2003 and continuing through 2005, higher case and IBNR reserves were established. Over the recent two accident years, the group reported reserve releases primarily in the commercial multi-peril, workers' compensation and private passenger auto liability lines of business. According to A.M. Best's estimates, MSA ranks among the 180 insurers in the nation with an exposure to ongoing asbestos and environmental (E&A) claims. However, based on the most recent annual statement Footnote 33 disclosure data, MSA's A&E loss reserve impact on the combined ratio is less than 1%.

LOSS & ALAE RESERVE DEVELOP.: CALENDAR YEAR ($000)

Calendar Year	Orig. Loss Reserves	Developed Reserves Thru '09	Develop. to Orig. (%)	Develop. to PHS (%)	Develop. to NPE (%)	Unpaid Reserves @12/09	Unpaid Res. to Develop. (%)
2004	441,975	523,343	18.4	16.9	71.3	58,235	11.1
2005	517,786	558,031	7.8	7.9	71.0	87,199	15.6
2006	562,778	555,179	-1.4	-1.3	67.4	135,732	24.4
2007	624,010	573,262	-8.1	-8.1	68.2	226,864	39.6
2008	644,573	611,139	-5.2	-5.5	74.8	385,342	63.1
2009	651,295	651,295	…	…	81.0	651,295	100.0

LOSS & ALAE RESERVE DEVELOP.: ACCIDENT YEAR ($000)

Accident Year	Orig. Loss Reserves	Developed Reserves Thru '09	Develop. to Orig. (%)	Unpaid Reserves @12/09	Acc. Yr Loss Ratio	Acc. Yr Comb Ratio
2004	223,439	232,751	4.2	18,482	69.2	100.0
2005	249,710	257,906	3.3	28,964	66.2	96.5
2006	272,821	224,371	-17.8	48,533	59.0	90.4
2007	291,031	237,018	-18.6	91,132	57.8	90.6
2008	268,604	262,089	-2.4	158,478	64.2	96.5
2009	265,953	265,953	…	265,953	67.4	100.7

ASBESTOS & ENVIRONMENTAL (A&E) RESERVE ANALYSIS

	Company						Industry Composite		
Year	Net A&E Reserve ($000)	Reserve Retention (%)	Net IBNR Mix (%)	Survival Ratio (3 yr)	Comb Ratio Impact (1 yr)	Comb Ratio Impact (3 yr)	Survival Ratio (3yr)	Comb Ratio Impact (1 yr)	Comb Ratio Impact (3 yr)
2005	3,676	100.0	54.4	…	0.1	…	…	1.0	…
2006	2,495	99.9	24.1	…	-0.1	…	8.0	0.5	0.9
2007	2,679	100.0	…	4.2	0.1	0.0	8.5	0.7	0.7
2008	2,589	100.0	22.8	4.7	0.0	0.0	7.4	0.3	0.5
2009	2,475	100.0	24.2	5.4	0.0	0.1	…	…	…

Reinsurance Utilization: MSA Group maintains modest reinsurance utilization as it consistently retained over 90% of its premiums and liabilities. MSA Group's ratio of ceded reinsurance relative to its surplus declined during the latest five-year period and compares favorably to the composite. The group's utilizes a diverse mix of domestic reinsurers, as well as foreign broker market reinsurers to provide catastrophic reinsurance to mitigate the impact of weather-related losses, primarily hurricanes and winter storms. Reinsurance is primarily utilized on an excess of loss basis for property, casualty and catastrophe exposures. This coverage reduces the net, after-tax probable maximum loss (PML) from a 100-year hurricane event to less than 10% of reported policyholders' surplus.

CEDED REINSURANCE ANALYSIS ($000)

	Company				Industry Composite		
Period Ending	Ceded Reins. Total	Bus. Ret. (%)	Reins. Recov. to PHS (%)	Ceded Reins. to PHS (%)	Bus. Ret. (%)	Reins. Recov. to PHS (%)	Ceded Reins. to PHS (%)
2005	134,841	93.9	16.1	26.5	81.8	92.2	124.5
2006	122,767	93.6	11.5	21.8	81.1	73.5	101.8
2007	126,935	92.4	9.2	20.4	82.5	64.5	90.2
2008	117,633	92.8	9.1	19.4	82.6	72.3	101.0
2009	119,220	92.3	7.4	17.2	…	…	…

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2009 REINSURANCE RECOVERABLES ($000)

	Paid & Unpaid Losses	IBNR	Unearned Premiums	Other Recov*	Total Reins Recov
US Affiliates	49,902	58,622	111,366	…	219,890
US Insurers	16,106	11,269	2,973	-2,783	27,565
Pools/Associations	4,073	5,957	8,266	…	18,296
Other Non-US	2,391	2,495	491	-288	5,089
Total (ex US Affils)	22,570	19,721	11,730	-3,071	50,950
Grand Total	72,472	78,343	123,096	-3,071	270,840

* Includes Commissions less Funds Withheld

INVESTMENT LEVERAGE ANALYSIS (% OF PHS)

	Company						Industry Composite	
Period Ending	Class 3-6 Bonds	Real Estate/ Mtg.	Other Invested Assets	Common Stocks	Non-Affil. Inv. Lev.	Affil. Inv.	Class 3-6 Bonds	Common Stocks
2005	2.0	0.6	1.4	37.1	41.1	8.2	7.1	15.7
2006	1.5	0.3	1.3	48.4	51.5	4.3	6.2	16.4
2007	2.3	0.3	1.2	44.9	48.7	9.2	5.8	15.3
2008	2.4	0.3	1.8	6.5	11.0	7.4	5.2	9.7
2009	2.9	0.2	1.9	14.2	19.2	6.4	…	…

LIQUIDITY

MSA Group's current and overall liquidity measures compared favorably to the composite during the latest five year period. Quick liquidity declined in 2008 as a result of the group reducing a significant portion of its equity portfolio due to the unprecedented turmoil in the capital markets. Overall liquidity was consistently maintained as current assets outpaced growth in current liabilities due to steady underwriting and operating cash flows. Current invested assets include government agencies and corporate bonds with maturities greater than one year. During the period, premium and policy count growth contributed to positive underwriting cash flows. Further, the establishment of the group's holding company structure in the period provided additional liquidity and financial flexibility through access to capital markets. In late 2008, the group's upstream parent holding company contributed $34.3 million to the group.

LIQUIDITY ANALYSIS

	Company				Industry Composite			
Period Ending	Quick Liq. (%)	Current Liq. (%)	Overall Liq. (%)	Gross Agents Bal. to PHS (%)	Quick Liq. (%)	Current Liq. (%)	Overall Liq. (%)	Gross Agents Bal. to PHS (%)
2005	24.4	117.3	148.8	9.1	20.6	102.4	137.9	11.9
2006	31.1	122.6	151.4	10.1	23.5	108.9	141.7	11.8
2007	29.1	118.7	151.2	10.4	21.7	111.2	145.2	10.1
2008	15.1	120.5	150.7	9.7	19.1	104.5	141.1	12.0
2009	16.1	127.5	157.3	8.0	…	…	…	…

CASH FLOW ANALYSIS ($000)

	Company					Industry Composite	
Period Ending	Underw Cash Flow	Oper. Cash Flow	Net Cash Flow	Underw Cash Flow (%)	Oper. Cash Flow (%)	Underw Cash Flow (%)	Oper. Cash Flow (%)
2005	72,666	112,996	32,396	110.0	115.3	114.8	128.2
2006	70,068	111,266	1,259	109.4	114.5	113.3	125.9
2007	87,765	138,484	13,344	111.9	118.2	112.0	122.6
2008	60,898	115,056	21,488	108.0	114.9	100.7	112.5
2009	32,979	95,501	-49,080	104.3	112.3	…	…

HISTORY

The lead company of the group was organized in March 1923 under the laws of New Hampshire as the National Grange Mutual Liability Company and began business in July 1923 sponsored by the executive officers of the National Grange of the Patrons of Husbandry. All outstanding policy liability of a former companion carrier, National Grange Fire Insurance Company (formed in 1935), was reinsured into the company on December 31, 1958. The corporate title was revised to National Grange Mutual Insurance Company on January 1, 1959. The National Grange Mutual Insurance Company was renamed as NGM Insurance Company in August 2005.

In 1985, MSA Information Systems and Services Corporation was formed as a subsidiary specializing in automated insurance processing services for the insurance industry. In 1986, due to barriers in establishing multi-tier rate structure within a single entity, the company formed Presidential Property and Casualty Insurance Company to write preferred business. In 1987, the name of this company was changed to Main Street America Assurance Company.

In December 1990, the downstream holding company, Main Street America Financial Corporation, acquired 82% of the outstanding common shares of Guilderland Reinsurance Company, the entity created by the demutualization of Guilderland Mutual Reinsurance Company of Delmar, New York. In 1999, Guilderland Reinsurance Company was sold to Excess Reinsurance Company.

Main Street America Group was initiated in 1986 with the creation of the Main Street America Financial Corporation (MSAFC), which is wholly owned by the NGM Insurance Company (NGM). On January 31, 1996, Mutual Assurance Company (MACO), a Pennsylvania-domiciled property and casualty insurer, merged into National Grange Mutual Insurance Company. All policies written by MACO were assumed into National Grange Mutual. As a result of this merger, the Main Street America Group also acquired three additional stock property and casualty insurance companies (Green Tree Insurance Company, American Loyalty Insurance Company, and Old Dominion Insurance Company). Green Tree Insurance Company and American Loyalty Insurance Company were sold to non-affiliated groups.

In December 1994, the company formed Main Street America Holdings, Inc. (MSAH), and transferred ownership of Main Street America Assurance Company to it from Main Street America Financial Corporation. Also in December 1994, the White Mountains Insurance Group invested $25,000,000 into Main Street America Holdings for a 33% equity ownership. In 1998, Main Street America Financial Corporation reduced the percentage of its holdings in MSAH to 50%, due to an additional investment by White Mountains, which increased its equity ownership in MSAH to 50%. Control of the holding company remained with NGM through a tie-breaking vote authority, until 2008.

During 2005, following the redomestication of National Grange Mutual Insurance Company and its affiliates Main Street America Assurance Company to Florida, National Grange Mutual Insurance Company converted to a mutual insurance holding company structure. Under the Plan of Reorganization approved by the Florida Office of Insurance Regulation, National Grange Mutual Insurance Company converted to a stock insurance company renamed NGM Insurance Company (NGM). NGM issued 100% of its common stock to Main Street Group Mutual Holdings, Inc. (Mutual Holdings), a newly organized Florida mutual insurance holding company, which immediately contributed all of its shares of NGM to Main Street America Group, Inc. (MSAGI), a newly organized Florida intermediate holding company, in consideration for issuance of 100 percent of MSAGI's outstanding common stock to Mutual Holdings. The policyholders of NGM, including those Florida policyholders whose policies were transferred to and assumed by MSA Insurance Company as a result of the reorganization, own all of the membership interests of Mutual Holdings. As of the end of 2008 the insurance operations of Main Street America Group consisted of NGM Insurance Company, Main Street America Assurance Company, Old Dominion Insurance Company, MSA Insurance Company, Main Street America Protection Insurance Company, Great Lakes Casualty Insurance Company. The non-insurance operations consist of Main Street America Group Mutual Holdings, Inc., Main Street America Group, Inc., Main Street America Financial Corp., Main Street America Holdings, Inc., Main Street America Capital Corp. and MSA Information Systems and Services Corp.

During 2006, MSAH paid a $70 million cash dividend to White Mountains and MSAGI issued $70 million of 9% non-voting, cumulative perpetual preferred stock and 4.9% of its common stock in exchange for 100% of White Mountains' common stock in MSAH. Mutual Holdings controlling ownership interest in MSAGI was 95.1% as a result of the transaction.

In October 2008, Main Street America Financial Corp. acquired all of the outstanding stock of Great Lakes Casualty, domiciled in Michigan, in exchange for cash, shares in one of the company's intermediate holding companies, and a return of shares of stock of Newco Financial Holdings Inc.

In November 2009, NGM Insurance Company affiliated with Grain Dealers Mutual Insurance Company, domiciled in Indiana. As part of the affiliation, NGM Insurance Company executed quota share reinsurance and management and services agreements and became a majority on the Board of Directors.

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MANAGEMENT

Administration of the group's affairs is under the direction of Mr. Thomas M. Van Berkel, president and chief executive officer. Mr. Van Berkel has been with Main Street America Group since 1990.

NGM Insurance Company maintains management agreements with its subsidiaries to provide personnel, administrative services, facilities supplies and equipment necessary to conduct their operations.

REINSURANCE

For the 2010 treaty reinsurance program, casualty/umbrella losses are protected by an excess of loss reinsurance treaty providing recovery of $11.15 million excess of $1.35 million. In addition, a Workers Compensation catastrophe treaty provides coverage for $12.5 million excess of $12.5 million. All property losses are protected by an excess of loss per risk treaty affording coverage of $5,000,000 excess of $1,000,000. In addition, the company maintains property catastrophe reinsurance, affording protection of 95% of $327.5 million in excess of $22.5 million. Aggregate catastrophe coverage is provided for $15.0 million excess of $10.0 million. Additionally, for the state of Florida, there is "drop-down" coverage on the first layer of 95% of $5 million excess of $17.5 million. Separate Fidelity and surety reinsurance is carried. Boiler and machinery coverage, which has been added to most business owners policies, is reinsured 100%. As part of the sale of Guilderland Reinsurance Company in 1999, the group remains a 100% reinsurer to Guilderland for accidents incurred prior to July 1998.

CONSOLIDATED BALANCE SHEET
(at December 31, 2009)

ADMITTED ASSETS ($000)

	12/31/09	12/31/08	'09%	'08%
Bonds	1,396,983	1,280,524	73.5	70.8
Preferred stock	5,307	15,250	0.3	0.8
Common stock	98,351	39,729	5.2	2.2
Cash & short-term invest	12,077	61,156	0.6	3.4
Real estate, offices	5,804	5,894	0.3	0.3
Other non-affil inv asset	16,134	37,540	0.8	2.1
Investments in affiliates	38,479	38,853	2.0	2.1
Total invested assets	1,573,136	1,478,946	82.7	81.7
Premium balances	229,497	223,642	12.1	12.4
Accrued interest	14,106	13,810	0.7	0.8
All other assets	84,911	93,103	4.5	5.1
Total assets	1,901,650	1,809,501	100.0	100.0

LIABILITIES & SURPLUS ($000)

	12/31/09	12/31/08	'09%	'08%
Loss & LAE reserves	667,991	660,772	35.1	36.5
Unearned premiums	422,906	411,109	22.2	22.7
Conditional reserve funds	557	1,418	0.0	0.1
All other liabilities	118,221	128,711	6.2	7.1
Total liabilities	1,209,676	1,202,009	63.6	66.4
Surplus notes	30,000	30,000	1.6	1.7
Capital & assigned surplus	83,523	74,769	4.4	4.1
Unassigned surplus	578,451	502,723	30.4	27.8
Total policyholders' surplus	691,974	607,491	36.4	33.6
Total liabilities & surplus	1,901,650	1,809,501	100.0	100.0

CONSOLIDATED SUMMARY OF 2009 OPERATIONS ($000)

Statement of Income	12/31/09	Funds Provided from Operations	12/31/09
Premiums earned	803,703	Premiums collected	805,652
Losses incurred	426,405	Benefit & loss related pmts	417,096
LAE incurred	89,676		
Undrw expenses incurred	271,211	LAE & undrw expenses paid	355,576
Net underwriting income	16,411	Undrw cash flow	32,979
Net investment income	62,506	Investment income	67,252
Other income/expense	-203	Other income/expense	-203
Pre-tax oper income	78,714	Pre-tax cash operations	100,029
Realized capital gains	16,160		
Income taxes incurred	4,393	Income taxes pd (recov)	4,528
Net income	90,480	Net oper cash flow	95,501

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The company information appearing in this pamphlet is an extract from the complete company report prepared by the A.M. Best Company.

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E . . . . Under Regulatory Supervision
F . . . . In Liquidation
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