

Property and Casualty

Market Analysis

SEPTEMBER 2013

North Dakota Insurance Department

**Market Analysis
North Dakota Insurance Department
September 2013**

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Market Analysis Overview

The market analysis is performed annually as a task by the Property and Casualty Division, as part of the division's goals. The intent is to build a data base of information to be used to more accurately project changes in the marketplace.

The purpose of the market analysis report is twofold:

To monitor and evaluate market trends and affordability.

To evaluate the competitiveness of critical markets (availability).

Critical Markets

The following factors were considered in determining what markets to analyze for this study:

- The principal focus of concern at the time of the market analysis plan development was with regard to property insurance because of the history of excessive losses experienced by the industry over the past several years.
- A second factor was those lines of insurance that traditionally have become a significant cause for consumer concern but which may or may not include property coverage.
- A third factor in selecting which lines of insurance was consideration for the relative availability of data.

Based upon these factors the following lines of insurance were determined to be the markets to be examined as part of this analysis:

- Auto – private passenger
- Auto – commercial
- Commercial multi peril package
- Farmowners
- Homeowners
- Medical Malpractice
- Other Liability (professional liability, D&O, E&O, excess & umbrella)
- Crop Hail

Market Analysis Components

For purposes of this study the following evaluations were performed for each line of insurance (subject to data availability):

- Exhibit I -Market Concentration (Herfindahl index)
- Exhibit II-A - Market Share Analysis –Market Share Changes
- Exhibit II-B – Market Share Analysis –Company Changes
- Exhibit II-C – Market Share Analysis – Surplus (non-licensed)
- Exhibit III – Historical Loss Ratios (Statewide, Regional, and Countrywide)
- Exhibit IV – Loss Ratios vs Rate Change vs Claims Cost Indexes
- Exhibit V – Change in Premium Writings
- Exhibit VI – Field Market Survey Results-September 2012
- Exhibit VII – Residual Market Population
- Exhibit VIII – Matrix of Indicators

Description of Market Analysis Components

A description of each of the market analysis components used in the analysis are listed here:

Exhibit I -Market Concentration (Herfindahl index) -The purpose of this index is to evaluate the concentration of the market and its change over time. Highly concentrated markets are considered to be less competitive while less concentrated markets are considered to be more competitive. The exhibit illustrates the concentration ratio of the top 4 companies and the top 20 companies. The concentration ratio is the combined market share of the companies. The final Herfindahl index, however, is based upon the market share analysis of all companies not just the top 4 or 20 companies. The most recent data available for this analysis includes the year 2012.

The Herfindahl indices for both the North Dakota and Countrywide markets are displayed. The results can be compared to two industry standards. The US Dept of Justice standard was used to categorize the results.

Exhibit II-A - Market Share Analysis –Market Share Changes – The purpose of this exhibit is to provide a supplemental historical picture of the market share changes of the top 20 insurance companies doing business in each year for the most recent 6 years.

Exhibit II-B – Market Share Analysis –Company Changes - The purpose of this exhibit is to illustrate of the number of companies entering, leaving or moving within the top 20 companies over a period of several years.

Exhibit II-C-Market Share – Surplus (non-licensed)– This exhibit summarizes the volume of business written by surplus lines insurers over a six year period.

Exhibit III – Historical Loss Ratios (Statewide, Regional, and Countrywide)– The purpose of this exhibit is to show the aggregate loss ratio over a number of years and to compare it to the corresponding regional and the countrywide loss ratios.

Exhibit IV – Loss Ratios vs Rate Change vs Claims Cost Index – The purpose of this exhibit is to compare the statewide 3 year loss ratio (indexed to a base year) to both the composite rate index (representing the actual change in rates for the top 10 companies) and the Claims Cost Index. [In addition for the private passenger auto analysis a chart of the average premium and countrywide rankings was included.]

Exhibit V – Change in Premium Writings - The purpose of this exhibit is to illustrate the change in writings from year to year based upon the change in premiums. The percentage change is then compared to the Composite Rate Index and the Consumer Price Index.

Exhibit VI – Field Market Survey Results-September 2012– This exhibit summarizes the results of a survey of Property and Casualty agents, staff, company representatives, and company underwriters in attendance at the agent forums from the previous Fall. Note: The survey was not available for the 2012 agent forums.

Exhibit VII – Residual Market Population - The purpose of this exhibit is to describe the current status and population of the residual market mechanism for this line of insurance.

Exhibit VIII – Matrix of Indicators – The purpose of this exhibit is to summarize the indication of each market analysis component. The matrix places each indicator into a Low, Moderate, or High category. Low means the indicator suggests the competition level is low. Moderate means the indicator suggests the competition level is moderate, and High means the indicator suggests the competition level is high. A final assessment based upon a weighting of all indicators is shown.

Narrative Summary

Each line of insurance analyzed for this report will be treated separately. A narrative summary of each of the applicable market analysis components will be presented along

with a final statement assessing the overall trend and competitiveness of that line. The narrative summaries are found in addendum's 1 through 8.

General Summary

The conclusions regarding overall trend and competitiveness for each of the eight markets are briefly summarized below. For more detail regarding how the conclusion was reached please refer to the appropriate addendum narrative summary.

Auto – private passenger - A highly competitive market.

Auto – commercial - A highly competitive market.

Commercial multi peril package - Generally a highly competitive market.

Farmowners - The competitive level of the market is low.

Homeowners - A moderately competitive market.

Medical Malpractice - The competitive level of the market is low.

Other Liability (professional liability, D&O, E&O, excess & umbrella) - A moderately competitive market. For certain niche classes of business the market may be non-competitive.

Crop Hail - A low competitive market

Technical Notes

Addendum 9 Technical Notes provide specific information regarding data sources and other matters with potential impacts to the final conclusion.

Addendum 1 Narrative Summary – Auto – Private Passenger

The market analysis components found in the attached exhibits for auto-private passenger are summarized below:

Exhibit I -Market Concentration (Herfindahl index)

The concentration ratios and Herfindahl indices for North Dakota are below the national benchmarks, indicating a highly competitive market. The Herfindahl index has decreased slightly in each of the last seven years,

The North Dakota market is more concentrated than the countywide market, but this is to be expected as North Dakota is a relatively small market, more easily dominated by regional carriers.

Exhibit II-A - Market Share Analysis –Market Share Changes

The combined market share of the top twenty writers has remained below 82% since 2007. The top writer accounts for less than 14% of the market. This suggests that the market is competitive.

Exhibit II-B – Market Share Analysis –Company Changes

While in 2012, we added only one carrier into the top 20, there continues to be considerable movement among all companies within the top 20. This suggests that the market is competitive.

Exhibit II-C – Market Share Analysis – Surplus (non-licensed)

There has been no premium written by surplus lines carriers for this market in the past six years, suggesting that the market is highly competitive.

Exhibit III – Historical Loss Ratios (Statewide, Regional, and Countrywide)

The statewide loss ratios in Exhibit III suggest that the Personal Automobile insurance market has been profitable over the past 10 years. This information by itself is not an indicator of the competitive level of the marketplace.

Exhibit IV – Loss Ratios vs Rate Change vs Claims Cost Indexes

The graphs show that rates have not quite kept pace with the Auto Repair CPI index, lagging somewhat in reaction to favorable loss experience as evidenced by the favorable loss ratio index.

The chart showing state average premium indicates North Dakota has consistently ranked among the lowest of all states in overall average premium. Note that this chart summarizes average premiums through calendar year 2010, the most current year available.

This information indicates that the market is competitive.

Exhibit V – Change in Premium Writings

The statewide premium volume has increased 27% since 2003. Rate change information would explain 8% of this increase, the remainder being due to a variety of factors, including increases in the cost, type and number of vehicles, changes in coverage levels, demographic changes, etc.

Comparing the North Dakota composite rate index to the Consumer Price Index for Motor Vehicle Insurance can give some insight as to how North Dakota auto insurance costs compare to those costs nationally. Some of the difference between the two indexes would be loss frequency, demographic differences, etc.

This information is by itself not an indicator of the competitive level of the market.

Exhibit VI – Field Market Survey Results-September 2012

The 2012 field market survey is unavailable for this report.

Exhibit VII – Residual Market Population

The North Dakota Auto Plan is managed by Automobile Insurance Placement Services Organization (AIPSO). The annual number of insureds in the plan has been very low when compared to the total eligible registered vehicles in this state, especially in the more recent years. This low residual market population is indicative of a competitive market.

Exhibit VIII – Matrix of Indicators

The Herfindahl index, market share analysis of changes in market share, market share analysis-company changes, market share analysis of surplus business, loss ratio to rate change comparison and the residual market population reflect a highly competitive market.

Final assessment

The evaluation of the market through the year 2012 indicates a highly competitive market.

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EXHIBIT I: MARKET CONCENTRATION

Year	North Dakota			Countrywide		
	4-Firm Concentration Ratio	20-Firm Concentration Ratio	Herfindahl Index	4-Firm Concentration Ratio	20-Firm Concentration Ratio	Herfindahl Index
1993	49.4%	77.8%		38.7%	56.5%	
1994	50.0%	78.0%		35.0%	53.8%	
1995	49.3%	77.6%		34.2%	52.2%	
1996	48.8%	76.5%		34.3%	51.9%	
1997	47.9%	76.6%		33.2%	51.0%	
1998	46.9%	76.4%		32.6%	50.7%	
1999	45.3%	76.4%		30.9%	49.4%	
2000	44.5%	78.0%		29.5%	48.6%	
2001	44.5%	78.6%		29.4%	48.8%	
2002	45.3%	80.6%		28.7%	48.7%	
2003	44.0%	83.0%		27.8%	48.3%	
2004	44.6%	84.2%	(827)	27.0%	48.4%	(634)
2005	45.2%	84.6%	(840)	26.5%	48.9%	(643)
2006	45.0%	84.5%	(839)	26.2%	49.0%	(651)
2007	45.1%	83.5%	(833)	26.1%	48.7%	(656)
2008	45.5%	81.9%	(827)	26.2%	49.0%	(691)
2009	44.9%	81.6%	(813)	26.3%	49.6%	(703)
2010	44.6%	81.2%	(812)	26.3%	49.7%	(703)
2011	43.6%	80.4%	(804)	26.3%	49.6%	(717)
2012	41.8%	81.0%	(794)	25.8%	48.7%	(719)

Benchmarks:

National industries with 4-firm concentration ratios <75% and Herfindahl index <2000, are generally not viewed as highly concentrated.

Merger guidelines of U.S. Dept of Justice

Post-merger > 1,800 - highly concentrated
 1,000 < Herfindahl index < 1,800 - moderately concentrated
 < 1,000 - unconcentrated

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EXHIBIT IIA: NORTH DAKOTA MARKET SHARE REPORT

Year: 2012				Year: 2011				Year: 2010			
Company	Direct WP (in 000s)	Market Share	Cumulative	Company	Direct WP (in 000s)	Market Share	Cumulative	Company	Direct WP (in 000s)	Market Share	Cumulative
State Farm Mut Auto Ins Co	\$ 49,983	13.1%	13.1%	State Farm Mut Auto Ins Co	\$ 48,249	13.6%	13.6%	State Farm Mut Auto Ins Co	\$ 46,824	14.0%	14.0%
Progressive Northwestern Ins Co	\$ 38,339	10.0%	23.1%	American Family Mut Ins Co	\$ 37,450	10.6%	24.2%	American Family Mut Ins Co	\$ 38,056	11.4%	25.4%
American Family Mut Ins Co	\$ 36,444	9.5%	32.7%	Progressive Northwestern Ins Co	\$ 34,878	9.9%	34.1%	Nodak Mut Ins Co	\$ 32,346	9.7%	35.1%
Nodak Mut Ins Co	\$ 34,986	9.2%	41.8%	Nodak Mut Ins Co	\$ 33,626	9.5%	43.6%	Progressive Northwestern Ins Co	\$ 31,903	9.5%	44.6%
National Farmers Union Prop & Cas	\$ 34,262	9.0%	50.8%	National Farmers Union Prop & Cas	\$ 30,095	8.5%	52.1%	National Farmers Union Prop & Cas	\$ 27,523	8.2%	52.9%
Progressive Direct Ins Co	\$ 16,162	4.2%	55.0%	Progressive Direct Ins Co	\$ 13,054	3.7%	55.8%	Center Mut Ins Co	\$ 11,342	3.4%	56.3%
Center Mut Ins Co	\$ 12,543	3.3%	58.3%	Center Mut Ins Co	\$ 11,589	3.3%	59.0%	Owners Ins Co	\$ 10,834	3.2%	59.5%
Mid Century Ins Co	\$ 11,604	3.0%	61.3%	Owners Ins Co	\$ 10,932	3.1%	62.1%	Progressive Direct Ins Co	\$ 10,745	3.2%	62.7%
Owners Ins Co	\$ 10,763	2.8%	64.2%	North Star Mut Ins Co	\$ 7,303	2.1%	64.2%	Farmers Ins Exch	\$ 7,613	2.3%	65.0%
North Star Mut Ins Co	\$ 8,335	2.2%	66.3%	Allstate Ins Co	\$ 6,690	1.9%	66.1%	North Star Mut Ins Co	\$ 6,408	1.9%	66.9%
Allstate Ins Co	\$ 7,991	2.1%	68.4%	Farmers Ins Exch	\$ 5,943	1.7%	67.7%	Allstate Ins Co	\$ 5,836	1.7%	68.7%
United Serv Automobile Assn	\$ 6,107	1.6%	70.0%	United Serv Automobile Assn	\$ 5,830	1.6%	69.4%	United Serv Automobile Assn	\$ 5,755	1.7%	70.4%
Membersselect Ins Co	\$ 5,938	1.6%	71.6%	Dakota Fire Ins Co	\$ 5,645	1.6%	71.0%	Dakota Fire Ins Co	\$ 5,268	1.6%	72.0%
Dakota Fire Ins Co	\$ 5,615	1.5%	73.0%	Grinnell Select Ins Co	\$ 5,085	1.4%	72.4%	Grinnell Mut Reins Co	\$ 5,096	1.5%	73.5%
Grinnell Select Ins Co	\$ 5,518	1.4%	74.5%	Membersselect Ins Co	\$ 4,935	1.4%	73.8%	Safeco Ins Co Of Amer	\$ 4,964	1.5%	75.0%
Safeco Ins Co Of Amer	\$ 5,411	1.4%	75.9%	Mid Century Ins Co	\$ 4,854	1.4%	75.2%	Meridian Security Ins Co	\$ 4,531	1.4%	76.3%
Geico Gen Ins Co	\$ 5,243	1.4%	77.3%	Grinnell Mut Reins Co	\$ 4,810	1.4%	76.5%	Grinnell Select Ins Co	\$ 4,526	1.4%	77.7%
Meridian Security Ins Co	\$ 5,069	1.3%	78.6%	Meridian Security Ins Co	\$ 4,762	1.3%	77.9%	American Standard Ins Co of WI	\$ 4,108	1.2%	78.9%
American Standard Ins Co of WI	\$ 4,644	1.2%	79.8%	Safeco Ins Co Of Amer	\$ 4,695	1.3%	79.2%	Membersselect Ins Co	\$ 3,905	1.2%	80.1%
Grinnell Mut Reins Co	\$ 4,598	1.2%	81.0%	Geico Gen Ins Co	\$ 4,210	1.2%	80.4%	State Farm Fire & Cas Co	\$ 3,704	1.1%	81.2%

Year: 2009				Year: 2008				Year: 2007			
Company	Direct WP (in 000s)	Market Share	Cumulative	Company	Direct WP (in 000s)	Market Share	Cumulative	Company	Direct WP (in 000s)	Market Share	Cumulative
State Farm Mut Auto Ins Co	\$ 44,090	13.8%	13.8%	State Farm Mut Auto Ins Co	\$ 43,485	14.1%	14.1%	State Farm Mut Auto Ins Co	\$ 44,281	14.5%	14.5%
American Family Mut Ins Co	\$ 36,910	11.6%	25.4%	American Family Mut Ins Co	\$ 37,139	12.1%	26.2%	American Family Mut Ins Co	\$ 37,041	12.1%	26.6%
Progressive Northwestern Ins Co	\$ 31,674	9.9%	35.3%	Progressive Northwestern Ins Co	\$ 29,645	9.6%	35.9%	Nodak Mut Ins Co	\$ 28,979	9.5%	36.0%
Nodak Mut Ins Co	\$ 30,555	9.6%	44.9%	Nodak Mut Ins Co	\$ 29,455	9.6%	45.5%	Progressive Northwestern Ins Co	\$ 27,814	9.1%	45.1%
National Farmers Union Prop & Cas	\$ 26,586	8.3%	53.3%	National Farmers Union Prop & Cas	\$ 25,849	8.4%	53.9%	National Farmers Union Prop & Cas	\$ 26,468	8.6%	53.8%
Center Mut Ins Co	\$ 11,362	3.6%	56.8%	Center Mut Ins Co	\$ 11,712	3.8%	57.7%	Center Mut Ins Co	\$ 12,707	4.2%	57.9%
Owners Ins Co	\$ 10,184	3.2%	60.0%	Owners Ins Co	\$ 9,580	3.1%	60.8%	Owners Ins Co	\$ 9,156	3.0%	60.9%
Progressive Direct Ins Co	\$ 8,415	2.6%	62.7%	Farmers Ins Exch	\$ 8,635	2.8%	63.6%	Farmers Ins Exch	\$ 8,797	2.9%	63.8%
Farmers Ins Exch	\$ 8,190	2.6%	65.2%	Progressive Direct Ins Co	\$ 6,753	2.2%	65.8%	Grinnell Mut Reins Co	\$ 6,258	2.0%	65.8%
Dakota Fire Ins Co	\$ 5,923	1.9%	67.1%	Grinnell Mut Reins Co	\$ 5,937	1.9%	67.7%	Progressive Direct Ins Co	\$ 6,003	2.0%	67.8%
United Serv Automobile Assn	\$ 5,738	1.8%	68.9%	USAA	\$ 5,804	1.9%	69.6%	USAA	\$ 5,895	1.9%	69.7%
North Star Mut Ins Co	\$ 5,570	1.7%	70.6%	Allstate Ins Co	\$ 5,529	1.8%	71.4%	Allstate Ins Co	\$ 5,786	1.9%	71.6%
Grinnell Mut Reins Co	\$ 5,519	1.7%	72.4%	North Star Mut Ins Co	\$ 4,996	1.6%	73.0%	American Standard Ins Co of WI	\$ 5,244	1.7%	73.3%
Allstate Ins Co	\$ 5,397	1.7%	74.1%	American Standard Ins Co of WI	\$ 4,729	1.5%	74.6%	Safeco Natl Ins Co	\$ 5,009	1.6%	75.0%
Safeco Ins Co Of Amer	\$ 4,861	1.5%	75.6%	Dakota Fire Ins Co	\$ 4,514	1.5%	76.0%	State Farm Fire And Cas Co	\$ 4,700	1.5%	76.5%
American Standard Ins Co of WI	\$ 4,276	1.3%	76.9%	State Farm Fire & Cas Co	\$ 4,170	1.4%	77.4%	North Star Mut Ins Co	\$ 4,692	1.5%	78.0%
Grinnell Select Ins Co	\$ 3,886	1.2%	78.1%	Amco Ins Co	\$ 3,547	1.2%	78.6%	Auto Club Ins Assoc	\$ 4,664	1.5%	79.6%
State Farm Fire & Cas Co	\$ 3,872	1.2%	79.4%	Milbank Ins Co	\$ 3,527	1.1%	79.7%	Dakota Fire Ins Co	\$ 4,447	1.5%	81.0%
Meridian Security Ins Co	\$ 3,756	1.2%	80.5%	Auto Club Ins Assoc	\$ 3,489	1.1%	80.8%	Milbank Ins Co	\$ 4,262	1.4%	82.4%
Amco Ins Co	\$ 3,546	1.1%	81.6%	Safeco Natl Ins Co	\$ 3,350	1.1%	81.9%	Amco Ins Co	\$ 3,521	1.2%	83.5%

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EXHIBIT IIA: NORTH DAKOTA MARKET SHARE REPORT (by Group)

Year: 2012

<u>Group/Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>
PROGRESSIVE GRP	\$ 54,501	14.3%	14.3%
STATE FARM GRP	\$ 54,395	14.2%	28.5%
AMERICAN FAMILY INS GRP	\$ 41,088	10.8%	39.3%
Nodak Mut Grp	\$ 36,066	9.4%	48.7%
QBE INS GRP	\$ 34,262	9.0%	57.7%
ZURICH INS GRP	\$ 15,449	4.0%	61.7%
UNITED SERV AUTOMOBILE ASSN GRP	\$ 13,902	3.6%	65.4%
AUTO OWNERS GRP	\$ 13,798	3.6%	69.0%
Center Mut Ins Co	\$ 12,543	3.3%	72.2%
BERKSHIRE HATHAWAY GRP	\$ 11,970	3.1%	75.4%
GRINNELL MUT GRP	\$ 10,116	2.6%	78.0%
NORTH STAR CO GRP	\$ 8,335	2.2%	80.2%
ALLSTATE INS GRP	\$ 8,072	2.1%	82.3%
STATE AUTO MUT GRP	\$ 7,375	1.9%	84.3%
AUTOMOBILE CLUB MI GRP	\$ 7,171	1.9%	86.1%
Country Ins & Fin Serv Grp	\$ 6,983	1.8%	88.0%
NATIONWIDE CORP GRP	\$ 6,866	1.8%	89.8%
EMC INS CO GRP	\$ 6,851	1.8%	91.5%
LIBERTY MUT GRP	\$ 6,269	1.6%	93.2%
HORACE MANN GRP	\$ 3,911	1.0%	94.2%

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EXHIBIT IIB: NORTH DAKOTA MARKET SHARE REPORT ENTRIES/EXITS IN TOP 20 WRITERS

Year	# of New Entries/Exits into Top 20 Carriers	Changes within Top 20 Carriers
1992	2	12
1993	1	10
1994	3	7
1995	3	5
1996	2	10
1997	2	6
1998	2	12
1999	0	12
2000	3	10
2001	2	14
2002	2	8
2003	2	12
2004	1	5
2005	1	9
2006	1	9
2007	0	11
2008	0	12
2009	3	9
2010	2	9
2011	2	13
2012	1	12

EXHIBIT IIC: NORTH DAKOTA PRIVATE PASSENGER AUTO MARKET SHARE- SURPLUS (non-licensed)

YEAR:	2012		2011		2010
	Direct Written Premium		Direct Written Premium		Direct Written Premium
<u>Company</u>	<u>(000s)</u>	<u>Company</u>	<u>(000s)</u>	<u>Company</u>	<u>(000s)</u>
	NONE		NONE		NONE

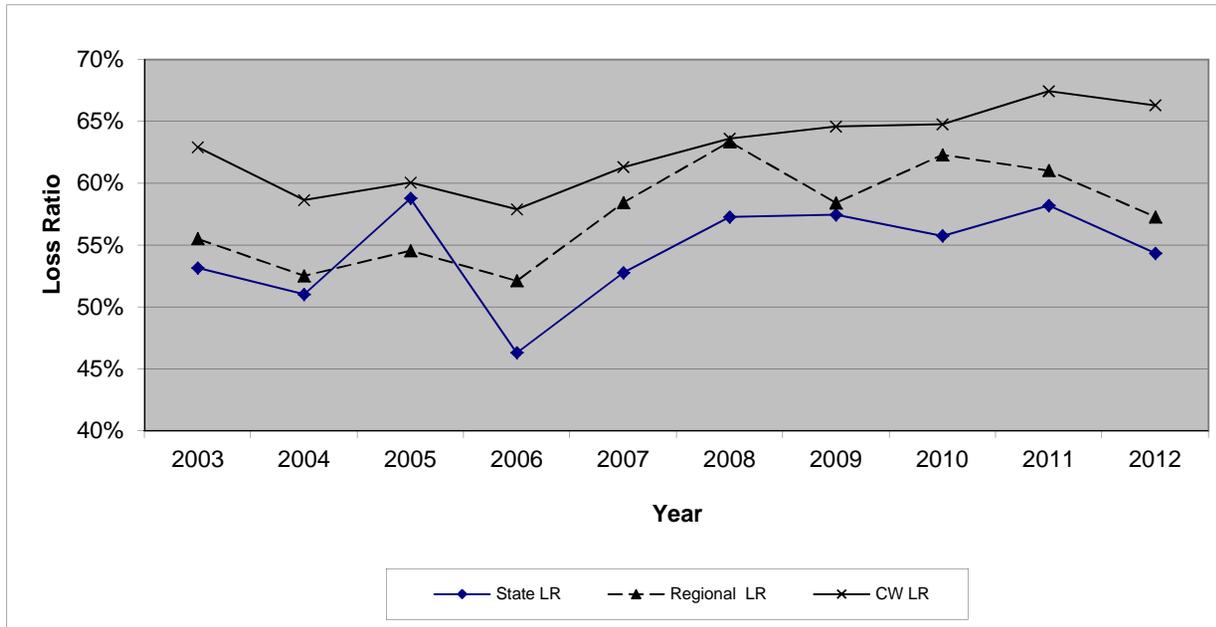
YEAR:	2009		2008		2007
	Direct Written Premium		Direct Written Premium		Direct Written Premium
<u>Company</u>	<u>(000s)</u>	<u>Company</u>	<u>(000s)</u>	<u>Company</u>	<u>(000s)</u>
	NONE		NONE		NONE

YEAR:	2006		2005		2004
	Direct Written Premium		Direct Written Premium		Direct Written Premium
<u>Company</u>	<u>(000s)</u>	<u>Company</u>	<u>(000s)</u>	<u>Company</u>	<u>(000s)</u>
	NONE		NONE		NONE

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EXHIBIT III: HISTORICAL LOSS RATIOS

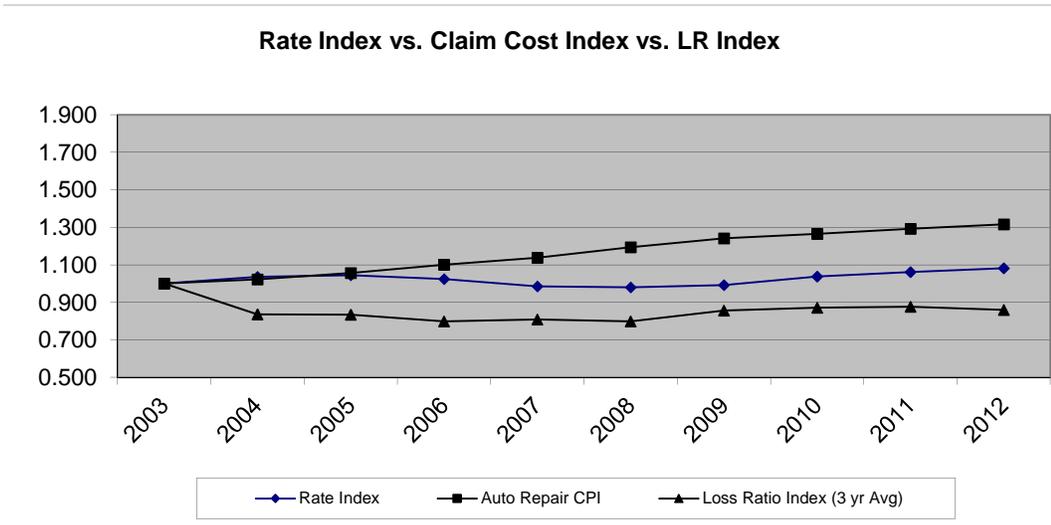
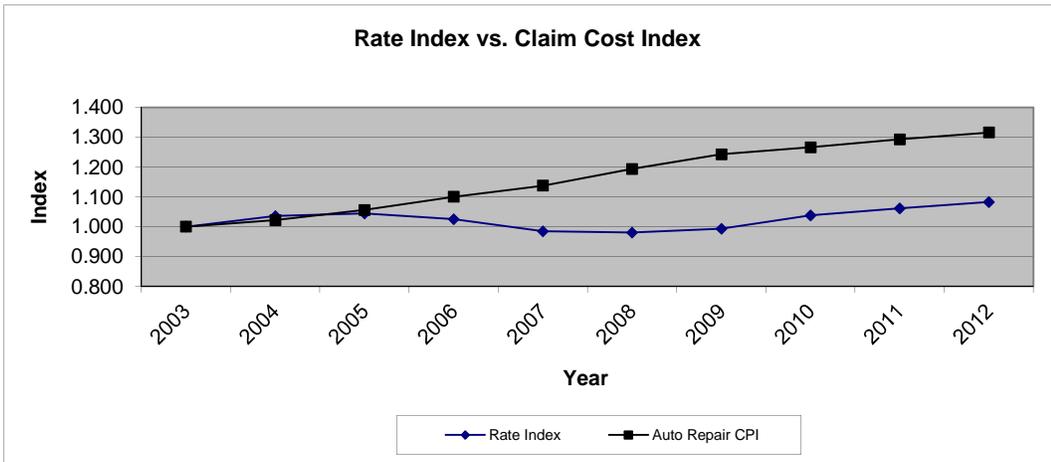
Year	Statewide Loss Ratio	Regional Loss Ratio	Countrywide Loss Ratio
2003	53%	56%	63%
2004	51%	53%	59%
2005	59%	55%	60%
2006	46%	52%	58%
2007	53%	58%	61%
2008	57%	63%	64%
2009	57%	58%	65%
2010	56%	62%	65%
2011	58%	61%	67%
2012	54%	57%	66%



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EXHIBIT IV: LOSS RATIO VS. RATE CHANGES VS. COST INDICES

Year	Composite Rate Index	Relevant Auto Repair CPI	Statewide 3 Yr LR Index
2003	1.000	1.000	1.000
2004	1.036	1.022	0.836
2005	1.045	1.056	0.835
2006	1.025	1.100	0.799
2007	0.985	1.138	0.808
2008	0.980	1.193	0.800
2009	0.993	1.242	0.857
2010	1.038	1.266	0.872
2011	1.062	1.293	0.877
2012	1.083	1.316	0.861



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EXHIBIT IV PAGE 2

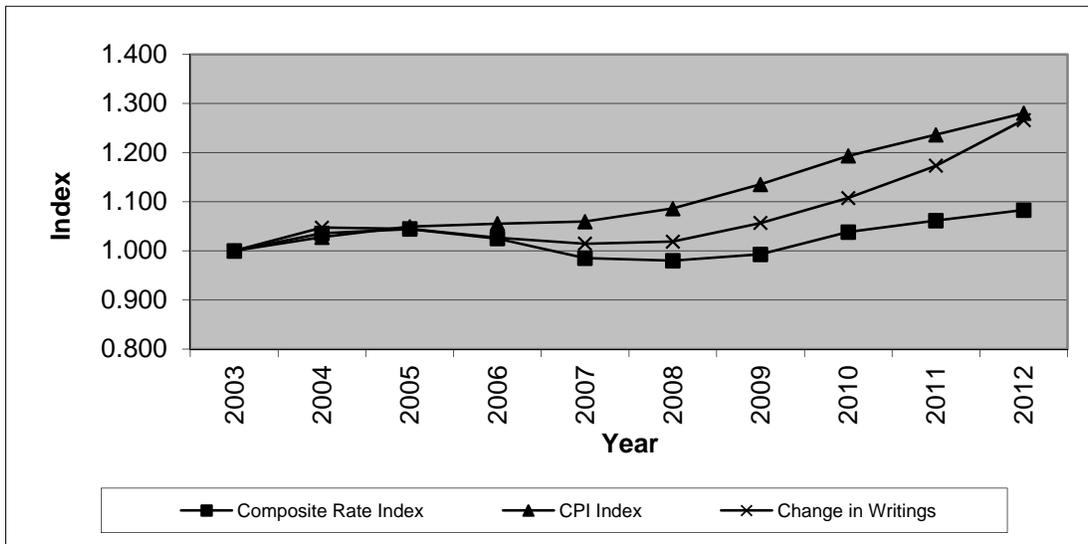
NORTH DAKOTA AVERAGE PREMIUMS AND COUNTRYWIDE RANKINGS

Year	Average Liability Premium	Rank	Average Collision Premium	Rank	Average Comprehensive Premium	Rank	Average Combined Premium	Rank
1990	\$ 160.41	49	\$ 124.08	50	\$ 99.08	22	\$ 383.57	49
1991	\$ 176.59	49	\$ 128.71	51	\$ 108.33	18	\$ 413.63	50
1992	\$ 170.87	51	\$ 136.71	51	\$ 116.70	17	\$ 424.28	51
1993	\$ 188.00	51	\$ 139.54	51	\$ 120.70	18	\$ 448.24	51
1994	\$ 198.40	51	\$ 142.79	51	\$ 125.97	17	\$ 467.16	51
1995	\$ 204.49	51	\$ 144.80	51	\$ 131.69	17	\$ 480.98	51
1996	\$ 214.13	51	\$ 151.33	51	\$ 139.84	13	\$ 505.30	51
1997	\$ 228.36	51	\$ 164.38	49	\$ 151.78	13	\$ 544.52	50
1998	\$ 230.74	51	\$ 176.86	49	\$ 164.54	9	\$ 572.14	49
1999	\$ 234.89	51	\$ 185.02	49	\$ 176.03	8	\$ 595.94	49
2000	\$ 231.54	51	\$ 186.75	49	\$ 183.02	8	\$ 601.31	49
2001	\$ 234.47	51	\$ 195.59	49	\$ 203.72	2	\$ 633.78	47
2002	\$ 231.04	51	\$ 197.60	49	\$ 219.77	2	\$ 648.41	50
2003	\$ 245.49	51	\$ 205.56	49	\$ 244.13	2	\$ 695.18	49
2004	\$ 257.59	51	\$ 213.72	50	\$ 259.82	2	\$ 731.13	47
2005	\$258.65	51	\$ 209.39	50	\$ 254.08	2	\$ 722.12	49
2006	\$ 254.61	51	\$ 195.96	51	\$ 238.01	2	\$ 688.58	49
2007	\$251.07	51	\$ 184.72	51	\$ 221.84	2	\$ 657.63	49
2008	241.62	51	\$ 186.03	50	\$ 215.94	2	\$ 643.59	49
2009	239.79	51	\$ 191.70	50	\$ 218.87	2	\$ 650.36	50
2010	250.41	51	\$ 198.18	50	\$ 220.90	2	\$ 669.49	48
2011		****	2011 information is not yet available		****			
2012		****	2012 information is not yet available		****			

PRIVATE PASSENGER AUTO

EXHIBIT V: CHANGE IN PREMIUM WRITINGS

Year	Statewide Written Premium (000s)	Change in Writings	Indexed	Composite Rate Index	Consumer Price Index
2003	\$ 301,700		1.00	1.000	1.000
2004	\$ 315,990	4.7%	1.05	1.036	1.028
2005	\$ 315,328	-0.2%	1.05	1.045	1.049
2006	\$ 309,717	-1.8%	1.03	1.025	1.055
2007	\$ 306,089	-1.2%	1.01	0.985	1.059
2008	\$ 307,389	0.4%	1.02	0.980	1.086
2009	\$ 318,835	3.7%	1.06	0.993	1.135
2010	\$ 334,141	4.8%	1.11	1.038	1.193
2011	\$ 353,974	5.9%	1.17	1.062	1.236
2012	\$ 382,037	7.9%	1.27	1.083	1.280



PRIVATE PASSENGER AUTO

EXHIBIT VI: FIELD MARKET SURVEY

2012 Survey not available

PRIVATE PASSENGER AUTO

Exhibit VII - RESIDUAL MARKET POPULATION

<u>Year</u>	Private Passenger <u>Auto</u>	Commercial <u>Auto</u>	<u># Registered Vehicles in ND</u>
1991	49	39	708,835
1992	52	39	723,199
1993	54	31	738,037
1994	62	33	757,026
1995	38	19	762,496
1996	29	12	775,466
1997	16	10	769,923
1998	11	7	785,954
1999	14	9	789,741
2000	10	11	792,587
2001	6	14	790,933
2002	2	21	809,459
2003	7	22	820,054
2004	0	7	824,717
2005	0	2	820,078
2006	1	1	821,098
2007	2	9	829,823
2008	2	11	868,999
2009	1	3	863,079
2010	2	2	869,840
2011	0	4	958,639
2012	1	4	1,010,926

PRIVATE PASSENGER AUTO

EXHIBIT VIII - MATRIX OF INDICATORS

Factor	Competitive Level		
	Low	Moderate	High
Market Concentration (Herfindahl index)			XX
Market Share Analysis –Market Share Changes			XX
Market Share Analysis –Company Changes			XX
Market Share Analysis – Surplus (non-licensed)			XX
Historical Loss Ratios (Statewide, Regional, and Countrywide)	NA	NA	NA
Loss Ratios vs Rate Change vs Claims Cost Indexes			XX
Change in Premium Writings	NA	NA	NA
Field Market Survey Results-October 2012	NA	NA	NA
Residual Market Population			XX

Final ranking based upon all factors: High

Addendum 2 Narrative Summary – Auto – Commercial

The market analysis components found in the attached exhibits for auto-commercial are summarized below:

Exhibit I -Market Concentration (Herfindahl index)

The historical concentration ratios and Herfindahl indices for North Dakota are well below the national benchmarks, indicating a highly competitive market.

The index for North Dakota compared to countrywide, indicates the North Dakota market is more concentrated than the countywide market. This is to be expected based upon the fact North Dakota is a relatively small market that is more easily dominated by regional carriers.

Exhibit II-A - Market Share Analysis –Market Share Changes

In each of the past six years, we have seen different companies among the top 4 writers. The market for the top four writers has been 30% or less for the past six years, which is indicative of a highly competitive market.

Exhibit II-B – Market Share Analysis –Company Changes

This chart shows that new companies are entering and leaving the top 20 writers each year and that there continues to be a significant amount of movement among the top 20. This suggests that the market is highly competitive.

Exhibit II-C – Market Share Analysis – Surplus (non-licensed)

In 2012, the commercial auto premium written in the surplus lines market more than doubled what was written in 2011, (\$2.5 million vs \$1.2 million). However, this still amounts to less than 2% of the total commercial auto premium written in North Dakota. The low volume of business written by surplus lines carriers is an indication of a competitive market.

Exhibit III – Historical Loss Ratios (Statewide, Regional, and Countrywide)

Loss experience has been profitable for the past ten years. This is consistent with the regional and countrywide experience.

This information by itself is not an indicator of the competitive level of the market.

Exhibit IV – Loss Ratios vs Rate Change vs Claims Cost Indexes

Rate changes have not kept pace with the upward trend measured by the Auto Repair CPI index over the last six years. This is due to the profitable loss experience over that time period. We note that in the Commercial Auto line there are other rating tools, such as experience and schedule rating plans that allow companies to charge lower premiums while not adjusting their filed rate levels.

The fact that rates are stable, in reaction to favorable loss experience, and as such are not keeping pace with the trend in national claim costs is an indication of a highly competitive market.

Exhibit V - Change in Premium Writings

Commercial auto written premiums have increased over 50% in the past 10 years. Most of the increase occurred in the last two calendar years. We suspect that much of this increase is due to the increased long-haul trucking business in the western part of the state.

Comparing the North Dakota composite rate index to the Consumer Price Index (for Motor Vehicle Insurance) can give some insight as to how North Dakota auto insurance costs compare to those costs nationally. Some of the difference between the two indexes would again be schedule and experience rating credits and debits, demographic differences, etc. These differences notwithstanding, it appears that North Dakota rates have increased at a slower rate than they have on a national level.

This information is by itself not an indicator of the competitive level of the market.

Exhibit VI – Field Market Survey Results-September 2012

The 2012 field market survey was unavailable for this report.

Exhibit VII – Residual Market Population

The North Dakota Auto Plan is managed by Automobile Insurance Placement Services Organization (AIPSO). The annual number of insured's in the plan has been very low when compared to the total eligible registered vehicles in this state. This low residual market population is indicative of a competitive market.

Exhibit VIII – Matrix of Indicators

With the exception of the field market survey, all factors tend to indicate the market is highly competitive.

Final assessment

The evaluation of the market through the year 2012 indicates a highly competitive market.

COMMERCIAL AUTO

EXHIBIT I: MARKET CONCENTRATION

Year	North Dakota			Countrywide		
	4-Firm	20-Firm	Herfindahl Index	4-Firm	20-Firm	Herfindahl Index
	Concentration Ratio	Concentration Ratio		Concentration Ratio	Concentration Ratio	
1993	34.0%	59.7%		10.5%	30.7%	
1994	33.8%	62.8%		9.2%	27.5%	
1995	32.3%	62.7%		8.6%	26.1%	
1996	32.9%	62.0%		8.8%	26.6%	
1997	29.9%	58.9%		9.6%	28.0%	
1998	31.3%	61.8%		5.9%	16.7%	
1999	31.6%	57.8%		9.2%	26.9%	
2000	32.3%	59.3%		8.7%	25.1%	
2001	33.0%	61.8%		8.8%	25.9%	
2002	28.9%	60.1%		9.0%	27.6%	
2003	26.3%	60.9%		9.5%	29.1%	
2004	26.2%	62.7%	(501)	9.1%	28.8%	(280)
2005	26.1%	64.7%	(488)	9.6%	29.3%	(269)
2006	27.8%	64.7%	(536)	9.8%	30.7%	(272)
2007	26.4%	62.4%	(523)	8.4%	28.3%	(281)
2008	26.1%	60.7%	(512)	8.3%	27.6%	(296)
2009	28.0%	59.2%	(547)	8.7%	27.6%	(295)
2010	26.6%	61.1%	(522)	8.6%	28.1%	(302)
2011	30.1%	62.0%	(559)	8.5%	27.3%	(307)
2012	30.3%	61.2%	(514)	8.1%	26.6%	(298)

Benchmarks:

National industries with 4-firm concentration ratios <75% and Herfindahl index <2000, are generally not viewed as highly concentrated.

Merger guidelines of U.S. Dept of Justice

Post-merger market Herfindahl index

> 1,800 - highly concentrated

1,000 < Herfindahl index < 1,800 - moderately concentrated

< 1,000 - unconcentrated

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EXHIBIT IIA: NORTH DAKOTA MARKET SHARE REPORT

Year: 2012				Year: 2011				Year: 2010			
Company	Direct WP (in 000s)	Market Share	Cumulative	Company	Direct WP (in 000s)	Market Share	Cumulative	Company	Direct WP (in 000s)	Market Share	Cumulative
Great West Cas Co	\$ 17,035	12.9%	12.9%	Great West Cas Co	\$ 16,897	15.8%	15.8%	Great West Cas Co	\$ 13,065	15.3%	15.3%
United Financial Cas Co	\$ 10,706	8.1%	21.0%	United Financial Cas Co	\$ 6,285	5.9%	21.7%	Employers Mut Cas Co	\$ 4,021	4.7%	20.0%
Zurich Amer Ins Co	\$ 6,105	4.6%	25.6%	Employers Mut Cas Co	\$ 5,227	4.9%	26.6%	Acuity A Mut Ins Co	\$ 2,835	3.3%	23.3%
Employers Mut Cas Co	\$ 6,093	4.6%	30.3%	National Cas Co	\$ 3,662	3.4%	30.1%	Northland Ins Co	\$ 2,806	3.3%	26.6%
National Cas Co	\$ 5,029	3.8%	34.1%	Acuity A Mut Ins Co	\$ 3,381	3.2%	33.3%	Nationwide Mut Ins Co	\$ 2,703	3.2%	29.8%
Acuity A Mut Ins Co	\$ 4,337	3.3%	37.4%	Nationwide Mut Ins Co	\$ 2,849	2.7%	35.9%	Continental Western Ins Co	\$ 2,682	3.1%	32.9%
Nationwide Mut Ins Co	\$ 3,255	2.5%	39.8%	Zurich Amer Ins Co	\$ 2,845	2.7%	38.6%	Cincinnati Ins Co	\$ 2,508	2.9%	35.9%
National Ind Co	\$ 3,166	2.4%	42.2%	Cincinnati Ins Co	\$ 2,689	2.5%	41.1%	Owners Ins Co	\$ 2,251	2.6%	38.5%
Continental Western Ins Co	\$ 2,925	2.2%	44.4%	Continental Western Ins Co	\$ 2,672	2.5%	43.6%	Auto Owners Ins Co	\$ 1,960	2.3%	40.8%
Owners Ins Co	\$ 2,788	2.1%	46.5%	Owners Ins Co	\$ 2,643	2.5%	46.1%	National Cas Co	\$ 1,946	2.3%	43.1%
Auto Owners Ins Co	\$ 2,602	2.0%	48.5%	Auto Owners Ins Co	\$ 2,308	2.2%	48.3%	United Financial Cas Co	\$ 1,930	2.3%	45.3%
Cincinnati Ins Co	\$ 2,597	2.0%	50.5%	Mid Continent Cas Co	\$ 2,046	1.9%	50.2%	Nodak Mut Ins Co	\$ 1,699	2.0%	47.3%
St Paul Fire & Marine Ins Co	\$ 2,167	1.6%	52.1%	National Ind Co	\$ 1,902	1.8%	52.0%	Sentry Select Ins Co	\$ 1,669	2.0%	49.3%
Mid Continent Cas Co	\$ 1,926	1.5%	53.6%	General Cas Co Of WI	\$ 1,812	1.7%	53.7%	Maiden Reins Co	\$ 1,606	1.9%	51.2%
National Union Fire Ins Co Of Pitts	\$ 1,864	1.4%	55.0%	Northland Ins Co	\$ 1,631	1.5%	55.2%	General Cas Co Of WI	\$ 1,575	1.8%	53.0%
Nodak Mut Ins Co	\$ 1,732	1.3%	56.3%	Nodak Mut Ins Co	\$ 1,606	1.5%	56.7%	Grinnell Mut Reins Co	\$ 1,549	1.8%	54.8%
General Cas Co Of WI	\$ 1,692	1.3%	57.6%	Sentry Select Ins Co	\$ 1,549	1.5%	58.2%	Mid Continent Cas Co	\$ 1,475	1.7%	56.6%
Sentry Select Ins Co	\$ 1,641	1.2%	58.8%	Grinnell Mut Reins Co	\$ 1,482	1.4%	59.5%	St Paul Fire & Marine Ins Co	\$ 1,390	1.6%	58.2%
Star Ins Co	\$ 1,629	1.2%	60.1%	United Fire & Cas Co	\$ 1,290	1.2%	60.8%	Zurich Amer Ins Co	\$ 1,291	1.5%	59.7%
Grinnell Mut Reins Co	\$ 1,489	1.1%	61.2%	Maiden Reins Co	\$ 1,285	1.2%	62.0%	State Farm Mut Auto Ins Co	\$ 1,149	1.3%	61.1%

Year: 2009				Year: 2008				Year: 2007			
Company	Direct WP (in 000s)	Market Share	Cumulative	Company	Direct WP (in 000s)	Market Share	Cumulative	Company	Direct WP (in 000s)	Market Share	Cumulative
Great West Cas Co	\$ 13,674	16.7%	16.7%	Great West Cas Co	\$ 12,303	14.9%	14.9%	Great West Cas Co	\$ 13,066	15.8%	15.8%
Employers Mut Cas Co	\$ 3,830	4.7%	21.4%	Employers Mut Cas Co	\$ 3,546	4.3%	19.2%	Northland Ins Co	\$ 3,386	4.1%	19.9%
Continental Western Ins Co	\$ 2,731	3.3%	24.7%	Continental Western Ins Co	\$ 2,943	3.6%	22.8%	Continental Western Ins Co	\$ 2,727	3.3%	23.2%
Acuity A Mut Ins Co	\$ 2,688	3.3%	28.0%	Northland Ins Co	\$ 2,750	3.3%	26.1%	Acuity A Mut Ins Co	\$ 2,677	3.2%	26.4%
Cincinnati Ins Co	\$ 2,617	3.2%	31.2%	Acuity A Mut Ins Co	\$ 2,620	3.2%	29.3%	Cincinnati Ins Co	\$ 2,574	3.1%	29.5%
Nationwide Mut Ins Co	\$ 2,420	3.0%	34.1%	Cincinnati Ins Co	\$ 2,531	3.1%	32.4%	Sentry Select Ins Co	\$ 2,534	3.1%	32.6%
Northland Ins Co	\$ 2,155	2.6%	36.8%	Nationwide Mut Ins Co	\$ 2,404	2.9%	35.3%	Nationwide Mut Ins Co	\$ 2,453	3.0%	35.5%
Auto Owners Ins Co	\$ 2,098	2.6%	39.3%	Sentry Select Ins Co	\$ 2,221	2.7%	38.0%	Liberty Mut Fire Ins Co	\$ 2,424	2.9%	38.5%
Owners Ins Co	\$ 1,945	2.4%	41.7%	Auto Owners Ins Co	\$ 2,191	2.7%	40.6%	Integon Natl Ins Co	\$ 2,314	2.8%	41.3%
Nodak Mut Ins Co	\$ 1,562	1.9%	43.6%	Integon Natl Ins Co	\$ 2,076	2.5%	43.2%	Auto Owners Ins Co	\$ 2,199	2.7%	43.9%
General Cas Co Of WI	\$ 1,557	1.9%	45.5%	Liberty Mut Fire Ins Co	\$ 1,780	2.2%	45.3%	Dakota Fire Ins Co	\$ 2,172	2.6%	46.5%
Grinnell Mut Reins Co	\$ 1,519	1.9%	47.4%	Owners Ins Co	\$ 1,601	1.9%	47.3%	Employers Mut Cas Co	\$ 1,749	2.1%	48.7%
National Cas Co	\$ 1,510	1.8%	49.2%	Grinnell Mut Reins Co	\$ 1,594	1.9%	49.2%	Nodak Mut Ins Co	\$ 1,721	2.1%	50.7%
United Financial Cas Co	\$ 1,379	1.7%	50.9%	General Cas Co Of WI	\$ 1,550	1.9%	51.1%	Grinnell Mut Reins Co	\$ 1,656	2.0%	52.7%
Sentry Select Ins Co	\$ 1,294	1.6%	52.5%	National Cas Co	\$ 1,532	1.9%	52.9%	General Cas Co Of WI	\$ 1,571	1.9%	54.6%
Mid Continent Cas Co	\$ 1,113	1.4%	53.8%	Nodak Mut Ins Co	\$ 1,529	1.9%	54.8%	Lincoln Gen Ins Co	\$ 1,565	1.9%	56.5%
Integon Natl Ins Co	\$ 1,104	1.3%	55.2%	St Paul Fire & Marine Ins Co	\$ 1,353	1.6%	56.4%	National Cas Co	\$ 1,497	1.8%	58.3%
St Paul Fire & Marine Ins Co	\$ 1,099	1.3%	56.5%	Zurich Amer Ins Co	\$ 1,289	1.6%	58.0%	St Paul Fire & Marine Ins Co	\$ 1,210	1.5%	59.8%
Empire Fire & Marine Ins Co	\$ 1,083	1.3%	57.9%	American Guar & Liab Ins	\$ 1,168	1.4%	59.4%	Owners Ins Co	\$ 1,085	1.3%	61.1%
Maiden Reins Co	\$ 1,071	1.3%	59.2%	United Financial Cas Co	\$ 1,080	1.3%	60.7%	Harco Natl Ins Co	\$ 1,079	1.3%	62.4%

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EXHIBIT IIA: NORTH DAKOTA MARKET SHARE REPORT (by Group)

Year: 2012

<u>Group/Company</u>	<u>Direct WP</u> <u>(in 000s)</u>	<u>Market</u> <u>Share</u>	<u>Cumulative</u>
OLD REPUBLIC GRP	\$ 17,513	13.3%	13.3%
NATIONWIDE CORP GRP	\$ 11,290	8.6%	21.8%
PROGRESSIVE GRP	\$ 10,766	8.2%	30.0%
ZURICH INS GRP	\$ 8,895	6.7%	36.7%
EMC INS CO GRP	\$ 7,137	5.4%	42.1%
Travelers Grp	\$ 6,876	5.2%	47.3%
AUTO OWNERS GRP	\$ 5,389	4.1%	51.4%
Acuity A Mut Ins Co	\$ 4,337	3.3%	54.7%
LIBERTY MUT GRP	\$ 3,932	3.0%	57.7%
AMERICAN INTL GRP	\$ 3,838	2.9%	60.6%
CINCINNATI FIN GRP	\$ 3,602	2.7%	63.3%
BERKSHIRE HATHAWAY GRP	\$ 3,241	2.5%	65.8%
WR Berkley Corp GRP	\$ 3,031	2.3%	68.1%
American Financial Grp	\$ 2,711	2.1%	70.1%
STATE AUTO MUT GRP	\$ 2,510	1.9%	72.0%
QBE INS GRP	\$ 2,353	1.8%	73.8%
SENTRY INS GRP	\$ 1,782	1.4%	75.2%
Nodak Mut Grp	\$ 1,732	1.3%	76.5%
AmTrust NGH Maiden Grp	\$ 1,727	1.3%	77.8%
Meadowbrook Ins Grp	\$ 1,631	1.2%	79.0%

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EXHIBIT IIB: NORTH DAKOTA MARKET SHARE REPORT ENTRIES/EXITS IN TOP 20 WRITERS

Year	# of New Entries/Exits into Top 20 Carriers	Changes within Top 20 Carriers
1992	3	15
1993	4	11
1994	3	15
1995	5	10
1996	4	14
1997	4	12
1998	3	11
1999	3	12
2000	8	7
2001	6	9
2002	9	5
2003	1	13
2004	1	14
2005	0	18
2006	1	14
2007	3	13
2008	3	14
2009	3	14
2010	2	15
2011	2	17
2012	4	10

EXHIBIT IIC: NORTH DAKOTA COMMERCIAL AUTO MARKET SHARE- SURPLUS (non-licensed)

YEAR:	2012		2011		2010
	Direct Written Premium (000s)	Company	Direct Written Premium (000s)	Company	Direct Written Premium (000s)
	\$ 1,282.73	Lexington Ins Co	\$ 462.20	Lexington Ins Co	\$ 572.25
	\$ 405.36	Ironshore Specialty Ins Co	\$ 281.18	Ironshore Specialty Ins Co	\$ 363.62
	\$ 229.98	Maiden Specialty Ins Co	\$ 155.58	Maiden Specialty Ins Co	\$ 156.21
	\$ 141.68	Western Heritage Ins Co	\$ 74.65	Arch Specialty Ins Co	\$ 64.90
	\$ 82.99	Golden Bear Ins Co	\$ 64.65	Colony Ins Co	\$ 55.92
	\$ 73.97	Arch Specialty Ins Co	\$ 55.63	Western Heritage Ins Co	\$ 43.90
	\$ 71.45	Colony Ins Co	\$ 41.70	Prime Ins Co	\$ 30.08
	\$ 56.72	American Contractors Ins Co RRG	\$ 28.57	Scottsdale Ins Co	\$ 29.01
	\$ 55.14	Prime Ins Co	\$ 25.89	Chartis Specialty Ins Co	\$ 24.04
	\$ 38.68	Scottsdale Ins Co	\$ 16.03	Acceptance Ind Ins Co	\$ 19.80
	\$ 35.86	ARCOA RRG Inc	\$ 15.47	Torus Specialty Ins Co	\$ 11.32
	\$ 23.40	Ooida RRG Inc	\$ 10.56	American Safety Ind Co	\$ 4.95
	\$ 19.28	Golden Bear Ins Co	\$ 6.50	Montpelier US Ins Co	\$ 2.37
	\$ 7.70	Tudor Ins Co	\$ 6.18	Great Amer E&S Ins Co	\$ 1.00
	\$ 5.17	Acceptance Ind Ins Co	\$ 6.00	St Paul Surplus Lines Ins Co	\$ 0.50
	\$ 4.00	American Safety Ind Co	\$ 4.80	Columbia Cas Co	\$ 0.32
	\$ 1.98	Chartis Specialty Ins Co	\$ 3.67		\$ 1,380.16
	\$ 1.38	Torus Specialty Ins Co	\$ 2.98		
	\$ 0.99	Steadfast Ins Co	\$ 2.66		
	\$ 0.75	Mesa Underwriters Specialty Ins Co	\$ 2.37		
	\$ 0.39	Great Amer E&S Ins Co	\$ 1.00		
	\$ 0.15	Columbia Cas Co	\$ 0.32		
	\$ 2,539.75		\$ 1,268.57		

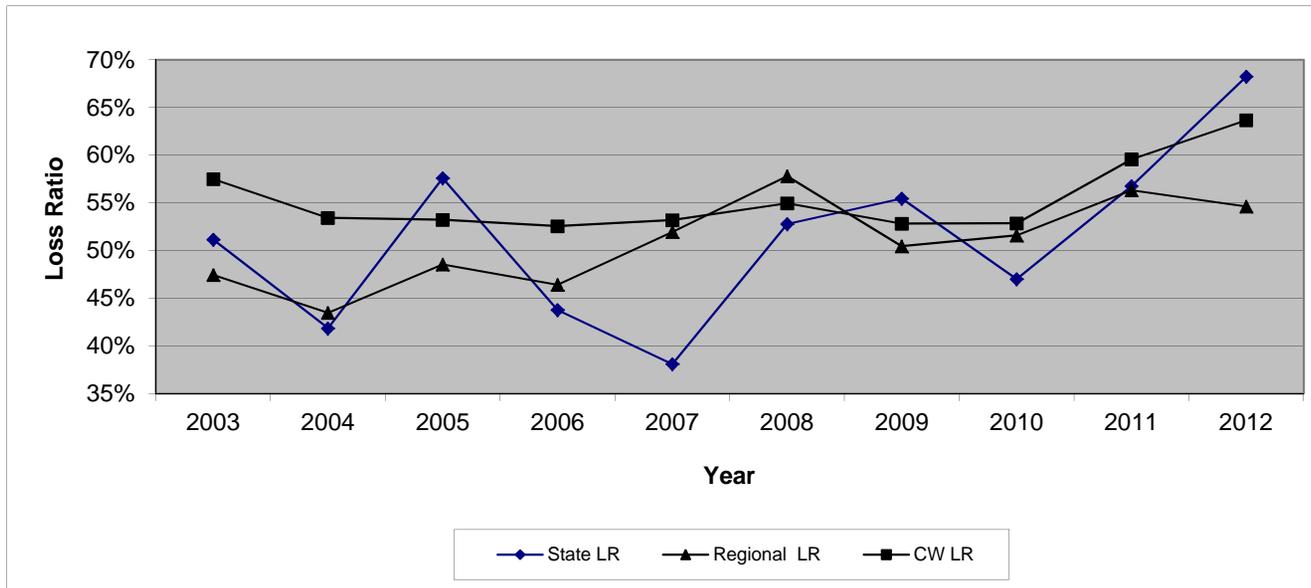
YEAR:	2009		2008		2007
	Direct Written Premium (000s)	Company	Direct Written Premium (000s)	Company	Direct Written Premium (000s)
	\$ 203.86	Columbia Cas Co	\$ 684.37	Lexington Ins Co	\$ 504.64
	\$ 185.30	Maiden Specialty Ins Co	\$ 252.44	Arch Specialty Ins Co	\$ 342.85
	\$ 87.95	Lexington Ins Co	\$ 140.40	Integon Specialty Ins	\$ 150.28
	\$ 84.85	Arch Specialty Ins Co	\$ 127.66	Colony Ins Co	\$ 84.65
	\$ 71.06	Colony Ins Co	\$ 78.91	Allied World Assur Co US Inc	\$ 49.50
	\$ 52.52	Western Heritage Ins Co	\$ 41.88	Western Heritage Ins Co	\$ 39.59
	\$ 21.98	Acceptance Ind Ins Co	\$ 34.75	Century Surety Co	\$ 33.00
	\$ 14.38	Scottsdale Ins Co	\$ 24.44	Praetorian Specialty Ins Co	\$ 31.97
	\$ 10.74	ARCOA RRG Inc	\$ 19.11	Westchester Surplus Lines Ins Co	\$ 23.50
	\$ 9.45	Essex Ins Co	\$ 9.44	Scottsdale Ins Co	\$ 17.70
	\$ 8.17	Ooida RRG Inc	\$ 9.37	Ooida RRG Inc	\$ 8.77
	\$ 0.46	American Farmers & Ranchers Ins Co	\$ 7.95	National Fire & Marine Ins Co	\$ 5.96
	\$ 0.45	National Fire & Marine Ins Co	\$ 6.32	Essex Ins Co	\$ 5.40
	\$ 0.28	Great Amer E&S Ins Co	\$ 2.92	Prime Ins Syndicate Inc	\$ 5.04
	\$ 0.25	St Paul Surplus Lines Ins Co	\$ 2.62	Acceptance Ind Ins Co	\$ 3.05
	\$ 751.68		\$ 2.45	American Intl Specialty Lines Ins Co	\$ 2.85
		American Empire Surplus Lines Ins Co	\$ 1.93	American Western Home Ins Co	\$ 0.87
		American Intl Specialty Lines Ins Co	\$ 1.50	Chubb Custom Ins Co	\$ 0.50
		National Fire & Marine Ins Co	\$ 1.04	St Paul Surplus Lines Ins Co	\$ 0.25
		Chubb Custom Ins Co	\$ 0.46	Discover Specialty Ins Co	\$ 0.10
		St Paul Surplus Lines Ins Co	\$ 0.25		\$ 1,310.46
			\$ 1,450.18		

YEAR:	2006		2005		2004
	Direct Written Premium (000s)	Company	Direct Written Premium (000s)	Company	Direct Written Premium (000s)
	\$ 818.22	Arch Specialty Ins Co	\$ 218.62	Lexington Ins Co	\$ 430.54
	\$ 609.04	Lexington Ins Co	\$ 187.10	American Safety Ind Co	\$ 192.70
	\$ 185.76	Integon Specialty Ins	\$ 104.20	St Paul Surplus Lines Ins Co	\$ 169.24
	\$ 100.70	Colony Ins Co	\$ 46.92	Integon Specialty Ins	\$ 148.87
	\$ 74.25	Scottsdale Ins Co	\$ 33.50	Scottsdale Ins Co	\$ 67.74
	\$ 41.90	Western Heritage Ins Co	\$ 25.93	Interstate Fire & Cas Co	\$ 55.31
	\$ 35.11	Century Surety Co	\$ 21.22	Western Heritage Ins Co	\$ 36.31
	\$ 21.22	Columbia Cas Co	\$ 14.81	Ooida RRG Inc	\$ 29.63
	\$ 7.37	Prime Insurance Syndicate Inc	\$ 13.52	Columbia Cas Co	\$ 23.10
	\$ 3.36	Ooida RRG Inc	\$ 12.90	Acceptance Ind Ins Co	\$ 16.21
	\$ 2.73	St Paul Surplus Lines Ins Co	\$ 12.76	National Fire & Marine Ins Co	\$ 11.44
	\$ 1.80	American Intl Specialty Lines Ins Co	\$ 11.43	Prime Insurance Syndicate Inc	\$ 7.22
	\$ 0.75	National Fire & Marine Ins Co	\$ 5.30	Century Surety Co	\$ 1.85
	\$ 0.62	Specialty Surplus Ins Co	\$ 4.00	Burlington Ins Co	\$ 1.16
	\$ 0.42	Chubb Custom Ins Co	\$ 2.97	Steadfast Ins Co	\$ 0.50
	\$ 0.41	AXIS Surplus Ins Co	\$ 0.23	Specialty Surplus Ins Co	\$ 0.31
	\$ 0.16	Discover Specialty Ins Co	\$ 715.40	Northfield Ins Co	\$ 0.30
	\$ 1,903.83			Usf Ins Co	\$ 0.30
				Discover Specialty Ins Co	\$ 0.10
					\$ 1,192.83

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EXHIBIT III: HISTORICAL LOSS RATIOS

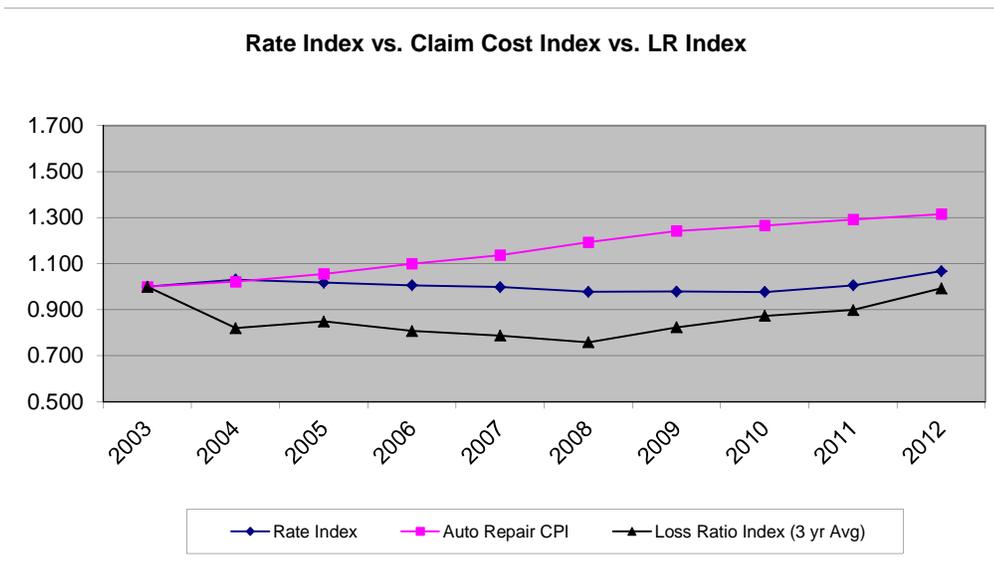
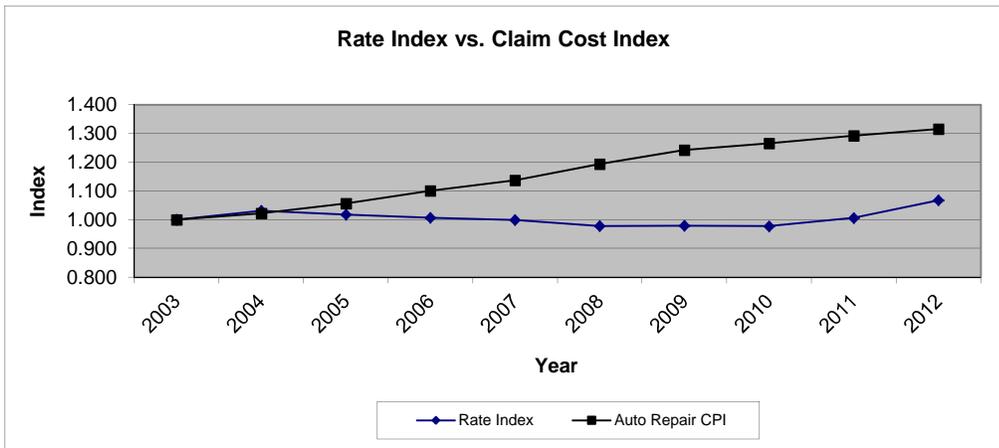
Year	Statewide Loss Ratio	Regional Loss Ratio	Countrywide Loss Ratio
2003	51%	47%	57%
2004	42%	43%	53%
2005	58%	49%	53%
2006	44%	46%	53%
2007	38%	52%	53%
2008	53%	58%	55%
2009	55%	50%	53%
2010	47%	52%	53%
2011	57%	56%	60%
2012	68%	55%	64%



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EXHIBIT IV: LOSS RATIO VS. RATE CHANGES VS. COST INDICES

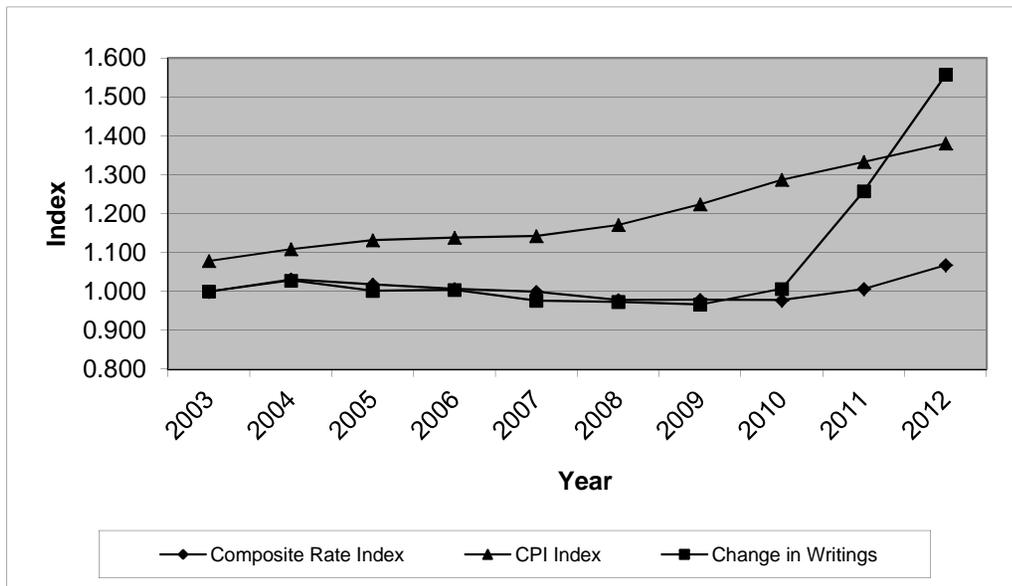
Year	Composite Rate Index	Relevant Auto Repair CPI	Statewide 3 Yr LR Index
2003	1.000	1.000	1.000
2004	1.031	1.022	0.820
2005	1.018	1.056	0.849
2006	1.006	1.100	0.808
2007	0.999	1.138	0.788
2008	0.978	1.193	0.758
2009	0.979	1.242	0.824
2010	0.977	1.266	0.874
2011	1.006	1.293	0.899
2012	1.068	1.316	0.993



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EXHIBIT V: CHANGE IN PREMIUM WRITINGS

Year	Statewide Written Premium (000s)	Change in Writings	Indexed	Composite Rate Index	Consumer Price Index
2003	\$ 84,776		1.00	1.000	1.078
2004	\$ 87,154	2.8%	1.03	1.031	1.108
2005	\$ 84,928	-2.6%	1.00	1.018	1.131
2006	\$ 85,128	0.2%	1.00	1.006	1.138
2007	\$ 82,774	-2.8%	0.98	0.999	1.142
2008	\$ 82,453	-0.4%	0.97	0.978	1.171
2009	\$ 81,899	-0.7%	0.97	0.979	1.224
2010	\$ 85,354	4.2%	1.01	0.977	1.287
2011	\$ 106,618	24.9%	1.26	1.006	1.333
2012	\$ 131,995	23.8%	1.56	1.068	1.380



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EXHIBIT VI: FIELD MARKET SURVEY

2012 Survey not available

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Exhibit VII - RESIDUAL MARKET POPULATION

<u>Year</u>	Private Passenger <u>Auto</u>	Commercial <u>Auto</u>	<u># Registered Vehicles in ND</u>
1991	49	39	708,835
1992	52	39	723,199
1993	54	31	738,037
1994	62	33	757,026
1995	38	19	762,496
1996	29	12	775,466
1997	16	10	769,923
1998	11	7	785,954
1999	14	9	789,741
2000	10	11	792,587
2001	6	14	790,933
2002	2	21	809,459
2003	7	22	820,054
2004	0	7	824,717
2005	0	2	820,078
2006	1	1	821,098
2007	2	9	829,823
2008	2	11	868,999
2009	1	3	863,079
2010	2	2	869,840
2011	0	4	958,639
2012	1	4	1,010,926

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EXHIBIT VIII - MATRIX OF INDICATORS

Factor	Competitive Level		
	Low	Moderate	High
Market Concentration (Herfindahl index)			XX
Market Share Analysis –Market Share Changes			XX
Market Share Analysis –Company Changes			XX
Market Share Analysis – Surplus (non-licensed)			XX
Historical Loss Ratios (Statewide, Regional, and Countrywide)	NA	NA	NA
Loss Ratios vs Rate Change vs Claims Cost Indexes			XX
Change in Premium Writings	NA	NA	NA
Field Market Survey Results-October 2012	NA	NA	NA
Residual Market Population			XX

Final ranking based upon all factors: High

Addendum 3 Narrative Summary – Commercial Multi Peril Package

The market analysis components found in the attached exhibits for commercial multi peril package are summarized below:

Exhibit I -Market Concentration (Herfindahl index)

The historical concentration ratios and Herfindahl indices for North Dakota are low relative to the national benchmarks. We note that the Herfindahl index for North Dakota has been gradually increasing in recent years, however overall this exhibit indicates that the market is highly competitive.

The index for North Dakota compared to countrywide, indicates the North Dakota market is more concentrated than the countywide market. Some of this difference is due to the fact that North Dakota is a relatively small volume market that is more easily dominated by regional carriers.

Exhibit II-A - Market Share Analysis –Market Share Changes

The top 4 writers have accounted for approximately 22% - 26% of the market share over the past 6 years. The total market share of the top 20 companies over the past 6 years has been less than 70%.

These statistics indicate that the market is very competitive. However we note that the general category of Commercial Multi-Peril Package includes such a wide array of contracts and risk exposures. Contracts can include Commercial Multi-Peril, Businessowners, Owners, Landlords and Tenants as well as other specialty packages. Further, some companies specialize in writing only certain risk categories. Not all companies write all classes of risk.

Exhibit II-B – Market Share Analysis –Company Changes

Prior to 2003, the number of entries and exits in the top 20 had been significant. In the past several years however we have seen fewer companies entering/exiting the top 20. Within the top 20 there continues to be considerable movement among all companies.

This information suggests the market is moderately competitive.

Exhibit II-C – Market Share Analysis – Surplus (non-licensed)

The analysis of the surplus lines market for this line of business is difficult. Much of what would normally be categorized as commercial multi peril in the admitted market may instead be classified in fire and allied lines for property coverage and other liability for commercial liability in the surplus market reporting. It is noteworthy that in the past several years some business written by surplus lines carriers was coded as Commercial Multi-peril. However we do note that the volume of premium written in the surplus lines market is less than 3% of the total commercial multi-peril premium. With this information we categorize the level of competition as moderate.

Exhibit III – Historical Loss Ratios (Statewide, Regional, and Countrywide)

Statewide loss ratios have fluctuated significantly from year to year, but have generally been profitable over the past ten years. The regional loss experience has also fluctuated but to a lesser magnitude. The countrywide ratios have been more stable. The variation in data makes it difficult to draw any meaningful conclusions on this factor alone.

This information by itself is not an indicator of the competitive level of the market.

Exhibit IV – Loss Ratios vs Rate Change vs Claims Cost Indexes

This exhibit shows that rate levels have remained relatively flat, lagging behind national claim cost indices. This is most likely due to the relatively profitable nature of this line over the past ten years. This suggests that the market is competitive. We caveat this conclusion by noting that there are a number of pricing tools insurers have (such as experience and schedule rating) that allow them to modify rate levels of individual insureds, without having to file rate changes.

Exhibit V – Change in Premium Writings

The statewide premium volume has increased 65% since 2003, much of the increase coming from the most recent calendar year. Filed rate changes over that time period account for 6% of the increase.

This information is by itself not an indicator of the competitive level of the market.

Exhibit VI – Field Market Survey Results-September 2012

The 2012 field market survey is unavailable for this report.

Exhibit VII – Residual Market Population

There is no residual market mechanism for commercial lines in North Dakota. Consumers who can not obtain insurance through the admitted market must either look for coverage in the surplus market, or go without.

The absence of the need for a residual market mechanism is considered an indicator of a competitive market.

Exhibit VIII – Matrix of Indicators

The Herfindahl index, Market Share Changes, Loss ratios versus rate change versus claims cost index and the lack of a residual market indicate a highly competitive market. The Market Share Company Changes summary and Market Share Analysis – Surplus lines indicate a moderately competitive market.

Final assessment

Based on the indications discussed above, we consider the commercial multi-peril in general to be highly competitive. However, anecdotal information received from consumers in specific niche markets within the commercial multi peril line and the fact that premium for this line was written in the surplus lines market in the past five years, would indicate a low competitive level for some niche markets.

COMMERCIAL MULTI-PERIL PACKAGE

EXHIBIT I: MARKET CONCENTRATION

Year	North Dakota			Countrywide		
	4-Firm	20-Firm	Herfindahl Index	4-Firm	20-Firm	Herfindahl Index
	Concentration Ratio	Concentration Ratio		Concentration Ratio	Concentration Ratio	
1993	19.6%	56.6%		14.1%	35.5%	
1994	20.5%	57.0%		12.0%	33.5%	
1995	20.6%	56.8%		10.8%	31.3%	
1996	19.3%	54.1%		11.4%	31.5%	
1997	20.5%	54.2%		11.0%	30.5%	
1998	20.7%	54.6%		11.3%	31.9%	
1999	20.1%	53.8%		9.8%	30.6%	
2000	18.9%	51.5%		9.6%	29.8%	
2001	20.6%	54.6%		10.2%	30.2%	
2002	22.1%	60.3%		10.9%	30.8%	
2003	24.3%	63.8%		11.7%	32.7%	
2004	22.3%	64.6%	(462)	12.1%	34.1%	(332)
2005	24.1%	65.2%	(430)	13.0%	35.7%	(325)
2006	21.7%	64.0%	(422)	12.8%	35.4%	(321)
2007	22.2%	64.8%	(422)	12.9%	35.2%	(328)
2008	25.8%	69.7%	(473)	12.3%	34.3%	(349)
2009	23.7%	67.7%	(473)	12.0%	33.6%	(339)
2010	24.0%	66.7%	(475)	12.2%	33.5%	(338)
2011	23.2%	65.0%	(514)	11.9%	32.7%	(348)
2012	22.2%	63.7%	(507)	11.6%	31.9%	(334)

Benchmarks:

National industries with 4-firm concentration ratios <75% and Herfindahl index <2000, are generally not viewed as highly concentrated.

Merger guidelines of U.S. Dept of Justice

Post-merger market Herfindahl index

> 1,800 - highly concentrated

1,000 < Herfindahl index < 1,800 - moderately concentrated

< 1,000 - unconcentrated

COMMERCIAL MULTI-PERIL PACKAGE

EXHIBIT IIA: NORTH DAKOTA MARKET SHARE REPORT

Year: 2012				Year: 2011				Year: 2010			
<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>	<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>	<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>
Continental Western Ins Co	\$ 10,581	8.3%	8.3%	Continental Western Ins Co	\$ 9,320	8.8%	8.8%	Continental Western Ins Co	\$ 8,441	8.7%	8.7%
Cincinnati Ins Co	\$ 6,907	5.4%	13.8%	Cincinnati Ins Co	\$ 6,343	6.0%	14.8%	Cincinnati Ins Co	\$ 6,258	6.5%	15.2%
Owners Ins Co	\$ 5,494	4.3%	18.1%	Farmers Union Mut Ins Co	\$ 4,602	4.3%	19.1%	Farmers Union Mut Ins Co	\$ 4,295	4.4%	19.7%
Farmers Union Mut Ins Co	\$ 5,152	4.1%	22.2%	State Auto Prop & Cas Ins Co	\$ 4,318	4.1%	23.2%	State Auto Prop & Cas Ins Co	\$ 4,211	4.4%	24.0%
State Auto Prop & Cas Ins Co	\$ 4,872	3.8%	26.0%	Nationwide Agribusiness Ins Co	\$ 4,106	3.9%	27.1%	Farmland Mut Ins Co	\$ 3,919	4.1%	28.1%
Acuity A Mut Ins Co	\$ 4,435	3.5%	29.5%	Acuity A Mut Ins Co	\$ 3,996	3.8%	30.9%	Acuity A Mut Ins Co	\$ 3,525	3.7%	31.7%
Nationwide Agribusiness Ins Co	\$ 4,374	3.4%	32.9%	Owners Ins Co	\$ 3,566	3.4%	34.2%	Nationwide Agribusiness Ins Co	\$ 3,503	3.6%	35.4%
Midwest Family Mut Ins Co	\$ 4,119	3.2%	36.2%	Farmland Mut Ins Co	\$ 3,440	3.2%	37.5%	Owners Ins Co	\$ 3,426	3.5%	38.9%
American Family Mut Ins Co	\$ 3,626	2.9%	39.0%	American Family Mut Ins Co	\$ 3,420	3.2%	40.7%	American Family Mut Ins Co	\$ 3,238	3.4%	42.3%
Farmland Mut Ins Co	\$ 3,612	2.8%	41.9%	Midwest Family Mut Ins Co	\$ 3,396	3.2%	43.9%	State Farm Fire & Cas Co	\$ 2,813	2.9%	45.2%
Grinnell Mut Reins Co	\$ 3,597	2.8%	44.7%	Nodak Mut Ins Co	\$ 3,018	2.9%	46.8%	Midwest Family Mut Ins Co	\$ 2,782	2.9%	48.1%
Nodak Mut Ins Co	\$ 3,451	2.7%	47.4%	Grinnell Mut Reins Co	\$ 2,914	2.8%	49.5%	Grinnell Mut Reins Co	\$ 2,607	2.7%	50.8%
State Farm Fire & Cas Co	\$ 3,069	2.4%	49.8%	State Farm Fire & Cas Co	\$ 2,881	2.7%	52.2%	Nodak Mut Ins Co	\$ 2,542	2.6%	53.4%
Star Ins Co	\$ 2,767	2.2%	52.0%	Amco Ins Co	\$ 2,382	2.2%	54.5%	Amco Ins Co	\$ 2,447	2.5%	55.9%
Amco Ins Co	\$ 2,683	2.1%	54.1%	Guideone Mut Ins Co	\$ 2,316	2.2%	56.7%	Guideone Mut Ins Co	\$ 2,380	2.5%	58.4%
Auto Owners Ins Co	\$ 2,649	2.1%	56.2%	Auto Owners Ins Co	\$ 2,009	1.9%	58.6%	Philadelphia Ind Ins Co	\$ 1,748	1.8%	60.2%
General Cas Co Of WI	\$ 2,471	1.9%	58.2%	Philadelphia Ind Ins Co	\$ 1,980	1.9%	60.4%	Auto Owners Ins Co	\$ 1,671	1.7%	61.9%
Guideone Mut Ins Co	\$ 2,414	1.9%	60.1%	Church Mut Ins Co	\$ 1,632	1.5%	62.0%	General Cas Co Of WI	\$ 1,619	1.7%	63.6%
Philadelphia Ind Ins Co	\$ 2,379	1.9%	62.0%	General Cas Co Of WI	\$ 1,601	1.5%	63.5%	Church Mut Ins Co	\$ 1,565	1.6%	65.2%
Zurich Amer Ins Co	\$ 2,271	1.8%	63.7%	Travelers Prop Cas Co Of Amer	\$ 1,591	1.5%	65.0%	Travelers Prop Cas Co Of Amer	\$ 1,453	1.5%	66.7%

Year: 2009				Year: 2008				Year: 2007			
<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>	<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>	<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>
Continental Western Ins Co	\$ 8,193	8.6%	8.6%	Continental Western Ins Co	\$ 7,645	8.6%	8.6%	Continental Western Ins Co	\$ 6,359	7.3%	7.3%
Cincinnati Ins Co	\$ 6,271	6.6%	15.2%	Cincinnati Ins Co	\$ 6,732	7.6%	16.2%	Cincinnati Ins Co	\$ 5,769	6.6%	13.9%
Farmers Union Mut Ins Co	\$ 4,043	4.3%	19.5%	State Auto Prop & Cas Ins Co	\$ 4,641	5.2%	21.4%	Farmers Union Mut Ins Co	\$ 3,798	4.3%	18.2%
State Auto Prop & Cas Ins Co	\$ 4,016	4.2%	23.7%	Farmers Union Mut Ins Co	\$ 3,873	4.4%	25.8%	American Family Mut Ins Co	\$ 3,459	4.0%	22.2%
Farmland Mut Ins Co	\$ 3,626	3.8%	27.6%	Midwest Family Mut Ins Co	\$ 3,439	3.9%	29.7%	Acuity A Mut Ins Co	\$ 3,414	3.9%	26.1%
Midwest Family Mut Ins Co	\$ 3,487	3.7%	31.2%	Acuity A Mut Ins Co	\$ 3,350	3.8%	33.5%	State Auto Prop & Cas Ins Co	\$ 3,182	3.6%	29.7%
American Family Mut Ins Co	\$ 3,417	3.6%	34.8%	American Family Mut Ins Co	\$ 3,345	3.8%	37.2%	Farmland Mut Ins Co	\$ 3,087	3.5%	33.3%
Nationwide Agribusiness Ins Co	\$ 3,370	3.6%	38.4%	State Farm Fire & Cas Co	\$ 3,235	3.6%	40.9%	State Farm Fire And Cas Co	\$ 3,085	3.5%	36.8%
Acuity A Mut Ins Co	\$ 3,335	3.5%	41.9%	Farmland Mut Ins Co	\$ 3,157	3.6%	44.4%	Midwest Family Mut Ins Co	\$ 2,894	3.3%	40.1%
Amco Ins Co	\$ 3,231	3.4%	45.3%	Amco Ins Co	\$ 3,030	3.4%	47.9%	Amco Ins Co	\$ 2,880	3.3%	43.4%
State Farm Fire & Cas Co	\$ 3,207	3.4%	48.7%	Nationwide Agribusiness Ins Co	\$ 2,541	2.9%	50.7%	Travelers Property Cas Co Of Amer	\$ 2,471	2.8%	46.2%
Owners Ins Co	\$ 3,064	3.2%	51.9%	Owners Ins Co	\$ 2,513	2.8%	53.6%	Owners Ins Co	\$ 2,284	2.6%	48.8%
Grinnell Mut Reins Co	\$ 2,308	2.4%	54.4%	Grinnell Mut Reins Co	\$ 2,139	2.4%	56.0%	Nationwide Agribusiness Ins Co	\$ 2,023	2.3%	51.2%
Nodak Mut Ins Co	\$ 2,206	2.3%	56.7%	Travelers Prop Cas Co Of Amer	\$ 2,081	2.3%	58.3%	Auto Owners Ins Co	\$ 1,956	2.2%	53.4%
Guideone Mut Ins Co	\$ 2,158	2.3%	59.0%	Guideone Mut Ins Co	\$ 1,884	2.1%	60.4%	Grinnell Mut Reins Co	\$ 1,948	2.2%	55.6%
Auto Owners Ins Co	\$ 1,856	2.0%	60.9%	Auto Owners Ins Co	\$ 1,762	2.0%	62.4%	Guideone Mut Ins Co	\$ 1,714	2.0%	57.6%
Phoenix Ins Co	\$ 1,763	1.9%	62.8%	Nodak Mut Ins Co	\$ 1,673	1.9%	64.3%	Harleysville Ins Co	\$ 1,609	1.8%	59.4%
Philadelphia Ind Ins Co	\$ 1,585	1.7%	64.4%	Michigan Millers Mut Ins Co	\$ 1,597	1.8%	66.1%	Federal Ins Co	\$ 1,588	1.8%	61.2%
Travelers Prop Cas Co Of Amer	\$ 1,580	1.7%	66.1%	Harleysville Ins Co	\$ 1,595	1.8%	67.9%	Nodak Mut Ins Co	\$ 1,583	1.8%	63.1%
Church Mut Ins Co	\$ 1,483	1.6%	67.7%	Church Mut Ins Co	\$ 1,562	1.8%	69.7%	Church Mut Ins Co	\$ 1,530	1.8%	64.8%

COMMERCIAL MULTI-PERIL PACKAGE

EXHIBIT IIA: NORTH DAKOTA MARKET SHARE REPORT (by Group)

Year: 2012

<u>Group/Company</u>	<u>Direct WP</u> <u>(in 000s)</u>	<u>Market</u> <u>Share</u>	<u>Cumulative</u>
NATIONWIDE CORP GRP	\$ 16,229	12.8%	12.8%
WR Berkley Corp GRP	\$ 10,703	8.4%	21.2%
Travelers Grp	\$ 8,687	6.8%	28.1%
AUTO OWNERS GRP	\$ 8,144	6.4%	34.5%
CINCINNATI FIN GRP	\$ 7,695	6.1%	40.5%
Farmers Union Mut Ins Co	\$ 5,152	4.1%	44.6%
STATE AUTO MUT GRP	\$ 4,942	3.9%	48.5%
ZURICH INS GRP	\$ 4,888	3.8%	52.3%
Acuity A Mut Ins Co	\$ 4,435	3.5%	55.8%
QBE INS GRP	\$ 4,415	3.5%	59.3%
Midwest Family Mut Ins Co	\$ 4,119	3.2%	62.5%
AMERICAN FAMILY INS GRP	\$ 3,626	2.9%	65.4%
GRINNELL MUT GRP	\$ 3,597	2.8%	68.2%
Nodak Mut Grp	\$ 3,451	2.7%	71.0%
STATE FARM GRP	\$ 3,069	2.4%	73.4%
Chubb Inc Grp	\$ 2,969	2.3%	75.7%
GUIDEONE INS GRP	\$ 2,876	2.3%	78.0%
Meadowbrook Ins Grp	\$ 2,870	2.3%	80.2%
LIBERTY MUT GRP	\$ 2,499	2.0%	82.2%
Tokio Marine Holdings Inc GRP	\$ 2,379	1.9%	84.1%

COMMERCIAL MULTI-PERIL PACKAGE

EXHIBIT IIB: NORTH DAKOTA MARKET SHARE REPORT ENTRIES/EXITS IN TOP 20 WRITERS

Year	# of New Entries/Exits into Top 20 Carriers	Changes within Top 20 Carriers
1993	4	14
1994	2	16
1995	3	13
1996	6	12
1997	2	17
1998	4	14
1999	4	12
2000	6	9
2001	6	9
2002	6	12
2003	1	15
2004	0	14
2005	2	13
2006	1	15
2007	2	12
2008	1	13
2009	2	9
2010	1	13
2011	0	10
2012	2	12

EXHIBIT IIC: NORTH DAKOTA COMMERCIAL MULTI-PERIL PACKAGE MARKET SHARE- SURPLUS (non-licensed)

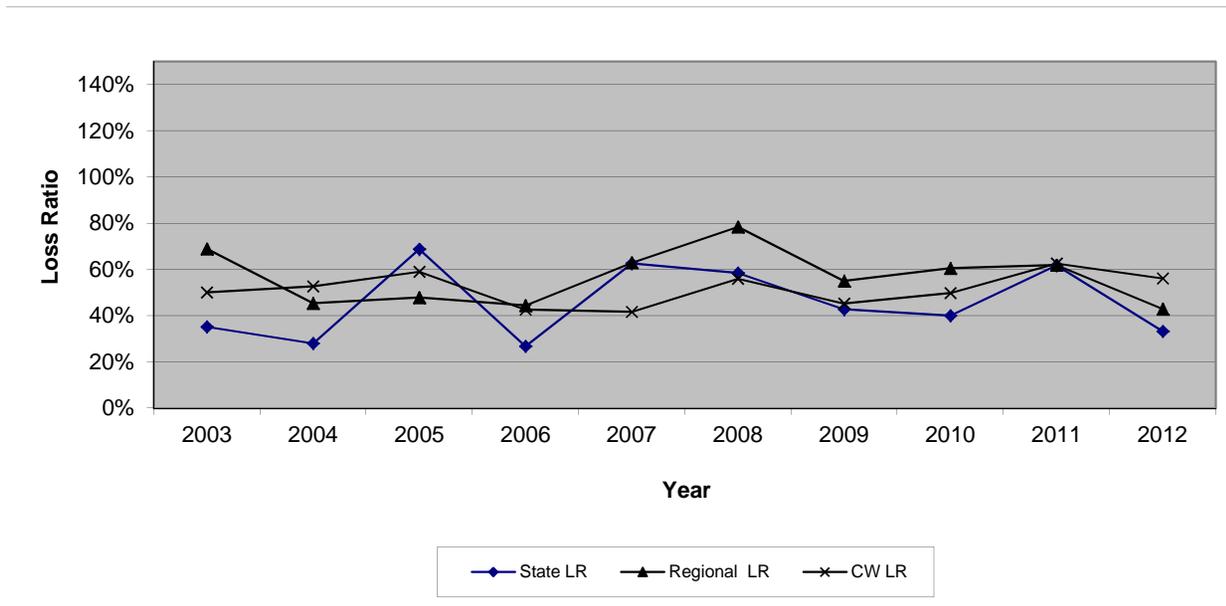
YEAR:	2012		2011		2010
	Direct Written Premium (000s)	Company	Direct Written Premium (000s)	Company	Direct Written Premium (000s)
Scottsdale Ins Co	\$ 961.22	Scottsdale Ins Co	\$ 429.09	Western Heritage Ins Co	\$ 346.74
Steadfast Ins Co	\$ 408.65	Chubb Custom Ins Co	\$ 333.23	Scottsdale Ins Co	\$ 341.42
Western Heritage Ins Co	\$ 374.18	Western Heritage Ins Co	\$ 296.92	Lexington Ins Co	\$ 288.79
Chubb Custom Ins Co	\$ 338.32	Companion Specialty Ins Co	\$ 290.00	Chubb Custom Ins Co	\$ 284.44
Lexington Ins Co	\$ 315.72	Lexington Ins Co	\$ 209.75	Berkley Regional Specialty Ins Co	\$ 170.29
Capitol Specialty Ins Corp	\$ 246.99	Capitol Specialty Ins Corp	\$ 202.36	Capitol Specialty Ins Corp	\$ 80.93
Atlantic Cas Ins Co	\$ 159.38	Berkley Regional Specialty Ins Co	\$ 133.94	Essex Ins Co	\$ 68.21
Liberty Surplus Ins Corp	\$ 131.03	Steadfast Ins Co	\$ 125.41	Penn Star Ins Co	\$ 62.72
Essex Ins Co	\$ 124.32	Atlantic Cas Ins Co	\$ 123.15	Hermitage Ins Co	\$ 56.49
Berkley Regional Specialty Ins Co	\$ 99.40	Essex Ins Co	\$ 73.49	Century Surety Co	\$ 30.41
Hermitage Ins Co	\$ 93.06	Penn Star Ins Co	\$ 68.61	Savers Prop & Cas Ins Co	\$ 26.95
Century Surety Co	\$ 73.57	Hermitage Ins Co	\$ 61.66	Colony Ins Co	\$ 24.36
Penn Star Ins Co	\$ 63.53	Savers Prop & Cas Ins Co	\$ 31.73	Evanston Ins Co	\$ 21.55
Landmark Amer Ins Co	\$ 57.91	Arch Specialty Ins Co	\$ 27.38	Steadfast Ins Co	\$ 20.95
Western World Ins Co	\$ 51.89	Evanston Ins Co	\$ 21.76	American Western Home Ins Co	\$ 19.36
Colony Ins Co	\$ 28.86	Western World Ins Co	\$ 20.02	Catlin Specialty Ins Co	\$ 17.39
Savers Prop & Cas Ins Co	\$ 28.81	Colony Ins Co	\$ 16.87	Atlantic Cas Ins Co	\$ 15.00
Arch Specialty Ins Co	\$ 23.84	Catlin Specialty Ins Co	\$ 12.62	Western World Ins Co	\$ 14.69
Canopus US Ins	\$ 23.68	Houston Cas Co	\$ 12.24	Philadelphia Ins Co	\$ 13.43
Catlin Specialty Ins Co	\$ 19.10	Liberty Surplus Ins Corp	\$ 9.67	Omega US Ins Inc	\$ 13.01
Columbia Cas Co	\$ 18.95	Century Surety Co	\$ 7.63	Columbia Cas Co	\$ 12.90
Acceptance Ind Ins Co	\$ 18.03	Columbia Cas Co	\$ 7.48	Seneca Specialty Ins Co	\$ 5.56
Houston Cas Co	\$ 15.76	Tudor Ins Co	\$ 6.20	Gemini Ins Co	\$ 4.01
Hudson Specialty Ins Co	\$ 15.18	American Western Home Ins Co	\$ 6.15	Burlington Ins Co	\$ 3.66
Mesa Underwriters Specialty Ins Co	\$ 13.96	Omega US Ins Inc	\$ 5.98	Firemans Fund Ins Co Of OH	\$ 3.33
American Safety Ind Co	\$ 11.51	American Safety Ind Co	\$ 5.61	Great Amer E&S Ins Co	\$ 2.75
American Empire Surplus Lines Ins C	\$ 10.05	Landmark Amer Ins Co	\$ 4.78	Acceptance Ind Ins Co	\$ 2.47
Tudor Ins Co	\$ 6.40	American Empire Surplus Lines Ins C	\$ 3.73	Endurance Amer Specialty Ins Co	\$ 2.00
Burlington Ins Co	\$ 4.52	Acceptance Ind Ins Co	\$ 3.46	Montpelier US Ins Co	\$ 1.48
Seneca Specialty Ins Cc	\$ 4.13	Great Amer E&S Ins Co	\$ 2.29	Tudor Ins Co	\$ 0.10
AIX Specialty Ins Co	\$ 3.81	Burlington Ins Co	\$ 2.26		\$ 1,955.39
Great Amer E&S Ins Co	\$ 2.67	Seneca Specialty Ins Co	\$ 1.12		
Covington Specialty Ins Co	\$ 2.17	Everest Ind Ins Co	\$ 0.70		
Endurance Amer Specialty Ins Co	\$ 0.03	Philadelphia Ins Cc	\$ 0.00		
	\$ 3,750.60		\$ 2,557.30		

YEAR:	2009		2008		2007
	Direct Written Premium (000s)	Company	Direct Written Premium (000s)	Company	Direct Written Premium (000s)
Western Heritage Ins Co	\$ 319.57	Lexington Ins Co	\$ 411.66	Lexington Ins Co	\$ 597.81
Scottsdale Ins Co	\$ 294.45	Scottsdale Ins Co	\$ 263.53	Western Heritage Ins Co	\$ 315.77
Berkley Regional Specialty Ins Co	\$ 165.42	Western Heritage Ins Co	\$ 247.41	Scottsdale Ins Co	\$ 250.62
Lexington Ins Co	\$ 153.15	Capitol Specialty Ins Corp	\$ 132.24	Penn Star Ins Co	\$ 162.13
Capitol Specialty Ins Corp	\$ 110.86	Penn Star Ins Co	\$ 106.19	Everest Ind Ins Co	\$ 127.62
Hermitage Ins Co	\$ 95.77	Berkley Regional Specialty Ins Co	\$ 96.39	Hermitage Ins Co	\$ 102.42
Chubb Custom Ins Co	\$ 80.74	Hermitage Ins Co	\$ 83.34	Capitol Specialty Ins Corp	\$ 92.84
Penn Star Ins Co	\$ 77.96	Everest Ind Ins Co	\$ 75.94	Berkley Regional Specialty Ins Co	\$ 55.82
Everest Ind Ins Co	\$ 70.98	Century Surety Co	\$ 52.99	Colony Ins Co	\$ 53.51
Century Surety Co	\$ 41.70	Evanston Ins Co	\$ 35.36	Evanston Ins Co	\$ 47.38
Essex Ins Co	\$ 31.37	Catlin Specialty Ins Co	\$ 31.93	Century Surety Co	\$ 42.70
Colony Ins Co	\$ 23.37	Colony Ins Co	\$ 29.77	Catlin Specialty Ins Co	\$ 27.26
Evanston Ins Co	\$ 21.55	Essex Ins Co	\$ 27.33	Chubb Custom Ins Co	\$ 19.94
Catlin Specialty Ins Co	\$ 16.13	Chubb Custom Ins Co	\$ 18.30	Tudor Ins Co	\$ 14.89
Steadfast Ins Co	\$ 15.81	Steadfast Ins Co	\$ 17.90	Steadfast Ins Co	\$ 10.76
Philadelphia Ins Co	\$ 13.25	Atlantic Cas Ins Co	\$ 15.98	Burlington Ins Co	\$ 10.75
National Fire & Marine Ins Co	\$ 12.97	Tudor Ins Co	\$ 11.29	Essex Ins Co	\$ 6.63
American Western Home Ins Co	\$ 8.70	Philadelphia Ins Co	\$ 9.14	Atlantic Cas Ins Co	\$ 5.18
Savers Prop & Cas Ins Co	\$ 8.66	American Western Home Ins Co	\$ 7.30	Western World Ins Co	\$ 4.83
Atlantic Cas Ins Co	\$ 8.22	Western World Ins Co	\$ 6.58	Acceptance Ind Ins Co	\$ 4.08
Burlington Ins Co	\$ 7.61	Burlington Ins Co	\$ 5.74	Columbia Cas Co	\$ 1.91
Western World Ins Co	\$ 6.76	Acceptance Ind Ins Co	\$ 4.02	Navigators Specialty Ins Co	\$ 0.15
Seneca Specialty Ins Cc	\$ 5.95	Columbia Cas Co	\$ 1.30	Empire Ind Ins Cc	\$ 0.12
Columbia Cas Co	\$ 4.74	First Mercury Ins Cc	\$ 0.75		\$ 1,955.09
Acceptance Ind Ins Co	\$ 4.27		\$ 1,692.35		
Great Amer E&S Ins Co	\$ 3.22				
Montpelier US Ins Co	\$ 1.36				
Landmark Amer Ins Co	\$ 1.08				
First Mercury Ins Co	\$ 0.75				
American Farmers & Ranchers Ins Co	\$ 0.16				
	\$ 1,606.51				

COMMERCIAL MULTI-PERIL PACKAGE

EXHIBIT III: HISTORICAL LOSS RATIOS

Year	Statewide Loss Ratio	Regional Loss Ratio	Countrywide Loss Ratio
2003	35%	69%	50%
2004	28%	45%	53%
2005	69%	48%	59%
2006	27%	44%	43%
2007	63%	63%	42%
2008	58%	78%	56%
2009	43%	55%	45%
2010	40%	61%	50%
2011	62%	62%	63%
2012	33%	43%	56%

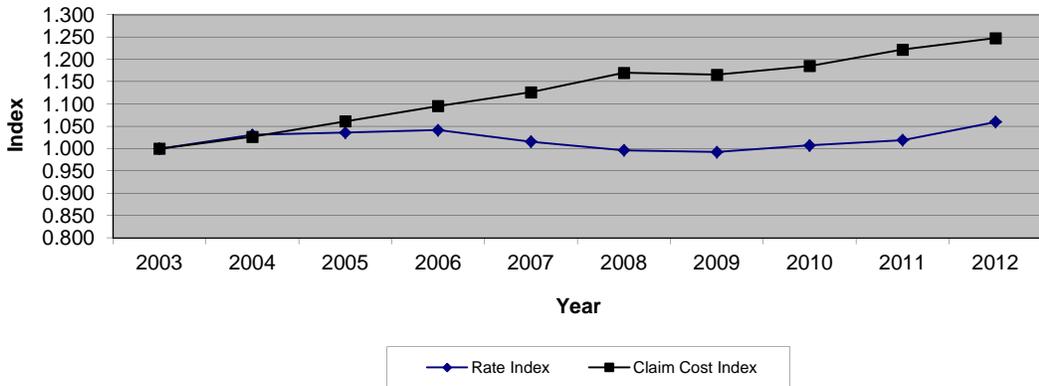


COMMERCIAL MULTI-PERIL PACKAGE

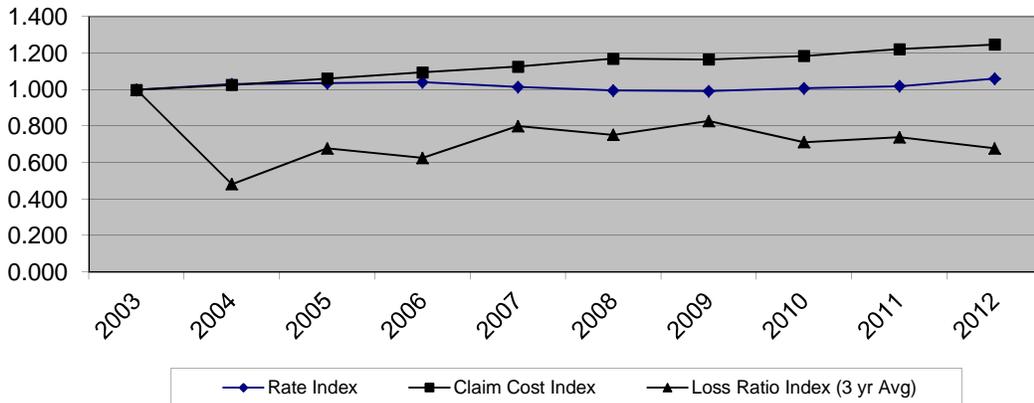
EXHIBIT IV: LOSS RATIO VS. RATE CHANGES VS. COST INDICES

Year	Composite Rate Index	Relevant Claim Cost Index	Statewide 3 Yr LR Index
2003	1.000	1.000	1.000
2004	1.031	1.027	0.482
2005	1.036	1.061	0.678
2006	1.042	1.096	0.626
2007	1.016	1.127	0.801
2008	0.996	1.170	0.752
2009	0.992	1.166	0.829
2010	1.008	1.185	0.712
2011	1.019	1.222	0.739
2012	1.060	1.248	0.678

Rate Index vs. Claim Cost Index



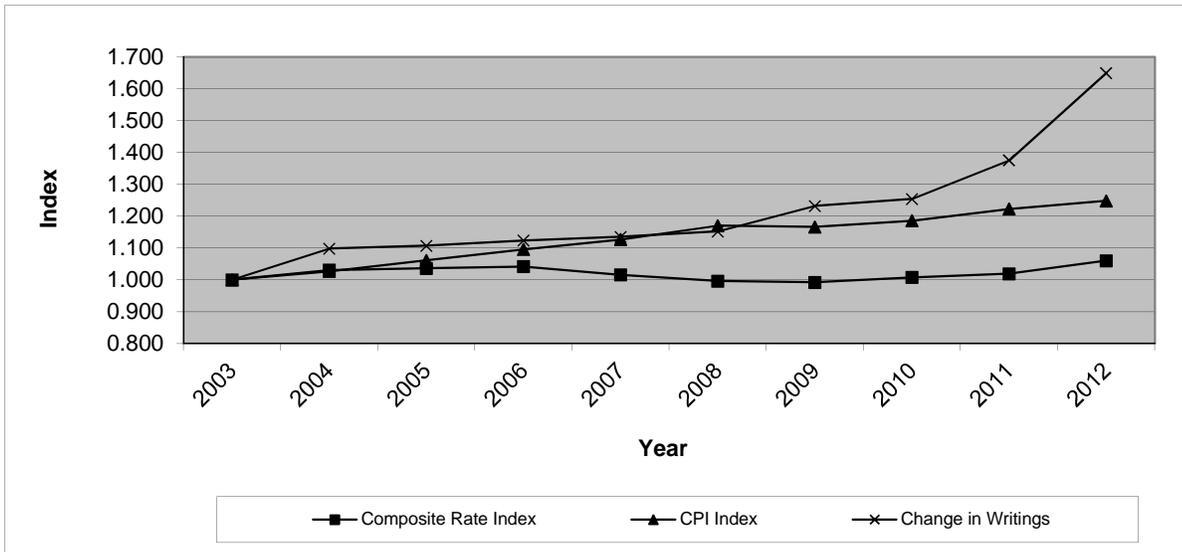
Rate Index vs. Claim Cost Index vs. LR Index



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EXHIBIT V: CHANGE IN PREMIUM WRITINGS

Year	Statewide Written Premium	Change in Writings	Indexed	Composite Rate Index	Consumer Price Index
2003	\$ 77,000		1.00	1.000	1.000
2004	\$ 84,529	9.8%	1.10	1.031	1.027
2005	\$ 85,253	0.9%	1.11	1.036	1.061
2006	\$ 86,503	1.5%	1.12	1.042	1.096
2007	\$ 87,386	1.0%	1.13	1.016	1.127
2008	\$ 88,696	1.5%	1.15	0.996	1.170
2009	\$ 94,867	7.0%	1.23	0.992	1.166
2010	\$ 96,561	1.8%	1.25	1.008	1.185
2011	\$ 105,888	9.7%	1.38	1.019	1.222
2012	\$ 126,961	19.9%	1.65	1.060	1.248



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EXHIBIT VI: FIELD MARKET SURVEY

2012 Survey not available

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EXHIBIT VII – RESIDUAL MARKET POPULATION

North Dakota does not have a residual market mechanism for Commercial Lines.

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EXHIBIT VIII - MATRIX OF INDICATORS

Factor	Competitive Level		
	Low	Moderate	High
Market Concentration (Herfindahl index)			XX
Market Share Analysis –Market Share Changes			XX
Market Share Analysis –Company Changes		XX	
Market Share Analysis – Surplus (non-licensed)		XX	
Historical Loss Ratios (Statewide, Regional, and Countrywide)	NA	NA	NA
Loss Ratios vs Rate Change vs Claims Cost Indexes			XX
Change in Premium Writings	NA	NA	NA
Field Market Survey Results-October 2012	NA	NA	NA
Residual Market Population			XX

Final ranking based upon all factors: High

Addendum 4 Narrative Summary – Farmowners

The market analysis components found in the attached exhibits for farmowners are summarized below:

Exhibit I -Market Concentration (Herfindahl index)

The Herfindahl index indicates that the market is moderately concentrated. The 4-firm concentration ratio (68.9%) and 20-firm concentration ratio (99.5%) are high, indicating a highly concentrated, non-competitive market.

The index for North Dakota compared to countrywide, indicates the North Dakota market is significantly more concentrated than the countywide market. Some of this difference is due to the fact North Dakota is a relatively small volume market that is more easily dominated by a regional carriers.

Exhibit II-A - Market Share Analysis –Market Share Changes

The top carriers have remained largely the same over the past six years.

The total market share of the top four carriers has hovered at approximately 68%. The total market share of the top 20 companies combined has consistently been over 99% of the market.

These statistics indicate that this market is not competitive.

Exhibit II-B – Market Share Analysis –Company Changes

The number of companies entering and leaving the top 20 is low, indicating a non-competitive market.

Exhibit II-C – Market Share Analysis – Surplus (non-licensed)

The fact there is no business written in the surplus market suggests the market is competitive.

Exhibit III – Historical Loss Ratios (Statewide, Regional, and Countrywide)

With the exception of calendar years 2010 and 2011, the farmowners line of insurance has been profitable over the past decade.

This information by itself is not an indicator of the competitive level of the market.

Exhibit IV – Loss Ratios vs Rate Change vs Claims Cost Indexes

Rate changes have tracked somewhat with the Housing CPI index, while loss ratios have been generally profitable. This suggests that the Farmowners line is moderately competitive.

Exhibit V – Change in Premium Writings

The statewide premium volume has doubled since 2003. Filed rate changes account for 20% of this increase. Factors contributing to the difference between the two indices include inflationary pressures (CPI Index) and rating tools, such as experience and schedule rating, that allow insurers to adjust rates for individual risks without having to file a rate change with our department.

This information does not give a clear indication of the line's overall competitiveness.

Exhibit VI – Field Market Survey Results-September 2012

The 2012 field market survey is unavailable for this report.

Exhibit VII – Residual Market Population

There is no residual market mechanism for farmowners in North Dakota. Consumers who cannot get insurance through the admitted market must either look for coverage in the surplus lines market, or go without.

The absence of the need for a residual market mechanism is an indicator of a competitive market.

Exhibit VIII – Matrix of Indicators

The Herfindahl index, Market Share Changes and Market Share Company Changes indicate a non-competitive market. The loss ratios versus rate change versus claims cost index comparison indicates a moderately competitive market. The lack of both a residual market mechanism and a surplus lines market suggest a competitive market.

Final assessment

The evaluation of the market through the year 2012 indicates a non-competitive market. In determining what the overall market trend and competitive level are, more weight is given to the Herfindahl index and market share changes, as these are statistically sound indicators.

FARMOWNERS

EXHIBIT I: MARKET CONCENTRATION

Year	North Dakota			Countrywide		
	4-Firm	20-Firm	Herfindahl Index	4-Firm	20-Firm	Herfindahl Index
	Concentration Ratio	Concentration Ratio		Concentration Ratio	Concentration Ratio	
1993	73.1%	99.5%		19.3%	51.0%	
1994	72.9%	99.3%		17.7%	48.4%	
1995	71.0%	99.2%		17.5%	47.8%	
1996	71.8%	99.5%		17.4%	48.3%	
1997	71.7%	99.3%		17.3%	48.1%	
1998	71.8%	99.3%		17.2%	49.3%	
1999	71.0%	99.5%		16.7%	49.3%	
2000	69.4%	99.5%		16.1%	47.3%	
2001	69.3%	99.5%		18.7%	49.5%	
2002	70.3%	99.6%		18.4%	50.4%	
2003	68.3%	99.7%		20.5%	52.1%	
2004	68.1%	99.7%	(1728)	20.6%	52.2%	(283)
2005	69.0%	99.8%	(1755)	20.5%	52.3%	(280)
2006	69.2%	99.7%	(1723)	20.6%	53.5%	(289)
2007	69.9%	99.5%	(1777)	20.6%	53.6%	(295)
2008	67.6%	99.4%	(1606)	20.8%	53.3%	(304)
2009	68.2%	99.4%	(1610)	20.7%	53.1%	(309)
2010	68.6%	99.3%	(1618)	20.1%	53.0%	(305)
2011	68.9%	99.5%	(1639)	20.5%	54.0%	(317)
2012	68.6%	99.5%	(1623)	21.0%	55.2%	(329)

Benchmarks:

National industries with 4-firm concentration ratios <75% and Herfindahl index <2000, are generally not viewed as highly concentrated.

Merger guidelines of U.S. Dept of Justice

Post-merger market Herfindahl index

> 1,800 - highly concentrated

1,000 < Herfindahl index < 1,800 - moderately concentrated

< 1,000 - unconcentrated

FARMOWNERS

EXHIBIT IIA: NORTH DAKOTA MARKET SHARE REPORT

Year: 2012				Year: 2011				Year: 2010			
<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>	<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>	<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>
Nodak Mut Ins Co	\$ 24,938	27.8%	27.8%	Nodak Mut Ins Co	\$ 22,082	27.7%	27.7%	Nodak Mut Ins Co	\$ 19,203	26.9%	26.9%
Farmers Union Mut Ins Co	\$ 21,996	24.5%	52.2%	Farmers Union Mut Ins Co	\$ 19,909	25.0%	52.7%	Farmers Union Mut Ins Co	\$ 18,173	25.5%	52.4%
North Star Mut Ins Co	\$ 8,723	9.7%	61.9%	North Star Mut Ins Co	\$ 7,381	9.3%	62.0%	North Star Mut Ins Co	\$ 6,304	8.8%	61.2%
American Family Mut Ins Co	\$ 5,981	6.7%	68.6%	American Family Mut Ins Co	\$ 5,479	6.9%	68.9%	American Family Mut Ins Co	\$ 5,235	7.3%	68.6%
Meridian Citizens Mut Ins Co	\$ 4,510	5.0%	73.6%	Meridian Citizens Mut Ins Co	\$ 4,038	5.1%	73.9%	Meridian Citizens Mut Ins Co	\$ 3,633	5.1%	73.7%
Farmers Alliance Mut Ins Co	\$ 4,090	4.6%	78.2%	Farmers Alliance Mut Ins Co	\$ 3,561	4.5%	78.4%	State Farm Fire & Cas Co	\$ 3,293	4.6%	78.3%
Nationwide Mut Ins Co	\$ 3,889	4.3%	82.5%	State Farm Fire & Cas Co	\$ 3,457	4.3%	82.7%	Farmers Alliance Mut Ins Co	\$ 3,163	4.4%	82.7%
Center Mut Ins Co	\$ 3,785	4.2%	86.7%	Nationwide Mut Ins Co	\$ 3,316	4.2%	86.9%	Center Mut Ins Co	\$ 2,997	4.2%	86.9%
State Farm Fire & Cas Co	\$ 3,744	4.2%	90.9%	Center Mut Ins Co	\$ 3,304	4.1%	91.1%	Nationwide Mut Ins Co	\$ 2,620	3.7%	90.6%
Secura Ins A Mut Co	\$ 1,984	2.2%	93.1%	Northwest Gf Mut Ins Co	\$ 1,640	2.1%	93.1%	Northwest Gf Mut Ins Co	\$ 1,497	2.1%	92.7%
Northwest Gf Mut Ins Co	\$ 1,963	2.2%	95.3%	Secura Ins A Mut Co	\$ 1,570	2.0%	95.1%	Secura Ins A Mut Co	\$ 1,283	1.8%	94.5%
Auto Owners Ins Co	\$ 1,034	1.2%	96.4%	Auto Owners Ins Co	\$ 902	1.1%	96.2%	Auto Owners Ins Co	\$ 843	1.2%	95.7%
Travelers Ind Co Of Amer	\$ 443	0.5%	96.9%	American Ins Co	\$ 534	0.7%	96.9%	National Surety Corp	\$ 550	0.8%	96.4%
National Surety Corp	\$ 416	0.5%	97.4%	Travelers Ind Co Of Amer	\$ 469	0.6%	97.5%	American Ins Co	\$ 464	0.7%	97.1%
Firemans Fund Ins Co	\$ 355	0.4%	97.8%	Firemans Fund Ins Co	\$ 392	0.5%	98.0%	Travelers Ind Co Of Amer	\$ 438	0.6%	97.7%
American Ins Co	\$ 332	0.4%	98.2%	National Surety Corp	\$ 301	0.4%	98.3%	Great Amer Ins Co	\$ 317	0.4%	98.1%
Travelers Ind Co	\$ 331	0.4%	98.5%	American Economy Ins Co	\$ 277	0.3%	98.7%	American Economy Ins Co	\$ 288	0.4%	98.5%
American Economy Ins Co	\$ 317	0.4%	98.9%	Great Amer Ins Co	\$ 261	0.3%	99.0%	Travelers Ind Co	\$ 183	0.3%	98.8%
Great Amer Ins Co	\$ 271	0.3%	99.2%	Owners Ins Co	\$ 209	0.3%	99.3%	Owners Ins Co	\$ 169	0.2%	99.0%
Owners Ins Co	\$ 251	0.3%	99.5%	Travelers Ind Co	\$ 175	0.2%	99.5%	American States Ins Co	\$ 163	0.2%	99.3%

Year: 2009				Year: 2008				Year: 2007			
<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>	<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>	<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>
Nodak Mut Ins Co	\$ 17,277	26.7%	26.7%	Nodak Mut Ins Co	\$ 15,489	26.1%	26.1%	Nodak Mut Ins Co	\$ 18,379	31.1%	31.1%
Farmers Union Mut Ins Co	\$ 16,485	25.5%	52.2%	Farmers Union Mut Ins Co	\$ 15,396	26.0%	52.1%	Farmers Union Mut Ins Co	\$ 14,374	24.3%	55.4%
North Star Mut Ins Co	\$ 5,368	8.3%	60.5%	North Star Mut Ins Co	\$ 4,829	8.1%	60.3%	North Star Mut Ins Co	\$ 4,496	7.6%	63.1%
American Family Mut Ins Co	\$ 4,944	7.6%	68.2%	American Family Mut Ins Co	\$ 4,342	7.3%	67.6%	American Family Mut Ins Co	\$ 4,063	6.9%	69.9%
State Farm Fire & Cas Co	\$ 3,371	5.2%	73.4%	State Farm Fire & Cas Co	\$ 3,464	5.8%	73.4%	State Farm Fire And Cas Co	\$ 3,306	5.6%	75.5%
Meridian Citizens Mut Ins Co	\$ 3,258	5.0%	78.4%	Meridian Citizens Mut Ins Co	\$ 2,937	5.0%	78.4%	Center Mut Ins Co	\$ 2,842	4.8%	80.3%
Farmers Alliance Mut Ins Co	\$ 2,872	4.4%	82.9%	Center Mut Ins Co	\$ 2,842	4.8%	83.2%	Meridian Citizens Mut Ins Co	\$ 2,540	4.3%	84.6%
Center Mut Ins Co	\$ 2,860	4.4%	87.3%	Farmers Alliance Mut Ins Co	\$ 2,751	4.6%	87.8%	Farmers Alliance Mut Ins Co	\$ 2,468	4.2%	88.8%
Nationwide Mut Ins Co	\$ 2,380	3.7%	91.0%	Nationwide Mut Ins Co	\$ 2,107	3.6%	91.4%	Nationwide Mut Ins Co	\$ 1,965	3.3%	92.1%
Northwest Gf Mut Ins Co	\$ 1,161	1.8%	92.8%	Northwest Gf Mut Ins Co	\$ 1,106	1.9%	93.3%	Northwest Gf Mut Ins Co	\$ 991	1.7%	93.8%
Secura Ins A Mut Co	\$ 1,098	1.7%	94.5%	Secura Ins A Mut Co	\$ 798	1.3%	94.6%	American Ins Co	\$ 700	1.2%	95.0%
Auto Owners Ins Co	\$ 766	1.2%	95.7%	Auto Owners Ins Co	\$ 621	1.0%	95.6%	Secura Ins A Mut Co	\$ 514	0.9%	95.9%
American Ins Co	\$ 524	0.8%	96.5%	American Ins Co	\$ 450	0.8%	96.4%	Auto Owners Ins Co	\$ 493	0.8%	96.7%
National Surety Corp	\$ 465	0.7%	97.2%	National Surety Corp	\$ 421	0.7%	97.1%	National Surety Corp	\$ 463	0.8%	97.5%
American Economy Ins Co	\$ 332	0.5%	97.7%	American Economy Ins Co	\$ 404	0.7%	97.8%	American Economy Ins Co	\$ 459	0.8%	98.3%
Travelers Ind Co Of Amer	\$ 306	0.5%	98.2%	Great Amer Ins Co	\$ 249	0.4%	98.2%	Great Amer Ins Co	\$ 216	0.4%	98.6%
Great Amer Ins Co	\$ 269	0.4%	98.6%	Travelers Ind Co Of Amer	\$ 237	0.4%	98.6%	American States Ins Co	\$ 181	0.3%	98.9%
American States Ins Co	\$ 222	0.3%	98.9%	American States Ins Co	\$ 207	0.3%	99.0%	Travelers Ind Co Of Amer	\$ 112	0.2%	99.1%
Travelers Ind Co	\$ 146	0.2%	99.2%	Travelers Ind Co	\$ 119	0.2%	99.2%	Great Amer Alliance Ins Co	\$ 106	0.2%	99.3%
Owners Ins Co	\$ 132	0.2%	99.4%	Great Amer Alliance Ins Co	\$ 110	0.2%	99.4%	Firemans Fund Ins Co	\$ 102	0.2%	99.5%

FARMOWNERS

EXHIBIT IIA: NORTH DAKOTA MARKET SHARE REPORT (by Group)

Year: 2012

<u>Company</u>	<u>Direct WP</u> <u>(in 000s)</u>	<u>Market</u> <u>Share</u>	<u>Cumulative</u>
Nodak Mut Grp	\$ 24,938	27.8%	27.8%
Farmers Union Mut Ins Co	\$ 21,996	24.5%	52.2%
NORTH STAR CO GRP	\$ 8,723	9.7%	61.9%
AMERICAN FAMILY INS GRP	\$ 5,981	6.7%	68.6%
STATE AUTO MUT GRP	\$ 4,510	5.0%	73.6%
ALLIANCE INS GRP	\$ 4,090	4.6%	78.2%
NATIONWIDE CORP GRP	\$ 3,902	4.3%	82.5%
Center Mut Ins Co	\$ 3,785	4.2%	86.7%
STATE FARM GRP	\$ 3,744	4.2%	90.9%
Secura Ins Grp	\$ 1,984	2.2%	93.1%
Northwest Gf Mut Ins Co	\$ 1,963	2.2%	95.3%
AUTO OWNERS GRP	\$ 1,285	1.4%	96.7%
ALLIANZ INS GRP	\$ 1,103	1.2%	98.0%
Travelers Grp	\$ 935	1.0%	99.0%
LIBERTY MUT GRP	\$ 469	0.5%	99.5%
American Financial Grp	\$ 399	0.4%	100.0%
Ace Ltd Grp	\$ 21	0.0%	100.0%
Assurant Inc Grp	\$ 8	0.0%	100.0%
MARKEL CORP GRP	\$ 5	0.0%	100.0%
Country Ins & Fin Serv Grp	\$ 0	0.0%	100.0%

FARMOWNERS

EXHIBIT IIB: NORTH DAKOTA MARKET SHARE REPORT ENTRIES/EXITS IN TOP 20 WRITERS

Year	# of New Entries/Exits into Top 20 Carriers	Changes within Top 20 Carriers
1992	0	7
1993	1	8
1994	0	9
1995	1	8
1996	2	7
1997	1	9
1998	3	11
1999	2	8
2000	2	10
2001	2	15
2002	2	11
2003	2	5
2004	4	12
2005	0	11
2006	2	9
2007	2	6
2008	0	9
2009	1	4
2010	0	10
2011	1	9
2012	0	11

EXHIBIT IIC: NORTH DAKOTA FARMOWNERS MARKET SHARE- SURPLUS (non-licensed)

YEAR:	2012		2011		2010
	Direct Written Premium		Direct Written Premium		Direct Written Premium
<u>Company</u>	<u>(000s)</u>	<u>Company</u>	<u>(000s)</u>	<u>Company</u>	<u>(000s)</u>
	None		None		None

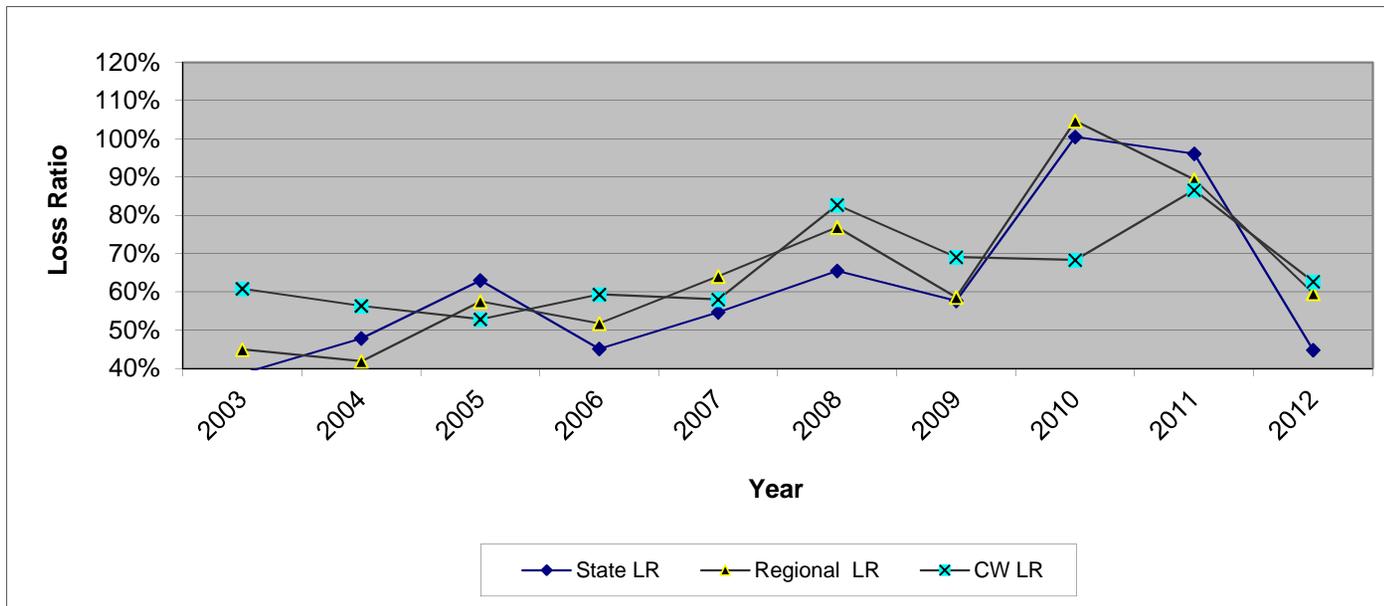
YEAR:	2009		2008		2007
	Direct Written Premium		Direct Written Premium		Direct Written Premium
<u>Company</u>	<u>(000s)</u>	<u>Company</u>	<u>(000s)</u>	<u>Company</u>	<u>(000s)</u>
	None		None		None

YEAR:	2006		2005		2004
	Direct Written Premium		Direct Written Premium		Direct Written Premium
<u>Company</u>	<u>(000s)</u>	<u>Company</u>	<u>(000s)</u>	<u>Company</u>	<u>(000s)</u>
	None		None		None

FARMOWNERS

EXHIBIT III: HISTORICAL LOSS RATIOS

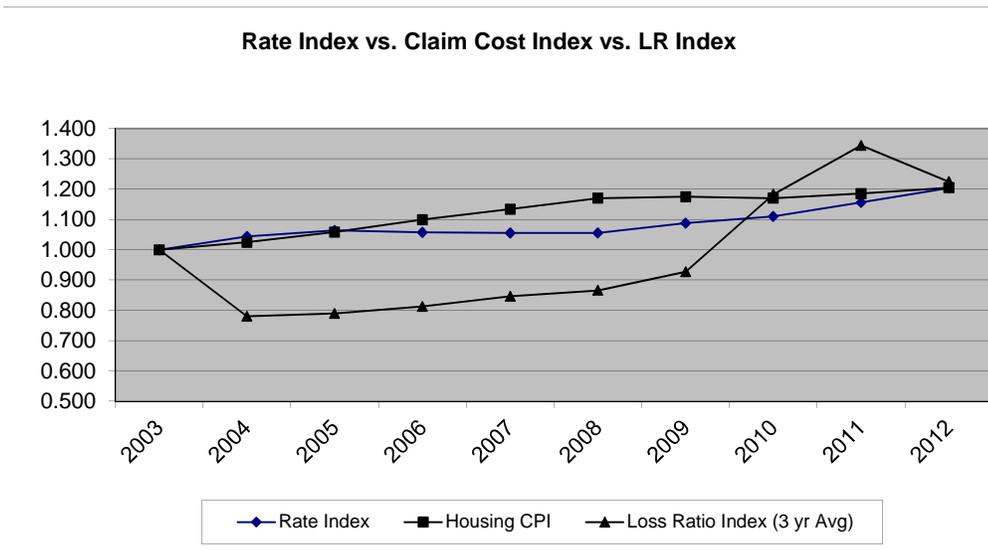
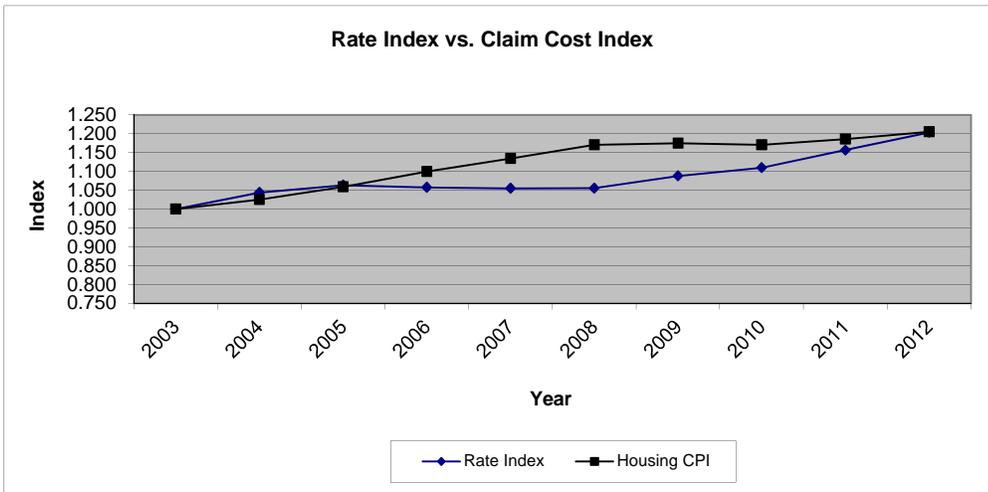
Year	Statewide Loss Ratio	Regional Loss Ratio	Countrywide Loss Ratio
2003	39%	45%	61%
2004	48%	42%	56%
2005	63%	58%	53%
2006	45%	52%	59%
2007	55%	64%	58%
2008	65%	77%	83%
2009	58%	59%	69%
2010	101%	105%	68%
2011	96%	89%	87%
2012	45%	60%	63%



FARMOWNERS

EXHIBIT IV: LOSS RATIO VS. RATE CHANGES VS. COST INDICES

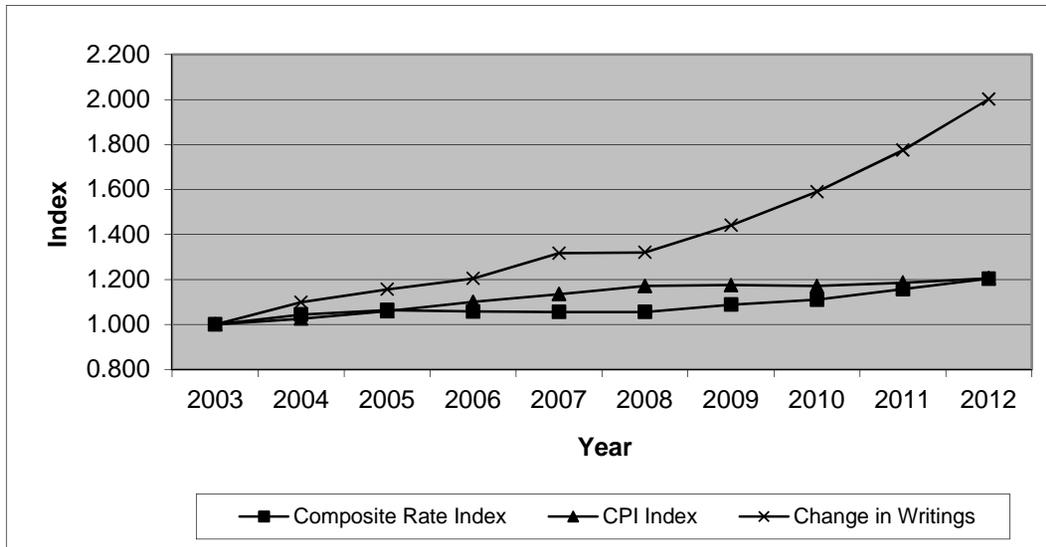
Year	Composite Rate Index	Relevant Housing CPI	Statewide 3 Yr LR Index
2003	1.000	1.000	1.000
2004	1.044	1.025	0.781
2005	1.063	1.059	0.790
2006	1.058	1.100	0.813
2007	1.055	1.134	0.847
2008	1.055	1.170	0.866
2009	1.088	1.175	0.928
2010	1.110	1.170	1.183
2011	1.157	1.186	1.344
2012	1.203	1.205	1.225



FARMOWNERS

EXHIBIT V: CHANGE IN PREMIUM WRITINGS

Year	Statewide Written Premium (\$)	Change in Writings (%)	Indexed	Composite Rate Index	Consumer Price Index
2003	44,884		1.00	1.000	1.000
2004	49,296	9.8%	1.10	1.044	1.025
2005	51,889	5.3%	1.16	1.063	1.059
2006	54,049	4.2%	1.20	1.058	1.100
2007	59,077	9.3%	1.32	1.055	1.134
2008	59,260	0.3%	1.32	1.055	1.170
2009	64,644	9.1%	1.44	1.088	1.175
2010	71,343	10.4%	1.59	1.110	1.170
2011	79,654	11.7%	1.77	1.157	1.186
2012	89,841	12.8%	2.00	1.203	1.205



FARMOWNERS

EXHIBIT VI: FIELD MARKET SURVEY

2012 Survey not available

FARMOWNERS

EXHIBIT VII – RESIDUAL MARKET POPULATION

North Dakota does not have a residual market mechanism for Farmowners.

FARMOWNERS

EXHIBIT VIII - MATRIX OF INDICATORS

Factor	Competitive Level		
	Low	Moderate	High
Market Concentration (Herfindahl index)	XX		
Market Share Analysis –Market Share Changes	XX		
Market Share Analysis –Company Changes	XX		
Market Share Analysis – Surplus (non-licensed)			XX
Historical Loss Ratios (Statewide, Regional, and Countrywide)	NA	NA	NA
Loss Ratios vs Rate Change vs Claims Cost Indexes		XX	
Change in Premium Writings	NA	NA	NA
Field Market Survey Results-October 2012	NA	NA	NA
Residual Market Population			XX

Final ranking based upon all factors: Low

Addendum 5 Narrative Summary – Homeowners

The market analysis components found in the attached exhibits for homeowners are summarized below:

Exhibit I -Market Concentration (Herfindahl index)

The Herfindahl indices and concentration ratios are below the national benchmarks for a concentrated market, and have decreased slightly over the past few years. This is indicative of a highly competitive market.

The index for North Dakota compared to countrywide, indicates the North Dakota market is more concentrated than the countywide market. Some of this difference is due to the fact that North Dakota is a relatively small volume market that is more easily dominated by regional carriers.

Exhibit II-A - Market Share Analysis –Market Share Changes

The top six writers have been the same over the past six years, - an indication that market is less than competitive. However their combined market share has hovered at approximately 63%, while the combined market share of the top 20 companies has been less than 91%.

This information suggests that the market is moderately competitive.

Exhibit II-B – Market Share Analysis –Company Changes

The number of companies entering and leaving the top 20 is low, however there is still significant movement among the top 20 carriers. This indicates that the market is moderately competitive.

Exhibit II-C-Market Share Analysis – Surplus (non-licensed)

The total amount of business written in the surplus lines market for the Homeowner line is minimal. This low volume suggests the market is competitive.

Exhibit III – Historical Loss Ratios (Statewide, Regional, and Countrywide)

Loss experience over the past four calendar years suggests this line of insurance has been profitable in North Dakota. However the high loss ratios in 2005 and 2007 serve as reminders as to how sensitive this line can be to weather-related catastrophes.

This information by itself is not an indicator of the competitive level of the market.

Exhibit IV – Loss Ratios vs Rate Change vs Claims Cost Indexes

Since 2008, we have seen a gradual increase in rates despite a relatively flat CPI index, and improving loss ratios. This suggests that the market is non-competitive. We caveat this assessment by noting that part of the ratemaking process for this line of insurance focuses on catastrophic losses, usually averaged over a much longer time period.

Exhibit V – Change in Premium Writings

The statewide premium volume has increased 78% since 2003. Much of this increase is attributable to rate changes.

This information by itself is not an indicator of competitiveness.

Exhibit VI – Field Market Survey Results-September 2012

The 2012 field market survey is unavailable for this report.

Exhibit VII – Residual Market Population

There is currently no residual market mechanism for homeowners in North Dakota, which normally suggests a highly competitive market. This observation is tempered however by the fact statutory authority was granted to the commissioner to implement a placement facility should it be determined that there is a lack of availability in the marketplace.

Exhibit VIII – Matrix of Indicators

The Herfindahl index, the Surplus lines market analysis and the lack of a residual market mechanism indicate a highly competitive market. Loss Ratio vs Rate Changes exhibit indicates a non-competitive market. All other indicators suggest a moderately competitive market.

Final assessment

The evaluation of the market through the year 2012 indicates a moderately competitive market.

HOMEOWNERS

EXHIBIT I: MARKET CONCENTRATION

Year	North Dakota			Countrywide		
	4-Firm Concentration Ratio	20-Firm Concentration Ratio	Herfindahl Index	4-Firm Concentration Ratio	20-Firm Concentration Ratio	Herfindahl Index
1993	44.7%	81.0%		39.5%	56.4%	
1994	45.7%	81.3%		36.7%	56.1%	
1995	46.0%	81.0%		36.0%	55.0%	
1996	45.9%	80.0%		35.9%	55.5%	
1997	45.7%	80.7%		33.0%	54.6%	
1998	45.4%	82.2%		32.6%	54.8%	
1999	46.3%	83.6%		30.9%	54.3%	
2000	46.1%	85.3%		29.8%	53.2%	
2001	47.6%	86.3%		29.5%	53.0%	
2002	50.1%	88.9%		29.3%	52.6%	
2003	51.2%	91.6%		28.5%	52.4%	
2004	51.8%	91.5%	(981)	27.7%	53.1%	(792)
2005	52.1%	91.8%	(969)	26.5%	51.8%	(786)
2006	51.8%	91.6%	(948)	25.8%	50.7%	(783)
2007	52.1%	91.0%	(956)	24.8%	50.1%	(738)
2008	51.5%	89.6%	(944)	24.6%	48.8%	(738)
2009	51.8%	89.3%	(949)	24.8%	48.1%	(737)
2010	51.1%	88.8%	(934)	24.7%	48.0%	(729)
2011	49.9%	88.2%	(902)	24.3%	47.7%	(706)
2012	48.1%	87.2%	(846)	23.8%	46.5%	(679)

Benchmarks:

National industries with 4-firm concentration ratios <75% and Herfindahl index <2000, are generally not viewed as highly concentrated.

Merger guidelines of U.S. Dept of Justice

Post-merger market Herfindahl index

- > 1,800 - highly concentrated
- 1,000 < Herfindahl index < 1,800 - moderately concentrated
- < 1,000 - unconcentrated

HOMEOWNERS

EXHIBIT IIA: NORTH DAKOTA MARKET SHARE REPORT

Year: 2012				Year: 2011				Year: 2010			
<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>	<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>	<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>
State Farm Fire & Cas Co	\$ 29,828	18.5%	18.5%	State Farm Fire & Cas Co	\$ 28,860	19.5%	19.5%	State Farm Fire & Cas Co	\$ 27,729	20.2%	20.2%
American Family Mut Ins Co	\$ 20,391	12.7%	31.2%	American Family Mut Ins Co	\$ 19,925	13.4%	32.9%	American Family Mut Ins Co	\$ 18,703	13.6%	33.9%
Farmers Union Mut Ins Co	\$ 14,212	8.8%	40.1%	Farmers Union Mut Ins Co	\$ 13,185	8.9%	41.8%	Farmers Union Mut Ins Co	\$ 12,413	9.1%	42.9%
Nodak Mut Ins Co	\$ 12,886	8.0%	48.1%	Nodak Mut Ins Co	\$ 12,058	8.1%	49.9%	Nodak Mut Ins Co	\$ 11,271	8.2%	51.1%
North Star Mut Ins Co	\$ 8,811	5.5%	53.5%	Auto Owners Ins Co	\$ 8,212	5.5%	55.4%	Auto Owners Ins Co	\$ 7,915	5.8%	56.9%
Auto Owners Ins Co	\$ 7,764	4.8%	58.4%	North Star Mut Ins Co	\$ 7,718	5.2%	60.7%	North Star Mut Ins Co	\$ 6,660	4.9%	61.8%
Owners Ins Co	\$ 5,612	3.5%	61.9%	Owners Ins Co	\$ 4,921	3.3%	64.0%	Fire Ins Exch	\$ 4,353	3.2%	64.9%
Country Mut Ins Co	\$ 4,812	3.0%	64.9%	Country Mut Ins Co	\$ 4,430	3.0%	67.0%	Milbank Ins Co	\$ 4,041	2.9%	67.9%
Milbank Ins Co	\$ 4,615	2.9%	67.7%	Milbank Ins Co	\$ 4,224	2.8%	69.8%	Owners Ins Co	\$ 3,957	2.9%	70.8%
Fire Ins Exch	\$ 4,003	2.5%	70.2%	Fire Ins Exch	\$ 4,153	2.8%	72.6%	Country Mut Ins Co	\$ 3,896	2.8%	73.6%
Center Mut Ins Co	\$ 3,626	2.3%	72.5%	Center Mut Ins Co	\$ 3,272	2.2%	74.8%	Center Mut Ins Co	\$ 3,277	2.4%	76.0%
Foremost Ins Co Grand Rapids MI	\$ 2,952	1.8%	74.3%	Dakota Fire Ins Co	\$ 3,073	2.1%	76.9%	Dakota Fire Ins Co	\$ 2,806	2.0%	78.0%
Metropolitan Prop & Cas Ins Co	\$ 2,939	1.8%	76.1%	Northwest Gf Mut Ins Co	\$ 2,474	1.7%	78.5%	United Serv Automobile Assn	\$ 2,351	1.7%	79.8%
Safeco Ins Co Of Amer	\$ 2,897	1.8%	77.9%	United Serv Automobile Assn	\$ 2,428	1.6%	80.2%	Safeco Ins Co Of Amer	\$ 2,209	1.6%	81.4%
Northwest Gf Mut Ins Co	\$ 2,807	1.7%	79.7%	Safeco Ins Co Of Amer	\$ 2,348	1.6%	81.8%	Northwest Gf Mut Ins Co	\$ 2,167	1.6%	82.9%
Dakota Fire Ins Co	\$ 2,759	1.7%	81.4%	Foremost Ins Co Grand Rapids MI	\$ 2,275	1.5%	83.3%	Foremost Ins Co Grand Rapids MI	\$ 1,835	1.3%	84.3%
United Serv Automobile Assn	\$ 2,600	1.6%	83.0%	Farmers Ins Exch	\$ 2,016	1.4%	84.7%	Allstate Ins Co	\$ 1,789	1.3%	85.6%
Farmers Ins Exch	\$ 2,571	1.6%	84.6%	Allstate Ins Co	\$ 1,752	1.2%	85.8%	Farmers Ins Exch	\$ 1,704	1.2%	86.8%
Secura Supreme Ins Co	\$ 2,142	1.3%	85.9%	Metropolitan Prop & Cas Ins Co	\$ 1,741	1.2%	87.0%	Teachers Ins Co	\$ 1,405	1.0%	87.9%
Teachers Ins Co	\$ 1,977	1.2%	87.2%	Teachers Ins Co	\$ 1,719	1.2%	88.2%	Secura Supreme Ins Co	\$ 1,243	0.9%	88.8%

Year: 2009				Year: 2008				Year: 2007			
<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>	<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>	<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>
State Farm Fire & Cas Co	\$ 25,493	20.0%	20.0%	State Farm Fire & Cas Co	\$ 23,030	19.4%	19.4%	State Farm Fire And Cas Co	\$ 21,413	18.8%	18.8%
American Family Mut Ins Co	\$ 18,390	14.4%	34.4%	American Family Mut Ins Co	\$ 18,008	15.2%	34.6%	American Family Mut Ins Co	\$ 18,597	16.3%	35.1%
Farmers Union Mut Ins Co	\$ 11,971	9.4%	43.8%	Farmers Union Mut Ins Co	\$ 10,824	9.1%	43.7%	Farmers Union Mut Ins Co	\$ 10,504	9.2%	44.4%
Nodak Mut Ins Co	\$ 10,164	8.0%	51.8%	Nodak Mut Ins Co	\$ 9,172	7.7%	51.5%	Nodak Mut Ins Co	\$ 8,811	7.7%	52.1%
Auto Owners Ins Co	\$ 7,821	6.1%	57.9%	Auto Owners Ins Co	\$ 7,591	6.4%	57.9%	Auto Owners Ins Co	\$ 7,575	6.7%	58.7%
North Star Mut Ins Co	\$ 6,215	4.9%	62.8%	North Star Mut Ins Co	\$ 5,849	4.9%	62.8%	North Star Mut Ins Co	\$ 5,578	4.9%	63.6%
Fire Ins Exch	\$ 4,478	3.5%	66.3%	Fire Ins Exch	\$ 4,554	3.8%	66.6%	Fire Ins Exch	\$ 4,754	4.2%	67.8%
Milbank Ins Co	\$ 3,686	2.9%	69.2%	Center Mut Ins Co	\$ 3,295	2.8%	69.4%	Center Mut Ins Co	\$ 3,420	3.0%	70.8%
Country Mut Ins Co	\$ 3,433	2.7%	71.8%	Milbank Ins Co	\$ 3,254	2.7%	72.2%	Milbank Ins Co	\$ 2,993	2.6%	73.4%
Center Mut Ins Co	\$ 3,243	2.5%	74.4%	Country Mut Ins Co	\$ 2,925	2.5%	74.6%	Dakota Fire Ins Co	\$ 2,563	2.3%	75.7%
Owners Ins Co	\$ 3,165	2.5%	76.9%	Owners Ins Co	\$ 2,685	2.3%	76.9%	Country Mut Ins Co	\$ 2,562	2.3%	77.9%
Dakota Fire Ins Co	\$ 2,625	2.1%	78.9%	Dakota Fire Ins Co	\$ 2,494	2.1%	79.0%	Owners Ins Co	\$ 2,276	2.0%	79.9%
United Serv Automobile Assn	\$ 2,250	1.8%	80.7%	Safeco Ins Co Of Amer	\$ 2,173	1.8%	80.8%	Allstate Ins Co	\$ 2,143	1.9%	81.8%
Safeco Ins Co Of Amer	\$ 2,151	1.7%	82.4%	USAA	\$ 2,089	1.8%	82.6%	Safeco Ins Co Of Amer	\$ 2,093	1.8%	83.7%
Allstate Ins Co	\$ 1,839	1.4%	83.8%	Allstate Ins Co	\$ 1,967	1.7%	84.3%	USAA	\$ 2,040	1.8%	85.5%
Foremost Ins Co Grand Rapids MI	\$ 1,561	1.2%	85.0%	Foremost Ins Co	\$ 1,467	1.2%	85.5%	Amco Ins Co	\$ 1,528	1.3%	86.8%
Northwest Gf Mut Ins Co	\$ 1,530	1.2%	86.2%	Amco Ins Co	\$ 1,397	1.2%	86.7%	Foremost Ins Co	\$ 1,433	1.3%	88.1%
Farmers Ins Exch	\$ 1,481	1.2%	87.4%	Northwest Gf Mut Ins Co	\$ 1,347	1.1%	87.8%	Northwest Gf Mut Ins Co	\$ 1,253	1.1%	89.2%
Amco Ins Co	\$ 1,246	1.0%	88.4%	Emcasco Ins Co	\$ 1,086	0.9%	88.7%	Emcasco Ins Co	\$ 1,214	1.1%	90.2%
Allied Prop & Cas Ins Co	\$ 1,113	0.9%	89.3%	Allied Prop & Cas Ins Co	\$ 1,027	0.9%	89.6%	Allied Prop & Cas Ins Co	\$ 891	0.8%	91.0%

HOMEOWNERS

EXHIBIT IIA: NORTH DAKOTA MARKET SHARE REPORT (by Group)

Year: 2012

<u>Group/Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>
STATE FARM GRP	\$ 29,828	18.5%	18.5%
AMERICAN FAMILY INS GRP	\$ 20,391	12.7%	31.2%
Farmers Union Mut Ins Co	\$ 14,212	8.8%	40.1%
AUTO OWNERS GRP	\$ 13,376	8.3%	48.4%
Nodak Mut Grp	\$ 12,886	8.0%	56.4%
ZURICH INS GRP	\$ 9,905	6.2%	62.5%
NORTH STAR CO GRP	\$ 8,811	5.5%	68.0%
Country Ins & Fin Serv Grp	\$ 4,812	3.0%	71.0%
STATE AUTO MUT GRP	\$ 4,615	2.9%	73.9%
UNITED SERV AUTOMOBILE ASSN GRP	\$ 4,176	2.6%	76.5%
EMC INS CO GRP	\$ 3,999	2.5%	79.0%
Center Mut Ins Co	\$ 3,626	2.3%	81.2%
NATIONWIDE CORP GRP	\$ 3,374	2.1%	83.3%
LIBERTY MUT GRP	\$ 3,259	2.0%	85.3%
ALLSTATE INS GRP	\$ 3,229	2.0%	87.4%
METROPOLITAN GRP	\$ 2,939	1.8%	89.2%
Northwest Gf Mut Ins Co	\$ 2,807	1.7%	90.9%
HORACE MANN GRP	\$ 2,252	1.4%	92.3%
Secura Ins Grp	\$ 2,148	1.3%	93.7%
ALLIANCE INS GRP	\$ 1,715	1.1%	94.7%

HOMEOWNERS

EXHIBIT IIB: NORTH DAKOTA MARKET SHARE REPORT ENTRIES/EXITS IN TOP 20 WRITERS

Year	# of New Entries/Exits into Top 20 Carriers	Changes within Top 20 Carriers
1993	2	8
1994	1	7
1995	0	8
1996	2	11
1997	1	8
1998	2	10
1999	1	4
2000	2	10
2001	1	6
2002	2	13
2003	2	12
2004	1	14
2005	2	7
2006	0	7
2007	0	10
2008	0	8
2009	1	7
2010	2	5
2011	1	10
2012	1	9

EXHIBIT IIC: NORTH DAKOTA HOMEOWNERS MARKET SHARE- SURPLUS (non-licensed)

YEAR:	2012	YEAR:	2011	YEAR:	2010
<u>Company</u>	Direct Written Premium (000s)	<u>Company</u>	Direct Written Premium (000s)	<u>Company</u>	Direct Written Premium (000s)
Lexington Ins Co	4.56	American Western Home Ins Co	31.03	American Western Home Ins Co	24.88
American Western Home Ins Co	4.47	Lexington Ins Co	<u>10.53</u>	Lexington Ins Co	<u>10.45</u>
Prime Ins Co	<u>3.79</u>		\$41.56		\$35.33
	\$12.82				

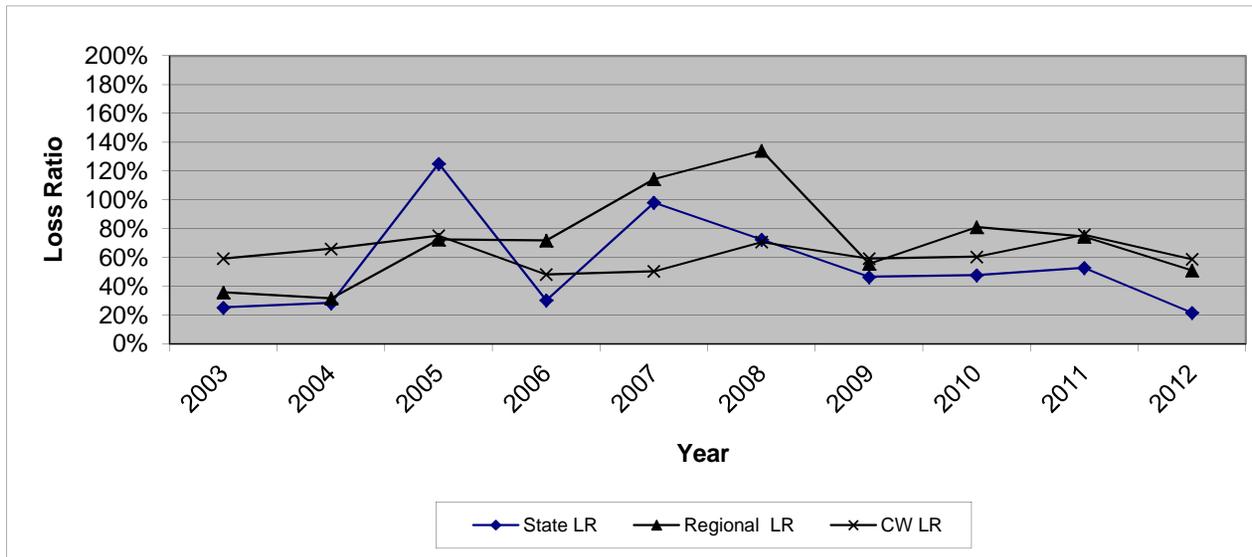
YEAR:	2009	YEAR:	2008	YEAR:	2007
<u>Company</u>	Direct Written Premium (000s)	<u>Company</u>	Direct Written Premium (000s)	<u>Company</u>	Direct Written Premium (000s)
American Western Home Ins Co	18.48	American Western Home Ins Co	10.96	American Western Home Ins Co	6.33
Lexington Ins Co	4.03				
Illinois Union Ins Co	<u>1.05</u>				
	\$23.55				

YEAR:	2006	YEAR:	2005	YEAR:	2004
<u>Company</u>	Direct Written Premium (000s)	<u>Company</u>	Direct Written Premium (000s)	<u>Company</u>	Direct Written Premium (000s)
Lexington Ins Co	6.77	Lexington Ins Co	10.51		
American Western Home Ins Co	<u>0.81</u>	American Western Home Ins Co	<u>0.32</u>	None	
	\$ 7.58		\$ 10.83		

HOMEOWNERS

EXHIBIT III: HISTORICAL LOSS RATIOS

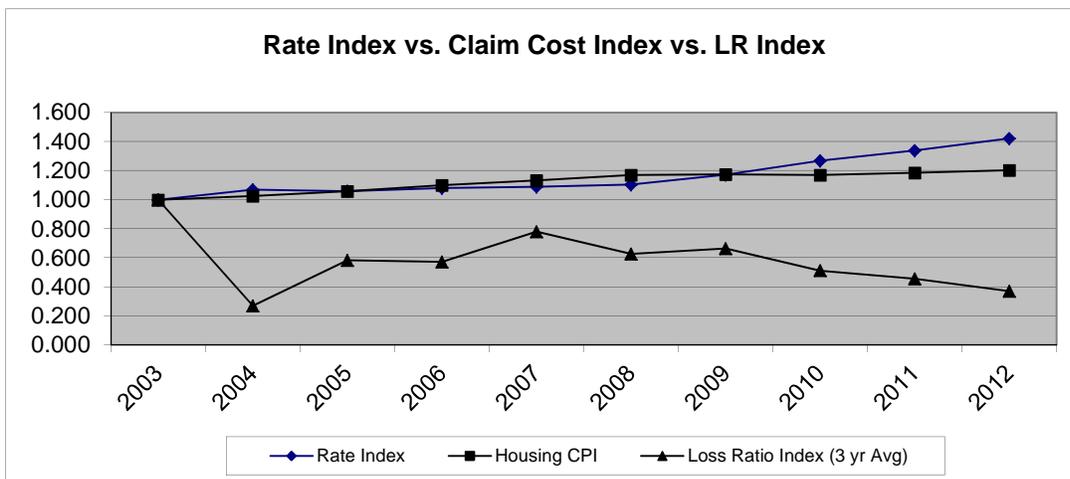
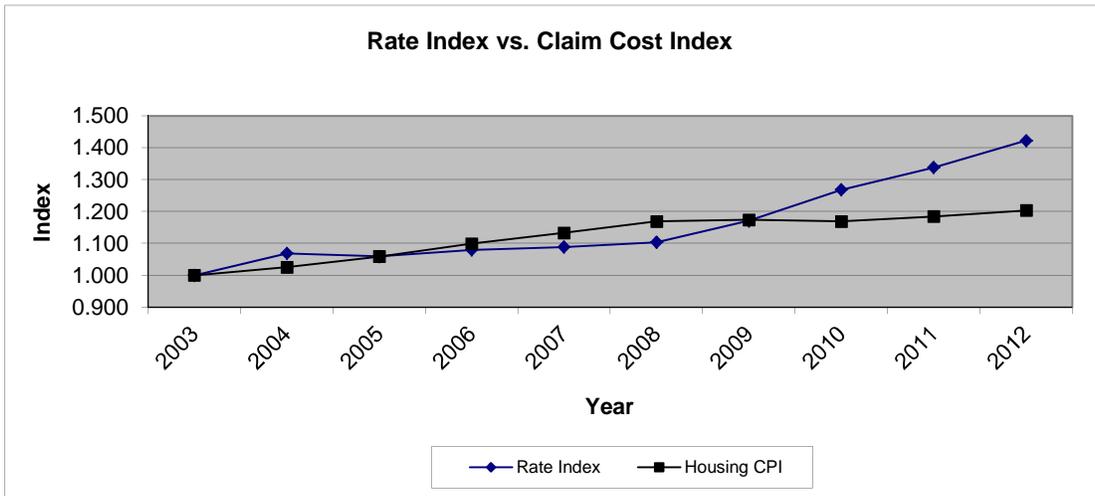
Year	Statewide Loss Ratio	Regional Loss Ratio	Countrywide Loss Ratio
2003	25%	36%	59%
2004	28%	32%	66%
2005	125%	73%	75%
2006	30%	72%	48%
2007	98%	115%	50%
2008	73%	134%	71%
2009	46%	56%	59%
2010	48%	81%	60%
2011	53%	74%	76%
2012	22%	51%	59%



HOMEOWNERS

EXHIBIT IV: LOSS RATIO VS. RATE CHANGES VS. COST INDICES

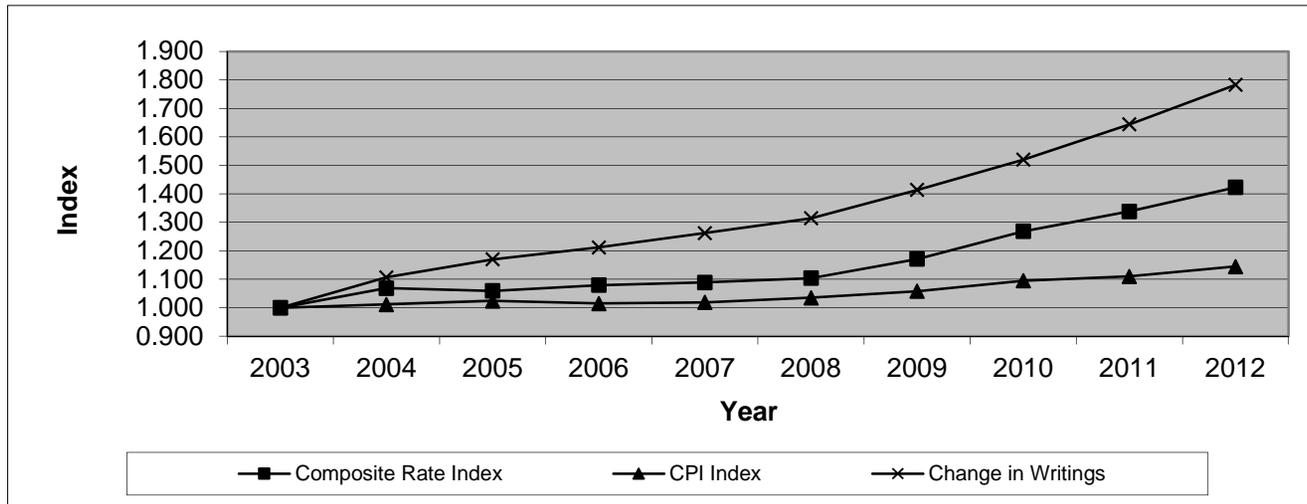
Year	Composite Rate Index	Relevant Claim Cost Index	Statewide 3 Yr LR Index
2003	1.000	1.000	1.000
2004	1.069	1.025	0.270
2005	1.059	1.059	0.584
2006	1.080	1.099	0.572
2007	1.089	1.133	0.781
2008	1.104	1.169	0.626
2009	1.171	1.174	0.664
2010	1.268	1.169	0.512
2011	1.338	1.185	0.457
2012	1.423	1.204	0.372



HOMEOWNERS

EXHIBIT V: CHANGE IN PREMIUM WRITINGS

Year	Statewide Written Premium (000s)	Change in Writings	Indexed	Composit Rate Index	Consumer Price Index
2003	\$ 90,229		1.00	1.000	1.000
2004	\$ 99,890	10.7%	1.11	1.069	1.012
2005	\$ 105,569	5.7%	1.17	1.059	1.024
2006	\$ 109,352	3.6%	1.21	1.080	1.015
2007	\$ 113,881	4.1%	1.26	1.089	1.019
2008	\$ 118,574	4.1%	1.31	1.104	1.035
2009	\$ 127,562	7.6%	1.41	1.171	1.058
2010	\$ 137,132	7.5%	1.52	1.268	1.095
2011	\$ 148,321	8.2%	1.64	1.338	1.110
2012	\$ 160,838	8.4%	1.78	1.423	1.145



HOMEOWNERS

EXHIBIT VI: FIELD MARKET SURVEY

2012 Survey not available

HOMEOWNERS

EXHIBIT VII – RESIDUAL MARKET POPULATION

North Dakota currently does not have a residual market mechanism for Homeowners insurance. During the 2003 legislative session, statutory authority was granted to the commissioner to implement a residual market placement facility, if after conducting a hearing it is determined that there is a lack of availability of property insurance for the homeowners market.

HOMEOWNERS

EXHIBIT VIII - MATRIX OF INDICATORS

Factor	Competitive Level		
	Low	Moderate	High
Market Concentration (Herfindahl index)			XX
Market Share Analysis –Market Share Changes		XX	
Market Share Analysis –Company Changes		XX	
Market Share Analysis – Surplus (non-licensed)			XX
Historical Loss Ratios (Statewide, Regional, and Countrywide)	NA	NA	NA
Loss Ratios vs Rate Change vs Claims Cost Indexes	XX		
Change in Premium Writings	NA	NA	NA
Field Market Survey Results-October 2012	NA	NA	NA
Residual Market Population			XX

Final ranking based upon all factors: Moderate

Addendum 6 Narrative Summary – Medical Malpractice

The market analysis components found in the attached exhibits for medical malpractice are summarized below:

Exhibit I -Market Concentration (Herfindahl index)

The historical concentration ratios and Herfindahl indices for North Dakota show that the market is highly concentrated indicating a low level of competition.

The index for North Dakota compared to countrywide, indicates the North Dakota market is more significantly concentrated than the countywide market.

Exhibit II-A - Market Share Analysis –Market Share Changes

With the exception of calendar year 2009, the top 4 writers' combined market share has consistently exceeded 70%, which is considered high. The total market share of the top 20 companies combined has consistently been about 98% of the market. This suggests the market is not competitive.

It should be noted that the general category of Medical Malpractice includes a variety of different types of risks. Contracts can cover Physician and Surgeons, Hospital/Clinic Professional, Dentists, Chiropractors, Nurses and other Allied Healthcare providers. Most companies specialize in writing only certain risk categories. Not all companies write all classes of risk.

Exhibit II-B – Market Share Analysis –Company Changes

While there are relatively few companies entering and leaving the top 20, there continues to be substantial movement among companies within the top 20.

Highly competitive markets are associated with a high degree of movement and a low concentration of market share.

This information suggests that the market is moderately competitive.

Exhibit II-C – Market Share Analysis – Surplus (non-licensed)

In 2012, nearly 15% of the premium for this line was written by surplus lines carriers. Six of the top 20 writers in the state, are surplus lines carriers. This information indicates the market is at a low competitive level.

Exhibit III – Historical Loss Ratios (Statewide, Regional, and Countrywide)

Over the past ten years, statewide loss ratios have been decreasing.

This information by itself is not an indicator of the competitive level of the market.

Exhibit IV – Loss Ratios vs Rate Change vs Claims Cost Indexes

Rate changes do not appear to have kept pace with trends reflected in the claim cost index. However, we note there are other rating tools, such as schedule and experience rating which could cause premiums to rise without a corresponding filed rate increase. Also, to the extent rates are increasing among surplus lines carriers, those rate changes are not filed with, nor approved by our department, and are not reflected in this exhibit.

Over the past ten years, loss ratios are gradually decreasing while rates are staying relatively flat. This generally reflects a non-competitive market.

The combination of these two pieces of information indicates a moderately competitive market.

Exhibit V – Change in Premium Writings

Written premiums have fluctuated significantly over the past 10 year. Potential sources of this decrease could be implicit rate decreases due to increased schedule and experience rating credits, which would be an indication of a competitive market. It could also be due to insured's purchasing higher deductibles/Self-insured retentions, - perhaps an indication of a less than competitive market.

This information by itself is not an indicator of the competitive level of the market.

Exhibit VI – Field Market Survey Results-September 2012

The 2012 field market survey is unavailable for this report.

Exhibit VII – Residual Market Population

There is no residual market mechanism for Medical Malpractice insurance in North Dakota. Consumers who can not obtain insurance through the admitted market must either look for coverage in the surplus market, with a Risk Retention Group or go without.

The absence of the need for a residual market mechanism would be considered an indicator of a competitive market.

Exhibit VIII – Matrix of Indicators

The Herfindahl index, the Market Share Changes and Market Surplus indicate the market is at a low competitive level. Market Share Company Changes and loss ratio vs. rate change exhibits reflect a moderately competitive market. The lack of a residual market suggests a highly competitive market.

Final assessment

The evaluation of the market through the year 2012 indicates a low competitive market. In determining what the overall market trend and competitive level are, more weight is given to the Herfindahl index as this is a statistically sound indicator.

MEDICAL MALPRACTICE

EXHIBIT I: MARKET CONCENTRATION

Year	North Dakota			Countrywide		
	4-Firm	20-Firm	Herfindahl	4-Firm	20-Firm	Herfindahl
	Concentration	Concentration	Index	Concentration	Concentration	Index
	<u>Ratio</u>	<u>Ratio</u>		<u>Ratio</u>	<u>Ratio</u>	<u>Index</u>
1993	79.1%	99.2%		24.0%	57.1%	
1994	66.2%	99.0%		22.2%	55.9%	
1995	65.6%	98.4%		19.8%	54.5%	
1996	68.9%	98.7%		17.9%	54.1%	
1997	58.8%	97.8%		18.1%	52.9%	
1998	61.7%	98.5%		18.0%	54.3%	
1999	77.1%	99.3%		18.6%	53.2%	
2000	65.2%	98.7%		18.3%	51.0%	
2001	75.6%	99.2%		20.3%	54.2%	
2002	81.8%	99.0%		21.5%	55.6%	
2003	82.7%	98.9%		23.2%	55.9%	
2004	79.9%	98.9%	(2,094)	21.2%	54.1%	(308)
2005	74.0%	98.9%	(1,924)	19.9%	52.3%	(287)
2006	76.4%	98.5%	(2,050)	20.0%	52.1%	(290)
2007	79.5%	98.5%	(2,339)	21.2%	51.7%	(290)
2008	72.7%	98.2%	(2,539)	20.4%	51.1%	(294)
2009	67.8%	97.8%	(1,521)	20.5%	51.2%	(287)
2010	78.9%	98.3%	(2,185)	20.9%	50.4%	(300)
2011	78.3%	98.3%	(2,308)	21.2%	50.7%	(322)
2012	73.7%	97.8%	(2,035)	21.7%	50.9%	(319)

Benchmarks:

National industries with 4-firm concentration ratios <75% and Herfindahl index <2000, are generally not viewed as highly concentrated.

Merger guidelines of U.S. Dept of Justice

Post-merger market Herfindahl index

> 1,800 - highly concentrated

1,000 < Herfindahl index < 1,800 - moderately concentrated

< 1,000 - unconcentrated

MEDICAL MALPRACTICE

EXHIBIT IIA: NORTH DAKOTA MARKET SHARE REPORT

Year: 2012				Year: 2011				Year: 2010			
<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>	<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>	<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>
MHIC Ins Inc	\$ 3,835	33.7%	33.7%	MHA Ins Co	\$ 4,463	33.4%	33.4%	MHA Ins Co	\$ 4,670	33.3%	33.3%
MHA Ins Co	\$ 2,930	25.7%	59.4%	MMIC Ins Inc	\$ 4,297	32.2%	65.6%	MMIC Ins Inc	\$ 4,034	28.8%	62.1%
Medical Protective Co	\$ 939	8.2%	67.7%	Medical Protective Co	\$ 957	7.2%	72.7%	Medical Protective Co	\$ 1,664	11.9%	74.0%
Columbia Cas Co	\$ 682	6.0%	73.7%	Arch Specialty Ins Co	\$ 746	5.6%	78.3%	Arch Specialty Ins Co	\$ 695	5.0%	78.9%
Preferred Professional Ins Co	\$ 503	4.4%	78.1%	Preferred Professional Ins Co	\$ 446	3.3%	81.7%	Columbia Cas Co	\$ 429	3.1%	82.0%
Ironshore Specialty Ins Co	\$ 499	4.4%	82.5%	Columbia Cas Co	\$ 380	2.8%	84.5%	Preferred Professional Ins Co	\$ 429	3.1%	85.1%
American Cas Co Of Reading PA	\$ 271	2.4%	84.8%	American Cas Co Of Reading PA	\$ 256	1.9%	86.4%	Ironshore Specialty Ins Co	\$ 359	2.6%	87.6%
Continental Cas Co	\$ 248	2.2%	87.0%	Continental Cas Co	\$ 244	1.8%	88.2%	American Cas Co Of Reading PA	\$ 251	1.8%	89.4%
NCMIC Ins Co	\$ 241	2.1%	89.1%	NCMIC Ins Co	\$ 227	1.7%	90.0%	Continental Cas Co	\$ 239	1.7%	91.1%
National Union Fire Ins Co Of Pitts	\$ 162	1.4%	90.6%	Ironshore Specialty Ins Co	\$ 211	1.6%	91.5%	NCMIC Ins Co	\$ 216	1.5%	92.7%
Steadfast Ins Co	\$ 129	1.1%	91.7%	Liberty Ins Underwriters Inc	\$ 147	1.1%	92.6%	Doctors Co An Interins Exch	\$ 127	0.9%	93.6%
Evanston Ins Co	\$ 122	1.1%	92.8%	Steadfast Ins Co	\$ 124	0.9%	93.6%	Steadfast Ins Co	\$ 115	0.8%	94.4%
Doctors Co An Interins Exch	\$ 117	1.0%	93.8%	Oms Natl Ins Co Rrg	\$ 111	0.8%	94.4%	Oms Natl Ins Co Rrg	\$ 106	0.8%	95.1%
Oms Natl Ins Co Rrg	\$ 104	0.9%	94.7%	National Union Fire Ins Co Of Pitts	\$ 107	0.8%	95.2%	National Union Fire Ins Co Of Pitts	\$ 99	0.7%	95.8%
Liberty Ins Underwriters Inc	\$ 96	0.8%	95.5%	Doctors Co An Interins Exch	\$ 106	0.8%	96.0%	National Fire & Marine Ins Co	\$ 84	0.6%	96.4%
Pharmacists Mut Ins Co	\$ 76	0.7%	96.2%	Pharmacists Mut Ins Co	\$ 74	0.6%	96.5%	Pharmacists Mut Ins Co	\$ 73	0.5%	97.0%
Professional Underwriters Liab Ins C	\$ 69	0.6%	96.8%	National Fire & Marine Ins Co	\$ 70	0.5%	97.1%	Professional Underwriters Liab Ins C	\$ 65	0.5%	97.4%
Church Mut Ins Co	\$ 42	0.4%	97.2%	Professional Underwriters Liab Ins C	\$ 70	0.5%	97.6%	Ace Amer Ins Co	\$ 46	0.3%	97.8%
Ace Amer Ins Co	\$ 37	0.3%	97.5%	Ace Amer Ins Co	\$ 50	0.4%	98.0%	Evanston Ins Co	\$ 44	0.3%	98.1%
Kinsale Ins Co	\$ 37	0.3%	97.8%	Evanston Ins Co	\$ 46	0.3%	98.3%	Church Mut Ins Co	\$ 39	0.3%	98.3%

Year: 2009				Year: 2008				Year: 2007			
<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>	<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>	<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>
MHA Ins Co	\$ 3,105	26.3%	26.3%	MHA Ins Co	\$ 6,784	46.9%	46.9%	MHA Ins Co	\$ 6,817	37.9%	37.9%
Midwest Medical Ins Co	\$ 2,489	21.1%	47.5%	Midwest Medical Ins Co	\$ 1,716	11.9%	58.8%	Midwest Medical Ins Co	\$ 4,846	26.9%	64.9%
Medical Protective Co	\$ 1,350	11.4%	58.9%	Arch Specialty Ins Co	\$ 1,057	7.3%	66.1%	Medical Protective Co	\$ 1,521	8.5%	73.3%
Arch Specialty Ins Co	\$ 1,053	8.9%	67.8%	Medical Protective Co	\$ 959	6.6%	72.7%	Arch Specialty Ins Co	\$ 1,117	6.2%	79.5%
Steadfast Ins Co	\$ 941	8.0%	75.8%	Steadfast Ins Co	\$ 727	5.0%	77.7%	Steadfast Ins Co	\$ 873	4.9%	84.4%
Preferred Professional Ins Co	\$ 434	3.7%	79.5%	Lexington Ins Co	\$ 543	3.7%	81.5%	Preferred Professional Ins Co	\$ 435	2.4%	86.8%
Columbia Cas Co	\$ 335	2.8%	82.3%	Preferred Professional Ins Co	\$ 419	2.9%	84.4%	Columbia Cas Co	\$ 416	2.3%	89.1%
American Cas Co Of Reading PA	\$ 298	2.5%	84.9%	Columbia Cas Co	\$ 321	2.2%	86.6%	American Cas Co Of Reading PA	\$ 304	1.7%	90.8%
Homeland Ins Co of NY	\$ 247	2.1%	87.0%	American Cas Co Of Reading PA	\$ 301	2.1%	88.7%	Continental Cas Co	\$ 209	1.2%	92.0%
Continental Cas Co	\$ 244	2.1%	89.0%	Continental Cas Co	\$ 242	1.7%	90.3%	NCMIC Ins Co	\$ 198	1.1%	93.1%
NCMIC Ins Co	\$ 208	1.8%	90.8%	Homeland Ins Co of NY	\$ 212	1.5%	91.8%	Doctors Co An Interins Exch	\$ 153	0.9%	93.9%
Professional Solutions Ins Co	\$ 189	1.6%	92.4%	NCMIC Ins Co	\$ 207	1.4%	93.2%	Homeland Ins Co of NY	\$ 129	0.7%	94.6%
Doctors Co An Interins Exch	\$ 151	1.3%	93.7%	Doctors Co An Interins Exch	\$ 131	0.9%	94.1%	Evanston Ins Co	\$ 120	0.7%	95.3%
Chicago Ins Co	\$ 104	0.9%	94.6%	Evanston Ins Co	\$ 106	0.7%	94.9%	Illinois Union Ins Co	\$ 103	0.6%	95.9%
Oms Natl Ins Co Rrg	\$ 89	0.8%	95.3%	Chicago Ins Co	\$ 103	0.7%	95.6%	Chicago Ins Co	\$ 101	0.6%	96.5%
Professional Underwriters Liab Ins C	\$ 70	0.6%	95.9%	Illinois Union Ins Co	\$ 82	0.6%	96.1%	Lexington Ins Co	\$ 100	0.6%	97.0%
Pharmacists Mut Ins Co	\$ 69	0.6%	96.5%	Oms Natl Ins Co Rrg	\$ 76	0.5%	96.7%	Oms Natl Ins Co Rrg	\$ 83	0.5%	97.5%
National Fire & Marine Ins Co	\$ 68	0.6%	97.1%	National Fire & Marine Ins Co	\$ 76	0.5%	97.2%	Pharmacists Mut Ins Co	\$ 70	0.4%	97.9%
Evanston Ins Co	\$ 46	0.4%	97.5%	Pharmacists Mut Ins Co	\$ 72	0.5%	97.7%	Professional Underwriters Liab Ins Co	\$ 68	0.4%	98.2%
Ace Amer Ins Co	\$ 45	0.4%	97.8%	Professional Underwriters Liab Ins C	\$ 68	0.5%	98.2%	National Union Fire Ins Co Of Pitts	\$ 43	0.2%	98.5%

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EXHIBIT IIA: NORTH DAKOTA MARKET SHARE REPORT (by Group)

Year: 2012

<u>Group/Company</u>	<u>Direct WP</u> <u>(in 000s)</u>	<u>Market</u> <u>Share</u>	<u>Cumulative</u>
MMIC Grp	\$ 3,835	33.7%	33.7%
Coverys Grp	\$ 2,930	25.7%	59.4%
CNA INS GRP	\$ 1,202	10.6%	70.0%
BERKSHIRE HATHAWAY GRP	\$ 974	8.6%	78.5%
Christus Hlth Grp	\$ 503	4.4%	82.9%
Ironshore Grp	\$ 499	4.4%	87.3%
NCMIC Grp	\$ 242	2.1%	89.5%
DOCTORS CO GRP	\$ 186	1.6%	91.1%
AMERICAN INTL GRP	\$ 185	1.6%	92.7%
ZURICH INS GRP	\$ 129	1.1%	93.8%
MARKEL CORP GRP	\$ 122	1.1%	94.9%
NATIONAL GRP	\$ 105	0.9%	95.8%
LIBERTY MUT GRP	\$ 96	0.8%	96.7%
PHARMACISTS MUT GRP	\$ 76	0.7%	97.3%
Church Mut Ins Co	\$ 42	0.4%	97.7%
Ace Ltd Grp	\$ 39	0.3%	98.1%
Kinsale Ins Co	\$ 37	0.3%	98.4%
CINCINNATI FIN GRP	\$ 27	0.2%	98.6%
Chubb Inc Grp	\$ 23	0.2%	98.8%
ProAssurance Corp Grp	\$ 23	0.2%	99.0%

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EXHIBIT IIB: NORTH DAKOTA MARKET SHARE REPORT ENTRIES/EXITS IN TOP 20 WRITERS

Year	# of New Entries/Exits into Top 20 Carriers	Changes within Top 20 Carriers
1993	1	15
1994	3	15
1995	3	13
1996	2	14
1997	5	13
1998	1	12
1999	4	14
2000	3	11
2001	5	17
2002	4	8
2003	6	9
2004	3	14
2005	3	11
2006	2	12
2007	3	10
2008	1	14
2009	2	12
2010	3	10
2011	1	11
2012	2	11

EXHIBIT IIC: NORTH DAKOTA MEDICAL MALPRACTICE MARKET SHARE- SURPLUS (non-licensed)

YEAR:	2012		2011		2010
	Direct Written Premium (000s)	Company	Direct Written Premium (000s)	Company	Direct Written Premium (000s)
	\$ 682.38	Columbia Cas Co	\$ 745.50	Arch Specialty Ins Co	\$ 695.00
	\$ 498.95	Ironshore Specialty Ins Co	\$ 380.13	Columbia Cas Co	\$ 429.35
	\$ 129.07	Steadfast Ins Co	\$ 210.94	Ironshore Specialty Ins Co	\$ 359.00
	\$ 122.35	Evanston Ins Co	\$ 124.03	Steadfast Ins Co	\$ 115.17
	\$ 69.46	Professional Underwriters Liab Ins C	\$ 110.56	National Fire & Marine Ins Co	\$ 83.66
	\$ 37.01	Kinsale Ins Co	\$ 70.13	Professional Underwriters Liab Ins C	\$ 64.90
	\$ 23.18	Chubb Custom Ins Co	\$ 70.10	Evanston Ins Co	\$ 43.64
	\$ 18.40	General Star Ind Co	\$ 46.12	Admiral Ins Co	\$ 26.13
	\$ 17.50	Landmark Amer Ins Co	\$ 22.50	Chubb Custom Ins Co	\$ 22.50
	\$ 16.25	National Fire & Marine Ins Co	\$ 15.12	Empire Ind Ins Co	\$ 15.74
	\$ 16.23	ProAssurance Specialty Ins Co	\$ 13.79	Interstate Fire & Cas Co	\$ 9.30
	\$ 11.34	Lexington Ins Co	\$ 12.60	Lexington Ins Co	\$ 8.40
	\$ 11.26	Nautlius Ins Co	\$ 10.00	Homeland Ins Co of NY	\$ 7.74
	\$ 8.19	Admiral Ins Co	\$ 8.81	ProAssurance Specialty Ins Co	\$ 7.68
	\$ 5.27	James River Ins Co	\$ 8.55	Landmark Amer Ins Co	\$ 4.50
	\$ 4.81	Western World Ins Co	\$ 6.08	James River Ins Co	\$ 2.61
	\$ 4.46	Interstate Fire & Cas Co	\$ 3.84	Western World Ins Co	\$ 2.42
	\$ 2.35	Illinois Union Ins Co	\$ 2.68	Essex Ins Co	\$ 0.22
	\$ 2.26	The Cincinnati Specialty Underwriter	\$ 1.89		\$ 1,897.96
	\$ 0.14	Essex Ins Co	\$ 1.65		
	\$ 0.13	Chartis Specialty Ins Co	\$ 1.24		
	\$ 1,680.97		\$ 1.15		
			\$ 0.22		
			\$ 0.00		
			\$ 1,867.63		

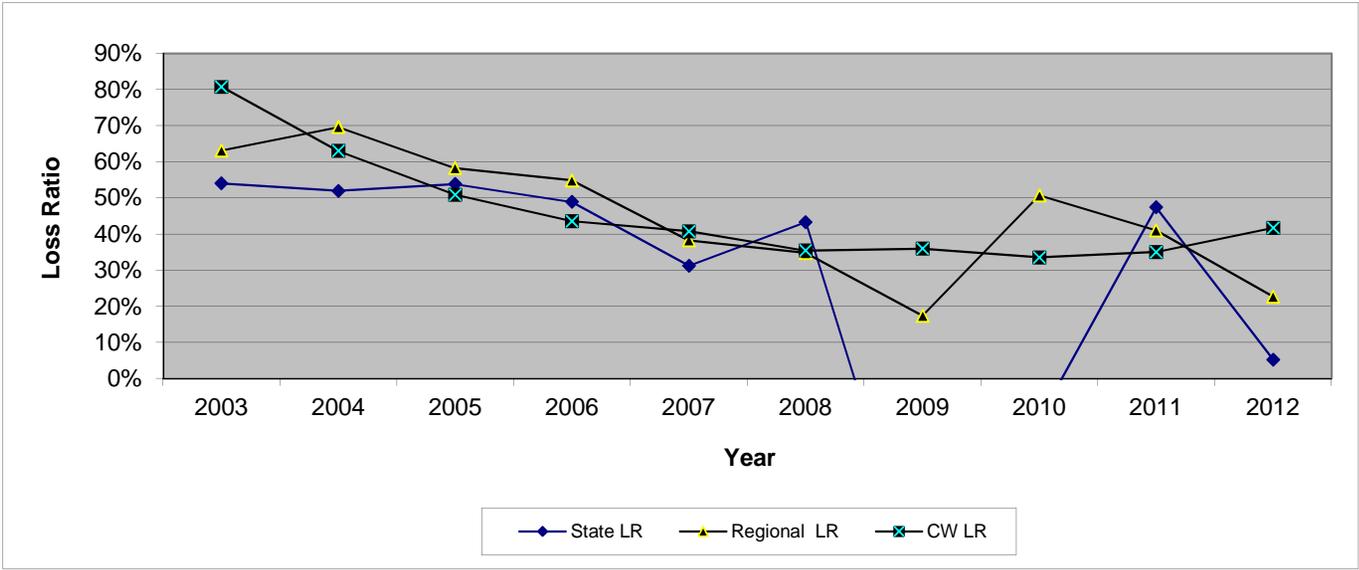
YEAR:	2009		2008		2007
	Direct Written Premium (000s)	Company	Direct Written Premium (000s)	Company	Direct Written Premium (000s)
	\$ 1,052.50	Arch Specialty Ins Co	\$ 1,057.35	Arch Specialty Ins Co	\$ 1,116.86
	\$ 940.73	Steadfast Ins Co	\$ 726.51	Steadfast Ins Co	\$ 873.23
	\$ 334.58	Columbia Cas Co	\$ 542.51	Columbia Cas Co	\$ 416.46
	\$ 246.61	Homeland Ins Co of NY	\$ 321.03	Homeland Ins Co of NY	\$ 128.66
	\$ 88.72	Oms Natl Ins Co Rrg	\$ 212.00	Evanston Ins Co	\$ 120.27
	\$ 70.11	Professional Underwriters Liab Ins C	\$ 105.65	Illinois Union Ins Co	\$ 103.17
	\$ 68.38	National Fire & Marine Ins Co	\$ 82.26	Lexington Ins Co	\$ 99.71
	\$ 45.63	Evanston Ins Co	\$ 76.21	Oms Natl Ins Co Rrg	\$ 82.51
	\$ 22.50	Chubb Custom Ins Co	\$ 76.09	Professional Underwriters Liab Ins Co	\$ 68.18
	\$ 16.40	Empire Ind Ins Co	\$ 67.69	James River Ins Co	\$ 28.03
	\$ 10.38	Admiral Ins Co	\$ 9.76	National Fire & Marine Ins Co	\$ 27.48
	\$ 9.28	Interstate Fire & Cas Co	\$ 7.03	Landmark Amer Ins Co	\$ 10.39
	\$ 8.47	American Assoc Of Othodontists RRG	\$ 5.25	American Assoc Of Othodontists RRG	\$ 6.00
	\$ 4.26	Western World Ins Co	\$ 5.00	Red Mountain Cas Ins Co Inc	\$ 5.00
	\$ 3.79	Lexington Ins Co	\$ 4.71	Western World Ins Co	\$ 3.36
	\$ 2.55	James River Ins Co	\$ 2.16	Ophthalmic Mut Ins Co RRG	\$ 2.43
	\$ 1.64	Allied Professionals Ins Co RRG	\$ 1.54	Allied Professionals Ins Co RRG	\$ 1.00
	\$ 1.50	Landmark Amer Ins Co	\$ 0.96	General Star Ind Co	\$ 0.57
	\$ 0.93	Ophthalmic Mut Ins Co RRG	\$ 3,303.70		\$ 3,093.32
	\$ 2,928.96				

YEAR:	2006		2005		2004
	Direct Written Premium (000s)	Company	Direct Written Premium (000s)	Company	Direct Written Premium (000s)
	\$ 1,198.00	Arch Specialty Ins Co	\$ 1,525.58	Steadfast Ins Co	\$ 1,919.70
	\$ 1,133.00	Steadfast Ins Co	\$ 1,154.78	Arch Specialty Ins Co	\$ 1,596.70
	\$ 444.05	Columbia Cas Co	\$ 684.49	Columbia Cas Co	\$ 616.37
	\$ 397.56	Lexington Ins Co	\$ 176.87	Lexington Ins Co	\$ 226.17
	\$ 127.70	Evanston Ins Co	\$ 167.35	Oms Natl Ins Co Rrg	\$ 70.50
	\$ 83.46	Oms Natl Ins Co Rrg	\$ 109.06	Evanston Ins Co	\$ 45.31
	\$ 65.21	Professional Underwriters Liab Ins Co	\$ 79.55	General Star Ind Co	\$ 26.00
	\$ 29.95	National Fire & Marine Ins Co	\$ 50.20	Colony Ins Co	\$ 13.00
	\$ 26.67	James River Ins Co	\$ 20.66	Western World Ins Co	\$ 11.98
	\$ 18.99	Landmark Amer Ins Co	\$ 13.75	Ophthalmic Mut Ins Co RRG	\$ 6.64
	\$ 10.50	Colony Ins Co	\$ 10.50	American Assoc Of Othodontists RRG	\$ 5.28
	\$ 4.64	American Assoc Of Othodontists RRG	\$ 5.54	Admiral Ins Co	\$ 0.25
	\$ 3.23	Western World Ins Co	\$ 3.83	Allied Professionals Ins Co RRG	\$ 0.10
	\$ 2.58	Ophthalmic Mut Ins Co RRG	\$ 2.61		\$ 4,538.01
	\$ 1.60	General Star Ind Co	\$ 1.69		
	\$ 0.37	Allied Professionals Ins Co RRG	\$ 0.31		
	\$ 3,547.50		\$ 4,006.76		

MEDICAL MALPRACTICE

EXHIBIT III: HISTORICAL LOSS RATIOS

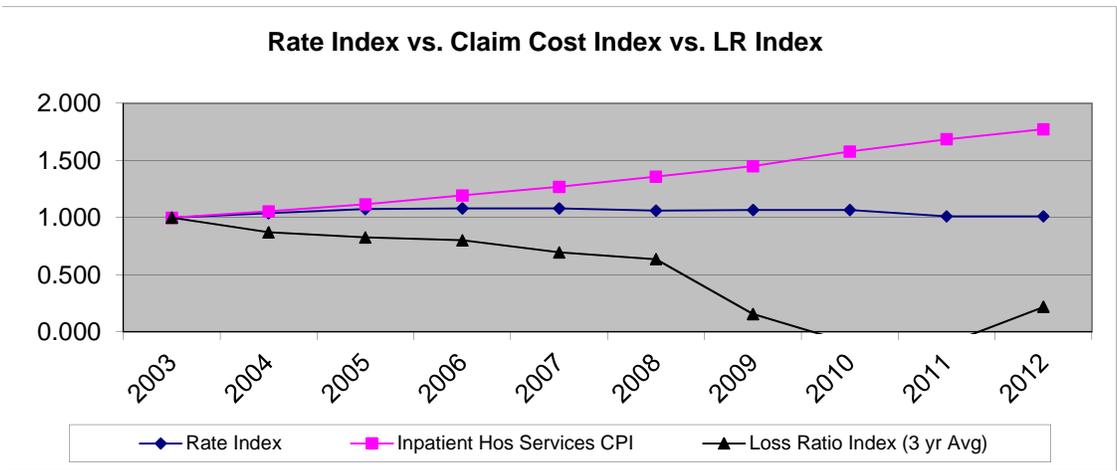
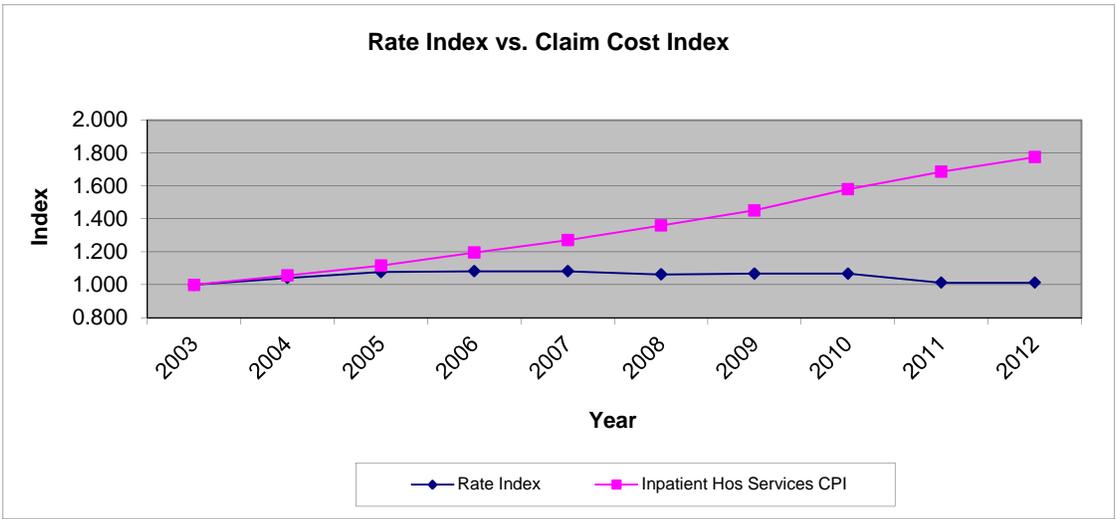
Year	Statewide Loss Ratio	Regional Loss Ratio	Countrywide Loss Ratio
2003	54%	63%	81%
2004	52%	70%	63%
2005	54%	58%	51%
2006	49%	55%	44%
2007	31%	38%	41%
2008	43%	35%	35%
2009	-61%	17%	36%
2010	-11%	51%	34%
2011	47%	41%	35%
2012	5%	23%	42%



MEDICAL MALPRACTICE

EXHIBIT IV: LOSS RATIO VS. RATE CHANGES VS. COST INDICES

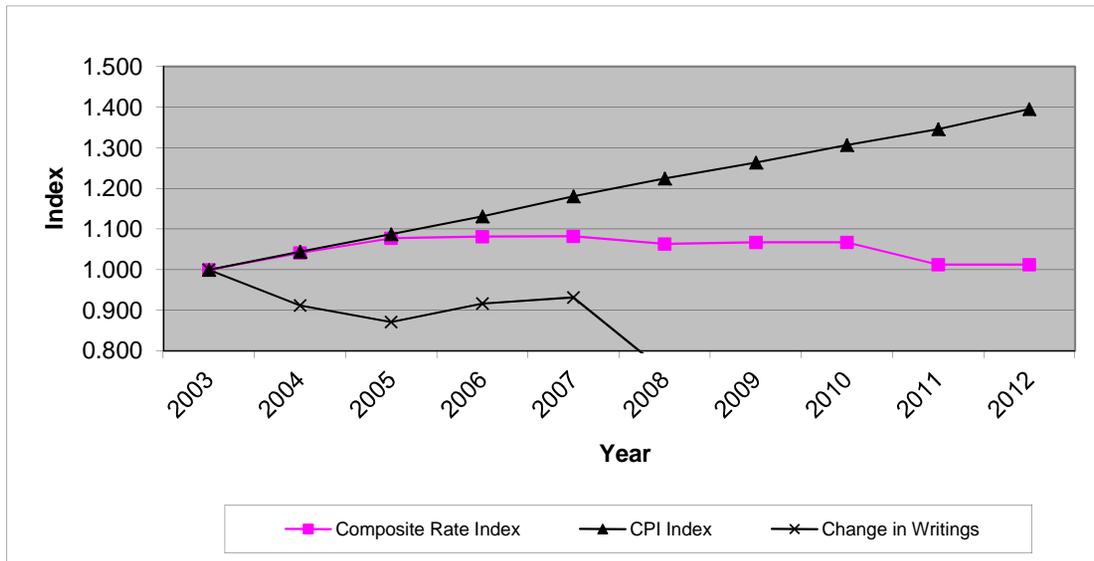
Year	Composite Rate Index	Relevant Claim Cost Index	Statewide 3 Yr LR Index
2003	1.000	1.000	1.000
2004	1.041	1.057	0.873
2005	1.077	1.117	0.829
2006	1.081	1.195	0.803
2007	1.082	1.271	0.698
2008	1.063	1.361	0.638
2009	1.067	1.452	0.158
2010	1.067	1.580	-0.098
2011	1.012	1.687	-0.105
2012	1.012	1.775	0.220



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EXHIBIT V: CHANGE IN PREMIUM WRITINGS

Year	Statewide Written Premium (000s)	Change in Writings	Indexed	Composite Rate Index	Consumer Price Index
2003	\$ 19,306		1.00	1.000	1.000
2004	\$ 17,605	-8.8%	0.91	1.041	1.044
2005	\$ 16,823	-4.4%	0.87	1.077	1.088
2006	\$ 17,696	5.2%	0.92	1.081	1.131
2007	\$ 17,980	1.6%	0.93	1.082	1.181
2008	\$ 14,468	-19.5%	0.75	1.063	1.225
2009	\$ 11,788	-18.5%	0.61	1.067	1.264
2010	\$ 14,016	18.9%	0.73	1.067	1.307
2011	\$ 13,359	-4.7%	0.69	1.012	1.346
2012	\$ 11,388	-14.8%	0.59	1.012	1.396



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EXHIBIT VI: FIELD MARKET SURVEY

2012 Survey not available

MEDICAL MALPRACTICE

EXHIBIT VII – RESIDUAL MARKET POPULATION

North Dakota does not have a residual market mechanism for Medical Malpractice insurance.

MEDICAL MALPRACTICE

EXHIBIT VIII - MATRIX OF INDICATORS

Factor	Competitive Level		
	Low	Moderate	High
Market Concentration (Herfindahl index)	XX		
Market Share Analysis –Market Share Changes	XX		
Market Share Analysis –Company Changes		XX	
Market Share Analysis – Surplus (non-licensed)	XX		
Historical Loss Ratios (Statewide, Regional, and Countrywide)	NA	NA	NA
Loss Ratios vs Rate Change vs Claims Cost Indexes		XX	
Change in Premium Writings	NA	NA	NA
Field Market Survey Results-October 2012	NA	NA	NA
Residual Market Population			XX

Final ranking based upon all factors: Low

Addendum 7 Narrative Summary – Other Liability (professional liability, D&O, E&O, excess and umbrella)

The market analysis components found in the attached exhibits for other liability are summarized below:

Exhibit I -Market Concentration (Herfindahl index)

The historical concentration ratios and Herfindahl indices for North Dakota are very low relative to the national benchmarks. This indicates the market is not concentrated and is highly competitive.

Exhibit II-A - Market Share Analysis –Market Share Changes

The ranking of the top 4 writers over the past six years has changed considerably. The top 4 positions have held approximately from 16% to 20% of the market share over the past 6 years.

The total market share of the top 20 companies combined has ranged from between 44% to 49% of the market.

These statistics indicate that the market is competitive.

It should be noted that the general category of Other Liability includes an extremely wide array of diverse contracts and risk exposures. Contracts can include Design Professional, Legal Malpractice, Non-profit D&O, For-profit D&O, umbrella and other General Liability etc. Further, some companies specialize in writing only certain risk categories. No single company writes all classes of risk.

Exhibit II-B – Market Share Analysis –Company Changes

There continues to be a significant number of companies entering the top 20 writers each year as well as considerable movement among the top 20 carriers. Highly competitive markets are associated with a high degree of movement. This information suggests that the level of competition is high.

Exhibit II-C – Market Share Analysis – Surplus (non-licensed)

In 2012, 23% of this line's premium was written by surplus lines carriers. This suggests that the market is less than competitive.

Exhibit III – Historical Loss Ratios (Statewide, Regional, and Countrywide)

Statewide loss ratios have varied considerably from year to year but with the exception of 2003, have been consistently low compared to industry targets. Further the statewide loss ratios are lower than both regional and countrywide ratios. The consistently low loss ratios on a statewide basis may be interpreted to mean that the market is not competitive. There has not been sufficient competitive pressure to force rates into alignment with experience. This information suggests the market is less than competitive.

Exhibit IV – Loss Ratios vs Rate Change vs Claims Cost Indexes

North Dakota rates have remained relatively flat despite favorable loss experience. This may suggest non-competitive market. Making this comparison is complicated the fact that companies can achieve premium changes through rating tools such as schedule and experience rating, without a formal rate filing. Changes in premium via these rating tools are not reflected in this exhibit. It may well be that companies are responding to the favorable loss experience with experience and/or schedule rating credit.

Overall this exhibit suggests the market is moderately competitive.

Exhibit V – Change in Premium Writings

The statewide premium volume has varied considerably from year to year. In 2012 premium volume increased more than 50% over the prior year's level. This is most-likely attributable to the rapid economic development in the western part of the state.

This information is by itself not an indicator of the competitive level of the market.

Exhibit VI – Field Market Survey Results-September 2012

The 2012 field market survey is unavailable for this report.

Exhibit VII – Residual Market Population

There is no residual market mechanism for Other Liability lines in North Dakota. Consumers who can not obtain insurance through the admitted market must either look for coverage in the surplus market, with Risk Retention Groups or go without.

The absence of the need for a residual market mechanism is considered an indicator of a competitive market.

Exhibit VIII – Matrix of Indicators

The Herfindahl index, Market Share Changes, Market Share Company Changes and the lack of a residual market indicate a highly competitive market. The Loss Ratio vs Rate Change vs Claims Cost Index indicates a moderately competitive market. The Market Share Surplus analysis and the Historical Loss Ratio exhibit indicate that the market is noncompetitive.

Final assessment

The evaluation of the market through the year 2012 indicates a moderately competitive market.

The determination on how to categorize the other liability line of insurance is difficult due to the diverse nature of coverages within this line. We note based on contacts with consumers that there are a number of specialty/niche business classes which have limited availability of coverage due to a lack of companies willing to write that type of business. In these cases the market is clearly non-competitive. Unfortunately due to data constraints we are unable to accurately analyze each of these classes within the broad category of Other Liability. Since this category is so broad, the assessment may not accurately reflect any one of the specialty classes. Our conclusion for the broad category is that the market is moderately competitive.

OTHER LIABILITY

EXHIBIT I: MARKET CONCENTRATION

Year	North Dakota			Countrywide		
	4-Firm Concentration Ratio	20-Firm Concentration Ratio	Herfindahl Index	4-Firm Concentration Ratio	20-Firm Concentration Ratio	Herfindahl Index
1993	40.6%	64.3%		24.9%	45.9%	
1994	25.7%	57.0%		24.1%	44.5%	
1995	28.6%	56.3%		21.2%	43.1%	
1996	17.3%	48.8%		20.5%	42.0%	
1997	15.7%	50.1%		20.5%	42.1%	
1998	20.3%	50.8%		19.9%	41.6%	
1999	15.3%	46.8%		17.3%	40.2%	
2000	13.7%	43.9%		18.0%	39.7%	
2001	14.1%	44.9%		16.4%	40.5%	
2002	12.8%	44.4%		19.3%	43.4%	
2003	15.0%	44.9%		20.3%	44.6%	
2004	20.1%	49.0%	(446)	17.7%	43.2%	(663)
2005	14.4%	45.6%	(317)	16.2%	42.4%	(625)
2006	18.4%	48.6%	(383)	15.2%	42.2%	(609)
2007	19.2%	46.8%	(384)	15.7%	42.8%	(627)
2008	17.9%	47.2%	(383)	16.5%	41.0%	(513)
2009	20.7%	48.7%	(354)	16.4%	39.6%	(450)
2010	19.9%	49.4%	(333)	16.7%	39.6%	(450)
2011	16.6%	44.6%	(324)	16.3%	38.9%	(424)
2012	19.2%	45.9%	(311)	14.7%	36.1%	(352)

Benchmarks:

National industries with 4-firm concentration ratios <75% and Herfindahl index <2000, are generally not viewed as highly concentrated.

Merger guidelines of U.S. Dept of Justice

Post-merger market Herfindahl index

> 1,800 - highly concentrated

1,000 < Herfindahl index < 1,800 - moderately concentrated

< 1,000 - unconcentrated

OTHER LIABILITY

EXHIBIT IIA: NORTH DAKOTA MARKET SHARE REPORT

Year: 2012				Year: 2011				Year: 2010			
Company	Direct WP (in 000s)	Market Share	Cumulative	Company	Direct WP (in 000s)	Market Share	Cumulative	Company	Direct WP (in 000s)	Market Share	Cumulative
St Paul Fire & Marine Ins Co	\$ 10,864	6.8%	6.8%	St Paul Fire & Marine Ins Co	\$ 5,492	5.2%	5.2%	Everest Ind Ins Co	\$ 7,879	8.2%	8.2%
Everest Ind Ins Co	\$ 7,214	4.5%	11.3%	Caterpillar Ins Co	\$ 4,131	3.9%	9.0%	St Paul Fire & Marine Ins Co	\$ 4,743	4.9%	13.1%
Mid Continent Cas Co	\$ 6,595	4.1%	15.4%	Employers Mut Cas Co	\$ 4,087	3.8%	12.9%	Employers Mut Cas Co	\$ 3,328	3.5%	16.6%
Caterpillar Ins Co	\$ 6,067	3.8%	19.2%	Mid Continent Cas Co	\$ 3,954	3.7%	16.6%	Cincinnati Ins Co	\$ 3,158	3.3%	19.9%
Employers Mut Cas Co	\$ 5,779	3.6%	22.8%	Cincinnati Ins Co	\$ 3,194	3.0%	19.6%	Caterpillar Ins Co	\$ 3,130	3.3%	23.2%
Cincinnati Ins Co	\$ 3,817	2.4%	25.2%	Federal Ins Co	\$ 2,565	2.4%	22.0%	Federal Ins Co	\$ 2,939	3.1%	26.2%
Zurich Amer Ins Co	\$ 3,669	2.3%	27.4%	Lexington Ins Co	\$ 2,495	2.3%	24.4%	Mid Continent Cas Co	\$ 2,418	2.5%	28.7%
Acuity A Mut Ins Co	\$ 3,288	2.1%	29.5%	American Modern Home Ins Co	\$ 2,391	2.2%	26.6%	Lexington Ins Co	\$ 2,402	2.5%	31.2%
Federal Ins Co	\$ 2,916	1.8%	31.3%	Farmers Union Mut Ins Co	\$ 2,291	2.2%	28.8%	American Modern Home Ins Co	\$ 2,278	2.4%	33.6%
American Modern Home Ins Co	\$ 2,799	1.7%	33.1%	Continental Cas Co	\$ 2,188	2.1%	30.8%	Farmers Union Mut Ins Co	\$ 2,061	2.1%	35.8%
Lexington Ins Co	\$ 2,600	1.6%	34.7%	Acuity A Mut Ins Co	\$ 2,140	2.0%	32.8%	Grinnell Mut Reins Co	\$ 1,670	1.7%	37.5%
Farmers Union Mut Ins Co	\$ 2,556	1.6%	36.3%	Grinnell Mut Reins Co	\$ 1,809	1.7%	34.5%	Acuity A Mut Ins Co	\$ 1,601	1.7%	39.2%
Western Natl Mut Ins Co	\$ 2,544	1.6%	37.9%	Chartis Specialty Ins Co	\$ 1,670	1.6%	36.1%	Continental Cas Co	\$ 1,517	1.6%	40.7%
Commerce & Industry Ins Co	\$ 2,484	1.5%	39.4%	Commerce & Industry Ins Co	\$ 1,441	1.4%	37.4%	Zurich Amer Ins Co	\$ 1,448	1.5%	42.3%
Continental Cas Co	\$ 2,259	1.4%	40.8%	Nodak Mut Ins Co	\$ 1,360	1.3%	38.7%	National Union Fire Ins Co Of Pitts	\$ 1,272	1.3%	43.6%
Grinnell Mut Reins Co	\$ 2,133	1.3%	42.1%	Western Natl Mut Ins Co	\$ 1,331	1.3%	40.0%	Nodak Mut Ins Co	\$ 1,271	1.3%	44.9%
United Fire & Cas Co	\$ 1,617	1.0%	43.2%	American Family Mut Ins Co	\$ 1,259	1.2%	41.2%	American Bankers Ins Co Of FL	\$ 1,146	1.2%	46.1%
Ace Amer Ins Co	\$ 1,555	1.0%	44.1%	Auto Owners Ins Co	\$ 1,252	1.2%	42.3%	Auto Owners Ins Co	\$ 1,102	1.1%	47.2%
American Family Mut Ins Co	\$ 1,454	0.9%	45.0%	Zurich Amer Ins Co	\$ 1,236	1.2%	43.5%	State Farm Fire & Cas Co	\$ 1,063	1.1%	48.4%
Nodak Mut Ins Co	\$ 1,450	0.9%	45.9%	Ace Amer Ins Co	\$ 1,228	1.2%	44.6%	American Family Mut Ins Co	\$ 1,045	1.1%	49.4%

Year: 2009				Year: 2008				Year: 2007			
Company	Direct WP (in 000s)	Market Share	Cumulative	Company	Direct WP (in 000s)	Market Share	Cumulative	Company	Direct WP (in 000s)	Market Share	Cumulative
Everest Ind Ins Co	\$ 9,451	10.2%	10.2%	American Intl Specialty Lines Ins Co	\$ 5,097	6.2%	6.2%	St Paul Fire & Marine Ins Co	\$ 4,485	5.8%	5.8%
St Paul Fire & Marine Ins Co	\$ 3,861	4.2%	14.3%	St Paul Fire & Marine Ins Co	\$ 3,752	4.6%	10.8%	American Intl Specialty Lines Ins Co	\$ 4,155	5.3%	11.1%
Employers Mut Cas Co	\$ 2,985	3.2%	17.6%	Cincinnati Ins Co	\$ 2,993	3.6%	14.4%	Federal Ins Co	\$ 3,230	4.1%	15.2%
Federal Ins Co	\$ 2,945	3.2%	20.7%	Caterpillar Ins Co	\$ 2,898	3.5%	17.9%	Cincinnati Ins Co	\$ 3,071	3.9%	19.2%
Cincinnati Ins Co	\$ 2,891	3.1%	23.9%	Employers Mut Cas Co	\$ 2,816	3.4%	21.3%	Caterpillar Ins Co	\$ 2,249	2.9%	22.1%
Lexington Ins Co	\$ 2,701	2.9%	26.8%	Federal Ins Co	\$ 2,775	3.4%	24.7%	Transportation Ins Co	\$ 1,883	2.4%	24.5%
Caterpillar Ins Co	\$ 2,472	2.7%	29.4%	Mid Continent Cas Co	\$ 1,809	2.2%	26.9%	Acuity A Mut Ins Co	\$ 1,785	2.3%	26.8%
Mid Continent Cas Co	\$ 2,147	2.3%	31.7%	Zurich Amer Ins Co	\$ 1,754	2.1%	29.0%	Grinnell Mut Reins Co	\$ 1,575	2.0%	28.8%
Farmers Union Mut Ins Co	\$ 1,900	2.0%	33.8%	Farmers Union Mut Ins Co	\$ 1,716	2.1%	31.1%	Dakota Fire Ins Co	\$ 1,573	2.0%	30.8%
American Bankers Ins Co Of FL	\$ 1,687	1.8%	35.6%	Acuity A Mut Ins Co	\$ 1,683	2.0%	33.2%	Employers Mut Cas Co	\$ 1,524	2.0%	32.8%
Grinnell Mut Reins Co	\$ 1,626	1.8%	37.4%	Lexington Ins Co	\$ 1,651	2.0%	35.2%	Zurich American Ins Co	\$ 1,476	1.9%	34.7%
Acuity A Mut Ins Co	\$ 1,506	1.6%	39.0%	Grinnell Mut Reins Co	\$ 1,578	1.9%	37.1%	Mid Continent Cas Co	\$ 1,459	1.9%	36.5%
Zurich Amer Ins Co	\$ 1,500	1.6%	40.6%	Continental Cas Co	\$ 1,555	1.9%	39.0%	Farmers Union Mut Ins Co	\$ 1,427	1.8%	38.4%
Continental Cas Co	\$ 1,348	1.5%	42.1%	Nodak Mut Ins Co	\$ 1,097	1.3%	40.3%	Lexington Ins Co	\$ 1,143	1.5%	39.8%
Nodak Mut Ins Co	\$ 1,168	1.3%	43.3%	St Paul Mercury Ins Co	\$ 1,023	1.2%	41.6%	Ace Amer Ins Co	\$ 931	1.2%	41.0%
American Family Mut Ins Co	\$ 1,029	1.1%	44.4%	State Farm Fire & Cas Co	\$ 994	1.2%	42.8%	Nodak Mut Ins Co	\$ 923	1.2%	42.2%
State Farm Fire & Cas Co	\$ 1,025	1.1%	45.5%	Auto Owners Ins Co	\$ 964	1.2%	43.9%	State Farm Fire And Cas Co	\$ 912	1.2%	43.4%
Auto Owners Ins Co	\$ 991	1.1%	46.6%	American Family Mut Ins Co	\$ 955	1.2%	45.1%	Interstate Fire & Cas Co	\$ 902	1.2%	44.5%
Steadfast Ins Co	\$ 983	1.1%	47.7%	Everest Natl Ins Co	\$ 930	1.1%	46.2%	National Union Fire Ins Co Of Pitts	\$ 896	1.2%	45.7%
Greenwich Ins Co	\$ 978	1.1%	48.7%	Attorneys Liab Protection Soc RRG	\$ 839	1.0%	47.2%	Bancinsure Inc	\$ 894	1.1%	46.8%

OTHER LIABILITY

EXHIBIT IIA: NORTH DAKOTA MARKET SHARE REPORT (by Group)

Year: 2012

<u>Group/Company</u>	<u>Direct WP</u> <u>(in 000s)</u>	<u>Market</u> <u>Share</u>	<u>Cumulative</u>
Travelers Grp	\$ 16,675	10.4%	10.4%
AMERICAN INTL GRP	\$ 7,752	4.8%	15.2%
American Financial Grp	\$ 7,688	4.8%	20.0%
EVEREST REINS HOLDINGS GRP	\$ 7,237	4.5%	24.5%
EMC INS CO GRP	\$ 6,590	4.1%	28.6%
Caterpillar Grp	\$ 6,067	3.8%	32.4%
ZURICH INS GRP	\$ 5,775	3.6%	36.0%
NATIONWIDE CORP GRP	\$ 5,259	3.3%	39.3%
CINCINNATI FIN GRP	\$ 4,576	2.9%	42.2%
CNA INS GRP	\$ 4,249	2.6%	44.8%
WR Berkley Corp GRP	\$ 4,050	2.5%	47.3%
Chubb Inc Grp	\$ 3,898	2.4%	49.8%
LIBERTY MUT GRP	\$ 3,700	2.3%	52.1%
Ace Ltd Grp	\$ 3,484	2.2%	54.2%
Acuity A Mut Ins Co	\$ 3,288	2.1%	56.3%
FAIRFAX FIN GRP	\$ 3,248	2.0%	58.3%
Munich Re Grp	\$ 2,928	1.8%	60.2%
Farmers Union Mut Ins Co	\$ 2,556	1.6%	61.7%
WESTERN NATL MUT GRP	\$ 2,553	1.6%	63.3%
AUTO OWNERS GRP	\$ 2,430	1.5%	64.9%

OTHER LIABILITY

EXHIBIT IIB: NORTH DAKOTA MARKET SHARE REPORT ENTRIES/EXITS IN TOP 20 WRITERS

Year	# of New Entries/Exits into Top 20 Carriers	Changes within Top 20 Carriers
1993	4	9
1994	3	11
1995	5	12
1996	4	14
1997	4	14
1998	4	15
1999	4	12
2000	3	12
2001	4	15
2002	6	13
2003	6	13
2004	4	9
2005	4	15
2006	4	16
2007	6	11
2008	6	14
2009	4	14
2010	2	12
2011	4	9
2012	2	16

EXHIBIT IIC: NORTH DAKOTA OTHER LIABILITY MARKET SHARE- SURPLUS (non-licensed)

YEAR:	2012		2011		2010
	Direct Written Premium (000s)	Company	Direct Written Premium (000s)	Company	Direct Written Premium (000s)
Everest Ind Ins Co	\$ 7,214.41	Lexington Ins Co	\$ 2,494.90	Everest Ind Ins Co	\$ 7,878.80
Lexington Ins Co	\$ 2,599.94	Chartis Specialty Ins Co	\$ 1,669.97	Lexington Ins Co	\$ 2,402.40
First Mercury Ins Co	\$ 1,268.83	First Mercury Ins Co	\$ 1,186.84	Scottsdale Ins Co	\$ 698.71
Evanston Ins Co	\$ 1,142.20	Attorneys Liab Protection Soc RRG	\$ 877.84	Liberty Surplus Ins Corp	\$ 673.51
Steadfast Ins Co	\$ 1,057.75	Evanston Ins Co	\$ 692.72	First Mercury Ins Co	\$ 649.81
Nautilus Ins Co	\$ 1,039.37	Scottsdale Ins Co	\$ 609.62	Steadfast Ins Co	\$ 556.53
Catlin Specialty Ins Co	\$ 971.74	Colony Ins Co	\$ 600.99	Evanston Ins Co	\$ 529.02
James River Ins Co	\$ 914.67	Catlin Specialty Ins Co	\$ 518.15	Arch Specialty Ins Co	\$ 489.77
Hallmark Specialty Ins Co	\$ 879.02	First Specialty Ins Corp	\$ 508.48	Endurance Amer Specialty Ins Co	\$ 431.09
Acceptance Ind Ins Co	\$ 878.97	Nautilus Ins Co	\$ 492.70	Columbia Cas Co	\$ 421.69
Allied World Assur Co US Inc	\$ 849.55	Liberty Surplus Ins Corp	\$ 491.77	Nautilus Ins Co	\$ 400.92
Colony Ins Co	\$ 824.81	Arch Specialty Ins Co	\$ 462.26	Colony Ins Co	\$ 381.30
Columbia Cas Co	\$ 799.50	Ironshore Specialty Ins Co	\$ 410.76	Catlin Specialty Ins Co	\$ 375.76
Chartis Specialty Ins Co	\$ 767.69	James River Ins Co	\$ 381.58	Starr Surplus Lines Ins Co	\$ 366.25
Gemini Ins Co	\$ 742.79	Endurance Amer Specialty Ins Co	\$ 376.78	Chartis Specialty Ins Co	\$ 364.64
XL Select	\$ 717.77	Starr Surplus Lines Ins Co	\$ 371.68	Houston Cas Co	\$ 334.19
Northfield Ins Co	\$ 704.17	Namic Ins Co Inc	\$ 360.03	Namic Ins Co Inc	\$ 320.09
Scottsdale Ins Co	\$ 703.63	Acceptance Ind Ins Co	\$ 358.83	St Paul Surplus Lines Ins Co	\$ 319.00
Starr Surplus Lines Ins Co	\$ 636.13	Northfield Ins Co	\$ 352.33	AXIS Surplus Ins Co	\$ 254.67
Navigators Specialty Ins Co	\$ 623.35	Columbia Cas Co	\$ 344.80	Northfield Ins Co	\$ 249.22
General Star Ind Co	\$ 616.43	AXIS Surplus Ins Co	\$ 306.13	Travelers Excess & Surplus Lines Co	\$ 246.50
Crum & Forster Specialty Ins Co	\$ 572.35	Chubb Custom Ins Co	\$ 298.07	Illinois Union Ins Co	\$ 245.34
AXIS Surplus Ins Co	\$ 562.79	Allied World Assur Co US Inc	\$ 285.43	First Specialty Ins Corp	\$ 200.00
Ironshore Specialty Ins Co	\$ 546.74	Mount Vernon Fire Ins Co	\$ 257.14	Mount Vernon Fire Ins Co	\$ 186.31
First Specialty Ins Corp	\$ 543.69	Century Surety Co	\$ 256.63	Darwin Select Ins Co	\$ 169.73
Endurance Amer Specialty Ins Co	\$ 542.62	Hallmark Specialty Ins Co	\$ 256.55	XL Select	\$ 157.16
Liberty Surplus Ins Corp	\$ 516.46	Darwin Select Ins Co	\$ 248.06	Admiral Ins Co	\$ 154.79
Century Surety Co	\$ 404.74	Burlington Ins Co	\$ 244.17	James River Ins Co	\$ 154.33
Arch Specialty Ins Co	\$ 396.11	Steadfast Ins Co	\$ 222.51	Chubb Custom Ins Co	\$ 152.62
American Safety Ind Co	\$ 348.76	Houston Cas Co	\$ 215.70	Century Surety Co	\$ 144.92
Admiral Ins Co	\$ 346.78	Admiral Ins Co	\$ 214.92	Acceptance Ind Ins Co	\$ 140.68
Chubb Custom Ins Co	\$ 345.74	Illinois Union Ins Co	\$ 208.00	Rockhill Ins Co	\$ 115.31
Illinois Union Ins Co	\$ 342.04	STICO Mut Ins Co RRG	\$ 198.30	Burlington Ins Co	\$ 107.91
NAMIC Ins Co Inc	\$ 317.49	Western World Ins Co	\$ 185.22	The Cincinnati Specialty Underwriter	\$ 99.50
Interstate Fire & Cas Co	\$ 314.87	Essex Ins Co	\$ 162.61	Hermitage Ins Co	\$ 93.53
Burlington Ins Co	\$ 305.37	Title Industry Assur Co RRG	\$ 149.29	Maxum Ind Co	\$ 93.00
Houston Cas Co	\$ 305.04	American Safety Ind Co	\$ 137.99	Tudor Ins Co	\$ 92.08
Atlantic Cas Ins Co	\$ 303.58	General Star Ind Co	\$ 137.77	Usf Ins Co	\$ 79.81
Mount Vernon Fire Ins Co	\$ 302.26	Atain Specialty Ins Co	\$ 131.36	Capitol Specialty Ins Corp	\$ 76.95
The Cincinnati Specialty Underwriter	\$ 278.49	Interstate Fire & Cas Co	\$ 131.08	General Star Ind Co	\$ 70.90
Darwin Select Ins Co	\$ 264.69	The Cincinnati Specialty Underwriter	\$ 130.40	Berkley Regional Specialty Ins Co	\$ 69.46
Essex Ins Co	\$ 252.82	Rockhill Ins Co	\$ 129.49	Hallmark Specialty Ins Co	\$ 65.75
Rockhill Ins Co	\$ 210.10	Attorneys Liab Assur Society Inc RRG	\$ 127.45	Ironshore Specialty Ins Co	\$ 65.42
Hudson Specialty Ins Co	\$ 206.30	Hudson Specialty Ins Co	\$ 123.12	Western Heritage Ins Co	\$ 63.85
Berkley Regional Specialty Ins Co	\$ 194.84	St Paul Surplus Lines Ins Co	\$ 119.03	National Fire & Marine Ins Co	\$ 63.72
Great Amer E&S Ins Co	\$ 186.02	Gemini Ins Co	\$ 115.10	Union Ins Co Of Providence	\$ 63.69
Western World Ins Co	\$ 181.03	Hermitage Ins Co	\$ 106.26	Colony Natl Ins Co	\$ 63.11
Atain Specialty Ins Co	\$ 172.41	Navigators Specialty Ins Co	\$ 100.55	Hudson Specialty Ins Co	\$ 61.03
National Fire & Marine Ins Co	\$ 149.50	XL Select	\$ 97.44	American Safety Ind Co	\$ 60.30
Western Heritage Ins Co	\$ 114.98	Atlantic Cas Ins Co	\$ 91.62	Landmark Amer Ins Co	\$ 59.98
Tokio Marine Specialty Ins Co	\$ 114.26	Tudor Ins Co	\$ 88.21	Interstate Fire & Cas Co	\$ 57.10
Landmark Amer Ins Co	\$ 111.45	Kinsale Ins Co	\$ 82.45	United Natl Ins Co	\$ 54.33
Hermitage Ins Co	\$ 92.07	Prime Ins Co	\$ 77.87	Westchester Surplus Lines Ins Co	\$ 53.68
Associated Intl Ins Co	\$ 87.05	Crum & Forster Specialty Ins Co	\$ 71.13	MT Hawley Ins Co	\$ 49.42
Gotham Ins Co	\$ 80.57	Capitol Specialty Ins Corp	\$ 66.72	Western World Ins Co	\$ 46.65
Tudor Ins Co	\$ 78.57	Western Heritage Ins Co	\$ 66.20	Essex Ins Co	\$ 39.75
Homeland Ins Co of NY	\$ 77.93	Alterra Excess & Surplus Ins Co	\$ 63.71	Kinsale Ins Co	\$ 35.94
Capitol Specialty Ins Corp	\$ 74.88	Gotham Ins Co	\$ 62.28	Allied World Assur Co US Inc	\$ 33.95
Maxum Ind Co	\$ 73.22	National Fire & Marine Ins Co	\$ 59.27	Alterra Excess & Surplus Ins Co	\$ 32.87
Kinsale Ins Co	\$ 72.42	Great Amer E&S Ins Co	\$ 56.75	Great Amer E&S Ins Co	\$ 27.65
Princeton Excess & Surplus Lines Ins	\$ 65.42	Westchester Surplus Lines Ins Co	\$ 54.51	AIX Specialty Ins Co	\$ 22.18
Union Ins Co Of Providence	\$ 54.04	Associated Intl Ins Co	\$ 54.47	Associated Intl Ins Co	\$ 21.38
MT Hawley Ins Co	\$ 52.48	North Amer Capacity Ins Co	\$ 49.64	Princeton Excess & Surplus Lines Ins	\$ 20.68
Alterra Excess & Surplus Ins Co	\$ 48.25	Union Ins Co Of Providence	\$ 47.68	Penn Star Ins Co	\$ 20.32
St Paul Surplus Lines Ins Co	\$ 46.68	Landmark Amer Ins Co	\$ 44.99	Atlantic Cas Ins Co	\$ 19.08
United Specialty Ins Co	\$ 44.87	ICI Mut Ins Co RRG	\$ 37.35	Homeland Ins Co of NY	\$ 15.95
United Natl Ins Co	\$ 31.80	Berkley Regional Specialty Ins Co	\$ 35.40	Gotham Ins Co	\$ 12.60
AIX Specialty Ins Co	\$ 29.56	Princeton Excess & Surplus Lines Ins	\$ 31.55	Gemini Ins Co	\$ 11.27
Westchester Surplus Lines Ins Co	\$ 27.37	MT Hawley Ins Co	\$ 25.32	Crum & Forster Specialty Ins Co	\$ 8.92
Associated Industries Ins Co Inc	\$ 22.56	Companion Specialty Ins Co	\$ 25.00	Savers Prop & Cas Ins Co	\$ 8.76
Mid Continent Excess and Surplus Ins	\$ 17.91	Homeland Ins Co of NY	\$ 24.84	Old Republic Union Ins Co	\$ 7.86
North Amer Capacity Ins Co	\$ 15.12	Torus Specialty Ins Co	\$ 24.72	Prime Ins Co	\$ 6.04
Berkley Assur Co	\$ 13.02	Maxum Ind Co	\$ 24.57	Navigators Specialty Ins Co	\$ 5.84
Companion Specialty Ins Co	\$ 12.90	CHC Cas RRG	\$ 23.32	North Amer Capacity Ins Co	\$ 4.41
Golden Bear Ins Co	\$ 12.43	Restoration RRG Inc	\$ 21.05	Torus Specialty Ins Co	\$ 3.21
Mesa Underwriters Specialty Ins Co	\$ 11.82	Maiden Specialty Ins Co	\$ 20.92	Philadelphia Ins Co	\$ 2.34
Penn Star Ins Co	\$ 11.37	AIX Specialty Ins Co	\$ 14.54	American Western Home Ins Co	\$ 1.69
Savers Prop & Cas Ins Co	\$ 9.78	United Educators Ins RRG Inc	\$ 14.16	ProAssurance Specialty Ins Co	\$ 0.95
American Empire Surplus Lines Ins Co	\$ 7.10	United Specialty Ins Co	\$ 13.12	Montpelier US Ins Co	\$ 0.83
Torus Specialty Ins Co	\$ 6.97	United Natl Ins Co	\$ 12.72		\$ 22,140.64
ProAssurance Specialty Ins Co	\$ 1.46	Penn Star Ins Co	\$ 12.23		
Covington Specialty Ins Co	\$ 0.92	Spirit Mountain Ins Co RRG Inc	\$ 10.09		
American Southern Ins Co	\$ 0.70	Discover Specialty Ins Co	\$ 9.65		
American Western Home Ins Co	\$ 0.57	Savers Prop & Cas Ins Co	\$ 9.06		
	\$ 36,888.81	American Safety RRG Inc	\$ 9.00		
		Housing Authority RRG Inc	\$ 8.14		
		Mesa Underwriters Specialty Ins Co	\$ 6.38		
		Western Pacific Mut Ins Co RRG	\$ 4.52		
		Cpa Mut Ins Co Of Amer RRG	\$ 3.96		
		American Western Home Ins Co	\$ 3.17		
		Philadelphia Ins Co	\$ 2.34		
		Associated Industries Ins Co Inc	\$ 2.19		
		National Serv Contract Ins Co RRG	\$ 1.99		
		New Home Warranty Ins Co a RRG	\$ 1.57		
		PCH Mut Ins Co Inc RRG	\$ 1.30		
		ProAssurance Specialty Ins Co	\$ 1.23		
		Security Amer RRG Inc	\$ 0.70		
		Golden Bear Ins Co	\$ 0.70		
		Affiliates Ins Recip a RRG	\$ 0.49		
		Old Republic Union Ins Co	\$ 0.39		
		St Charles Ins Co RRG	\$ 0.04		
			\$ 20,313.93		

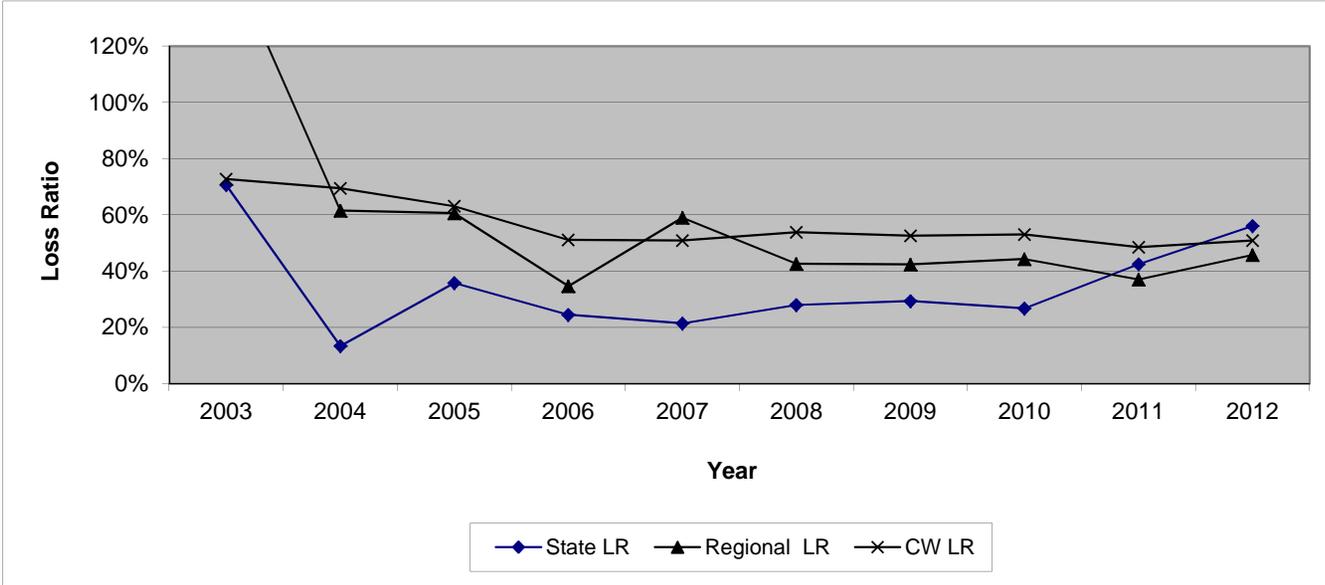
EXHIBIT IIC: NORTH DAKOTA OTHER LIABILITY MARKET SHARE- SURPLUS (non-licensed)

YEAR:	2009		2008		2007
	Direct Written Premium (000s)	Company	Direct Written Premium (000s)	Company	Direct Written Premium (000s)
Everest Ind Ins Co	\$ 9,451.47	American Intl Specialty Lines Ins Co	\$ 5,096.79	American Intl Specialty Lines Ins Co	\$ 4,154.65
Lexington Ins Co	\$ 2,701.36	Lexington Ins Co	\$ 1,650.79	Lexington Ins Co	\$ 1,143.40
Steadfast Ins Co	\$ 983.00	Nodak Mut Ins Co	\$ 1,096.79	Interstate Fire & Cas Co	\$ 902.20
Attorneys Liab Protection Soc RRG	\$ 788.29	Attorneys Liab Protection Soc RRG	\$ 839.01	Attorneys Liab Protection Soc RRG	\$ 891.01
Columbia Cas Co	\$ 583.13	Interstate Fire & Cas Co	\$ 822.45	Steadfast Ins Co	\$ 803.96
Ironshore Specialty Ins Co	\$ 439.88	Steadfast Ins Co	\$ 636.44	Arch Specialty Ins Co	\$ 627.55
Liberty Surplus Ins Corp	\$ 419.46	Colony Ins Co	\$ 484.67	Illinois Union Ins Co	\$ 599.22
Scottsdale Ins Co	\$ 391.48	AXIS Surplus Ins Co	\$ 407.50	Praetorian Specialty Ins Co	\$ 499.80
Evanston Ins Co	\$ 390.08	Arch Specialty Ins Co	\$ 385.10	Columbia Cas Co	\$ 479.80
James River Ins Co	\$ 378.38	Nautilus Ins Co	\$ 367.37	Scottsdale Ins Co	\$ 440.72
First Mercury Ins Co	\$ 362.43	Scottsdale Ins Co	\$ 353.83	St Paul Surplus Lines Ins Co	\$ 415.67
Houston Cas Co	\$ 355.75	Liberty Surplus Ins Corp	\$ 331.35	Mount Vernon Fire Ins Co	\$ 397.94
Nautilus Ins Co	\$ 335.20	James River Ins Co	\$ 330.48	Nautilus Ins Co	\$ 396.21
Namic Ins Co Inc	\$ 315.52	St Paul Surplus Lines Ins Co	\$ 325.41	Colony Ins Co	\$ 396.09
Endurance Amer Specialty Ins Co	\$ 314.68	Namic Ins Co Inc	\$ 314.53	Travelers Excess & Surplus Lines Co	\$ 375.00
Colony Ins Co	\$ 300.29	Houston Cas Co	\$ 307.68	Evanston Ins Co	\$ 336.82
Catlin Specialty Ins Co	\$ 297.62	Columbia Cas Co	\$ 296.74	Namic Ins Co Inc	\$ 301.70
Travelers Excess & Surplus Lines Co	\$ 261.20	Travelers Excess & Surplus Lines Co	\$ 290.00	Homeland Ins Co of NY	\$ 282.16
Landmark Amer Ins Co	\$ 241.21	Endurance Amer Specialty Ins Co	\$ 288.69	Maxum Ind Co	\$ 249.71
Colony Natl Ins Co	\$ 236.47	Northfield Ins Co	\$ 252.13	General Star Ind Co	\$ 242.11
Arch Specialty Ins Co	\$ 222.38	Chubb Custom Ins Co	\$ 246.61	Northfield Ins Co	\$ 240.91
AXIS Surplus Ins Co	\$ 214.70	Evanston Ins Co	\$ 244.99	Liberty Surplus Ins Corp	\$ 227.96
Northfield Ins Co	\$ 210.23	General Star Ind Co	\$ 236.18	AXIS Surplus Ins Co	\$ 222.83
US Rail Ins Co A RRG	\$ 207.33	Colony Natl Ins Co	\$ 208.48	Houston Cas Co	\$ 207.89
Chartis Specialty Ins Co	\$ 188.62	Mount Vernon Fire Ins Co	\$ 205.38	James River Ins Co	\$ 193.53
Acceptance Ind Ins Co	\$ 172.70	US Rail Ins Co A RRG	\$ 201.22	Burlington Ins Co	\$ 189.56
Darwin Select Ins Co	\$ 167.50	Landmark Amer Ins Co	\$ 184.40	Endurance Amer Specialty Ins Co	\$ 183.43
Berkley Regional Specialty Ins Co	\$ 162.20	Illinois Union Ins Co	\$ 165.08	Colony Natl Ins Co	\$ 150.00
Mount Vernon Fire Ins Co	\$ 149.31	Berkley Regional Specialty Ins Co	\$ 164.48	Landmark Amer Ins Co	\$ 117.48
General Star Ind Co	\$ 122.13	Title Industry Assur Co RRG	\$ 158.67	Capitol Specialty Ins Corp	\$ 111.33
Title Industry Assur Co RRG	\$ 115.17	Burlington Ins Co	\$ 144.80	Darwin Select Ins Co	\$ 103.90
Tudor Ins Co	\$ 114.22	Maxum Ind Co	\$ 121.93	Union Ins Co Of Providence	\$ 103.54
Hermitage Ins Co	\$ 113.98	STICO Mut Ins Co RRG	\$ 117.02	Allied World Assur Co US Inc	\$ 93.43
North Amer Capacity Ins Co	\$ 112.77	Acceptance Ind Ins Co	\$ 116.70	Acceptance Ind Ins Co	\$ 93.25
Admiral Ins Co	\$ 110.48	Darwin Select Ins Co	\$ 114.26	Title Industry Assur Co RRG	\$ 91.52
Illinois Union Ins Co	\$ 107.97	Capitol Specialty Ins Corp	\$ 109.44	Admiral Ins Co	\$ 90.71
Maxum Ind Co	\$ 105.44	Old Republic Ins Co	\$ 109.18	Berkley Regional Specialty Ins Co	\$ 88.68
Rockhill Ins Co	\$ 104.10	Allied World Assur Co US Inc	\$ 108.20	First Specialty Ins Corp	\$ 88.00
St Paul Surplus Lines Ins Co	\$ 103.92	MT Hawley Ins Co	\$ 107.85	United Natl Ins Co	\$ 82.58
Attorneys Liab Assur Society Inc RRG	\$ 101.66	Union Ins Co Of Providence	\$ 104.71	First Mercury Ins Co	\$ 82.13
STICO Mut Ins Co RRG	\$ 99.69	First Mercury Ins Co	\$ 100.53	Chubb Custom Ins Co	\$ 77.24
Chubb Custom Ins Co	\$ 96.52	Tudor Ins Co	\$ 94.84	STICO Mut Ins Co RRG	\$ 76.61
Burlington Ins Co	\$ 92.39	Hermitage Ins Co	\$ 76.22	MT Hawley Ins Co	\$ 73.13
Allied World Assur Co US Inc	\$ 83.76	Navigators Specialty Ins Co	\$ 73.70	Tudor Ins Co	\$ 70.85
National Fire & Marine Ins Co	\$ 81.56	CHC Cas RRG	\$ 71.13	Hudson Specialty Ins Co	\$ 70.12
Century Surety Co	\$ 80.86	Hudson Specialty Ins Co	\$ 66.60	Hermitage Ins Co	\$ 69.37
Capitol Specialty Ins Corp	\$ 80.71	Century Surety Co	\$ 55.90	Rockhill Ins Co	\$ 58.88
The Cincinnati Specialty Underwriter	\$ 71.96	Penn Star Ins Co	\$ 54.47	Essex Ins Co	\$ 53.06
Homeland Ins Co of NY	\$ 70.65	Westchester Surplus Lines Ins Co	\$ 53.50	Navigators Specialty Ins Co	\$ 51.42
Usf Ins Co	\$ 67.48	Homeland Ins Co of NY	\$ 53.00	Century Surety Co	\$ 46.70
Union Ins Co Of Providence	\$ 59.53	United Natl Ins Co	\$ 46.81	Western Pacific Mut Ins Co RRG	\$ 43.20
MT Hawley Ins Co	\$ 59.16	American Feed Industry Ins Co RRG	\$ 44.72	Western World Ins Co	\$ 41.42
XL Select	\$ 58.99	Western World Ins Co	\$ 42.18	Western Heritage Ins Co	\$ 37.13
Western Heritage Ins Co	\$ 57.40	North Amer Capacity Ins Co	\$ 42.07	Clarendon Amer Ins Co	\$ 36.05
Penn Star Ins Co	\$ 53.52	First Specialty Ins Corp	\$ 38.55	Westchester Surplus Lines Ins Co	\$ 34.92
Hudson Specialty Ins Co	\$ 50.26	Attorneys Liab Assur Society Inc RRG	\$ 34.98	Usf Ins Co	\$ 34.06
CHC Cas RRG	\$ 50.19	Essex Ins Co	\$ 34.51	American Feed Industry Ins Co RRG	\$ 33.80
Interstate Fire & Cas Co	\$ 44.71	National Fire & Marine Ins Co	\$ 31.51	American Safety RRG Inc	\$ 28.42
Nutmeg Ins Co	\$ 43.46	Great Amer E&S Ins Co	\$ 29.95	Attorneys Liab Assur Society Inc RRG	\$ 28.27
ICI Mut Ins Co RRG	\$ 40.00	American Safety RRG Inc	\$ 29.21	National Fire & Marine Ins Co	\$ 25.22
American Safety Ind Co	\$ 39.61	Western Heritage Ins Co	\$ 25.09	XL Select	\$ 20.00
Western World Ins Co	\$ 37.91	Usf Ins Co	\$ 23.61	North Amer Capacity Ins Co	\$ 19.20
Westchester Surplus Lines Ins Co	\$ 31.44	XL Select	\$ 23.25	Gotham Ins Co	\$ 19.00
PCH Mut Ins Co Inc RRG	\$ 30.99	Everest Ind Ins Co	\$ 22.59	Penn Star Ins Co	\$ 18.56
Navigators Specialty Ins Co	\$ 29.36	The Cincinnati Specialty Underwriter	\$ 20.10	PCH Mut Ins Co Inc RRG	\$ 14.86
Torus Specialty Ins Co	\$ 27.27	Western Pacific Mut Ins Co RRG	\$ 18.93	United Educators Ins RRG Inc	\$ 14.16
Essex Ins Co	\$ 23.99	United Specialty Ins Co	\$ 16.92	CHC Cas RRG	\$ 12.68
Great Amer E&S Ins Co	\$ 23.78	PCH Mut Ins Co Inc RRG	\$ 15.12	Catlin Specialty Ins Co	\$ 10.17
Atlantic Cas Ins Co	\$ 17.28	United Educators Ins RRG Inc	\$ 14.16	Atlantic Cas Ins Co	\$ 9.19
American Safety RRG Inc	\$ 16.97	Rockhill Ins Co	\$ 13.89	Spirit Mountain Ins Co RRG Inc	\$ 8.35
Gotham Ins Co	\$ 15.45	Gotham Ins Co	\$ 12.00	Prime Ins Syndicate Inc	\$ 8.22
Max Specialty Ins Co	\$ 14.50	Admiral Ins Co	\$ 10.19	Great Amer E&S Ins Co	\$ 8.09
United Educators Ins RRG Inc	\$ 14.16	Spirit Mountain Ins Co RRG Inc	\$ 9.99	American Safety Ind Co	\$ 7.78
Gemini Ins Co	\$ 13.44	American Safety Ind Co	\$ 9.42	Savers Prop & Cas Ins Co	\$ 6.93
Associated Intl Ins Co	\$ 13.14	Prime Ins Syndicate Inc	\$ 9.26	Restoration RRG Inc	\$ 6.03
Prime Ins Co	\$ 8.94	Catlin Specialty Ins Co	\$ 8.86	Everest Ind Ins Co	\$ 5.05
Spirit Mountain Ins Co RRG Inc	\$ 8.41	Ironshore Specialty Ins Co	\$ 8.50	Gemini Ins Co	\$ 4.54
United Natl Ins Co	\$ 8.32	Cpa Mut Ins Co Of Amer RRG	\$ 7.31	AXIS Specialty Ins Co	\$ 4.51
Old Republic Union Ins Co	\$ 8.31	Old Republic Union Ins Co	\$ 7.30	Max Specialty Ins Co	\$ 3.28
Hallmark Specialty Ins Co	\$ 7.50	Atlantic Cas Ins Co	\$ 7.20	Discover Specialty Ins Co	\$ 3.09
Savers Prop & Cas Ins Co	\$ 7.05	Savers Prop & Cas Ins Co	\$ 6.74	American Western Home Ins Co	\$ 1.04
Restoration RRG Inc	\$ 6.89	Gemini Ins Co	\$ 6.69	National Home Ins Co RRG	\$ 0.75
United Specialty Ins Co	\$ 6.71	Restoration RRG Inc	\$ 5.99		\$ 17,893.72
Philadelphia Ins Co	\$ 2.34	Max Specialty Ins Co	\$ 4.70		
American Western Home Ins Co	\$ 1.75	AIX Specialty Ins Co	\$ 3.43		
Discover Specialty Ins Co	\$ 1.49	Clarendon Amer Ins Co	\$ 2.91		
National Home Ins Co RRG	\$ 1.28	National Serv Contract Ins Co RRG	\$ 2.39		
Executive Risk Specialty Ins Co	\$ 1.03	Philadelphia Ins Co	\$ 2.33		
National Serv Contract Ins Co RRG	\$ 0.96	Executive Risk Specialty Ins Co	\$ 2.06		
Montpelier US Ins Co	\$ 0.75	Scaffold Industry Ins Co RRG Inc	\$ 1.98		
Security Amer RRG Inc	\$ 0.70	American Western Home Ins Co	\$ 1.35		
American Feed Industry Ins Co RRG	\$ 0.45	Discover Specialty Ins Co	\$ 1.28		
	\$ 24,218.65	National Home Ins Co RRG	\$ 0.71		
		Security Amer RRG Inc	\$ 0.70		
		ProAssurance Specialty Ins Co	\$ 0.70		
		Associated Intl Ins Co	\$ 0.04		
			\$ 19,439.33		

OTHER LIABILITY

EXHIBIT III: HISTORICAL LOSS RATIOS

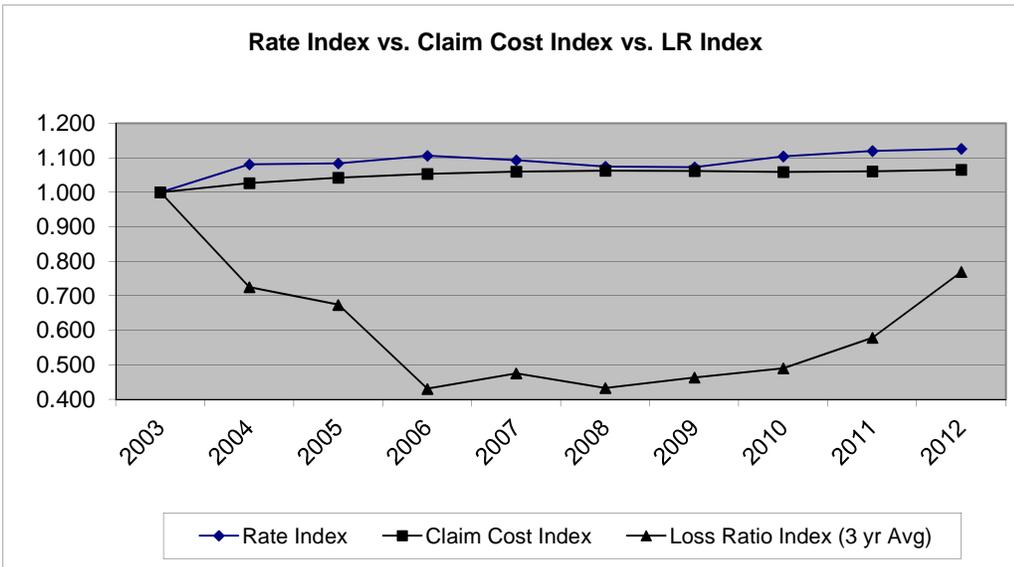
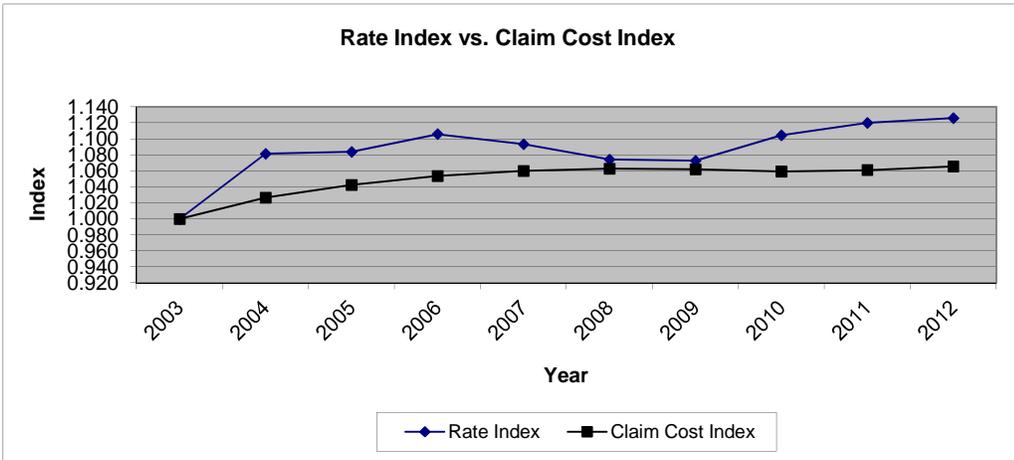
Year	Statewide Loss Ratio	Regional Loss Ratio	Countrywide Loss Ratio
2003	71%	154%	73%
2004	13%	61%	69%
2005	36%	61%	63%
2006	24%	35%	51%
2007	21%	59%	51%
2008	28%	43%	54%
2009	29%	42%	53%
2010	27%	44%	53%
2011	43%	37%	48%
2012	56%	46%	51%



OTHER LIABILITY

EXHIBIT IV: LOSS RATIO VS. RATE CHANGES VS. COST INDICES

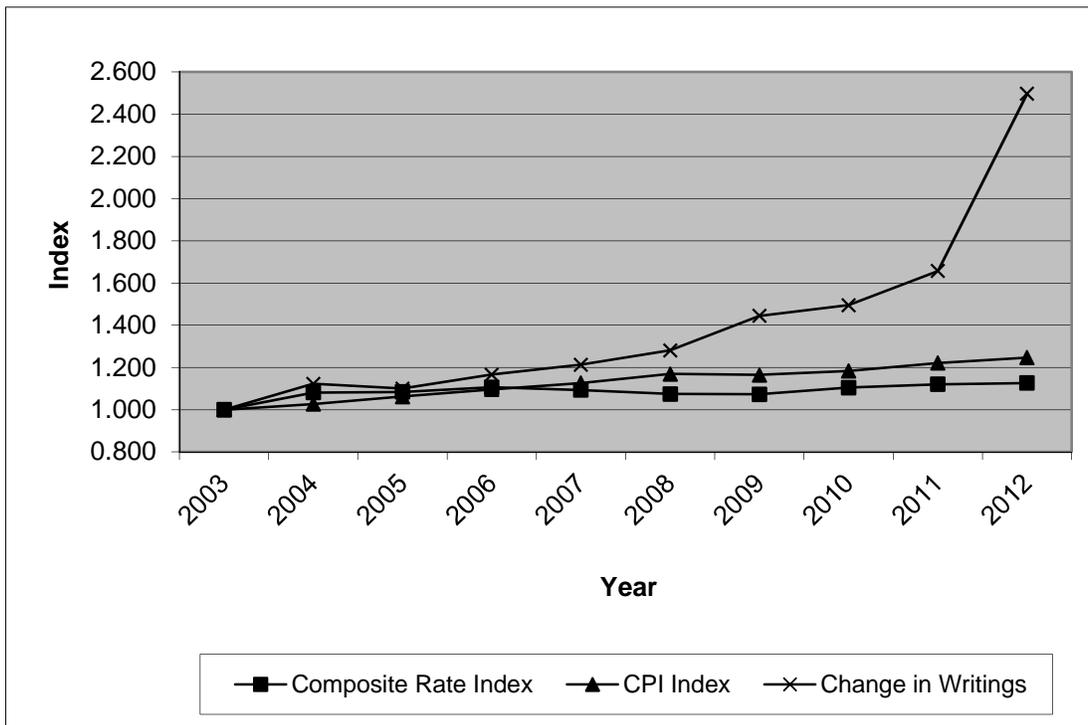
Year	Composite Rate Index	Relevant Claim Cost Index	Statewide 3 Yr LR Index
2003	1.000	1.000	1.000
2004	1.081	1.027	0.725
2005	1.084	1.043	0.674
2006	1.106	1.054	0.431
2007	1.093	1.060	0.475
2008	1.075	1.063	0.433
2009	1.073	1.062	0.463
2010	1.105	1.059	0.490
2011	1.120	1.061	0.579
2012	1.126	1.066	0.770



OTHER LIABILITY

EXHIBIT V: CHANGE IN PREMIUM WRITINGS

Year	Statewide Written Premium (000s)	Change in Writings	Indexed	Composite Rate Index	Consumer Price Index
2003	\$ 64,237		1.00	1.000	1.000
2004	\$ 72,105	12.2%	1.12	1.081	1.027
2005	\$ 70,668	-2.0%	1.10	1.084	1.062
2006	\$ 74,917	6.0%	1.17	1.106	1.096
2007	\$ 77,917	4.0%	1.21	1.093	1.127
2008	\$ 82,285	5.6%	1.28	1.075	1.169
2009	\$ 92,787	12.8%	1.44	1.073	1.165
2010	\$ 96,012	3.5%	1.49	1.105	1.183
2011	\$ 106,423	10.8%	1.66	1.120	1.221
2012	\$ 160,375	50.7%	2.50	1.126	1.247



OTHER LIABILITY

EXHIBIT VI: FIELD MARKET SURVEY

2012 Survey not available

OTHER LIABILITY

EXHIBIT VII – RESIDUAL MARKET POPULATION

North Dakota does not have a residual market mechanism for Other Liability lines.

OTHER LIABILITY

EXHIBIT VIII - MATRIX OF INDICATORS

Factor	Competitive Level		
	Low	Moderate	High
Market Concentration (Herfindahl index)			XX
Market Share Analysis –Market Share Changes			XX
Market Share Analysis –Company Changes			XX
Market Share Analysis – Surplus (non-licensed)	XX		
Historical Loss Ratios (Statewide, Regional, and Countrywide)	XX		
Loss Ratios vs Rate Change vs Claims Cost Indexes		XX	
Change in Premium Writings	NA	NA	NA
Field Market Survey Results-October 2012	NA	NA	NA
Residual Market Population			XX

Final ranking based upon all factors: Moderate

Addendum 8 Narrative Summary – Crop - Hail

The market analysis components found in the attached exhibits for Crop - Hail are summarized below:

Exhibit I -Market Concentration (Herfindahl index)

The Herfindahl index demonstrates that the marketplace is highly concentrated. This suggests that the marketplace is less than competitive, although both the 4-firm concentration ratio and the Herfindahl index have been improving slightly in last few years.

The country wide Herfindahl indices suggest the country wide marketplace is also concentrated, though not to the degree it is in North Dakota. The difference can be attributed to the fact that North Dakota is a relatively small market that is more easily dominated by regional carriers.

Exhibit II-A - Market Share Analysis –Market Share Changes

The combined market share of the top 4 writers has been in the 64% - 70% range for the past six years. In the past six years we've had fewer than 20 writers for this line of insurance. This suggests the market is noncompetitive.

Exhibit II-B – Market Share Analysis –Company Changes

There have been few companies entering and leaving the top 20, indicating a low degree of competition. There is considerable movement among all companies within the top 20, suggesting a high level of competition.

Highly competitive markets are associated with a high degree of movement and a low concentration of market share.

This information suggests that the market is moderately competitive.

Exhibit II-C – Market Share Analysis – Surplus (non-licensed)

Currently we are unable to capture enough detail to determine how much, if any crop hail business is written in the Surplus lines market. Anecdotally, the department is unaware of a surplus lines market for this business.

Exhibit III – Historical Loss Ratios (Statewide, Regional, and Countrywide)

In the past 10 years, crop hail loss ratios have fluctuated considerably on a statewide, regional and countrywide basis. Seven of the past ten years have been profitable ones for the industry. This information by itself does not offer an indication as to the competitive level of the marketplace.

Exhibit IV – Loss Ratios vs Rate Change vs Claims Cost Indexes

The volatility in both loss experience and in the claim cost index makes it difficult to draw conclusions from these exhibits. However the fact that rates have been gradually decreasing in reaction to favorable loss ratios suggests that the market is moderately competitive.

Exhibit V – Change in Premium Writings

The statewide premium volume has fluctuated substantially from year to year. The sale of crop insurance is annually affected a variety of factors, including weather patterns, types of crops planted, etc. Farmers countrywide seem to be insuring less of their crop with traditional crop hail insurance, opting instead for the Federally subsidized MPCCI programs.

Exhibit VI – Field Market Survey Results-September 2012

The 2012 field market survey is unavailable for this report.

Exhibit VII – Residual Market Population

There is no residual market mechanism for Crop-Hail insurance in North Dakota. The absence of a residual market mechanism would suggest that the competitive level is high.

Exhibit VIII – Matrix of Indicators

The Herfindahl index and market share analysis of changes in market share suggest a low competitive level in the marketplace. The market share analysis-company changes and loss ratio to rate change comparison indicate a moderately competitive market. The lack of a residual market mechanism suggests a highly competitive market.

Final assessment

In determining what the overall market trend and competitive level are, more weight is given to the Herfindahl index, and the department observations as to the number of competitors in the marketplace, and their willingness to write the crop hail business. Our assessment is that the competitive level of the Crop Hail marketplace is low.

CROP HAIL

EXHIBIT I: MARKET CONCENTRATION

Year	North Dakota			Countrywide		
	4-Firm Concentration Ratio	20-Firm Concentration Ratio	Herfindahl Index	4-Firm Concentration Ratio	20-Firm Concentration Ratio	Herfindahl Index
1993	55.2%	99.0%	1074			
1994	58.9%	99.9%	1178	28.1%	71.2%	740
1995	58.7%	100.0%	1203			
1996	60.7%	100.0%	1212	27.8%	75.1%	740
1997	58.3%	100.0%	1204	36.1%	79.9%	829
1998	50.3%	100.0%	1053	38.6%	83.2%	854
1999	46.8%	100.0%	1033	43.9%	85.9%	936
2000	54.5%	100.0%	1135	41.8%	85.9%	869
2001	53.4%	100.0%	1181	42.2%	89.0%	868
2002	44.3%	100.0%	1003	48.6%	90.3%	1076
2003	59.6%	100.0%	1684	52.6%	91.9%	1308
2004	68.5%	100.0%	1676	58.0%	94.0%	1289
2005	70.3%	100.0%	1824	59.8%	94.5%	1424
2006	70.3%	100.0%	1904	55.9%	93.9%	1320
2007	71.0%	100.0%	1736	58.2%	96.2%	1296
2008	66.9%	100.0%	1742	57.6%	94.7%	1276
2009	70.3%	100.0%	1691	57.4%	95.4%	1238
2010	67.8%	100.0%	1619	55.8%	94.7%	1232
2011	65.1%	100.0%	1566	54.8%	94.6%	1268
2012	63.8%	100.0%	1496	55.9%	95.9%	1170

Benchmarks:

National industries with 4-firm concentration ratios <75% and Herfindahl index <2000, are generally not viewed as highly concentrated.

Merger guidelines of U.S. Dept of Justice

Post-merger market Herfindahl index

> 1,800 - highly concentrated

1,000 < Herfindahl index < 1,800 - moderately concentrated

< 1,000 - unconcentrated

CROP HAIL

EXHIBIT IIA: NORTH DAKOTA MARKET SHARE REPORT

Year: 2012				Year: 2011				Year: 2010			
<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>	<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>	<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>
Fireman's Fund Insurance Company	\$ 25,031	25.5%	25.5%	Fireman's Fund Insurance Company	\$ 20,069	26.3%	26.3%	Fireman's Fund Insurance Company	\$ 19,549	26.5%	26.5%
NAU Country Insurance Co	\$ 14,184	14.5%	40.0%	Farmers Mutual Hail Ins Co of IA	\$ 12,888	16.9%	43.2%	Farmers Mutual Hail Ins Co of IA	\$ 16,142	21.9%	48.4%
Farmers Mutual Hail Ins Co of IA	\$ 13,470	13.7%	53.7%	NAU Country Insurance Co	\$ 10,506	13.8%	57.0%	NAU Country Insurance Co	\$ 9,332	12.7%	61.1%
ACE Property & Casualty Insurance Company	\$ 9,813	10.0%	63.8%	Austin Mutual Insurance Company	\$ 6,109	8.0%	65.1%	Nodak Mutual Insurance Co.	\$ 4,922	6.7%	67.8%
Austin Mutual Insurance Company	\$ 9,313	9.5%	73.3%	ACE Property & Casualty Insurance Company	\$ 5,871	7.7%	72.8%	Austin Mutual Insurance Company	\$ 4,287	5.8%	73.6%
Nodak Mutual Insurance Co.	\$ 5,854	6.0%	79.2%	Nodak Mutual Insurance Co.	\$ 4,704	6.2%	78.9%	Indemnity Ins. Co. of North America	\$ 3,921	5.3%	78.9%
Great American Insurance Co.	\$ 4,636	4.7%	84.0%	Great American Insurance Co.	\$ 3,913	5.1%	84.1%	Great American Insurance Co.	\$ 3,472	4.7%	83.6%
Indemnity Ins. Co. of North America	\$ 4,352	4.4%	88.4%	Producers Agriculture Insurance Company	\$ 3,682	4.8%	88.9%	ACE Property & Casualty Insurance Company	\$ 3,456	4.7%	88.3%
Producers Agriculture Insurance Company	\$ 3,679	3.8%	92.2%	Indemnity Ins. Co. of North America	\$ 3,270	4.3%	93.2%	The Insurance Company of the State of Pennsylvania	\$ 2,141	2.9%	91.2%
John Deere Insurance Company	\$ 2,134	2.2%	94.3%	Agri General Insurance Co.	\$ 1,902	2.5%	95.7%	Producers Agriculture Insurance Company	\$ 1,886	2.6%	93.8%
Agri General Insurance Co.	\$ 1,814	1.9%	96.2%	John Deere Insurance Company	\$ 1,225	1.6%	97.3%	American Agri-Business Insurance Company	\$ 1,354	1.8%	95.6%
American Alternative Insurance Corporation	\$ 1,468	1.5%	97.7%	American Agri-Business Insurance Company	\$ 1,058	1.4%	98.7%	Agri General Insurance Co.	\$ 1,327	1.8%	97.4%
American Agri-Business Insurance Company	\$ 1,296	1.3%	99.0%	Stonington Insurance Company	\$ 526	0.7%	99.4%	CUMIS Insurance Society, Inc	\$ 1,075	1.5%	98.9%
Occidental Fire & Casualty Company of North Carolina	\$ 582	0.6%	99.6%	State Farm Fire & Casualty Co.	\$ 268	0.4%	99.7%	Stonington Insurance Company	\$ 307	0.4%	99.3%
State Farm Fire & Casualty Co.	\$ 251	0.3%	99.9%	Greenwich Insurance Company	\$ 110	0.1%	99.9%	State Farm Fire & Casualty Co.	\$ 271	0.4%	99.6%
Everest National Insurance Company	\$ 126	0.1%	100.0%	Occidental Fire & Casualty Company of North Carolina	\$ 72	0.1%	100.0%	Greenwich Insurance Company	\$ 216	0.3%	99.9%
Hudson Insurance Company	\$ 16	0.0%	100.0%	Hudson Insurance Company	\$ 21	0.0%	100.0%	Hudson Insurance Company	\$ 35	0.0%	100.0%
				American West Insurance Co.	\$ 10	0.0%	100.0%	American West Insurance Co.	\$ 18	0.0%	100.0%

Year: 2009				Year: 2008				Year: 2007			
<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>	<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>	<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>
Farmers Mutual Hail Ins Co of IA	\$ 18,488	25.0%	25.0%	Farmers Mutual Hail Ins Co of IA	\$ 18,037	27.3%	27.3%	Farmers Mutual Hail Ins Co of IA	\$ 15,314	28.2%	28.2%
Fireman's Fund Insurance Company	\$ 18,311	24.7%	49.7%	Fireman's Fund Insurance Company	\$ 15,881	24.0%	51.3%	Fireman's Fund Insurance Company	\$ 11,395	21.0%	49.1%
NAU Country Insurance Co	\$ 9,507	12.8%	62.6%	Nodak Mutual Insurance Co.	\$ 5,285	8.0%	59.3%	Producers Agriculture Insurance Company	\$ 7,389	13.6%	62.7%
Nodak Mutual Insurance Co.	\$ 5,740	7.8%	70.3%	NAU Country Insurance Co	\$ 5,063	7.7%	66.9%	Nodak Mutual Insurance Co.	\$ 4,525	8.3%	71.0%
ACE Property & Casualty Insurance Company	\$ 4,093	5.5%	75.8%	Producers Agriculture Insurance Company	\$ 4,645	7.0%	73.9%	Great American Insurance Co.	\$ 3,611	6.6%	77.7%
Great American Insurance Co.	\$ 3,820	5.2%	81.0%	ACE Property & Casualty Insurance Company	\$ 4,035	6.1%	80.0%	NAU Country Insurance Co	\$ 3,294	6.1%	83.7%
Indemnity Ins. Co. of North America	\$ 3,800	5.1%	86.1%	Great American Insurance Co.	\$ 3,834	5.8%	85.8%	Indemnity Ins. Co. of North America	\$ 3,231	5.9%	89.7%
Producers Agriculture Insurance Company	\$ 3,649	4.9%	91.1%	Indemnity Ins. Co. of North America	\$ 3,519	5.3%	91.1%	ACE Property & Casualty Insurance Company	\$ 2,454	4.5%	94.2%
The Insurance Company of the State of Pennsylvania	\$ 1,653	2.2%	93.3%	CUMIS Insurance Society	\$ 1,588	2.4%	93.5%	American Agri-Business Insurance Company	\$ 929	1.7%	95.9%
American Agri-Business Insurance Company	\$ 1,402	1.9%	95.2%	John Deere Risk Protection, Inc.	\$ 1,302	2.0%	95.5%	Agri General Insurance Co.	\$ 924	1.7%	97.6%
Agri General Insurance Co.	\$ 1,048	1.4%	96.6%	American Agri-Business Insurance Company	\$ 1,334	2.0%	97.5%	American Agri-Business Insurance Company	\$ 490	0.9%	98.5%
Western Agricultural Insurance Company	\$ 987	1.3%	97.9%	Agri General Insurance Co.	\$ 670	1.0%	98.5%	John Deere Risk Protection, Inc.	\$ 448	0.8%	99.3%
CUMIS Insurance Society	\$ 911	1.2%	99.2%	State Farm Fire & Casualty Co.	\$ 431	0.7%	99.2%	State Farm Fire & Casualty Co.	\$ 352	0.6%	100.0%
State Farm Fire & Casualty Co.	\$ 316	0.4%	99.6%	Greenwich Insurance Company	\$ 228	0.3%	99.5%	Greenwich Insurance Company	\$ 11	0.0%	100.0%
Greenwich Insurance Company	\$ 211	0.3%	99.9%	Stonington Insurance Company	\$ 226	0.3%	99.9%	Stonington Insurance Company	\$ 3	0.0%	100.0%
Stonington Insurance Company	\$ 81	0.1%	100.0%	Clearwater Insurance Company	\$ 61	0.1%	100.0%				
Clearwater Insurance Company	\$ 2	0.0%	100.0%	American West Insurance Co.	\$ 16	0.0%	100.0%				

CROP HAIL

EXHIBIT IIA: NORTH DAKOTA MARKET SHARE REPORT (by Group)

Year: 2012

<u>Group/Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>
RURAL COMMUNITY INSURANCE SERVICES Total	\$25,031	25.5%	25.5%
RAIN AND HAIL, LLC Total	\$16,230	16.6%	42.1%
NAU COUNTRY INSURANCE COMPANY Total	\$14,184	14.5%	56.6%
FARMERS MUTUAL HAIL OF IOWA Total	\$13,470	13.7%	70.3%
DIVERSIFIED CROP INSURANCE SERVICES Total	\$9,313	9.5%	79.8%
NODAK MUTUAL INSURANCE COMPANY Total	\$5,854	6.0%	85.8%
AMERICAN FINANCIAL GROUP Total	\$4,636	4.7%	90.5%
PROAG INSURANCE Total	\$3,679	3.8%	94.3%
JOHN DEERE RISK PROTECTION, INC Total	\$2,134	2.2%	96.4%
AMERICAN ALTERNATIVE INSURANCE CORP Total	\$1,468	1.5%	97.9%
ARMTECH INSURANCE SERVICES Total	\$1,296	1.3%	99.3%
OCCIDENTAL F&C CO OF NORTH CAROLINA Total	\$582	0.6%	99.9%
HEARTLAND CROP INSURANCE INC Total	\$126	0.1%	100.0%
HUDSON CROP Total	\$16	0.0%	100.0%

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EXHIBIT IIB: NORTH DAKOTA MARKET SHARE REPORT ENTRIES/EXITS IN TOP 20 WRITERS

Year	# of New Entries/Exits into Top 20 Carriers	Changes within Top 20 Carriers
1994	5	11
1995	3	9
1996	1	12
1997	4	14
1998	3	14
1999	3	16
2000	1	13
2001	2	15
2002	0	11
2003	2	10
2004	2	9
2005	3	5
2006	1	7
2007	1	9
2008	3	8
2009	2	13
2010	2	13
2011	2	10
2012	2	11

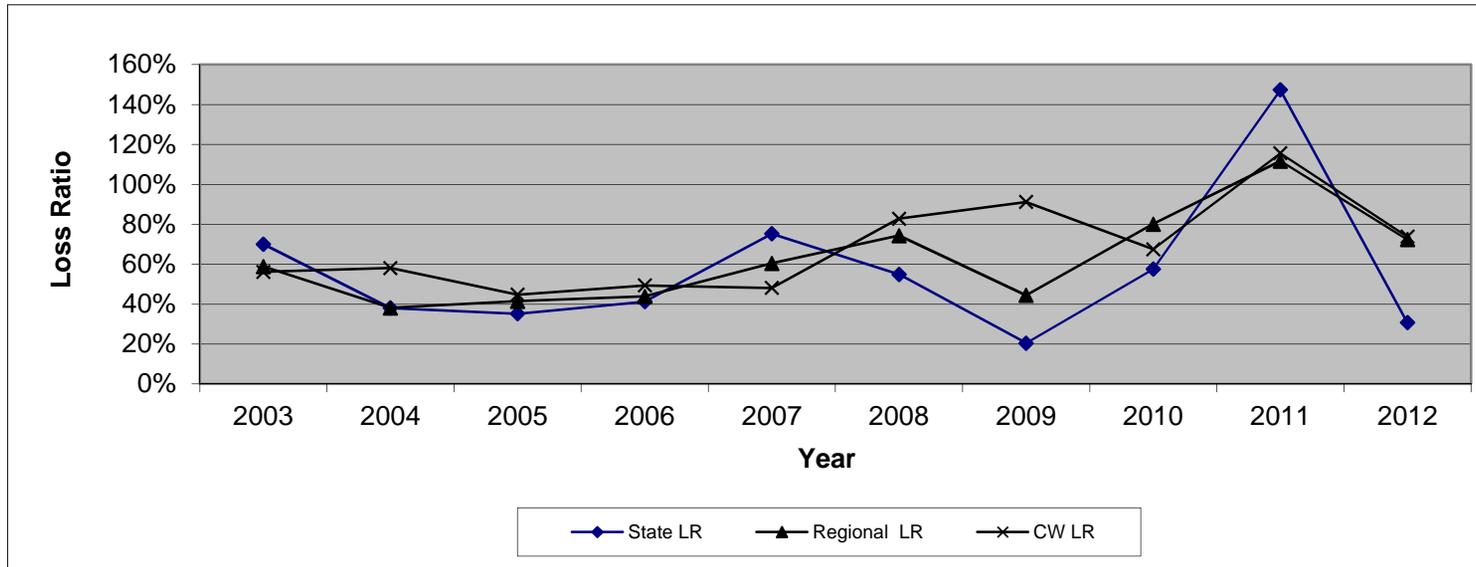
EXHIBIT IIC: NORTH DAKOTA CROP HAIL MARKET SHARE- SURPLUS (non-licensed)

This information is not available for this line.

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EXHIBIT III: HISTORICAL LOSS RATIOS

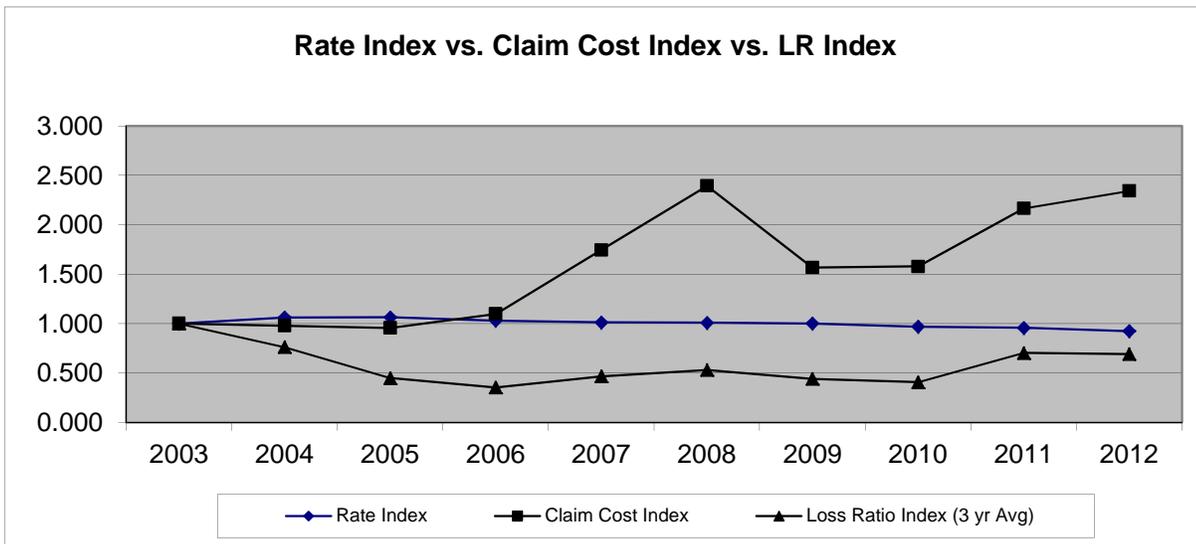
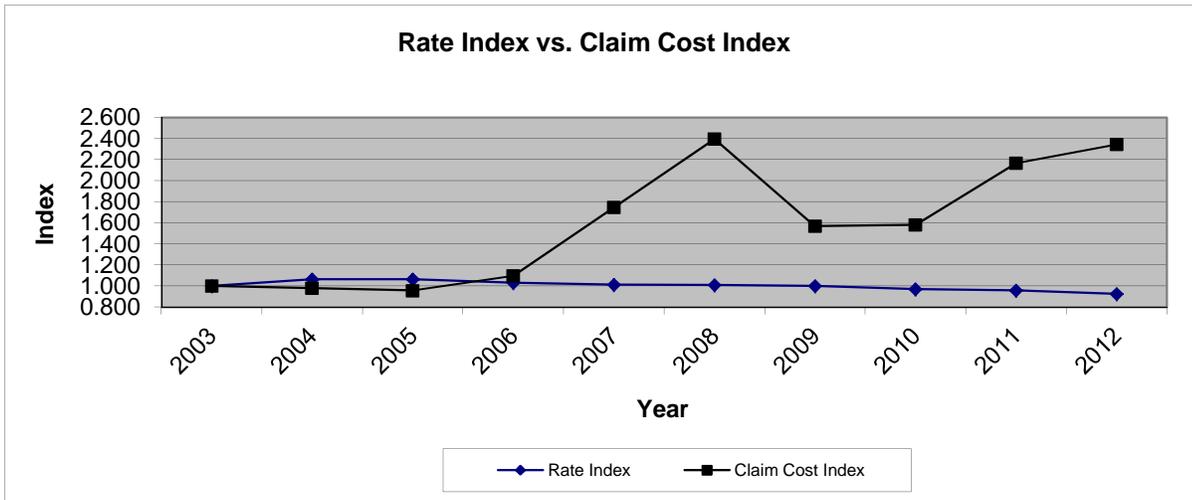
Year	Statewide Loss Ratio	Regional Loss Ratio	Countrywide Loss Ratio
2003	70%	59%	56%
2004	38%	38%	58%
2005	35%	41%	45%
2006	41%	44%	49%
2007	75%	60%	48%
2008	55%	74%	83%
2009	20%	44%	91%
2010	58%	80%	67%
2011	147%	112%	116%
2012	31%	72%	74%



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EXHIBIT IV: LOSS RATIO VS. RATE CHANGES VS. COST INDICES

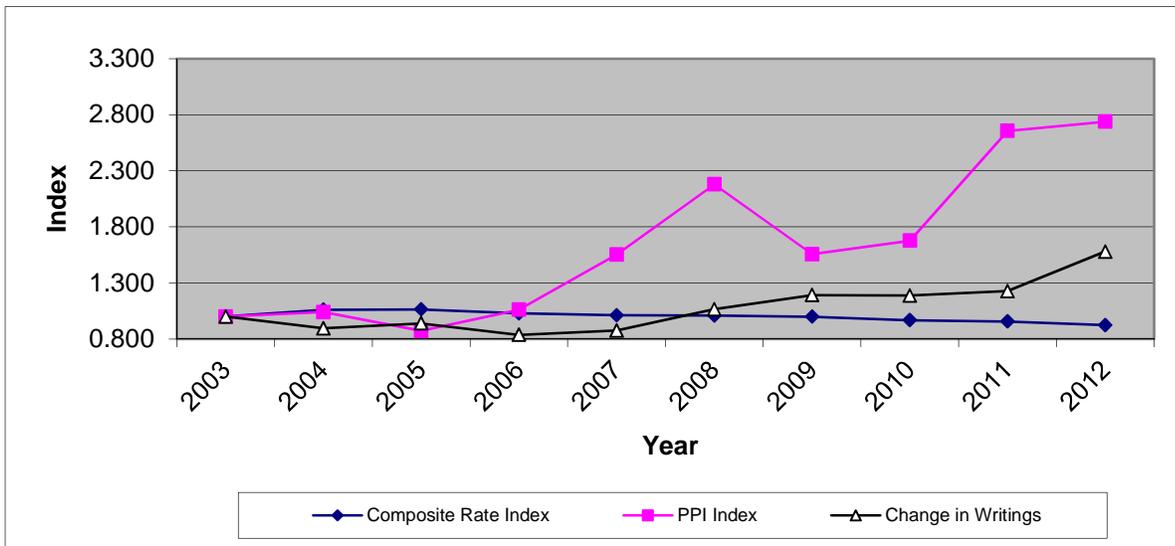
Year	Composite Rate Index	Relevant Claim Cost Index	Statewide 3 Yr LR Index
2003	1.000	1.000	1.000
2004	1.062	0.977	0.763
2005	1.064	0.956	0.449
2006	1.029	1.097	0.353
2007	1.012	1.746	0.467
2008	1.009	2.395	0.530
2009	1.000	1.568	0.440
2010	0.969	1.579	0.406
2011	0.957	2.166	0.703
2012	0.924	2.342	0.691



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EXHIBIT V: CHANGE IN PREMIUM WRITINGS

Year	Statewide Written Premium (000s)	Change in Writings	Index	Composit Rate Index	Producer Price Index
2003	\$ 62,086		1.000	1.000	1.000
2004	\$ 55,621	-10.4%	0.896	1.062	1.041
2005	\$ 58,346	4.9%	0.940	1.064	0.873
2006	\$ 51,972	-10.9%	0.837	1.029	1.062
2007	\$ 54,370	4.6%	0.876	1.012	1.552
2008	\$ 66,155	21.7%	1.066	1.009	2.178
2009	\$ 74,021	11.9%	1.192	1.000	1.556
2010	\$ 73,711	-0.4%	1.187	0.969	1.677
2011	\$ 76,203	3.4%	1.227	0.957	2.654
2012	\$ 98,019	28.6%	1.579	0.924	2.738



CROP HAIL

EXHIBIT VI: FIELD MARKET SURVEY

2012 Survey not available

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EXHIBIT VII – RESIDUAL MARKET POPULATION

North Dakota does not have a residual market mechanism for Crop Hail.

CROP - HAIL

EXHIBIT VIII - MATRIX OF INDICATORS

Factor	Competitive Level		
	Low	Moderate	High
Market Concentration (Herfindahl index)	XX		
Market Share Analysis –Market Share Changes	XX		
Market Share Analysis –Company Changes		XX	
Market Share Analysis – Surplus (non-licensed)	NA	NA	NA
Historical Loss Ratios (Statewide, Regional, and Countrywide)	NA	NA	NA
Loss Ratios vs Rate Change vs Claims Cost Indexes		XX	
Change in Premium Writings	NA	NA	NA
Field Market Survey Results-October 2012	NA	NA	NA
Residual Market Population			XX

Final ranking based upon all factors: Low

ADDENDUM 9 - TECHNICAL NOTES

Automobile Insurance Plan Services Office (AIPSO) – This organization manages the “assigned risk” auto insurance plan for the state. This is known as a residual market for mandatory auto insurance. If consumers are unable to find insurance coverage through normal channels as a last resort they can purchase coverage through this plan.

Claim Cost Index (CCI) – A measure of change of contributing claim cost factors (such as parts, cost of repairs, medical care, physician and attorney’s fees, construction costs, loss of income etc.). The information is found in the 2012 PCI Greenbook.

For the Crop Hail line, the Claim Cost Index was built based upon data found on the U.S. Department of Labor, Bureau of Labor Statistics website.

Composite Rate Index– A measure of the aggregate rate change for a given market. The compilation is based upon the rate change history of the top 10 writers by year.

Consumer Price Index (CPI) – A measure of the change in prices paid by consumers for a representative basket of goods and services. The information is found in the 2012 PCI Greenbook, with the exception of the Crop Hail line.

For Crop Hail, a Producer Price Index was obtained from the U.S. Department of Labor, Bureau of Labor Statistics website.

Department of Transportation (DOT)- The state agency in charge of motor vehicle licensing and registration. The information on the number of registered motor vehicles was obtained from this source.

Field Survey– The department annually conducts an informal survey of the attendees of the annual agent forums held at seven locations across the state. The results are compiled and included in this analysis.

Herfindahl Index – A measure of the market’s concentration level. The index is equal to the sum of the squares of each company’s percentage of market share. All companies are included in each market analysis. Note: Due to different data reporting requirements for county mutuals, their data was not able to be included in this analysis.

National Association of Insurance Commissioners (NAIC) database – Insurance companies are required to report their annual statistics to the NAIC. The premium and loss information from the database of all companies is used to calculate market share and loss ratio statistics. The NAIC does not audit the information provided to them. The department also accepts the data without performing an audit.

National Association of Insurance Commissioners (NAIC) State Average Expenditures of Premiums for Personal Auto Insurance- The NAIC conducts an analysis annually of the

cost of automobile insurance in all fifty states and the District of Columbia. The most recent report released in 2012 evaluates the market through 2010. The report shows both the average premium cost and the ranking of each state.

Property Casualty Insurers (PCI) Greenbook – The PCI publishes an annual compilation of property and casualty insurance statistics. The most current report available for this analysis was 2012.

Rate change data – The rate analysis performed for each of the markets was based upon actual rate filing information. The results of this analysis for single product lines such as automobile, or homeowner are a relatively accurate representation of the historical changes. It must be noted, however, that for markets with diverse product lines such as commercial multi-peril package, medical malpractice and other liability the results are less representative of specific products within the market. In addition, commercial lines rating programs generally include methodologies for adjusting rates to match the risk such as experience rating and schedule rating (individual risk premium modification) plans. Since the companies have a built in flexibility to adjust premium the department's information on rate changes based on filings alone may not accurately reflect what may be happening in the market.

Statewide 3 year Loss Ratio - The total incurred losses for the past three years divided by the corresponding total earned premiums.