Travel and Tourism Liability Insurance Marketplace Report

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Prepared by the North Dakota Insurance Department

NORTH DAKOTA
Protecting the public good.

Insurance Department
Jim Poolman, Commissioner

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EXECUTIVE SUMMARY

The 2005 Legislative Assembly passed Senate Bill No. 2032 directing the Insurance Commissioner to study the state's liability insurance marketplace focusing on travel and tourism liability insurance availability and affordability.

The Insurance Commissioner's office surveyed insurance agents and certain insurance companies regarding the issue. It also reviewed the North Dakota Natural and Rural Tourism Association's survey of travel and tourism businesses.

The surveys showed that travel and tourism liability risks vary widely. The availability of liability insurance correlates to the risk of the activities conducted. Most companies are willing to write low risk activities but few are willing to write high risk activities.

The affordability of liability insurance correlates to the size of the business. Large businesses can more readily afford the high premiums associated with high risk activities than can small businesses.

Other states have studied the issue and have enacted laws in an attempt to address the issue. Those laws are discussed more fully herein.

The Legislative Assembly directed the Insurance Commissioner to identify proposed legislative changes that might make liability insurance more available or affordable. Those legislative alternatives include:

1. Provide immunity for a registered travel and tourism business through an assumption of risk law.

2. Provide immunity for minimal fee activities through an assumption of risk law.

3. Provide immunity conditioned on carrying a minimum amount of liability insurance.

4. Establish a state-sponsored residual market program for travel and tourism liability insurance using either a joint underwriting association or a government sponsored pool.

5. Provide tax credits against income tax for the cost of liability insurance, subject to a maximum credit.

6. Provide money to fund a travel and tourism coordinator to assist operators in addressing insurance issues, particularly with respect to developing good risk management practices.

7. Relax regulatory oversight of commercial liability rate and form filings.

8. Facilitate the establishment of either a risk retention group or a risk purchasing group for travel and tourism activities.

Legislative changes may make travel and tourism liability insurance more readily available and affordable, but the insurance companies will assess the risks and determine the pricing, thereby ultimately determining whether insurance is available and affordable.

The report includes summaries of the surveys, information concerning the company responses, information concerning action by other states, a discussion of barriers to writing liability insurance and a summary which sets forth various legislative alternatives.

TRAVEL AND TOURISM LIABILITY INSURANCE MARKETPLACE REPORT

I. INTRODUCTION

Insurance Commissioner Jim Poolman submits this report to the Legislative Council at the request of the 2005 Legislative Assembly.

The directive, as set forth in Section 21 of Senate Bill No. 2032, reads, in part:

> . . . During the 2005-06 interim, the insurance commissioner shall compile existing data regarding the state's liability insurance marketplace. The data must include information regarding issues that may result in barriers for businesses seeking to obtain affordable liability insurance coverage, with specific focus on the travel and tourism industry, and must include information regarding successful actions taken by other states to improve the availability and affordability of liability insurance. Before July 1, 2006, the insurance commissioner shall report to the legislative council the data compiled and identify proposed legislative changes necessary to implement any recommendations to make the state's law and availability of liability insurance more attractive to businesses in this state.

II. DATA COLLECTION – SURVEY RESULTS

1. Background

To gather the information requested by the Legislature, the Insurance Department, with the help of the North Dakota Natural and Rural Tourism Association (Association) and the Professional Insurance Agents (PIA of North Dakota), first compiled a list of businesses associated with the travel and tourism industry. Based on this list and to identify the market issues facing each business activity, the Association surveyed travel and tourism businesses while the Department surveyed insurance agents and insurance companies.

2. Types of Businesses

For purposes of this report, the businesses were grouped into two general types:

Agri-Business	Business activities based on or connected to the operation of a farm or ranch. These are also referred to as Agri-Tourism, Ag Tourism, Agritainment, Ag Recreation, Eco Tourism, Nature Tourism, Adventure Tourism, Aero Tourism, Recreational Tourism, Entertainment Tourism, Cultural Tourism, Heritage Tourism, Fee Recreational Enterprises, Alternative Enterprises, Rural Tourism, etc.
Non-Agri-Business*	Business activities not connected to a farm or ranch operation. These are also referred to as Eco Tourism, Nature Tourism, Adventure Tourism, Aero Tourism, Recreational Tourism, Entertainment Tourism, Cultural Tourism, Heritage Tourism, Fee Recreational Enterprises, Alternative Enterprises, Rural Tourism, etc.

*It should be noted that Non-Agri-Businesses are referred to as "Small Business" in the surveys.

The Travel and Tourism Survey revealed that 63% of the businesses identified themselves as Non-Agri-Business, 14% identified themselves as Agri-Business with Tourism as a secondary source of income, and 1% responded as a Tourism Business with Agri-Business as a secondary source of income. We were unable to categorize 22% of the responses.

The Agent Survey revealed that of those agents who received requests for coverage, 70% received requests that related to Non-Agri-Business, 23% received requests related to Agri-Business, and 7% were unspecified.

Of those agents who did not receive requests for coverage but were generally aware of coverage being available, 4% of the agents were aware that insurance was available for Agri-Business, 26% were aware that insurance was available for Non-Agri-Business, and 70% responded but did not specify the type of business.

The results of the two surveys are reasonably similar and show that businesses seeking tourism and travel liability insurance coverage are predominately Non-Agri-Businesses, with Non-Agri-Business activities outnumbering Agri-Business 3 to 1.

3. **Travel and Tourism Activity List**

Travel and tourism businesses vary widely, as represented by the following list which describes most of the activities:

- Amusement
  - Air Suspension
  - Corn Maze
  - Hang Gliding
  - Hot Air Balloon
  - Paint Ball
  - Rock Climbing Wall
- Automotive
  - Off Road Racing
  - Snowmobile Trails
- Entertainment
  - Concerts (Music)
  - Dances
  - Theatre
  - Reenactment
- Equine
  - Buggy Rides
  - Roping Competition
  - Hay Rides
  - Rodeo
  - Trail Rides
  - Wagon Train
- Historical
  - Archeological Digs
  - Historical Tours
  - Paleantology Digs
- Hunting/Fishing
  - Boating
  - Fishing – Fee
  - Fishing – Guided
  - Fish Pond
  - Hunting – Fee
  - Hunting – Guided
- Livestock
  - Animal Petting
- Lodging/Restaurant
  - BBQs
  - Bed and Breakfast
  - Cabin/TP
  - Chuck Wagon
  - Concessions
  - Pitch Fork Fondue
- Nature
  - Bike Trails
  - Bird Watching
  - Camping
  - Canoeing
  - Eco Tour
  - Guided River Tours
  - Hiking
  - Kayaking
  - Photography
  - Star Gazing
  - Swimming
- Production
  - Ag Snacks (Soy-Wheat-Sunflower)
  - Bakery
  - Farmers Market
  - Flea Market
  - Flour Milling
  - Meat/Meat
- Processing
  - Orchard
  - Pumpkin Patch
  - Roadside Antiques
  - Roadside Arts and Crafts
  - Roadside Produce (Jams/Jellies/Pies)
  - Strawberry Patch
  - Vegetable Patch
  - Vineyard
  - Winery
- Services
  - Conference Center
  - Transportation/Shuttle Service
  - Weddings
  - Working Vacation

4. Specific Business Activities

The tables attached as Exhibits 1 and 2 summarize the results of the Travel and Tourism and the Agent Surveys, respectively. Only the top business activities in each of the categories are shown. Exhibits 3 and 4, attached, show the complete list of Travel and Tourism activities and actual responses.

Comments

The surveys show:

1. As noted above, the Travel and Tourism industry includes Agri-Businesses as well as Non-Agri-Businesses with Non-Agri-Businesses outnumbering Agri-Businesses 3 to 1.

2. Business activities cover a wide variety of activities with varying degrees of risk.

3. The general business categories with the largest number of insurance concerns were:

    a. Equine
    b. Hunting/fishing
    c. Lodging and restaurant
    d. Services

5. Availability of Liability Insurance

Both the Travel and Tourism Survey and the Agent Survey surveyed whether liability insurance was available with an existing carrier, whether the business had to switch to a new carrier to find insurance, or whether the business was forced into the surplus market for insurance coverage. The results are:

	Travel and Tourism Survey Coverage Found With:			**Agent Survey Coverage Found With:**			
Business Type	**Current Carrier**	**New Carrier**	**No Insurance Found**	**Current Carrier**	**New Carrier**	**Surplus Carrier**	**No Insurance Found**
Agri-business	40%	40%	0%	18%	8%	32%	36%
Non-agri-business	44%	20%	5%	43%	11%	24%	19%

Both surveys show that insurance companies are able to provide insurance for many of the travel and tourism activities and agents are able to place insurance for those activities, but that a significant number of businesses must look to a new carrier or a surplus lines carrier to find insurance.

It is important to note that the Agent Survey showed that 36% of agents dealing with Agri-Businesses and 19% of the agents dealing with Non-Agri-Business could not find liability insurance for those businesses in either market. See attached Exhibit 3, Part 4 of the Travel and Tourism Survey and Exhibit 4, Part 4 of the Agent Survey for more details.

Insurance is generally considered to be available if a business can find coverage with a carrier in the "admitted" insurance market, which is regulated by the Insurance Department.

If a business cannot find coverage in the "admitted" market, it then must seek coverage in the "surplus" market, which is less regulated than the "admitted" market. If insurance is only available on the surplus market, then liability insurance is considered not to be readily available. If insurance is not available in either market, then clearly insurance is not available.

Comments

The survey results are mixed. The Travel and Tourism Survey suggests that only a small number of businesses are unable to get coverage. It should be noted, however, that not all respondents responded to this part of the survey.

In contrast, the Agent Survey shows that 68% (32% + 36%) of the Agri-Businesses and 43% (24% + 19%) of the Non-Agri-Businesses could not find coverage in the "admitted" market and were either forced into the "surplus" market, or could not find insurance in either market.

These results show that in general the availability of liability insurance is limited while for some businesses the availability of liability insurance is severely limited.

6. Affordability of Liability Insurance

The Travel and Tourism Survey and the Agent Survey also surveyed the affordability of liability insurance and whether the respondent considered the cost to be low, reasonable, very high, or prohibitive.

The table below shows the results for both Agri-Business and Non-Agri-Business and are categorized into those businesses that found insurance with an existing carrier, those that had to switch to a new admitted carrier, and those that were forced to the surplus market.

Business Type	Travel and Tourism Survey Respondents Considered the Cost: Low	Reason-able	Very High	Prohib-Itive	Agent Survey Respondents Considered the Cost: Low	Reason-able	Very High	Prohib-itive
1. Agri-Business								
a. Current carrier	0%	20%	27%	20%	11%	67%	22%	0%
b. New carrier	0%	7%	20%	20%	0%	75%	25%	0%
c. Surplus lines	NA	NA	NA	NA	0%	31%	50%	19%
2. Non-Agri-Business								
a. Current carrier	2%	24%	5%	11%	8%	84%	8%	0%
b. New carrier	0%	11%	9%	11%	0%	69%	31%	0%
c. Surplus lines	NA	NA	NA	NA	0%	33%	36%	31%

The Travel and Tourism Survey shows that of the Agri-Businesses that received a quote and considered the insurance too expensive, 5% discontinued the activity. For Non-Agri-Businesses, 9% responded that they do not have insurance and 8% responded that they discontinued the activity.

It should be noted that the Travel and Tourism Survey also surveyed whether the business had filed a claim against the liability policy, the number of years the business had been operating and how liability coverage was purchased. The responses to these questions were considered not to be relevant to this report and are not included in the report. The responses for those questions can be found in Exhibit 3, Part 4.

The two survey results are reasonably consistent and show that the cost of insurance in the surplus market is considered to be more expensive than in the admitted market. In fact, 69% (50% + 19%) of the Agri-Businesses and 67% (36% + 31%) of the Non-Agri-Businesses found the cost of liability insurance on the surplus market to be either "very high" or "prohibitive". Also, the Agent Survey showed that 22% of the businesses that remained with the same carrier considered the cost of liability insurance to be "very high". This is consistent with the Department's knowledge of the marketplace in general.

Comments

The cost of liability insurance is considered by many to be "very high" and even "prohibitive". This suggests that in many cases liability insurance is not affordable and prevents tourism activities from being offered.

III. BARRIERS

The Insurance Department was asked to identify barriers for businesses seeking to obtain affordable insurance coverage. Those barriers relate directly to insurance companies offering insurance coverage at an affordable rate. To identify insurance company barriers to writing

affordable liability insurance for travel and tourism activities, the Insurance Department surveyed several companies including the domestic property and casualty insurers, county mutual insurers, and leading nondomestic commercial and farm owner insurers.

Two comments were particularly informative. State Auto wrote:

> State Auto will enter a market provided:
>
> - Competitors are needed.
> - It can make a difference in the marketplace.
> - It has personnel with the necessary skill sets.
> - The hazard of loss is predictable.
> - A large number of homogeneous risks exist.
> - The pricing needed to sustain a viable insurance market is reasonably affordable to consumers.
>
> State Auto, in deciding whether or not to write a risk, also considers management expertise, condition of facilities, risk potential, ability to secure reinsurance, or ability to grow surplus to cover large risks.

Farmers Union Mutual wrote:

> If Farmers Union writes the underlying insurance, it can endorse the policy to include liability coverage for some of the industries listed. Our agents also can utilize a brokerage [surplus] market and place more of the business there. High risk activities such as equine, hang gliding, and rock wall climbing are the most difficult to place, if at all.
>
> [Travel and Tourism] industries may have unusual exposures, little training and very little experience thereby increasing risks. Some industries are hazardous and, therefore, hard to insure or very costly. The insured may be without insurance not because the company cannot write it, but rather because the business chose not to purchase it because of cost.
>
> Farmers Union looks for good risk management, proper safety measures, and adequate training.

The company responses are further summarized in Exhibit 5.

Barriers can be separated into those related to Underwriting and those related to Rating. The barriers identified by the companies include:

1. Underwriting

   a. Companies lack the experience and expertise necessary to evaluate the higher risk activities.

   b. Companies find that the high or specialty risk exposures of some travel and tourism activities exceed the company's risk tolerance level.

   c. The companies find that the risk associated with the activities are not compatible with the company's existing risk programs.

   d. Companies find in some cases that the risks lack size, experience, training, safety controls, and risk management procedures thereby increasing the company's risk of loss.

2. Rating

   a. The number of Travel and Tourism activities with similar risk features is too small to allow a company to spread the risk over a large number of policyholders. Without a large number of similar risks, the company is unable to hold individual premiums to an affordable level.

   b. Companies are unable to accurately predict future losses because of the small number of risks and because of the potential for large claims.

   c. Companies are unable to find reinsurance for some risks, particularly the highest risk activities.

   d. Companies find that they must charge high minimum premiums even for small accounts because of the small number of similar risks.

   e. Some companies comment that the current regulatory scheme impedes the company's ability to match the rate to the risk.

IV. ACTIONS BY STATES

1. North Dakota

North Dakota has enacted N.D. Cent. Code § 53-08-02, a recreational use immunity statute (N.D. Cent. Code Chapter 53-08) that provides that an owner of land owes no duty of care to keep the premises safe for entry or use by others for recreational use, nor is the landowner required to give any warning of a dangerous condition, use, structure, or activity on the premise to persons entering for that purpose. The law protects the landowner if the use is free. It does not protect landowners that charge a fee nor does it protect willful and malicious acts.

North Dakota also has enacted Chapter 53-10, an Equine Activity statute that provides certain limitations on actions against those that sponsor equine activity or actions against equine professionals. The limitations do not completely protect those that sponsor equine activity. For example, a sponsor can be sued if any injury is caused by equipment or tack.

North Dakota has also adopted the Skiing Responsibility Act, N.D. Cent. Code Chapter 53-09, which protects ski area operators against certain lawsuits by providing that a skier assumes the risk of injury from (1) variations in terrain; (2) surface or subsurface snow or ice conditions; (3) bare spots, rocks, trees, or other forms of forest growth or debris; (4) lift towers or components thereof; (5) pole lines; and (6) snowmaking equipment that are plainly marked and plainly visible. It imposes certain duties on the ski operator with respect to posting information and warnings regarding ski conditions and a notice that North Dakota law severely limits a skier's right to compensation for injuries. It imposes the responsibilities for injury resulting from collisions on the persons involved, and includes other provisions relating to skiing injuries.

2. Other States

Most states have adopted recreational use statutes that protect landowners if no fee is charged for the recreational use of land. Some states protect landowners even if fees are charged provided the fees are limited. Exhibit 6 provides a state-by-state analysis of the state recreational use statutes.

Other states have passed other laws. The most significant immunity laws are found in Kansas, Texas, Colorado, and Wyoming. These and laws from other states and two countries are summarized below:

1. Kansas (SB 334). Kansas law (74-50, 165-ff) provides that there is no liability for an injury or death of a participant in a "registered" agri tourism activity conducted at a "registered" location if the injury or death results from the "inherent" risks of agri tourism activity.

   The law requires that the agri tourism operator post a sign notifying the public of the Kansas law and also notifying the individual that the individual is assuming the risk of participating in the activity.

   Protection from liability does not apply for wanton and willful acts or for injuries caused by known dangers.

   Agri tourism operators are allowed a 20% income tax credit, up to $2,000 maximum, for the cost of liability insurance. Tax credit expires after five years.

2. Texas law (Chapter 75 and 87) reduces the level of care of an agricultural landowner that offers recreational agri tourism activities on private agricultural land to that which a landowner owes to a trespasser, subject to certain limitations. Under Texas law a landowner owes no duty to a trespasser.

The protection applies to small agri tourism businesses that receive fees from recreational activities of no more than four times the amount of real property taxes paid by the business. If revenues exceed four times the real property taxes, the business must carry minimum liability insurance of $500,000 per person, $1,000,000 per occurrence, and $100,000 single occurrence property damage. If the business carries the minimum insurance, the operator owes no further duty to those injured while a participant in the agri tourism activity.

3. Colorado enacted an "Ag Immunity Law" (CRS § 13-21-122) that relieves a landowner for injuries resulting from "inherent risks" of an "agricultural recreation activity". The protection applies whether or not a fee is charged. "Inherent risks" and "agricultural recreation activity" are broadly defined. The law does not protect the landowner from liability for knowingly using faulty equipment or intentional or willful or wanton acts.

   Colorado also has a law (CRS § 13-21-119) relating to equine activity which protects an "equine professional" from liability for injury to a participant resulting from "inherent risks of equine activities, subject to certain exceptions." The statute requires written contracts.

4. Wyoming enacted the Wyoming Recreational Use Act (Wyo. Stat. 34-19-102) which provides that landowners are not responsible to persons who do not pay a charge to keep his land safe or to provide any warnings of any dangerous condition, use, structure, or activity and to those who are on the land for recreational activities. The landowner is still liable for "willful or malicious failure to guard or warn against a dangerous condition, use, structure, or activity." The law does not apply if a landowner charges a fee.

   Wyoming also enacted the Recreational Safety Act (Wyo. Stat. § 1-1-121) that protects one who provides any "sport or recreational activity" from injuries to participants from "inherent risks" whether or not a fee is charged. The participant is deemed to have assumed the inherent risk of injury along with all legal responsibility for damage, injury, or death to himself or other person that results from the inherent risks in that sport or recreational activity. "Inherent risk" is defined as "any risk characteristic of or intrinsic to any sport or recreational opportunity and which cannot reasonably be eliminated, altered, or controlled." The law leaves the courts to decide what is an inherent risk which cannot be reasonably eliminated or controlled. "Sport or creational activity" is broadly defined. The law will still allow significant litigation.

5. South Dakota enacted a law (20-9-13) that relieves a landowner of any duty to keep the land safe for use by others for outdoor recreational use or to give warning of a dangerous condition or activity on land to persons entering for outdoor recreational activity, provided there is no charge for the use or activity.

The landowner is responsible for injury caused by the landowner's gross negligence or wanton misconduct, or by violation of any law.

6. Oregon enacted HB 2296 to amend 105.699 to grant immunity to landowners who directly or indirectly permit persons to use their land for recreational uses without charge. It also enacted ORS 30.687-30.697 which limits liability for damages to persons harmed in the course of equine activities with some exceptions. The bill also provides that a hunting or fishing guide must carry liability insurance of at least $300,000.

7. Kentucky passed HB 654 that established an Agricultural and Tourism Development Cabinet to work directly with farmers in developing agri tourism programs and requested funds for the program. Tobacco settlement funds of $400,000 were used to pay for a full-time coordinator for the agri tourism office.

8. Minnesota did not consider the issue directly but generally established a Joint Underwriting Association to address liability issues in markets in which liability insurance is not otherwise available. Industries that are unable to find insurance must apply to the Insurance Commissioner for a determination that insurance is not readily available. The agri tourism industry could apply to the Commissioner to participate in the program if it found that liability insurance was not otherwise available.

9. California has established a Small Farm Center at the University of California-Davis – www.sfc.ucdavis.edu which provides information and support for agri tourism businesses.

10. New Zealand provides cover (insurance) through the Accident Compensation Corporation (ACC) for personal injuries to all people in New Zealand, including travelers from overseas. Cover is compulsory and replaces provisions that otherwise allow a person to sue for personal injury. Business operators pay premiums to the fund.

11. Canada – Tourism Industry of Canada established an Outdoor and Adventure Tourism Group that considered and received proposals for a national liability insurance program, including coverage of adventure tourism activities in Canada. Marsh Canada submitted a proposal but most operators rejected the proposal because it excluded too many tourism activities and rates were not significantly better than those available otherwise. The effort to pursue a group liability insurance program was finally abandoned. The TIAC will serve as an information clearing house for the industry. See www. adventureinsurance.ca.

Like Minnesota, several states have organized Joint Underwriting Associations (JUA) to address the issue of costly liability insurance, but not necessarily the cost of travel and tourism liability insurance. Examples include high risk auto insurance, medical and legal professional liability insurance, and nursing home liability insurance.

V. SUMMARY AND LEGISLATIVE ALTERNATIVES

In summary, the Insurance Department study finds:

- Travel and tourism risks vary widely.

- Liability insurance for the low risk activities such as roadside produce stands, pumpkin patches, and corn mazes is reasonably available mainly through endorsements on farm or ranch policies, provided the activity is incidental to the farm or ranch operation.

- Liability insurance for higher risk activities such as bed and breakfasts, small restaurants and hunting and fishing guides is also reasonably available. The risks are similar to other larger commercial risks written by some companies. Some of these risks must go to the "surplus" market to find coverage, which most often is more expensive than coverage on the "admitted" market.

- Liability insurance for high risk activities, such as trail rides, air balloon rides, etc. is most often difficult to find, even on the surplus market. If liability insurance is available in the surplus market, it is most often too expensive for smaller businesses.

- Companies are unwilling or unable to write the high risk activities because of several factors, including the lack of the company's experience in evaluating and writing such risks, the potential for large claims and the small number of risks over which to spread the potential claims.

- Companies are more willing to write risks for operators who are experienced, who properly maintain their equipment, and who focus on preventing accidents.

- The legislature may not be able to impact certain risk factors such as the number and size of the risks and the severity of the injuries, but it can impact the management and operation of the risk by assisting with education and training and perhaps insurance costs, and can limit the ultimate liability exposure for the risk.

The actions taken by other states and the results of the surveys discussed in this report suggest that the legislature might consider the following alternatives to assist travel and tourism business in finding affordable liability insurance:

1. Provide immunity for a registered travel and tourism business through an assumption of risk law.

2. Provide immunity for minimal fee activities through an assumption of risk law.

3. Provide immunity conditioned on carrying a minimum amount of liability insurance.

4. Establish a state-sponsored residual market program for travel and tourism liability insurance using either a joint underwriting association or a government sponsored pool.

5. Provide tax credits against income tax for the cost of liability insurance, subject to a maximum credit.

6. Provide money to fund a travel and tourism coordinator to assist operators in addressing insurance issues, particularly with respect to developing good risk management practices.

7. Relax regulatory oversight of commercial liability rate and form filings.

8. Facilitate the establishment of either a risk retention group or a risk purchasing group for travel and tourism activities.

Questions concerning the report should be addressed to:

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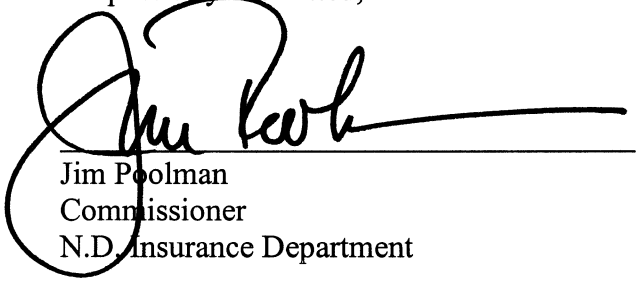
Respectfully submitted,



Jim Poolman
Commissioner
N.D. Insurance Department

EXHIBITS

Exhibit 1 Summary of North Dakota Nature and Rural Tourism Association Survey

Exhibit 2 Summary of North Dakota Insurance Agent Survey

Exhibit 3 North Dakota Nature and Rural Tourism Association Survey Results
Part 1 – Number of respondents by type and category
Part 2 – Responses by category
Part 3 – Responses by type, availability, and affordability
Part 4 – Companies/agencies identified as possible source, quotes, filed claims, how liability was purchased

Exhibit 4 North Dakota Insurance Agent Survey Results
Part 1 – Number of respondents
Part 2 – Responses by category (affirmative responses)
Part 3 – Responses by category (negative responses)
Part 4 – Risk categories with possible reinsurance source
Part 5 – Companies/agencies identified as possible sources

Exhibit 5 Insurance Company Survey Responses

Exhibit 6 Analysis of State Recreational Use Statutes

APPENDICES

Appendix 1 North Dakota Nature and Rural Tourism Association Survey Form

Appendix 2 North Dakota Insurance Agent Survey Form

Appendix 3 Insurance Company Survey Letter

EXHIBIT 1

TRAVEL AND TOURISM SURVEY SUMMARY

Exhibit 1 summarizes the Travel and Tourism Survey results. The results are based upon 487 responses categorized as Agri-Business, Non-Agri-Business, or Business Type Not Specified.

Not all activities are listed. Only those most frequently mentioned in each category are included.

Business Type	Type of Activity (487 Total) Number	Percent
I. Agri-Business Primary With Tourism Secondary		
1. Activities	57	11.7%
a. Bird watching	6	1.2%
b. Farm tour	6	1.2%
c. Hunting access	6	1.2%
d. Hunting tour	4	.8%
2. Food-Related Services	11	2.2%
a. Jams and jellies	3	.6%
b. Snacks (seeds, nuts)	3	.6%
c. Restaurant	2	.6%
3. Lodging-Related Services	12	2.4%
a. Cabin	5	1%
b. Lodge	4	.8%
c. Camping	2	.4%
4. Entertainment-Related Services	5	1%
a. Reunions	3	.6%
b. Wedding	1	.2%
II. Tourism Primary With Agri-Business Secondary		
One survey submitted; however, it did not indicate which category or business activity.		
III. Non-Agri-Business		
1. Activities	169	34.7%
a. Historical tours	19	3.9%
b. Reenactment program	13	2.6%
c. Bird watching	12	2.4%

Business Type	Type of Activity (487 Total) Number	Percent
d. Bike trails	11	2.2%
e. Trail rides/horseback	10	2%
2. Food-Related Services	49	10%
a. Restaurant	8	1.6%
b. Snacks (seeds, nuts)	7	1.4%
c. Chuck wagon	6	1.2%
d. Pitch fork fondue	5	1%
e. BBQs	4	.8%
3. Lodging-Related Services	40	8.2%
a. Camping	14	2.8%
b. Cabin	5	1%
c. Lodge	5	1%
d. Bed and breakfast	3	.6%
4. Entertainment-Related Services	107	21.9%
a. Conferences	18	3.6%
b. Reunions	17	3.4%
c. Arts and crafts	16	3.2%
d. Concerts	15	3%
e. Dances	10	2%
IV. Business Type Not Specified		
1. Activities	12	2.4%
a. Historical tours	2	.4%
b. Hunting – Access	2	.4%
2. Food-Related Services	12	2.4%
a. Restaurant	3	.6%
b. Jams and jellies	2	.4%
3. Lodging-Related Services	4	.8%
a. Camping	2	.4%
4. Entertainment-Related Services	9	1.8%
a. Weddings	3	.6%
b. Reunions	2	.4%
c. Concerts	2	.4%

EXHIBIT 2

AGENT SURVEY SUMMARY

Exhibit 2 summarizes the Agent Survey and shows the number of agents that responded for each business category and the percent of the total number of responses in that category.

Not all activities are listed. Only those most frequently mentioned in each category are included.

Business Type	Agent Received Requests for Insurance (213 Responses Total)		Agent Had General Knowledge of Insurance Availability (126 Responses Total)	
	Number	Percent	Number	Percent
I. Agri-Business				
1. Amusement	3	1.4%	0	0%
a. Corn maze	3	1.4%		
2. Automotive	3	1.4%	0	0%
a. Snowmobile trails	2	.9%		
b. Off road racing	1	.4%		
3. Entertainment	1	.4%	0	0%
a. Dances	1	.4%		
4. Equine	13	6.1%	1	.7%
a. Wagon train	3	1.4%		
b. Buggy rides	2	.9%		
c. Hay rides	2	.9%		
d. Roping competition	2	.9%		
e. Trail rides	2	.9%	1	.7%
5. Historical	2	.9%	1	.7%
a. Farm tours	2	.9%		
6. Hunting/Fishing	15	7%	1	.7%
a. Hunting – Access	7	3.2%		
b. Hunting – Guided	4	1.8%	1	.7%
c. Fishing – Guided	2	.9%		
7. Livestock	1	.4%	1	.7%
a. Animal petting	1	.4%	1	.7%
8. Lodging/Restaurant	1	.4%	0	0%

Business Type	Agent Received Requests for Insurance (213 Responses Total)		Agent Had General Knowledge of Insurance Availability (126 Responses Total)	
	Number	Percent	Number	Percent
a. Cabin/TP	1	.4%		
9. Nature	0	0%	0	0%
10. Production	4	1.8%	0	0%
a. Farmers market	2	.9%		
b. Ag snacks	1	.4%		
11. Services	7	3.2%	2	1.5%
a. Working ranch/farm	5	2.3%	2	1.5%
b. Reunions	1	.4%		
c. Working vacation	1	.4%		
12. Other	0	0%	0	0%
II. Non-Agri-Business				
1. Amusement	2	.9%	1	.7%
a. Air suspension	1	.4%		
b. Paint ball	1	.4%		
c. Corn maze			1	.7%
2. Automotive	1	.4%	2	1.5%
a. Snowmobile trails	1	.4%	1	.7%
b. Off road racing			1	.7%
3. Entertainment	10	4.6%	3	2.3%
a. Concerts	5	2.3%	3	2.3%
b. Dances	4	1.8%		
c. Theatre	1	.4%		
4. Equine	15	7%	0	0%
a. Rodeo	6	2.8%		
b. Roping competition	3	1.4%		
c. Trail rides	3	1.4%		
5. Historical	9	4.2%	3	2.3%
a. Museum	4	1.8%		
b. State historical site	2	.9%	1	.7%
c. Historical tours			1	.7%
d. Paleontology digs			1	.7%
6. Hunting/Fishing	29	13.6%	2	1.5%

Business Type	Agent Received Requests for Insurance (213 Responses Total)		Agent Had General Knowledge of Insurance Availability (126 Responses Total)	
	Number	Percent	Number	Percent
a. Hunting – Guided	10	4.6%	1	.7%
b. Fishing – Guided	7	3.2%		
c. Boat	3	1.4%		
d. Fishing – Access	3	1.4%		
e. Hunting – Access	3	1.4%		
f. Hunting – Fee	1		1	.7%
7. Livestock	0	0%	1	.7%
a. Animal petting			1	.7%
8. Lodging/Restaurant	42	19.7%	15	11.9%
a. Restaurant	13	6.1%	8	.6%
b. Concession stand	11	5.1%		
c. Catering service	6	2.8%	2	1.5%
d. Bed and breakfast	3	1.4%	2	1.5%
e. Vending machines	3	1.4%		
f. Campground – RV	2		2	1.5%
g. Chuck wagon	2		2	1.5%
9. Nature	8	3.7%	1	.7%
a. Photography	3	1.4%	1	.7%
b. Bike trails	2	.9%		
c. Camping	1	.4%		
d. Canoeing	1	.4%		
e. Hiking	1	.4%		
10. Production	13	6.1%	5	3.9%
a. Clothing – Apparel	4	1.8%	2	1.5%
b. Meat/meat processing	3	1.4%	2	1.5%
c. Ag snacks	2	.9%		
d. Bakery	2	.9%	1	.7%
e. Farmers market	1	.4%		
11. Services	19	8.9%	0	0%
a. Transportation – Bus/Car/Van	6	2.8%		
b. Working ranch/farm	0	0%		
c. Reunions	3	1.4%		
d. Weddings	3	1.4%		
12. Other	1	.4%	0	0%
a. Art museum	1	.4%		

Business Type	Agent Received Requests for Insurance (213 Responses Total) Number	Percent	Agent Had General Knowledge of Insurance Availability (126 Responses Total) Number	Percent
III. None Specified				
1. Amusement	6	2.8%	2	1.5%
a. Air suspension	1	.4%		
b. Corn maze	1	.4%	1	.7%
c. Hang gliding	1	.4%		
d. Hot air balloon	1	.4%		
e. Paint ball	1	.4%	1	.7%
f. Rock climbing wall	1	.4%		
2. Automotive	2	.9%	4	3.1%
a. Off road racing	1	.4%	1	.7%
b. Snowmobile trails	1	.4%	3	2.3%
3. Entertainment	4	1.8%	8	6.3%
a. Concerts	1	.4%	4	3.1%
b. Dances	1	.4%	2	1.5%
c. Reenactment	1	.4%	1	.7%
d. Theatre	1	.4%	1	.7%
4. Equine	1	.4%	16	12.6%
a. Buggy rides	1	.4%		
b. Hay rides			3	2.3%
c. Trail rides			3	2.3%
d. Horse			2	1.5%
e. Roping competition			2	1.5%
f. Wagon train			2	1.5%
5. Historical	0	0%	1	.7%
a. Museum			1	.7%
6. Hunting/Fishing	0	0%	10	7.9%
a. Boating			4	3.1%
b. Fishing – Access			2	1.5%
c. Fishing – Fee			1	.7%
d. Fishing – Guided			1	.7%
e. Fishing – Pond			1	.7%
f. Hunting – Access			1	.7%
7. Livestock	0	0%	1	.7%
a. Animal petting			1	.7%
8. Lodging/Restaurant	0	0%	29	23%

Business Type	Agent Received Requests for Insurance (213 Responses Total)		Agent Had General Knowledge of Insurance Availability (126 Responses Total)	
	Number	Percent	Number	Percent
a. Concession stand			4	3.1%
b. Chuck wagon			3	2.3%
9. Nature	0	0%	1	.7%
a. Photography			1	.7%
10. Production	0	0%	5	3.9%
a. Clothing – Apparel			1	.7%
b. Farmers market			1	.7%
c. Pumpkin patch			1	.7%
d. Roadside produce			1	.7%
e. Strawberry patch			1	.7%
11. Services	0	0%	11	8.7%
a. Conference center			2	1.5%
b. Reunions			2	1.5%
12. Other	1	.4%	0	0%
a. Trip and sportsmans	1	.4%		

NORTH DAKOTA NATURE and RURAL TOURISM ASSOCIATION SURVEY RESULTS

Total # of Respondents:	104
	YES
Primary activity is Agribusiness; supplement with tourism activity?	15
Tourism Activity primary; agribusiness is secondary?	1
Do not farm/ranch; have a tourism activity (i.e. Small Business)?	66

Agribusiness Related Response Summary

Activities	# of Responses
	57
Food Related Services	11
Lodging Related Services	12
Entertainment Related Services	5

Small Business Related Response Summary

Activities	# of Responses
	169
Food Related Services	49
Lodging Related Services	40
Entertainment Related Services	107

Business Type Not Specifed Response Summary

Activities	# of Responses
	12
Food Related Services	12
Lodging Related Services	4
Entertainment Related Services	9

NORTH DAKOTA NATURE and RURAL TOURISM ASSOCIATION SURVEY RESULTS

EXHIBIT 3
Part 2

Activities	# of Responses	Agribusiness Primary (Tourism 2ndary)?	Agribusiness 2ndary Tourism Primary?	Non-Agribusiness?	Non Specifed
Animal Petting	4	3	0	1	0
Bike Trails	14	2	0	11	1
Bird Watching	19	6	0	12	1
Boating	6	0	0	5	1
Buggy Rides	5	1	0	4	0
Canoeing	7	1	0	6	0
Corn Maze	1	1	0	0	0
Digs - Archeology	6	0	0	6	0
Digs - Paleontology	5	0	0	5	0
Ecology Tour	1	0	0	1	0
Farm Tour	8	6	0	1	1
Fishing - Guided	2	0	0	1	1
Fishing Pond/Access	7	1	0	5	1
Flea Market	1	0	0	1	0
Hang Gliding	1	0	0	1	0
Hay Rides	3	1	0	2	0
Hiking	12	3	0	9	0
Historical Tours	22	1	0	19	2
Hot Air Balloon	2	0	0	2	0

NORTH DAKOTA NATURE and RURAL TOURISM ASSOCIATION SURVEY RESULTS

	# of Responses	Agribusiness Primary (Tourism 2ndary)?	Agribusiness 2ndary Tourism Primary?	Non-Agribusiness?	Non Specifed
Hunting - Access	12	6	0	4	2
Hunting - Fee	7	6	0	1	0
Hunting - Guided	6	4	0	2	0
Kayaking	3	0	0	3	0
Off-road Racing	1	0	0	1	0
Reenactment Program	13	0	0	13	0
River Tours - Guided	1	0	0	1	0
Road-side Antiques	1	0	0	1	0
Road-side Arts/Crafts	3	2	0	1	0
Rodeo	1	0	0	1	0
Star Gazing	6	2	0	4	0
Swimming	6	1	0	5	0
Trail Rides/Horseback	12	2	0	10	0
Transportation - Boat	2	0	0	1	1
Transportation - Bus	2	0	0	2	0
Transportation - Car/Van	5	1	0	3	1
Transportation - Farm Equip	1	1	0	0	0
Wagon Rides	4	1	0	3	0
Working Ranch	4	1	0	3	0

NORTH DAKOTA NATURE and RURAL TOURISM ASSOCIATION SURVEY RESULTS

	# of Responses	Agribusiness Primary (Tourism 2ndary)?	Agribusiness 2ndary Tourism Primary?	Non-Agribusiness?	Non Specifed
Working Vacation	3	1	0	2	0
Food Related Services					
Bakery	3	0	0	3	0
BBQs	5	0	0	4	1
Berry Patch - U Pick	1	1	0	0	0
Chuck Wagon	7	0	0	6	1
Farmers Market	1	0	0	0	1
Jams & Jellies	5	3	0	0	2
Meat Processing	1	0	0	1	0
Pitch Fork Fondue	5	0	0	5	0
Pumpkin Patch	2	1	0	0	1
Restaurant	13	2	0	8	3
Roadside Produce	3	1	0	1	1
Snacks (Seeds, Nuts)	11	3	0	7	1
Vegetable Patch	2	0	0	1	1
Vineyard	1	0	0	1	0
Winery	1	0	0	1	0
Lodging Related Services					
Bed & Breakfast	4	1	0	3	0
Cabin	11	5	0	5	1

NORTH DAKOTA NATURE and RURAL TOURISM ASSOCIATION SURVEY RESULTS

	# of Responses	Agribusiness Primary (Tourism 2ndary)?	Agribusiness 2ndary Tourism Primary?	Non-Agribusiness?	Non Specifed
Camping	18	2	0	14	2
Lodge	10	4	0	5	1
Teepee	2	0	0	2	0
Entertainment Related Services					
Arts & Crafts	17	0	0	16	1
Concerts	17	0	0	15	2
Conferences	19	0	0	18	1
Dances	10	0	0	10	0
Reunions	22	3	0	17	2
Theatre	6	0	0	6	0
Weddings	20	1	0	16	3

NORTH DAKOTA NATURE and RURAL TOURISM ASSOCIATION SURVEY RESULTS

EXHIBIT 3
Part 3

Agribusiness responses to Insurance Questions (15 responses):

% of respondents able to find coverage with current insurer
40%

Affordability Same Carrier?			
Low	Reasonable	Very High	Cost Prohibitive
0%	20%	27%	20%

% of respondents able to find coverage with different insurer
40%

Affordability Other Carrier?			
Low	Reasonable	Very High	Cost Prohibitive
0%	7%	20%	20%

% of respondents who were unable to find coverage
0%

Small Business responses to Insurance Questions (66 responses):

% of respondents able to find coverage with current insurer
44%

Affordability Same Carrier?			
Low	Reasonable	Very High	Cost Prohibitive
2%	24%	5%	11%

% of respondents able to find coverage with different insurer
20%

Affordability Other Carrier?			
Low	Reasonable	Very High	Cost Prohibitive
0%	11%	9%	11%

% of respondents who were unable to find coverage
5%

NORTH DAKOTA NATURE and RURAL TOURISM ASSOCIATION SURVEY RESULTS

Companies/Agencies Identified as Possible Sources of Insurance:

Companies	Agencies
CNA Insurance	Illinois RB Jones, Englewood, CO
Farmers Union	McKay Insurance - Iowa
Grinnell Mutual	Vaaler Insurance
Gulf Insurance	Warner & Company
Heritage Insurance	World Wide Outfitters
North Dakota Insurance Reserve Fund	
Nodak Mutual Insurance Company	

Respondents received insurance quote that was too expensive so that:

	Agribusiness	Small Business
Do not have insurance:	0%	9%
Discontinued activity:	5%	8%

% of Respondents that have filed claim on their liability policy:

Agribusiness	Small Business
7%	6%

of Years in business:

	Agribusiness	Small Business
1 - 3 Years	13%	6%
3 - 7 Years	27%	0%
7 - 15 Years	27%	14%
Over 15 Years	7%	18%

How was Liability Coverage purchased?

	Agribusiness	Small Business
Package Policy	47%	17%
Stand Alone Liability Coverage	20%	18%

NORTH DAKOTA INSURANCE AGENT SURVEY RESULTS

Total # of Respondents: 120

# of Respondents who received requests for travel & tourism insurance coverage: 28

# of Respondents who did not receive requests for travel & tourism insurance coverage: 92

Agent Received Request for Insurance: Agribusiness Related Response Summary

	# of Responses		Coverage same Admitted Carrier?	Affordability Same Admitted Carrier? Low	Reasonable	High	Cost Prohibitive	Coverage other Admitted Carrier?	Affordability Other Admitted Carrier? Low	Reasonable	High	Cost Prohibitive	Coverage Surplus Lines Carrier?	Affordability Surplus Lines Carrier? Low	Reasonable	High	Cost Prohibitive	No Coverage Available?
Amusement	3	6%	1		1			0					1			1		1
Automotive	3	6%	0					0					0					3
Entertainment	1	2%	0					0					0					1
Equine	13	26%	0					0					5		2	3		7
Historical	2	4%	1		1			1		1			0					0
Hunting/Fishing	15	30%	3	1	2			0					9		3	3	3	1
Livestock	1	2%	0					0					1			1		0
Lodging/Restaurant	1	2%	1			1		0					0					0
Nature	0	0%	0					0					0					0
Production	4	8%	1			1		3		2	1		0					0
Services	7	14%	2		2			0					0					5
Other	0	0%	0					0					0					0
	50		9	1	6	2	0	4	0	3	1	0	16	0	5	8	3	18
			18%	11%	67%	22%	0%	8%	0%	75%	25%	0%	32%	0	31%	50%	19%	36%

NORTH DAKOTA INSURANCE AGENT SURVEY RESULTS

Total # of Respondents: 120

# of Respondents who received requests for travel & tourism insurance coverage: 28

Agent Received Request for Insurance: Small Business Related Response Summary

	# of Responses		Coverage same Admitted Carrier?	Affordability Same Admitted Carrier? Low	Reasonable	High	Cost Prohibitive	Coverage other Admitted Carrier?	Affordability Other Admitted Carrier? Low	Reasonable	High	Cost Prohibitive	Coverage Surplus Lines Carrier?	Affordability Surplus Lines Carrier? Low	Reasonable	High	Cost Prohibitive	No Coverage Available?
Amusement	2	1%	0					1		1								1
Automotive	1	1%	0					0					1		1			0
Entertainment	10	7%	5		4	1		0					4		1	1	2	0
Equine	15	10%	3		3			1		1			7		4	1	2	4
Historical	9	6%	3		3			3		3			2		1		1	0
Hunting/Fishing	29	19%	5		4	1		4			4		10		1	7	2	8
Livestock	0	0%	0					0					0					0
Lodging/Restaurant	42	28%	25	2	20	3		7		6	1		5		1	3	1	4
Nature	8	5%	2		2			0					1		1			5
Production	13	9%	11	3	8			0					1				1	1
Services	19	13%	9		9			0					5		2	1	2	5
Other	1	1%	1		1			0					0					0
	149		64	5	54	5	0	16	0	11	5	0	36	0	12	13	11	28
			43%	8%	84%	8%	0%	11%	0%	69%	31%	0%	24%	0%	33%	36%	31%	19%

NORTH DAKOTA INSURANCE AGENT SURVEY RESULTS

Total # of Respondents: 120

# of Respondents who received requests for travel & tourism insurance coverage: 28

Agent Received Request for Insurance: Business Not Specified Response Summary

	# of Responses		Coverage same Admitted Carrier?	Affordability Same Admitted Carrier?				Coverage other Admitted Carrier?	Affordability Other Admitted Carrier?				Coverage Surplus Lines Carrier?	Affordability Surplus Lines Carrier?				No Coverage Available?
				Low	Reasonable	High	Cost Prohibitive		Low	Reasonable	High	Cost Prohibitive		Low	Reasonable	High	Cost Prohibitive	
Amusement	6	43%	1			1		1			1		4			4		0
Automotive	2	14%	1		1			0					1			1		0
Entertainment	4	29%	0					0					4			4		0
Equine	1	7%	1		1			0					0					0
Historical	0	0%	0					0					0					0
Hunting/Fishing	0	0%	0					0					0					0
Livestock	0	0%	0					0					0					0
Lodging/Restaurant	0	0%	0					0					0					0
Nature	0	0%	0					0					0					0
Production	0	0%	0					0					0					0
Services	0	0%	0					0					0					0
Other	1	7%	1		1			0					0					0
	14		4	0	3	1	0	1	0	0	1	0	9	0	0	9	0	0
			29%	0%	75%	25%	0%	7%	0%	0%	100%	0%	64%	0%	0%	100%	0%	0%

NORTH DAKOTA INSURANCE AGENT SURVEY RESULTS

			Insurance Availability					Affordability				
		Count	Existing	Different	Surplus	None	Not Specified	Low	Reasonable	High	Prohibitive	Not Specified
Amusement												
Air Suspension	Small Business	1		1					1			
	None specified	1			1					1		
Corn Maze	Agri-Business	3	1		1	1			1	1		1
	None specified	1			1					1		
Hang Gliding	None specified	1			1					1		
Hot Air Balloon	None specified	1			1					1		
Paint Ball	Small Business	1				1						1
	None specified	1	1							1		
Rock Climbing Wall	None specified	1		1						1		
Automotive												
Off Road Racing	Agri-Business	1			1	1				1	1	1
	None specified	1										
Snowmobile Trails	Agri-Business	2				2					1	1
	Small Business	1			1				1			
	None specified	1	1						1			
Entertainment												
Concerts	Small Business	5	3		3	1			1	1	1	
	None specified	1			1					1		
Dances	Agri-Business	1				1					1	
	Small Business	4	3		1				3	1		
	None specified	1			1					1		
Reenactment	None specified	1			1					1		
Theatre	Small Business	1	1						1			
	None specified	1			1					1		
Equine												
Buggy Rides	Agri-Business	2			1	1			1		1	
	None specified	1	1						1			
Bring your own horse	Agri-Business	1				1					1	
	Small Business	2			2				1		1	

NORTH DAKOTA INSURANCE AGENT SURVEY RESULTS

EXHIBIT 4 PART 2

		Count	Insurance Availability					Affordability				
			Existing	Different	Surplus	None	Not Specified	Low	Reasonable	High	Prohibitive	Not Specified
Hay rides	Agri-Business	2			1	1				1		1
	Small Business	1			1				1			
Rodeo	Agri-Business	1				1					1	
	Small Business	6	2	1	2	1			5			1
Roping competition	Agri-Business	2			1	1				1	1	
	Small Business	3	1		1	1			1	1		1
Trail rides	Agri-Business	2			1	1				1	1	
	Small Business	3			1	2					1	2
Wagon train	Agri-Business	3			1	1	1		1		2	
Historical												
Archeological digs	Small Business	1			1				1			
Farm tours	Agri-Business	2	1	1					2			
Historical tours	Small Business	1		1					1			
Museum	Small Business	4	3	2	1		1		3		1	
Paleantology digs	Small Business	1		1					1			
State historical site	Small Business	2		1			1		1		1	
Hunting/Fishing												
Boating	Small Business	3		2		1				2	1	
Fishing - access	Agri-Business	1			1						1	
	Small Business	3			2	1				2		1
Fishing - fee	Small Business	1			1					1		
Fishing - guided	Agri-Business	2			1		1				2	
	Small Business	7	1	1	3	2			1	3	2	1
Fishing pond	Small Business	1			1					1		
Hunting - access	Agri-Business	7	3		3	1		1	3	2		1
	Small Business	3	1		1	1			1	1		1
Hunting - fee	Agri-Business	1			1						1	
	Small Business	1					1			1		
Hunting - guided	Agri-Business	4			3	1			2	1	1	
	Small Business	10	3	1	2	3	1		3	3	2	2

NORTH DAKOTA INSURANCE AGENT SURVEY RESULTS

			Insurance Availability					Affordability				
		Count	Existing	Different	Surplus	None	Not Specified	Low	Reasonable	High	Prohibitive	Not Specified
Livestock												
Animal petting	Agri-Business	1			1					1		
Lodging/Restaurant												
Bed and breakfast	Small Business	3	3					1	2			
Cabin/TP	Agri-Business	1	1							1		
Campground - general	Small Business	1	1						1			
Campground - RV	Small Business	2	1		1				2			
Catering service	Small Business	6	3	2		1		1	4			1
Chuckwagon	Small Business	2	1		1				1		1	
Concession stand	Small Business	11	4	4	1	1	1		8	1	1	1
Potluck meals	Small Business	1				1					1	
Restaurant	Small Business	13	10	1	1	1			8	4		1
Vending machines	Small Business	3	2		1				1	2		
Nature												
Bike trails	Small Business	2				2						2
Camping	Small Business	1			1				1			
Canoeing	Small Business	1				1						1
Hiking	Small Business	1				1						1
Photography	Small Business	3	2			1			2		1	
Production												
Ag snacks	Agri-Business	1		1					1			
	Small Business	2	1		1			1			1	
Bakery	Small Business	2	2					1	1			
Clothing - apparel	Small Business	4	4					1	3			
Farmers market	Agri-Business	2	1	1						2		
	Small Business	1	1						1			
Meat/meat processing	Small Business	3	2			1			2			1
Pumpkin patch	Small Business	1	1						1			

NORTH DAKOTA INSURANCE AGENT SURVEY RESULTS

			Insurance Availability					Affordability				
		Count	Existing	Different	Surplus	None	Not Specified	Low	Reasonable	High	Prohibitive	Not Specified
Roadside produce	Agri-Business	1		1					1			
Services												
Conference center	Small Business	1	1						1			
CVB	Small Business	2	1		1				2			
Fitness center	Small Business	3	1			2			1		1	1
Reunions	Agri-Business	1				1						1
	Small Business	3	3						3			
Transportation - boat	Small Business	1				1					1	
Transportation - bus/car/van	Small Business	6	1		4	1			2	1	3	
Weddings	Small Business	3	2			1			2		1	
Working ranch/farm	Agri-Business	5	2			3			2		1	2
Working vacation	Agri-Business	1				1					1	
Other												
Art museum	Small Business	1	1						1			
Other - Trip & Sportsmen's Liability	None specified	1	1						1			

NORTH DAKOTA INSURANCE AGENT SURVEY RESULTS

EXHIBIT 4 PART 3

Agent Received No Request for Insurance, But Knows of Market

Agribusiness

	# of Responses	
Amusement	0	0%
Automotive	0	0%
Entertainment	0	0%
Equine	1	20%
Historical	0	0%
Hunting/Fishing	1	20%
Livestock	1	20%
Lodging/Restaurant	0	0%
Nature	0	0%
Production	0	0%
Services	2	40%
Other	0	0%
	5	

Small Business

	# of Responses	
Amusement	1	3%
Automotive	2	6%
Entertainment	3	9%
Equine	0	0%
Historical	3	9%
Hunting/Fishing	2	6%
Livestock	1	3%
Lodging/Restaurant	15	45%
Nature	1	3%
Production	5	15%
Services	0	0%
Other	0	0%
	33	

None Specified

	# of Responses	
Amusement	2	2%
Automotive	4	5%
Entertainment	8	9%
Equine	16	18%
Historical	1	1%
Hunting/Fishing	10	11%
Livestock	1	1%
Lodging/Restaurant	29	33%
Nature	1	1%
Production	5	6%
Services	11	13%
Other	0	0%
	88	

NORTH DAKOTA INSURANCE AGENT SURVEY RESULTS

Agent Received No Request for Insurance, But Knows of Market

		Count
Amusement		
Corn Maze	Small Business	1
	None Specified	1
Paint Ball	None Specified	1
Automotive		
Off Road Racing	Small Business	1
	None Specified	1
Snowmobile Trails	Small Business	1
	None Specified	3
Entertainment		
Concerts	Small Business	3
	None Specified	4
Dances	None Specified	2
Reenactment	None Specified	1
Theatre	None Specified	1
Equine		
Horse	None Specified	2
Buggy Rides	None Specified	1
Hay Rides	None Specified	3
Rodeo	None Specified	3
Roping Competition	None Specified	2
Trail Rides	Agri-business	1
	None Specified	3
Wagon Train	None Specified	2

		Count
Historical		
Historical Tours	Small Business	1
Museum	None Specified	1
Paleantology Digs	Small Business	1
State Historical Site	Small Business	1
Hunting/Fishing		
Boating	None Specified	4
Fishing - Access	None Specified	2
Fishing - Fee	None Specified	1
Fishing - Guided	None Specified	1
Fishing - Pond	None Specified	1
Hunting - Access	None Specified	1
Hunting - Fee	Small Business	1
Hunting - Guided	Agri-business	1
	Small Business	1
Livestock		
Animal Petting	Agri-business	1
	Small Business	1
	None Specified	1

		Count
Lodging/Restaurant		
Barracks	None Specified	1
BBQs	None Specified	1
Bed & Breakfast	Small Business	2
	None Specified	2
Cabin/TP	None Specified	1
Campground - general	None Specified	1
Campground - RV	Small Business	2
	None Specified	1
Catering Service	Small Business	2
	None Specified	2
Chuck Wagon	Small Business	1
	None Specified	3
Concession Stand	None Specified	4
Continental Breakfast	None Specified	1
Cream can supper	None Specified	2
Earth lodge	None Specified	2
Pitch fork fondue	None Specified	2
Potluck meals	None Specified	2
Resturaunt	Small Business	8
	None Specified	1
Sack lunch	None Specified	1
Soda - beverages	None Specified	1
Vending machines	None Specified	1
Nature		
Photography	Small Business	1
	None Specified	1
Production		
Bakery	Small Business	1
Clothing - apparel	Small Business	2
	None Specified	1
Farmers market	None Specified	1
Meat/Meat processing	Small Business	2
Pumpkin patch	None Specified	1
Roadside produce	None Specified	1
Strawberry patch	None Specified	1
Services		
Conference center	None Specified	2
CVB	None Specified	1
Fitness center	None Specified	1
Reunions	None Specified	2
Transportation - boat	None Specified	1
Transportation - bus/car/van	None Specified	1
Weddings	None Specified	1
Working farm/ranch	Agribusiness	2
	None Specified	1
Working vacation	None Specified	1

NORTH DAKOTA INSURANCE AGENT SURVEY RESULTS

Companies/Agencies Identified as Possible Sources of Insurance (Admitted Market)

Companies

Acuity
American Family Insurance
Auto Owners
Capitol Indemnity
Continental Western
Employers Mutual Casualty
Farmers Insurance Group
Farmers Union Mutual
Grinnell Mutual
North Dakota Insurance Reserve Fund
North Star
Penn America
United Fire & Casualty

Agencies

ARK Agency, Payersville, MN
Ramsgate

Companies/Agencies Identified as Possible Sources of Insurance (Surplus Lines Market)

Companies

Capitol Indemnity
Scottsdale

Agencies

American Family Brokerage
Big M Agency
Blackburns & Nickel
Capitol Specialty
The Interagency
Ramsgate

NORTH DAKOTA TOURISM LIABILITY MARKET SURVEY
FEBRUARY 15, 2006

EXHIBIT 5

Company	Does Company Offer Liability Insurance?	Are Rates Affordable?	Any Obstacles Prevent or Restrict Offering Liability Insurance?	Any Actions to Remove Obstacles so Company Would Write Coverage?	Any Other Information?
Acuity, a Mutual Insurance Company	Yes, but limited to restaurants, motels, and other limited risk operations such as bakeries or wineries. Avoids high risk activity.	Yes, for those limited coverages offered.	High exposure, limited premium.	Very little can be done.	No comment.
Adriatic Ins Co					
Amco Ins Co					
American Ins Co					
American Economy Ins Co					
American Family Mutual Ins Co	Yes. American Family covers many of the risks listed either using normal farmowner underwriting standards, provided the activity is incidental to the farming operation and is conducted on the insured's farm premises. Other risks are written as commercial risks and underwritten pursuant to commercial underwriting standards. Also, see attached letter.	Yes, for the risks written.	High risk and American Family's lack of underwriting expertise in certain areas provide obstacles for the company although specialty lines have the expertise and rates to provide proper insurance.	Actions would have to address the life safety and severity issues that are of concern to American Family.	See other answers.
American States Ins Co					
American West Ins Co					
Aspen Specialty Ins Co					

Company	Does Company Offer Liability Insurance?	Are Rates Affordable?	Any Obstacles Prevent or Restrict Offering Liability Insurance?	Any Actions to Remove Obstacles so Company Would Write Coverage?	Any Other Information?
Auto-Owners Ins Co	Auto-Owners writes liability coverage for small, low hazard, and commercial operations sponsored by Chambers of Commerce such as hay rides, parades, concessions, and small concerts. It also writes campgrounds, restaurants, and taverns except for liquor liability, hotels, motels, and bed and breakfasts.	Yes, insofar as coverage is offered.	Auto-Owners limits its coverage to low risk activities but does not believe that there are any availability or affordability issues.	No comment.	No comment.
Cass County Mutual Ins Co					
Center Mutual Ins Co	Center Mutual offers liability insurance but appears to offer coverage only as provided for in standard farm or homeowner policy.	Not addressed	Not addressed	No comment.	Recommends that state adopt an "assumption of risk" statute.
Charter Oak Fire Ins Co					
Church Mutual Ins Co	Company does not write coverage for tourism-related industries.				

Company	Does Company Offer Liability Insurance?	Are Rates Affordable?	Any Obstacles Prevent or Restrict Offering Liability Insurance?	Any Actions to Remove Obstacles so Company Would Write Coverage?	Any Other Information?
Cincinnati Ins Co	Generally not. Identifies itself as a writer of "main street" business. It might write a small concert event or theater group, museum, small hotel or small restaurant, a snack manufacturer or bakery or a conference center, but would not be interested in other risks listed.	Yes for what it would write.	Cincinnati is not interested in writing most of the exposures noted on the list. It notes that generally specialty and/or excess and surplus lines markets write such risks.	For Cincinnati it is not an issue of barriers, it's an issue of risk appetite. It does not target these kinds of risks, and does not have rate filings that allow it an appropriate premium like a specialty market would. It notes that there is also the issue of being able to write enough risks of a particular class to obtain a good spread of risk and allow the law of large numbers to be predictive of expected loss experience for a particular class. That is difficult for most of the classes noted which is another reason why they are generally handled in specialty markets.	No comment.
Continental Western Ins Co					
Dakota Fire Ins Co					
Dakota Mutual Ins Co					
Dundee Mutual Ins Co					
Farmers Alliance Mutual Ins Co					
Farmers Mutual Reinsurance Co of ND					

Company	Does Company Offer Liability Insurance?	Are Rates Affordable?	Any Obstacles Prevent or Restrict Offering Liability Insurance?	Any Actions to Remove Obstacles so Company Would Write Coverage?	Any Other Information?
Farmers Union Mutual Ins Co	Farmers Union offers coverage for some of the industries listed. If it writes the underlying insurance, it can endorse the policy to include liability coverage for some of the industries listed. Its agents also can utilize a brokerage market and place more of the business there. High risk activities such as equine, hang gliding, and rock wall climbing are the most difficult to place, if at all. See attached letter.	It considers its rates to be competitive. It notes that when one deals with activities that only operate for a short period of time with limited revenues, one oftentimes run into minimum premium issues that make insurance prohibitive. The issue is often affordability rather than availability.	Industries may have unusual exposures, little training and very little experience thereby increasing risks. Some industries are hazardous and, therefore, hard to insure or very costly. The insured may be without insurance not because the company cannot write it, but rather because the business chose not to purchase it because of cost.	Lawsuits have become very popular. The state has made some changes in the landowner issue where they cannot be sued/held responsible for allowing someone to hunt on their land. This kind of legislation is moving us in the right direction. Farmers Union looks for good risk management, proper safety measures, and adequate training.	Legislators should know that specialty markets are available to the consumer. Also, periodicals relating to the specific activity usually identify companies interested in providing insurance coverage for specific exposures. Business associations are also helpful for the businesses.
Farmland Mutual Ins Co					
Federal Ins Co					
Firemans Fund Ins Co	Yes, Fireman's Fund writes commercial, restaurants, recreation and leisure, and farm and ranch coverage including: - Hotels, motels, county clubs, casinos - Restaurants - Weddings - Valet parking - Catering - Personal and advertising injury - Golf, tennis, racquetball, swimming - Hobby farms - Commercial farming - Farm and ranch liability with extension for incidental business activities including hunting and fishing - See attached letter	Yes	Fireman's Fund primarily writes property and casualty coverage to homeowners and businesses, but other extended coverages are available through its parent, Allianz. It sees no obstacles for commercial coverage.	NA since Fireman's Fund provides most of the coverage in question.	Fireman's Fund notes that coverages written on the admitted market require filing and approval in each state, which can be extensive and time consuming. Coverages placed on the surplus (nonadmitted) market do not have that requirement.

Company	Does Company Offer Liability Insurance?	Are Rates Affordable?	Any Obstacles Prevent or Restrict Offering Liability Insurance?	Any Actions to Remove Obstacles so Company Would Write Coverage?	Any Other Information?
Flaxton Farmers Mutual Fire Ins Co					
General Casualty Co of WI					
Genesis Indemnity Ins Co					
Great American Assurance Company					
Great Divide Ins Co					
Griggs Nelson Mutual Ins Co	As a county mutual, Griggs Nelson does not provide liability insurance for anyone. Its agents may be able to provide it through Grinnell Mutual.				
Grinnell Mutual Reinsurance Company					
Hartland Mutual Ins Co					
Home Mutual Ins Co					
Homesite Ins Co of the Midwest					
Indian Harbor Ins Co					
McLean McHenry Mutual Ins Co	Yes, it does offer some coverage for a few of the activities, but it is limited to a few. It has some coverage for hunting & fishing, also ag products sales, such as farmers markets, pumpkin patch, orchard, ag snacks as long as the gross receipts do not exceed $20,000.	Yes, its rates are affordable. The rates start at $94 for fishing or hunting and go up to $188 for the highest coverage. The rates for farmers market type business starts at $24 and goes up to $49 for the highest coverage.	The company primarily writes farm business so it is limited in its offering. The risks are more commercial than farming.	Company is reinsured by Grinnell Mutual so it is limited to what Grinnell would offer, as Grinnell is primarily the liability insurer.	Company would love to see more of these activities be more readily available to the general public. It would help to draw more people to our rural area.
Meridian Citizens Mutual Ins Co					
Milbank Ins Co					
National Surety Corp					
Nationwide Agribusiness Ins Co					
Nationwide Mutual Ins Co					
Nodak Mutual Ins Co					

Company	Does Company Offer Liability Insurance?	Are Rates Affordable?	Any Obstacles Prevent or Restrict Offering Liability Insurance?	Any Actions to Remove Obstacles so Company Would Write Coverage?	Any Other Information?
North Star Mutual Ins Co	North Star does not presently engage in underwriting any of the exposures listed except to the extent that they may be incidental to a homeowner or farmowner risk. At the present time, there is no plan to expand into any of these areas.				
Northeast Mutual Ins Co	Northeast does not offer liability insurance for commercial application. Its agents, if need be, must go to Grinnell directly to find such coverage.				
Northwest G F Mutual Ins Co					
Old West Mutual Ins Co					
Owners Ins Co					
Passport Ins Co					
Philadelphia Indemnity Ins Co					
QBE Insurance Corp					
QBE Specialty Ins Co					
Safecard Services Ins Co					
Southwest Mutual Ins Co					

Company	Does Company Offer Liability Insurance?	Are Rates Affordable?	Any Obstacles Prevent or Restrict Offering Liability Insurance?	Any Actions to Remove Obstacles so Company Would Write Coverage?	Any Other Information?
State Auto Property and Casualty Ins Co	Coverage provided for limited businesses, including hotel/motel, restaurants, concessions gift and collectible retailers, travel agencies, music, dance and entertainment industries. Also provides commercial liability for bed and breakfasts, photography studios, bakeries, farmers markets, flea markets, food or meat processing, wine manufacturing, and art, craft, and furniture retailers. Company provides endorsement for fee hunting and fishing.	Yes	Company will enter a market provided: - Competitors are needed. - It can make a difference in the marketplace. - It has personnel with the necessary skill sets. - The hazard of loss is predictable. - A large number of homogeneous risks exist. - The pricing needed to sustain a viable insurance market is reasonably affordable to consumers. Company also considers management expertise, condition of facilities, risk potential, ability to secure reinsurance, or ability to grow surplus to cover large risks.	No response.	No response.
State Farm Fire and Casualty Company	The only activity on the list that it provides liability coverage for is "bakery". It may insure other listed activities insofar as they are incidental to other coverages it writes, but it does not offer stand-alone policies for these activities	Its rates are based on its loss experience for that particular class of business. It insures enough bakeries that its loss data for that class is adequate for rate calculation. It is comfortable that its rate is reasonable. It does not formally track the rates of its competitors, so it cannot speak to how it compares to the market as a whole.	It does not insure the other activities listed because the activities fall outside the narrow focus of its business insurance programs. It has no comment regarding barriers to the liability insurance market for travel and tourism industries.		
Steele Traill County Mutual Ins Co					
Travelers Indemnity Company of America					
Travelers Property Casualty Co of America					

Company	Does Company Offer Liability Insurance?	Are Rates Affordable?	Any Obstacles Prevent or Restrict Offering Liability Insurance?	Any Actions to Remove Obstacles so Company Would Write Coverage?	Any Other Information?
Tri State Ins Co of MN					
U.S. Underwriters Ins Co					
Walsh County Mutual Ins Co					
West McLean County Farmers Mutual Ins Co					

Table 1. Analysis of state recreational-use statutes.

State	Year enacted	Duty to warn of hazards	Duty to keep land safe	Assure land safe for use	Liability for gross negligence/ willful misconduct	Protection retained for public agency lease payments	Protection lost if fee charged
Alabama Ala. Code § 35-15-1	1965	No	No	No	Yes	Not specified	No, if use for noncommercial purpose
Alaska Ala. Stat. § 09.65.200	1980	Not specified	Not specified	Not specified	Yes	Not specified	Yes
Arizona Ariz. Rev. Stat. § 33-1551	1983	Not specified	Not specified	Not specified	Yes	Not specified	Yes/no, only for nonprofit corp.
Arkansas Ark. State. Ann. § 18-11-301	1965	No	No	No	Yes	Yes	No, provided fees only to offset costs
California Govt. Code § 846	1963	No	No	No	Yes	Yes	Yes
Colorado Colo. Rev. Stat. § 33-41-101	1963	Not specified	No	No	Yes	Yes	Yes
Connecticut Gen. State § 52-557f	1971	No	No	No	Yes	Yes	Yes/no, if fee to harvest firewood
Delaware Del. Code tit 7 § 5901	1953	No	No	No	Yes	Yes	Yes
Florida Fla. Stat. § 375.251	1963	No	No	No	Yes	Yes	Yes
Georgia Ga. Code § 51-3-20	1965	No	No	No	Yes	Yes	Yes
Hawaii Hawaii Rev. Stat. § 520-1	1969	No	No	No	Yes	Yes	Yes
Idaho Idaho Code § 36-1604	1976	No	No	No	Not specified	Yes	Yes
Illinois § 745 ILCS 65/1	1965	No	No	No	No	Yes	Yes/no, fees for land conservation allowed
Indiana Ind. Code Ann. § 14-22-10-2	1969	Not specified	No	No	Yes	Yes	Yes
Iowa Iowa Code Ann. § 461C.1	1967	No	No	No	Yes	Yes	Yes
Kansas Kansas Stat. Ann. § 58-3201	1965	No	No	No	Yes	Yes	Yes
Kentucky Ky. Rev. Stat. §150.645; §411.190	1968	No	No	No	Yes	Yes	Yes

Table 1 Continued

Table 1. Continued

State	Year enacted	Duty to warn of hazards	Duty to keep land safe	Assure land safe for use	Liability for gross negligence/ willful misconduct	Protection retained for public agency lease payments	Protection lost if fee charged
Louisiana La. Rev. Stat. § 9:2791	1964	No	No	No	Yes	Yes	Yes
Maine Me. Rev. Stat. title 14 § 159-A	1979	No	No	No	Yes	Yes	Yes/no, fees allowed if use is noncommercial
Maryland Md. Code Nat. Res. § 5-1101	1957	No	No	No	Yes	Yes	Yes
Massachusetts Mass. Gen. Law ch. 21 § 17C	1972	Not specified	Not specified	Not specified	Yes	Yes	Yes/no, voluntary payments allowed
Michigan Mich. Comp. Laws § 324.73301	1953	No, unless known	Only reasonably safe	Not specified	Yes	Not specified	Yes/no, fees allowed for hunting, fishing and crop harvests
Minnesota Min. Stat. § 604A.20	1961	No	No	No	Yes	Yes	Yes
Mississippi Miss. Code § 89-2-1	1978	No	No	No	Yes	Yes	Yes
Missouri Mo. Ann Stat. § 537.345	1983	No	No	No	Yes	Yes	Yes
Montana Mont. Rev. Code § 70-16-301	1965	Not specified	Not specified	No	Yes	Yes	Yes
Nebraska Neb. Rev. Stat. § 37-729	1965	No	No	No	Yes	Yes	Yes/no, group rental fees allowed
Nevada Nev. Rev. Stat. § 41.510	1963	No	No	No	Yes	Yes	Yes
New Hampshire N.H. Rev. Stat. § 212.34	1961	No	No	No	Yes	Not specified	Yes/no, fees for crop picking allowed
New Jersey N.J. Stat. § 2A:42A-2	1968	No	No	No	Yes	Yes	Yes
New Mexico N.M. Stat. § 17-4-7	1973	Not specified	No	No	Yes	Yes	Yes
New York N.Y. Gen. Law § 9-103	1963	No	No	No	Yes	Yes	Yes
North Carolina N.C. Gen. Stat. § 38A-1	1995	No	Not specified	Not specified	Not specified	Yes	Yes/no, fees to cover damages allowed
North Dakota N.D. Cent. Code § 53-08-1	1965	No	No	Not specified	Yes	Yes	Yes

Table 1 Continued

Table 1. Continued

State	Year enacted	Duty to warn of hazards	Duty to keep land safe	Assure land safe for use	Liability for gross negligence/ willful misconduct	Protection retained for public agency lease payments	Protection lost if fee charged
Ohio Ohio Rev. Code Ann. § 1533.18	1963	Not specified	Not specified	No	Not specified	Yes	Yes
Oklahoma Okla. Stat. Ann. title 76 § 1301	1965	No	No	No	Yes	Yes	Yes
Oregon Or. Rev. Stat. § 105.670	1971	Not specified	Not specified	Not specified	Yes	Not specified	Yes/no, fee for firewood cutting allowed
Pennsylvania Pa. Stat. title 68 § 477-1	1965	No	No	No	Yes	Yes	Yes
Rhode Island R.I. Gen. Law § 32-6-1	1978	No	No	No	Yes	Yes	Yes
South Carolina S.C. Code § 27-3-10	1962	No	No	No	Yes	Yes	Yes
South Dakota S.D. Codified. Laws § 20-9-12	1966	No	No	No	Yes	Yes	Yes/no, nonmonetary gift of less than $100
Tennessee Tenn. Code Ann. §70-7-101; 11-10-101	1965	No	No	No	Yes	Yes	Yes
Texas Civ. Prac. & Rem. Code § 75.001	1965	No	No	No	Yes	Not specified	No, fees equal to 2x or 4x property taxes allowed
Utah Utah Code § 57-14-1	1971	No	No	No	Yes	Not specified	Yes
Vermont Vt. Stat. title 10 § 5212	1967	Not specified	Not specified	Not specified	Yes	Not specified	Yes/no, fees for firewood cutting allowed
Virginia Va. Code § 29.1-509	1950	No	No	No	Yes	Yes	Yes/no, fees for firewood cutting allowed
Washington Wash. Rev. Code § 4.24.200	1967	Not specified	Not specified	Not specified	Yes	Not specified	Yes/no, fees for firewood cutting allowed
West Virginia W.Va. Code § 19-25-1	1965	No	No	No	Yes	Not specified	No, fees up to $50/person/year
Wisconsin Wisc. Stat. § 895.52	1963	No	No	Not specified	Yes	Yes	No, fee revenue up to $2000/year allowed
Wyoming Wyo. Stat. § 34-19-101	1965	No	No	No	Yes	Yes	Yes

In addition to eliminating these specific landowner duties, all state statutes contain a general disclaimer of liability for an injury to a recreational user caused by the commission or omission of the recreational user. The New Jersey statute provides an illustrative example:

"An owner, lessee or occupant of premises who gives permission to another to enter upon such premises for a sport or recreational activity or purpose does not thereby assume responsibility for or incur liability for any injury to person or property caused by any act of persons to whom the permis-

APPENDIX 1

Results Summary

Export... View Detail >>

Filter Results

To analyze a subset of your data, you can create one or more filters.

Add Filter... **Total:** 104

Visible: 104

2. page 2

1. My primary activity is agribusiness (farming or ranching) but I supplement my operation with a tourism/value added activity.

	Response Percent	Response Total
Yes	14.4%	15
No	**85.6%**	**89**
Total Respondents		**104**
(skipped this question)		**0**

2. I am in agribusiness but the tourism/value added activity is primary and any farm/ranch activities are secondary.

	Response Percent	Response Total
Yes	1%	1
No	**99%**	**103**
Total Respondents		**104**
(skipped this question)		**0**

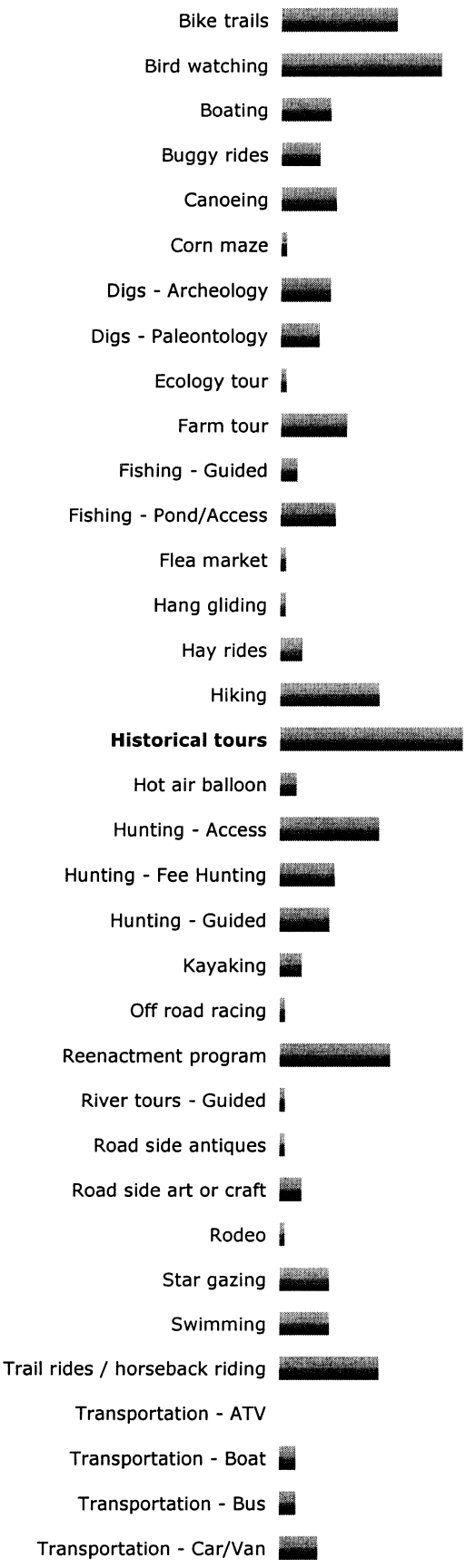
3. I do not farm or ranch but do have a tourism related activity.

	Response Percent	Response Total
Yes	**63.5%**	**66**
No	36.5%	38
Total Respondents		**104**
(skipped this question)		**0**

3. page 3

1. Select the activities you offer:

	Response Percent	Response Total
Animal petting	6.2%	4



Bike trails	21.5%	14
Bird watching	29.2%	19
Boating	9.2%	6
Buggy rides	7.7%	5
Canoeing	10.8%	7
Corn maze	1.5%	1
Digs - Archeology	9.2%	6
Digs - Paleontology	7.7%	5
Ecology tour	1.5%	1
Farm tour	12.3%	8
Fishing - Guided	3.1%	2
Fishing - Pond/Access	10.8%	7
Flea market	1.5%	1
Hang gliding	1.5%	1
Hay rides	4.6%	3
Hiking	18.5%	12
Historical tours	**33.8%**	**22**
Hot air balloon	3.1%	2
Hunting - Access	18.5%	12
Hunting - Fee Hunting	10.8%	7
Hunting - Guided	9.2%	6
Kayaking	4.6%	3
Off road racing	1.5%	1
Reenactment program	20%	13
River tours - Guided	1.5%	1
Road side antiques	1.5%	1
Road side art or craft	4.6%	3
Rodeo	1.5%	1
Star gazing	9.2%	6
Swimming	9.2%	6
Trail rides / horseback riding	18.5%	12
Transportation - ATV	0%	0
Transportation - Boat	3.1%	2
Transportation - Bus	3.1%	2
Transportation - Car/Van	7.7%	5

	Transportation - Farm Equip.	1.5%	1
	Wagon rides	6.2%	4
	Working ranch	6.2%	4
	Working vacation	4.6%	3
View	**Other (please specify)**	**33.8%**	**22**
		Total Respondents	**65**
		(skipped this question)	**39**

2. Select the food related services you offer:

		Response Percent	Response Total
	Bakery	8.1%	3
	BBQ's	13.5%	5
	Berry patch / U-pick	2.7%	1
	Chuck wagon	18.9%	7
	Farmers Market	2.7%	1
	Flour milling	0%	0
	Jams and Jellies	13.5%	5
	Meat processing	2.7%	1
	Orchard	0%	0
	Pie sales	0%	0
	Pitch Fork Fondue	13.5%	5
	Pumpkin patch	5.4%	2
	Restaurant	**35.1%**	**13**
	Road side produce	8.1%	3
	Snacks (seeds, nuts)	29.7%	11
	Vegetable patch	5.4%	2
	Vineyard	2.7%	1
	Winery	2.7%	1
View	Other (please specify)	32.4%	12
		Total Respondents	**37**
		(skipped this question)	**67**

3. Select the lodging related services you offer:

		Response Percent	Response Total
	Bed and Breakfast	9.5%	4
	Cabin	26.2%	11

	Camping	**42.9%**	**18**
	Lodge	23.8%	10
	Teepee	4.8%	2
View	Other (please specify)	31%	13
		Total Respondents	**42**
		(skipped this question)	**62**

4. Select the entertainment related services you offer:

		Response Percent	Response Total
	Arts / Crafts	41.5%	17
	Concerts	41.5%	17
	Conferences	46.3%	19
	Dances	24.4%	10
	Reunions	**53.7%**	**22**
	Theatre	14.6%	6
	Weddings	48.8%	20
View	Other (please specify)	31.7%	13
		Total Respondents	**41**
		(skipped this question)	**63**

5. From your above responses, describe the primary tourism/value added activity that you do.

View	**Total Respondents**	**70**
	(skipped this question)	**34**

4. page 4

1. I have been able to get all of my liability coverage for my tourism/value added activities with the same insurance company that insures my business operation.

	Response Percent	Response Total
Yes	**60%**	**39**
No	40%	26
	Total Respondents	**65**
	(skipped this question)	**39**

2. I have been able to get liability coverage, but not with the same company I have my business insured with.

	Response Percent	Response Total
Yes	29.2%	19
No	**70.8%**	**46**
Total Respondents		**65**
(skipped this question)		**39**

3. I have tried to get liability coverage, but have not found one that will offer me a quote.

	Response Percent	Response Total
Yes	7.7%	5
No	**92.3%**	**60**
Total Respondents		**65**
(skipped this question)		**39**

5. page 4b

1. What was the primary reason given for no quote being offered?

View	**Total Respondents**	**4**
	(skipped this question)	**100**

6. page 5

1. I was able to find coverage with my primary farm, ranch, or business insurance company and find the premiums for the tourism/value added activity to be:

	Response Percent	Response Total
Low	2.5%	1
Reasonable	**55%**	**22**
Very high	17.5%	7
Cost prohibitive	25%	10
Total Respondents		**40**
(skipped this question)		**64**

2. I was able to find coverage with a company other than my primary farm, ranch, or business insurance company and find the premiums for the tourism/value added activity to be:

	Response Percent	Response Total
Low	0%	0
Reasonable	32.1%	9

Very high	32.1%	9
Cost prohibitive	**35.7%**	**10**
	Total Respondents	**28**
	(skipped this question)	**76**

3. I did receive quotes from insurance companies but found that the cost was so expensive that:

	Response Percent	Response Total
I do not have insurance	42.9%	6
I decided not to do the activity	**57.1%**	**8**
	Total Respondents	**14**
	(skipped this question)	**90**

7. page 6

1. If you were able to find coverage and are comfortable doing so, please provide us with the name
of the insurance company (not agent or agency) that you were able to obtain coverage through:

View	**Total Respondents**	**19**
	(skipped this question)	**85**

2. Please provide any additional comments regarding the availability or affordability of liability insurance you may have:

View	**Total Respondents**	**17**
	(skipped this question)	**87**

8. page 7

1. Have you ever filed a claim on your liability policy?

	Response Percent	Response Total
Yes	12.2%	5
No	**87.8%**	**36**
	Total Respondents	**41**
	(skipped this question)	**63**

2. If YES, was the claim handled to your satisfaction?

	Response Percent	Response Total
Yes	**100%**	**6**

No	0%	0
	Total Respondents	**6**
	(skipped this question)	**98**

3. Number of years in business:

	Response Percent	Response Total
1-3 years	16.2%	6
3-7 years	10.8%	4
7-15 years	**37.8%**	**14**
over 15 years	35.1%	13
Total Respondents		**37**
(skipped this question)		**67**

4. Liability coverage type:

	Response Percent	Response Total
Packaged with property, auto, etc.	47.1%	16
Individual coverage	**52.9%**	**18**
Total Respondents		**34**
(skipped this question)		**70**

5. Liability premium = _____ % of gross income (response is optional)

View **Total Respondents**	**7**
(skipped this question)	**97**

6. Property premium = _____ % of gross income (response is optional)

View **Total Respondents**	**4**
(skipped this question)	**100**

TRAVEL AND TOURISM LIABILITY SURVEY OF AGENTS – SEPTEMBER 2005

The Insurance Department is asking for your help in responding to the Legislature's request for information relating to the availability of travel and tourism liability insurance.

Senate Bill No. 2032 requires that the Commissioner report to the Legislature regarding the availability and affordability of travel and tourism liability insurance.

Travel and tourism activities are activities and services offered to a traveler or tourist. This includes activities provided by small businesses in rural communities as well as activities provided by farmers or ranchers, referred to as agri-business activities.

Your answers will help in identifying the availability of insurance in this market. Thank you for taking the time to respond to this survey. The survey is anonymous.

PART I

During the past 2 years have you received a request for travel and tourism liability insurance coverage? Yes or No

IF YOU ANSWERED "NO", YOU MAY STILL PARTICIPATE IN THE SURVEY BY CIRCLING THE ACTIVITIES IN PART II FOR WHICH YOU KNOW YOU HAVE AN OUTLET. THEN CONTINUE WITH PART III.

IF YOU ANSWERED "YES", PLEASE COMPLETE PART II AND CHECK THE APPROPRIATE BLOCKS FOR EACH ACTIVITY FOR WHICH YOU WERE ASKED TO PROVIDE TRAVEL AND TOURISM LIABILITY INSURANCE. THEN CONTINUE WITH PART III.

APPENDIX 2

PART II

Type of Travel or Tourism	Business Type		Insurance Availability				Affordability			
							Consumer's Opinion of the Premium:			
	Small Business	Agri-Business (Farm-Related)	Placed With Existing Admitted Company	Placed With Different Admitted Company	Placed With Surplus Lines	Could Not Find	Low	Reasonable	High	Cost Prohibitive
Amusement										
Air suspension	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Corn maze	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Hang gliding	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Hot air balloon	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Paint ball	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Rock climbing wall	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Automotive										
Off road racing	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Snowmobile trails	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Entertainment										
Concerts (music)	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Dances	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Reenactment	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Theatre	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Equine										
Buggy rides	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

Type of Travel or Tourism	Business Type		Insurance Availability				Affordability			
							Consumer's Opinion of the Premium:			
	Small Business	Agri-Business (Farm-Related)	Placed With Existing Admitted Company	Placed With Different Admitted Company	Placed With Surplus Lines	Could Not Find	Low	Reasonable	High	Cost Prohibitive
Bring your own horse	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Hay rides	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Rodeo	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Roping competition	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Trail rides	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Wagon train	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Historical										
Archeological digs	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Farm tours	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Historical tours	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Museum	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Paleantology digs	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
State historical site	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Hunting/Fishing										
Boating	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Fishing – access	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Fishing – fee	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Fishing – guided	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Fish pond	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Hunting – access	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

Type of Travel or Tourism	Business Type		Insurance Availability				Affordability			
							Consumer's Opinion of the Premium:			
	Small Business	Agri-Business (Farm-Related)	Placed With Existing Admitted Company	Placed With Different Admitted Company	Placed With Surplus Lines	Could Not Find	Low	Reasonable	High	Cost Prohibitive
Hunting – fee	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Hunting – guided	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Livestock										
Animal petting	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Lodging/Restaurant										
Barracks	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
BBQs	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Bed and breakfast	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Cabin/TP	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Campground – general	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Campground – RV	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Catering service	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Chuckwagon	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Concession stand	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Continental breakfast	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Cream can supper	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Earth lodge	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Pitch fork fondue	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Potluck meals	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Restaurant	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

Type of Travel or Tourism	Business Type		Insurance Availability				Affordability			
							Consumer's Opinion of the Premium:			
	Small Business	Agri-Business (Farm-Related)	Placed With Existing Admitted Company	Placed With Different Admitted Company	Placed With Surplus Lines	Could Not Find	Low	Reasonable	High	Cost Prohibitive
Sack lunch	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Soda – beverages	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Vending machines	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Nature										
Bike trails	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Bird watching	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Camping	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Canoeing	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Eco tour	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Guided river tours	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Hiking	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Kayaking	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Live animal viewing	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Photography	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Star gazing	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Swimming	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Production										
Ag snacks (soy, wheat, sunflower	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Bakery	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Clothing – apparel	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

Type of Travel or Tourism	Business Type		Insurance Availability				Affordability			
							Consumer's Opinion of the Premium:			
	Small Business	Agri-Business (Farm-Related)	Placed With Existing Admitted Company	Placed With Different Admitted Company	Placed With Surplus Lines	Could Not Find	Low	Reasonable	High	Cost Prohibitive
Farmers market	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Flea market	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Flour milling	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Meat/meat processing	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Orchard	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Pumpkin patch	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Roadside antiques	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Roadside arts and crafts	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Roadside produce (jams, jellies, pies)	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Strawberry patch	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Vegetable patch	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Vineyard	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Winery	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Services										
Conference center	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
CVB	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Fitness center	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Reunions	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Transportation/shuttle service – boat	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Transportation/shuttle service – bus/car/van	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Weddings	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

Type of Travel or Tourism	Business Type		Insurance Availability				Affordability			
							Consumer's Opinion of the Premium:			
	Small Business	Agri-Business (Farm-Related)	Placed With Existing Admitted Company	Placed With Different Admitted Company	Placed With Surplus Lines	Could Not Find	Low	Reasonable	High	Cost Prohibitive
Working ranch/farm	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Working vacation	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Other										
Art museum	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
_____	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
_____	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
_____	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

Please continue with Part III.

PART III

1. If you have had success in finding companies to write travel and tourism liability coverage for any of the activities in Part II (even on a limited basis), please provide the names of the companies:

   Regular market: _____
   _____

   Surplus market: _____
   _____

2. If you have not had a request for travel and tourism liability insurance but know of companies that will provide coverage for the activities you have circled in Part II, please provide us with the names of the companies:

   Regular market: _____
   _____

   Surplus market: _____
   _____

3. Comments – Please feel free to make additional comments here:
   _____
   _____
   _____
   _____

THANK YOU FOR YOUR VALUABLE INPUT!

DEPARTMENT OF INSURANCE
STATE OF NORTH DAKOTA

Jim Poolman
Commissioner of Insurance

MEMORANDUM

TO: Selected North Dakota Liability Carriers

FROM: Jim Poolman, Commissioner

DATE: January 9, 2006

SUBJECT: Tourism Liability Market

The 2005 North Dakota Legislative Assembly has directed that the North Dakota Insurance Department study the availability and affordability of liability insurance for the travel and tourism industry.

In doing so I am asking for your help. In particular, I would like your perspective on the availability and affordability of liability insurance for tourism related industries. Please provide me with your comments in general and your response to the questions below.

Enclosed please find a brief description of the type of business activities that generally fall into the travel and tourism category.

Please respond to the following questions by February 1, 2006:

1. Does your company offer liability insurance coverage for the industries shown on the attached sheet? If so, please explain the coverages that are offered.

2. If your company offers coverage, do you consider your rates to be affordable? Please explain.

3. As an insurance company, what barriers, obstacles, or reasons in your opinion prevent or restrict your company's ability to provide liability insurance coverage to travel and tourism industries?

600 EAST BOULEVARD DEPT 401 • BISMARCK, ND 58505-0
Consumer Hotline: 1-800-247-0560 • Relay Nor
insuranc@state.nd.

4. As an insurance company, what actions do you believe necessary to remove, eliminate, or reduce the barriers such that your company would be willing to write coverage for the travel and tourism industries?

5. What other information do you believe should be shared with the legislators regarding the liability insurance as it relates to the travel and tourism industries?

Thank you for your comments. If you have any questions, please call Larry Maslowski at (701) 328-4976.

JP/njb
Enclosure

Travel and Tourism Activity list

The department has determined that the following activities whether done as an additional activity on an existing farm or ranch, or as a business venture in a rural community fall under the general description of Travel and Tourism. This list is not all inclusive, however, it is intended to provide some perspective of what types of activities are being referenced in the attached letter.

- Amusement
  - Air Suspension
  - Corn Maze
  - Hang Gliding
  - Hot Air Balloon
  - Paint Ball
  - Rock Climbing Wall
- Automotive
  - Off Road Racing
  - Snowmobile Trails
- Entertainment
  - Concerts (music)
  - Dances
  - Theatre
  - Reenactment
- Equine
  - Buggy rides
  - Roping competition
  - Hay rides
  - Rodeo
  - Trail rides
  - Wagon Train
- Historical
  - Archeological digs
  - Historical tours
  - Paleantology digs
- Hunting/Fishing
  - Boating
  - Fishing – fee
  - Fishing –guided
  - Fish pond
  - Hunting –fee
  - Hunting- guided
- Livestock
  - Animal Petting
- Lodging/Restaurant
  - BBQ's
  - Bed & Breakfast
  - Cabin/TP
  - Chuck Wagon
  - Concessions
  - Pitch Fork Fondue
- Nature
  - Bike trails
  - Bird watching
  - Camping
  - Canoeing
  - Eco tour
  - Guided river tours
  - Hiking
  - Kayaking
  - Photography
  - Star gazing
  - Swimming
- Production
  - Ag snacks (soy,wheat, sunflower)
  - Bakery
  - Farmers Market
  - Flea Market
  - Flour milling
  - Meat/Meat processing
  - Orchard
  - Pumpkin patch
  - Roadside antiques
  - Roadside arts & crafts
  - Roadside produce (jams/jellies/pies)
  - Strawberry patch
  - Vegetable patch
  - Vineyard
  - Winery
- Services
  - Conference center
  - Transportation/Shuttle service
  - Weddings
  - Working vacation