

AUSTIN MUTUAL INSURANCE COMPANY REGULATORY SETTLEMENT AGREEMENT

This Regulatory Settlement Agreement (“Agreement”) is entered into by and between the North Dakota Insurance Commissioner (“Commissioner”) and Austin Mutual Insurance Company (“the Company”) (collectively, “the Parties”). The Commissioner and the Company agree as follows.

1. The Commissioner has jurisdiction pursuant to N.D.C.C. § 26.1-01-03(1) to see that all the laws of North Dakota respecting insurance companies are executed faithfully.

2. The Company, FEIN 41-0134100, is an insurance company that provides property and casualty insurance, is licensed under N.D.C.C. ch. 26.1-11 as a foreign corporation, and has been duly authorized to do business in North Dakota since October 1934. The Company is domiciled in the state of Minnesota.

3. The Commissioner has conducted an investigation into the Company’s sale of Class G DDB and Class G DDC crop insurance policies in North Dakota in 2010 and 2011 (the “2010 and 2011 policies”). The Commissioner has identified concerns regarding the Company’s compliance with N.D.C.C. § 26.1-25-04(1) and (10) regarding the 2010 and 2011 policies.

4. N.D.C.C. § 26.1-25-04(1) and (10) require an insurer to submit its proposed rates and obtain the Commissioner’s approval of those rates before they may be used.

5. The Commissioner’s investigation produced evidence supporting the conclusion that the Company used unapproved rates in selling the 2010 and 2011 policies.

6. The Company denies any wrongdoing or activities that violate any insurance laws of North Dakota. However, in view of the complex issues raised and the probability that long-term litigation or administrative proceedings or both would be required to resolve the

dispute between the Commissioner and the Company, the Commissioner and the Company desire to resolve the dispute and all claims that the Commissioner has asserted or may assert with respect to the Company's sale of the 2010 and 2011 policies.

7. This Agreement is an agreement solely between the Commissioner and the Company, and no other person or entity shall be deemed to obtain or possess any enforceable rights against the Company as a third-party beneficiary or otherwise, as a result of this Agreement. The Commissioner and the Company agree that this Agreement is not intended to and shall not confer any rights upon any other person or entity.

8. The Parties agree that this Agreement contains the entire agreement between them with regard to the Company's sale of the 2010 and 2011 policies and that there are no other understandings, agreements, or representations, oral or written, between the Parties, except as set forth herein. This Agreement may not be modified, supplemented or amended, in any manner, except by written agreement signed by both parties.

9. If any term of this Agreement is declared by a court having jurisdiction to be illegal or unenforceable, the validity of the remaining terms are unaffected and, if possible, the rights and obligations of the Parties are to be construed and enforced as if the Agreement did not contain that term.

10. The Parties represent and warrant that the person executing this Agreement on behalf of each Party has the legal authority to bind the Party to the terms of this Agreement.

11. This Agreement may be executed in counterparts.

NOW, THEREFORE, The Commissioner and the Company further agree to the following actions.

12. The Company will pay a total of \$97,266.00 to policyholders who bought the 2010 and 2011 policies. The amount to be paid to each policyholder will be calculated according to the proportion of premium paid by each policyholder to the total amount of premium paid by all purchasers of Class G DDB and Class G DDC policies in 2010 and 2011. For example, if the premium paid in 2010 and 2011 by Policyholder N.N. equals 1% of the total amount of premium paid by all purchasers of Class G DDB and Class G DDC policies in 2010 and 2011, then Policyholder N.N. will receive 1% of \$97,266.00. The Company will identify all policyholders to receive payments, make the calculations of all payments to be made and calculate the amount to be paid to each policyholder, and will submit the names and amounts to the Commissioner for approval before issuing payments to each policyholder. The Company will submit for the Commissioner's prior approval a draft letter to policyholders to accompany the payments.

13. The Company agrees to pay the Commissioner the amount of \$10,000.00 as a settlement payment. Payment will be made within thirty (30) days of the Commissioner signing this Agreement.

14. Subject to the Company's performance of and compliance with the terms and conditions in this Agreement, the Commissioner hereby releases the Company from all claims, demands, interest, penalties, actions or causes of action that the Commissioner may have by reason of any matter, cause or thing whatsoever, regarding or relating to the 2010 and 2011 policies.

15. The failure to comply with any provision of this Agreement shall constitute a breach of the Agreement, and shall subject the Company to such administrative and

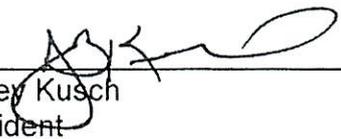
enforcement actions and penalties as the Commissioner deems appropriate, consistent with the laws of North Dakota.

16. This Agreement is effective as of the date of signing by the Commissioner.

17. The use of this Agreement for competitive purposes by an insurance producer or agency holding a license in the State of North Dakota, or by any company holding a Certificate of Authority, or by anyone on their behalf, may be deemed unfair competition and be grounds for suspension or revocation of the license or authority.

DATED this 28th day of July, 2014

AUSTIN MUTUAL INSURANCE
COMPANY



Jeffrey Kusch
President
Austin Mutual Insurance Company

DATED this 28th day of July, 2014

NORTH DAKOTA INSURANCE
DEPARTMENT



Adam Hamm
Commissioner
North Dakota Insurance Department