STATE OF NORTH DAKOTA

BEFORE THE COMMISSIONER OF INSURANCE

In the Matter of	)	
	)	
Nodak Mutual Insurance Company	)	**ORDER LIFTING**
and	)	**ADMINISTRATIVE SUPERVISION**
American West Insurance Company,	)	
	)	
Respondents.	)	

1. By Order dated September 23, 2002 (the "Order of Supervision"), Nodak Mutual Insurance Company and American West Insurance Company (collectively the "Respondent Companies") were placed under supervision by the Commissioner of Insurance pursuant to N.D. Cent. Code § 26.1-06.2-03. Deputy Commissioner of Insurance, Doug Holloway, was appointed Supervisor of the Respondent Companies.

2. On March 20, 2003, Commissioner Poolman issued an Interim Order Regarding the Nodak Mutual Board of Directors (the "Interim Order"), recommending that Nodak Mutual's members adopt the proposed restructuring of the Nodak Mutual Board of Directors and addressing several of the issues that led to the issuance of the Order of Supervision.

3. By Order dated June 2, 2003, Commissioner Poolman adopted the Nodak Mutual Market Conduct Examination Report dated March 15, 2003, issued by contract examiner Huff Thomas (the "Market Conduct Report"), setting forth certain findings and recommendations for change for Nodak Mutual. Nodak Mutual has provided a response to the report's findings and recommendations for change.

4. By Order dated July 28, 2003, Commissioner Poolman adopted the Nodak Mutual Financial Examination Report issued by Insurance Department staff, setting forth certain

findings and recommendations for change at Nodak Mutual. Nodak Mutual has agreed with the report's findings and recommendations for change.

5. An annual meeting of Nodak Mutual was held on March 21, 2003, at which time the members approved the proposed changes to the Nodak Mutual Bylaws to implement the restructuring of the Nodak Mutual Board of Directors as recommended by the Commissioner.

6. The new Board of Directors includes independent board members who are not members of Farm Bureau or its Board of Directors.

7. The new Board will review its Bylaw relating to the nominations for candidates for the Board of Directors to allow policyholders to vote for multiple candidates for an open Board seat.

8. The new Board of Directors will negotiate the terms of a royalty agreement with Farm Bureau in an arm's length transaction in which the Directors with a conflict of interest as a Farm Bureau board member will not participate.

9. The new royalty agreement will be based on a feasibility study and an actuarial study justifying the royalty payments.

10. The new Board will review Article 12 of its Articles of Incorporation and revise as appropriate so that a Director with a conflict of interest on an issue pending before the Board is not allowed to participate in the decision relating to the issue.

11. The minutes of the Board of Directors will be recorded unless the Board is in executive session with its attorney.

12. The Commissioner will review the Board minutes from time to time to assure that Board members with a conflict of interest do not participate in a decision in which the member has a conflict.

13. The Commissioner will review the Board minutes from time to time to assure that the royalty payment is negotiated in an arm's length transaction.

14. The concerns that led to the Supervisory Order have been addressed.

15. The Commissioner finds that there is no need to continue the Order of Supervision while Nodak Mutual addresses those issues. The issues, however, will be addressed within one year of the date of this Order. Nodak Mutual has agreed to report the action taken to address the issues to the Commissioner as the action is taken.

16. The Commissioner finds that the management structure of the Respondent Companies is now stable.

17. The Commissioner finds that the persons in positions of management, including Respondent's officers, directors, and persons who directly or indirectly control the operation of the Respondents, are competent, fit and have a reputation necessary to serve the Respondents and to ensure the future financial stability of the Respondents.

18. The Commissioner finds that Nodak Mutual, its management and employees have cooperated with the Insurance Department staff and contract examiners during the course of the market conduct and financial examinations.

19. The Commissioner finds that the conditions that led to the Order of Supervision no longer exist.

20. The Commissioner finds that the Order of Supervision is no longer necessary and can be lifted.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Order Creating Administrative Supervision and Appointing Supervisor is herewith lifted effective immediately.

2. Within one year of the date of this Order, Nodak Mutual will report to the Commissioner as to the manner in which it has addressed the Recommendations as set forth in the Market Conduct Examination Report and in the Financial Examination Report.

DATED this 29th day of July, 2003.

Jim Poolman
Commissioner
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