

STATE OF NORTH DAKOTA

BEFORE THE INSURANCE COMMISSIONER

In the Matter of the Target Financial)	
Examination of Noridian Mutual)	
Insurance Company of Fargo,)	FINDINGS OF FACT,
North Dakota, a North Dakota)	CONCLUSIONS OF LAW,
Nonprofit Mutual Insurance Company.)	AND ORDER

INTRODUCTION

The North Dakota Insurance Department has conducted a target financial examination of Noridian Mutual Insurance Company (hereinafter "Respondent") to investigate and report on certain expenses incurred by Respondent, to review its corporate procedures and practices in specific areas, and provide information that will assist the Commissioner in his evaluation of reasonable costs incurred by Respondent for purposes of rate reviews. The target financial examination covers the period beginning January 1, 2004, and ending March 31, 2009. Respondent was last examined by the Insurance Department for the period ended December 31, 2004. The current examination was conducted by the State of North Dakota without participation from any other states. Pursuant to N.D.C.C. § 26.1-03-19.4, the examiners have presented to the Insurance Commissioner a written report of target financial examination. A copy of this report of examination and Notice were mailed to the Respondent on July 14, 2009. The Respondent was given 30 days to make written submission or rebuttal with respect to any matters in the target financial examination report prior to release of a final report by the Commissioner. In written responses dated

July 31, 2009, and August 12, 2009, Respondent submitted comments in regard to the target financial examination report. The Commissioner fully considered Respondent's comments and made modifications in certain areas of the target financial examination report based on those comments.

The Commissioner, having fully considered and reviewed the examiner's report, as modified subsequent to its filing, enters the following Findings of Fact, Conclusions of Law, and Order.

FINDINGS OF FACT

The Commissioner specifically adopts as his findings the target financial examination report filed by the examiners as modified subsequent to its filing, a copy of which is attached and by this reference incorporated in this Order.

CONCLUSIONS OF LAW

Respondent is in violation of N.D.C.C. § 26.1-05-18(3) which prohibits a domestic insurance company from entering into certain investment agreements.

Respondent has also engaged in certain operational practices that conflict with the purpose of a nonprofit corporation.

ORDER

Based on the foregoing Findings of Fact and Conclusions of Law, it is ordered that the target financial examination report which is incorporated by reference is adopted.

It is further ordered that Noridian Mutual Insurance Company shall comply with all statutory requirements for insurance company investments and will act to correct its

operational practices in accordance with the Commissioner's letter directive dated September 2, 2009.

Pursuant to N.D.C.C. § 26.1-03-19.4(5)(a), the examination report incorporated by reference shall remain private and confidential information for a period of 15 days from the date of this Order, except as otherwise provided under N.D.C.C. § 26.1-03-19.4, and thereafter shall become open for public inspection so long as no court of competent jurisdiction has stayed its publication.

The use of this Order for competitive purposes by an insurance agent 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 said license or authority.

DATED this 24 day of September, 2009.



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Commissioner
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