

Property and Casualty

Market Analysis

SEPTEMBER 2009

North Dakota Insurance Department

**Market Analysis
North Dakota Insurance Department
September 2009**

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Market Analysis Overview

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

The purpose of the market analysis report is twofold:

To monitor and evaluate market trends and affordability.

To evaluate the competitiveness of critical markets (availability).

Critical Markets

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

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

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

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

Market Analysis Components

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

- Exhibit I -Market Concentration (Herfindahl index)
- Exhibit II-A - Market Share Analysis –Market Share Changes
- Exhibit II-B – Market Share Analysis –Company Changes
- Exhibit II-C – Market Share Analysis – Surplus (non-licensed)
- Exhibit III – Historical Loss Ratios (Statewide, Regional, and Countrywide)
- Exhibit IV – Loss Ratios vs Rate Change vs Claims Cost Indexes
- Exhibit V – Change in Premium Writings
- Exhibit VI – Field Market Survey Results-September 2008
- Exhibit VII – Residual Market Population
- Exhibit VIII – Matrix of Indicators

Description of Market Analysis Components

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

Exhibit I -Market Concentration (Herfindahl index) -The purpose of this index is to evaluate the concentration of the market and its change over time. Highly concentrated markets are considered to be less competitive while non-concentrated markets are considered to be more competitive. The exhibit illustrates the concentration ratio of the top 4 companies and the top 20 companies. The concentration ratio is the combined market share of the companies. The final Herfindahl index, however, is based upon the market share analysis of all companies not just the top 4 or 20 companies. The most recent data available for this analysis includes the year 2008.

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

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

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

Exhibit II-C-Market Share – Surplus (non-licensed)– This exhibit summarizes the volume of business written by surplus lines insurers for this market, including Risk Retention Groups, over a six year period.

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

Exhibit IV – Loss Ratios vs Rate Change vs Claims Cost Index – The purpose of this exhibit is to compare the statewide 3 year loss ratio (indexed to the base year of 1992) to both the composite rate index (representing the actual change in rates for the top 10 companies) and the Claims Cost Index. [In addition for the private passenger auto analysis a chart of the average premium and countrywide rankings was included.]

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

Exhibit VI – Field Market Survey Results-September 2008 – This exhibit summarizes the results of a survey of Property and Casualty agents, staff, company representatives, and company underwriters in attendance at the agent forums in September of 2006. The survey solicited comments on the availability and affordability of each line of insurance.

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

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

Narrative Summary

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

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

General Summary

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

Auto – private passenger - A highly competitive market.

Auto – commercial - A highly competitive market.

Commercial multi peril package - Generally a highly competitive market.

Farmowners - The competitive level of the market is low.

Homeowners - A moderately competitive market.

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

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

Crop Hail - A low competitive market

Technical Notes

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

Addendum 1 Narrative Summary – Auto – Private Passenger

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

Exhibit I -Market Concentration (Herfindahl index)

The concentration ratios and Herfindahl indices for North Dakota are below the national benchmarks, indicating a highly competitive market, though we do note that the 20 firm concentration ratio has been increasing gradually over the past 20 years.

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

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

The combined market share of the top twenty writers has decreased in each of the past three years. In 2008 the combined market share was less than 82%, the lowest in the past six years. This suggests that the market is becoming more competitive.

Exhibit II-B – Market Share Analysis –Company Changes

The number of companies entering and leaving the top 20 is low, which suggests a lesser degree of competition. However there is considerable movement among all companies within the top 20, implying greater competition. Highly competitive markets are associated with a high degree of movement and a low concentration of market share.

This information does not give a clear indication of the competitive level of the market.

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

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

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

Since peaking in 2001, the statewide loss ratio has dropped back down to profitable levels the past five years, - consistent with regional and countrywide loss ratios. This information by itself is not an indicator of the competitive level of the market.

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

The graphs show that rates have kept pace with the Auto Repair CPI index, but have decreased slightly the past two years, in reaction to favorable loss experience since 2001.

The chart showing state average premium indicates North Dakota has consistently ranked among the lowest of all states in overall average premium. Note that this chart summarizes average premiums through calendar year 2006, the most current year available.

Exhibit V – Change in Premium Writings

The statewide premium volume has increased 88% since 1992. Rate change information would explain 38% of this increase, the remainder being due to a variety of factors, including increases in the cost, type and number of vehicles, changes in coverage levels, demographic changes, etc.

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

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

Exhibit VI – Field Market Survey Results-September 2008

The results of this survey represent a snapshot of the market as of September 2008. Responses in 2008 were favorable in comparison to previous survey results, although the low number of survey responses give this indication limited credibility.

Overall, this information indicates that the market is moderately competitive.

Exhibit VII – Residual Market Population

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

Exhibit VIII – Matrix of Indicators

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

Final assessment

The evaluation of the market through the year 2008 indicates a highly competitive market. In determining what the overall market trend and competitive level are, more weight is given to the Herfindahl index and residual market population data, as these are statistically sound indicators.

The general condition of the market is felt to be highly competitive.

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EXHIBIT I: MARKET CONCENTRATION

Year	North Dakota			Countrywide				
	4-Firm Concentration	20-Firm Concentration	Herfindahl Index	4-Firm Concentration	20-Firm Concentration	Herfindahl Index		
	Ratio	Ratio		Ratio	Ratio			
1986	46.0%	75.1%	629	39.3%	63.2%	573		
1987	47.0%	74.7%	653	39.2%	63.7%	578		
1988	47.3%	75.4%	664	40.3%	64.4%	613		
1989	47.8%	75.7%	675	40.8%	65.3%	637		
1990	48.3%	76.3%	686	42.8%	66.0%	694		
1991	48.6%	76.6%	683	38.7%	58.8%	662		
1992	48.8%	77.4%	692	39.4%	58.0%	704		
1993	49.4%	77.8%	710	38.7%	56.5%	668		
1994	50.0%	78.0%	725	35.0%	53.8%	560		
1995	49.3%	77.6%	714	34.2%	52.2%	521		
1996	48.8%	76.5%	702	34.3%	51.9%	514		
1997	47.9%	76.6%	680	33.2%	51.0%	479		
1998	46.9%	76.4%	654	32.6%	50.7%	455		
1999	45.3%	76.4%	618	30.9%	49.4%	416		
2000	44.5%	78.0%	604	29.5%	48.6%	382		
2001	44.5%	78.6%	611	29.4%	48.8%	399		
2002	45.3%	80.6%	643	28.7%	48.7%	399		
2003	44.0%	83.0%	641	27.8%	48.3%	387		
2004	44.6%	84.2%	668	(827)	27.0%	48.4%	366	(634)
2005	45.2%	84.6%	681	(840)	26.5%	48.9%	353	(643)
2006	45.0%	84.5%	683	(839)	26.2%	49.0%	352	(651)
2007	45.1%	83.5%	679	(833)	26.1%	48.7%	348	(656)
2008	45.5%	81.9%	673	(827)	26.2%	49.0%	358	(691)

Benchmarks:

National in and Herfindahl index <2000, are generally not viewed as highly concentrated.

Merger guidelines of U.S. Dept of Justice

Post-merger > 1,800 - highly concentrated

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

< 1,000 - unconcentrated

A change in data availability resulted in the department's computing the Herfindahl Indices in parenthesis using marketshares at the group level (i.e. marketshares of sister companies are combined).

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EXHIBIT IIA: NORTH DAKOTA MARKET SHARE REPORT

Year: 2008				Year: 2007				Year: 2006			
Company	Direct WP (in 000s)	Market Share	Cumulative	Company	Direct WP (in 000s)	Market Share	Cumulative	Company	Direct WP (in 000s)	Market Share	Cumulative
State Farm Mut Auto Ins Co	\$ 43,485	14.1%	14.1%	State Farm Mut Auto Ins Co	\$ 44,281	14.5%	14.5%	State Farm Mut Auto Ins Co	\$ 44,073	14.2%	14.2%
American Family Mut Ins Co	\$ 37,139	12.1%	26.2%	American Family Mut Ins Co	\$ 37,041	12.1%	26.6%	American Family Mut Ins Co	\$ 37,035	12.0%	26.2%
Progressive Northwestern Ins Co	\$ 29,645	9.6%	35.9%	Nodak Mut Ins Co	\$ 28,979	9.5%	36.0%	Nodak Mut Ins Co	\$ 30,730	9.9%	36.1%
Nodak Mut Ins Co	\$ 29,455	9.6%	45.5%	Progressive Northwestern Ins Co	\$ 27,814	9.1%	45.1%	National Farmers Union Prop & Cas	\$ 27,641	8.9%	45.0%
National Farmers Union Prop & Cas	\$ 25,849	8.4%	53.9%	National Farmers Union Prop & Cas	\$ 26,468	8.6%	53.8%	Progressive Northwestern Ins Co	\$ 27,599	8.9%	53.9%
Center Mut Ins Co	\$ 11,712	3.8%	57.7%	Center Mut Ins Co	\$ 12,707	4.2%	57.9%	Center Mut Ins Co	\$ 14,254	4.6%	58.5%
Owners Ins Co	\$ 9,580	3.1%	60.8%	Owners Ins Co	\$ 9,156	3.0%	60.9%	Owners Ins Co	\$ 8,903	2.9%	61.4%
Farmers Ins Exch	\$ 8,635	2.8%	63.6%	Farmers Ins Exch	\$ 8,797	2.9%	63.8%	Farmers Ins Exch	\$ 8,439	2.7%	64.1%
Progressive Direct Ins Co	\$ 6,753	2.2%	65.8%	Grinnell Mut Reins Co	\$ 6,258	2.0%	65.8%	Grinnell Mut Reins Co	\$ 6,668	2.2%	66.3%
Grinnell Mut Reins Co	\$ 5,937	1.9%	67.7%	Progressive Direct Ins Co	\$ 6,003	2.0%	67.8%	USAA	\$ 5,954	1.9%	68.2%
USAA	\$ 5,804	1.9%	69.6%	USAA	\$ 5,895	1.9%	69.7%	Allstate Ins Co	\$ 5,933	1.9%	70.1%
Allstate Ins Co	\$ 5,529	1.8%	71.4%	Allstate Ins Co	\$ 5,786	1.9%	71.6%	Progressive Direct Ins Co	\$ 5,805	1.9%	72.0%
North Star Mut Ins Co	\$ 4,996	1.6%	73.0%	American Standard Ins Co of WI	\$ 5,244	1.7%	73.3%	American Std Ins Co Of WI	\$ 5,445	1.8%	73.8%
American Standard Ins Co of WI	\$ 4,729	1.5%	74.6%	Safeco Natl Ins Co	\$ 5,009	1.6%	75.0%	State Farm Fire And Cas Co	\$ 5,389	1.7%	75.5%
Dakota Fire Ins Co	\$ 4,514	1.5%	76.0%	State Farm Fire And Cas Co	\$ 4,700	1.5%	76.5%	Motor Club Ins Assoc	\$ 5,070	1.6%	77.1%
State Farm Fire & Cas Co	\$ 4,170	1.4%	77.4%	North Star Mut Ins Co	\$ 4,692	1.5%	78.0%	Milbank Ins Co	\$ 5,049	1.6%	78.8%
Amco Ins Co	\$ 3,547	1.2%	78.6%	Auto Club Ins Assoc	\$ 4,664	1.5%	79.6%	Dakota Fire Ins Co	\$ 4,779	1.5%	80.3%
Milbank Ins Co	\$ 3,527	1.1%	79.7%	Dakota Fire Ins Co	\$ 4,447	1.5%	81.0%	Safeco Natl Ins Co	\$ 4,716	1.5%	81.8%
Auto Club Ins Assoc	\$ 3,489	1.1%	80.8%	Milbank Ins Co	\$ 4,262	1.4%	82.4%	North Star Mut Ins Co	\$ 4,527	1.5%	83.3%
Safeco Natl Ins Co	\$ 3,350	1.1%	81.9%	Amco Ins Co	\$ 3,521	1.2%	83.5%	Amco Ins Co	\$ 3,669	1.2%	84.5%

Year: 2005				Year: 2004				Year: 2003			
Company	Direct WP (in 000s)	Market Share	Cumulative	Company	Direct WP (in 000s)	Market Share	Cumulative	Company	Direct WP (in 000s)	Market Share	Cumulative
State Farm Mut Auto Ins Co	\$ 45,044	14.3%	14.3%	State Farm Mut Auto Ins Co	\$ 44,207	14.0%	14.0%	State Farm Mut Auto Ins Co	\$ 41,060	13.6%	13.6%
American Family Mut Ins Co	\$ 37,090	11.8%	26.0%	American Family Mut Ins Co	\$ 36,495	11.5%	25.5%	American Family Mut Ins Co	\$ 34,367	11.4%	25.0%
Nodak Mut Ins Co	\$ 32,475	10.3%	36.3%	Nodak Mut Ins Co	\$ 32,830	10.4%	35.9%	Nodak Mut Ins Co	\$ 31,721	10.5%	35.5%
National Farmers Union Prop & Cas	\$ 28,035	8.9%	45.2%	National Farmers Union Prop & Cas	\$ 27,293	8.6%	44.6%	National Farmers Union Prop & Cas	\$ 25,482	8.4%	44.0%
Progressive Northwestern Ins Co	\$ 26,575	8.4%	53.7%	Progressive Northwestern Ins Co	\$ 26,830	8.5%	53.1%	Progressive Northwestern Ins Co	\$ 23,166	7.7%	51.6%
Center Mut Ins Co	\$ 15,058	4.8%	58.4%	Center Mut Ins Co	\$ 15,005	4.7%	57.8%	Center Mut Ins Co	\$ 12,704	4.2%	55.9%
Owners Ins Co	\$ 9,064	2.9%	61.3%	Farmers Ins Exch	\$ 9,197	2.9%	60.7%	Farmers Ins Exch	\$ 9,883	3.3%	59.1%
Farmers Ins Exch	\$ 8,832	2.8%	64.1%	Owners Ins Co	\$ 8,832	2.8%	63.5%	Owners Ins Co	\$ 8,433	2.8%	61.9%
Grinnell Mut Reins Co	\$ 7,377	2.3%	66.5%	Grinnell Mut Reins Co	\$ 7,988	2.5%	66.0%	Grinnell Mut Reins Co	\$ 8,318	2.8%	64.7%
State Farm Fire And Cas Co	\$ 6,349	2.0%	68.5%	State Farm Fire And Cas Co	\$ 6,777	2.1%	68.2%	Dakota Fire Ins Co	\$ 6,898	2.3%	67.0%
Allstate Ins Co	\$ 5,991	1.9%	70.4%	Milbank Ins Co	\$ 6,445	2.0%	70.2%	Milbank Ins Co	\$ 6,736	2.2%	69.2%
Milbank Ins Co	\$ 5,650	1.8%	72.2%	Dakota Fire Ins Co	\$ 6,426	2.0%	72.3%	Allstate Ins Co	\$ 6,709	2.2%	71.4%
USAA	\$ 5,592	1.8%	73.9%	Allstate Ins Co	\$ 6,332	2.0%	74.3%	State Farm Fire And Cas Co	\$ 5,841	1.9%	73.4%
American Std Ins Co Of WI	\$ 5,581	1.8%	75.7%	American Std Ins Co Of WI	\$ 5,607	1.8%	76.0%	American Std Ins Co Of WI	\$ 5,471	1.8%	75.2%
Dakota Fire Ins Co	\$ 5,543	1.8%	77.5%	United Services Auto Assoc	\$ 5,259	1.7%	77.7%	United Services Auto Assoc	\$ 5,215	1.7%	76.9%
Progressive Direct Ins Co	\$ 4,987	1.6%	79.0%	North Star Mut Ins Co	\$ 4,642	1.5%	79.2%	North Star Mut Ins Co	\$ 4,298	1.4%	78.3%
Safeco Natl Ins Co	\$ 4,590	1.5%	80.5%	Safeco Natl Ins Co	\$ 4,439	1.4%	80.6%	Safeco Natl Ins Co	\$ 3,937	1.3%	79.6%
North Star Mut Ins Co	\$ 4,575	1.5%	81.9%	Progressive Halcyon Ins Co	\$ 4,003	1.3%	81.8%	Auto-Owners Ins Co	\$ 3,895	1.3%	80.9%
Motor Club Ins Assoc	\$ 4,507	1.4%	83.4%	Auto-Owners Ins Co	\$ 3,787	1.2%	83.0%	Dairyland Ins Co	\$ 3,459	1.1%	82.1%
Auto-Owners Ins Co	\$ 3,699	1.2%	84.6%	Dairyland Ins Co	\$ 3,541	1.1%	84.2%	Mid-Century Ins Co	\$ 2,903	1.0%	83.0%

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

Year	# of New Entries/Exits into Top 20 Carriers	Changes within Top 20 Carriers
1987	2	12
1988	4	9
1989	2	7
1990	2	8
1991	2	8
1992	2	12
1993	1	10
1994	3	7
1995	3	5
1996	2	10
1997	2	6
1998	2	12
1999	0	12
2000	3	10
2001	2	14
2002	2	8
2003	2	12
2004	1	5
2005	1	9
2006	1	9
2007	0	11
2008	0	12

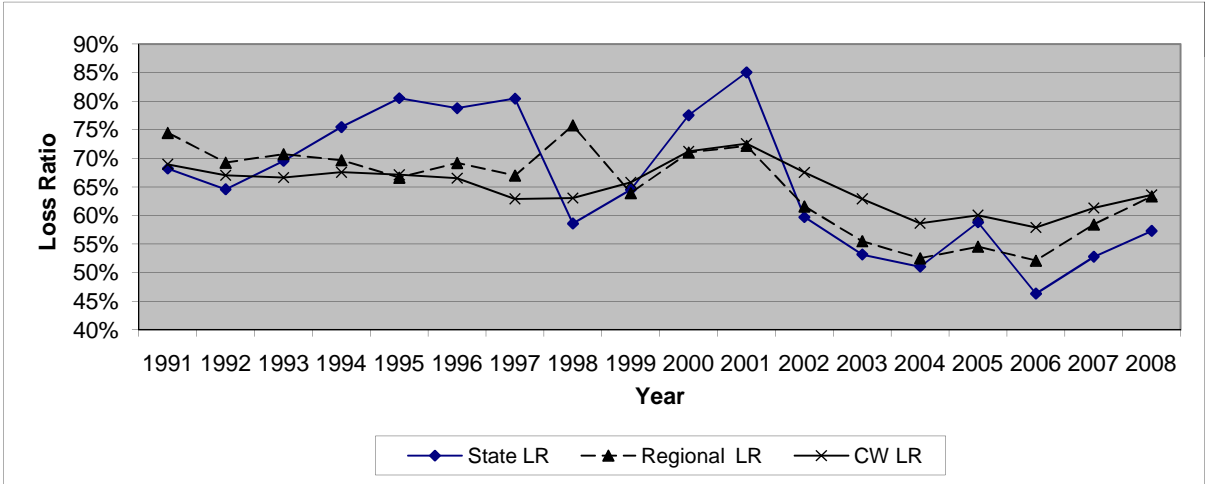
EXHIBIT IIC: NORTH DAKOTA PRIVATE PASSENGER AUTO MARKET SHARE- SURPLUS (non-licensed)

YEAR:	2008		2007		2006
	Direct Written Premium <u>(000s)</u>	<u>Company</u>	Direct Written Premium <u>(000s)</u>	<u>Company</u>	Direct Written Premium <u>(000s)</u>
	NONE		NONE		NONE
	2005		2004		2003
	Direct Written Premium <u>(000s)</u>	<u>Company</u>	Direct Written Premium <u>(000s)</u>	<u>Company</u>	Direct Written Premium <u>(000s)</u>
	NONE		NONE		NONE
	2002		2001		2000
	Direct Written Premium <u>(000s)</u>	<u>Company</u>	Direct Written Premium <u>(000s)</u>	<u>Company</u>	Direct Written Premium <u>(000s)</u>
	NONE	General Agents Ins Co Of Amer Inc	\$ 0.87	Commercial Underwriters Ins Co	\$ 2.18

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EXHIBIT III: HISTORICAL LOSS RATIOS

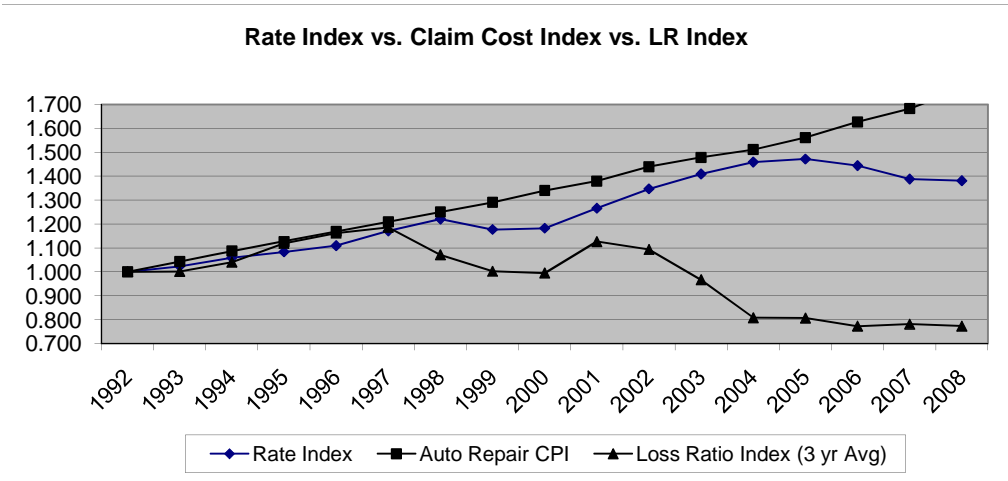
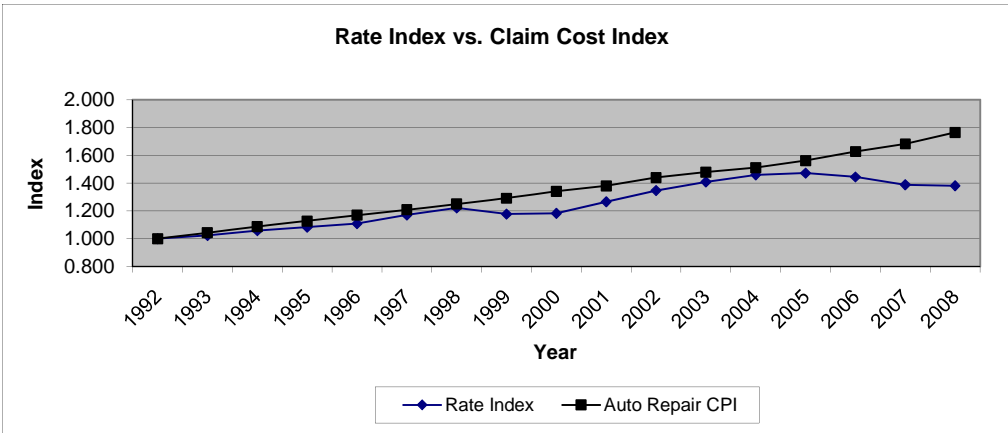
Year	Statewide Loss Ratio	Regional Loss Ratio	Countrywide Loss Ratio
1991	68%	74%	69%
1992	65%	69%	67%
1993	70%	71%	67%
1994	75%	70%	68%
1995	81%	67%	67%
1996	79%	69%	67%
1997	80%	67%	63%
1998	59%	76%	63%
1999	65%	64%	66%
2000	78%	71%	71%
2001	85%	72%	73%
2002	60%	62%	68%
2003	53%	56%	63%
2004	51%	53%	59%
2005	59%	55%	60%
2006	46%	52%	58%
2007	53%	58%	61%
2008	57%	63%	64%



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

Year	Composite Rate Index	Relevant Auto Repair CPI	Statewide 3 Yr LR Indexed to 1992
1992	1.000	1.000	1.000
1993	1.023	1.043	1.001
1994	1.058	1.087	1.040
1995	1.083	1.126	1.119
1996	1.109	1.170	1.162
1997	1.171	1.209	1.186
1998	1.221	1.250	1.071
1999	1.177	1.290	1.002
2000	1.182	1.340	0.995
2001	1.266	1.379	1.126
2002	1.347	1.439	1.093
2003	1.409	1.479	0.967
2004	1.459	1.511	0.808
2005	1.472	1.561	0.807
2006	1.444	1.627	0.773
2007	1.388	1.682	0.782
2008	1.381	1.765	0.773



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EXHIBIT IV PAGE 2

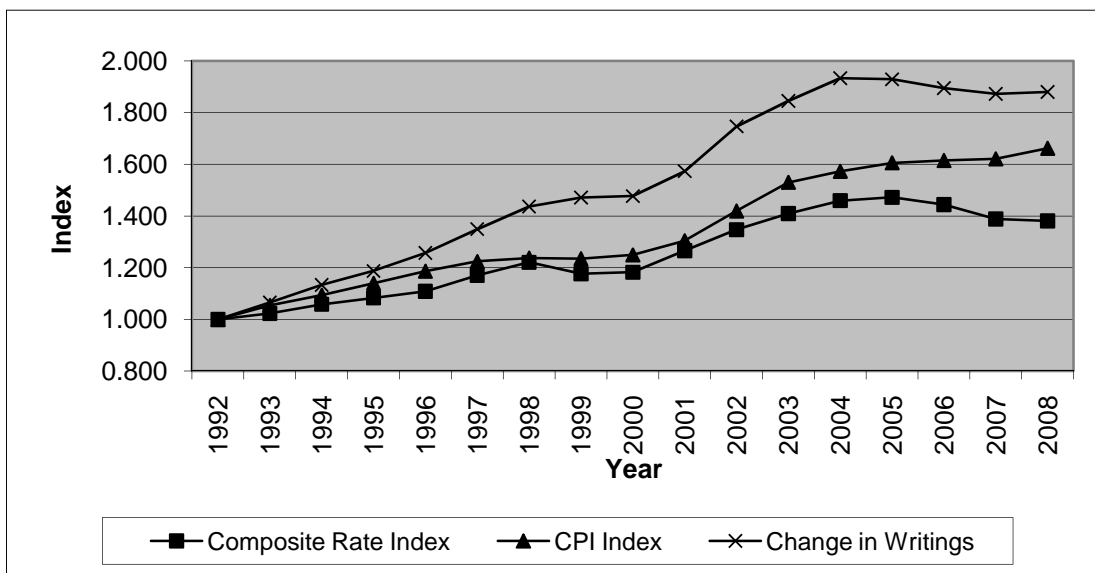
NORTH DAKOTA AVERAGE PREMIUMS AND COUNTRYWIDE RANKINGS

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

PRIVATE PASSENGER AUTO

EXHIBIT V: CHANGE IN PREMIUM WRITINGS

Year	Statewide Written Premium (000s)	Change in Writings	Indexed to 1992	Composite Rate Index	Consumer Price Index
1986	\$ 116,008				
1987	\$ 125,030	7.8%			
1988	\$ 130,983	4.8%			
1989	\$ 136,950	4.6%			
1990	\$ 143,005	4.4%			
1991	\$ 152,623	6.7%			
1992	\$ 163,517	7.1%	1.00	1.000	1.000
1993	\$ 174,186	6.5%	1.07	1.023	1.055
1994	\$ 185,284	6.4%	1.13	1.058	1.094
1995	\$ 194,137	4.8%	1.19	1.083	1.140
1996	\$ 205,615	5.9%	1.26	1.109	1.187
1997	\$ 220,618	7.3%	1.35	1.171	1.224
1998	\$ 234,935	6.5%	1.44	1.221	1.237
1999	\$ 240,541	2.4%	1.47	1.177	1.235
2000	\$ 241,487	0.4%	1.48	1.182	1.249
2001	\$ 257,251	6.5%	1.57	1.266	1.305
2002	\$ 285,560	11.0%	1.75	1.347	1.419
2003	\$ 301,700	5.7%	1.85	1.409	1.530
2004	\$ 315,990	4.7%	1.93	1.459	1.573
2005	\$ 315,328	-0.2%	1.93	1.472	1.605
2006	\$ 309,717	-1.8%	1.89	1.444	1.615
2007	\$ 306,089	-1.2%	1.87	1.388	1.621
2008	\$ 307,389	0.4%	1.88	1.381	1.662



PRIVATE PASSENGER AUTO

EXHIBIT VI: FIELD MARKET SURVEY

Available Markets	<u>Fewer</u> 8	7.5%	<u>Same</u> 79	74.5%	<u>More</u> 19	17.9%	<u>Total Responses</u> 106
Rate Changes	<u>Increased</u> 28	26.7%	<u>Same</u> 44	41.9%	<u>Decreased</u> 33	31.4%	<u>Total Responses</u> 105
Underwriting Changes	<u>More Strict</u> 27	26.0%	<u>Same</u> 60	57.7%	<u>Less Strict</u> 17	16.3%	<u>Total Responses</u> 104
Finding Coverage	<u>Always</u> 42	40.4%	<u>Occasionally Not</u> 60	57.7%	<u>Frequently Unable</u> 2	1.9%	<u>Total Responses</u> 104

PRIVATE PASSENGER AUTO

EXHIBIT VII – RESIDUAL MARKET POPULATION

Private Passenger Auto	Commercial Auto	Registered vehicles
1991 - 49	39	648,000
1992 - 52	39	674,000
1993 - 54	31	680,000
1994 - 62	33	688,000
1995 - 38	19	696,000
1996 - 29	12	696,000
1997 - 16	10	696,000
1998 - 11	7	688,000
1999 - 14	9	720,000
2000 - 10	11	715,000
2001 - 6	14	791,000
2002 - 2	21	809,000
2003 - 7	22	820,000
2004 - 0	7	837,000
2005 - 0	2	843,000
2006 - 1	1	878,000
2007 - 2	9	855,000
2008 - 2	11	869,000

PRIVATE PASSENGER AUTO

EXHIBIT VIII - MATRIX OF INDICATORS

Factor	Competitive Level		
	Low	Moderate	High
Market Concentration (Herfindahl index)			XX
Market Share Analysis –Market Share Changes			XX
Market Share Analysis –Company Changes		XX	
Market Share Analysis – Surplus (non-licensed)			XX
Historical Loss Ratios (Statewide, Regional, and Countrywide)	NA	NA	NA
Loss Ratios vs Rate Change vs Claims Cost Indexes			XX
Change in Premium Writings	NA	NA	NA
Field Market Survey Results-October 2008		XX	
Residual Market Population			XX

Final ranking based upon all factors: High

Addendum 2 Narrative Summary – Auto – Commercial

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

Exhibit I -Market Concentration (Herfindahl index)

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

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

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

In each of the past four calendar years, we have seen different companies enter the top 4 writers. The market for the top four writers has been less than 28% for the past six years, which is indicative of a highly competitive market.

Exhibit II-B – Market Share Analysis –Company Changes

Prior to 2003 there were a fair amount of companies entering and leaving the top 20 writers. In the last four years such movement has dropped considerably. However there continues to be a significant amount of movement within the top 20, which is an indication of a highly competitive market.

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

In 2008 surplus lines carriers wrote \$1.45 million in Commercial Auto, which was less than 2% of the total premium for this line. The low volume of business written by surplus lines carriers is an indication of a competitive market.

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

Since 2000 loss ratios have been generally decreasing to profitable levels. The trend is consistent in the regional and countrywide experience.

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

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

Rate changes have not kept pace with the upward trend measured by the Auto Repair CPI index over the last four years. This is due to the improvement in loss experience over that time period, although the downward trend in rates is slight in comparison to the improving trend in loss ratios. We note that in the Commercial Auto line there are other rating tools, such as experience and schedule rating plans that allow companies to compete while not adjusting their filed rate levels.

The fact that rates are decreasing (albeit slightly) in reaction to favorable loss experience, rather than increasing with National claim costs is an indication of a highly competitive market.

Exhibit V - Change in Premium Writings

The statewide premium volume has nearly doubled since 1992. The composite rate index for the same period shows that filed rate changes amounted to a 16.5% increase. Factors accounting for the difference could include increases in the cost of, type and number of vehicles, changes in coverage levels, demographic changes, schedule and experience rating plans, etc.

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

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

Exhibit VI – Field Market Survey Results-September 2008

The results of this survey represent a snapshot of the market as of September 2008.

While the field market survey results show some respondents seeing fewer companies writing, tighter underwriting and higher rates, the 2008 survey results compare favorably to prior surveys. This suggests the market is becoming more competitive. As a caveat, we note that there were significantly fewer responses to the 2007 survey than prior surveys, limiting the credibility of this indication.

Exhibit VII – Residual Market Population

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

Exhibit VIII – Matrix of Indicators

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

Final assessment

The evaluation of the market through the year 2008 indicates a highly competitive market. In determining what the overall market trend and competitive level are, more weight is given to the Herfindahl index and residual market population data, as these are statistically sound indicators.

The general condition of the market is felt to be highly competitive.

COMMERCIAL AUTO

EXHIBIT I: MARKET CONCENTRATION

Year	North Dakota			Countrywide				
	4-Firm	20-Firm	Herfindahl Index	4-Firm	20-Firm	Herfindahl Index		
	Concentration Ratio	Concentration Ratio		Concentration Ratio	Concentration Ratio			
1991	30.0%	59.2%	487	12.9%	35.5%	99		
1992	32.9%	58.7%	531	11.4%	32.9%	87		
1993	34.0%	59.7%	567	10.5%	30.7%	79		
1994	33.8%	62.8%	546	9.2%	27.5%	68		
1995	32.3%	62.7%	561	8.6%	26.1%	63		
1996	32.9%	62.0%	555	8.8%	26.6%	64		
1997	29.9%	58.9%	453	9.6%	28.0%	69		
1998	31.3%	61.8%	501	5.9%	16.7%	68		
1999	31.6%	57.8%	483	9.2%	26.9%	65		
2000	32.3%	59.3%	491	8.7%	25.1%	59		
2001	33.0%	61.8%	499	8.8%	25.9%	62		
2002	28.9%	60.1%	419	9.0%	27.6%	67		
2003	26.3%	60.9%	378	9.5%	29.1%	72		
2004	26.2%	62.7%	383	(501)	9.1%	28.8%	71	(280)
2005	26.1%	64.7%	390	(488)	9.6%	29.3%	73	(269)
2006	27.8%	64.7%	422	(536)	9.8%	30.7%	77	(272)
2007	26.4%	62.4%	398	(523)	8.4%	28.3%	67	(281)
2008	26.1%	60.7%	370	(512)	8.3%	27.6%	65	(296)

Benchmarks:

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

Merger guidelines of U.S. Dept of Justice

Post-merger market Herfindahl index

> 1,800 - highly concentrated

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

< 1,000 - unconcentrated

A change in data availability resulted in the department's computing the Herfindahl Indices in parenthesis using marketshares at the group level (i.e. marketshares of sister companies are combined).

COMMERCIAL AUTO

EXHIBIT IIA: NORTH DAKOTA MARKET SHARE REPORT

Year: 2008				Year: 2007				Year: 2006			
<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>	<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>	<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>
Great West Cas Co	\$ 12,303	14.9%	14.9%	Great West Cas Co	\$ 13,066	15.8%	15.8%	Great West Cas Co	\$ 13,919	16.4%	16.4%
Employers Mut Cas Co	\$ 3,546	4.3%	19.2%	Northland Ins Co	\$ 3,386	4.1%	19.9%	State Farm Mut Auto Ins Co	\$ 3,330	3.9%	20.3%
Continental Western Ins Co	\$ 2,943	3.6%	22.8%	Continental Western Ins Co	\$ 2,727	3.3%	23.2%	Dakota Fire Ins Co	\$ 3,283	3.9%	24.1%
Northland Ins Co	\$ 2,750	3.3%	26.1%	Acuity A Mut Ins Co	\$ 2,677	3.2%	26.4%	Northland Ins Co	\$ 3,149	3.7%	27.8%
Acuity A Mut Ins Co	\$ 2,620	3.2%	29.3%	Cincinnati Ins Co	\$ 2,574	3.1%	29.5%	Acuity A Mut Ins Co	\$ 2,858	3.4%	31.2%
Cincinnati Ins Co	\$ 2,531	3.1%	32.4%	Sentry Select Ins Co	\$ 2,534	3.1%	32.6%	Continental Western Ins Co	\$ 2,697	3.2%	34.3%
Nationwide Mut Ins Co	\$ 2,404	2.9%	35.3%	Nationwide Mut Ins Co	\$ 2,453	3.0%	35.5%	Nationwide Mut Ins Co	\$ 2,485	2.9%	37.3%
Sentry Select Ins Co	\$ 2,221	2.7%	38.0%	Liberty Mut Fire Ins Co	\$ 2,424	2.9%	38.5%	Integon Natl Ins Co	\$ 2,479	2.9%	40.2%
Auto Owners Ins Co	\$ 2,191	2.7%	40.6%	Integon Natl Ins Co	\$ 2,314	2.8%	41.3%	Cincinnati Ins Co	\$ 2,453	2.9%	43.1%
Integon Natl Ins Co	\$ 2,076	2.5%	43.2%	Auto Owners Ins Co	\$ 2,199	2.7%	43.9%	Auto-Owners Ins Co	\$ 2,388	2.8%	45.9%
Liberty Mut Fire Ins Co	\$ 1,780	2.2%	45.3%	Dakota Fire Ins Co	\$ 2,172	2.6%	46.5%	Nodak Mut Ins Co	\$ 2,312	2.7%	48.6%
Owners Ins Co	\$ 1,601	1.9%	47.3%	Employers Mut Cas Co	\$ 1,749	2.1%	48.7%	Sentry Select Ins Co	\$ 2,168	2.5%	51.1%
Grinnell Mut Reins Co	\$ 1,594	1.9%	49.2%	Nodak Mut Ins Co	\$ 1,721	2.1%	50.7%	General Cas Co Of WI	\$ 1,830	2.2%	53.3%
General Cas Co Of WI	\$ 1,550	1.9%	51.1%	Grinnell Mut Reins Co	\$ 1,656	2.0%	52.7%	Grinnell Mut Reins Co	\$ 1,641	1.9%	55.2%
National Cas Co	\$ 1,532	1.9%	52.9%	General Cas Co Of WI	\$ 1,571	1.9%	54.6%	Lincoln General Ins Co	\$ 1,590	1.9%	57.1%
Nodak Mut Ins Co	\$ 1,529	1.9%	54.8%	Lincoln Gen Ins Co	\$ 1,565	1.9%	56.5%	National Cas Co	\$ 1,503	1.8%	58.8%
St Paul Fire & Marine Ins Co	\$ 1,353	1.6%	56.4%	National Cas Co	\$ 1,497	1.8%	58.3%	Zurich American Ins Co	\$ 1,477	1.7%	60.6%
Zurich Amer Ins Co	\$ 1,289	1.6%	58.0%	St Paul Fire & Marine Ins Co	\$ 1,210	1.5%	59.8%	Owners Ins Co	\$ 1,281	1.5%	62.1%
American Guar & Liab Ins	\$ 1,168	1.4%	59.4%	Owners Ins Co	\$ 1,085	1.3%	61.1%	Farmers Alliance Mut Ins Co	\$ 1,235	1.5%	63.5%
United Financial Cas Co	\$ 1,080	1.3%	60.7%	Harco Natl Ins Co	\$ 1,079	1.3%	62.4%	St Paul Fire & Marine Ins Co	\$ 974	1.1%	64.7%

Year: 2005				Year: 2004				Year: 2003			
<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>	<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>	<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>
Great West Cas Co	\$ 12,807	15.1%	15.1%	Great West Cas Co	\$ 13,217	15.2%	15.2%	Great West Cas Co	\$ 12,897	15.2%	15.2%
State Farm Mut Auto Ins Co	\$ 3,194	3.8%	18.8%	Dakota Fire Ins Co	\$ 3,415	3.9%	19.1%	Northland Ins Co	\$ 3,276	3.9%	19.1%
Dakota Fire Ins Co	\$ 3,185	3.8%	22.6%	Northland Ins Co	\$ 3,149	3.6%	22.7%	Dakota Fire Ins Co	\$ 3,203	3.8%	22.9%
Continental Western Ins Co	\$ 2,972	3.5%	26.1%	Auto-Owners Ins Co	\$ 3,090	3.5%	26.2%	Auto-Owners Ins Co	\$ 2,931	3.5%	26.3%
Nodak Mut Ins Co	\$ 2,809	3.3%	29.4%	State Farm Mut Auto Ins Co	\$ 3,051	3.5%	29.7%	State Farm Mut Auto Ins Co	\$ 2,895	3.4%	29.7%
Northland Ins Co	\$ 2,808	3.3%	32.7%	Acuity A Mut Ins Co	\$ 2,812	3.2%	33.0%	Acuity A Mut Ins Co	\$ 2,623	3.1%	32.8%
Acuity A Mut Ins Co	\$ 2,780	3.3%	36.0%	Sentry Select Ins Co	\$ 2,701	3.1%	36.1%	Zurich American Ins Co	\$ 2,421	2.9%	35.7%
Liberty Mut Fire Ins Co	\$ 2,678	3.2%	39.1%	Cincinnati Ins Co	\$ 2,526	2.9%	39.0%	Sentry Select Ins Co	\$ 2,115	2.5%	38.2%
Sentry Select Ins Co	\$ 2,639	3.1%	42.2%	Liberty Mut Fire Ins Co	\$ 2,302	2.6%	41.6%	Integon Natl Ins Co	\$ 2,100	2.5%	40.6%
Auto-Owners Ins Co	\$ 2,614	3.1%	45.3%	Integon Natl Ins Co	\$ 2,291	2.6%	44.2%	Farmers Alliance Mut Ins Co	\$ 1,934	2.3%	42.9%
Cincinnati Ins Co	\$ 2,479	2.9%	48.2%	Continental Western Ins Co	\$ 2,145	2.5%	46.7%	Continental Western Ins Co	\$ 1,913	2.3%	45.2%
Integon Natl Ins Co	\$ 2,176	2.6%	50.8%	Farmers Alliance Mut Ins Co	\$ 1,828	2.1%	48.8%	Lincoln General Ins Co	\$ 1,707	2.0%	47.2%
Nationwide Mut Ins Co	\$ 2,140	2.5%	53.3%	St Paul Fire & Marine Ins Co	\$ 1,703	2.0%	50.8%	Cincinnati Ins Co	\$ 1,693	2.0%	49.2%
Grinnell Mut Reins Co	\$ 1,637	1.9%	55.2%	Lincoln General Ins Co	\$ 1,675	1.9%	52.7%	St Paul Fire & Marine Ins Co	\$ 1,642	1.9%	51.1%
Farmers Alliance Mut Ins Co	\$ 1,618	1.9%	57.1%	General Cas Co Of WI	\$ 1,616	1.9%	54.5%	Liberty Mut Fire Ins Co	\$ 1,609	1.9%	53.0%
Lincoln General Ins Co	\$ 1,598	1.9%	59.0%	Nationwide Mut Ins Co	\$ 1,561	1.8%	56.3%	General Cas Co Of WI	\$ 1,535	1.8%	54.8%
General Cas Co Of WI	\$ 1,548	1.8%	60.9%	Grinnell Mut Reins Co	\$ 1,514	1.7%	58.1%	American Home Assur Co	\$ 1,337	1.6%	56.4%
National Cas Co	\$ 1,220	1.4%	62.3%	Nodak Mut Ins Co	\$ 1,356	1.6%	59.6%	National Cas Co	\$ 1,285	1.5%	57.9%
St Paul Fire & Marine Ins Co	\$ 1,040	1.2%	63.5%	National Cas Co	\$ 1,346	1.5%	61.2%	Grinnell Mut Reins Co	\$ 1,270	1.5%	59.4%
Zurich American Ins Co	\$ 1,024	1.2%	64.7%	Zurich American Ins Co	\$ 1,344	1.5%	62.7%	Nationwide Mut Ins Co	\$ 1,256	1.5%	60.9%

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

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

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

YEAR:	2008	YEAR:	2007	YEAR:	2006
	Direct Written Premium (000s)		Direct Written Premium (000s)		Direct Written Premium (000s)
Company		Company		Company	
Lexington Ins Co	\$ 684.37	Lexington Ins Co	\$ 504.64	Arch Specialty Ins Co	\$ 818.22
Arch Specialty Ins Co	\$ 252.44	Arch Specialty Ins Co	\$ 342.85	Lexington Ins Co	\$ 609.04
Integon Specialty Ins	\$ 140.40	Integon Specialty Ins	\$ 150.28	Integon Specialty Ins	\$ 185.76
Old Republic Ins Co	\$ 127.66	Colony Ins Co	\$ 84.65	Colony Ins Co	\$ 100.70
Colony Ins Co	\$ 78.91	Allied World Assur Co US Inc	\$ 49.50	Scottsdale Ins Co	\$ 74.25
Scottsdale Ins Co	\$ 41.88	Western Heritage Ins Co	\$ 39.59	Western Heritage Ins Co	\$ 41.90
Western Heritage Ins Co	\$ 34.75	Century Surety Co	\$ 33.00	Century Surety Co	\$ 35.11
American Safety Ind Co	\$ 24.44	Praetorian Specialty Ins Co	\$ 31.97	Columbia Cas Co	\$ 21.22
Acceptance Ind Ins Co	\$ 19.11	Westchester Surplus Lines Ins Co	\$ 23.50	Prime Insurance Syndicate Inc	\$ 7.37
Essex Ins Co	\$ 9.44	Scottsdale Ins Co	\$ 17.70	Ooida RRG Inc	\$ 3.36
Ooida RRG Inc	\$ 9.37	Ooida RRG Inc	\$ 8.77	National Fire & Marine Ins Co	\$ 2.73
Century Surety Co	\$ 7.95	National Fire & Marine Ins Co	\$ 5.96	American Intl Specialty Lines Ins Co	\$ 1.80
Prime Ins Syndicate Inc	\$ 6.32	Essex Ins Co	\$ 5.40	St Paul Surplus Lines Ins Co	\$ 0.75
Torus Specialty Ins Co	\$ 2.92	Prime Ins Syndicate Inc	\$ 5.04	Specialty Surplus Ins Co	\$ 0.62
ARCOA RRG Inc	\$ 2.62	Acceptance Ind Ins Co	\$ 3.05	Chubb Custom Ins Co	\$ 0.42
American Empire Surplus Lines Ins Co	\$ 2.45	American Intl Specialty Lines Ins Co	\$ 2.85	AXIS Surplus Ins Co	\$ 0.41
American Western Home Ins Co	\$ 1.93	American Western Home Ins Co	\$ 0.87	Discover Specialty Ins Co	\$ 0.16
American Intl Specialty Lines Ins Co	\$ 1.50	Chubb Custom Ins Co	\$ 0.50		\$ 1,903.83
National Fire & Marine Ins Co	\$ 1.04	St Paul Surplus Lines Ins Co	\$ 0.25		
Chubb Custom Ins Co	\$ 0.46	Discover Specialty Ins Co	\$ 0.10		
St Paul Surplus Lines Ins Co	\$ 0.25		\$ 1,310.46		
	\$ 1,450.18				

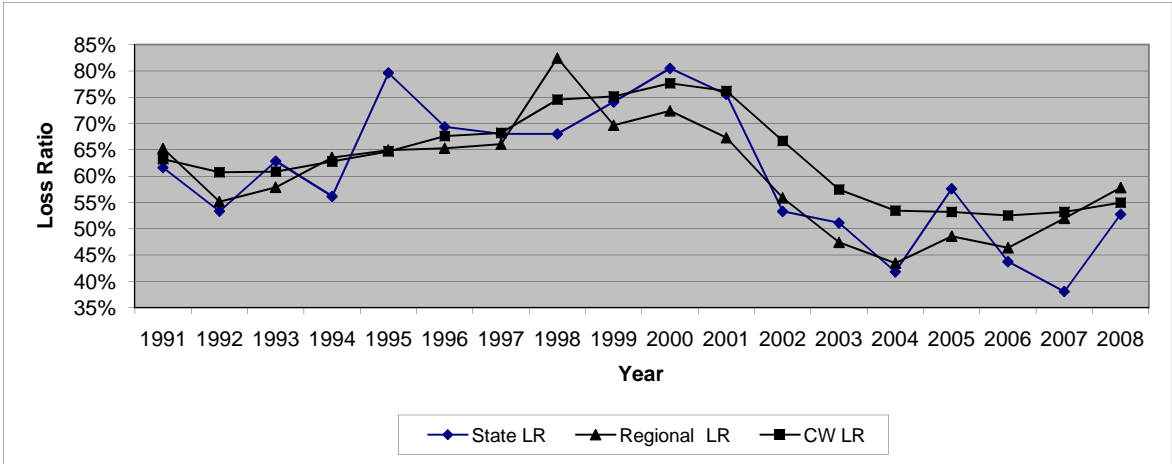
YEAR:	2005	YEAR:	2004	YEAR:	2003
	Direct Written Premium (000s)		Direct Written Premium (000s)		Direct Written Premium (000s)
Company		Company		Company	
Lexington Ins Co	\$ 218.62	Lexington Ins Co	\$ 430.54	American Safety Ind Co	\$ 222.41
Integon Specialty Ins	\$ 187.10	American Safety Ind Co	\$ 192.70	Integon Specialty Ins	\$ 112.08
Scottsdale Ins Co	\$ 104.20	St Paul Surplus Lines Ins Co	\$ 169.24	Interstate Fire & Cas Co	\$ 60.90
Interstate Fire & Cas Co	\$ 46.92	Integon Specialty Ins	\$ 148.87	Scottsdale Ins Co	\$ 60.51
Arch Specialty Ins Co	\$ 33.50	Scottsdale Ins Co	\$ 67.74	American Empire Surplus Lns Ins Co	\$ 32.50
Western Heritage Ins Co	\$ 25.93	Interstate Fire & Cas Co	\$ 55.31	Columbia Cas Co	\$ 24.17
Columbia Cas Co	\$ 21.22	Western Heritage Ins Co	\$ 36.31	St Paul Surplus Lines Ins Co	\$ 21.37
Prime Insurance Syndicate Inc	\$ 14.81	Ooida RRG Inc	\$ 29.63	Western Heritage Ins Co	\$ 21.10
Ooida RRG Inc	\$ 13.52	Columbia Cas Co	\$ 23.10	Prime Insurance Syndicate Inc	\$ 15.98
St Paul Surplus Lines Ins Co	\$ 12.90	Acceptance Ind Ins Co	\$ 16.21	Acceptance Ind Ins Co	\$ 14.93
Colony Ins Co	\$ 12.76	National Fire & Marine Ins Co	\$ 11.44	Great American E&S Ins Co	\$ 10.81
American Intl Specialty Lines Ins Co	\$ 11.43	Prime Insurance Syndicate Inc	\$ 7.22	Essex Ins Co	\$ 9.56
National Fire & Marine Ins Co	\$ 5.30	Century Surety Co	\$ 1.85	Ooida RRG Inc	\$ 6.87
Essex Ins Co	\$ 4.00	Burlington Ins Co	\$ 1.16	Northfield Ins Co	\$ 3.63
Century Surety Co	\$ 2.97	Steadfast Ins Co	\$ 0.50	Burlington Ins Co	\$ 1.98
Chubb Custom Ins Co	\$ 0.23	Specialty Surplus Ins Co	\$ 0.31	National Fire & Marine Ins Co	\$ 1.80
	\$ 715.40	Northfield Ins Co	\$ 0.30	American Intl Specialty Lines Ins Co	\$ 0.05
		Usf Ins Co	\$ 0.30		\$ 620.63
		Discover Specialty Ins Co	\$ 0.10		
			\$ 1,192.83		

YEAR:	2002	YEAR:	2001	YEAR:	2000
	Direct Written Premium (000s)		Direct Written Premium (000s)		Direct Written Premium (000s)
Company		Company		Company	
Integon Specialty Ins	\$ 89.91	TIG Specialty Ins Corp	\$ 86.20	Northfield Ins Co	\$ 60.18
Western Natl Mut Ins Co	\$ 41.25	Interstate Fire & Cas Co	\$ 24.77	TIG Specialty Ins Corp	\$ 25.63
Scottsdale Ins Co	\$ 29.25	Northfield Ins Co	\$ 21.75	General Agents Ins Co Of Amer Inc	\$ 8.99
American Intl Specialty Lines Ins Co	\$ 19.33	Western Heritage Ins Co	\$ 17.47	Western Heritage Ins Co	\$ 5.64
Acceptance Ind Ins Co	\$ 19.28	Ooida RRG Inc	\$ 7.91	Chubb Custom Ins Co	\$ 1.25
Essex Ins Co	\$ 16.91	Specialty Surplus Ins Co	\$ 4.90	Ooida RRG Inc	\$ 0.95
St Paul Surplus Lines Ins Co	\$ 15.00	Mount Vernon Fire Ins Co	\$ 2.94	Landmark Amer Ins Co	\$ 0.74
Ooida RRG Inc	\$ 12.71	Scottsdale Ins Co	\$ 2.63	Scottsdale Ins Co	\$ 0.46
Arch Specialty Ins Co	\$ 11.36	St Paul Surplus Lines Ins Co	\$ 0.55	Pacific Ins Co Ltd	\$ 0.35
Western Heritage Ins Co	\$ 10.14	General Agents Ins Co Of Amer Inc	\$ 0.15	General Star Ind Co	\$ 0.28
Prime Insurance Syndicate Inc	\$ 9.51	Firemans Fund Ins Co Of OH	\$ 0.02	Interstate Fire & Cas Co	\$ 0.26
Great American E&S Ins Co	\$ 8.85		\$ 169.28		\$ 104.72
General Agents Ins Co Of Amer Inc	\$ 5.84				
Specialty Surplus Ins Co	\$ 3.69				
Northfield Ins Co	\$ 3.17				
Interstate Fire & Cas Co	\$ 2.53				
Kemper Ind Ins Co	\$ 1.98				
Burlington Ins Co	\$ 1.97				
National Fire & Marine Ins Co	\$ 1.85				
TIG Specialty Ins Corp	\$ 1.51				
Columbia Cas Co	\$ 1.00				
	\$ 307.02				

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EXHIBIT III: HISTORICAL LOSS RATIOS

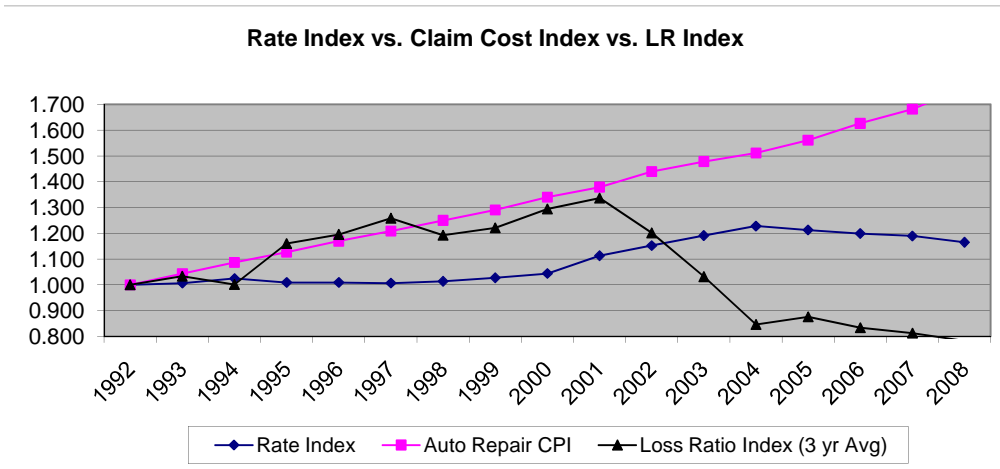
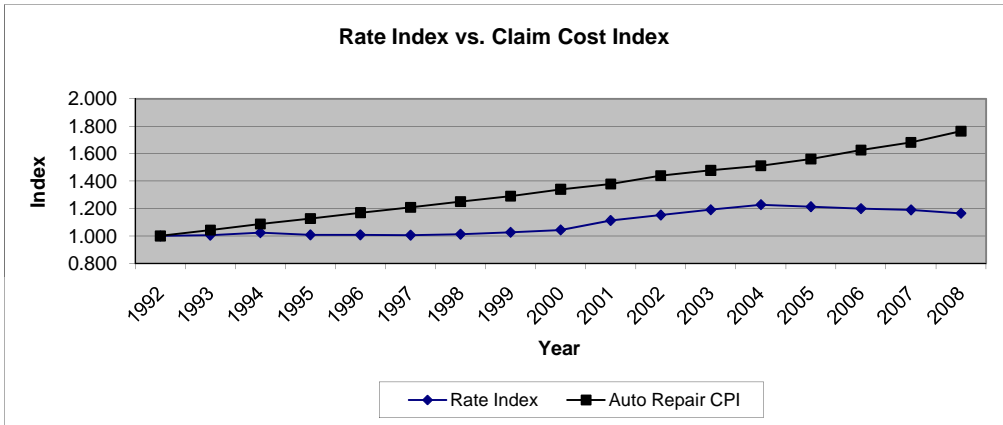
Year	Statewide Loss Ratio	Regional Loss Ratio	Countrywide Loss Ratio
1991	62%	65%	63%
1992	53%	55%	61%
1993	63%	58%	61%
1994	56%	64%	63%
1995	80%	65%	65%
1996	69%	65%	68%
1997	68%	66%	68%
1998	68%	82%	75%
1999	74%	70%	75%
2000	80%	72%	78%
2001	76%	67%	76%
2002	53%	56%	67%
2003	51%	47%	57%
2004	42%	43%	53%
2005	58%	49%	53%
2006	44%	46%	53%
2007	38%	52%	53%
2008	53%	58%	55%



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

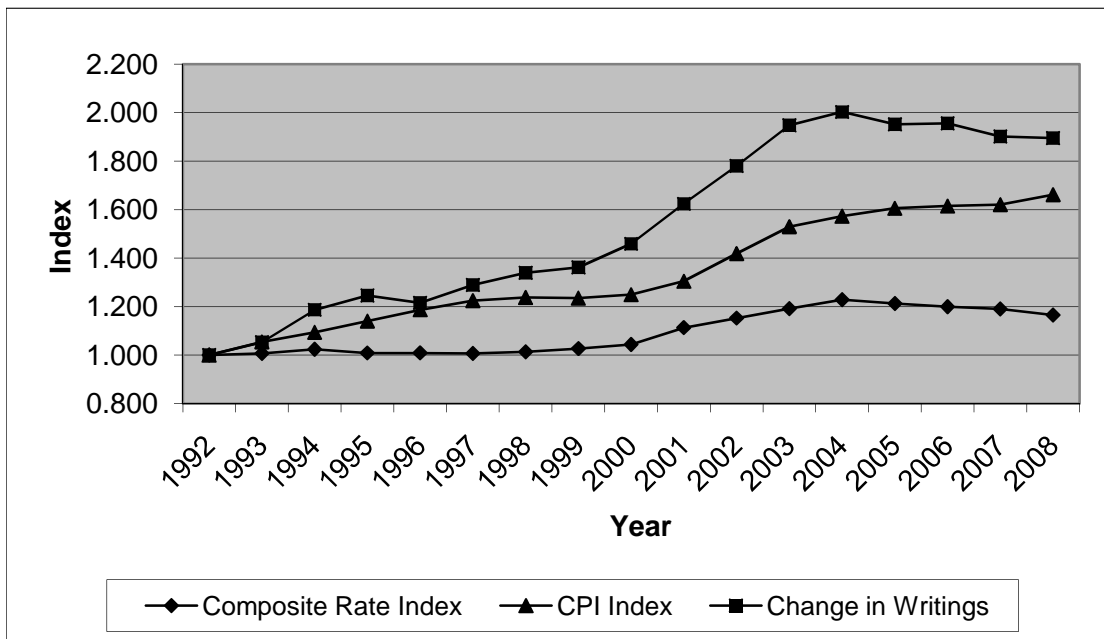
Year	Composite Rate Index	Relevant Auto Repair CPI	Statewide 3 Yr LR Indexed to 1992
1992	1.000	1.000	1.000
1993	1.007	1.043	1.033
1994	1.024	1.087	1.001
1995	1.009	1.126	1.160
1996	1.009	1.170	1.195
1997	1.007	1.209	1.258
1998	1.013	1.250	1.192
1999	1.027	1.290	1.221
2000	1.044	1.340	1.294
2001	1.113	1.379	1.336
2002	1.152	1.439	1.201
2003	1.191	1.479	1.032
2004	1.228	1.511	0.846
2005	1.213	1.561	0.876
2006	1.199	1.627	0.833
2007	1.190	1.682	0.812
2008	1.165	1.765	0.782



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EXHIBIT V: CHANGE IN PREMIUM WRITINGS

Year	Statewide Written Premium (000s)	Change in Writings	Indexed to 1992	Composite Rate Index	Consumer Price Index
1991	\$ 41,306				
1992	\$ 43,523	5.4%	1.00	1.000	1.000
1993	\$ 45,866	5.4%	1.05	1.007	1.055
1994	\$ 51,659	12.6%	1.19	1.024	1.094
1995	\$ 54,224	5.0%	1.25	1.009	1.140
1996	\$ 52,889	-2.5%	1.22	1.009	1.187
1997	\$ 56,103	6.1%	1.29	1.007	1.224
1998	\$ 58,298	3.9%	1.34	1.013	1.237
1999	\$ 59,260	1.7%	1.36	1.027	1.235
2000	\$ 63,495	7.1%	1.46	1.044	1.249
2001	\$ 70,676	11.3%	1.62	1.113	1.305
2002	\$ 77,484	9.6%	1.78	1.152	1.419
2003	\$ 84,776	9.4%	1.95	1.191	1.530
2004	\$ 87,154	2.8%	2.00	1.228	1.573
2005	\$ 84,928	-2.6%	1.95	1.213	1.605
2006	\$ 85,128	0.2%	1.96	1.199	1.615
2007	\$ 82,774	-2.8%	1.90	1.190	1.621
2008	\$ 82,453	-0.4%	1.89	1.165	1.662



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EXHIBIT VI: FIELD MARKET SURVEY

Available Markets	<u>Fewer</u> 9	8.9%	<u>Same</u> 76	75.2%	<u>More</u> 16	15.8%	<u>Total Responses</u> 101
Rate Changes	<u>Increased</u> 19	19.2%	<u>Same</u> 61	61.6%	<u>Decreased</u> 19	19.2%	<u>Total Responses</u> 99
Underwriting Changes	<u>More Strict</u> 19	19.6%	<u>Same</u> 65	67.0%	<u>Less Strict</u> 13	13.4%	<u>Total Responses</u> 97
Finding Coverage	<u>Always</u> 30	31.3%	<u>Occasionally Not</u> 64	66.7%	<u>Frequently Unable</u> 2	2.1%	<u>Total Responses</u> 96

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EXHIBIT VII – RESIDUAL MARKET POPULATION

Private Passenger Auto	Commercial Auto	Registered vehicles
1991 - 49	39	648,000
1992 - 52	39	674,000
1993 - 54	31	680,000
1994 - 62	33	688,000
1995 - 38	19	696,000
1996 - 29	12	696,000
1997 - 16	10	696,000
1998 - 11	7	688,000
1999 - 14	9	720,000
2000 - 10	11	715,000
2001 - 6	14	791,000
2002 - 2	21	809,000
2003 - 7	22	820,000
2004 - 0	7	837,000
2005 - 0	2	843,000
2006 - 1	1	878,000
2007 - 2	9	855,000
2008 - 2	11	869,000

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EXHIBIT VIII - MATRIX OF INDICATORS

Factor	Competitive Level		
	Low	Moderate	High
Market Concentration (Herfindahl index)			XX
Market Share Analysis –Market Share Changes			XX
Market Share Analysis –Company Changes			XX
Market Share Analysis – Surplus (non-licensed)			XX
Historical Loss Ratios (Statewide, Regional, and Countrywide)	NA	NA	NA
Loss Ratios vs Rate Change vs Claims Cost Indexes			XX
Change in Premium Writings	NA	NA	NA
Field Market Survey Results-October 2008		XX	
Residual Market Population			XX

Final ranking based upon all factors: High

Addendum 3 Narrative Summary – Commercial Multi Peril Package

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

Exhibit I -Market Concentration (Herfindahl index)

The historical concentration ratios and Herfindahl indices for North Dakota are low relative to the national benchmarks. We note that the 20 firm concentration ratio has been increasing in recent years, and the Herfindahl index increased in 2008. However, overall this exhibit indicates that the market is highly competitive.

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

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

The ranking of the top 4 writers over the past six years has varied considerably. The top 4 positions have held approximately 22% - 26% of the market share over the past 6 years. The total market share of the top 20 companies over the past 6 years has been less than 70%.

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

Exhibit II-B – Market Share Analysis –Company Changes

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

This information does not give a clear indication of the competitive level of the market.

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

The analysis of the surplus lines market for this line of business is difficult. Much of what would normally be categorized as commercial multi peril in the admitted market may instead be classified in fire and allied lines for property coverage and other liability for commercial liability in the surplus market reporting. It is noteworthy that in the past several years some business written by surplus lines carriers was coded as Commercial Multi-peril. However we do note that the volume of premium written in the surplus lines market has decreased steadily since 2004. With this information we categorize the level of competition as moderate.

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

Statewide loss ratios have fluctuated dramatically from year to year. The regional loss experience has also fluctuated but to a lesser magnitude. The countrywide ratios have been fairly stable. The variation in data makes it difficult to draw any meaningful conclusions on this factor alone.

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

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

The changes in rates have followed closely with the national change in claims costs. After a five year spike in the mid 90's loss ratios have also stabilized somewhat. This information suggests that the market is moderately competitive.

Exhibit V – Change in Premium Writings

The statewide premium volume has increased by 130% over the past fifteen years. Filed rate changes over that time period account for 48% of the increase.

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

Exhibit VI – Field Market Survey Results-September 2008

The results of this survey represent a snapshot of the market as of September 2008. Responses in 2008 were favorable in comparison to previous survey results, although the low number of survey responses give this indication limited credibility.

Exhibit VII – Residual Market Population

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

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

Exhibit VIII – Matrix of Indicators

The Herfindahl index, Market Share Changes and the lack of a residual market indicate a highly competitive market. The Market Share Company Changes summary, Market Share Analysis – Surplus lines, Loss ratios versus rate change versus claims cost index and the field market survey indicate a moderately competitive market. The Historical loss ratios provide no conclusion.

Final assessment

The evaluation of the market through the year 2008 indicates a highly competitive market. In determining what the overall market trend and competitive level are, more weight is given to the Herfindahl index and Market Share analysis as these are statistically sound indicators. While the field survey results and department observations are less statistically viable, they are considered in the final ranking.

The general condition of the market is felt to be highly competitive. However, anecdotal information received from consumers in specific niche markets within the commercial multi peril line and the fact that premium for this line was written in the surplus lines market in the past five years, would indicate a low competitive level for some niche markets.

COMMERCIAL MULTI-PERIL PACKAGE

EXHIBIT I: MARKET CONCENTRATION

Year	North Dakota			Countrywide			
	4-Firm Concentration Ratio	20-Firm Concentration Ratio	Herfindahl Index	4-Firm Concentration Ratio	20-Firm Concentration Ratio	Herfindahl Index	
1992	19.5%	54.9%	218	13.6%	36.6%	108	
1993	19.6%	56.6%	224	14.1%	35.5%	106	
1994	20.5%	57.0%	234	12.0%	33.5%	92	
1995	20.6%	56.8%	234	10.8%	31.3%	83	
1996	19.3%	54.1%	211	11.4%	31.5%	84	
1997	20.5%	54.2%	216	11.0%	30.5%	81	
1998	20.7%	54.6%	219	11.3%	31.9%	84	
1999	20.1%	53.8%	214	9.8%	30.6%	77	
2000	18.9%	51.5%	201	9.6%	29.8%	75	
2001	20.6%	54.6%	221	10.2%	30.2%	78	
2002	22.1%	60.3%	255	10.9%	30.8%	82	
2003	24.3%	63.8%	284	11.7%	32.7%	89	
2004	22.3%	64.6%	273	(462) 12.1%	34.1%	95	(332)
2005	24.1%	65.2%	293	(430) 13.0%	35.7%	101	(325)
2006	21.7%	64.0%	273	(422) 12.8%	35.4%	100	(321)
2007	22.2%	64.8%	279	(422) 12.9%	35.2%	99	(328)
2008	25.8%	69.7%	328	(473) 12.3%	34.3%	96	(349)

Benchmarks:

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

Merger guidelines of U.S. Dept of Justice

Post-merger market Herfindahl index

> 1,800 - highly concentrated

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

< 1,000 - unconcentrated

A change in data availability resulted in the department's computing the Herfindahl Indices in parenthesis using marketshares at the group level (i.e. marketshares of sister companies are combined).

COMMERCIAL MULTI-PERIL PACKAGE

EXHIBIT IIA: NORTH DAKOTA MARKET SHARE REPORT

Year: 2008				Year: 2007				Year: 2006			
Company	Direct WP (in 000s)	Market Share	Cumulative	Company	Direct WP (in 000s)	Market Share	Cumulative	Company	Direct WP (in 000s)	Market Share	Cumulative
Continental Western Ins Co	\$ 7,645	8.6%	8.6%	Continental Western Ins Co	\$ 6,359	7.3%	7.3%	Continental Western Ins Co	\$ 6,491	7.5%	7.5%
Cincinnati Ins Co	\$ 6,732	7.6%	16.2%	Cincinnati Ins Co	\$ 5,769	6.6%	13.9%	Cincinnati Ins Co	\$ 4,817	5.6%	13.1%
State Auto Prop & Cas Ins Co	\$ 4,641	5.2%	21.4%	Farmers Union Mut Ins Co	\$ 3,798	4.3%	18.2%	Acuity A Mut Ins Co	\$ 3,814	4.4%	17.5%
Farmers Union Mut Ins Co	\$ 3,873	4.4%	25.8%	American Family Mut Ins Co	\$ 3,459	4.0%	22.2%	Farmers Union Mut Ins Co	\$ 3,657	4.2%	21.7%
Midwest Family Mut Ins Co	\$ 3,439	3.9%	29.7%	Acuity A Mut Ins Co	\$ 3,414	3.9%	26.1%	American Family Mut Ins Co	\$ 3,635	4.2%	25.9%
Acuity A Mut Ins Co	\$ 3,350	3.8%	33.5%	State Auto Prop & Cas Ins Co	\$ 3,182	3.6%	29.7%	State Auto Prop & Cas Ins Co	\$ 3,392	3.9%	29.8%
American Family Mut Ins Co	\$ 3,345	3.8%	37.2%	Farmland Mut Ins Co	\$ 3,087	3.5%	33.3%	State Farm Fire And Cas Co	\$ 3,244	3.8%	33.6%
State Farm Fire & Cas Co	\$ 3,235	3.6%	40.9%	State Farm Fire And Cas Co	\$ 3,085	3.5%	36.8%	Farmland Mut Ins Co	\$ 2,812	3.3%	36.8%
Farmland Mut Ins Co	\$ 3,157	3.6%	44.4%	Midwest Family Mut Ins Co	\$ 2,894	3.3%	40.1%	Amco Ins Co	\$ 2,729	3.2%	40.0%
Amco Ins Co	\$ 3,030	3.4%	47.9%	Amco Ins Co	\$ 2,880	3.3%	43.4%	Midwest Family Mut Ins Co	\$ 2,382	2.8%	42.7%
Nationwide Agribusiness Ins Co	\$ 2,541	2.9%	50.7%	Travelers Property Cas Co Of Amer	\$ 2,471	2.8%	46.2%	Travelers Property Cas Co Of Amer	\$ 2,358	2.7%	45.5%
Owners Ins Co	\$ 2,513	2.8%	53.6%	Owners Ins Co	\$ 2,284	2.6%	48.8%	Nationwide Agribusiness Ins Co	\$ 2,326	2.7%	48.2%
Grinnell Mut Reins Co	\$ 2,139	2.4%	56.0%	Nationwide Agribusiness Ins Co	\$ 2,023	2.3%	51.2%	Owners Ins Co	\$ 2,249	2.6%	50.8%
Travelers Prop Cas Co Of Amer	\$ 2,081	2.3%	58.3%	Auto Owners Ins Co	\$ 1,956	2.2%	53.4%	Auto-Owners Ins Co	\$ 1,931	2.2%	53.0%
Guideone Mut Ins Co	\$ 1,884	2.1%	60.4%	Grinnell Mut Reins Co	\$ 1,948	2.2%	55.6%	Grinnell Mut Reins Co	\$ 1,907	2.2%	55.2%
Auto Owners Ins Co	\$ 1,762	2.0%	62.4%	Guideone Mut Ins Co	\$ 1,714	2.0%	57.6%	Church Mut Ins Co	\$ 1,685	1.9%	57.1%
Nodak Mut Ins Co	\$ 1,673	1.9%	64.3%	Harleysville Ins Co	\$ 1,609	1.8%	59.4%	Philadelphia Ind Ins Co	\$ 1,589	1.8%	59.0%
Michigan Millers Mut Ins Co	\$ 1,597	1.8%	66.1%	Federal Ins Co	\$ 1,588	1.8%	61.2%	Guideone Mut Ins Co	\$ 1,508	1.7%	60.7%
Harleysville Ins Co	\$ 1,595	1.8%	67.9%	Nodak Mut Ins Co	\$ 1,583	1.8%	63.1%	General Cas Co Of WI	\$ 1,416	1.6%	62.4%
Church Mut Ins Co	\$ 1,562	1.8%	69.7%	Church Mut Ins Co	\$ 1,530	1.8%	64.8%	Federal Ins Co	\$ 1,409	1.6%	64.0%

Year: 2005				Year: 2004				Year: 2003			
Company	Direct WP (in 000s)	Market Share	Cumulative	Company	Direct WP (in 000s)	Market Share	Cumulative	Company	Direct WP (in 000s)	Market Share	Cumulative
Continental Western Ins Co	\$ 7,035	8.3%	8.3%	Cincinnati Ins Co	\$ 5,127	6.1%	6.1%	American Family Mut Ins Co	\$ 5,789	7.5%	7.5%
Cincinnati Ins Co	\$ 5,522	6.5%	14.7%	American Family Mut Ins Co	\$ 5,010	5.9%	12.0%	Farmland Mut Ins Co	\$ 4,843	6.3%	13.8%
American Family Mut Ins Co	\$ 4,044	4.7%	19.5%	Farmland Mut Ins Co	\$ 4,878	5.8%	17.8%	Cincinnati Ins Co	\$ 4,061	5.3%	19.1%
Acuity A Mut Ins Co	\$ 3,974	4.7%	24.1%	Acuity A Mut Ins Co	\$ 3,872	4.6%	22.3%	Acuity A Mut Ins Co	\$ 4,031	5.2%	24.3%
Farmers Union Mut Ins Co	\$ 3,438	4.0%	28.2%	Continental Western Ins Co	\$ 3,384	4.0%	26.3%	Tri State Ins Co Of MN	\$ 3,066	4.0%	28.3%
State Farm Fire And Cas Co	\$ 3,316	3.9%	32.1%	State Farm Fire And Cas Co	\$ 3,345	4.0%	30.3%	State Farm Fire And Cas Co	\$ 3,058	4.0%	32.3%
State Auto Prop & Cas Ins Co	\$ 3,314	3.9%	35.9%	Farmers Union Mut Ins Co	\$ 3,277	3.9%	34.2%	Farmers Union Mut Ins Co	\$ 3,038	3.9%	36.2%
Farmland Mut Ins Co	\$ 3,032	3.6%	39.5%	Tri State Ins Co Of MN	\$ 3,180	3.8%	37.9%	State Auto Prop & Cas Ins Co	\$ 2,409	3.1%	39.3%
Nationwide Agribusiness Ins Co	\$ 2,489	2.9%	42.4%	State Auto Prop & Cas Ins Co	\$ 2,989	3.5%	41.5%	Continental Western Ins Co	\$ 2,269	2.9%	42.3%
Amco Ins Co	\$ 2,474	2.9%	45.3%	Amco Ins Co	\$ 2,640	3.1%	44.6%	Auto-Owners Ins Co	\$ 1,993	2.6%	44.9%
Owners Ins Co	\$ 2,182	2.6%	47.9%	Owners Ins Co	\$ 2,179	2.6%	47.2%	Amco Ins Co	\$ 1,938	2.5%	47.4%
Auto-Owners Ins Co	\$ 2,138	2.5%	50.4%	Auto-Owners Ins Co	\$ 2,114	2.5%	49.7%	Federal Ins Co	\$ 1,754	2.3%	49.7%
Church Mut Ins Co	\$ 1,715	2.0%	52.4%	Travelers Property Cas Co Of Amer	\$ 1,901	2.2%	51.9%	Owners Ins Co	\$ 1,592	2.1%	51.7%
Grinnell Mut Reins Co	\$ 1,688	2.0%	54.4%	Federal Ins Co	\$ 1,700	2.0%	53.9%	Philadelphia Ind Ins Co	\$ 1,587	2.1%	53.8%
Philadelphia Ind Ins Co	\$ 1,608	1.9%	56.3%	Church Mut Ins Co	\$ 1,682	2.0%	55.9%	Church Mut Ins Co	\$ 1,492	1.9%	55.7%
Travelers Property Cas Co Of Amer	\$ 1,578	1.9%	58.1%	Nationwide Agribusiness Ins Co	\$ 1,628	1.9%	57.9%	Nationwide Agribusiness Ins Co	\$ 1,317	1.7%	57.4%
Midwest Family Mut Ins Co	\$ 1,572	1.8%	60.0%	Grinnell Mut Reins Co	\$ 1,538	1.8%	59.7%	Travelers Property Cas Co Of Amer	\$ 1,253	1.6%	59.1%
Federal Ins Co	\$ 1,550	1.8%	61.8%	Philadelphia Ind Ins Co	\$ 1,522	1.8%	61.5%	QBE Ins Corp	\$ 1,246	1.6%	60.7%
General Cas Co Of WI	\$ 1,487	1.7%	63.5%	QBE Ins Corp	\$ 1,334	1.6%	63.1%	Grinnell Mut Reins Co	\$ 1,214	1.6%	62.3%
Nodak Mut Ins Co	\$ 1,422	1.7%	65.2%	General Cas Co Of WI	\$ 1,295	1.5%	64.6%	General Cas Co Of WI	\$ 1,178	1.5%	63.8%

COMMERCIAL MULTI-PERIL PACKAGE

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

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

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

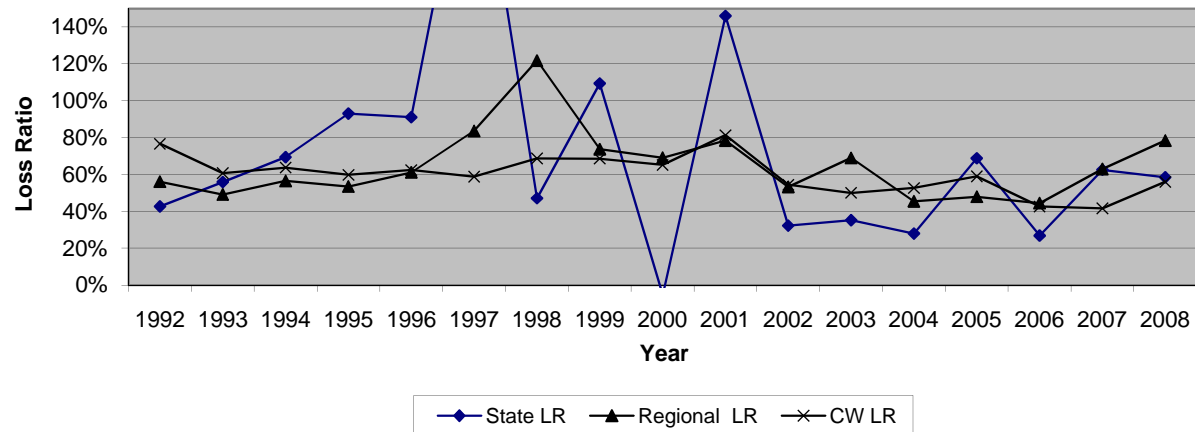
YEAR:	2008		2007		2006
	Direct Written Premium (000s)	Company	Direct Written Premium (000s)	Company	Direct Written Premium (000s)
Lexington Ins Co	\$ 411.66	Lexington Ins Co	\$ 597.81	Lexington Ins Co	\$ 921.58
Scottsdale Ins Co	\$ 263.53	Western Heritage Ins Co	\$ 315.77	Western Heritage Ins Co	\$ 365.33
Western Heritage Ins Co	\$ 247.41	Scottsdale Ins Co	\$ 250.62	Scottsdale Ins Co	\$ 263.64
Capitol Specialty Ins Corp	\$ 132.24	Penn Star Ins Co	\$ 162.13	Penn-Star Ins Co	\$ 201.50
Penn Star Ins Co	\$ 106.19	Everest Ind Ins Co	\$ 127.62	Everest Ind Ins Co	\$ 140.11
Berkley Regional Specialty Ins Co	\$ 96.39	Hermitage Ins Co	\$ 102.42	Hermitage Ins Co	\$ 122.59
Hermitage Ins Co	\$ 83.34	Capitol Specialty Ins Corp	\$ 92.84	Liberty Surplus Ins Corp	\$ 100.90
Everest Ind Ins Co	\$ 75.94	Berkley Regional Specialty Ins Co	\$ 55.82	Colony Ins Co	\$ 81.65
Century Surety Co	\$ 52.99	Colony Ins Co	\$ 53.51	Capitol Specialty Ins Corp	\$ 68.99
Evanston Ins Co	\$ 35.36	Evanston Ins Co	\$ 47.38	Navigators Specialty Ins Co	\$ 52.45
Catlin Specialty Ins Co	\$ 31.93	Century Surety Co	\$ 42.70	Century Surety Co	\$ 43.47
Colony Ins Co	\$ 29.77	Catlin Specialty Ins Co	\$ 27.26	Chubb Custom Ins Co	\$ 38.11
Essex Ins Co	\$ 27.33	Chubb Custom Ins Co	\$ 19.94	Berkley Regional Specialty Ins Co	\$ 33.75
Chubb Custom Ins Co	\$ 18.30	Tudor Ins Co	\$ 14.89	Catlin Specialty Ins Co	\$ 29.51
Steadfast Ins Co	\$ 17.90	Steadfast Ins Co	\$ 10.76	Evanston Ins Co	\$ 27.61
Atlantic Cas Ins Co	\$ 15.98	Burlington Ins Co	\$ 10.75	Burlington Ins Co	\$ 17.79
Tudor Ins Co	\$ 11.29	Essex Ins Co	\$ 6.63	Steadfast Ins Co	\$ 13.44
Philadelphia Ins Co	\$ 9.14	Atlantic Cas Ins Co	\$ 5.18	Integon Specialty Ins	\$ 8.56
American Western Home Ins Co	\$ 7.30	Western World Ins Co	\$ 4.83	Western World Ins Co	\$ 8.54
Western World Ins Co	\$ 6.58	Acceptance Ind Ins Co	\$ 4.08	Atlantic Cas Ins Co	\$ 7.41
Burlington Ins Co	\$ 5.74	Columbia Cas Co	\$ 1.91	Essex Ins Co	\$ 6.35
Acceptance Ind Ins Co	\$ 4.02	Navigators Specialty Ins Co	\$ 0.15	Tudor Ins Co	\$ 5.32
Columbia Cas Co	\$ 1.30	Empire Ind Ins Co	\$ 0.12	Columbia Cas Co	\$ 1.48
First Mercury Ins Co	\$ 0.75		\$ 1,955.09	Specialty Surplus Ins Co	\$ 0.50
	\$ 1,692.35				\$ 2,560.58

YEAR:	2005		2004		2003
	Direct Written Premium (000s)	Company	Direct Written Premium (000s)	Company	Direct Written Premium (000s)
Lexington Ins Co	\$ 1,114.43	Chubb Custom Ins Co	\$ 927.78	Western Heritage Ins Co	\$ 317.62
Western Heritage Ins Co	\$ 318.63	Lexington Ins Co	\$ 516.38	Hermitage Ins Co	\$ 308.60
Everest Ind Ins Co	\$ 264.90	Western Heritage Ins Co	\$ 282.69	Lexington Ins Co	\$ 253.85
Hermitage Ins Co	\$ 258.55	Everest Ind Ins Co	\$ 215.57	Scottsdale Ins Co	\$ 215.40
Scottsdale Ins Co	\$ 231.88	Scottsdale Ins Co	\$ 207.84	Liberty Surplus Ins Corp	\$ 210.70
Penn-Star Ins Co	\$ 176.41	Penn-Star Ins Co	\$ 196.02	Evanston Ins Co	\$ 112.44
Capitol Specialty Ins Corp	\$ 100.92	Hermitage Ins Co	\$ 178.81	Penn-Star Ins Co	\$ 110.76
Liberty Surplus Ins Corp	\$ 51.00	Century Surety Co	\$ 135.59	Everest Ind Ins Co	\$ 107.65
Century Surety Co	\$ 44.07	Liberty Surplus Ins Corp	\$ 123.74	Century Surety Co	\$ 107.24
Evanston Ins Co	\$ 26.66	Evanston Ins Co	\$ 50.14	Royal Surplus Lines Ins Co	\$ 88.29
Atlantic Cas Ins Co	\$ 23.75	Capitol Specialty Ins Corp	\$ 40.78	Westchester Surplus Lines Ins Co	\$ 51.00
Essex Ins Co	\$ 21.69	Essex Ins Co	\$ 35.61	Western World Ins Co	\$ 38.83
Colony Ins Co	\$ 17.07	Western World Ins Co	\$ 32.23	Essex Ins Co	\$ 29.32
Western World Ins Co	\$ 14.31	Atlantic Cas Ins Co	\$ 24.16	Illinois Union Ins Co	\$ 20.35
Burlington Ins Co	\$ 13.92	Burlington Ins Co	\$ 11.18	Usf Ins Co	\$ 18.57
Wellington Specialty Ins Co	\$ 10.73	Colony Ins Co	\$ 9.60	Chubb Custom Ins Co	\$ 13.79
American Empire Surplus Lns Ins Co	\$ 7.50	American Empire Surplus Lns Ins Co	\$ 6.95	First Specialty Ins Corp	\$ 9.76
Chubb Custom Ins Co	\$ 5.25	United Natl Ins Co	\$ 4.53	Philadelphia In Co	\$ 8.02
United Natl Ins Co	\$ 4.77	Maxum Ind Co	\$ 4.26	Colony Ins Co	\$ 7.37
Alea North Amer Specialty Ins Co	\$ 1.38	Usf&G Specialty Ins Co	\$ 0.42	Burlington Ins Co	\$ 5.25
American Western Home Ins Co	\$ 1.31	Specialty Surplus Ins Co	\$ 0.26	Capitol Specialty Ins Corp	\$ 3.07
	\$ 2,709.10		\$ 3,004.52	Kemper Surplus Lines Ins Co	\$ 2.97
				Atlantic Cas Ins Co	\$ 1.61
				Great American E&S Ins Co	\$ 1.00
				Usf&G Specialty Ins Co	\$ 0.50
				Columbia Cas Co	\$ 0.05
				Specialty Surplus Ins Co	\$ 0.01
					\$ 2,044.03

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EXHIBIT III: HISTORICAL LOSS RATIOS

Year	Statewide Loss Ratio	Regional Loss Ratio	Countrywide Loss Ratio
1992	43%	56%	77%
1993	56%	49%	61%
1994	69%	56%	64%
1995	93%	53%	60%
1996	91%	61%	62%
1997	264%	84%	59%
1998	47%	122%	69%
1999	109%	74%	69%
2000	-5%	69%	65%
2001	146%	78%	81%
2002	32%	53%	54%
2003	35%	69%	50%
2004	28%	45%	53%
2005	69%	48%	59%
2006	27%	44%	43%
2007	63%	63%	42%
2008	58%	78%	56%

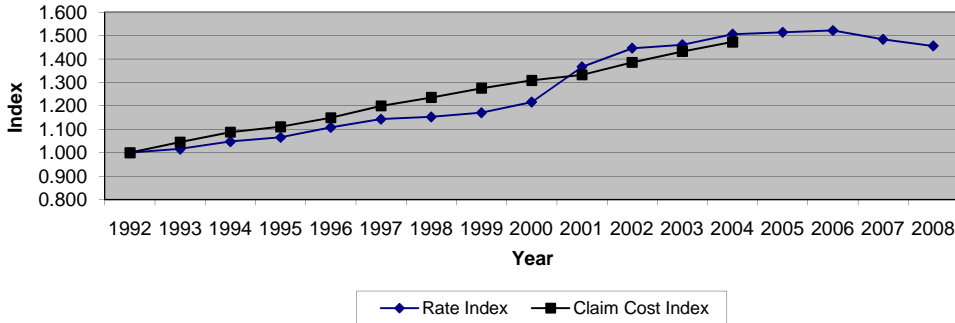


COMMERCIAL MULTI-PERIL PACKAGE

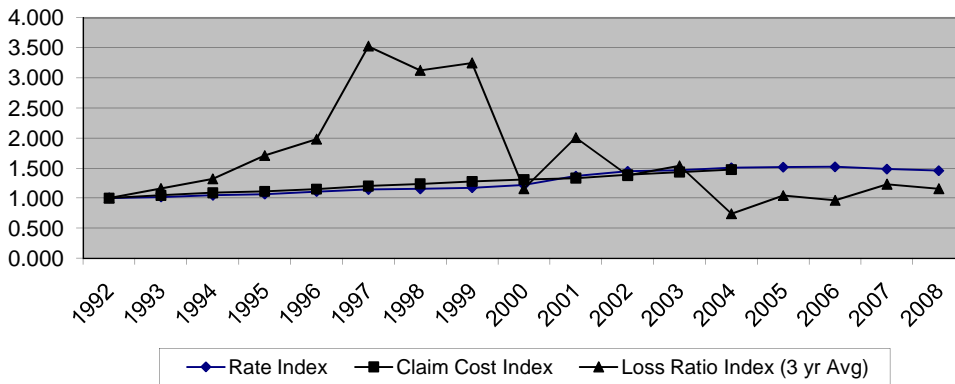
EXHIBIT IV: LOSS RATIO VS. RATE CHANGES VS. COST INDICES

Year	Composite Rate Index	Relevant Claim Cost Index	Statewide 3 Yr LR Indexed to 1992
1992	1.000	1.000	1.000
1993	1.016	1.045	1.158
1994	1.048	1.088	1.318
1995	1.065	1.111	1.707
1996	1.109	1.150	1.980
1997	1.143	1.200	3.526
1998	1.153	1.236	3.124
1999	1.171	1.276	3.248
2000	1.217	1.309	1.155
2001	1.367	1.332	2.006
2002	1.446	1.386	1.375
2003	1.461	1.433	1.537
2004	1.506	1.473	0.741
2005	1.514	NA	1.042
2006	1.522	NA	0.962
2007	1.484	NA	1.231
2008	1.456	NA	1.156

Rate Index vs. Claim Cost Index



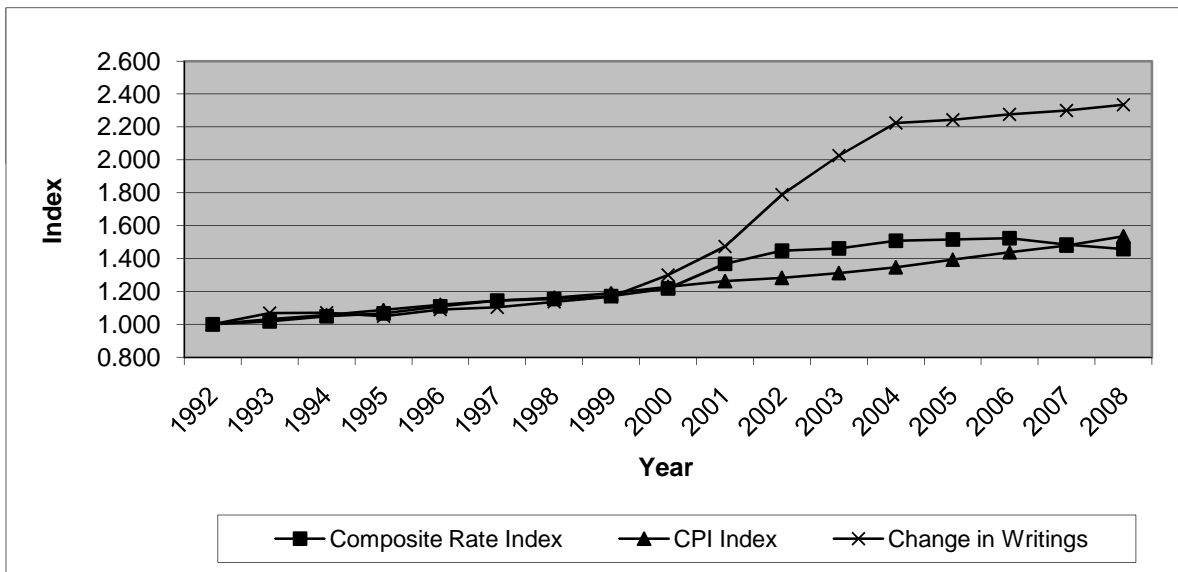
Rate Index vs. Claim Cost Index vs. LR Index



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EXHIBIT V: CHANGE IN PREMIUM WRITINGS

Year	Statewide Written Premium	Change in Writings	Indexed to 1992	Composite Rate Index	Consumer Price Index
1992	\$ 38,008		1.00	1.000	1.000
1993	\$ 40,609	6.8%	1.07	1.016	1.030
1994	\$ 40,622	0.0%	1.07	1.048	1.056
1995	\$ 39,849	-1.9%	1.05	1.065	1.086
1996	\$ 41,365	3.8%	1.09	1.109	1.118
1997	\$ 41,874	1.2%	1.10	1.143	1.144
1998	\$ 43,175	3.1%	1.14	1.153	1.162
1999	\$ 44,384	2.8%	1.17	1.171	1.187
2000	\$ 49,374	11.2%	1.30	1.217	1.227
2001	\$ 55,980	13.4%	1.47	1.367	1.262
2002	\$ 67,941	21.4%	1.79	1.446	1.282
2003	\$ 77,000	13.3%	2.03	1.461	1.311
2004	\$ 84,529	9.8%	2.22	1.506	1.346
2005	\$ 85,253	0.9%	2.24	1.514	1.392
2006	\$ 86,503	1.5%	2.28	1.522	1.437
2007	\$ 87,386	1.0%	2.30	1.484	1.478
2008	\$ 88,696	1.5%	2.33	1.456	1.535



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EXHIBIT VI: FIELD MARKET SURVEY

Available Markets	<u>Fewer</u> 19	10.7%	<u>Same</u> 137	77.0%	<u>More</u> 22	12.4%	<u>Total Responses</u> 178
Rate Changes	<u>Increased</u> 51	30.5%	<u>Same</u> 93	55.7%	<u>Decreased</u> 23	13.8%	<u>Total Responses</u> 167
Underwriting Changes	<u>More Strict</u> 28	17.0%	<u>Same</u> 120	72.7%	<u>Less Strict</u> 17	10.3%	<u>Total Responses</u> 165
Finding Coverage	<u>Always</u> 54	32.5%	<u>Occasionally Not</u> 103	62.0%	<u>Frequently Unable</u> 9	5.4%	<u>Total Responses</u> 166

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EXHIBIT VII – RESIDUAL MARKET POPULATION

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

COMMERCIAL MULTI-PERIL PACKAGE

EXHIBIT VIII - MATRIX OF INDICATORS

Factor	Competitive Level		
	Low	Moderate	High
Market Concentration (Herfindahl index)			XX
Market Share Analysis –Market Share Changes			XX
Market Share Analysis –Company Changes		XX	
Market Share Analysis – Surplus (non-licensed)		XX	
Historical Loss Ratios (Statewide, Regional, and Countrywide)	NA	NA	NA
Loss Ratios vs Rate Change vs Claims Cost Indexes		XX	
Change in Premium Writings	NA	NA	NA
Field Market Survey Results-October 2008		XX	
Residual Market Population			XX

Final ranking based upon all factors: High

Addendum 4 Narrative Summary – Farmowners

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

Exhibit I -Market Concentration (Herfindahl index)

The Herfindahl index indicates that the market is moderately concentrated. The 4-firm concentration ratio (67.6%) and 20-firm concentration ratio (99.4%) are high, indicating a highly concentrated, non-competitive market.

The index for North Dakota compared to countrywide, indicates the North Dakota market is significantly more concentrated than the countywide market. Some of this difference is due to the fact North Dakota is a relatively small volume market that is more easily dominated by a few larger companies and the fact there are significantly fewer active companies in this line of insurance compared to others.

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

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

The total market share of the top four carriers has hovered at approximately 70%. The total market share of the top 20 companies combined has consistently been over 99% of the market.

These statistics indicate that this market is not competitive.

Exhibit II-B – Market Share Analysis –Company Changes

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

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

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

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

From 2001 through 2006, loss ratios had been gradually decreasing on a Statewide, Regional and Countrywide basis. In the past two years, all three loss ratios have been increasing, to unprofitable levels in 2008.

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

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

Historically the changes in rates have followed closely with changes in the Housing CPI index. However, rates continued to increase over a period of time when loss ratios have been low. This suggests that the Farmowners line is not competitive.

Exhibit V – Change in Premium Writings

The statewide premium volume has increased 110% in the past ten years. Filed rate changes account for 61.6% of this increase.

It appears that while early in this decade, North Dakota rate changes outpaced Nationwide rate trends, since then they have simply kept pace. Meanwhile total premiums for the line continue to increase at a faster pace.

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

Exhibit VI – Field Market Survey Results-September 2008

The results of this survey represent a snapshot of the market as of September 2008.

While the results of the survey compare favorably to prior year results, the data suggest that agents are still seeing rate increases and stricter underwriting, suggesting a less than competitive market.

Exhibit VII – Residual Market Population

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

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

Exhibit VIII – Matrix of Indicators

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

Final assessment

The evaluation of the market through the year 2008 indicates a non-competitive market. In determining what the overall market trend and competitive level are, more weight is given to the Herfindahl index and market share changes, as these are statistically sound indicators.

FARMOWNERS

EXHIBIT I: MARKET CONCENTRATION

Year	North Dakota			Countrywide		
	4-Firm	20-Firm	Herfindahl Index	4-Firm	20-Firm	Herfindahl Index
	Concentration Ratio	Concentration Ratio		Concentration Ratio	Concentration Ratio	
1991	73.0%	98.8%	2007	18.8%	51.3%	200
1992	73.2%	99.0%	2020	19.7%	52.4%	211
1993	73.1%	99.5%	2026	19.3%	51.0%	200
1994	72.9%	99.3%	2005	17.7%	48.4%	182
1995	71.0%	99.2%	1915	17.5%	47.8%	177
1996	71.8%	99.5%	1950	17.4%	48.3%	178
1997	71.7%	99.3%	1957	17.3%	48.1%	175
1998	71.8%	99.3%	1937	17.2%	49.3%	179
1999	71.0%	99.5%	1871	16.7%	49.3%	175
2000	69.4%	99.5%	1820	16.1%	47.3%	163
2001	69.3%	99.5%	1772	18.7%	49.5%	185
2002	70.3%	99.6%	1823	18.4%	50.4%	190
2003	68.3%	99.7%	1728	20.5%	52.1%	205
2004	68.1%	99.7%	1713 (1728)	20.6%	52.2%	207 (283)
2005	69.0%	99.8%	1749 (1755)	20.5%	52.3%	207 (280)
2006	69.2%	99.7%	1720 (1723)	20.6%	53.5%	211 (289)
2007	69.9%	99.5%	1774 (1777)	20.6%	53.6%	212 (295)
2008	67.6%	99.4%	1603 (1606)	20.8%	53.3%	213 (304)

Benchmarks:

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

Merger guidelines of U.S. Dept of Justice

Post-merger market Herfindahl index

> 1,800 - highly concentrated

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

< 1,000 - unconcentrated

A change in data availability resulted in the department's computing the Herfindahl Indices in parenthesis using marketshares at the group level (i.e. marketshares of sister companies are combined).

FARMOWNERS

EXHIBIT IIA: NORTH DAKOTA MARKET SHARE REPORT

Year: 2008				Year: 2007				Year: 2006			
<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>	<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>	<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>
Nodak Mut Ins Co	\$ 15,489	26.1%	26.1%	Nodak Mut Ins Co	\$ 18,379	31.1%	31.1%	Nodak Mut Ins Co	\$ 15,750	29.1%	29.1%
Farmers Union Mut Ins Co	\$ 15,396	26.0%	52.1%	Farmers Union Mut Ins Co	\$ 14,374	24.3%	55.4%	Farmers Union Mut Ins Co	\$ 13,667	25.3%	54.4%
North Star Mut Ins Co	\$ 4,829	8.1%	60.3%	North Star Mut Ins Co	\$ 4,496	7.6%	63.1%	North Star Mut Ins Co	\$ 4,120	7.6%	62.0%
American Family Mut Ins Co	\$ 4,342	7.3%	67.6%	American Family Mut Ins Co	\$ 4,063	6.9%	69.9%	American Family Mut Ins Co	\$ 3,851	7.1%	69.2%
State Farm Fire & Cas Co	\$ 3,464	5.8%	73.4%	State Farm Fire And Cas Co	\$ 3,306	5.6%	75.5%	State Farm Fire And Cas Co	\$ 3,048	5.6%	74.8%
Meridian Citizens Mut Ins Co	\$ 2,937	5.0%	78.4%	Center Mut Ins Co	\$ 2,842	4.8%	80.3%	Center Mut Ins Co	\$ 2,929	5.4%	80.2%
Center Mut Ins Co	\$ 2,842	4.8%	83.2%	Meridian Citizens Mut Ins Co	\$ 2,540	4.3%	84.6%	Farmers Alliance Mut Ins Co	\$ 2,604	4.8%	85.0%
Farmers Alliance Mut Ins Co	\$ 2,751	4.6%	87.8%	Farmers Alliance Mut Ins Co	\$ 2,468	4.2%	88.8%	Meridian Citizens Mut Ins Co	\$ 2,377	4.4%	89.4%
Nationwide Mut Ins Co	\$ 2,107	3.6%	91.4%	Nationwide Mut Ins Co	\$ 1,965	3.3%	92.1%	Nationwide Mut Ins Co	\$ 1,734	3.2%	92.7%
Northwest Gf Mut Ins Co	\$ 1,106	1.9%	93.3%	Northwest Gf Mut Ins Co	\$ 991	1.7%	93.8%	Northwest Gf Mut Ins Co	\$ 965	1.8%	94.4%
Secura Ins A Mut Co	\$ 798	1.3%	94.6%	American Ins Co	\$ 700	1.2%	95.0%	American Ins Co	\$ 886	1.6%	96.1%
Auto Owners Ins Co	\$ 621	1.0%	95.6%	Secura Ins A Mut Co	\$ 514	0.9%	95.9%	American Economy Ins Co	\$ 521	1.0%	97.0%
American Ins Co	\$ 450	0.8%	96.4%	Auto Owners Ins Co	\$ 493	0.8%	96.7%	Auto-Owners Ins Co	\$ 425	0.8%	97.8%
National Surety Corp	\$ 421	0.7%	97.1%	National Surety Corp	\$ 463	0.8%	97.5%	National Surety Corp	\$ 361	0.7%	98.5%
American Economy Ins Co	\$ 404	0.7%	97.8%	American Economy Ins Co	\$ 459	0.8%	98.3%	American States Ins Co	\$ 233	0.4%	98.9%
Great Amer Ins Co	\$ 249	0.4%	98.2%	Great Amer Ins Co	\$ 216	0.4%	98.6%	Great American Assur Co	\$ 106	0.2%	99.1%
Travelers Ind Co Of Amer	\$ 237	0.4%	98.6%	American States Ins Co	\$ 181	0.3%	98.9%	Great American Ins Co	\$ 75	0.1%	99.3%
American States Ins Co	\$ 207	0.3%	99.0%	Travelers Ind Co Of Amer	\$ 112	0.2%	99.1%	Travelers Ind Co Of Amer	\$ 75	0.1%	99.4%
Travelers Ind Co	\$ 119	0.2%	99.2%	Great Amer Alliance Ins Co	\$ 106	0.2%	99.3%	Secura Ins A Mut Co	\$ 72	0.1%	99.5%
Great Amer Alliance Ins Co	\$ 110	0.2%	99.4%	Firemans Fund Ins Co	\$ 102	0.2%	99.5%	Charter Oak Fire Ins Co	\$ 71	0.1%	99.7%

Year: 2005				Year: 2004				Year: 2003			
<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>	<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>	<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>
Nodak Mut Ins Co	\$ 15,647	30.2%	30.2%	Nodak Mut Ins Co	\$ 14,702	29.8%	29.8%	Nodak Mut Ins Co	\$ 13,300	29.6%	29.6%
Farmers Union Mut Ins Co	\$ 12,837	24.7%	54.9%	Farmers Union Mut Ins Co	\$ 12,059	24.5%	54.3%	Farmers Union Mut Ins Co	\$ 11,174	24.9%	54.5%
North Star Mut Ins Co	\$ 3,697	7.1%	62.0%	American Family Mut Ins Co	\$ 3,477	7.1%	61.3%	American Family Mut Ins Co	\$ 3,299	7.4%	61.9%
American Family Mut Ins Co	\$ 3,614	7.0%	69.0%	North Star Mut Ins Co	\$ 3,349	6.8%	68.1%	North Star Mut Ins Co	\$ 2,902	6.5%	68.3%
Farmers Alliance Mut Ins Co	\$ 2,973	5.7%	74.7%	Farmers Alliance Mut Ins Co	\$ 3,050	6.2%	74.3%	Farmers Alliance Mut Ins Co	\$ 2,807	6.3%	74.6%
Center Mut Ins Co	\$ 2,902	5.6%	80.3%	Center Mut Ins Co	\$ 2,862	5.8%	80.1%	State Farm Fire And Cas Co	\$ 2,745	6.1%	80.7%
State Farm Fire And Cas Co	\$ 2,880	5.5%	85.9%	State Farm Fire And Cas Co	\$ 2,800	5.7%	85.8%	Center Mut Ins Co	\$ 2,280	5.1%	85.8%
Meridian Citizens Mut Ins Co	\$ 2,236	4.3%	90.2%	Meridian Citizens Mut Ins Co	\$ 1,207	2.4%	88.3%	Milbank Ins Co	\$ 1,825	4.1%	89.9%
Nationwide Mut Ins Co	\$ 1,471	2.8%	93.0%	Nationwide Mut Ins Co	\$ 1,170	2.4%	90.6%	Northwest Gf Mut Ins Co	\$ 1,089	2.4%	92.3%
Northwest Gf Mut Ins Co	\$ 925	1.8%	94.8%	Milbank Ins Co	\$ 1,017	2.1%	92.7%	Firemans Fund Ins Co	\$ 926	2.1%	94.3%
American Ins Co	\$ 582	1.1%	95.9%	Firemans Fund Ins Co	\$ 972	2.0%	94.7%	Nationwide Mut Ins Co	\$ 822	1.8%	96.2%
Firemans Fund Ins Co	\$ 427	0.8%	96.7%	Northwest Gf Mut Ins Co	\$ 945	1.9%	96.6%	American Economy Ins Co	\$ 359	0.8%	97.0%
American Economy Ins Co	\$ 401	0.8%	97.5%	Auto-Owners Ins Co	\$ 326	0.7%	97.2%	Auto-Owners Ins Co	\$ 307	0.7%	97.7%
Auto-Owners Ins Co	\$ 386	0.7%	98.2%	American Economy Ins Co	\$ 292	0.6%	97.8%	National Surety Corp	\$ 207	0.5%	98.1%
National Surety Corp	\$ 363	0.7%	98.9%	National Surety Corp	\$ 287	0.6%	98.4%	American States Ins Co	\$ 191	0.4%	98.5%
American States Ins Co	\$ 249	0.5%	99.4%	American States Ins Co	\$ 239	0.5%	98.9%	OneBeacon Ins Co	\$ 157	0.4%	98.9%
Great American Assur Co	\$ 106	0.2%	99.6%	American Ins Co	\$ 197	0.4%	99.3%	American Ins Co	\$ 147	0.3%	99.2%
Charter Oak Fire Ins Co	\$ 59	0.1%	99.7%	Great American Assur Co	\$ 87	0.2%	99.5%	Charter Oak Fire Ins Co	\$ 99	0.2%	99.4%
Travelers Ind Co Of CT	\$ 27	0.1%	99.8%	Charter Oak Fire Ins Co	\$ 87	0.2%	99.7%	Great American Ins Co of NY	\$ 71	0.2%	99.6%
Travelers Ind Co Of Amer	\$ 24	0.0%	99.8%	Travelers Ind Co Of Amer	\$ 33	0.1%	99.7%	Travelers Ind Co Of Amer	\$ 41	0.1%	99.7%

FARMOWNERS

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

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

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

YEAR:	2008		2007		2006
	Direct		Direct		Direct
	Written		Written		Written
	Premium		Premium		Premium
<u>Company</u>	(000s)	<u>Company</u>	(000s)	<u>Company</u>	(000s)
	None		None		None

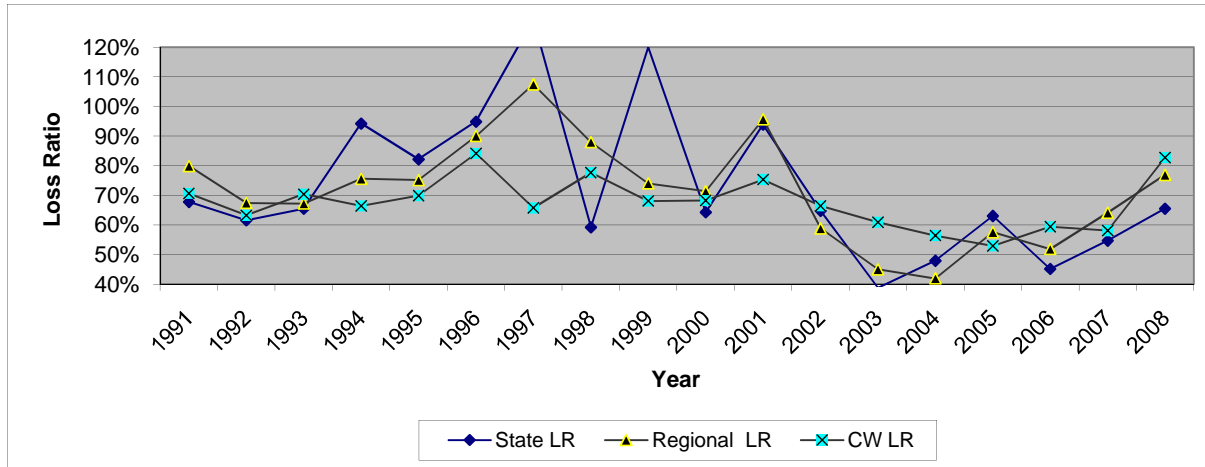
YEAR:	2005		2004		2003
	Direct		Direct		Direct
	Written		Written		Written
	Premium		Premium		Premium
<u>Company</u>	(000s)	<u>Company</u>	(000s)	<u>Company</u>	(000s)
	None		None		None

YEAR:	2002		2001		2000
	Direct		Direct		Direct
	Written		Written		Written
	Premium		Premium		Premium
<u>Company</u>	(000s)	<u>Company</u>	(000s)	<u>Company</u>	(000s)
	None		None		None

FARMOWNERS

EXHIBIT III: HISTORICAL LOSS RATIOS

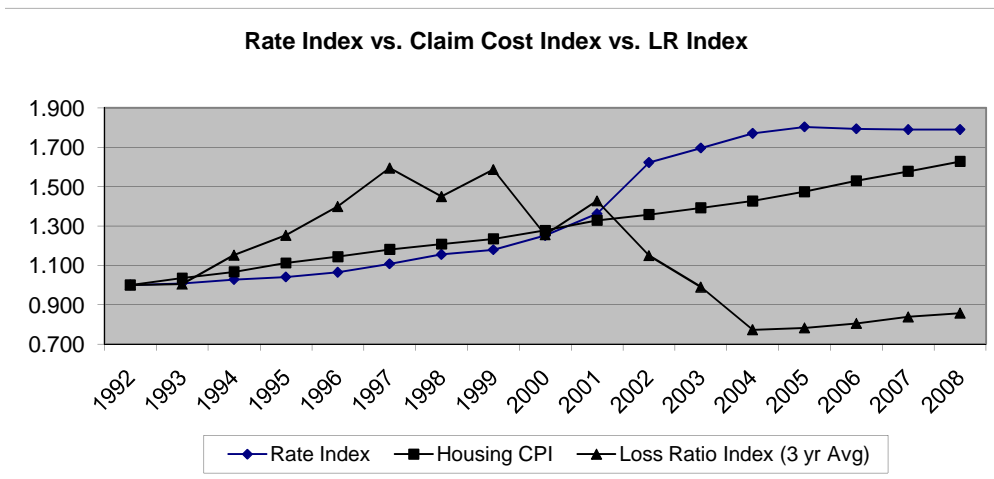
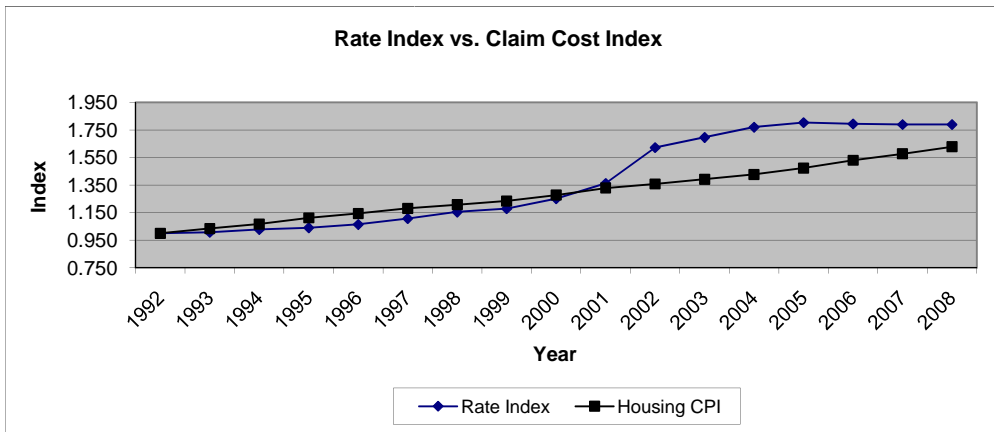
Year	Statewide Loss Ratio	Regional Loss Ratio	Countrywide Loss Ratio
1991	68%	80%	71%
1992	62%	67%	63%
1993	65%	67%	70%
1994	94%	76%	66%
1995	82%	75%	70%
1996	95%	90%	84%
1997	129%	108%	66%
1998	59%	88%	78%
1999	120%	74%	68%
2000	64%	71%	68%
2001	94%	96%	75%
2002	65%	59%	66%
2003	39%	45%	61%
2004	48%	42%	56%
2005	63%	58%	53%
2006	45%	52%	59%
2007	55%	64%	58%
2008	65%	77%	83%



FARMOWNERS

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

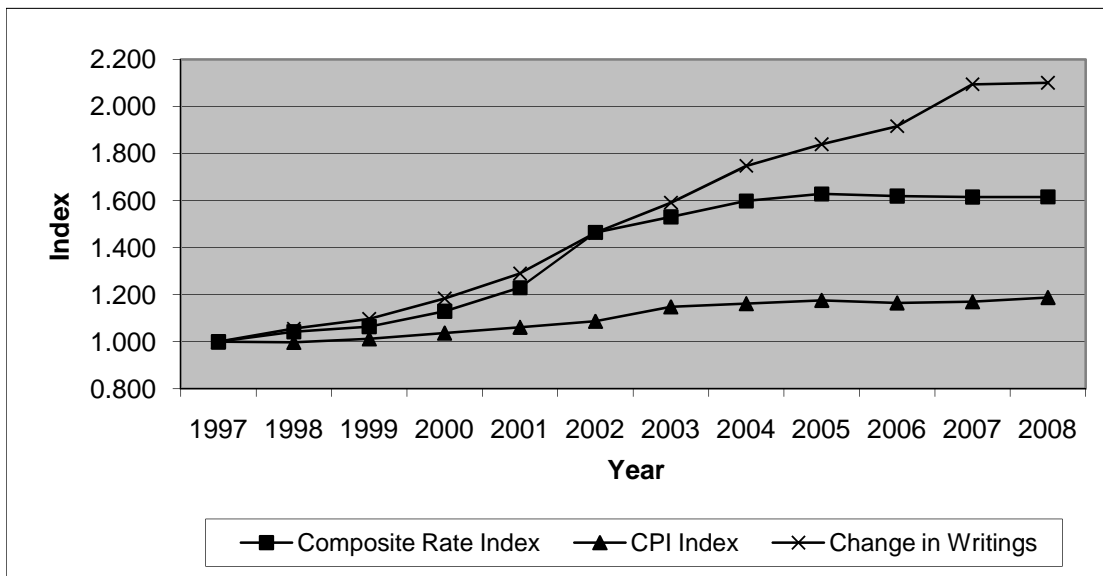
Year	Composite Rate Index	Relevant Housing CPI	Statewide 3 Yr LR Indexed to 1992
1992	1.000	1.000	1.000
1993	1.007	1.035	1.005
1994	1.028	1.067	1.152
1995	1.041	1.112	1.253
1996	1.064	1.144	1.400
1997	1.108	1.181	1.595
1998	1.155	1.208	1.450
1999	1.179	1.234	1.587
2000	1.251	1.278	1.255
2001	1.362	1.329	1.428
2002	1.622	1.358	1.150
2003	1.696	1.392	0.990
2004	1.770	1.427	0.773
2005	1.804	1.474	0.782
2006	1.794	1.530	0.805
2007	1.790	1.577	0.839
2008	1.790	1.628	0.857



FARMOWNERS

EXHIBIT V: CHANGE IN PREMIUM WRITINGS

Year	Statewide Written Premium (000s)	Change in Writings	Indexed to 1997	Composite Rate Index	Consumer Price Index
1991	\$ 19,772				
1992	\$ 20,885	5.6%			
1993	\$ 22,267	6.6%			
1994	\$ 23,692	6.4%			
1995	\$ 25,142	6.1%			
1996	\$ 26,406	5.0%			
1997	\$ 28,203	6.8%	1.00	1.000	1.000
1998	\$ 29,770	5.6%	1.06	1.043	0.998
1999	\$ 30,955	4.0%	1.10	1.064	1.013
2000	\$ 33,405	7.9%	1.18	1.129	1.037
2001	\$ 36,380	8.9%	1.29	1.230	1.062
2002	\$ 41,250	13.4%	1.46	1.465	1.087
2003	\$ 44,884	8.8%	1.59	1.531	1.148
2004	\$ 49,296	9.8%	1.75	1.598	1.162
2005	\$ 51,889	5.3%	1.84	1.628	1.176
2006	\$ 54,049	4.2%	1.92	1.620	1.165
2007	\$ 59,077	9.3%	2.09	1.616	1.170
2008	\$ 59,260	0.3%	2.10	1.616	1.188



FARMOWNERS

EXHIBIT VI: FIELD MARKET SURVEY

Available Markets	<u>Fewer</u> 10	11.0%	<u>Same</u> 70	76.9%	<u>More</u> 11	12.1%	<u>Total Responses</u> 91
Rate Changes	<u>Increased</u> 29	33.0%	<u>Same</u> 50	56.8%	<u>Decreased</u> 9	10.2%	<u>Total Responses</u> 88
Underwriting Changes	<u>More Strict</u> 15	17.2%	<u>Same</u> 64	73.6%	<u>Less Strict</u> 8	9.2%	<u>Total Responses</u> 87
Finding Coverage	<u>Always</u> 42	48.3%	<u>Occasionally Not</u> 42	48.3%	<u>Frequently Unable</u> 3	3.4%	<u>Total Responses</u> 87

FARMOWNERS

EXHIBIT VII – RESIDUAL MARKET POPULATION

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

FARMOWNERS

EXHIBIT VIII - MATRIX OF INDICATORS

Factor	Competitive Level		
	Low	Moderate	High
Market Concentration (Herfindahl index)	XX		
Market Share Analysis –Market Share Changes	XX		
Market Share Analysis –Company Changes	XX		
Market Share Analysis – Surplus (non-licensed)			XX
Historical Loss Ratios (Statewide, Regional, and Countrywide)	NA	NA	NA
Loss Ratios vs Rate Change vs Claims Cost Indexes	XX		
Change in Premium Writings	NA	NA	NA
Field Market Survey Results-October 2008	XX		
Residual Market Population			XX

Final ranking based upon all factors: Low

Addendum 5 Narrative Summary – Homeowners

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

Exhibit I -Market Concentration (Herfindahl index)

The Herfindahl index of 944 is just below the moderately concentrated range. Further, we note that the 4-firm and 20-firm concentration ratios have been increasing over time. This information indicates that the market is moderately competitive.

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

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

The top four writers have been largely the same over the past six years, - an indication that market is less than competitive. However their combined market share has hovered at approximately 52%, while the combined market share of the top 20 companies has been less than 92%.

This information suggests that the market is moderately competitive.

Exhibit II-B – Market Share Analysis –Company Changes

The number of companies entering and leaving the top 20 is low. However, there was a fair amount of movement among all companies within the top 20.

Highly competitive markets are associated with a high degree of movement and a low concentration of market share. This exhibit suggests that the market is moderately competitive.

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

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

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

While loss experience for this line has been largely profitable in the current decade, four of the past nine years have been extremely unprofitable for the industry, a reminder as to how sensitive this line can be to weather-related catastrophes.

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

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

Moving off a low point in 2004, loss ratios have been gradually trending upward. To a lesser extent rates have also been increasing gradually, but have been outpaced by the CPI index. This suggests the market is moderately competitive.

Exhibit V – Change in Premium Writings

The statewide premium volume has increased 143% since 1997. Much of this increase is attributable to rate changes.

This information by itself is not an indicator of competitiveness.

Exhibit VI – Field Market Survey Results-September 2008

The results of this survey represent a snapshot of the market as of September 2008.

Responses in 2008 were favorable in comparison to previous survey results, although the low number of survey responses give this indication limited credibility.

Exhibit VII – Residual Market Population

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

Exhibit VIII – Matrix of Indicators

The Surplus lines market analysis reflects a highly competitive market. All other indicators suggest a moderately competitive market.

Final assessment

The evaluation of the market through the year 2008 indicates a moderately competitive market. In determining what the overall market trend and competitive level are, more weight is given to the Herfindahl index, Market share changes and loss ratio to rate change data as these are statistically sound indicators.

HOMEOWNERS

EXHIBIT I: MARKET CONCENTRATION

Year	North Dakota			Countrywide		
	4-Firm Concentration Ratio	20-Firm Concentration Ratio	Herfindahl Index	4-Firm Concentration Ratio	20-Firm Concentration Ratio	Herfindahl Index
1986	32.5%	73.9%	446	36.8%	62.9%	517
1987	34.6%	74.3%	478	38.3%	63.2%	568
1988	36.6%	75.5%	509	38.2%	63.1%	560
1989	38.1%	76.6%	544	38.7%	63.0%	575
1990	39.7%	78.0%	580	39.2%	63.8%	601
1991	41.8%	78.7%	594	35.6%	54.8%	522
1992	43.8%	80.9%	648	38.8%	55.7%	653
1993	44.7%	81.0%	656	39.5%	56.4%	669
1994	45.7%	81.3%	671	36.7%	56.1%	582
1995	46.0%	81.0%	672	36.0%	55.0%	556
1996	45.9%	80.0%	671	35.9%	55.5%	549
1997	45.7%	80.7%	681	33.0%	54.6%	450
1998	45.4%	82.2%	688	32.6%	54.8%	435
1999	46.3%	83.6%	732	30.9%	54.3%	392
2000	46.1%	85.3%	732	29.8%	53.2%	364
2001	47.6%	86.3%	774	29.5%	53.0%	367
2002	50.1%	88.9%	855	29.3%	52.6%	362
2003	51.2%	91.6%	925	28.5%	52.4%	366
2004	51.8%	91.5%	927	(981) 27.7%	53.1%	365 (792)
2005	52.1%	91.8%	918	(969) 26.5%	51.8%	343 (786)
2006	51.8%	91.6%	896	(948) 25.8%	50.7%	330 (783)
2007	52.1%	91.0%	901	(956) 24.8%	50.1%	316 (738)
2008	51.5%	89.6%	881	(944) 24.6%	48.8%	319 (738)

Benchmarks:

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

Merger guidelines of U.S. Dept of Justice

Post-merger market Herfindahl index

> 1,800 - highly concentrated

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

< 1,000 - unconcentrated

A change in data availability resulted in the department's computing the Herfindahl Indices in parenthesis using marketshares at the group level (i.e. marketshares of sister companies are combined).

HOMEOWNERS

EXHIBIT IIA: NORTH DAKOTA MARKET SHARE REPORT

Year: 2008				Year: 2007				Year: 2006			
<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>	<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>	<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>
State Farm Fire & Cas Co	\$ 23,030	19.4%	19.4%	State Farm Fire And Cas Co	\$ 21,413	18.8%	18.8%	State Farm Fire And Cas Co	\$ 20,075	18.4%	18.4%
American Family Mut Ins Co	\$ 18,008	15.2%	34.6%	American Family Mut Ins Co	\$ 18,597	16.3%	35.1%	American Family Mut Ins Co	\$ 18,018	16.5%	34.8%
Farmers Union Mut Ins Co	\$ 10,824	9.1%	43.7%	Farmers Union Mut Ins Co	\$ 10,504	9.2%	44.4%	Farmers Union Mut Ins Co	\$ 9,739	8.9%	43.7%
Nodak Mut Ins Co	\$ 9,172	7.7%	51.5%	Nodak Mut Ins Co	\$ 8,811	7.7%	52.1%	Nodak Mut Ins Co	\$ 8,809	8.1%	51.8%
Auto Owners Ins Co	\$ 7,591	6.4%	57.9%	Auto Owners Ins Co	\$ 7,575	6.7%	58.7%	Auto-Owners Ins Co	\$ 7,556	6.9%	58.7%
North Star Mut Ins Co	\$ 5,849	4.9%	62.8%	North Star Mut Ins Co	\$ 5,578	4.9%	63.6%	North Star Mut Ins Co	\$ 5,430	5.0%	63.7%
Fire Ins Exch	\$ 4,554	3.8%	66.6%	Fire Ins Exch	\$ 4,754	4.2%	67.8%	Fire Ins Exch	\$ 4,625	4.2%	67.9%
Center Mut Ins Co	\$ 3,295	2.8%	69.4%	Center Mut Ins Co	\$ 3,420	3.0%	70.8%	Center Mut Ins Co	\$ 3,674	3.4%	71.3%
Milbank Ins Co	\$ 3,254	2.7%	72.2%	Milbank Ins Co	\$ 2,993	2.6%	73.4%	Dakota Fire Ins Co	\$ 2,854	2.6%	73.9%
Country Mut Ins Co	\$ 2,925	2.5%	74.6%	Dakota Fire Ins Co	\$ 2,563	2.3%	75.7%	Milbank Ins Co	\$ 2,778	2.5%	76.4%
Owners Ins Co	\$ 2,685	2.3%	76.9%	Country Mut Ins Co	\$ 2,562	2.3%	77.9%	Allstate Ins Co	\$ 2,308	2.1%	78.5%
Dakota Fire Ins Co	\$ 2,494	2.1%	79.0%	Owners Ins Co	\$ 2,276	2.0%	79.9%	Country Mut Ins Co	\$ 2,125	1.9%	80.5%
Safeco Ins Co Of Amer	\$ 2,173	1.8%	80.8%	Allstate Ins Co	\$ 2,143	1.9%	81.8%	Safeco Ins Co Of Amer	\$ 1,964	1.8%	82.3%
USAA	\$ 2,089	1.8%	82.6%	Safeco Ins Co Of Amer	\$ 2,093	1.8%	83.7%	USAA	\$ 1,897	1.7%	84.0%
Allstate Ins Co	\$ 1,967	1.7%	84.3%	USAA	\$ 2,040	1.8%	85.5%	Owners Ins Co	\$ 1,865	1.7%	85.7%
Foremost Ins Co	\$ 1,467	1.2%	85.5%	Amco Ins Co	\$ 1,528	1.3%	86.8%	Amco Ins Co	\$ 1,659	1.5%	87.2%
Amco Ins Co	\$ 1,397	1.2%	86.7%	Foremost Ins Co	\$ 1,433	1.3%	88.1%	Emcasco Ins Co	\$ 1,388	1.3%	88.5%
Northwest Gf Mut Ins Co	\$ 1,347	1.1%	87.8%	Northwest Gf Mut Ins Co	\$ 1,253	1.1%	89.2%	Foremost Ins Co	\$ 1,366	1.2%	89.7%
Emcasco Ins Co	\$ 1,086	0.9%	88.7%	Emcasco Ins Co	\$ 1,214	1.1%	90.2%	Northwest Gf Mut Ins Co	\$ 1,188	1.1%	90.8%
Allied Prop & Cas Ins Co	\$ 1,027	0.9%	89.6%	Allied Prop & Cas Ins Co	\$ 891	0.8%	91.0%	Allied Prop & Cas Ins Co	\$ 814	0.7%	91.6%

Year: 2005				Year: 2004				Year: 2003			
<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>	<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>	<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>
State Farm Fire And Cas Co	\$ 19,553	18.5%	18.5%	State Farm Fire And Cas Co	\$ 18,347	18.4%	18.4%	American Family Mut Ins Co	\$ 16,527	18.3%	18.3%
American Family Mut Ins Co	\$ 18,050	17.1%	35.6%	American Family Mut Ins Co	\$ 17,848	17.9%	36.2%	State Farm Fire And Cas Co	\$ 16,490	18.3%	36.6%
Nodak Mut Ins Co	\$ 8,763	8.3%	43.9%	Nodak Mut Ins Co	\$ 8,027	8.0%	44.3%	Auto-Owners Ins Co	\$ 6,706	7.4%	44.0%
Farmers Union Mut Ins Co	\$ 8,592	8.1%	52.1%	Farmers Union Mut Ins Co	\$ 7,489	7.5%	51.8%	Nodak Mut Ins Co	\$ 6,501	7.2%	51.2%
Auto-Owners Ins Co	\$ 7,738	7.3%	59.4%	Auto-Owners Ins Co	\$ 7,363	7.4%	59.1%	Farmers Union Mut Ins Co	\$ 6,411	7.1%	58.3%
North Star Mut Ins Co	\$ 5,007	4.7%	64.1%	North Star Mut Ins Co	\$ 4,387	4.4%	63.5%	Fire Ins Exch	\$ 4,203	4.7%	63.0%
Fire Ins Exch	\$ 4,338	4.1%	68.2%	Fire Ins Exch	\$ 4,212	4.2%	67.7%	Center Mut Ins Co	\$ 3,434	3.8%	66.8%
Center Mut Ins Co	\$ 3,781	3.6%	71.8%	Center Mut Ins Co	\$ 3,775	3.8%	71.5%	Dakota Fire Ins Co	\$ 3,284	3.6%	70.4%
Dakota Fire Ins Co	\$ 2,958	2.8%	74.6%	Dakota Fire Ins Co	\$ 3,294	3.3%	74.8%	North Star Mut Ins Co	\$ 3,237	3.6%	74.0%
Milbank Ins Co	\$ 2,842	2.7%	77.3%	Milbank Ins Co	\$ 2,771	2.8%	77.6%	Milbank Ins Co	\$ 2,651	2.9%	77.0%
Allstate Ins Co	\$ 2,228	2.1%	79.4%	Allstate Ins Co	\$ 2,210	2.2%	79.8%	Allstate Ins Co	\$ 2,187	2.4%	79.4%
Safeco Ins Co Of Amer	\$ 1,874	1.8%	81.2%	Emcasco Ins Co	\$ 1,772	1.8%	81.6%	Emcasco Ins Co	\$ 1,824	2.0%	81.4%
USAA	\$ 1,743	1.7%	82.9%	Safeco Ins Co Of Amer	\$ 1,683	1.7%	83.3%	Amco Ins Co	\$ 1,565	1.7%	83.1%
Country Mut Ins Co	\$ 1,703	1.6%	84.5%	Amco Ins Co	\$ 1,662	1.7%	84.9%	Safeco Ins Co Of Amer	\$ 1,481	1.6%	84.8%
Amco Ins Co	\$ 1,663	1.6%	86.0%	United Services Auto Assoc	\$ 1,537	1.5%	86.5%	United Services Auto Assoc	\$ 1,346	1.5%	86.3%
Owners Ins Co	\$ 1,561	1.5%	87.5%	Foremost Ins Co	\$ 1,257	1.3%	87.7%	Northwest Gf Mut Ins Co	\$ 1,326	1.5%	87.7%
Emcasco Ins Co	\$ 1,527	1.4%	89.0%	Owners Ins Co	\$ 1,211	1.2%	88.9%	Foremost Ins Co	\$ 1,184	1.3%	89.1%
Foremost Ins Co	\$ 1,215	1.2%	90.1%	Northwest Gf Mut Ins Co	\$ 1,108	1.1%	90.1%	Mutual Service Cas Ins Co	\$ 849	0.9%	90.0%
Northwest Gf Mut Ins Co	\$ 1,034	1.0%	91.1%	Grinnell Mut Reins Co	\$ 757	0.8%	90.8%	Owners Ins Co	\$ 718	0.8%	90.8%
Allied Prop & Cas Ins Co	\$ 771	0.7%	91.8%	Midwest Family Mut Ins Co	\$ 700	0.7%	91.5%	Midwest Family Mut Ins Co	\$ 706	0.8%	91.6%

HOMEOWNERS

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

Year	# of New Entries/Exits into Top 20 Carriers	Changes within Top 20 Carriers
1987	3	7
1988	1	11
1989	1	9
1990	1	13
1991	1	12
1992	3	11
1993	2	8
1994	1	7
1995	0	8
1996	2	11
1997	1	8
1998	2	10
1999	1	4
2000	2	10
2001	1	6
2002	2	13
2003	2	12
2004	1	14
2005	2	7
2006	0	7
2007	0	10
2008	0	8

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

YEAR:	2008		2007		2006
	Direct Written Premium <u>(000s)</u>		Direct Written Premium <u>(000s)</u>		Direct Written Premium <u>(000s)</u>
<u>Company</u>		<u>Company</u>		<u>Company</u>	
American Western Home Ins Co	10.96	American Western Hom	6.33	Lexington Ins Co	6.77
				American Western Hom	<u>0.81</u>
				\$	7.58

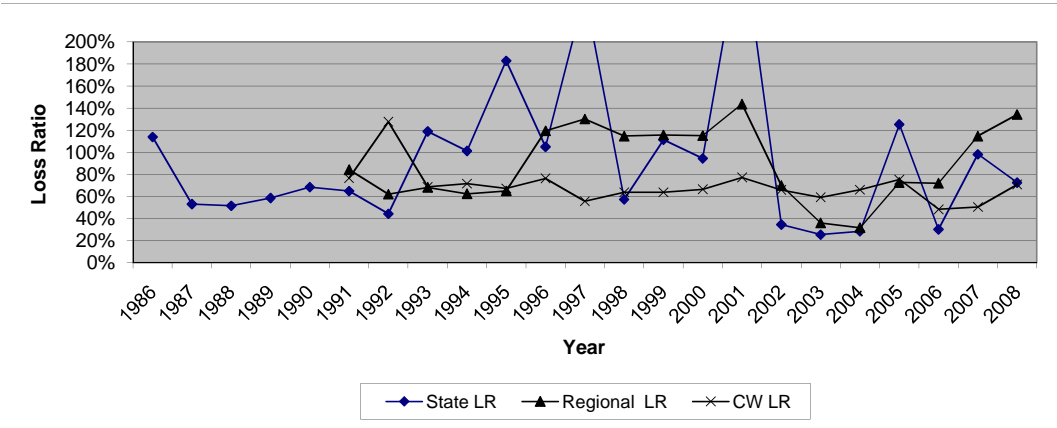
YEAR:	2005		2004		2003
	Direct Written Premium <u>(000s)</u>		Direct Written Premium <u>(000s)</u>		Direct Written Premium <u>(000s)</u>
<u>Company</u>		<u>Company</u>		<u>Company</u>	
Lexington Ins Co	10.51		0.00	Prime Insurance Syndic	1.13
American Western Home Ins Co	<u>0.32</u>			Evanston Ins Co	<u>0.86</u>
\$	10.83			\$	1.99

YEAR:	2002		2001		2000
	Direct Written Premium <u>(000s)</u>		Direct Written Premium <u>(000s)</u>		Direct Written Premium <u>(000s)</u>
<u>Company</u>		<u>Company</u>		<u>Company</u>	
Chubb Custom Ins Co	4.00	Scottsdale Ins Co	8.23	Scottsdale Ins Co	\$ 1.23
Evanston Ins Co	<u>0.74</u>	Evanston Ins Co	<u>0.39</u>	Chubb Custom Ins Co	\$ 0.84
\$	4.74		\$ 8.62	\$	2.07

HOMEOWNERS

EXHIBIT III: HISTORICAL LOSS RATIOS

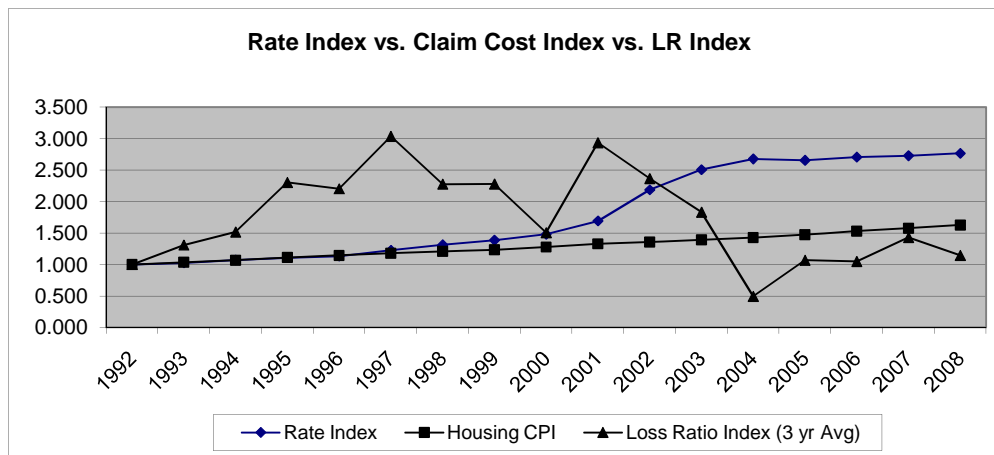
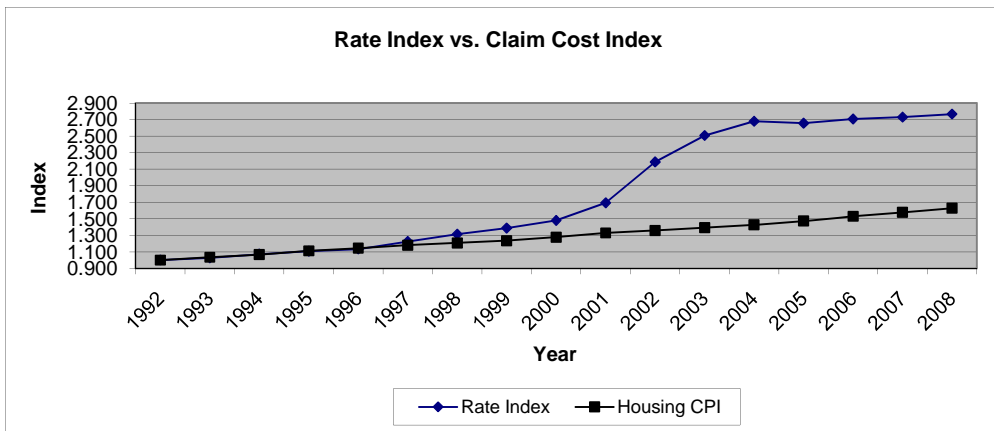
Year	Statewide Loss Ratio	Regional Loss Ratio	Countrywide Loss Ratio
1986	114%		
1987	53%		
1988	51%		
1989	59%		
1990	68%		
1991	65%	84%	76%
1992	44%	62%	128%
1993	119%	68%	68%
1994	101%	62%	71%
1995	183%	65%	67%
1996	105%	119%	76%
1997	244%	130%	56%
1998	57%	115%	64%
1999	111%	116%	64%
2000	94%	115%	66%
2001	297%	144%	77%
2002	34%	70%	66%
2003	25%	36%	59%
2004	28%	32%	66%
2005	125%	73%	75%
2006	30%	72%	48%
2007	98%	115%	50%
2008	73%	134%	71%



HOMEOWNERS

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

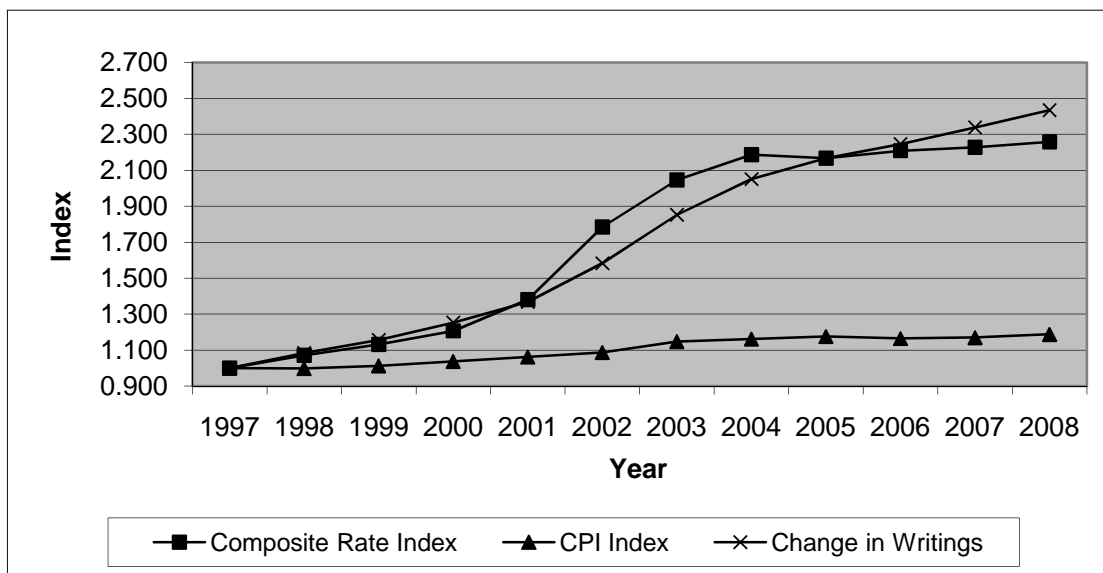
Year	Composite Rate Index	Relevant Claim Cost Index	Statewide 3 Yr LR Indexed to 1992
1992	1.000	1.000	1.000
1993	1.026	1.035	1.310
1994	1.071	1.067	1.517
1995	1.107	1.112	2.305
1996	1.133	1.144	2.204
1997	1.225	1.181	3.036
1998	1.312	1.208	2.276
1999	1.386	1.234	2.280
2000	1.479	1.278	1.505
2001	1.692	1.329	2.934
2002	2.187	1.358	2.365
2003	2.506	1.392	1.830
2004	2.678	1.427	0.494
2005	2.655	1.474	1.068
2006	2.706	1.530	1.047
2007	2.729	1.577	1.428
2008	2.766	1.628	1.146



HOMEOWNERS

EXHIBIT V: CHANGE IN PREMIUM WRITINGS

Year	Statewide Written Premium (000s)	Change in Writings	Indexed to 1997	Composit Rate Index	Consumer Price Index
1986	\$ 30,099				
1987	\$ 31,995	6.3%			
1988	\$ 31,952	-0.1%			
1989	\$ 31,601	-1.1%			
1990	\$ 32,144	1.7%			
1991	\$ 32,835	2.1%			
1992	\$ 35,671	8.6%			
1993	\$ 37,832	6.1%			
1994	\$ 39,855	5.3%			
1995	\$ 42,533	6.7%			
1996	\$ 45,120	6.1%			
1997	\$ 48,708	8.0%	1.00	1.000	1.000
1998	\$ 52,757	8.3%	1.08	1.071	0.998
1999	\$ 56,343	6.8%	1.16	1.131	1.013
2000	\$ 61,054	8.4%	1.25	1.207	1.037
2001	\$ 66,656	9.2%	1.37	1.381	1.062
2002	\$ 77,094	15.7%	1.58	1.785	1.087
2003	\$ 90,229	17.0%	1.85	2.046	1.148
2004	\$ 99,890	10.7%	2.05	2.186	1.162
2005	\$ 105,569	5.7%	2.17	2.167	1.176
2006	\$ 109,352	3.6%	2.25	2.209	1.165
2007	\$ 113,881	4.1%	2.34	2.228	1.170
2008	\$ 118,574	4.1%	2.43	2.258	1.188



HOMEOWNERS

EXHIBIT VI: FIELD MARKET SURVEY

Available Markets	<u>Fewer</u> 8	7.6%	<u>Same</u> 79	75.2%	<u>More</u> 18	17.1%	<u>Total Responses</u> 105
Rate Changes	<u>Increased</u> 39	38.2%	<u>Same</u> 49	48.0%	<u>Decreased</u> 14	13.7%	<u>Total Responses</u> 102
Underwriting Changes	<u>More Strict</u> 23	22.5%	<u>Same</u> 68	66.7%	<u>Less Strict</u> 11	10.8%	<u>Total Responses</u> 102
Finding Coverage	<u>Always</u> 46	46.5%	<u>Occasionally Not</u> 51	51.5%	<u>Frequently Unable</u> 2	2.0%	<u>Total Responses</u> 99

HOMEOWNERS

EXHIBIT VII – RESIDUAL MARKET POPULATION

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

HOMEOWNERS

EXHIBIT VIII - MATRIX OF INDICATORS

Factor	Competitive Level		
	Low	Moderate	High
Market Concentration (Herfindahl index)		XX	
Market Share Analysis –Market Share Changes		XX	
Market Share Analysis –Company Changes		XX	
Market Share Analysis – Surplus (non-licensed)			XX
Historical Loss Ratios (Statewide, Regional, and Countrywide)	NA	NA	NA
Loss Ratios vs Rate Change vs Claims Cost Indexes		XX	
Change in Premium Writings	NA	NA	NA
Field Market Survey Results-October 2008		XX	
Residual Market Population		XX	

Final ranking based upon all factors: Moderate

Addendum 6 Narrative Summary – Medical Malpractice

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

Exhibit I -Market Concentration (Herfindahl index)

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

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

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

The top 4 writers' combined market share has varied significantly over the past six years, however it's ranged from 73% to 83%, which is considered high. The total market share of the top 20 companies combined has consistently been 98-99% of the market.

Based upon the high market share concentration of the top 4 writers it is concluded that the market is at a low level of competition.

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

Exhibit II-B – Market Share Analysis –Company Changes

Although lower in the past four years, there are a fair number of companies entering and leaving the top 20. There has also been substantial movement among all companies within the top 20.

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

This information suggests that the market is moderately competitive.

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

Over the past four years, approximately 20% of the premium for this line was written by surplus lines carriers. We note that both Steadfast Ins Co and Arch Specialty, two of the top 5 writers in the state, are surplus lines carriers. This information indicates the market is at a low competitive level.

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

Over the past six years, statewide loss ratios appear to have become less volatile than in previous years. Interestingly, North Dakota medical malpractice experience has outperformed countrywide experience for the past several years.

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

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

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

It is difficult to compare the rate change index to the statewide loss ratio index because the statewide loss ratios have been so volatile. However over the past six years, loss ratios are gradually decreasing while rates are gradually increasing. This generally reflects a non-competitive market.

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

Exhibit V – Change in Premium Writings

In 2008, written premiums dropped by \$3.5 million from the previous year. Potential sources of this decrease could be implicit rate decreases due to increased schedule and experience rating credits, which would be an indication of a competitive market. It could also be due to insured's purchasing higher deductibles/SIRs, - perhaps an indication of a less than competitive market.

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

Exhibit VI – Field Market Survey Results-September 2008

The results of this survey represent a snapshot of the market as of September 2008.

The number of survey responses we received for 2008 were too few for us to draw any conclusions from.

Exhibit VII – Residual Market Population

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

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

Exhibit VIII – Matrix of Indicators

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

Final assessment

The evaluation of the market through the year 2008 indicates a low competitive market. In determining what the overall market trend and competitive level are, more weight is given to the Herfindahl index as this is a statistically sound indicator. The field survey results and department observations are also considered in the final ranking.

MEDICAL MALPRACTICE

EXHIBIT I: MARKET CONCENTRATION

Year	North Dakota			Countrywide				
	4-Firm	20-Firm	Herfindahl Index	4-Firm	20-Firm	Herfindahl Index		
	Concentration Ratio	Concentration Ratio		Concentration Ratio	Concentration Ratio			
1991	88.4%	99.4%	2542	22.0%	56.5%	244		
1992	81.1%	99.2%	2282	24.5%	58.3%	276		
1993	79.1%	99.2%	2163	24.0%	57.1%	263		
1994	66.2%	99.0%	1434	22.2%	55.9%	235		
1995	65.6%	98.4%	1363	19.8%	54.5%	207		
1996	68.9%	98.7%	1468	17.9%	54.1%	195		
1997	58.8%	97.8%	1148	18.1%	52.9%	194		
1998	61.7%	98.5%	1224	18.0%	54.3%	200		
1999	77.1%	99.3%	2620	18.6%	53.2%	200		
2000	65.2%	98.7%	1384	18.3%	51.0%	189		
2001	75.6%	99.2%	1952	20.3%	54.2%	210		
2002	81.8%	99.0%	3375	21.5%	55.6%	224		
2003	82.7%	98.9%	2230	23.2%	55.9%	243		
2004	79.9%	98.9%	2078	(2,094)	21.2%	54.1%	218	(308)
2005	74.0%	98.9%	1902	(1,924)	19.9%	52.3%	201	(287)
2006	76.4%	98.5%	2034	(2,050)	20.0%	52.1%	199	(290)
2007	79.5%	98.5%	2317	(2,339)	21.2%	51.7%	206	(290)
2008	72.7%	98.2%	2504	(2,539)	20.4%	51.1%	199	(294)

Benchmarks:

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

Merger guidelines of U.S. Dept of Justice

Post-merger market Herfindahl index

> 1,800 - highly concentrated

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

< 1,000 - unconcentrated

A change in data availability resulted in the department's computing the Herfindahl Indices in parenthesis using marketshares at the group level (i.e. marketshares of sister companies are combined).

MEDICAL MALPRACTICE

EXHIBIT IIA: NORTH DAKOTA MARKET SHARE REPORT

Year: 2008				Year: 2007				Year: 2006			
<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>	<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>	<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>
MHA Ins Co	\$ 6,784	46.9%	46.9%	MHA Ins Co	\$ 6,817	37.9%	37.9%	MHA Ins Co	\$ 5,823	32.9%	32.9%
Midwest Medical Ins Co	\$ 1,716	11.9%	58.8%	Midwest Medical Ins Co	\$ 4,846	26.9%	64.9%	Midwest Medical Ins Co	\$ 4,854	27.4%	60.3%
Arch Specialty Ins Co	\$ 1,057	7.3%	66.1%	Medical Protective Co	\$ 1,521	8.5%	73.3%	Medical Protective Co	\$ 1,644	9.3%	69.6%
Medical Protective Co	\$ 959	6.6%	72.7%	Arch Specialty Ins Co	\$ 1,117	6.2%	79.5%	Arch Specialty Ins Co	\$ 1,198	6.8%	76.4%
Steadfast Ins Co	\$ 727	5.0%	77.7%	Steadfast Ins Co	\$ 873	4.9%	84.4%	Steadfast Ins Co	\$ 1,133	6.4%	82.8%
Lexington Ins Co	\$ 543	3.7%	81.5%	Preferred Professional Ins Co	\$ 435	2.4%	86.8%	Columbia Cas Co	\$ 444	2.5%	85.3%
Preferred Professional Ins Co	\$ 419	2.9%	84.4%	Columbia Cas Co	\$ 416	2.3%	89.1%	Preferred Professional Ins Co	\$ 438	2.5%	87.8%
Columbia Cas Co	\$ 321	2.2%	86.6%	American Cas Co Of Reading PA	\$ 304	1.7%	90.8%	Lexington Ins Co	\$ 398	2.2%	90.0%
American Cas Co Of Reading PA	\$ 301	2.1%	88.7%	Continental Cas Co	\$ 209	1.2%	92.0%	American Cas Co Of Reading PA	\$ 275	1.6%	91.6%
Continental Cas Co	\$ 242	1.7%	90.3%	NCMIC Ins Co	\$ 198	1.1%	93.1%	Doctors Co An Interins Exchn	\$ 230	1.3%	92.9%
Homeland Ins Co of NY	\$ 212	1.5%	91.8%	Doctors Co An Interins Exch	\$ 153	0.9%	93.9%	American Ins Co	\$ 201	1.1%	94.0%
NCMIC Ins Co	\$ 207	1.4%	93.2%	Homeland Ins Co of NY	\$ 129	0.7%	94.6%	NCMIC Ins Co	\$ 199	1.1%	95.1%
Doctors Co An Interins Exch	\$ 131	0.9%	94.1%	Evanston Ins Co	\$ 120	0.7%	95.3%	Evanston Ins Co	\$ 128	0.7%	95.9%
Evanston Ins Co	\$ 106	0.7%	94.9%	Illinois Union Ins Co	\$ 103	0.6%	95.9%	Chicago Ins Co	\$ 93	0.5%	96.4%
Chicago Ins Co	\$ 103	0.7%	95.6%	Chicago Ins Co	\$ 101	0.6%	96.5%	Oms Natl Ins Co Rrg	\$ 83	0.5%	96.9%
Illinois Union Ins Co	\$ 82	0.6%	96.1%	Lexington Ins Co	\$ 100	0.6%	97.0%	Church Mut Ins Co	\$ 69	0.4%	97.2%
Oms Natl Ins Co Rrg	\$ 76	0.5%	96.7%	Oms Natl Ins Co Rrg	\$ 83	0.5%	97.5%	Pharmacists Mut Ins Co	\$ 68	0.4%	97.6%
National Fire & Marine Ins Co	\$ 76	0.5%	97.2%	Pharmacists Mut Ins Co	\$ 70	0.4%	97.9%	Professional Underwrters Liab Ins Co	\$ 65	0.4%	98.0%
Pharmacists Mut Ins Co	\$ 72	0.5%	97.7%	Professional Underwrters Liab Ins Co	\$ 68	0.4%	98.2%	Ace American Ins Co	\$ 46	0.3%	98.3%
Professional Underwriters Liab Ins Co	\$ 68	0.5%	98.2%	National Union Fire Ins Co Of Pitts	\$ 43	0.2%	98.5%	National Union Fire Ins Co Of Pitts	\$ 44	0.2%	98.5%

Year: 2005				Year: 2004				Year: 2003			
<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>	<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>	<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>
MHA Ins Co	\$ 5,331	31.7%	31.7%	MHA Ins Co	\$ 6,077	34.5%	34.5%	Midwest Medical Ins Co	\$ 6,895	35.7%	35.7%
Midwest Medical Ins Co	\$ 4,381	26.0%	57.7%	Midwest Medical Ins Co	\$ 4,469	25.4%	59.9%	MHA Ins Co	\$ 5,157	26.7%	62.4%
Steadfast Ins Co	\$ 1,526	9.1%	66.8%	Steadfast Ins Co	\$ 1,920	10.9%	70.8%	Medical Protective Co	\$ 2,350	12.2%	74.6%
Medical Protective Co	\$ 1,218	7.2%	74.0%	Arch Specialty Ins Co	\$ 1,597	9.1%	79.9%	Arch Specialty Ins Co	\$ 1,563	8.1%	82.7%
Arch Specialty Ins Co	\$ 1,155	6.9%	80.9%	Medical Protective Co	\$ 665	3.8%	83.7%	Doctors Co An Interins Exchn	\$ 606	3.1%	85.8%
Columbia Cas Co	\$ 684	4.1%	85.0%	Columbia Cas Co	\$ 616	3.5%	87.2%	Columbia Cas Co	\$ 509	2.6%	88.5%
Preferred Professional Ins Co	\$ 422	2.5%	87.5%	Preferred Professional Ins Co	\$ 396	2.2%	89.4%	Preferred Professional Ins Co	\$ 298	1.5%	90.0%
Doctors Co An Interins Exchn	\$ 402	2.4%	89.9%	American Cas Co Of Reading PA	\$ 259	1.5%	90.9%	Lexington Ins Co	\$ 281	1.5%	91.5%
American Cas Co Of Reading PA	\$ 274	1.6%	91.5%	Doctors Co An Interins Exchn	\$ 256	1.5%	92.3%	St Paul Fire & Marine Ins Co	\$ 197	1.0%	92.5%
American Ins Co	\$ 207	1.2%	92.7%	Lexington Ins Co	\$ 226	1.3%	93.6%	Evanston Ins Co	\$ 195	1.0%	93.5%
NCMIC Ins Co	\$ 180	1.1%	93.8%	American Ins Co	\$ 199	1.1%	94.7%	American Cas Co Of Reading PA	\$ 192	1.0%	94.5%
Lexington Ins Co	\$ 177	1.1%	94.9%	NCMIC Ins Co	\$ 155	0.9%	95.6%	American Ins Co	\$ 175	0.9%	95.4%
Landmark Ins Co	\$ 167	1.0%	95.9%	National Union Fire Ins Co Of Pitts	\$ 136	0.8%	96.4%	Admiral Ins Co	\$ 151	0.8%	96.2%
Evanston Ins Co	\$ 109	0.6%	96.5%	Chicago Ins Co	\$ 110	0.6%	97.0%	NCMIC Ins Co	\$ 147	0.8%	97.0%
Chicago Ins Co	\$ 90	0.5%	97.0%	Oms Natl Ins Co Rrg	\$ 70	0.4%	97.4%	Chicago Ins Co	\$ 90	0.5%	97.4%
Oms Natl Ins Co Rrg	\$ 80	0.5%	97.5%	Pharmacists Mut Ins Co	\$ 68	0.4%	97.8%	National Union Fire Ins Co Of Pitts	\$ 70	0.4%	97.8%
Pharmacists Mut Ins Co	\$ 69	0.4%	97.9%	Gulf Ins Co	\$ 62	0.3%	98.2%	Pharmacists Mut Ins Co	\$ 66	0.3%	98.1%
Church Mut Ins Co	\$ 60	0.4%	98.3%	Church Mut Ins Co	\$ 60	0.3%	98.5%	Oms Natl Ins Co Rrg	\$ 59	0.3%	98.4%
Podiatry Ins Co Of Amer A Mut Co	\$ 55	0.3%	98.6%	Evanston Ins Co	\$ 45	0.3%	98.8%	Podiatry Ins Co Of Amer A Mut Co	\$ 56	0.3%	98.7%
Professional Underwrters Liab Ins Co	\$ 50	0.3%	98.9%	Executive Risk Ind Inc	\$ 35	0.2%	98.9%	Steadfast Ins Co	\$ 43	0.2%	98.9%

MEDICAL MALPRACTICE

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

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

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

YEAR:	2008		2007		2006
	Direct Written Premium (000s)	Company	Direct Written Premium (000s)	Company	Direct Written Premium (000s)
Arch Speciality Ins Co	\$ 1,057.35	Arch Speciality Ins Co	\$ 1,116.86	Arch Speciality Ins Co	\$ 1,198.00
Steadfast Ins Co	\$ 726.51	Steadfast Ins Co	\$ 873.23	Steadfast Ins Co	\$ 1,133.00
Lexington Ins Co	\$ 542.51	Columbia Cas Co	\$ 416.46	Columbia Cas Co	\$ 444.05
Columbia Cas Co	\$ 321.03	Homeland Ins Co of NY	\$ 128.66	Lexington Ins Co	\$ 397.56
Homeland Ins Co of NY	\$ 212.00	Evanston Ins Co	\$ 120.27	Evanston Ins Co	\$ 127.70
Evanston Ins Co	\$ 105.65	Illinois Union Ins Co	\$ 103.17	Oms Natl Ins Co Rrg	\$ 83.46
Illinois Union Ins Co	\$ 82.26	Lexington Ins Co	\$ 99.71	Professional Undrwtrs Liab Ins Co	\$ 65.21
Oms Natl Ins Co Rrg	\$ 76.21	Oms Natl Ins Co Rrg	\$ 82.51	National Fire & Marine Ins Co	\$ 29.95
National Fire & Marine Ins Co	\$ 76.09	Professional Undrwtrs Liab Ins Co	\$ 68.18	James River Ins Co	\$ 26.67
Professional Underwriters Liab Ins C	\$ 67.69	James River Ins Co	\$ 28.03	Landmark Amer Ins Co	\$ 18.99
Landmark Amer Ins Co	\$ 9.76	National Fire & Marine Ins Co	\$ 27.48	Colony Ins Co	\$ 10.50
American Assoc Of Othodontists RRG	\$ 7.03	Landmark Amer Ins Co	\$ 10.39	American Assoc Of Othodontists RRG	\$ 4.64
Admiral Ins Co	\$ 5.25	American Assoc Of Othodontists RRG	\$ 6.00	Western World Ins Co	\$ 3.23
ProAssurance Speciality Ins Co	\$ 5.00	Red Mountain Cas Ins Co Inc	\$ 5.00	Ophthalmic Mut Ins Co RRG	\$ 2.58
Western World Ins Co	\$ 4.71	Western World Ins Co	\$ 3.36	General Star Ind Co	\$ 1.60
Ophthalmic Mut Ins Co RRG	\$ 2.16	Ophthalmic Mut Ins Co RRG	\$ 2.43	Allied Professionals Ins Co RRG	\$ 0.37
Allied Professionals Ins Co RRG	\$ 1.54	Allied Professionals Ins Co RRG	\$ 1.00		\$ 3,547.50
General Star Ind Co	\$ 0.96	General Star Ind Co	\$ 0.57		
	\$ 3,303.70		\$ 3,093.32		

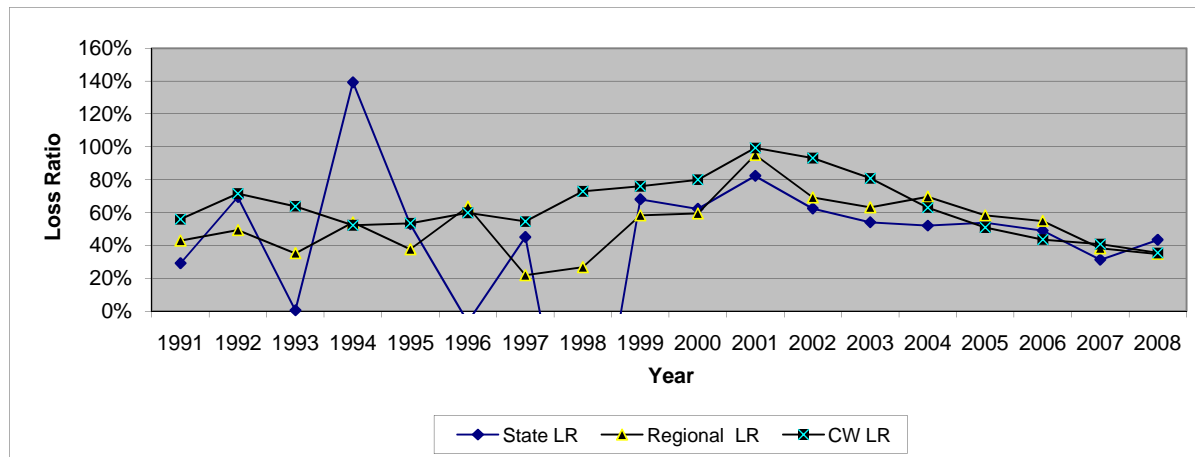
YEAR:	2005		2004		2003
	Direct Written Premium (000s)	Company	Direct Written Premium (000s)	Company	Direct Written Premium (000s)
Steadfast Ins Co	\$ 1,525.58	Steadfast Ins Co	\$ 1,919.70	Arch Speciality Ins Co	\$ 1,563.00
Arch Speciality Ins Co	\$ 1,154.78	Arch Speciality Ins Co	\$ 1,596.70	Columbia Cas Co	\$ 508.79
Columbia Cas Co	\$ 684.49	Columbia Cas Co	\$ 616.37	Lexington Ins Co	\$ 280.78
Lexington Ins Co	\$ 176.87	Lexington Ins Co	\$ 226.17	Evanston Ins Co	\$ 194.81
Landmark Ins Co	\$ 167.35	Oms Natl Ins Co Rrg	\$ 70.50	Admiral Ins Co	\$ 150.98
Evanston Ins Co	\$ 109.06	Evanston Ins Co	\$ 45.31	Oms Natl Ins Co Rrg	\$ 58.94
Oms Natl Ins Co Rrg	\$ 79.55	General Star Ind Co	\$ 26.00	Podiatry Ins Co Of Amer A Mut Co	\$ 56.17
Professional Undrwtrs Liab Ins Co	\$ 50.20	Colony Ins Co	\$ 13.00	Steadfast Ins Co	\$ 42.90
National Fire & Marine Ins Co	\$ 20.66	Western World Ins Co	\$ 11.98	Western World Ins Co	\$ 20.83
Colony Ins Co	\$ 13.75	Ophthalmic Mut Ins Co RRG	\$ 6.64	Professional Undrwtrs Liab Ins Co	\$ 15.25
Landmark Amer Ins Co	\$ 10.50	American Assoc Of Othodontists RRG	\$ 5.28	American Assoc Of Othodontists RRG	\$ 6.10
American Assoc Of Othodontists RRG	\$ 5.54	Admiral Ins Co	\$ 0.25	Ophthalmic Mut Ins Co RRG	\$ 2.37
Western World Ins Co	\$ 3.83	Allied Professionals Ins Co RRG	\$ 0.10	TIG Speciality Ins Corp	\$ 1.41
Ophthalmic Mut Ins Co RRG	\$ 2.61		\$ 4,538.01		\$ 2,902.34
General Star Ind Co	\$ 1.69				
Allied Professionals Ins Co RRG	\$ 0.31				
	\$ 4,006.76				

YEAR:	2002		2001		2000
	Direct Written Premium (000s)	Company	Direct Written Premium (000s)	Company	Direct Written Premium (000s)
Arch Speciality Ins Co	\$ 1,350.65	Lexington Ins Co	\$ 1,435.08	Preferred Physicians Medical RRG	\$ 51.40
Evanston Ins Co	\$ 281.80	Interstate Fire & Cas Co	\$ 81.16	Oms Natl Ins Co Rrg	\$ 37.09
TIG Speciality Ins Corp	\$ 219.84	Evanston Ins Co	\$ 46.10	Evanston Ins Co	\$ 34.17
Professional Undrwtrs Liab Ins Co	\$ 99.91	Oms Natl Ins Co Rrg	\$ 33.46	Podiatry Ins Co Of Amer RRG Mut Co	\$ 22.93
Lexington Ins Co	\$ 97.05	Podiatry Ins Co Of Amer RRG Mut Co	\$ 30.50	Steadfast Ins Co	\$ 15.11
Interstate Fire & Cas Co	\$ 83.46	Professional Undrwtrs Liab Ins Co	\$ 22.43	Admiral Ins Co	\$ 8.45
Oms Natl Ins Co Rrg	\$ 56.49	Admiral Ins Co	\$ 15.00	Executive Risk Speciality Ins Co	\$ 6.50
Podiatry Ins Co Of Amer RRG Mut Co	\$ 44.63	Executive Risk Speciality Ins Co	\$ 7.47	American Assoc Of Othodontists RRG	\$ 4.80
General Star Ind Co	\$ 22.42	Steadfast Ins Co	\$ 4.96	Western World Ins Co	\$ 0.83
American Assoc Of Othodontists RRG	\$ 5.72	American Assoc Of Othodontists RRG	\$ 4.54		\$ 181.26
Western World Ins Co	\$ 2.70	Western World Ins Co	\$ 0.98		
Ophthalmic Mut Ins Co RRG	\$ 2.18	Columbia Cas Co	\$ 0.04		
Steadfast Ins Co	\$ 0.38		\$ 1,681.70		
Columbia Cas Co	\$ 0.19				
	\$ 2,267.41				

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EXHIBIT III: HISTORICAL LOSS RATIOS

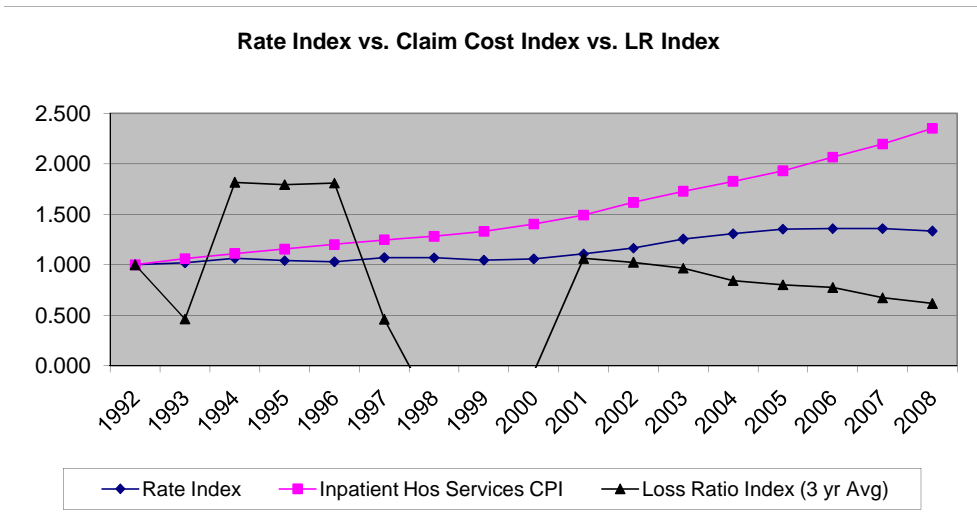
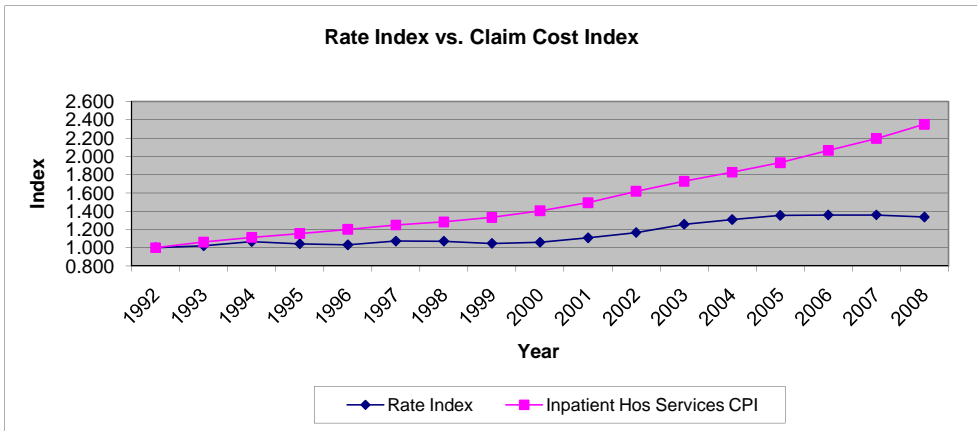
Year	Statewide Loss Ratio	Regional Loss Ratio	Countrywide Loss Ratio
1991	29%	43%	56%
1992	69%	49%	72%
1993	0%	35%	64%
1994	139%	54%	52%
1995	53%	38%	53%
1996	-7%	64%	60%
1997	45%	22%	54%
1998	-137%	27%	73%
1999	68%	58%	76%
2000	62%	59%	80%
2001	82%	95%	99%
2002	62%	69%	93%
2003	54%	63%	81%
2004	52%	70%	63%
2005	54%	58%	51%
2006	49%	55%	44%
2007	31%	38%	41%
2008	43%	35%	35%



MEDICAL MALPRACTICE

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

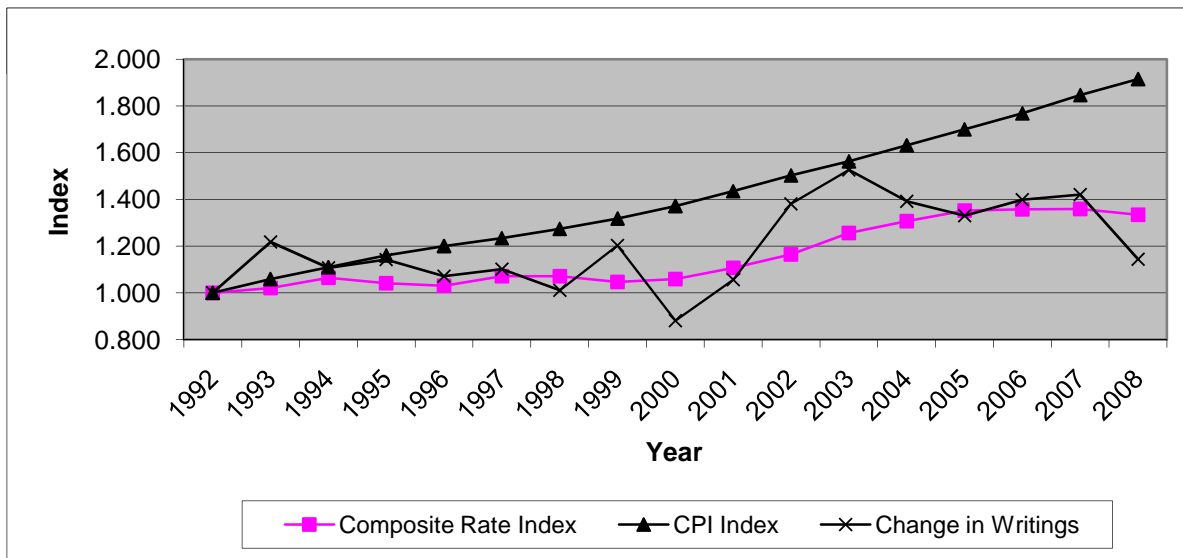
Year	Composite Rate Index	Relevant Claim Cost Index	Statewide 3 Yr LR Indexed to 1992
1992	1.000	1.000	1.000
1993	1.021	1.061	0.463
1994	1.065	1.112	1.816
1995	1.042	1.155	1.792
1996	1.031	1.200	1.808
1997	1.071	1.248	0.460
1998	1.071	1.282	-0.465
1999	1.047	1.331	-0.131
2000	1.059	1.404	-0.063
2001	1.108	1.492	1.063
2002	1.165	1.618	1.024
2003	1.256	1.728	0.966
2004	1.307	1.826	0.843
2005	1.353	1.930	0.801
2006	1.358	2.066	0.775
2007	1.358	2.196	0.674
2008	1.335	2.352	0.616



MEDICAL MALPRACTICE

EXHIBIT V: CHANGE IN PREMIUM WRITINGS

Year	Statewide Written Premium (000s)	Change in Writings	Indexed to 1992	Composite Rate Index	Consumer Price Index
1991	\$ 12,974				
1992	\$ 12,653	-2.5%	1.00	1.000	1.000
1993	\$ 15,408	21.8%	1.22	1.021	1.059
1994	\$ 14,012	-9.1%	1.11	1.065	1.110
1995	\$ 14,465	3.2%	1.14	1.042	1.160
1996	\$ 13,555	-6.3%	1.07	1.031	1.200
1997	\$ 13,945	2.9%	1.10	1.071	1.234
1998	\$ 12,795	-8.2%	1.01	1.071	1.274
1999	\$ 15,224	19.0%	1.20	1.047	1.318
2000	\$ 11,153	-26.7%	0.88	1.059	1.372
2001	\$ 13,369	19.9%	1.06	1.108	1.435
2002	\$ 17,470	30.7%	1.38	1.165	1.502
2003	\$ 19,306	10.5%	1.53	1.256	1.563
2004	\$ 17,605	-8.8%	1.39	1.307	1.631
2005	\$ 16,823	-4.4%	1.33	1.353	1.700
2006	\$ 17,696	5.2%	1.40	1.358	1.769
2007	\$ 17,980	1.6%	1.42	1.358	1.847
2008	\$ 14,468	-19.5%	1.14	1.335	1.915



MEDICAL MALPRACTICE

EXHIBIT VI: FIELD MARKET SURVEY

Available Markets	<u>Fewer</u> 2	13.3%	<u>Same</u> 13	86.7%	<u>More</u> 0	0.0%	<u>Total Responses</u> 15
Rate Changes	<u>Increased</u> 4	33.3%	<u>Same</u> 8	66.7%	<u>Decreased</u> 0	0.0%	<u>Total Responses</u> 12
Under Writing Changes	<u>More Strict</u> 1	9.1%	<u>Same</u> 10	90.9%	<u>Less Strict</u> 0	0.0%	<u>Total Responses</u> 11
Finding Coverage	<u>Always</u> 1	8.3%	<u>Occasionally Not</u> 9	75.0%	<u>Frequently Unable</u> 2	16.7%	<u>Total Responses</u> 12

MEDICAL MALPRACTICE

EXHIBIT VII – RESIDUAL MARKET POPULATION

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

MEDICAL MALPRACTICE

EXHIBIT VIII - MATRIX OF INDICATORS

Factor	Competitive Level		
	Low	Moderate	High
Market Concentration (Herfindahl index)	XX		
Market Share Analysis –Market Share Changes	XX		
Market Share Analysis –Company Changes		XX	
Market Share Analysis – Surplus (non-licensed)	XX		
Historical Loss Ratios (Statewide, Regional, and Countrywide)	NA	NA	NA
Loss Ratios vs Rate Change vs Claims Cost Indexes		XX	
Change in Premium Writings	NA	NA	NA
Field Market Survey Results-October 2008	NA	NA	NA
Residual Market Population			XX

Final ranking based upon all factors: Low

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

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

Exhibit I -Market Concentration (Herfindahl index)

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

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

The ranking of the top 4 writers over the past six years has changed considerably. The top 4 positions have held approximately from 14% to 20% of the market share over the past 6 years.

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

These statistics indicate that the market is competitive.

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

Exhibit II-B – Market Share Analysis –Company Changes

The number of companies entering and leaving the top 20 has been moderate. There is considerable movement among all companies within the top 20.

Highly competitive markets are associated with a high degree of movement. This information suggests that the level of competition is high.

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

The premium volume in the surplus market has fluctuated from year to year but appears to be gradually increasing. The surplus lines premium volume in 2008 represents 23% of the market. Due to data constraints, some of this premium is due to premium written through risk retention groups, which are generally not considered to be a part of the surplus lines market. In any event, the 23% is not felt to be excessive considering it is based upon such a wide diversity of specialty product lines. Overall this exhibit shows the market to be moderately competitive.

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

Statewide loss ratios have varied considerably from year to year but with the exception of 2003, have been consistently low compared to industry targets. Further the statewide loss ratios are lower than both regional and countrywide ratios. The consistently low loss ratios on a statewide basis may be interpreted to mean that the market is not competitive. There has not been sufficient competitive pressure to force rates into alignment with experience. This may also be a reflection of the diversity of products types included in this category. This information does not give a clear indication of the competitive level of the market.

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

The changes in rates have not kept pace with the national change in claims costs. North Dakota's favorable loss ratios support the lack of need for higher rates. Companies have not reduced rates in response to the favorable experience.

The fact that North Dakota rate changes have not kept pace with national claims costs would indicate the market is competitive. On the other hand, the lack of rate reductions, in light of the favorable statewide experience, would indicate a non-competitive market. Further complicating this analysis is the fact that companies can achieve premium changes through rating tools such as schedule and experience rating, without a formal rate filing. Changes in premium via these rating tools are not reflected in this exhibit. It may well be that companies are responding to the favorable loss experience with experience and/or schedule rating credit.

Overall this exhibit suggests the market is moderately competitive.

Exhibit V – Change in Premium Writings

The statewide premium volume has varied considerably from year to year. The reason for this fluctuation is not known. The Consumer Price Index shows steady increases and would suggest that the basis for most premium computations would be increasing as well resulting in increasing premiums. This has not occurred.

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

Exhibit VI – Field Market Survey Results-September 2008

The results of this survey represent a snapshot of the market as of September 2008.

While the survey results show that agents are still seeing more rate increases than decreases, the results are favorable in comparison to prior year surveys, suggesting that the market is becoming moderately competitive.

Exhibit VII – Residual Market Population

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

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

Exhibit VIII – Matrix of Indicators

The Herfindahl index, Market Share Changes, Market Share Company Changes and the lack of a residual market indicate a highly competitive market. The Market Share Surplus analysis, Loss Ratio vs Rate Change vs Claims Cost Index and the field market survey indicate a moderately competitive market.

Final assessment

The evaluation of the market through the year 2008 indicates a highly competitive market.

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

OTHER LIABILITY

EXHIBIT I: MARKET CONCENTRATION

Year	North Dakota			Countrywide			
	4-Firm	20-Firm	Herfindahl Index	4-Firm	20-Firm	Herfindahl Index	
	Concentration Ratio	Concentration Ratio		Concentration Ratio	Concentration Ratio		
1991	18.4%	51.0%	191	25.7%	48.1%	292	
1992	27.9%	56.7%	333	26.5%	48.4%	304	
1993	40.6%	64.3%	769	24.9%	45.9%	276	
1994	25.7%	57.0%	318	24.1%	44.5%	251	
1995	28.6%	56.3%	431	21.2%	43.1%	201	
1996	17.3%	48.8%	180	20.5%	42.0%	183	
1997	15.7%	50.1%	172	20.5%	42.1%	196	
1998	20.3%	50.8%	233	19.9%	41.6%	181	
1999	15.3%	46.8%	157	17.3%	40.2%	137	
2000	13.7%	43.9%	142	18.0%	39.7%	145	
2001	14.1%	44.9%	147	16.4%	40.5%	145	
2002	12.8%	44.4%	142	19.3%	43.4%	163	
2003	15.0%	44.9%	149	20.3%	44.6%	173	
2004	20.1%	49.0%	206	(446) 17.7%	43.2%	152	(663)
2005	14.4%	45.6%	149	(317) 16.2%	42.4%	138	(625)
2006	18.4%	48.6%	178	(383) 15.2%	42.2%	133	(609)
2007	19.2%	46.8%	175	(384) 15.7%	42.8%	136	(627)
2008	17.9%	47.2%	173	(383) 16.5%	41.0%	134	(513)

Benchmarks:

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

Merger guidelines of U.S. Dept of Justice

Post-merger market Herfindahl index

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

A change in data availability resulted in the department's computing the Herfindahl Indices in parenthesis using marketshares at the group level (i.e. marketshares of sister companies are combined).

OTHER LIABILITY

EXHIBIT IIA: NORTH DAKOTA MARKET SHARE REPORT

Year: 2008				Year: 2007				Year: 2006			
<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>	<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>	<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>
American Intl Specialty Lines Ins Co	\$ 5,097	6.2%	6.2%	St Paul Fire & Marine Ins Co	\$ 4,485	5.8%	5.8%	American Intl Specialty Lines Ins Co	\$ 4,230	5.6%	5.6%
St Paul Fire & Marine Ins Co	\$ 3,752	4.6%	10.8%	American Intl Specialty Lines Ins Co	\$ 4,155	5.3%	11.1%	St Paul Fire & Marine Ins Co	\$ 3,965	5.3%	10.9%
Cincinnati Ins Co	\$ 2,993	3.6%	14.4%	Federal Ins Co	\$ 3,230	4.1%	15.2%	Federal Ins Co	\$ 2,876	3.8%	14.8%
Caterpillar Ins Co	\$ 2,898	3.5%	17.9%	Cincinnati Ins Co	\$ 3,071	3.9%	19.2%	Continental Cas Co	\$ 2,691	3.6%	18.4%
Employers Mut Cas Co	\$ 2,816	3.4%	21.3%	Caterpillar Ins Co	\$ 2,249	2.9%	22.1%	Cincinnati Ins Co	\$ 2,492	3.3%	21.7%
Federal Ins Co	\$ 2,775	3.4%	24.7%	Transportation Ins Co	\$ 1,883	2.4%	24.5%	Dakota Fire Ins Co	\$ 2,287	3.1%	24.7%
Mid Continent Cas Co	\$ 1,809	2.2%	26.9%	Acuity A Mut Ins Co	\$ 1,785	2.3%	26.8%	Acuity A Mut Ins Co	\$ 1,778	2.4%	27.1%
Zurich Amer Ins Co	\$ 1,754	2.1%	29.0%	Grinnell Mut Reins Co	\$ 1,575	2.0%	28.8%	Caterpillar Ins Co	\$ 1,748	2.3%	29.5%
Farmers Union Mut Ins Co	\$ 1,716	2.1%	31.1%	Dakota Fire Ins Co	\$ 1,573	2.0%	30.8%	Transportation Ins Co	\$ 1,666	2.2%	31.7%
Acuity A Mut Ins Co	\$ 1,683	2.0%	33.2%	Employers Mut Cas Co	\$ 1,524	2.0%	32.8%	Grinnell Mut Reins Co	\$ 1,547	2.1%	33.7%
Lexington Ins Co	\$ 1,651	2.0%	35.2%	Zurich American Ins Co	\$ 1,476	1.9%	34.7%	Lexington Ins Co	\$ 1,468	2.0%	35.7%
Grinnell Mut Reins Co	\$ 1,578	1.9%	37.1%	Mid Continent Cas Co	\$ 1,459	1.9%	36.5%	Mid-Continent Cas Co	\$ 1,351	1.8%	37.5%
Continental Cas Co	\$ 1,555	1.9%	39.0%	Farmers Union Mut Ins Co	\$ 1,427	1.8%	38.4%	Zurich American Ins Co	\$ 1,336	1.8%	39.3%
Nodak Mut Ins Co	\$ 1,097	1.3%	40.3%	Lexington Ins Co	\$ 1,143	1.5%	39.8%	Farmers Union Mut Ins Co	\$ 1,314	1.8%	41.0%
St Paul Mercury Ins Co	\$ 1,023	1.2%	41.6%	Ace Amer Ins Co	\$ 931	1.2%	41.0%	Steadfast Ins Co	\$ 1,053	1.4%	42.5%
State Farm Fire & Cas Co	\$ 994	1.2%	42.8%	Nodak Mut Ins Co	\$ 923	1.2%	42.2%	National Union Fire Ins Co Of Pitts	\$ 1,037	1.4%	43.8%
Auto Owners Ins Co	\$ 964	1.2%	43.9%	State Farm Fire And Cas Co	\$ 912	1.2%	43.4%	Attorneys Liab Protection Soc RRG	\$ 966	1.3%	45.1%
American Family Mut Ins Co	\$ 955	1.2%	45.1%	Interstate Fire & Cas Co	\$ 902	1.2%	44.5%	Federated Mut Ins Co	\$ 883	1.2%	46.3%
Everest Natl Ins Co	\$ 930	1.1%	46.2%	National Union Fire Ins Co Of Pitts	\$ 896	1.2%	45.7%	Auto-Owners Ins Co	\$ 876	1.2%	47.5%
Attorneys Liab Protection Soc RRG	\$ 839	1.0%	47.2%	Bancinsure Inc	\$ 894	1.1%	46.8%	Nodak Mut Ins Co	\$ 875	1.2%	48.6%

Year: 2005				Year: 2004				Year: 2003			
<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>	<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>	<u>Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>
St Paul Fire & Marine Ins Co	\$ 3,084	4.4%	4.4%	Transportation Ins Co	\$ 6,244	8.7%	8.7%	Transportation Ins Co	\$ 2,803	4.4%	4.4%
Cincinnati Ins Co	\$ 2,713	3.8%	8.2%	St Paul Fire & Marine Ins Co	\$ 2,950	4.1%	12.8%	St Paul Fire & Marine Ins Co	\$ 2,373	3.7%	8.1%
Transportation Ins Co	\$ 2,219	3.1%	11.3%	Continental Cas Co	\$ 2,766	3.8%	16.6%	Zurich American Ins Co	\$ 2,268	3.5%	11.6%
Dakota Fire Ins Co	\$ 2,162	3.1%	14.4%	Zurich American Ins Co	\$ 2,510	3.5%	20.1%	Continental Cas Co	\$ 2,192	3.4%	15.0%
Clarendon Amer Ins Co	\$ 2,049	2.9%	17.3%	Cincinnati Ins Co	\$ 2,486	3.4%	23.5%	Dakota Fire Ins Co	\$ 1,985	3.1%	18.1%
Continental Cas Co	\$ 1,968	2.8%	20.1%	Dakota Fire Ins Co	\$ 2,202	3.1%	26.6%	Cincinnati Ins Co	\$ 1,787	2.8%	20.9%
Federal Ins Co	\$ 1,962	2.8%	22.9%	Federal Ins Co	\$ 1,983	2.7%	29.3%	Federal Ins Co	\$ 1,678	2.6%	23.5%
Acuity A Mut Ins Co	\$ 1,715	2.4%	25.3%	St Paul Mercury Ins Co	\$ 1,622	2.3%	31.6%	Grinnell Mut Reins Co	\$ 1,444	2.2%	25.7%
Lexington Ins Co	\$ 1,607	2.3%	27.6%	Grinnell Mut Reins Co	\$ 1,452	2.0%	33.6%	Acuity A Mut Ins Co	\$ 1,277	2.0%	27.7%
Automotive Underwriters Ins Co A RRG	\$ 1,531	2.2%	29.7%	Acuity A Mut Ins Co	\$ 1,381	1.9%	35.5%	National Farmers Union Prop & Cas	\$ 1,202	1.9%	29.6%
Grinnell Mut Reins Co	\$ 1,462	2.1%	31.8%	Lexington Ins Co	\$ 1,279	1.8%	37.3%	Lexington Ins Co	\$ 1,201	1.9%	31.5%
Zurich American Ins Co	\$ 1,448	2.0%	33.8%	Farmers Union Mut Ins Co	\$ 1,228	1.7%	39.0%	Farmers Union Mut Ins Co	\$ 1,177	1.8%	33.3%
Farmers Union Mut Ins Co	\$ 1,268	1.8%	35.6%	Steadfast Ins Co	\$ 1,045	1.4%	40.4%	St Paul Mercury Ins Co	\$ 1,125	1.8%	35.0%
Arch Specialty Ins Co	\$ 1,116	1.6%	37.2%	Attorneys Liab Protection Soc RRG	\$ 959	1.3%	41.8%	Wausau Business Ins Co	\$ 1,078	1.7%	36.7%
Travelers Property Cas Co Of Amer	\$ 1,111	1.6%	38.8%	Federated Mut Ins Co	\$ 951	1.3%	43.1%	Federated Mut Ins Co	\$ 943	1.5%	38.2%
Steadfast Ins Co	\$ 1,042	1.5%	40.3%	American Home Assur Co	\$ 924	1.3%	44.4%	Attorneys Liab Protection Soc RRG	\$ 928	1.4%	39.6%
Federated Mut Ins Co	\$ 968	1.4%	41.6%	Nodak Mut Ins Co	\$ 871	1.2%	45.6%	Nodak Mut Ins Co	\$ 887	1.4%	41.0%
Mid-Continent Cas Co	\$ 935	1.3%	43.0%	Auto-Owners Ins Co	\$ 851	1.2%	46.7%	Auto-Owners Ins Co	\$ 882	1.4%	42.4%
Attorneys Liab Protection Soc RRG	\$ 935	1.3%	44.3%	Bancinsure Inc	\$ 849	1.2%	47.9%	United Fire & Cas Co	\$ 804	1.3%	43.6%
Auto-Owners Ins Co	\$ 933	1.3%	45.6%	Arch Specialty Ins Co	\$ 809	1.1%	49.0%	State Farm Fire And Cas Co	\$ 784	1.2%	44.9%

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

YEAR:	2008	YEAR:	2007	2006	
	Direct Written Premium (000s)		Direct Written Premium (000s)	Direct Written Premium (000s)	
<u>Company</u>		<u>Company</u>		<u>Company</u>	
American Intl Specialty Lines Ins Co	\$ 5,096.79	American Intl Specialty Lines Ins Co	\$ 4,154.65	American Intl Specialty Lines Ins Co	\$ 4,229.96
Lexington Ins Co	\$ 1,650.79	Lexington Ins Co	\$ 1,143.40	Lexington Ins Co	\$ 1,468.20
Nodak Mut Ins Co	\$ 1,096.79	Interstate Fire & Cas Co	\$ 902.20	Steadfast Ins Co	\$ 1,053.29
Attorneys Liab Protection Soc RRG	\$ 839.01	Attorneys Liab Protection Soc RRG	\$ 891.01	Attorneys Liab Protection Soc RRG	\$ 965.94
Interstate Fire & Cas Co	\$ 822.45	Steadfast Ins Co	\$ 803.96	Interstate Fire & Cas Co	\$ 776.30
Steadfast Ins Co	\$ 636.44	Arch Specialty Ins Co	\$ 627.55	Chubb Custom Ins Co	\$ 616.55
Colony Ins Co	\$ 484.67	Illinois Union Ins Co	\$ 599.22	St Paul Surplus Lines Ins Co	\$ 583.37
AXIS Surplus Ins Co	\$ 407.50	Praetorian Specialty Ins Co	\$ 499.80	Mount Vernon Fire Ins Co	\$ 522.77
Arch Specialty Ins Co	\$ 385.10	Columbia Cas Co	\$ 479.80	Nautilus Ins Co	\$ 430.48
Nautilus Ins Co	\$ 367.37	Scottsdale Ins Co	\$ 440.72	Liberty Surplus Ins Corp	\$ 403.05
Scottsdale Ins Co	\$ 353.83	St Paul Surplus Lines Ins Co	\$ 415.67	Colony Ins Co	\$ 368.71
Liberty Surplus Ins Corp	\$ 331.35	Mount Vernon Fire Ins Co	\$ 397.94	Evanston Ins Co	\$ 327.25
James River Ins Co	\$ 330.48	Nautilus Ins Co	\$ 396.21	Columbia Cas Co	\$ 323.11
St Paul Surplus Lines Ins Co	\$ 325.41	Colony Ins Co	\$ 396.09	Scottsdale Ins Co	\$ 315.04
Namic Ins Co Inc	\$ 314.53	Travelers Excess & Surplus Lines Co	\$ 375.00	Darwin Select Ins Co	\$ 304.46
Houston Cas Co	\$ 307.68	Evanston Ins Co	\$ 336.82	Namic Ins Co Inc	\$ 291.67
Columbia Cas Co	\$ 296.74	Namic Ins Co Inc	\$ 301.70	Burlington Ins Co	\$ 287.94
Travelers Excess & Surplus Lines Co	\$ 290.00	Homeland Ins Co of NY	\$ 282.16	Northfield Ins Co	\$ 285.63
Endurance Amer Specialty Ins Co	\$ 288.69	Maxum Ind Co	\$ 249.71	Clarendon Amer Ins Co	\$ 239.07
Northfield Ins Co	\$ 252.13	General Star Ind Co	\$ 242.11	General Star Ind Co	\$ 236.73
Chubb Custom Ins Co	\$ 246.61	Northfield Ins Co	\$ 240.91	Acceptance Ind Ins Co	\$ 223.26
Evanston Ins Co	\$ 244.99	Liberty Surplus Ins Corp	\$ 227.96	AXIS Surplus Ins Co	\$ 220.46
General Star Ind Co	\$ 236.18	AXIS Surplus Ins Co	\$ 222.83	Allied World Assur Co US Inc	\$ 197.00
Colony Natl Ins Co	\$ 208.48	Houston Cas Co	\$ 207.89	Houston Cas Co	\$ 171.95
Mount Vernon Fire Ins Co	\$ 205.38	James River Ins Co	\$ 193.53	Century Surety Co	\$ 156.95
US Rail Ins Co A RRG	\$ 201.22	Burlington Ins Co	\$ 189.56	Arch Specialty Ins Co	\$ 130.73
Landmark Amer Ins Co	\$ 184.40	Endurance Amer Specialty Ins Co	\$ 183.43	Rockhill Ins Co	\$ 130.00
Illinois Union Ins Co	\$ 165.08	Colony Natl Ins Co	\$ 150.00	Landmark Amer Ins Co	\$ 120.02
Berkley Regional Specialty Ins Co	\$ 164.48	Landmark Amer Ins Co	\$ 117.48	North American Capacity Ins Co	\$ 111.56
Title Industry Assur Co RRG	\$ 158.67	Capitol Specialty Ins Corp	\$ 111.33	United Natl Ins Co	\$ 104.01
Burlington Ins Co	\$ 144.80	Darwin Select Ins Co	\$ 103.90	Union Ins Co Of Providence	\$ 102.53
Maxum Ind Co	\$ 121.93	Union Ins Co Of Providence	\$ 103.54	STICO Mut Ins Co RRG	\$ 92.58
STICO Mut Ins Co RRG	\$ 117.02	Allied World Assur Co US Inc	\$ 93.43	Tudor Ins Co	\$ 73.19
Acceptance Ind Ins Co	\$ 116.70	Acceptance Ind Ins Co	\$ 93.25	Hermitage Ins Co	\$ 70.80
Darwin Select Ins Co	\$ 114.26	Title Industry Assur Co RRG	\$ 91.52	Western Pacific Mut Ins Co RRG	\$ 69.13
Capitol Specialty Ins Corp	\$ 109.44	Admiral Ins Co	\$ 90.71	Gemini Ins Co	\$ 64.17
Old Republic Ins Co	\$ 109.18	Berkley Regional Specialty Ins Co	\$ 88.68	MT Hawley Ins Co	\$ 63.00
Allied World Assur Co US Inc	\$ 108.20	First Specialty Ins Corp	\$ 88.00	Navigators Specialty Ins Co	\$ 62.23
MT Hawley Ins Co	\$ 107.85	United Natl Ins Co	\$ 82.58	Maxum Ind Co	\$ 60.98
Union Ins Co Of Providence	\$ 104.71	First Mercury Ins Co	\$ 82.13	James River Ins Co	\$ 59.73
First Mercury Ins Co	\$ 100.53	Chubb Custom Ins Co	\$ 77.24	Admiral Ins Co	\$ 53.74
Tudor Ins Co	\$ 94.84	STICO Mut Ins Co RRG	\$ 76.61	Essex Ins Co	\$ 52.61
Hermitage Ins Co	\$ 76.22	MT Hawley Ins Co	\$ 73.13	Western Heritage Ins Co	\$ 46.93
Navigators Specialty Ins Co	\$ 73.70	Tudor Ins Co	\$ 70.85	Usf Ins Co	\$ 44.99
CHC Cas RRG	\$ 71.13	Hudson Specialty Ins Co	\$ 70.12	Princeton Excess & Surplus Lines Ins	\$ 44.00
Hudson Specialty Ins Co	\$ 56.60	Hermitage Ins Co	\$ 69.37	Hudson Specialty Ins Co	\$ 39.62
Century Surety Co	\$ 55.90	Rockhill Ins Co	\$ 58.88	Illinois Union Ins Co	\$ 36.50
Penn Star Ins Co	\$ 54.47	Essex Ins Co	\$ 53.06	Western World Ins Co	\$ 35.28
Westchester Surplus Lines Ins Co	\$ 53.50	Navigators Specialty Ins Co	\$ 51.42	Attorneys Liab Assur Society Inc RRG	\$ 33.29
Homeland Ins Co of NY	\$ 53.00	Century Surety Co	\$ 46.70	National Fire & Marine Ins Co	\$ 32.63
United Natl Ins Co	\$ 46.81	Western Pacific Mut Ins Co RRG	\$ 43.20	American Feed Industry Ins Co RRG	\$ 31.95
American Feed Industry Ins Co RRG	\$ 44.72	Western World Ins Co	\$ 41.42	American Safety RRG Inc	\$ 31.24
Western World Ins Co	\$ 42.18	Western Heritage Ins Co	\$ 37.13	Catlin Specialty Ins Co	\$ 26.43
North Amer Capacity Ins Co	\$ 42.07	Clarendon Amer Ins Co	\$ 36.05	Capitol Specialty Ins Corp	\$ 26.30
First Specialty Ins Corp	\$ 38.55	Westchester Surplus Lines Ins Co	\$ 34.92	Penn-Star Ins Co	\$ 25.14
Attorneys Liab Assur Society Inc RRG	\$ 34.98	Usf Ins Co	\$ 34.06	Westchester Surplus Lines Ins Co	\$ 23.69
Essex Ins Co	\$ 34.51	American Feed Industry Ins Co RRG	\$ 33.80	First Mercury Ins Co	\$ 22.39
National Fire & Marine Ins Co	\$ 31.51	American Safety RRG Inc	\$ 28.42	Berkley Regional Specialty Ins Co	\$ 20.52
Great Amer E&S Ins Co	\$ 29.95	Attorneys Liab Assur Society Inc RRG	\$ 28.27	XL Select	\$ 20.00
American Safety RRG Inc	\$ 29.21	National Fire & Marine Ins Co	\$ 25.22	Homeland Ins Co of NY	\$ 17.90
Western Heritage Ins Co	\$ 25.09	XL Select	\$ 20.00	PCH Mut Ins Co Inc RRG	\$ 17.62
Usf Ins Co	\$ 23.61	North Amer Capacity Ins Co	\$ 19.20	United Educators Ins RRG Inc	\$ 14.87
XL Select	\$ 23.25	Gotham Ins Co	\$ 19.00	Atlantic Cas Ins Co	\$ 13.61
Everest Ind Ins Co	\$ 22.59	Penn Star Ins Co	\$ 18.56	Heritage Warranty Ins RRG Inc	\$ 10.43
The Cincinnati Specialty Underwriter	\$ 20.10	PCH Mut Ins Co Inc RRG	\$ 14.86	Gotham Ins Co	\$ 10.00
Western Pacific Mut Ins Co RRG	\$ 18.93	United Educators Ins RRG Inc	\$ 14.16	Cpa Mut Ins Co Of Amer RRG	\$ 9.52
United Specialty Ins Co	\$ 16.92	CHC Cas RRG	\$ 12.68	Spirit Mountain Ins Co RRG Inc	\$ 8.59
PCH Mut Ins Co Inc RRG	\$ 15.12	Catlin Specialty Ins Co	\$ 10.17	AXIS Specialty Ins Co	\$ 7.94
United Educators Ins RRG Inc	\$ 14.16	Atlantic Cas Ins Co	\$ 9.19	CHC Cas RRG	\$ 7.91
Rockhill Ins Co	\$ 13.89	Spirit Mountain Ins Co RRG Inc	\$ 8.35	First Specialty Ins Corp	\$ 7.22
Gotham Ins Co	\$ 12.00	Prime Ins Syndicate Inc	\$ 8.22	Savers Prop & Cas Ins Co	\$ 6.92
Admiral Ins Co	\$ 10.19	Great Amer E&S Ins Co	\$ 8.09	Great American E&S Ins Co	\$ 6.68
Spirit Mountain Ins Co RRG Inc	\$ 9.99	American Safety Ind Co	\$ 7.78	Prime Insurance Syndicate Inc	\$ 5.95
American Safety Ind Co	\$ 9.42	Savers Prop & Cas Ins Co	\$ 6.93	Restoration RRG Inc	\$ 5.78
Prime Ins Syndicate Inc	\$ 9.26	Restoration RRG Inc	\$ 6.03	National Home Ins Co RRG	\$ 5.32
Catlin Specialty Ins Co	\$ 8.86	Everest Ind Ins Co	\$ 5.05	Everest Ind Ins Co	\$ 4.95
Ironshore Specialty Ins Co	\$ 8.50	Gemini Ins Co	\$ 4.54	Capital Assur RRG Inc	\$ 4.71
Cpa Mut Ins Co Of Amer RRG	\$ 7.31	AXIS Specialty Ins Co	\$ 4.51	American Safety Ind Co	\$ 4.44
Old Republic Union Ins Co	\$ 7.30	Max Specialty Ins Co	\$ 3.28	Discover Specialty Ins Co	\$ 3.13
Atlantic Cas Ins Co	\$ 7.20	Discover Specialty Ins Co	\$ 3.09	American Western Home Ins Co	\$ 2.14
Savers Prop & Cas Ins Co	\$ 6.74	American Western Home Ins Co	\$ 1.04	Executive Risk Specialty Ins Co	\$ 1.03
Gemini Ins Co	\$ 6.69	National Home Ins Co RRG	\$ 0.75		\$ 17,137.60
Restoration RRG Inc	\$ 5.99		\$ 17,893.72		
Max Specialty Ins Co	\$ 4.70				
AIX Specialty Ins Co	\$ 3.43				
Clarendon Amer Ins Co	\$ 2.91				
National Serv Contract Ins Co RRG	\$ 2.39				
Philadelphia Ins Co	\$ 2.33				
Executive Risk Specialty Ins Co	\$ 2.06				
Scaffold Industry Ins Co RRG Inc	\$ 1.98				
American Western Home Ins Co	\$ 1.35				
Discover Specialty Ins Co	\$ 1.28				
National Home Ins Co RRG	\$ 0.71				
Security Amer RRG Inc	\$ 0.70				
ProAssurance Specialty Ins Co	\$ 0.70				
Associated Intl Ins Co	\$ 0.04				
	\$ 19,439.33				

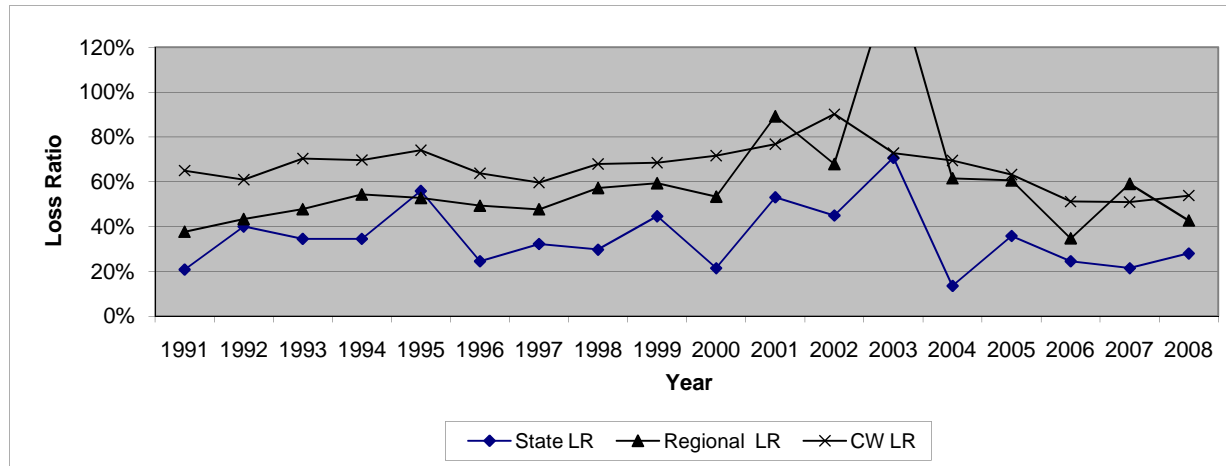
EXHIBIT IIC: NORTH DAKOTA OTHER LIABILITY MARKET SHARE- SURPLUS (non-licensed)

YEAR:	2005		2004		2003
	Direct Written Premium (000s)	Company	Direct Written Premium (000s)	Company	Direct Written Premium (000s)
	\$ 2,049.03	Clarendon Amer Ins Co	\$ 1,279.31	Lexington Ins Co	\$ 1,201.14
	\$ 1,607.06	Lexington Ins Co	\$ 1,044.94	Attorneys Liab Protection Soc RRG	\$ 928.04
	\$ 1,530.66	Automotive Underwriters Ins Co A RRG	\$ 959.00	Steadfast Ins Co	\$ 784.23
	\$ 1,115.67	Arch Specialty Ins Co	\$ 809.16	Columbia Cas Co	\$ 695.66
	\$ 1,042.31	Steadfast Ins Co	\$ 613.07	Gulf Underwriters Ins Co	\$ 675.71
	\$ 935.46	Attorneys Liab Protection Soc RRG	\$ 565.01	Arch Specialty Ins Co	\$ 625.16
	\$ 722.93	Interstate Fire & Cas Co	\$ 530.64	Scottsdale Ins Co	\$ 549.52
	\$ 561.95	Mount Vernon Fire Ins Co	\$ 514.70	United Natl Ins Co	\$ 512.49
	\$ 548.73	St Paul Surplus Lines Ins Co	\$ 478.06	Mount Vernon Fire Ins Co	\$ 459.41
	\$ 504.60	Nautilus Ins Co	\$ 427.30	Evanston Ins Co	\$ 394.00
	\$ 438.28	Evanston Ins Co	\$ 355.19	Nautilus Ins Co	\$ 388.85
	\$ 426.45	Acceptance Ind Ins Co	\$ 277.15	Northfield Ins Co	\$ 343.84
	\$ 414.59	Burlington Ins Co	\$ 265.01	Northfield Ins Co	\$ 322.46
	\$ 353.35	American Intl Specialty Lines Ins Co	\$ 262.04	Burlington Ins Co	\$ 315.98
	\$ 348.72	Scottsdale Ins Co	\$ 258.69	General Star Ind Co	\$ 263.42
	\$ 316.11	Namic Ins Co Inc	\$ 206.30	Houston Cas Co	\$ 263.42
	\$ 265.93	Northfield Ins Co	\$ 205.55	First Specialty Ins Corp	\$ 246.77
	\$ 252.68	Columbia Cas Co	\$ 180.66	American Intl Specialty Lines Ins Co	\$ 236.46
	\$ 232.82	General Star Ind Co	\$ 179.05	Capitol Specialty Ins Corp	\$ 226.25
	\$ 221.89	Colony Ins Co	\$ 172.90	Chubb Custom Ins Co	\$ 169.88
	\$ 172.40	Liberty Surplus Ins Corp	\$ 160.00	Acceptance Ind Ins Co	\$ 165.22
	\$ 172.15	Century Surety Co	\$ 159.46	Landmark Amer Ins Co	\$ 137.21
	\$ 151.34	AXIS Surplus Ins Co	\$ 136.51	Western Heritage Ins Co	\$ 136.79
	\$ 136.57	Admiral Ins Co	\$ 112.32	Empire Ind Ins Co	\$ 135.76
	\$ 130.00	Allied World Assur Co US Inc	\$ 103.04	Colony Ins Co	\$ 134.95
	\$ 121.66	Essex Ins Co	\$ 95.50	Liberty Surplus Ins Corp	\$ 131.13
	\$ 98.94	Union Ins Co Of Providence	\$ 92.29	Colorado Western Ins Co	\$ 120.05
	\$ 91.33	Chubb Custom Ins Co	\$ 91.20	Clarendon Amer Ins Co	\$ 98.33
	\$ 88.92	Houston Cas Co	\$ 86.67	Interstate Fire & Cas Co	\$ 97.32
	\$ 78.28	Capitol Specialty Ins Corp	\$ 79.38	Admiral Ins Co	\$ 97.27
	\$ 73.29	Title Industry Assur Co RRG	\$ 74.42	Great American E&S Ins Co	\$ 90.44
	\$ 70.18	AXIS Specialty Ins Co	\$ 67.71	James River Ins Co	\$ 76.88
	\$ 60.10	MT Hawley Ins Co	\$ 65.85	Everest Ind Ins Co	\$ 76.16
	\$ 59.40	United Natl Ins Co	\$ 64.86	Executive Risk Specialty Ins Co	\$ 72.38
	\$ 58.94	NIC Ins Co	\$ 56.43	Union Ins Co Of Providence	\$ 71.42
	\$ 58.83	Great American E&S Ins Co	\$ 55.67	Title Industry Assur Co RRG	\$ 70.11
	\$ 54.89	Tudor Ins Co	\$ 51.86	Namic Ins Co Inc	\$ 69.23
	\$ 52.19	National Fire & Marine Ins Co	\$ 49.91	Hermitage Ins Co	\$ 60.38
	\$ 51.68	Hermitage Ins Co	\$ 47.94	Tudor Ins Co	\$ 59.71
	\$ 51.25	STICO Mut Ins Co RRG	\$ 42.24	St Paul Surplus Lines Ins Co	\$ 59.16
	\$ 50.13	Landmark Amer Ins Co	\$ 41.14	Western World Ins Co	\$ 51.77
	\$ 49.58	James River Ins Co	\$ 40.24	NIC Ins Co	\$ 51.70
	\$ 49.41	North American Capacity Ins Co	\$ 35.40	Automotive Underwriters Ins Co Inc	\$ 46.26
	\$ 48.93	Gulf Underwriters Ins Co	\$ 35.00	Essex Ins Co	\$ 40.70
	\$ 47.44	Alea North Amer Specialty Ins Co	\$ 31.61	American Safety RRG Inc	\$ 39.16
	\$ 42.85	Empire Ind Ins Co	\$ 31.49	National Fire & Marine Ins Co	\$ 38.19
	\$ 41.13	Western World Ins Co	\$ 31.24	MT Hawley Ins Co	\$ 36.65
	\$ 38.32	Prime Insurance Syndicate Inc	\$ 30.43	Penn-Star Ins Co	\$ 36.35
	\$ 33.73	Attorneys Liab Assur Society Inc RRG	\$ 28.82	Century Surety Co	\$ 34.84
	\$ 32.86	Homeland Ins Co of NY	\$ 26.46	Prime Insurance Syndicate Inc	\$ 34.82
	\$ 32.37	American Feed Industry Ins Co RRG	\$ 24.92	Maxum Ind Co	\$ 30.70
	\$ 31.04	Heritage Warranty Ins RRG Inc	\$ 24.12	Steel Tank Ins Co RRG	\$ 30.15
	\$ 30.62	Illinois Union Ins Co	\$ 24.12	Gemini Ins Co	\$ 26.59
	\$ 29.28	Maxum Ind Co	\$ 21.13	Heritage Warranty Ins RRG Inc	\$ 24.45
	\$ 27.21	North Pointe Casualty Ins Co	\$ 19.92	AXIS Surplus Ins Co	\$ 23.28
	\$ 23.49	American Safety RRG Inc	\$ 19.07	St Charles Ins Co RRG	\$ 14.82
	\$ 21.84	Princeton Excess & Surplus Lines Ins	\$ 18.61	Western Pacific Mut Ins Co RRG	\$ 14.39
	\$ 20.44	Usf Ins Co	\$ 18.16	American Equity Ins Co	\$ 14.29
	\$ 19.60	Penn-Star Ins Co	\$ 17.86	United Educators Ins RRG Inc	\$ 13.56
	\$ 15.55	First Mercury Ins Co	\$ 17.53	Usf Ins Co	\$ 11.09
	\$ 15.34	Atlantic Cas Ins Co	\$ 16.26	Royal Surplus Lines Ins Co	\$ 10.11
	\$ 14.87	United Educators Ins RRG Inc	\$ 15.29	Colony Natl Ins Co	\$ 9.55
	\$ 13.36	Western Heritage Ins Co	\$ 14.87	Capital Assur RRG Inc	\$ 7.73
	\$ 12.57	Gemini Ins Co	\$ 14.85	National Home Ins Co RRG	\$ 7.24
	\$ 11.56	Hudson Specialty Ins Co	\$ 14.33	TIG Specialty Ins Corp	\$ 7.03
	\$ 11.18	CHC Cas RRG	\$ 14.31	Cpa Mut Ins Co Of Amer RRG	\$ 5.61
	\$ 10.92	Gotham Ins Co	\$ 12.06	National Svc Contract Ins Co Rrg	\$ 4.72
	\$ 10.86	Cpa Mut Ins Co Of Amer RRG	\$ 10.27	Savers Prop & Cas Ins Co	\$ 3.20
	\$ 10.04	St Charles Ins Co RRG	\$ 10.01	American Safety Ind Co	\$ 3.00
	\$ 9.92	Western Pacific Mut Ins Co RRG	\$ 9.37	Westchester Surplus Lines Ins Co	\$ 2.57
	\$ 7.83	Capital Assur RRG Inc	\$ 9.16	North American Capacity Ins Co	\$ 2.50
	\$ 6.45	National Home Ins Co RRG	\$ 7.84	Canal Ind Co	\$ 0.56
	\$ 6.03	Savers Prop & Cas Ins Co	\$ 7.49	Monticello Ins Co	\$ 0.45
	\$ 5.89	Restoration RRG Inc	\$ 3.75	Podiatry Ins Co Of Amer A Mut Co	\$ 0.14
	\$ 5.61	American Safety Ind Co	\$ 3.22	American Western Home Ins Co	\$ 0.12
	\$ 4.75	Associated Intl Ins Co	\$ 2.66	TIG Ins Co Of MI	\$ 0.05
	\$ 3.75	Everest Ind Ins Co	\$ 1.20	General Security Ind Co of AZ	\$ 0.00
	\$ 3.40	Westchester Surplus Lines Ins Co	\$ 0.81		\$ 11,977.49
	\$ 3.34	Wellington Specialty Ins Co	\$ 0.26		
	\$ 3.25	Spirit Mountain Ins Co RRG Inc	\$ 0.00		
	\$ 2.69	American Western Home Ins Co	\$ 11,958.11		
	\$ 2.18	First Specialty Ins Corp			
	\$ 1.20	National Svc Contract Ins Co RRG			
	\$ 0.85	K-M Ins Co			
	\$ 0.11	Discover Specialty Ins Co			
	\$ 16,585.33				

OTHER LIABILITY

EXHIBIT III: HISTORICAL LOSS RATIOS

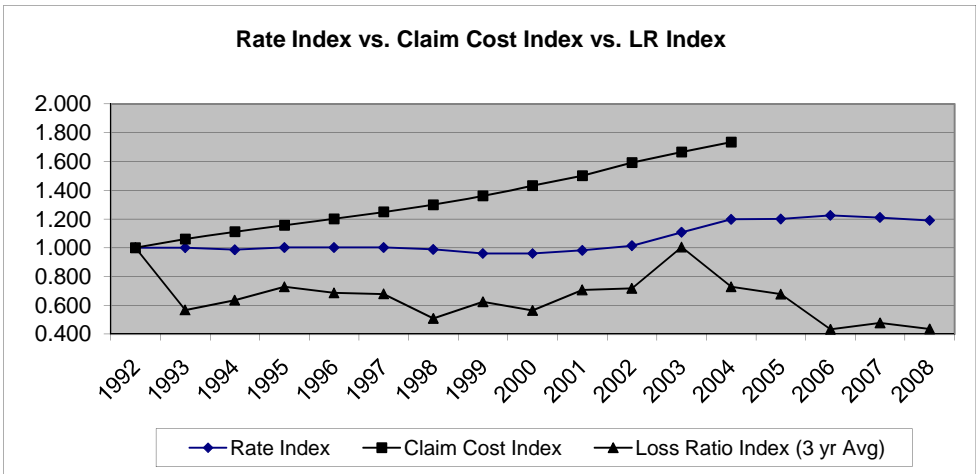
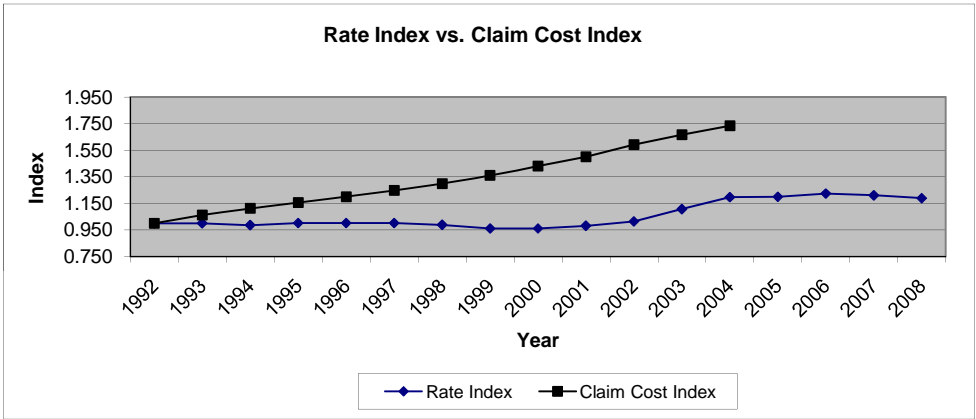
Year	Statewide Loss Ratio	Regional Loss Ratio	Countrywide Loss Ratio
1991	21%	38%	65%
1992	40%	43%	61%
1993	34%	48%	70%
1994	34%	54%	70%
1995	56%	53%	74%
1996	24%	49%	64%
1997	32%	48%	60%
1998	30%	57%	68%
1999	45%	59%	68%
2000	21%	53%	72%
2001	53%	89%	77%
2002	45%	68%	90%
2003	71%	154%	73%
2004	13%	61%	69%
2005	36%	61%	63%
2006	24%	35%	51%
2007	21%	59%	51%
2008	28%	43%	54%



OTHER LIABILITY

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

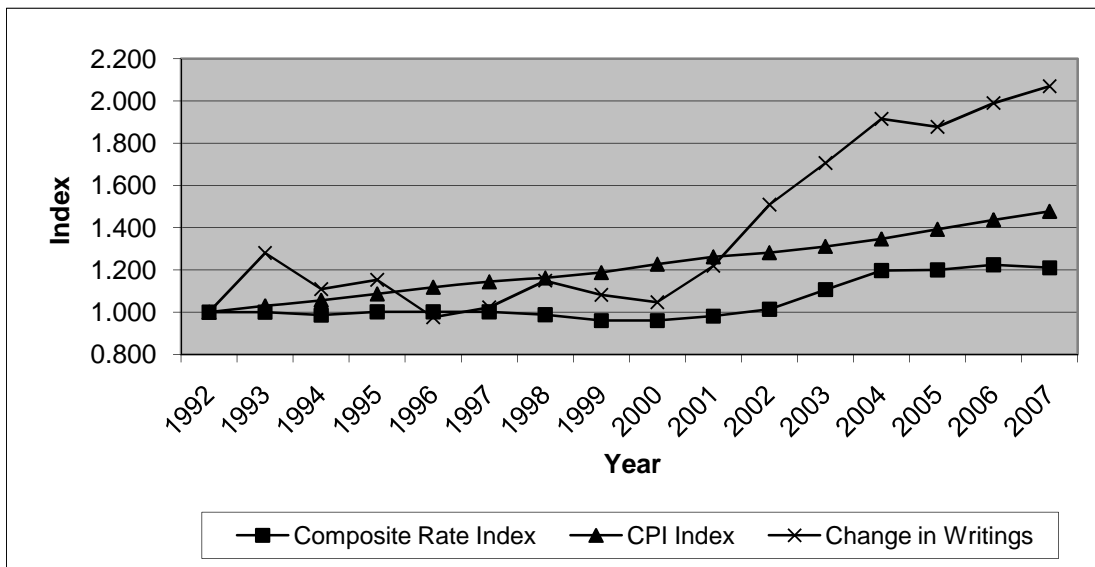
Year	Composite Rate Index	Relevant Claim Cost Index	Statewide 3 Yr LR Indexed to 1992
1992	1.000	1.000	1.000
1993	1.000	1.061	0.567
1994	0.986	1.112	0.634
1995	1.001	1.155	0.729
1996	1.001	1.200	0.686
1997	1.001	1.248	0.678
1998	0.988	1.298	0.508
1999	0.960	1.361	0.624
2000	0.960	1.431	0.564
2001	0.981	1.500	0.707
2002	1.014	1.592	0.716
2003	1.107	1.666	1.004
2004	1.197	1.735	0.728
2005	1.200	NA	0.677
2006	1.224	NA	0.432
2007	1.210	NA	0.477
2008	1.189	NA	0.434



OTHER LIABILITY

EXHIBIT V: CHANGE IN PREMIUM WRITINGS

Year	Statewide Written Premium (000s)	Change in Writings	Indexed to 1992	Composite Rate Index	Consumer Price Index
1991	\$ 32,337				
1992	\$ 37,644	16.4%	1.00	1.000	1.000
1993	\$ 48,219	28.1%	1.28	1.000	1.030
1994	\$ 41,746	-13.4%	1.11	0.986	1.056
1995	\$ 43,420	4.0%	1.15	1.001	1.086
1996	\$ 36,748	-15.4%	0.98	1.001	1.118
1997	\$ 38,505	4.8%	1.02	1.001	1.144
1998	\$ 43,263	12.4%	1.15	0.988	1.162
1999	\$ 40,734	-5.8%	1.08	0.960	1.187
2000	\$ 39,430	-3.2%	1.05	0.960	1.227
2001	\$ 45,898	16.4%	1.22	0.981	1.262
2002	\$ 56,801	23.8%	1.51	1.014	1.282
2003	\$ 64,237	13.1%	1.71	1.107	1.311
2004	\$ 72,105	12.2%	1.92	1.197	1.346
2005	\$ 70,668	-2.0%	1.88	1.200	1.392
2006	\$ 74,917	6.0%	1.99	1.224	1.437
2007	\$ 77,917	4.0%	2.07	1.210	1.478
2008	\$ 82,285	5.6%	2.19	1.189	1.535



OTHER LIABILITY

EXHIBIT VI: FIELD MARKET SURVEY

Available Markets	<u>Fewer</u> 7	8.2%	<u>Same</u> 69	81.2%	<u>More</u> 9	10.6%	<u>Total Responses</u> 85
Rate Changes	<u>Increased</u> 16	19.8%	<u>Same</u> 59	72.8%	<u>Decreased</u> 6	7.4%	<u>Total Responses</u> 81
Under Writing Changes	<u>More Strict</u> 11	13.8%	<u>Same</u> 66	82.5%	<u>Less Strict</u> 3	3.8%	<u>Total Responses</u> 80
Finding Coverage	<u>Always</u> 26	32.5%	<u>Occasionally Not</u> 50	62.5%	<u>Frequently Unable</u> 4	5.0%	<u>Total Responses</u> 80

OTHER LIABILITY

EXHIBIT VII – RESIDUAL MARKET POPULATION

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

OTHER LIABILITY

EXHIBIT VIII - MATRIX OF INDICATORS

Factor	Competitive Level		
	Low	Moderate	High
Market Concentration (Herfindahl index)			XX
Market Share Analysis –Market Share Changes			XX
Market Share Analysis –Company Changes			XX
Market Share Analysis – Surplus (non-licensed)		XX	
Historical Loss Ratios (Statewide, Regional, and Countrywide)	NA	NA	NA
Loss Ratios vs Rate Change vs Claims Cost Indexes		XX	
Change in Premium Writings	NA	NA	NA
Field Market Survey Results-October 2008		XX	
Residual Market Population			XX
Final ranking based upon all factors: High			

Addendum 8 Narrative Summary – Crop - Hail

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

Exhibit I -Market Concentration (Herfindahl index)

The Herfindahl index suggests that the marketplace is highly concentrated, and thus not competitive. We note that in the past 13 years, fewer than 20 companies have written all of the crop hail business in North Dakota.

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

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

The combined market share of the top 4 writers has increased steadily since 2002. Additionally, the top 2 writers have been the same for the past five years. There has however, been a fair amount of movement below these two writers. The steadily increasing market share of the top 4 writers indicates a low competitive level in the market place.

Exhibit II-B – Market Share Analysis –Company Changes

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

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

This conflicting information leads us to assign a moderate ranking of the competitive level.

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

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

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

In the past 12 years, crop hail loss ratios have fluctuated considerably on a statewide, regional and countrywide basis. Four of the past five years have been profitable ones for the industry. This information by itself does not offer an indication as to the competitive level of the marketplace.

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

Up until 2007, rate changes have mirrored changes in the claim cost index (which is based upon revenue per acre statistics from the National Agriculture Statistics Service). In the past two years, rates have remained level while the claim cost index has risen sharply. This would suggest that the marketplace is moderately competitive.

Exhibit V – Change in Premium Writings

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

Exhibit VI – Field Market Survey Results-September 2008

The results of this survey represent a snapshot of the market as of September 2008.

Comparing the 2007 survey with past surveys yields mixed results: There are some indications that the market is becoming more competitive, while other comparisons suggest the market is becoming less competitive. With only 46 respondents to the 2008 survey, the results are not credible enough to move off our previous assessment of a low competitive level.

Exhibit VII – Residual Market Population

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

Exhibit VIII – Matrix of Indicators

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

Final assessment

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

CROP HAIL

EXHIBIT I: MARKET CONCENTRATION

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

Benchmarks:

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

Merger guidelines of U.S. Dept of Justice

Post-merger market Herfindahl index

> 1,800 - highly concentrated

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

< 1,000 - unconcentrated

CROP HAIL

EXHIBIT IIA: NORTH DAKOTA MARKET SHARE REPORT

Year: 2008				Year: 2007				Year: 2006			
Company	Direct WP (in 000s)	Market Share	Cumulative	Company	Direct WP (in 000s)	Market Share	Cumulative	Company	Direct WP (in 000s)	Market Share	Cumulative
Farmers Mutual Hail Ins Co of IA	\$ 18,037	27.3%	27.3%	Farmers Mutual Hail Ins Co of IA	\$ 15,314	28.2%	28.2%	Farmers Mutual Hail Ins Co of IA	\$ 15,891	30.6%	30.6%
Fireman's Fund Insurance Company	\$ 15,881	24.0%	51.3%	Fireman's Fund Insurance Company	\$ 11,395	21.0%	49.1%	Fireman's Fund Insurance Company	\$ 12,003	23.1%	53.7%
Nodak Mutual Insurance Co.	\$ 5,285	8.0%	59.3%	Producers Agriculture Insurance Company	\$ 7,389	13.6%	62.7%	Nodak Mutual Insurance Co.	\$ 4,505	8.7%	62.3%
NAU Country Insurance Co	\$ 5,063	7.7%	66.9%	Nodak Mutual Insurance Co.	\$ 4,525	8.3%	71.0%	Great American Insurance Co.	\$ 4,142	8.0%	70.3%
Producers Agriculture Insurance Company	\$ 4,645	7.0%	73.9%	Great American Insurance Co.	\$ 3,611	6.6%	77.7%	NAU Country Insurance Company	\$ 3,649	7.0%	77.3%
ACE Property & Casualty Insurance Company	\$ 4,035	6.1%	80.0%	NAU Country Insurance Co	\$ 3,294	6.1%	83.7%	ACE Property & Casualty Insurance Company	\$ 3,575	6.9%	84.2%
Great American Insurance Co.	\$ 3,834	5.8%	85.8%	Indemnity Ins. Co. of North America	\$ 3,231	5.9%	89.7%	Indemnity Ins. Co. of North America	\$ 2,673	5.1%	89.4%
Indemnity Ins. Co. of North America	\$ 3,519	5.3%	91.1%	ACE Property & Casualty Insurance Company	\$ 2,454	4.5%	94.2%	American Agri-Business Insurance Company	\$ 1,714	3.3%	92.6%
CUMIS Insurance Society	\$ 1,588	2.4%	93.5%	American Agri-Business Insurance Company	\$ 929	1.7%	95.9%	Producers Agriculture Insurance Company	\$ 1,589	3.1%	95.7%
John Deere Risk Protection, Inc.	\$ 1,302	2.0%	95.5%	Agri General Insurance Co.	\$ 924	1.7%	97.6%	Agri General Insurance Co.	\$ 978	1.9%	97.6%
American Agri-Business Insurance Company	\$ 1,334	2.0%	97.5%	American Agri-Business Insurance Company	\$ 490	0.9%	98.5%	Farmers Alliance Mutual Insurance Co.	\$ 607	1.2%	98.8%
Agri General Insurance Co.	\$ 670	1.0%	98.5%	John Deere Risk Protection, Inc.	\$ 448	0.8%	99.3%	State Farm Fire & Casualty Co.	\$ 353	0.7%	99.4%
State Farm Fire & Casualty Co.	\$ 431	0.7%	99.2%	State Farm Fire & Casualty Co.	\$ 352	0.6%	100.0%	John Deere Risk Protection, Inc.	\$ 295	0.6%	100.0%
Greenwich Insurance Company	\$ 228	0.3%	99.5%	Greenwich Insurance Company	\$ 11	0.0%	100.0%	Greenwich Insurance Company	\$ 0	0.0%	100.0%
Stonington Insurance Company	\$ 226	0.3%	99.9%	Stonington Insurance Company	\$ 3	0.0%	100.0%				
Clearwater Insurance Company	\$ 61	0.1%	100.0%								
American West Insurance Co.	\$ 16	0.0%	100.0%								

Year: 2005				Year: 2004				Year: 2003			
Company	Direct WP (in 000s)	Market Share	Cumulative	Company	Direct WP (in 000s)	Market Share	Cumulative	Company	Direct WP (in 000s)	Market Share	Cumulative
Farmers Mutual Hail Ins Co of IA	\$ 15,817	27.1%	27.1%	Farmers Mutual Hail Ins Co of IA	\$ 13,256	23.8%	23.8%	Farmers Mutual Hail Ins Co of IA	\$ 15,218	24.5%	24.5%
Firemens' Fund Insurance Company	\$ 12,714	21.8%	48.9%	Firemens' Fund Insurance Company	\$ 10,585	19.0%	42.9%	Great American Insurance Co.	\$ 7,973	12.8%	37.4%
Nodak Mutual Insurance Co.	\$ 6,247	10.7%	59.6%	Great American Insurance Co.	\$ 7,712	13.9%	56.7%	Empire Fire & Marine Insurance Co.	\$ 7,395	11.9%	49.3%
Great American Insurance Co.	\$ 6,230	10.7%	70.3%	Nodak Mutual Insurance Co.	\$ 6,562	11.8%	68.5%	Alliance Insurance Co.	\$ 6,395	10.3%	59.6%
Farmers Alliance Mutual Insurance Co.	\$ 5,732	9.8%	80.1%	Farmers Alliance Mutual Insurance Co.	\$ 5,958	10.7%	79.2%	Farmers Alliance Mutual Insurance Co.	\$ 6,104	9.8%	69.4%
ACE Property & Casualty Insurance Company	\$ 4,201	7.2%	87.3%	ACE Property & Casualty Insurance Company	\$ 3,865	6.9%	86.2%	Nodak Mutual Insurance Co.	\$ 5,674	9.1%	78.5%
Indemnity Ins. Co. of North America	\$ 3,889	6.7%	94.0%	National Farmers Union P&C	\$ 3,735	6.7%	92.9%	ACE Property & Casualty Insurance Company	\$ 4,260	6.9%	85.4%
Agri General Insurance Co.	\$ 1,384	2.4%	96.3%	NAU Country Insurance Co	\$ 1,559	2.8%	95.7%	National Farmers Union P&C	\$ 4,147	6.7%	92.1%
American Agri-Business Insurance Company	\$ 759	1.3%	97.6%	Agri General Insurance Co.	\$ 1,399	2.5%	98.2%	NAU Country Insurance Co	\$ 1,683	2.7%	94.8%
Producers Agriculture Insurance Company	\$ 736	1.3%	98.9%	State Farm Fire & Casualty Co.	\$ 497	0.9%	99.1%	Agri General Insurance Co.	\$ 1,424	2.3%	97.1%
State Farm Fire & Casualty Co.	\$ 394	0.7%	99.6%	American Agri-Business Insurance Company	\$ 272	0.5%	99.6%	Fireman's Fund Ins. Co.	\$ 1,099	1.8%	98.8%
John Deere Risk Protection, Inc.	\$ 147	0.3%	99.8%	Producers Agriculture Insurance Co.	\$ 154	0.3%	99.9%	State Farm Fire & Casualty Co.	\$ 504	0.8%	99.7%
Greenwich Insurance Company	\$ 91	0.2%	100.0%	Greenwich Insurance Company	\$ 66	0.1%	100.0%	GuideOne Specialty Mutual Insurance Compan	\$ 162	0.3%	99.9%
American West Insurance Co.	\$ 5	0.0%						Greenwich Insurance Company	\$ 43	0.1%	100.0%
								American West Insurance Co.	\$ 6	0.0%	100.0%

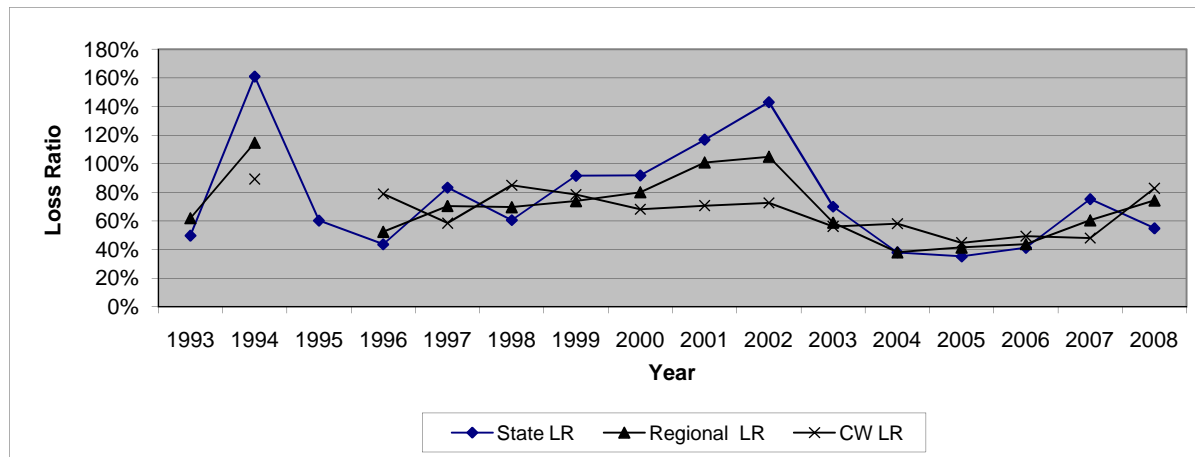
EXHIBIT IIC: NORTH DAKOTA CROP HAIL MARKET SHARE- SURPLUS (non-licensed)

This information is not available for this line.

CROP HAIL

EXHIBIT III: HISTORICAL LOSS RATIOS

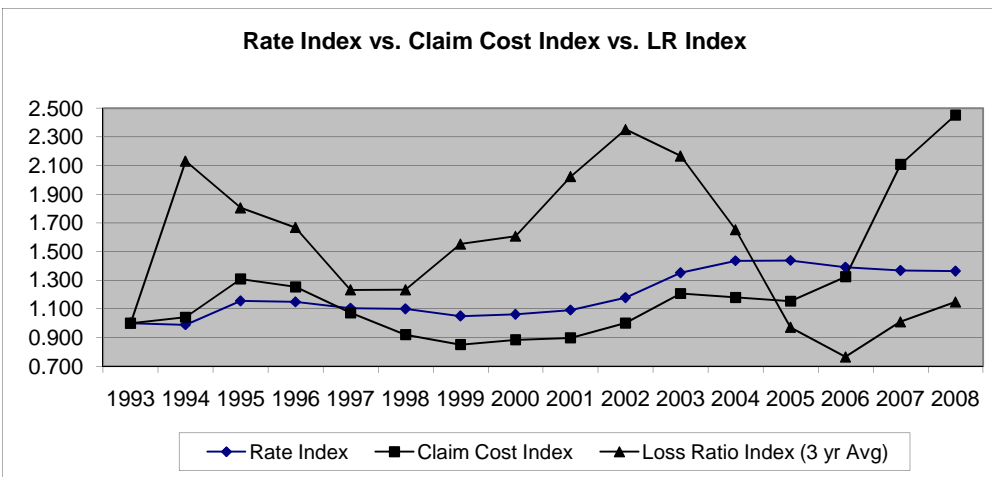
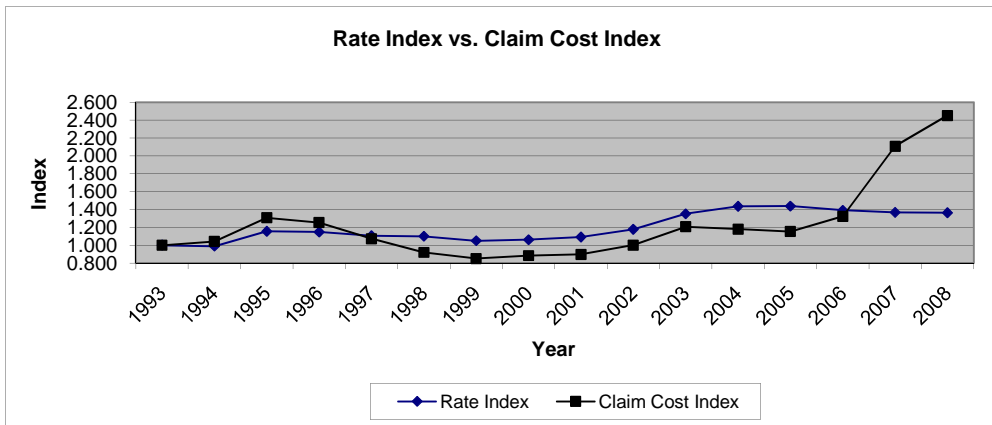
Year	Statewide Loss Ratio	Regional Loss Ratio	Countrywide Loss Ratio
1993	50%	62%	
1994	161%	115%	89%
1995	60%		
1996	44%	53%	79%
1997	83%	71%	58%
1998	61%	70%	85%
1999	92%	74%	79%
2000	92%	80%	68%
2001	117%	101%	71%
2002	143%	105%	73%
2003	70%	59%	56%
2004	38%	38%	58%
2005	35%	41%	45%
2006	41%	44%	49%
2007	75%	60%	48%
2008	55%	74%	83%



CROP HAIL

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

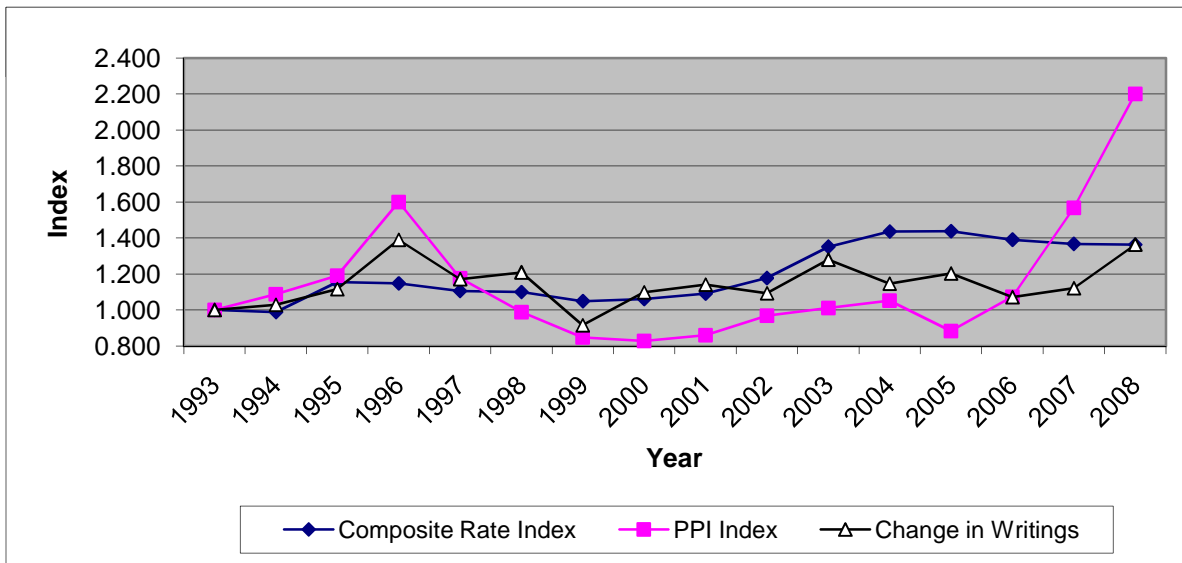
Year	Composite Rate Index	Relevant Claim Cost Index	Statewide 3 Yr LR Indexed to 1993
1993	1.000	1.000	1.000
1994	0.988	1.042	2.131
1995	1.155	1.308	1.804
1996	1.148	1.253	1.667
1997	1.105	1.072	1.232
1998	1.099	0.919	1.234
1999	1.049	0.850	1.552
2000	1.061	0.884	1.607
2001	1.091	0.897	2.022
2002	1.177	1.001	2.351
2003	1.351	1.207	2.165
2004	1.435	1.179	1.652
2005	1.438	1.153	0.971
2006	1.390	1.324	0.764
2007	1.367	2.107	1.010
2008	1.363	2.452	1.148



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EXHIBIT V: CHANGE IN PREMIUM WRITINGS

Year	Statewide Written Premium (000s)	Change in Writings	Indexed 1993	Composit Rate Index	Producer Price Index
1993	\$ 48,517		1.000	1.000	1.000
1994	\$ 49,925	2.9%	1.029	0.988	1.087
1995	\$ 54,148	8.5%	1.116	1.155	1.192
1996	\$ 67,424	24.5%	1.390	1.148	1.599
1997	\$ 56,843	-15.7%	1.172	1.105	1.177
1998	\$ 58,673	3.2%	1.209	1.099	0.988
1999	\$ 44,405	-24.3%	0.915	1.049	0.848
2000	\$ 53,273	20.0%	1.098	1.061	0.829
2001	\$ 55,342	3.9%	1.141	1.091	0.859
2002	\$ 53,038	-4.2%	1.093	1.177	0.968
2003	\$ 62,086	17.1%	1.280	1.351	1.011
2004	\$ 55,621	-10.4%	1.146	1.435	1.052
2005	\$ 58,346	4.9%	1.203	1.438	0.883
2006	\$ 51,972	-10.9%	1.071	1.390	1.073
2007	\$ 54,370	4.6%	1.121	1.367	1.568
2008	\$ 66,155	21.7%	1.364	1.363	2.201



CROP HAIL

EXHIBIT VI: FIELD MARKET SURVEY

Available Markets	<u>Fewer</u> 8	17.4%	<u>Same</u> 34	73.9%	<u>More</u> 4	8.7%	<u>Total Responses</u> 46
Rate Changes	<u>Increased</u> 13	31.7%	<u>Same</u> 20	48.8%	<u>Decreased</u> 8	19.5%	<u>Total Responses</u> 41
Underwriting Changes	<u>More Strict</u> 6	14.6%	<u>Same</u> 34	82.9%	<u>Less Strict</u> 1	2.4%	<u>Total Responses</u> 41
Finding Coverage	<u>Always</u> 34	82.9%	<u>Occasionally Not</u> 6	14.6%	<u>Frequently Unable</u> 1	2.4%	<u>Total Responses</u> 41

CROP HAIL

EXHIBIT VII – RESIDUAL MARKET POPULATION

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

CROP - HAIL

EXHIBIT VIII - MATRIX OF INDICATORS

Factor	Competitive Level		
	Low	Moderate	High
Market Concentration (Herfindahl index)	XX		
Market Share Analysis –Market Share Changes	XX		
Market Share Analysis –Company Changes		XX	
Market Share Analysis – Surplus (non-licensed)	NA	NA	NA
Historical Loss Ratios (Statewide, Regional, and Countrywide)	NA	NA	NA
Loss Ratios vs Rate Change vs Claims Cost Indexes		XX	
Change in Premium Writings	NA	NA	NA
Field Market Survey Results-October 2008	XX		
Residual Market Population			XX

Final ranking based upon all factors: Low

ADDENDUM 9 - TECHNICAL NOTES

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

Claim Cost Index (CCI) – A measure of change of contributing claim cost factors (such as parts, cost of repairs, medical care, physician and attorney’s fees, construction costs, loss of income etc.). The information is found in the 2008 PCI Greenbook. Note that the indices were only available through 2004. For the Private Passenger Auto, Commercial Auto, Homeowner and Farmowner lines, a different CPI index was used as a proxy.

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

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

Consumer Price Index (CPI) – A measure of the change in prices paid by consumers for a representative basket of goods and services. The information is found in the 2008 PCI Greenbook, with the exception of the Crop Hail line.

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

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

Field Survey September 2008 – The department conducted an informal survey of the attendees of the annual agent forums held at seven locations across the state. The results were compiled and included in this analysis.

Herfindahl Index – A measure of the market’s concentration level. The index is equal to the sum of the squares of each company’s percentage of market share. All companies are included in each market analysis. New for 2004, the index was computed at the company group level. Note: Due to different data reporting requirements for county mutuals, their data was not able to be included in this analysis.

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

National Association of Insurance Commissioners (NAIC) State Average Expenditures of Premiums for Personal Auto Insurance- The NAIC conducts an analysis annually of the cost of automobile insurance in all fifty states and the District of Columbia. The most recent report released in 2008 evaluates the market through 2006. The report shows both the average premium cost and the ranking of each state.

Property Casualty Insurers (PCI) Greenbook – The PCI publishes an annual compilation of property and casualty insurance statistics. The most current report available for this analysis was 2008.

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

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