

Property and Casualty

Market Analysis

SEPTEMBER 2015

North Dakota Insurance Department

**Market Analysis
North Dakota Insurance Department
September 2015**

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Market Analysis Overview

The market analysis is performed annually the Product Filing Division, as part of the division's goals. The purpose of the report is to monitor and evaluate trends in affordability and availability of coverage in critical markets.

Critical Markets

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

- The principal focus of the analysis initially was with regard to property insurance because of the history of severe 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 2014
Exhibit VII – Residual Market Population
Exhibit VIII – Matrix of Indicators

Description of Market Analysis Components

A description of each component used in the analysis is shown below:

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 less 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 2014.

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 – This exhibit provides 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 - This exhibit illustrates 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 over a six year period.

Exhibit III – Historical Loss Ratios (Statewide, Regional, and Countrywide) – This exhibit summarizes historical statewide loss ratios over the most recent ten years, and compares them to the corresponding regional and countrywide loss ratios.

Exhibit IV – Loss Ratios vs Rate Change vs Claims Cost Index – This exhibit compares the statewide rolling three year loss ratio (indexed to a base year) to both the composite rate index (representing filed 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 - This exhibit displays annual changes in total premium volume for each market. The percentage change is then compared to the Composite Rate Index and the Consumer Price Index.

Exhibit VI – Field Market Survey Results-September 2014 – 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 from the previous Fall.

Exhibit VII – Residual Market Population - This exhibit summarizes the current status and population of the residual market mechanisms (if any) for each market.

Exhibit VIII – Matrix of Indicators – This exhibit summarizes 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 moderately competitive market. For certain niche classes of business the market may be non-competitive.

Crop Hail – A moderately 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. The Herfindahl index has decreased slightly in each of the last nine 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 regional carriers.

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

The combined market share of the top twenty writers has been below 82% each of the past six years. The top writer accounts for less than 13% of the market. This suggests that the market is competitive.

Exhibit II-B – Market Share Analysis –Company Changes

While in recent calendar years we've added only one or two new carriers into the top 20, there continues to be considerable movement among all companies within the top 20. This suggests that the market is competitive.

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)

The statewide loss ratios in Exhibit III suggest that the Personal Automobile insurance market has been profitable over the past 10 years. We also note that they tend to be lower than regional and countrywide loss ratios during this time. This information by itself is not an indicator of the competitive level of the marketplace.

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

The graphs show that rates have not quite kept pace with the Auto Repair CPI index, lagging somewhat in reaction to favorable loss experience as evidenced by the favorable loss ratio index.

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 2012, the most current year available.

This information indicates that the market is competitive.

Exhibit V – Change in Premium Writings

The statewide premium volume has increased 30% since 2004, which tracks closely with the Consumer Price Index. This suggests the market is competitive.

Exhibit VI – Field Market Survey Results-September 2014

The 2014 Field Market Survey results were not available for this report.

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

With the exception of the Field Market Survey and the Historical Loss Ratio comparison, all indicators reflect a highly competitive market.

Final assessment

The evaluation of the market through the year 2014 indicates a highly competitive market.

PRIVATE PASSENGER AUTO

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
1995	49.3%	77.6%		34.2%	52.2%	
1996	48.8%	76.5%		34.3%	51.9%	
1997	47.9%	76.6%		33.2%	51.0%	
1998	46.9%	76.4%		32.6%	50.7%	
1999	45.3%	76.4%		30.9%	49.4%	
2000	44.5%	78.0%		29.5%	48.6%	
2001	44.5%	78.6%		29.4%	48.8%	
2002	45.3%	80.6%		28.7%	48.7%	
2003	44.0%	83.0%		27.8%	48.3%	
2004	44.6%	84.2%	(827)	27.0%	48.4%	(634)
2005	45.2%	84.6%	(840)	26.5%	48.9%	(643)
2006	45.0%	84.5%	(839)	26.2%	49.0%	(651)
2007	45.1%	83.5%	(833)	26.1%	48.7%	(656)
2008	45.5%	81.9%	(827)	26.2%	49.0%	(691)
2009	44.9%	81.6%	(813)	26.3%	49.6%	(703)
2010	44.6%	81.2%	(812)	26.3%	49.7%	(703)
2011	43.6%	80.4%	(804)	26.3%	49.6%	(717)
2012	41.8%	81.0%	(794)	25.8%	48.7%	(719)
2013	41.0%	80.5%	(792)	25.9%	48.7%	(736)
2014	39.9%	80.6%	(738)	26.4%	48.6%	(755)

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 > 1,800 - highly concentrated

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

< 1,000 - unconcentrated

PRIVATE PASSENGER AUTO

EXHIBIT IIA: NORTH DAKOTA MARKET SHARE REPORT

Year: 2014				Year: 2013				Year: 2012			
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	\$ 55,230	12.5%	12.5%	State Farm Mut Auto Ins Co	\$ 52,743	12.8%	12.8%	State Farm Mut Auto Ins Co	\$ 49,983	13.1%	13.1%
Progressive Northwestern Ins Co	\$ 44,280	10.0%	22.5%	Progressive Northwestern Ins Co	\$ 40,868	10.0%	22.8%	Progressive Northwestern Ins Co	\$ 38,339	10.0%	23.1%
National Farmers Union Prop & Cas	\$ 39,028	8.8%	31.3%	American Family Mut Ins Co	\$ 37,339	9.1%	31.9%	American Family Mut Ins Co	\$ 36,444	9.5%	32.7%
American Family Mut Ins Co	\$ 38,007	8.6%	39.9%	National Farmers Union Prop & Cas	\$ 37,235	9.1%	41.0%	Nodak Mut Ins Co	\$ 34,986	9.2%	41.8%
Nodak Mut Ins Co	\$ 34,594	7.8%	47.8%	Nodak Mut Ins Co	\$ 35,123	8.6%	49.5%	National Farmers Union Prop & Cas	\$ 34,262	9.0%	50.8%
Progressive Direct Ins Co	\$ 23,425	5.3%	53.1%	Progressive Direct Ins Co	\$ 19,609	4.8%	54.3%	Progressive Direct Ins Co	\$ 16,162	4.2%	55.0%
Center Mut Ins Co	\$ 18,416	4.2%	57.2%	Center Mut Ins Co	\$ 13,093	3.2%	57.5%	Center Mut Ins Co	\$ 12,543	3.3%	58.3%
Mid Century Ins Co	\$ 11,999	2.7%	59.9%	Mid Century Ins Co	\$ 12,037	2.9%	60.4%	Mid Century Ins Co	\$ 11,604	3.0%	61.3%
Allstate Ins Co	\$ 10,554	2.4%	62.3%	Owners Ins Co	\$ 10,471	2.6%	63.0%	Owners Ins Co	\$ 10,763	2.8%	64.2%
Owners Ins Co	\$ 10,370	2.3%	64.7%	Allstate Ins Co	\$ 9,057	2.2%	65.2%	North Star Mut Ins Co	\$ 8,335	2.2%	66.3%
North Star Mut Ins Co	\$ 9,535	2.2%	66.8%	North Star Mut Ins Co	\$ 8,989	2.2%	67.4%	Allstate Ins Co	\$ 7,991	2.1%	68.4%
Geico Gen Ins Co	\$ 7,602	1.7%	68.5%	Safeco Ins Co Of Amer	\$ 6,606	1.6%	69.0%	United Serv Automobile Assn	\$ 6,107	1.6%	70.0%
Allied Prop & Cas Ins Co	\$ 7,240	1.6%	70.2%	Geico Gen Ins Co	\$ 6,582	1.6%	70.6%	Memberselect Ins Co	\$ 5,938	1.6%	71.6%
Safeco Ins Co Of Amer	\$ 7,144	1.6%	71.8%	Memberselect Ins Co	\$ 6,481	1.6%	72.2%	Dakota Fire Ins Co	\$ 5,615	1.5%	73.0%
Grinnell Select Ins Co	\$ 7,028	1.6%	73.4%	United Serv Automobile Assn	\$ 6,367	1.6%	73.7%	Grinnell Select Ins Co	\$ 5,518	1.4%	74.5%
State Farm Fire & Cas Co	\$ 6,778	1.5%	74.9%	Grinnell Select Ins Co	\$ 6,293	1.5%	75.2%	Safeco Ins Co Of Amer	\$ 5,411	1.4%	75.9%
United Serv Automobile Assn	\$ 6,630	1.5%	76.4%	Geico Ind Co	\$ 5,612	1.4%	76.6%	Geico Gen Ins Co	\$ 5,243	1.4%	77.3%
Geico Ind Co	\$ 6,443	1.5%	77.9%	Meridian Security Ins Co	\$ 5,353	1.3%	77.9%	Meridian Security Ins Co	\$ 5,069	1.3%	78.6%
USAA Gen Ind Co	\$ 6,324	1.4%	79.3%	State Farm Fire & Cas Co	\$ 5,319	1.3%	79.2%	American Standard Ins Co of WI	\$ 4,644	1.2%	79.8%
Memberselect Ins Co	\$ 5,811	1.3%	80.6%	Dakota Fire Ins Co	\$ 5,317	1.3%	80.5%	Grinnell Mut Reins Co	\$ 4,598	1.2%	81.0%
Year: 2011				Year: 2010				Year: 2009			
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	\$ 48,249	13.6%	13.6%	State Farm Mut Auto Ins Co	\$ 46,824	14.0%	14.0%	State Farm Mut Auto Ins Co	\$ 44,090	13.8%	13.8%
American Family Mut Ins Co	\$ 37,450	10.6%	24.2%	American Family Mut Ins Co	\$ 38,056	11.4%	25.4%	American Family Mut Ins Co	\$ 36,910	11.6%	25.4%
Progressive Northwestern Ins Co	\$ 34,878	9.9%	34.1%	Nodak Mut Ins Co	\$ 32,346	9.7%	35.1%	Progressive Northwestern Ins Co	\$ 31,674	9.9%	35.3%
Nodak Mut Ins Co	\$ 33,626	9.5%	43.6%	Progressive Northwestern Ins Co	\$ 31,903	9.5%	44.6%	Nodak Mut Ins Co	\$ 30,555	9.6%	44.9%
National Farmers Union Prop & Cas	\$ 30,095	8.5%	52.1%	National Farmers Union Prop & Cas	\$ 27,523	8.2%	52.9%	National Farmers Union Prop & Cas	\$ 26,586	8.3%	53.3%
Progressive Direct Ins Co	\$ 13,054	3.7%	55.8%	Center Mut Ins Co	\$ 11,342	3.4%	56.3%	Center Mut Ins Co	\$ 11,362	3.6%	56.8%
Center Mut Ins Co	\$ 11,589	3.3%	59.0%	Owners Ins Co	\$ 10,834	3.2%	59.5%	Owners Ins Co	\$ 10,184	3.2%	60.0%
Owners Ins Co	\$ 10,932	3.1%	62.1%	Progressive Direct Ins Co	\$ 10,745	3.2%	62.7%	Progressive Direct Ins Co	\$ 8,415	2.6%	62.7%
North Star Mut Ins Co	\$ 7,303	2.1%	64.2%	Farmers Ins Exch	\$ 7,613	2.3%	65.0%	Farmers Ins Exch	\$ 8,190	2.6%	65.2%
Allstate Ins Co	\$ 6,690	1.9%	66.1%	North Star Mut Ins Co	\$ 6,408	1.9%	66.9%	Dakota Fire Ins Co	\$ 5,923	1.9%	67.1%
Farmers Ins Exch	\$ 5,943	1.7%	67.7%	Allstate Ins Co	\$ 5,836	1.7%	68.7%	United Serv Automobile Assn	\$ 5,738	1.8%	68.9%
United Serv Automobile Assn	\$ 5,830	1.6%	69.4%	United Serv Automobile Assn	\$ 5,755	1.7%	70.4%	North Star Mut Ins Co	\$ 5,570	1.7%	70.6%
Dakota Fire Ins Co	\$ 5,645	1.6%	71.0%	Dakota Fire Ins Co	\$ 5,268	1.6%	72.0%	Grinnell Mut Reins Co	\$ 5,519	1.7%	72.4%
Grinnell Select Ins Co	\$ 5,085	1.4%	72.4%	Grinnell Mut Reins Co	\$ 5,096	1.5%	73.5%	Allstate Ins Co	\$ 5,397	1.7%	74.1%
Memberselect Ins Co	\$ 4,935	1.4%	73.8%	Safeco Ins Co Of Amer	\$ 4,964	1.5%	75.0%	Safeco Ins Co Of Amer	\$ 4,861	1.5%	75.6%
Mid Century Ins Co	\$ 4,854	1.4%	75.2%	Meridian Security Ins Co	\$ 4,531	1.4%	76.3%	American Standard Ins Co of WI	\$ 4,276	1.3%	76.9%
Grinnell Mut Reins Co	\$ 4,810	1.4%	76.5%	Grinnell Select Ins Co	\$ 4,526	1.4%	77.7%	Grinnell Select Ins Co	\$ 3,886	1.2%	78.1%
Meridian Security Ins Co	\$ 4,762	1.3%	77.9%	American Standard Ins Co of WI	\$ 4,108	1.2%	78.9%	State Farm Fire & Cas Co	\$ 3,872	1.2%	79.4%
Safeco Ins Co Of Amer	\$ 4,695	1.3%	79.2%	Memberselect Ins Co	\$ 3,905	1.2%	80.1%	Meridian Security Ins Co	\$ 3,756	1.2%	80.5%
Geico Gen Ins Co	\$ 4,210	1.2%	80.4%	State Farm Fire & Cas Co	\$ 3,704	1.1%	81.2%	Amco Ins Co	\$ 3,546	1.1%	81.6%

PRIVATE PASSENGER AUTO

EXHIBIT IIA: NORTH DAKOTA MARKET SHARE REPORT (by Group)

Year: 2014				Year: 2013				Year: 2012			
<u>Group/Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>	<u>Group/Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>	<u>Group/Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>
PROGRESSIVE GRP	\$ 67,705	15.3%	15.3%	PROGRESSIVE GRP	\$ 60,477	14.7%	14.7%	PROGRESSIVE GRP	\$ 54,501	14.3%	14.3%
STATE FARM GRP	\$ 62,008	14.0%	29.3%	STATE FARM GRP	\$ 58,062	14.1%	28.9%	STATE FARM GRP	\$ 54,395	14.2%	28.5%
AMERICAN FAMILY INS GRP	\$ 43,419	9.8%	39.2%	AMERICAN FAMILY INS GRP	\$ 42,383	10.3%	39.2%	AMERICAN FAMILY INS GRP	\$ 41,088	10.8%	39.3%
QBE INS GRP	\$ 39,028	8.8%	48.0%	QBE INS GRP	\$ 37,235	9.1%	48.3%	Nodak Mut Grp	\$ 36,066	9.4%	48.7%
Nodak Mut Grp	\$ 36,677	8.3%	56.3%	Nodak Mut Grp	\$ 36,683	8.9%	57.2%	QBE INS GRP	\$ 34,262	9.0%	57.7%
UNITED SERV AUTOMOBILE ASSN GRP	\$ 17,583	4.0%	60.3%	FARMERS INS GRP	\$ 16,363	4.0%	61.2%	ZURICH INS GRP	\$ 15,449	4.0%	61.7%
FARMERS INS GRP	\$ 16,890	3.8%	64.1%	UNITED SERV AUTOMOBILE ASSN GRP	\$ 15,645	3.8%	65.0%	UNITED SERV AUTOMOBILE ASSN GRP	\$ 13,902	3.6%	65.4%
BERKSHIRE HATHAWAY GRP	\$ 16,724	3.8%	67.9%	BERKSHIRE HATHAWAY GRP	\$ 14,700	3.6%	68.6%	AUTO OWNERS GRP	\$ 13,798	3.6%	69.0%
AUTO OWNERS GRP	\$ 13,231	3.0%	70.9%	AUTO OWNERS GRP	\$ 13,485	3.3%	71.9%	Center Mut Ins Co	\$ 12,543	3.3%	72.2%
GRINNELL MUT GRP	\$ 11,727	2.7%	73.5%	GRINNELL MUT GRP	\$ 10,947	2.7%	74.5%	BERKSHIRE HATHAWAY GRP	\$ 11,970	3.1%	75.4%
ALLSTATE INS GRP	\$ 11,540	2.6%	76.1%	ALLSTATE INS GRP	\$ 9,190	2.2%	76.8%	GRINNELL MUT GRP	\$ 10,116	2.6%	78.0%
NATIONWIDE CORP GRP	\$ 11,315	2.6%	78.7%	NATIONWIDE CORP GRP	\$ 9,078	2.2%	79.0%	NORTH STAR CO GRP	\$ 8,335	2.2%	80.2%
NORTH STAR CO GRP	\$ 9,535	2.2%	80.8%	NORTH STAR CO GRP	\$ 8,989	2.2%	81.2%	ALLSTATE INS GRP	\$ 8,072	2.1%	82.3%
LIBERTY MUT GRP	\$ 8,482	1.9%	82.7%	LIBERTY MUT GRP	\$ 7,678	1.9%	83.0%	STATE AUTO MUT GRP	\$ 7,375	1.9%	84.3%
Country Ins & Fin Serv Grp	\$ 7,922	1.8%	84.5%	STATE AUTO MUT GRP	\$ 7,497	1.8%	84.9%	AUTOMOBILE CLUB MI GRP	\$ 7,171	1.9%	86.1%
STATE AUTO MUT GRP	\$ 7,499	1.7%	86.2%	AUTOMOBILE CLUB MI GRP	\$ 7,427	1.8%	86.7%	Country Ins & Fin Serv Grp	\$ 6,983	1.8%	88.0%
AUTOMOBILE CLUB MI GRP	\$ 6,451	1.5%	87.7%	Country Ins & Fin Serv Grp	\$ 7,380	1.8%	88.5%	NATIONWIDE CORP GRP	\$ 6,866	1.8%	89.8%
METROPOLITAN GRP	\$ 6,415	1.5%	89.1%	EMC INS CO GRP	\$ 6,556	1.6%	90.1%	EMC INS CO GRP	\$ 6,851	1.8%	91.5%
EMC INS CO GRP	\$ 5,805	1.3%	90.5%	HORACE MANN GRP	\$ 4,176	1.0%	91.1%	LIBERTY MUT GRP	\$ 6,269	1.6%	93.2%
HORACE MANN GRP	\$ 4,394	1.0%	91.5%	METROPOLITAN GRP	\$ 4,000	1.0%	92.1%	HORACE MANN GRP	\$ 3,911	1.0%	94.2%

PRIVATE PASSENGER AUTO

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
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
2009	3	9
2010	2	9
2011	2	13
2012	1	12
2013	2	10
2014	2	11

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

YEAR:	2014		2013		2012
	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

YEAR:	2011		2010		2009
	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

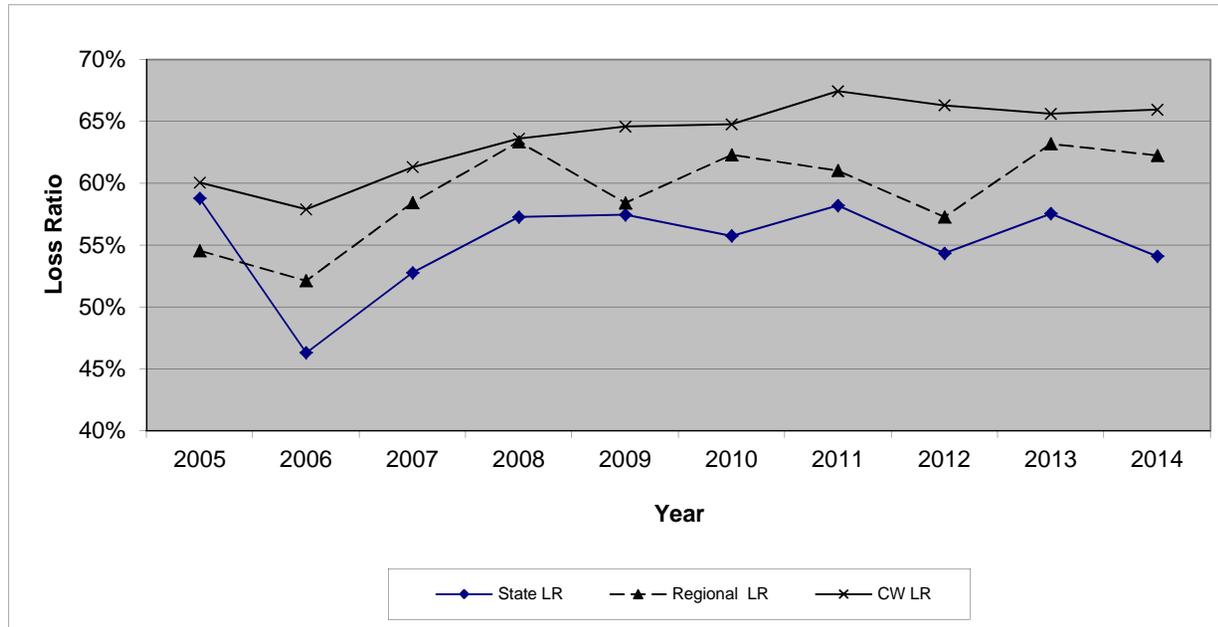
YEAR:	2008		2007		2006
	Direct Written Premium <u>(000s)</u>	<u>Company</u>	Direct Written Premium <u>(000s)</u>	<u>Company</u>	Direct Written Premium <u>(000s)</u>
	NONE		NONE		NONE

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

PRIVATE PASSENGER AUTO

EXHIBIT III: HISTORICAL LOSS RATIOS

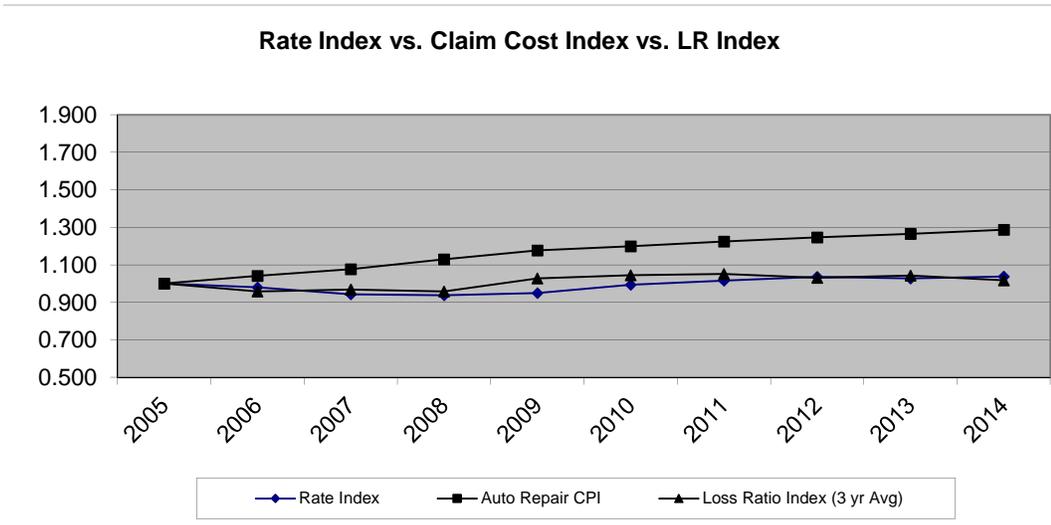
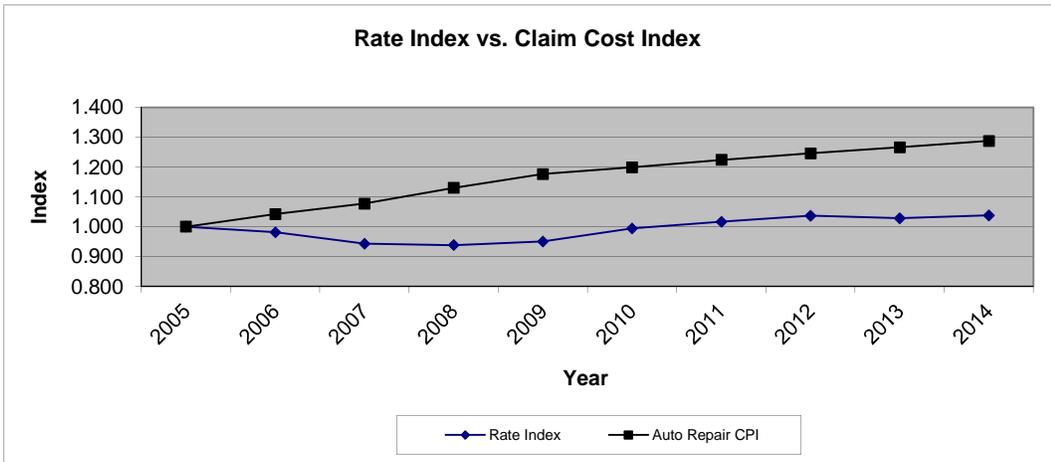
Year	Statewide Loss Ratio	Regional Loss Ratio	Countrywide Loss Ratio
2005	59%	55%	60%
2006	46%	52%	58%
2007	53%	58%	61%
2008	57%	63%	64%
2009	57%	58%	65%
2010	56%	62%	65%
2011	58%	61%	67%
2012	54%	57%	66%
2013	58%	63%	66%
2014	54%	62%	66%



PRIVATE PASSENGER AUTO

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

Year	Composite Rate Index	Relevant Auto Repair CPI	Statewide 3 Yr LR Index
2005	1.000	1.000	1.000
2006	0.981	1.042	0.958
2007	0.943	1.077	0.969
2008	0.938	1.130	0.958
2009	0.951	1.177	1.027
2010	0.994	1.199	1.045
2011	1.016	1.224	1.051
2012	1.037	1.246	1.031
2013	1.029	1.266	1.043
2014	1.038	1.288	1.018



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EXHIBIT IV PAGE 2

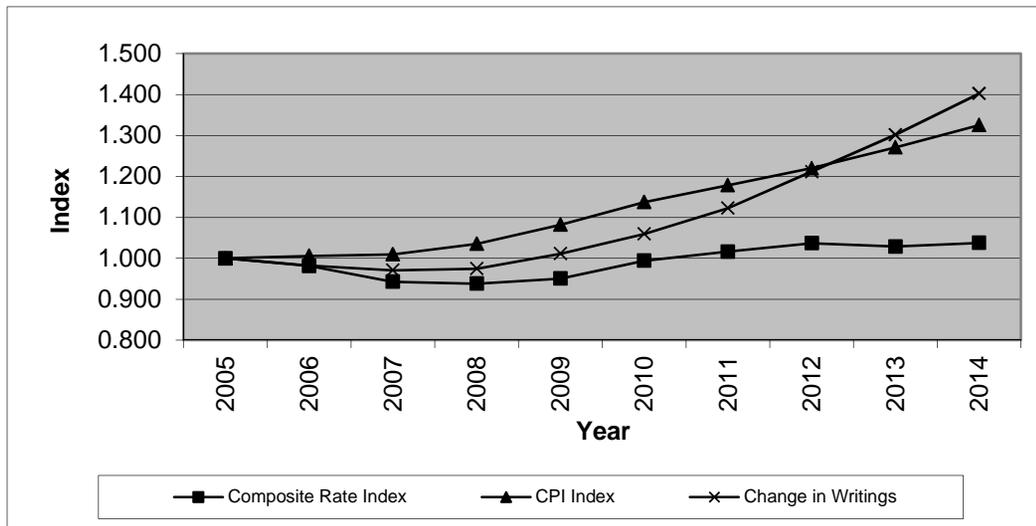
NORTH DAKOTA AVERAGE PREMIUMS AND COUNTRYWIDE RANKINGS

Year	Average Liability Premium	Rank	Average Collision Premium	Rank	Average Comprehensive Premium	Rank	Average Combined Premium	Rank
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	\$251.07	51	\$ 184.72	51	\$ 221.84	2	\$ 657.63	49
2008	241.62	51	\$ 186.03	50	\$ 215.94	2	\$ 643.59	49
2009	239.79	51	\$ 191.70	50	\$ 218.87	2	\$ 650.36	50
2010	250.41	51	\$ 198.18	50	\$ 220.90	2	\$ 669.49	48
2011	260.86	51	\$ 208.25	45	\$ 219.64	2	\$ 688.75	46
2012	272.71	51	\$ 216.62	45	\$ 225.42	3	\$ 714.75	45
2013		****	2013 information is not yet available		*****			
2014		****	2014 information is not yet available		*****			

PRIVATE PASSENGER AUTO

EXHIBIT V: CHANGE IN PREMIUM WRITINGS

Year	Statewide Written Premium (000s)	Change in Writings	Indexed	Composite Rate Index	Consumer Price Index
2005	\$ 315,328		1.00	1.000	1.000
2006	\$ 309,717	-1.8%	0.98	0.981	1.006
2007	\$ 306,089	-1.2%	0.97	0.943	1.010
2008	\$ 307,389	0.4%	0.97	0.938	1.035
2009	\$ 318,835	3.7%	1.01	0.951	1.082
2010	\$ 334,141	4.8%	1.06	0.994	1.137
2011	\$ 353,974	5.9%	1.12	1.016	1.178
2012	\$ 382,037	7.9%	1.21	1.037	1.220
2013	\$ 410,502	7.5%	1.30	1.029	1.271
2014	\$ 442,148	7.7%	1.40	1.038	1.325



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EXHIBIT VI: FIELD MARKET SURVEY

2014 Survey not available.

PRIVATE PASSENGER AUTO

Exhibit VII - RESIDUAL MARKET POPULATION

<u>Year</u>	Private Passenger <u>Auto</u>	Commercial <u>Auto</u>	<u># Registered Vehicles in ND</u>
1991	49	39	708,835
1992	52	39	723,199
1993	54	31	738,037
1994	62	33	757,026
1995	38	19	762,496
1996	29	12	775,466
1997	16	10	769,923
1998	11	7	785,954
1999	14	9	789,741
2000	10	11	792,587
2001	6	14	790,933
2002	2	21	809,459
2003	7	22	820,054
2004	0	7	824,717
2005	0	2	820,078
2006	1	1	821,098
2007	2	9	829,823
2008	2	11	868,999
2009	1	3	863,079
2010	2	2	869,840
2011	0	4	958,639
2012	1	4	1,010,926
2013	1	3	1,041,318
2014	2	1	1,086,849

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			XX
Field Market Survey Results-October 2014	NA	NA	NA
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, North Dakota is a relatively small market that is more easily dominated by regional carriers.

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

In five of the past six years, we have seen a new company among the top 4 writers. The market share for the top four writers has been less than 32% for the past six years, and the market share for the top twenty writers has been at or below 64%. This is indicative of a highly competitive market.

Exhibit II-B – Market Share Analysis –Company Changes

This chart shows that new companies are entering and leaving the top 20 writers each year and that there continues to be a significant amount of movement among the top 20. This suggests that the market is highly competitive.

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

In 2014, the commercial auto premium written in the surplus lines market amounted to less than 2% of the total commercial auto premium written in North Dakota. 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)

Loss experience has been profitable for the past ten years. This is consistent with 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 six years. This is due to the profitable loss experience over that time period. We note that in the Commercial Auto line there are other rating tools, such as experience and schedule rating plans that allow companies to charge higher or lower premiums while not adjusting their filed rate levels.

The fact that rates are stable, in reaction to favorable loss experience and are not keeping pace with the trend in national claim costs is an indication of a highly competitive market.

Exhibit V - Change in Premium Writings

Commercial auto written premiums have increased over 72% in the past 10 years. Most of the increase occurred in the last three calendar years. We suspect that much of this increase is due to the increased long-haul trucking business in the western part of the state.

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.

This information suggests the market is highly competitive.

Exhibit VI – Field Market Survey Results-September 2014

The 2014 Field Market Survey results were not available for this report.

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 Historical loss ratio exhibit, all factors indicate the market is highly competitive.

Final assessment

The evaluation of the market through the year 2014 indicates a highly competitive market.

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	
1995	32.3%	62.7%		8.6%	26.1%	
1996	32.9%	62.0%		8.8%	26.6%	
1997	29.9%	58.9%		9.6%	28.0%	
1998	31.3%	61.8%		5.9%	16.7%	
1999	31.6%	57.8%		9.2%	26.9%	
2000	32.3%	59.3%		8.7%	25.1%	
2001	33.0%	61.8%		8.8%	25.9%	
2002	28.9%	60.1%		9.0%	27.6%	
2003	26.3%	60.9%		9.5%	29.1%	
2004	26.2%	62.7%	(501)	9.1%	28.8%	(280)
2005	26.1%	64.7%	(488)	9.6%	29.3%	(269)
2006	27.8%	64.7%	(536)	9.8%	30.7%	(272)
2007	26.4%	62.4%	(523)	8.4%	28.3%	(281)
2008	26.1%	60.7%	(512)	8.3%	27.6%	(296)
2009	28.0%	59.2%	(547)	8.7%	27.6%	(295)
2010	26.6%	61.1%	(522)	8.6%	28.1%	(302)
2011	30.1%	62.0%	(559)	8.5%	27.3%	(307)
2012	30.3%	61.2%	(514)	8.1%	26.6%	(298)
2013	30.5%	62.2%	(518)	8.0%	26.6%	(267)
2014	31.2%	63.3%	(521)	7.9%	26.1%	(260)

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

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EXHIBIT IIA: NORTH DAKOTA MARKET SHARE REPORT

Year: 2014				Year: 2013				Year: 2012			
<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	\$ 22,898	13.4%	13.4%	Great West Cas Co	\$ 20,965	13.9%	13.9%	Great West Cas Co	\$ 17,035	12.9%	12.9%
United Financial Cas Co	\$ 15,615	9.1%	22.5%	United Financial Cas Co	\$ 11,466	7.6%	21.6%	United Financial Cas Co	\$ 10,706	8.1%	21.0%
Acuity A Mut Ins Co	\$ 8,208	4.8%	27.3%	Zurich Amer Ins Co	\$ 7,110	4.7%	26.3%	Zurich Amer Ins Co	\$ 6,105	4.6%	25.6%
Zurich Amer Ins Co	\$ 6,644	3.9%	31.2%	Acuity A Mut Ins Co	\$ 6,251	4.2%	30.5%	Employers Mut Cas Co	\$ 6,093	4.6%	30.3%
Employers Mut Cas Co	\$ 6,514	3.8%	35.0%	Employers Mut Cas Co	\$ 6,180	4.1%	34.6%	National Cas Co	\$ 5,029	3.8%	34.1%
National Liab & Fire Ins Co	\$ 6,445	3.8%	38.8%	National Ind Co	\$ 5,767	3.8%	38.4%	Acuity A Mut Ins Co	\$ 4,337	3.3%	37.4%
National Cas Co	\$ 4,837	2.8%	41.6%	National Cas Co	\$ 4,192	2.8%	41.2%	Nationwide Mut Ins Co	\$ 3,255	2.5%	39.8%
Arch Ins Co	\$ 4,022	2.4%	44.0%	Continental Western Ins Co	\$ 3,267	2.2%	43.4%	National Ind Co	\$ 3,166	2.4%	42.2%
St Paul Fire & Marine Ins Co	\$ 3,778	2.2%	46.2%	Nationwide Mut Ins Co	\$ 3,102	2.1%	45.4%	Continental Western Ins Co	\$ 2,925	2.2%	44.4%
Liberty Mut Fire Ins Co	\$ 3,399	2.0%	48.2%	Owners Ins Co	\$ 2,928	1.9%	47.4%	Owners Ins Co	\$ 2,788	2.1%	46.5%
Owners Ins Co	\$ 3,208	1.9%	50.0%	Cincinnati Ins Co	\$ 2,841	1.9%	49.3%	Auto Owners Ins Co	\$ 2,602	2.0%	48.5%
Continental Western Ins Co	\$ 3,141	1.8%	51.9%	Liberty Mut Fire Ins Co	\$ 2,701	1.8%	51.1%	Cincinnati Ins Co	\$ 2,597	2.0%	50.5%
State Natl Ins Co Inc	\$ 3,119	1.8%	53.7%	St Paul Fire & Marine Ins Co	\$ 2,697	1.8%	52.9%	St Paul Fire & Marine Ins Co	\$ 2,167	1.6%	52.1%
Cincinnati Ins Co	\$ 3,085	1.8%	55.5%	National Liab & Fire Ins Co	\$ 2,670	1.8%	54.6%	Mid Continent Cas Co	\$ 1,926	1.5%	53.6%
Auto Owners Ins Co	\$ 2,606	1.5%	57.0%	Auto Owners Ins Co	\$ 2,479	1.6%	56.3%	National Union Fire Ins Co Of Pitts	\$ 1,864	1.4%	55.0%
HDI Gerling Amer Ins Co	\$ 2,544	1.5%	58.5%	Arch Ins Co	\$ 2,056	1.4%	57.7%	Nodak Mut Ins Co	\$ 1,732	1.3%	56.3%
Nationwide Agribusiness Ins Co	\$ 2,391	1.4%	59.9%	Mid Continent Cas Co	\$ 1,946	1.3%	58.9%	General Cas Co Of WI	\$ 1,692	1.3%	57.6%
Nationwide Mut Ins Co	\$ 2,009	1.2%	61.1%	State Natl Ins Co Inc	\$ 1,817	1.2%	60.2%	Sentry Select Ins Co	\$ 1,641	1.2%	58.8%
National Ind Co	\$ 1,969	1.2%	62.2%	Midwest Family Mut Ins Co	\$ 1,577	1.0%	61.2%	Star Ins Co	\$ 1,629	1.2%	60.1%
Western Natl Mut Ins Co	\$ 1,741	1.0%	63.3%	Grinnell Mut Reins Co	\$ 1,567	1.0%	62.2%	Grinnell Mut Reins Co	\$ 1,489	1.1%	61.2%

Year: 2011				Year: 2010				Year: 2009			
<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	\$ 16,897	15.8%	15.8%	Great West Cas Co	\$ 13,065	15.3%	15.3%	Great West Cas Co	\$ 13,674	16.7%	16.7%
United Financial Cas Co	\$ 6,285	5.9%	21.7%	Employers Mut Cas Co	\$ 4,021	4.7%	20.0%	Employers Mut Cas Co	\$ 3,830	4.7%	21.4%
Employers Mut Cas Co	\$ 5,227	4.9%	26.6%	Acuity A Mut Ins Co	\$ 2,835	3.3%	23.3%	Continental Western Ins Co	\$ 2,731	3.3%	24.7%
National Cas Co	\$ 3,662	3.4%	30.1%	Northland Ins Co	\$ 2,806	3.3%	26.6%	Acuity A Mut Ins Co	\$ 2,688	3.3%	28.0%
Acuity A Mut Ins Co	\$ 3,381	3.2%	33.3%	Nationwide Mut Ins Co	\$ 2,703	3.2%	29.8%	Cincinnati Ins Co	\$ 2,617	3.2%	31.2%
Nationwide Mut Ins Co	\$ 2,849	2.7%	35.9%	Continental Western Ins Co	\$ 2,682	3.1%	32.9%	Nationwide Mut Ins Co	\$ 2,420	3.0%	34.1%
Zurich Amer Ins Co	\$ 2,845	2.7%	38.6%	Cincinnati Ins Co	\$ 2,508	2.9%	35.9%	Northland Ins Co	\$ 2,155	2.6%	36.8%
Cincinnati Ins Co	\$ 2,689	2.5%	41.1%	Owners Ins Co	\$ 2,251	2.6%	38.5%	Auto Owners Ins Co	\$ 2,098	2.6%	39.3%
Continental Western Ins Co	\$ 2,672	2.5%	43.6%	Auto Owners Ins Co	\$ 1,960	2.3%	40.8%	Owners Ins Co	\$ 1,945	2.4%	41.7%
Owners Ins Co	\$ 2,643	2.5%	46.1%	National Cas Co	\$ 1,946	2.3%	43.1%	Nodak Mut Ins Co	\$ 1,562	1.9%	43.6%
Auto Owners Ins Co	\$ 2,308	2.2%	48.3%	United Financial Cas Co	\$ 1,930	2.3%	45.3%	General Cas Co Of WI	\$ 1,557	1.9%	45.5%
Mid Continent Cas Co	\$ 2,046	1.9%	50.2%	Nodak Mut Ins Co	\$ 1,699	2.0%	47.3%	Grinnell Mut Reins Co	\$ 1,519	1.9%	47.4%
National Ind Co	\$ 1,902	1.8%	52.0%	Sentry Select Ins Co	\$ 1,669	2.0%	49.3%	National Cas Co	\$ 1,510	1.8%	49.2%
General Cas Co Of WI	\$ 1,812	1.7%	53.7%	Maiden Reins Co	\$ 1,606	1.9%	51.2%	United Financial Cas Co	\$ 1,379	1.7%	50.9%
Northland Ins Co	\$ 1,631	1.5%	55.2%	General Cas Co Of WI	\$ 1,575	1.8%	53.0%	Sentry Select Ins Co	\$ 1,294	1.6%	52.5%
Nodak Mut Ins Co	\$ 1,606	1.5%	56.7%	Grinnell Mut Reins Co	\$ 1,549	1.8%	54.8%	Mid Continent Cas Co	\$ 1,113	1.4%	53.8%
Sentry Select Ins Co	\$ 1,549	1.5%	58.2%	Mid Continent Cas Co	\$ 1,475	1.7%	56.6%	Integon Natl Ins Co	\$ 1,104	1.3%	55.2%
Grinnell Mut Reins Co	\$ 1,482	1.4%	59.5%	St Paul Fire & Marine Ins Co	\$ 1,390	1.6%	58.2%	St Paul Fire & Marine Ins Co	\$ 1,099	1.3%	56.5%
United Fire & Cas Co	\$ 1,290	1.2%	60.8%	Zurich Amer Ins Co	\$ 1,291	1.5%	59.7%	Empire Fire & Marine Ins Co	\$ 1,083	1.3%	57.9%
Maiden Reins Co	\$ 1,285	1.2%	62.0%	State Farm Mut Auto Ins Co	\$ 1,149	1.3%	61.1%	Maiden Reins Co	\$ 1,071	1.3%	59.2%

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EXHIBIT IIA: NORTH DAKOTA MARKET SHARE REPORT (by Group)

Year: 2014				Year: 2013				Year: 2012			
Group/Company	Direct WP (in 000s)	Market Share	Cumulative	Group/Company	Direct WP (in 000s)	Market Share	Cumulative	Group/Company	Direct WP (in 000s)	Market Share	Cumulative
OLD REPUBLIC GRP	\$ 23,362	13.7%	13.7%	OLD REPUBLIC GRP	\$ 21,426	14.3%	14.3%	OLD REPUBLIC GRP	\$ 17,513	13.3%	13.3%
PROGRESSIVE GRP	\$ 15,627	9.1%	22.8%	PROGRESSIVE GRP	\$ 11,480	7.6%	21.9%	NATIONWIDE CORP GRP	\$ 11,290	8.6%	21.8%
NATIONWIDE CORP GRP	\$ 11,908	7.0%	29.8%	NATIONWIDE CORP GRP	\$ 10,720	7.1%	29.0%	PROGRESSIVE GRP	\$ 10,766	8.2%	30.0%
Travelers Grp	\$ 9,876	5.8%	35.5%	BERKSHIRE HATHAWAY GRP	\$ 8,540	5.7%	34.7%	ZURICH INS GRP	\$ 8,895	6.7%	36.7%
BERKSHIRE HATHAWAY GRP	\$ 8,577	5.0%	40.6%	ZURICH INS GRP	\$ 8,327	5.5%	40.2%	EMC INS CO GRP	\$ 7,137	5.4%	42.1%
ZURICH INS GRP	\$ 8,348	4.9%	45.4%	Travelers Grp	\$ 7,995	5.3%	45.6%	Travelers Grp	\$ 6,876	5.2%	47.3%
EMC INS CO GRP	\$ 7,669	4.5%	49.9%	EMC INS CO GRP	\$ 7,353	4.9%	50.4%	AUTO OWNERS GRP	\$ 5,389	4.1%	51.4%
LIBERTY MUT GRP	\$ 6,600	3.9%	53.8%	Acuity A Mut Ins Co	\$ 6,251	4.2%	54.6%	Acuity A Mut Ins Co	\$ 4,337	3.3%	54.7%
AUTO OWNERS GRP	\$ 5,815	3.4%	57.2%	LIBERTY MUT GRP	\$ 5,453	3.6%	58.2%	LIBERTY MUT GRP	\$ 3,932	3.0%	57.7%
WR Berkley Corp GRP	\$ 4,258	2.5%	59.7%	AUTO OWNERS GRP	\$ 5,408	3.6%	61.8%	AMERICAN INTL GRP	\$ 3,838	2.9%	60.6%
CINCINNATI FIN GRP	\$ 4,141	2.4%	62.1%	CINCINNATI FIN GRP	\$ 4,284	2.8%	64.7%	CINCINNATI FIN GRP	\$ 3,602	2.7%	63.3%
Arch Ins Grp	\$ 4,024	2.4%	64.4%	WR Berkley Corp GRP	\$ 3,678	2.4%	67.1%	BERKSHIRE HATHAWAY GRP	\$ 3,241	2.5%	65.8%
AMERICAN INTL GRP	\$ 3,734	2.2%	66.6%	AMERICAN INTL GRP	\$ 3,141	2.1%	69.2%	WR Berkley Corp GRP	\$ 3,031	2.3%	68.1%
American Financial Grp	\$ 3,456	2.0%	68.7%	American Financial Grp	\$ 3,009	2.0%	71.2%	American Financial Grp	\$ 2,711	2.1%	70.1%
STATE NATL GRP	\$ 3,117	1.8%	70.5%	STATE AUTO MUT GRP	\$ 2,427	1.6%	72.8%	STATE AUTO MUT GRP	\$ 2,510	1.9%	72.0%
HANNOVER GRP	\$ 2,544	1.5%	72.0%	QBE INS GRP	\$ 2,276	1.5%	74.3%	QBE INS GRP	\$ 2,353	1.8%	73.8%
STATE AUTO MUT GRP	\$ 2,371	1.4%	73.3%	Arch Ins Grp	\$ 2,115	1.4%	75.8%	SENTRY INS GRP	\$ 1,782	1.4%	75.2%
QBE INS GRP	\$ 2,323	1.4%	74.7%	STATE NATL GRP	\$ 1,820	1.2%	77.0%	Nodak Mut Grp	\$ 1,732	1.3%	76.5%
WESTERN NATL MUT GRP	\$ 1,964	1.1%	75.9%	UNITED FIRE & CAS GRP	\$ 1,585	1.1%	78.0%	AmTrust NGH Maiden Grp	\$ 1,727	1.3%	77.8%
UNITED FIRE & CAS GRP	\$ 1,949	1.1%	77.0%	Midwest Family Mut Ins Co	\$ 1,577	1.0%	79.1%	Meadowbrook Ins Grp	\$ 1,631	1.2%	79.0%

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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
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
2009	3	14
2010	2	15
2011	2	17
2012	4	10
2013	5	9
2014	3	12

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

YEAR:	2014		2013		2012
	Direct Written Premium (000s)	Company	Direct Written Premium (000s)	Company	Direct Written Premium (000s)
Lexington Ins Co	\$ 1,258.30	Lexington Ins Co	\$ 1,280.13	Lexington Ins Co	\$ 1,282.73
Western Heritage Ins Co	\$ 320.36	Western Heritage Ins Co	\$ 235.59	Ironshore Specialty Ins Co	\$ 405.36
Maiden Specialty Ins Co	\$ 226.69	Maiden Specialty Ins Co	\$ 234.08	Maiden Specialty Ins Co	\$ 229.98
Steadfast Ins Co	\$ 145.20	Steadfast Ins Co	\$ 137.61	Western Heritage Ins Co	\$ 141.68
National Fire & Marine Ins Co	\$ 100.70	Colony Ins Co	\$ 98.28	Golden Bear Ins Co	\$ 82.99
Indian Harbor Ins Co	\$ 77.93	Arch Specialty Ins Co	\$ 58.89	Scottsdale Ins Co	\$ 73.97
Colony Ins Co	\$ 72.27	National Fire & Marine Ins Co	\$ 57.94	Colony Ins Co	\$ 71.45
Princeton Excess & Surplus Lines Ins	\$ 57.74	Princeton Excess & Surplus Lines Ins	\$ 42.97	Arch Specialty Ins Co	\$ 56.72
Tokio Marine Specialty Ins Co	\$ 56.59	Ooida RRG Inc	\$ 27.13	Hudson Specialty Ins Co	\$ 55.14
Ooida RRG Inc	\$ 42.36	Acceptance Ind Ins Co	\$ 25.26	XL Select	\$ 38.68
Acceptance Ind Ins Co	\$ 32.41	Prime Ins Co	\$ 24.80	Acceptance Ind Ins Co	\$ 35.86
Prime Ins Co	\$ 28.76	ARCOA RRG Inc	\$ 20.18	Berkley Assur Co	\$ 23.40
Conifer Ins Co	\$ 27.07	American Contractors Ins Co RRG	\$ 5.87	Steadfast Ins Co	\$ 19.28
ARCOA RRG Inc	\$ 20.29	Essex Ins Co	\$ 5.41	Tudor Ins Co	\$ 7.70
Catlin Specialty Ins Co	\$ 18.72	American Safety Ind Co	\$ 5.25	Prime Ins Co	\$ 5.17
Berkley Assur Co	\$ 9.42	Tudor Ins Co	\$ 3.67	American Safety Ind Co	\$ 4.00
Mesa Underwriters Specialty Ins Co	\$ 6.14	United Specialty Ins Co	\$ 3.29	Princeton Excess & Surplus Lines Ins	\$ 1.98
Tudor Ins Co	\$ 4.50	Mesa Underwriters Specialty Ins Co	\$ 2.33	Century Surety Co	\$ 1.38
James River Ins Co	\$ 3.95	Berkley Assur Co	\$ 1.50	Mesa Underwriters Specialty Ins Co	\$ 0.99
Arch Specialty Ins Co	\$ 1.94	James River Ins Co	\$ 1.25	Great Amer E&S Ins Co	\$ 0.75
American Southern Ins Co	\$ 1.31	Associated Industries Ins Co Inc	\$ 1.08	Columbia Cas Co	\$ 0.39
Associated Industries Ins Co Inc	\$ 1.08	Century Surety Co	\$ 0.83	Associated Industries Ins Co Inc	\$ 0.15
Columbia Cas Co	\$ 0.72	Burlington Ins Co	\$ 0.75		\$ 2,539.75
Great Amer E&S Ins Co	\$ 0.70	Great Amer E&S Ins Co	\$ 0.75		
Northfield Ins Co	\$ 0.38	Columbia Cas Co	\$ 0.33		
Alliance Of Nonprofits For Ins RRG	\$ 0.15	Alliance Of Nonprofits For Ins RRG	\$ 0.15		
	\$ 2,515.69	Scottsdale Ins Co	\$ 0.12		
			\$ 2,275.42		

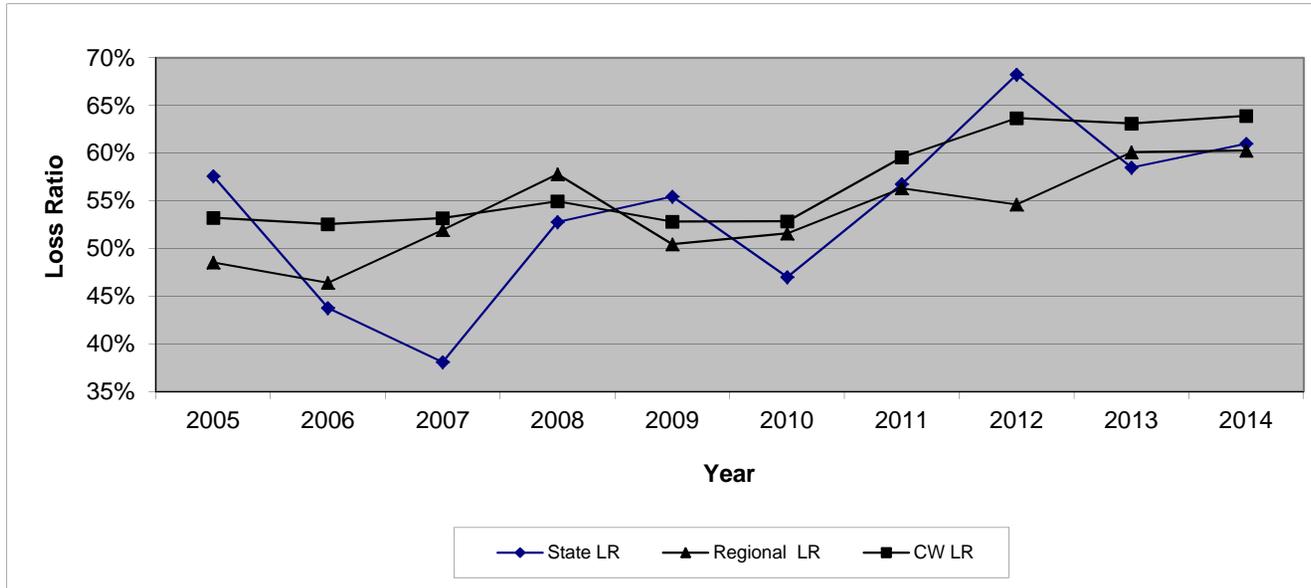
YEAR:	2011		2010		2009
	Direct Written Premium (000s)	Company	Direct Written Premium (000s)	Company	Direct Written Premium (000s)
Lexington Ins Co	\$ 462.20	Lexington Ins Co	\$ 572.25	Columbia Cas Co	\$ 203.86
Ironshore Specialty Ins Co	\$ 281.18	Ironshore Specialty Ins Co	\$ 363.62	Maiden Specialty Ins Co	\$ 185.30
Maiden Specialty Ins Co	\$ 155.58	Maiden Specialty Ins Co	\$ 156.21	Lexington Ins Co	\$ 87.95
Hudson Specialty Ins Co	\$ 74.65	Arch Specialty Ins Co	\$ 64.90	Arch Specialty Ins Co	\$ 84.85
Western Heritage Ins Co	\$ 64.65	Colony Ins Co	\$ 55.92	Colony Ins Co	\$ 71.06
Arch Specialty Ins Co	\$ 55.63	Western Heritage Ins Co	\$ 43.90	Western Heritage Ins Co	\$ 52.52
Colony Ins Co	\$ 41.70	Prime Ins Co	\$ 30.08	Acceptance Ind Ins Co	\$ 21.98
American Contractors Ins Co RRG	\$ 28.57	Scottsdale Ins Co	\$ 29.01	Scottsdale Ins Co	\$ 14.38
Prime Ins Co	\$ 25.89	Chartis Specialty Ins Co	\$ 24.04	ARCOA RRG Inc	\$ 10.74
Scottsdale Ins Co	\$ 16.03	Acceptance Ind Ins Co	\$ 19.80	Essex Ins Co	\$ 9.45
ARCOA RRG Inc	\$ 15.47	Torus Specialty Ins Co	\$ 11.32	Ooida RRG Inc	\$ 8.17
Ooida RRG Inc	\$ 10.56	American Safety Ind Co	\$ 4.95	American Farmers & Ranchers Ins Co	\$ 0.46
Golden Bear Ins Co	\$ 6.50	Montpelier US Ins Co	\$ 2.37	National Fire & Marine Ins Co	\$ 0.45
Tudor Ins Co	\$ 6.18	Great Amer E&S Ins Co	\$ 1.00	Great Amer E&S Ins Co	\$ 0.28
Acceptance Ind Ins Co	\$ 6.00	St Paul Surplus Lines Ins Co	\$ 0.50	St Paul Surplus Lines Ins Co	\$ 0.25
American Safety Ind Co	\$ 4.80	Columbia Cas Co	\$ 0.32		\$ 751.68
Chartis Specialty Ins Co	\$ 3.67		\$ 1,380.16		
Torus Specialty Ins Co	\$ 2.98				
Steadfast Ins Co	\$ 2.66				
Mesa Underwriters Specialty Ins Co	\$ 2.37				
Great Amer E&S Ins Co	\$ 1.00				
Columbia Cas Co	\$ 0.32				
	\$ 1,268.57				

YEAR:	2008		2007		2006
	Direct Written Premium (000s)	Company	Direct Written Premium (000s)	Company	Direct Written Premium (000s)
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				

COMMERCIAL AUTO

EXHIBIT III: HISTORICAL LOSS RATIOS

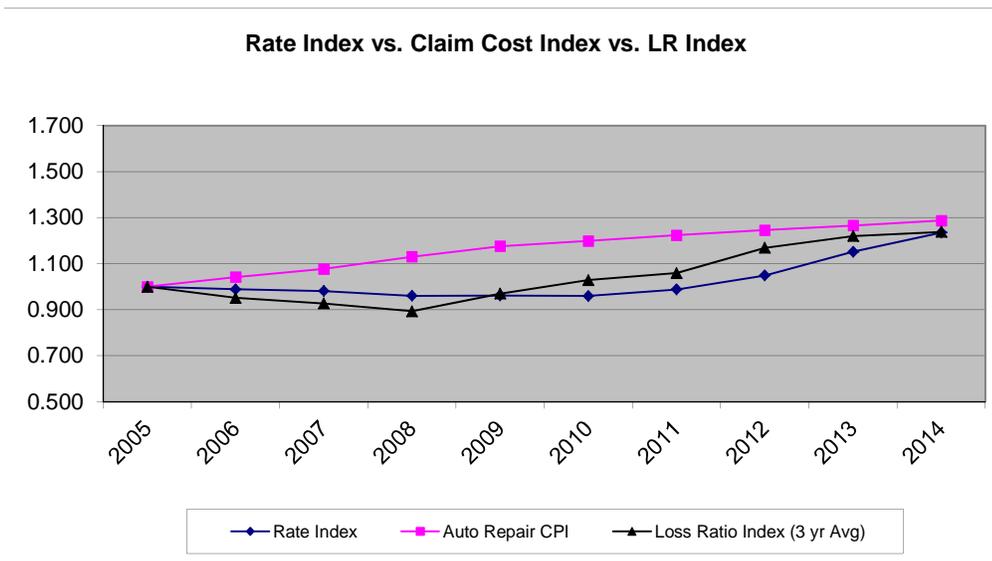
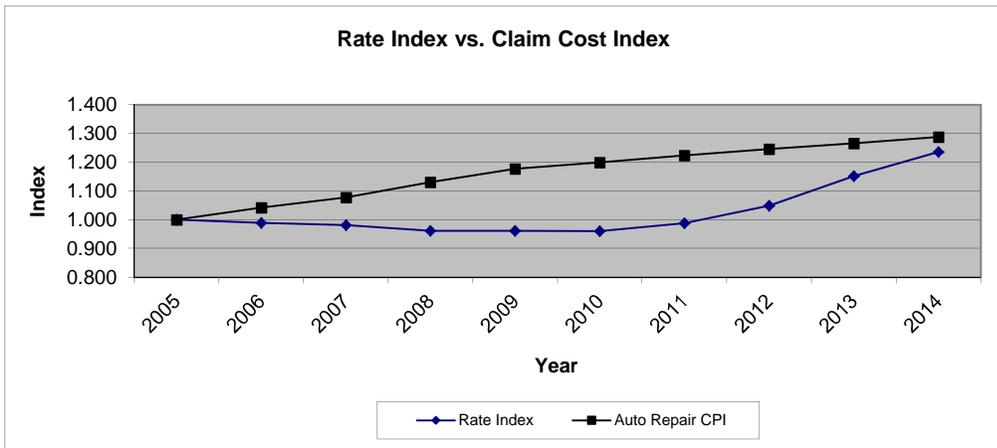
Year	Statewide Loss Ratio	Regional Loss Ratio	Countrywide Loss Ratio
2005	58%	49%	53%
2006	44%	46%	53%
2007	38%	52%	53%
2008	53%	58%	55%
2009	55%	50%	53%
2010	47%	52%	53%
2011	57%	56%	60%
2012	68%	55%	64%
2013	59%	60%	63%
2014	61%	60%	64%



COMMERCIAL AUTO

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

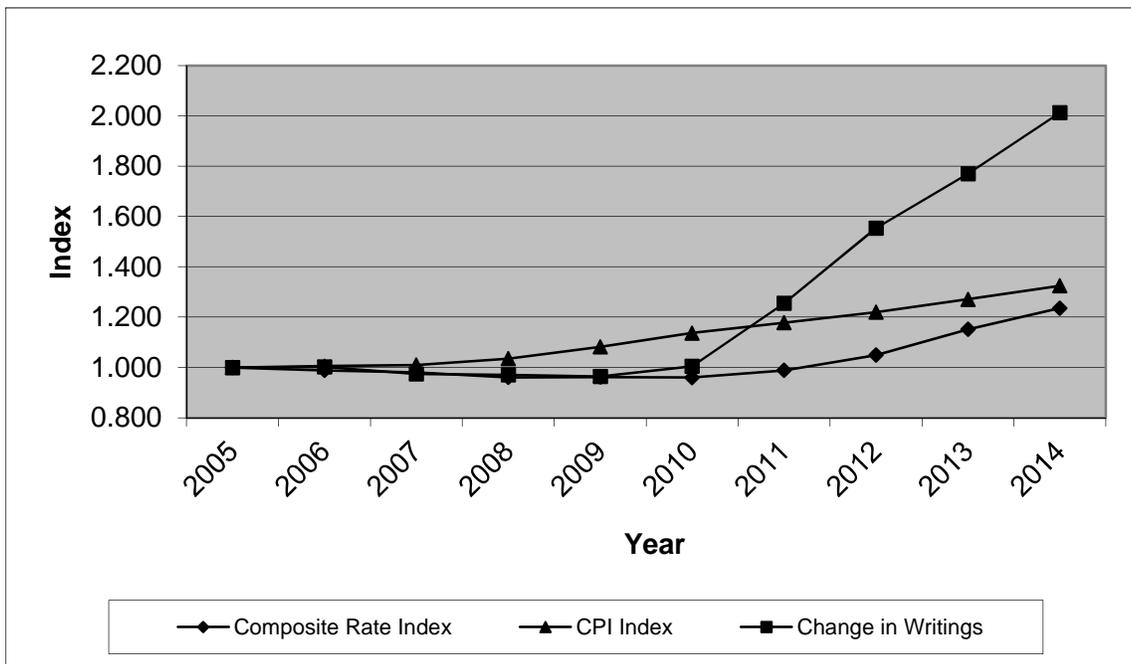
Year	Composite Rate Index	Relevant Auto Repair CPI	Statewide 3 Yr LR Index
2005	1.000	1.000	1.000
2006	0.989	1.042	0.951
2007	0.981	1.077	0.928
2008	0.961	1.130	0.893
2009	0.962	1.177	0.970
2010	0.960	1.199	1.029
2011	0.988	1.224	1.059
2012	1.049	1.246	1.169
2013	1.152	1.266	1.220
2014	1.236	1.288	1.238



COMMERCIAL AUTO

EXHIBIT V: CHANGE IN PREMIUM WRITINGS

Year	Statewide Written Premium (000s)	Change in Writings	Indexed	Composite Rate Index	Consumer Price Index
2005	\$ 84,928		1.00	1.000	1.000
2006	\$ 85,128	0.2%	1.00	0.989	1.006
2007	\$ 82,774	-2.8%	0.97	0.981	1.010
2008	\$ 82,453	-0.4%	0.97	0.961	1.035
2009	\$ 81,899	-0.7%	0.96	0.962	1.082
2010	\$ 85,354	4.2%	1.01	0.960	1.137
2011	\$ 106,618	24.9%	1.26	0.988	1.178
2012	\$ 131,995	23.8%	1.55	1.049	1.220
2013	\$ 150,334	13.9%	1.77	1.152	1.271
2014	\$ 170,998	13.7%	2.01	1.236	1.325



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EXHIBIT VI: FIELD MARKET SURVEY

2014 Survey not available.

COMMERCIAL AUTO

Exhibit VII - RESIDUAL MARKET POPULATION

<u>Year</u>	Private Passenger <u>Auto</u>	Commercial <u>Auto</u>	<u># Registered Vehicles in ND</u>
1991	49	39	708,835
1992	52	39	723,199
1993	54	31	738,037
1994	62	33	757,026
1995	38	19	762,496
1996	29	12	775,466
1997	16	10	769,923
1998	11	7	785,954
1999	14	9	789,741
2000	10	11	792,587
2001	6	14	790,933
2002	2	21	809,459
2003	7	22	820,054
2004	0	7	824,717
2005	0	2	820,078
2006	1	1	821,098
2007	2	9	829,823
2008	2	11	868,999
2009	1	3	863,079
2010	2	2	869,840
2011	0	4	958,639
2012	1	4	1,010,926
2013	1	3	1,041,318
2014	2	1	1,086,849

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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			XX
Field Market Survey Results-October 2014	NA	NA	NA
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, and have decreased in each of the past three years. 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 regional carriers.

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

The combined market share of the top 4 writers has gradually decreased over the past six years to a low of 21.5% in 2014. Similarly, the combined market share of the top twenty carriers has also decreased over the past six years to a low of 59.1% in 2014.

These statistics indicate that the market is competitive. However we note that 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 several years however we have seen fewer companies entering/exiting the top 20. Within the top 20 however there continues to be considerable movement among all companies.

This information suggests the market is highly competitive.

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. Premium written in the surplus lines market accounted for 4% of the total commercial multi-peril premium in 2014. 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 significantly from year to year, but have generally been profitable over the past ten years. The regional loss experience has also fluctuated but to a lesser magnitude. The countrywide ratios have been more stable. The variation in data makes it difficult to draw any meaningful conclusions on this factor alone.

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

This exhibit shows that rate levels have remained relatively flat, lagging behind national claim cost indices. This is most likely due to the relatively profitable nature of this line over the past ten years. This suggests that the market is competitive. We caveat this conclusion by noting that there are a number of pricing tools insurers have (such as experience and schedule rating) that allow them to modify rate levels of individual insureds, without having to file rate changes.

Exhibit V – Change in Premium Writings

The statewide premium volume has increased 68% since 2005, much of the increase coming from the most recent calendar years. Filed rate changes over that time period account for 2.7% 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 2014

The 2014 Field Market Survey results were not available for this report.

Exhibit VII – Residual Market Population

There is no residual market mechanism for commercial lines in North Dakota. Consumers who cannot 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 is considered an indicator of a competitive market.

Exhibit VIII – Matrix of Indicators

With the exception of the Historical Loss Ratios exhibit, Surplus lines market share analysis and the field market survey, all indicators suggest a highly competitive market.

Final assessment

Based on the indications discussed above, we consider the commercial multi-peril in general to be highly competitive.

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
1995	20.6%	56.8%		10.8%	31.3%	
1996	19.3%	54.1%		11.4%	31.5%	
1997	20.5%	54.2%		11.0%	30.5%	
1998	20.7%	54.6%		11.3%	31.9%	
1999	20.1%	53.8%		9.8%	30.6%	
2000	18.9%	51.5%		9.6%	29.8%	
2001	20.6%	54.6%		10.2%	30.2%	
2002	22.1%	60.3%		10.9%	30.8%	
2003	24.3%	63.8%		11.7%	32.7%	
2004	22.3%	64.6%	(462)	12.1%	34.1%	(332)
2005	24.1%	65.2%	(430)	13.0%	35.7%	(325)
2006	21.7%	64.0%	(422)	12.8%	35.4%	(321)
2007	22.2%	64.8%	(422)	12.9%	35.2%	(328)
2008	25.8%	69.7%	(473)	12.3%	34.3%	(349)
2009	23.7%	67.7%	(473)	12.0%	33.6%	(339)
2010	24.0%	66.7%	(475)	12.2%	33.5%	(338)
2011	23.2%	65.0%	(514)	11.9%	32.7%	(348)
2012	22.2%	63.7%	(507)	11.6%	31.9%	(334)
2013	22.0%	61.9%	(491)	11.8%	32.0%	(299)
2014	21.5%	59.1%	(465)	11.8%	32.9%	(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

COMMERCIAL MULTI-PERIL PACKAGE

EXHIBIT IIA: NORTH DAKOTA MARKET SHARE REPORT

Year: 2009				Year: 2013				Year: 2012			
<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>
Continental Western Ins Co	\$ 10,494	7.3%	7.3%	Continental Western Ins Co	\$ 10,873	8.1%	8.1%	Continental Western Ins Co	\$ 10,581	8.3%	8.3%
Cincinnati Ins Co	\$ 7,512	5.2%	12.5%	Cincinnati Ins Co	\$ 7,736	5.7%	13.8%	Cincinnati Ins Co	\$ 6,907	5.4%	13.8%
Acuity A Mut Ins Co	\$ 6,562	4.6%	17.1%	Farmers Union Mut Ins Co	\$ 5,517	4.1%	17.9%	Owners Ins Co	\$ 5,494	4.3%	18.1%
Farmers Union Mut Ins Co	\$ 6,235	4.3%	21.5%	Acuity A Mut Ins Co	\$ 5,460	4.1%	22.0%	Farmers Union Mut Ins Co	\$ 5,152	4.1%	22.2%
Owners Ins Co	\$ 5,465	3.8%	25.3%	State Auto Prop & Cas Ins Co	\$ 5,223	3.9%	25.8%	State Auto Prop & Cas Ins Co	\$ 4,872	3.8%	26.0%
State Auto Prop & Cas Ins Co	\$ 5,169	3.6%	28.9%	Owners Ins Co	\$ 5,186	3.8%	29.7%	Acuity A Mut Ins Co	\$ 4,435	3.5%	29.5%
Midwest Family Mut Ins Co	\$ 4,360	3.0%	31.9%	Nationwide Agribusiness Ins Co	\$ 4,648	3.4%	33.1%	Nationwide Agribusiness Ins Co	\$ 4,374	3.4%	32.9%
Nationwide Agribusiness Ins Co	\$ 3,882	2.7%	34.6%	Midwest Family Mut Ins Co	\$ 4,370	3.2%	36.4%	Midwest Family Mut Ins Co	\$ 4,119	3.2%	36.2%
Grinnell Mut Reins Co	\$ 3,865	2.7%	37.3%	Grinnell Mut Reins Co	\$ 4,280	3.2%	39.5%	American Family Mut Ins Co	\$ 3,626	2.9%	39.0%
American Family Mut Ins Co	\$ 3,763	2.6%	39.9%	American Family Mut Ins Co	\$ 3,535	2.6%	42.2%	Farmland Mut Ins Co	\$ 3,612	2.8%	41.9%
Auto Owners Ins Co	\$ 3,603	2.5%	42.4%	Nodak Mut Ins Co	\$ 3,335	2.5%	44.6%	Grinnell Mut Reins Co	\$ 3,597	2.8%	44.7%
Nodak Mut Ins Co	\$ 3,377	2.4%	44.8%	State Farm Fire & Cas Co	\$ 3,169	2.4%	47.0%	Nodak Mut Ins Co	\$ 3,451	2.7%	47.4%
Philadelphia Ind Ins Co	\$ 3,365	2.3%	47.1%	Auto Owners Ins Co	\$ 3,064	2.3%	49.3%	State Farm Fire & Cas Co	\$ 3,069	2.4%	49.8%
State Farm Fire & Cas Co	\$ 3,031	2.1%	49.2%	Philadelphia Ind Ins Co	\$ 2,962	2.2%	51.5%	Star Ins Co	\$ 2,767	2.2%	52.0%
Amco Ins Co	\$ 2,761	1.9%	51.2%	Farmland Mut Ins Co	\$ 2,919	2.2%	53.6%	Amco Ins Co	\$ 2,683	2.1%	54.1%
Guideone Mut Ins Co	\$ 2,580	1.8%	53.0%	Amco Ins Co	\$ 2,745	2.0%	55.7%	Auto Owners Ins Co	\$ 2,649	2.1%	56.2%
Farmland Mut Ins Co	\$ 2,478	1.7%	54.7%	Guideone Mut Ins Co	\$ 2,430	1.8%	57.5%	General Cas Co Of WI	\$ 2,471	1.9%	58.2%
Travelers Prop Cas Co Of Amer	\$ 2,151	1.5%	56.2%	General Cas Co Of WI	\$ 2,219	1.6%	59.1%	Guideone Mut Ins Co	\$ 2,414	1.9%	60.1%
Depositors Ins Co	\$ 2,092	1.5%	57.6%	Federal Ins Co	\$ 1,987	1.5%	60.6%	Philadelphia Ind Ins Co	\$ 2,379	1.9%	62.0%
Charter Oak Fire Ins Co	\$ 2,034	1.4%	59.1%	Travelers Prop Cas Co Of Amer	\$ 1,770	1.3%	61.9%	Zurich Amer Ins Co	\$ 2,271	1.8%	63.7%

Year: 2011				Year: 2010				Year: 2009			
<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>
Continental Western Ins Co	\$ 9,320	8.8%	8.8%	Continental Western Ins Co	\$ 8,441	8.7%	8.7%	Continental Western Ins Co	\$ 8,193	8.6%	8.6%
Cincinnati Ins Co	\$ 6,343	6.0%	14.8%	Cincinnati Ins Co	\$ 6,258	6.5%	15.2%	Cincinnati Ins Co	\$ 6,271	6.6%	15.2%
Farmers Union Mut Ins Co	\$ 4,602	4.3%	19.1%	Farmers Union Mut Ins Co	\$ 4,295	4.4%	19.7%	Farmers Union Mut Ins Co	\$ 4,043	4.3%	19.5%
State Auto Prop & Cas Ins Co	\$ 4,318	4.1%	23.2%	State Auto Prop & Cas Ins Co	\$ 4,211	4.4%	24.0%	State Auto Prop & Cas Ins Co	\$ 4,016	4.2%	23.7%
Nationwide Agribusiness Ins Co	\$ 4,106	3.9%	27.1%	Farmland Mut Ins Co	\$ 3,919	4.1%	28.1%	Farmland Mut Ins Co	\$ 3,626	3.8%	27.6%
Acuity A Mut Ins Co	\$ 3,996	3.8%	30.9%	Acuity A Mut Ins Co	\$ 3,525	3.7%	31.7%	Midwest Family Mut Ins Co	\$ 3,487	3.7%	31.2%
Owners Ins Co	\$ 3,566	3.4%	34.2%	Nationwide Agribusiness Ins Co	\$ 3,503	3.6%	35.4%	American Family Mut Ins Co	\$ 3,417	3.6%	34.8%
Farmland Mut Ins Co	\$ 3,440	3.2%	37.5%	Owners Ins Co	\$ 3,426	3.5%	38.9%	Nationwide Agribusiness Ins Co	\$ 3,370	3.6%	38.4%
American Family Mut Ins Co	\$ 3,420	3.2%	40.7%	American Family Mut Ins Co	\$ 3,238	3.4%	42.3%	Acuity A Mut Ins Co	\$ 3,335	3.5%	41.9%
Midwest Family Mut Ins Co	\$ 3,396	3.2%	43.9%	State Farm Fire & Cas Co	\$ 2,813	2.9%	45.2%	Amco Ins Co	\$ 3,231	3.4%	45.3%
Nodak Mut Ins Co	\$ 3,018	2.9%	46.8%	Midwest Family Mut Ins Co	\$ 2,782	2.9%	48.1%	State Farm Fire & Cas Co	\$ 3,207	3.4%	48.7%
Grinnell Mut Reins Co	\$ 2,914	2.8%	49.5%	Grinnell Mut Reins Co	\$ 2,607	2.7%	50.8%	Owners Ins Co	\$ 3,064	3.2%	51.9%
State Farm Fire & Cas Co	\$ 2,881	2.7%	52.2%	Nodak Mut Ins Co	\$ 2,542	2.6%	53.4%	Grinnell Mut Reins Co	\$ 2,308	2.4%	54.4%
Amco Ins Co	\$ 2,382	2.2%	54.5%	Amco Ins Co	\$ 2,447	2.5%	55.9%	Nodak Mut Ins Co	\$ 2,206	2.3%	56.7%
Guideone Mut Ins Co	\$ 2,316	2.2%	56.7%	Guideone Mut Ins Co	\$ 2,380	2.5%	58.4%	Guideone Mut Ins Co	\$ 2,158	2.3%	59.0%
Auto Owners Ins Co	\$ 2,009	1.9%	58.6%	Philadelphia Ind Ins Co	\$ 1,748	1.8%	60.2%	Auto Owners Ins Co	\$ 1,856	2.0%	60.9%
Philadelphia Ind Ins Co	\$ 1,980	1.9%	60.4%	Auto Owners Ins Co	\$ 1,671	1.7%	61.9%	Phoenix Ins Co	\$ 1,763	1.9%	62.8%
Church Mut Ins Co	\$ 1,632	1.5%	62.0%	General Cas Co Of WI	\$ 1,619	1.7%	63.6%	Philadelphia Ind Ins Co	\$ 1,585	1.7%	64.4%
General Cas Co Of WI	\$ 1,601	1.5%	63.5%	Church Mut Ins Co	\$ 1,565	1.6%	65.2%	Travelers Prop Cas Co Of Amer	\$ 1,580	1.7%	66.1%
Travelers Prop Cas Co Of Amer	\$ 1,591	1.5%	65.0%	Travelers Prop Cas Co Of Amer	\$ 1,453	1.5%	66.7%	Church Mut Ins Co	\$ 1,483	1.6%	67.7%

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EXHIBIT IIA: NORTH DAKOTA MARKET SHARE REPORT (by Group)

Year: 2014				Year: 2013				Year: 2012			
Group/Company	Direct WP	Market		Group/Company	Direct WP	Market		Group/Company	Direct WP	Market	
	(in 000s)	Share	Cumulative		(in 000s)	Share	Cumulative		(in 000s)	Share	Cumulative
NATIONWIDE CORP GRP	\$ 15,764	11.0%	11.0%	NATIONWIDE CORP GRP	\$ 16,648	12.4%	12.4%	NATIONWIDE CORP GRP	\$ 16,229	12.8%	12.8%
WR Berkley Corp GRP	\$ 13,371	9.3%	20.3%	WR Berkley Corp GRP	\$ 11,955	8.9%	21.2%	WR Berkley Corp GRP	\$ 10,703	8.4%	21.2%
Travelers Grp	\$ 10,033	7.0%	27.3%	CINCINNATI FIN GRP	\$ 8,869	6.6%	27.8%	Travelers Grp	\$ 8,687	6.8%	28.1%
AUTO OWNERS GRP	\$ 9,068	6.3%	33.6%	Travelers Grp	\$ 8,698	6.5%	34.3%	AUTO OWNERS GRP	\$ 8,144	6.4%	34.5%
CINCINNATI FIN GRP	\$ 8,367	5.8%	39.4%	AUTO OWNERS GRP	\$ 8,250	6.1%	40.4%	CINCINNATI FIN GRP	\$ 7,695	6.1%	40.5%
STATE AUTO MUT GRP	\$ 5,228	3.6%	43.1%	Farmers Union Mut Ins Co	\$ 5,517	4.1%	44.5%	Farmers Union Mut Ins Co	\$ 5,152	4.1%	44.6%
GRINNELL MUT GRP	\$ 3,865	2.7%	45.8%	Acuity A Mut Ins Co	\$ 5,460	4.1%	48.5%	STATE AUTO MUT GRP	\$ 4,942	3.9%	48.5%
QBE INS GRP	\$ 3,795	2.6%	48.4%	STATE AUTO MUT GRP	\$ 5,286	3.9%	52.4%	ZURICH INS GRP	\$ 4,888	3.8%	52.3%
AMERICAN FAMILY INS GRP	\$ 3,763	2.6%	51.0%	Midwest Family Mut Ins Co	\$ 4,370	3.2%	55.7%	Acuity A Mut Ins Co	\$ 4,435	3.5%	55.8%
Nodak Mut Grp	\$ 3,377	2.4%	53.4%	GRINNELL MUT GRP	\$ 4,280	3.2%	58.9%	QBE INS GRP	\$ 4,415	3.5%	59.3%
Tokio Marine Holdings Inc GRP	\$ 3,377	2.4%	55.7%	QBE INS GRP	\$ 4,139	3.1%	61.9%	Midwest Family Mut Ins Co	\$ 4,119	3.2%	62.5%
STATE FARM GRP	\$ 3,031	2.1%	57.8%	AMERICAN FAMILY INS GRP	\$ 3,535	2.6%	64.6%	AMERICAN FAMILY INS GRP	\$ 3,626	2.9%	65.4%
Chubb Inc Grp	\$ 2,961	2.1%	59.9%	Nodak Mut Grp	\$ 3,335	2.5%	67.0%	GRINNELL MUT GRP	\$ 3,597	2.8%	68.2%
GUIDEONE INS GRP	\$ 2,896	2.0%	61.9%	STATE FARM GRP	\$ 3,169	2.4%	69.4%	Nodak Mut Grp	\$ 3,451	2.7%	71.0%
CNA INS GRP	\$ 2,772	1.9%	63.9%	CNA INS GRP	\$ 3,126	2.3%	71.7%	STATE FARM GRP	\$ 3,069	2.4%	73.4%
LIBERTY MUT GRP	\$ 2,439	1.7%	65.6%	Tokio Marine Holdings Inc GRP	\$ 2,962	2.2%	73.9%	Chubb Inc Grp	\$ 2,969	2.3%	75.7%
FARMERS INS GRP	\$ 2,122	1.5%	67.0%	GUIDEONE INS GRP	\$ 2,908	2.2%	76.1%	GUIDEONE INS GRP	\$ 2,876	2.3%	78.0%
ZURICH INS GRP	\$ 2,117	1.5%	68.5%	Chubb Inc Grp	\$ 2,847	2.1%	78.2%	Meadowbrook Ins Grp	\$ 2,870	2.3%	80.2%
STATE NATL GRP	\$ 2,079	1.4%	70.0%	ZURICH INS GRP	\$ 2,447	1.8%	80.0%	LIBERTY MUT GRP	\$ 2,499	2.0%	82.2%
ALLIANZ INS GRP	\$ 1,935	1.3%	71.3%	LIBERTY MUT GRP	\$ 2,137	1.6%	81.6%	Tokio Marine Holdings Inc GRP	\$ 2,379	1.9%	84.1%

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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
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
2009	2	9
2010	1	13
2011	0	10
2012	2	12
2013	2	13
2014	2	14

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

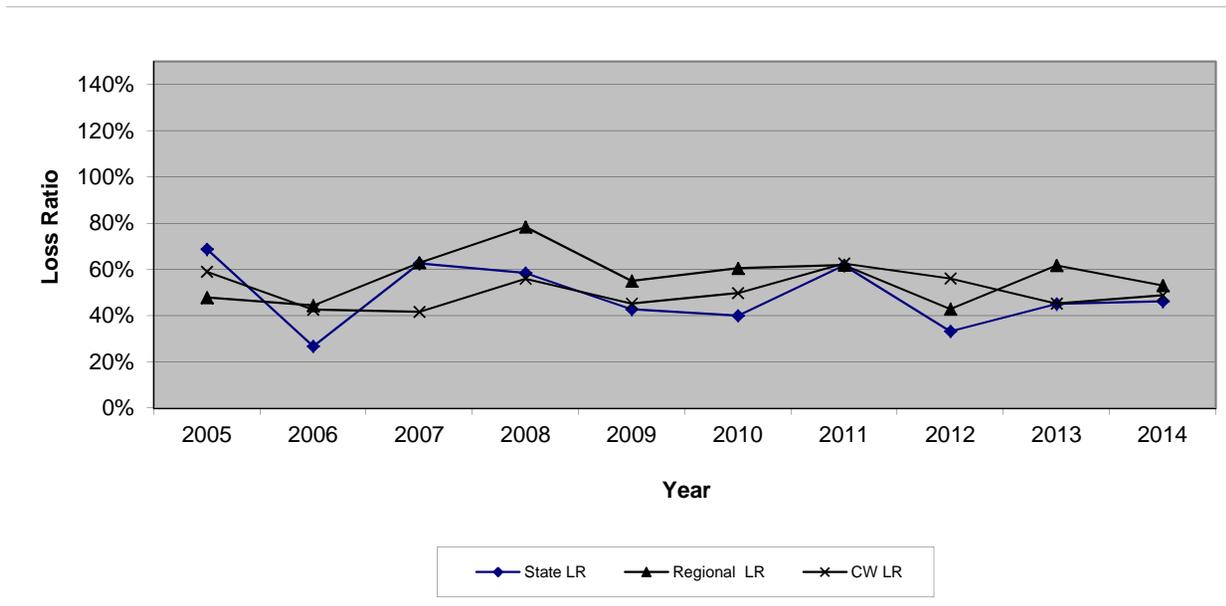
YEAR:	2014	YEAR:	2013	YEAR:	2012
	Direct Written Premium (000s)		Direct Written Premium (000s)		Direct Written Premium (000s)
Company		Company		Company	
Arch Specialty Ins Co	\$ 1,239.53	Scottsdale Ins Co	\$ 1,100.22	Scottsdale Ins Co	\$ 961.22
Scottsdale Ins Co	\$ 1,201.35	Steadfast Ins Co	\$ 338.58	Steadfast Ins Co	\$ 408.65
Western Heritage Ins Co	\$ 341.78	Western Heritage Ins Co	\$ 334.96	Western Heritage Ins Co	\$ 374.18
United Specialty Ins Co	\$ 296.14	Chubb Custom Ins Co	\$ 307.87	Chubb Custom Ins Co	\$ 338.32
Capitol Specialty Ins Corp	\$ 291.05	Capitol Specialty Ins Corp	\$ 289.89	Lexington Ins Co	\$ 315.72
Steadfast Ins Co	\$ 276.12	Arch Specialty Ins Co	\$ 248.89	Capitol Specialty Ins Corp	\$ 246.99
Atlantic Cas Ins Co	\$ 274.77	Atlantic Cas Ins Co	\$ 193.02	Atlantic Cas Ins Co	\$ 159.38
Chubb Custom Ins Co	\$ 271.64	Lexington Ins Co	\$ 176.71	Liberty Surplus Ins Corp	\$ 131.03
Berkley Regional Specialty Ins Co	\$ 170.91	Western World Ins Co	\$ 146.43	Essex Ins Co	\$ 124.32
Conifer Ins Co	\$ 162.22	Hermitage Ins Co	\$ 130.48	Berkley Regional Specialty Ins Co	\$ 99.40
Essex Ins Co	\$ 144.77	Essex Ins Co	\$ 115.08	Hermitage Ins Co	\$ 93.06
Western World Ins Co	\$ 109.41	Berkley Regional Specialty Ins Co	\$ 98.41	Century Surety Co	\$ 73.57
AIX Specialty Ins Co	\$ 98.69	Century Surety Co	\$ 97.51	Penn Star Ins Co	\$ 63.53
Everest Ind Ins Co	\$ 96.08	Hudson Specialty Ins Co	\$ 46.06	Landmark Amer Ins Co	\$ 57.91
Lexington Ins Co	\$ 75.73	Mesa Underwriters Specialty Ins Co	\$ 37.34	Western World Ins Co	\$ 51.89
Houston Specialty Ins Co	\$ 74.55	Liberty Surplus Ins Corp	\$ 34.36	Colony Ins Co	\$ 28.86
Hudson Specialty Ins Co	\$ 45.03	American Empire Surplus Lines Ins C	\$ 32.93	Savers Prop & Cas Ins Co	\$ 28.81
Starr Surplus Lines Ins Co	\$ 44.93	Gemini Ins Co	\$ 31.25	Arch Specialty Ins Co	\$ 23.84
HSB Specialty Ins Co	\$ 43.97	Penn Star Ins Co	\$ 26.69	Canopus US Ins	\$ 23.68
American Empire Surplus Lines Ins C	\$ 43.94	United Specialty Ins Co	\$ 25.57	Catlin Specialty Ins Co	\$ 19.10
Gemini Ins Co	\$ 39.98	Colony Ins Co	\$ 23.23	Columbia Cas Co	\$ 18.95
Liberty Surplus Ins Corp	\$ 38.62	Acceptance Ind Ins Co	\$ 21.60	Acceptance Ind Ins Co	\$ 18.03
Penn Star Ins Co	\$ 38.27	Canopus US Ins	\$ 20.85	Houston Cas Co	\$ 15.76
Mesa Underwriters Specialty Ins Co	\$ 36.67	Houston Specialty Ins Co	\$ 17.93	Hudson Specialty Ins Co	\$ 15.18
National Fire & Marine Ins Co	\$ 32.88	Catlin Specialty Ins Co	\$ 14.84	Mesa Underwriters Specialty Ins Co	\$ 13.96
Acceptance Ind Ins Co	\$ 32.13	Gotham Ins Co	\$ 12.67	American Safety Ind Co	\$ 11.51
Gotham Ins Co	\$ 24.77	Conifer Ins Co	\$ 11.76	American Empire Surplus Lines Ins C	\$ 10.05
Colony Ins Co	\$ 22.39	Seneca Specialty Ins Co	\$ 8.31	Tudor Ins Co	\$ 6.40
Canopus US Ins	\$ 21.12	Endurance Amer Specialty Ins Co	\$ 7.75	Burlington Ins Co	\$ 4.52
Century Surety Co	\$ 18.72	HSB Specialty Ins Co	\$ 7.49	Seneca Specialty Ins Co	\$ 4.13
Seneca Specialty Ins Co	\$ 16.89	Tudor Ins Co	\$ 7.34	AIX Specialty Ins Co	\$ 3.81
Columbia Cas Co	\$ 14.36	Burlington Ins Co	\$ 7.22	Great Amer E&S Ins Co	\$ 2.67
Hermitage Ins Co	\$ 13.73	Everest Ind Ins Co	\$ 6.90	Covington Specialty Ins Co	\$ 2.17
Endurance Amer Specialty Ins Cc	\$ 10.47	American Safety Ind Co	\$ 5.19	Endurance Amer Specialty Ins Cc	\$ 0.03
Illinois Union Ins Co	\$ 9.26	Columbia Cas Co	\$ 4.39		\$ 3,750.60
Tokio Marine Specialty Ins Co	\$ 6.39	Great Amer E&S Ins Co	\$ 2.67		
Covington Specialty Ins Co	\$ 4.15	Houston Cas Co	\$ 2.50		
Tudor Ins Co	\$ 3.51	Covington Specialty Ins Co	\$ 2.00		
Great Amer E&S Ins Co	\$ 1.82	Interstate Fire & Cas Co	\$ 0.18		
Princeton Excess & Surplus Lines Ins	\$ 1.43	AIX Specialty Ins Co	\$ 0.10		
Burlington Ins Cc	\$ 0.90	American Western Home Ins Cc	\$ 0.03		
Interstate Fire & Cas Cc	\$ 0.36		\$ 3,997.18		
	\$ 5,691.42				

YEAR:	2011	YEAR:	2010	YEAR:	2009
	Direct Written Premium (000s)		Direct Written Premium (000s)		Direct Written Premium (000s)
Company		Company		Company	
Scottsdale Ins Co	\$ 429.09	Western Heritage Ins Co	\$ 346.74	Western Heritage Ins Co	\$ 319.57
Chubb Custom Ins Co	\$ 333.23	Scottsdale Ins Co	\$ 341.42	Scottsdale Ins Co	\$ 294.45
Western Heritage Ins Co	\$ 296.92	Lexington Ins Co	\$ 288.79	Berkley Regional Specialty Ins Co	\$ 165.42
Companion Specialty Ins Co	\$ 290.00	Chubb Custom Ins Co	\$ 284.44	Lexington Ins Co	\$ 153.15
Lexington Ins Co	\$ 209.75	Berkley Regional Specialty Ins Co	\$ 170.29	Capitol Specialty Ins Corp	\$ 110.86
Capitol Specialty Ins Corp	\$ 202.36	Capitol Specialty Ins Corp	\$ 80.93	Hermitage Ins Co	\$ 95.77
Berkley Regional Specialty Ins Co	\$ 133.94	Essex Ins Co	\$ 68.21	Chubb Custom Ins Co	\$ 80.74
Steadfast Ins Co	\$ 125.41	Penn Star Ins Co	\$ 62.72	Penn Star Ins Co	\$ 77.96
Atlantic Cas Ins Co	\$ 123.15	Hermitage Ins Co	\$ 56.49	Everest Ind Ins Co	\$ 70.98
Essex Ins Co	\$ 73.49	Century Surety Co	\$ 30.41	Century Surety Co	\$ 41.70
Penn Star Ins Co	\$ 68.61	Savers Prop & Cas Ins Co	\$ 26.95	Essex Ins Co	\$ 31.37
Hermitage Ins Co	\$ 61.66	Colony Ins Co	\$ 24.36	Colony Ins Co	\$ 23.37
Savers Prop & Cas Ins Co	\$ 31.73	Evanston Ins Co	\$ 21.55	Evanston Ins Co	\$ 21.55
Arch Specialty Ins Co	\$ 27.38	Steadfast Ins Co	\$ 20.95	Catlin Specialty Ins Co	\$ 16.13
Evanston Ins Co	\$ 21.76	American Western Home Ins Co	\$ 19.36	Steadfast Ins Co	\$ 15.81
Western World Ins Co	\$ 20.02	Catlin Specialty Ins Co	\$ 17.39	Philadelphia Ins Co	\$ 13.25
Colony Ins Co	\$ 16.87	Atlantic Cas Ins Co	\$ 15.00	National Fire & Marine Ins Co	\$ 12.97
Catlin Specialty Ins Co	\$ 12.62	Western World Ins Co	\$ 14.69	American Western Home Ins Co	\$ 8.70
Houston Cas Co	\$ 12.24	Philadelphia Ins Co	\$ 13.43	Savers Prop & Cas Ins Co	\$ 8.66
Liberty Surplus Ins Corp	\$ 9.67	Omega US Ins Inc	\$ 13.01	Atlantic Cas Ins Co	\$ 8.22
Century Surety Co	\$ 7.63	Columbia Cas Co	\$ 12.90	Burlington Ins Co	\$ 7.61
Columbia Cas Co	\$ 7.48	Seneca Specialty Ins Co	\$ 5.56	Western World Ins Co	\$ 6.76
Tudor Ins Co	\$ 6.20	Gemini Ins Co	\$ 4.01	Seneca Specialty Ins Co	\$ 5.95
American Western Home Ins Co	\$ 6.15	Burlington Ins Co	\$ 3.66	Columbia Cas Co	\$ 4.74
Omega US Ins Inc	\$ 5.98	Firemans Fund Ins Co Of OH	\$ 3.33	Acceptance Ind Ins Co	\$ 4.27
American Safety Ind Co	\$ 5.61	Great Amer E&S Ins Co	\$ 2.75	Great Amer E&S Ins Co	\$ 3.22
Landmark Amer Ins Co	\$ 4.78	Acceptance Ind Ins Co	\$ 2.47	Montpelier US Ins Co	\$ 1.36
American Empire Surplus Lines Ins C	\$ 3.73	Endurance Amer Specialty Ins Co	\$ 2.00	Landmark Amer Ins Co	\$ 1.08
Acceptance Ind Ins Co	\$ 3.46	Montpelier US Ins Co	\$ 1.48	First Mercury Ins Co	\$ 0.75
Great Amer E&S Ins Co	\$ 2.29	Tudor Ins Co	\$ 0.10	American Farmers & Ranchers Ins Cc	\$ 0.16
Burlington Ins Co	\$ 2.26		\$ 1,955.39		\$ 1,606.51
Seneca Specialty Ins Co	\$ 1.12				
Everest Ind Ins Cc	\$ 0.70				
Philadelphia Ins Cc	\$ 0.00				
	\$ 2,557.30				

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EXHIBIT III: HISTORICAL LOSS RATIOS

Year	Statewide Loss Ratio	Regional Loss Ratio	Countrywide Loss Ratio
2005	69%	48%	59%
2006	27%	44%	43%
2007	63%	63%	42%
2008	58%	78%	56%
2009	43%	55%	45%
2010	40%	61%	50%
2011	62%	62%	63%
2012	33%	43%	56%
2013	45%	62%	45%
2014	46%	53%	49%

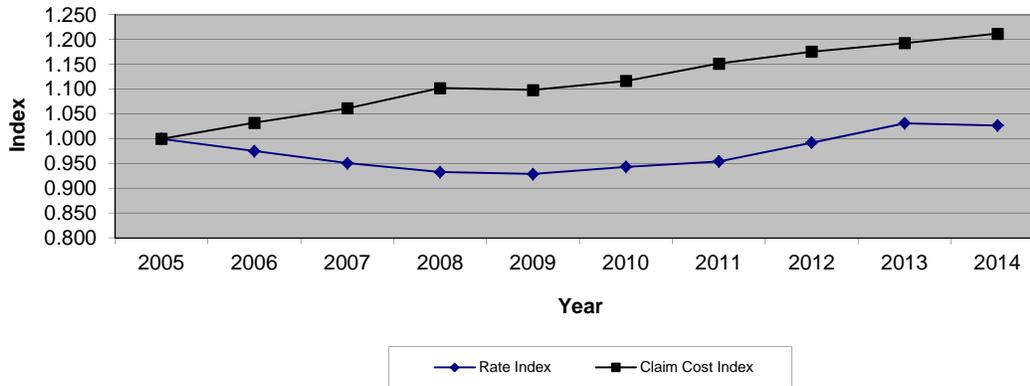


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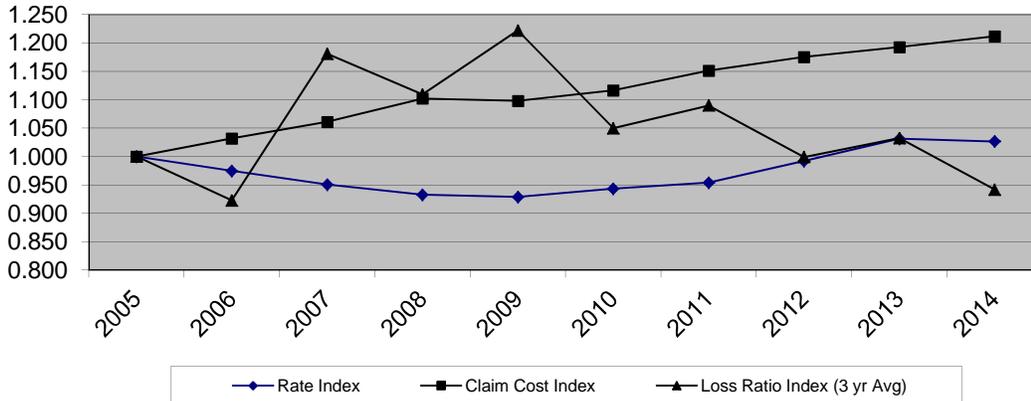
EXHIBIT IV: LOSS RATIO VS. RATE CHANGES VS. COST INDICES

Year	Composite Rate Index	Relevant Claim Cost Index	Statewide 3 Yr LR Index
2005	1.000	1.000	1.000
2006	0.975	1.032	0.923
2007	0.951	1.061	1.181
2008	0.933	1.102	1.109
2009	0.929	1.098	1.222
2010	0.943	1.117	1.050
2011	0.954	1.152	1.090
2012	0.992	1.176	0.999
2013	1.031	1.193	1.033
2014	1.027	1.212	0.942

Rate Index vs. Claim Cost Index



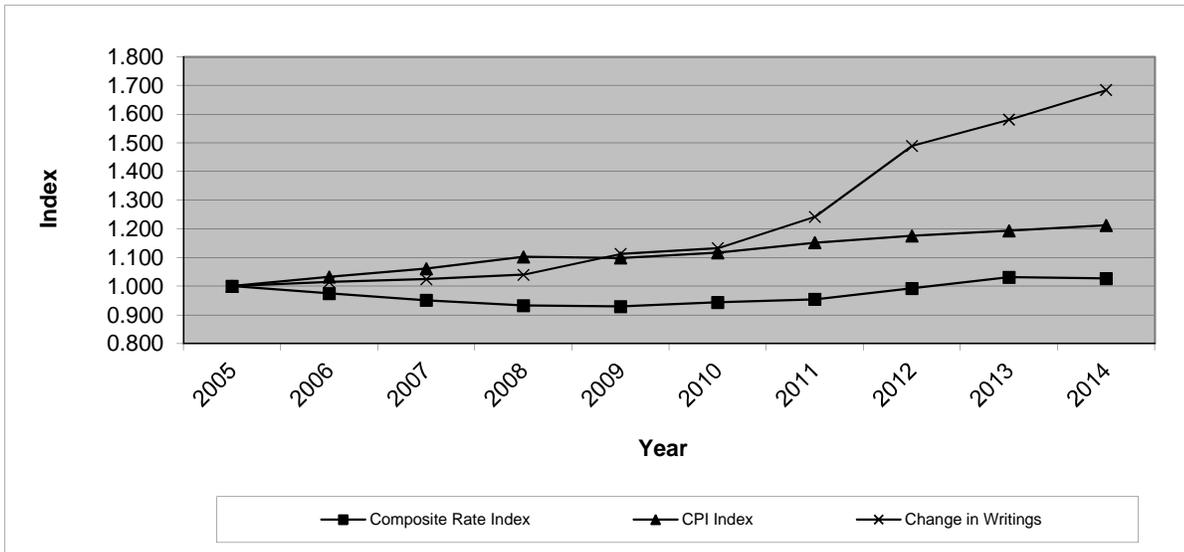
Rate Index vs. Claim Cost Index vs. LR Index



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EXHIBIT V: CHANGE IN PREMIUM WRITINGS

Year	Statewide Written Premium	Change in Writings	Indexed	Composite Rate Index	Consumer Price Index
2005	\$ 85,253		1.00	1.000	1.000
2006	\$ 86,503	1.5%	1.01	0.975	1.032
2007	\$ 87,386	1.0%	1.03	0.951	1.061
2008	\$ 88,696	1.5%	1.04	0.933	1.102
2009	\$ 94,867	7.0%	1.11	0.929	1.098
2010	\$ 96,561	1.8%	1.13	0.943	1.117
2011	\$ 105,888	9.7%	1.24	0.954	1.152
2012	\$ 126,961	19.9%	1.49	0.992	1.176
2013	\$ 134,766	6.1%	1.58	1.031	1.193
2014	\$ 143,556	6.5%	1.68	1.027	1.212



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EXHIBIT VI: FIELD MARKET SURVEY

2014 Survey not available.

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EXHIBIT VII – RESIDUAL MARKET POPULATION

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

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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 2014	NA	NA	NA
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 (67.2%) and 20-firm concentration ratio (99.1%) are high, indicating a non-competitive market. We note however that each of these indices has been improving slightly over the past three years.

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 regional carriers.

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 68%. 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)

With the exception of calendar years 2010 and 2011, the farmowners line of insurance has been profitable over the past decade.

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 tracked somewhat with the Housing CPI index, while loss ratios have been generally profitable. This suggests that the Farmowners line is moderately competitive.

Exhibit V – Change in Premium Writings

The statewide premium volume has more than doubled since 2005. Filed rate changes account for 19.5% of this increase. Factors contributing to the difference between the two indices include new business growth, inflationary pressures (CPI Index) and rating tools, such as experience and schedule rating, that allow insurers to adjust rates for individual risks without having to file a rate change with our department.

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

Exhibit VI – Field Market Survey Results-September 2014

The 2014 Field Market Survey results were not available for this report.

Exhibit VII – Residual Market Population

There is no residual market mechanism for farmowners in North Dakota. Consumers who cannot 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 is an indicator of a competitive market.

Exhibit VIII – Matrix of Indicators

The Herfindahl index, Market Share Changes and Market Share Company Changes indicate a non-competitive market. The loss ratios versus rate change versus claims cost index indicates a moderately 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 2014 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 Concentration Ratio	20-Firm Concentration Ratio	Herfindahl Index	4-Firm Concentration Ratio	20-Firm Concentration Ratio	Herfindahl Index
1995	71.0%	99.2%		17.5%	47.8%	
1996	71.8%	99.5%		17.4%	48.3%	
1997	71.7%	99.3%		17.3%	48.1%	
1998	71.8%	99.3%		17.2%	49.3%	
1999	71.0%	99.5%		16.7%	49.3%	
2000	69.4%	99.5%		16.1%	47.3%	
2001	69.3%	99.5%		18.7%	49.5%	
2002	70.3%	99.6%		18.4%	50.4%	
2003	68.3%	99.7%		20.5%	52.1%	
2004	68.1%	99.7%	(1728)	20.6%	52.2%	(283)
2005	69.0%	99.8%	(1755)	20.5%	52.3%	(280)
2006	69.2%	99.7%	(1723)	20.6%	53.5%	(289)
2007	69.9%	99.5%	(1777)	20.6%	53.6%	(295)
2008	67.6%	99.4%	(1606)	20.8%	53.3%	(304)
2009	68.2%	99.4%	(1610)	20.7%	53.1%	(309)
2010	68.6%	99.3%	(1618)	20.1%	53.0%	(305)
2011	68.9%	99.5%	(1639)	20.5%	54.0%	(317)
2012	68.6%	99.5%	(1623)	21.0%	55.2%	(329)
2013	67.2%	99.1%	(1550)	21.1%	55.8%	(336)
2014	66.4%	99.0%	(1499)	22.2%	57.0%	(351)

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

FARMOWNERS

EXHIBIT IIA: NORTH DAKOTA MARKET SHARE REPORT

Year: 2014				Year: 2013				Year: 2012			
<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	\$ 27,393	25.1%	25.1%	Nodak Mut Ins Co	\$ 26,782	26.5%	26.5%	Nodak Mut Ins Co	\$ 24,938	27.8%	27.8%
Farmers Union Mut Ins Co	\$ 26,468	24.2%	49.3%	Farmers Union Mut Ins Co	\$ 24,412	24.1%	50.6%	Farmers Union Mut Ins Co	\$ 21,996	24.5%	52.2%
North Star Mut Ins Co	\$ 11,551	10.6%	59.9%	North Star Mut Ins Co	\$ 10,275	10.2%	60.8%	North Star Mut Ins Co	\$ 8,723	9.7%	61.9%
American Family Mut Ins Co	\$ 7,108	6.5%	66.4%	American Family Mut Ins Co	\$ 6,549	6.5%	67.2%	American Family Mut Ins Co	\$ 5,981	6.7%	68.6%
Farmers Alliance Mut Ins Co	\$ 5,384	4.9%	71.3%	Farmers Alliance Mut Ins Co	\$ 4,917	4.9%	72.1%	Meridian Citizens Mut Ins Co	\$ 4,510	5.0%	73.6%
Center Mut Ins Co	\$ 5,061	4.6%	76.0%	Meridian Citizens Mut Ins Co	\$ 4,799	4.7%	76.8%	Farmers Alliance Mut Ins Co	\$ 4,090	4.6%	78.2%
State Automobile Mut Ins Co	\$ 4,770	4.4%	80.3%	Center Mut Ins Co	\$ 4,465	4.4%	81.3%	Nationwide Mut Ins Co	\$ 3,889	4.3%	82.5%
State Farm Fire & Cas Co	\$ 4,751	4.4%	84.7%	Nationwide Mut Ins Co	\$ 4,339	4.3%	85.5%	Center Mut Ins Co	\$ 3,785	4.2%	86.7%
Nationwide Mut Ins Co	\$ 3,447	3.2%	87.8%	State Farm Fire & Cas Co	\$ 4,139	4.1%	89.6%	State Farm Fire & Cas Co	\$ 3,744	4.2%	90.9%
Northwest Gf Mut Ins Co	\$ 2,468	2.3%	90.1%	Secura Ins A Mut Co	\$ 2,668	2.6%	92.3%	Secura Ins A Mut Co	\$ 1,984	2.2%	93.1%
Secura Ins A Mut Co	\$ 2,451	2.2%	92.4%	Northwest Gf Mut Ins Co	\$ 2,278	2.3%	94.5%	Northwest Gf Mut Ins Co	\$ 1,963	2.2%	95.3%
Nationwide Agribusiness Ins Co	\$ 2,190	2.0%	94.4%	Auto Owners Ins Co	\$ 1,280	1.3%	95.8%	Auto Owners Ins Co	\$ 1,034	1.2%	96.4%
Auto Owners Ins Co	\$ 1,426	1.3%	95.7%	National Surety Corp	\$ 627	0.6%	96.4%	Travelers Ind Co Of Amer	\$ 443	0.5%	96.9%
National Surety Corp	\$ 837	0.8%	96.4%	Firemans Fund Ins Co	\$ 501	0.5%	96.9%	National Surety Corp	\$ 416	0.5%	97.4%
Travelers Ind Co Of Amer	\$ 630	0.6%	97.0%	Travelers Ind Co Of Amer	\$ 491	0.5%	97.4%	Firemans Fund Ins Co	\$ 355	0.4%	97.8%
Firemans Fund Ins Co	\$ 628	0.6%	97.6%	Travelers Ind Co	\$ 432	0.4%	97.8%	American Ins Co	\$ 332	0.4%	98.2%
Travelers Ind Co	\$ 475	0.4%	98.0%	American Ins Co	\$ 380	0.4%	98.2%	Travelers Ind Co	\$ 331	0.4%	98.5%
Owners Ins Co	\$ 415	0.4%	98.4%	Nationwide Agribusiness Ins Co	\$ 307	0.3%	98.5%	American Economy Ins Co	\$ 317	0.4%	98.9%
Great Amer Ins Co	\$ 352	0.3%	98.7%	Owners Ins Co	\$ 304	0.3%	98.8%	Great Amer Ins Co	\$ 271	0.3%	99.2%
Charter Oak Fire Ins Co	\$ 326	0.3%	99.0%	American Economy Ins Co	\$ 297	0.3%	99.1%	Owners Ins Co	\$ 251	0.3%	99.5%

Year: 2011				Year: 2010				Year: 2009			
<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	\$ 22,082	27.7%	27.7%	Nodak Mut Ins Co	\$ 19,203	26.9%	26.9%	Nodak Mut Ins Co	\$ 17,277	26.7%	26.7%
Farmers Union Mut Ins Co	\$ 19,909	25.0%	52.7%	Farmers Union Mut Ins Co	\$ 18,173	25.5%	52.4%	Farmers Union Mut Ins Co	\$ 16,485	25.5%	52.2%
North Star Mut Ins Co	\$ 7,381	9.3%	62.0%	North Star Mut Ins Co	\$ 6,304	8.8%	61.2%	North Star Mut Ins Co	\$ 5,368	8.3%	60.5%
American Family Mut Ins Co	\$ 5,479	6.9%	68.9%	American Family Mut Ins Co	\$ 5,235	7.3%	68.6%	American Family Mut Ins Co	\$ 4,944	7.6%	68.2%
Meridian Citizens Mut Ins Co	\$ 4,038	5.1%	73.9%	Meridian Citizens Mut Ins Co	\$ 3,633	5.1%	73.7%	State Farm Fire & Cas Co	\$ 3,371	5.2%	73.4%
Farmers Alliance Mut Ins Co	\$ 3,561	4.5%	78.4%	State Farm Fire & Cas Co	\$ 3,293	4.6%	78.3%	Meridian Citizens Mut Ins Co	\$ 3,258	5.0%	78.4%
State Farm Fire & Cas Co	\$ 3,457	4.3%	82.7%	Farmers Alliance Mut Ins Co	\$ 3,163	4.4%	82.7%	Farmers Alliance Mut Ins Co	\$ 2,872	4.4%	82.9%
Nationwide Mut Ins Co	\$ 3,316	4.2%	86.9%	Center Mut Ins Co	\$ 2,997	4.2%	86.9%	Center Mut Ins Co	\$ 2,860	4.4%	87.3%
Center Mut Ins Co	\$ 3,304	4.1%	91.1%	Nationwide Mut Ins Co	\$ 2,620	3.7%	90.6%	Nationwide Mut Ins Co	\$ 2,380	3.7%	91.0%
Northwest Gf Mut Ins Co	\$ 1,640	2.1%	93.1%	Northwest Gf Mut Ins Co	\$ 1,497	2.1%	92.7%	Northwest Gf Mut Ins Co	\$ 1,161	1.8%	92.8%
Secura Ins A Mut Co	\$ 1,570	2.0%	95.1%	Secura Ins A Mut Co	\$ 1,283	1.8%	94.5%	Secura Ins A Mut Co	\$ 1,098	1.7%	94.5%
Auto Owners Ins Co	\$ 902	1.1%	96.2%	Auto Owners Ins Co	\$ 843	1.2%	95.7%	Auto Owners Ins Co	\$ 766	1.2%	95.7%
American Ins Co	\$ 534	0.7%	96.9%	National Surety Corp	\$ 550	0.8%	96.4%	American Ins Co	\$ 524	0.8%	96.5%
Travelers Ind Co Of Amer	\$ 469	0.6%	97.5%	American Ins Co	\$ 464	0.7%	97.1%	National Surety Corp	\$ 465	0.7%	97.2%
Firemans Fund Ins Co	\$ 392	0.5%	98.0%	Travelers Ind Co Of Amer	\$ 438	0.6%	97.7%	American Economy Ins Co	\$ 332	0.5%	97.7%
National Surety Corp	\$ 301	0.4%	98.3%	Great Amer Ins Co	\$ 317	0.4%	98.1%	Travelers Ind Co Of Amer	\$ 306	0.5%	98.2%
American Economy Ins Co	\$ 277	0.3%	98.7%	American Economy Ins Co	\$ 288	0.4%	98.5%	Great Amer Ins Co	\$ 269	0.4%	98.6%
Great Amer Ins Co	\$ 261	0.3%	99.0%	Travelers Ind Co	\$ 183	0.3%	98.8%	American States Ins Co	\$ 222	0.3%	98.9%
Owners Ins Co	\$ 209	0.3%	99.3%	Owners Ins Co	\$ 169	0.2%	99.0%	Travelers Ind Co	\$ 146	0.2%	99.2%
Travelers Ind Co	\$ 175	0.2%	99.5%	American States Ins Co	\$ 163	0.2%	99.3%	Owners Ins Co	\$ 132	0.2%	99.4%

FARMOWNERS

EXHIBIT IIA: NORTH DAKOTA MARKET SHARE REPORT (by Group)

Year: 2014				Year: 2013				Year: 2012			
<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 Grp	\$ 27,393	25.1%	25.1%	Nodak Mut Grp	\$ 26,782	26.5%	26.5%	Nodak Mut Grp	\$ 24,938	27.8%	27.8%
Farmers Union Mut Ins Co	\$ 26,468	24.2%	49.3%	Farmers Union Mut Ins Co	\$ 24,412	24.1%	50.6%	Farmers Union Mut Ins Co	\$ 21,996	24.5%	52.2%
NORTH STAR CO GRP	\$ 11,551	10.6%	59.9%	NORTH STAR CO GRP	\$ 10,275	10.2%	60.8%	NORTH STAR CO GRP	\$ 8,723	9.7%	61.9%
AMERICAN FAMILY INS GRP	\$ 7,108	6.5%	66.4%	AMERICAN FAMILY INS GRP	\$ 6,549	6.5%	67.2%	AMERICAN FAMILY INS GRP	\$ 5,981	6.7%	68.6%
NATIONWIDE CORP GRP	\$ 5,637	5.2%	71.6%	ALLIANCE INS GRP	\$ 4,917	4.9%	72.1%	STATE AUTO MUT GRP	\$ 4,510	5.0%	73.6%
ALLIANCE INS GRP	\$ 5,384	4.9%	76.5%	STATE AUTO MUT GRP	\$ 4,799	4.7%	76.8%	ALLIANCE INS GRP	\$ 4,090	4.6%	78.2%
Center Mut Ins Co	\$ 5,061	4.6%	81.1%	NATIONWIDE CORP GRP	\$ 4,646	4.6%	81.4%	NATIONWIDE CORP GRP	\$ 3,902	4.3%	82.5%
STATE AUTO MUT GRP	\$ 4,770	4.4%	85.5%	Center Mut Ins Co	\$ 4,465	4.4%	85.8%	Center Mut Ins Co	\$ 3,785	4.2%	86.7%
STATE FARM GRP	\$ 4,751	4.4%	89.9%	STATE FARM GRP	\$ 4,139	4.1%	89.9%	STATE FARM GRP	\$ 3,744	4.2%	90.9%
Northwest Gf Mut Ins Co	\$ 2,468	2.3%	92.1%	Secura Ins Grp	\$ 2,668	2.6%	92.6%	Secura Ins Grp	\$ 1,984	2.2%	93.1%
Secura Ins Grp	\$ 2,451	2.2%	94.4%	Northwest Gf Mut Ins Co	\$ 2,278	2.3%	94.8%	Northwest Gf Mut Ins Co	\$ 1,963	2.2%	95.3%
AUTO OWNERS GRP	\$ 1,841	1.7%	96.0%	AUTO OWNERS GRP	\$ 1,584	1.6%	96.4%	AUTO OWNERS GRP	\$ 1,285	1.4%	96.7%
ALLIANZ INS GRP	\$ 1,703	1.6%	97.6%	ALLIANZ INS GRP	\$ 1,521	1.5%	97.9%	ALLIANZ INS GRP	\$ 1,103	1.2%	98.0%
Travelers Grp	\$ 1,555	1.4%	99.0%	Travelers Grp	\$ 1,180	1.2%	99.1%	Travelers Grp	\$ 935	1.0%	99.0%
American Financial Grp	\$ 509	0.5%	99.5%	LIBERTY MUT GRP	\$ 479	0.5%	99.5%	LIBERTY MUT GRP	\$ 469	0.5%	99.5%
LIBERTY MUT GRP	\$ 495	0.5%	99.9%	American Financial Grp	\$ 430	0.4%	100.0%	American Financial Grp	\$ 399	0.4%	100.0%
Ace Ltd Grp	\$ 41	0.0%	100.0%	Ace Ltd Grp	\$ 28	0.0%	100.0%	Ace Ltd Grp	\$ 21	0.0%	100.0%
MARKEL CORP GRP	\$ 9	0.0%	100.0%	Assurant Inc Grp	\$ 8	0.0%	100.0%	Assurant Inc Grp	\$ 8	0.0%	100.0%
Global Ind Grp	\$ 7	0.0%	100.0%	MARKEL CORP GRP	\$ 7	0.0%	100.0%	MARKEL CORP GRP	\$ 5	0.0%	100.0%
Country Ins & Fin Serv Grp	\$ 0	0.0%	100.0%	Country Ins & Fin Serv Grp	\$ 0	0.0%	100.0%	Country Ins & Fin Serv Grp	\$ 0	0.0%	100.0%

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
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
2009	1	4
2010	0	10
2011	1	9
2012	0	11
2013	1	11
2014	3	11

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

YEAR:	2014		2013		2012
	Direct Written Premium		Direct Written Premium		Direct Written Premium
<u>Company</u>	<u>(000s)</u>	<u>Company</u>	<u>(000s)</u>	<u>Company</u>	<u>(000s)</u>
	None		None		None

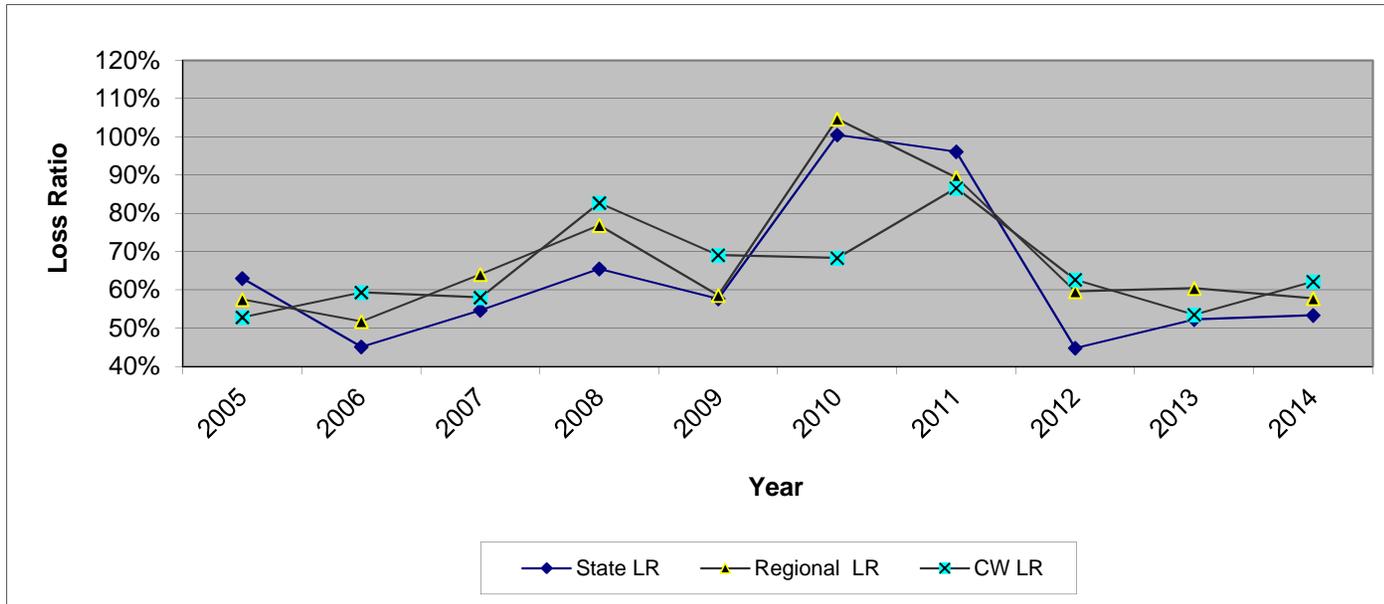
YEAR:	2011		2010		2009
	Direct Written Premium		Direct Written Premium		Direct Written Premium
<u>Company</u>	<u>(000s)</u>	<u>Company</u>	<u>(000s)</u>	<u>Company</u>	<u>(000s)</u>
	None		None		None

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

FARMOWNERS

EXHIBIT III: HISTORICAL LOSS RATIOS

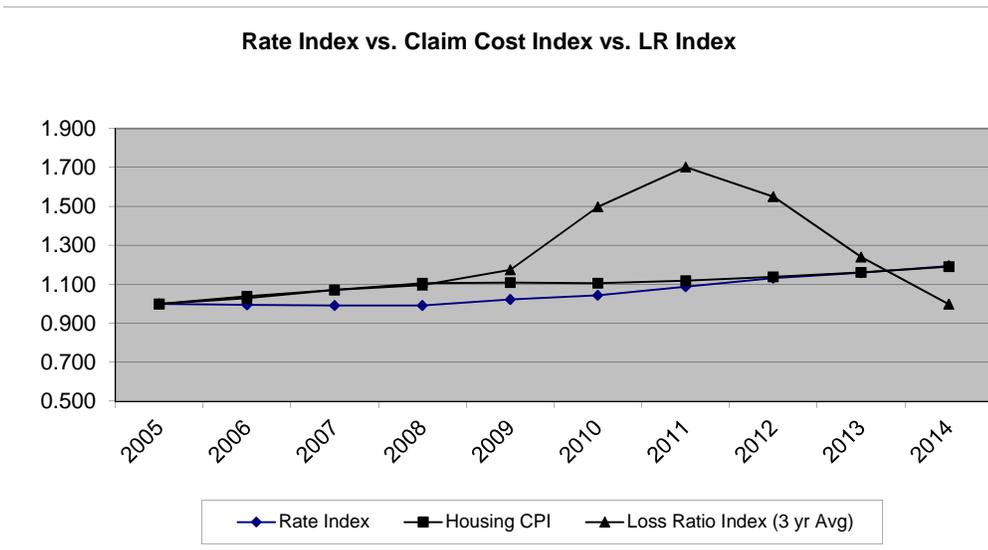
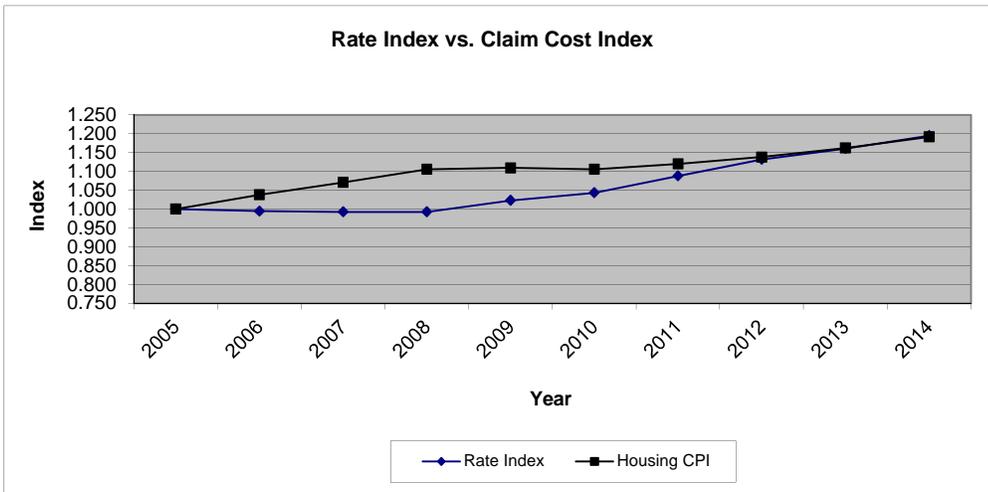
Year	Statewide Loss Ratio	Regional Loss Ratio	Countrywide Loss Ratio
2005	63%	58%	53%
2006	45%	52%	59%
2007	55%	64%	58%
2008	65%	77%	83%
2009	58%	59%	69%
2010	101%	105%	68%
2011	96%	89%	87%
2012	45%	60%	63%
2013	52%	60%	54%
2014	53%	58%	62%



FARMOWNERS

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

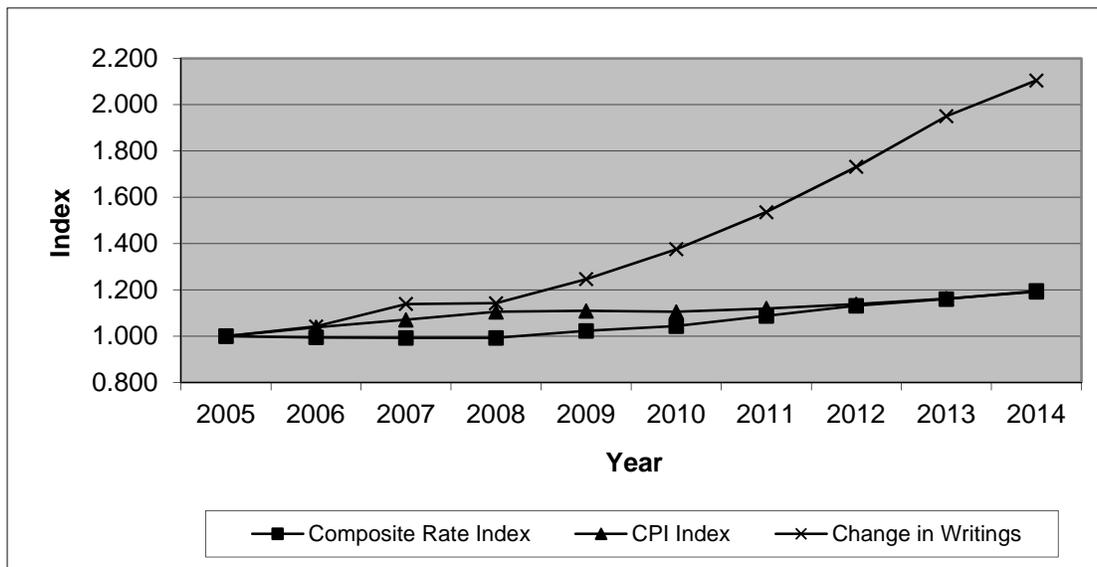
Year	Composite Rate Index	Relevant Housing CPI	Statewide 3 Yr LR Index
2005	1.000	1.000	1.000
2006	0.995	1.038	1.029
2007	0.992	1.071	1.072
2008	0.992	1.105	1.096
2009	1.023	1.109	1.174
2010	1.043	1.105	1.497
2011	1.088	1.120	1.702
2012	1.132	1.138	1.550
2013	1.160	1.162	1.240
2014	1.195	1.192	0.998



FARMOWNERS

EXHIBIT V: CHANGE IN PREMIUM WRITINGS

Year	Statewide Written Premium (000s)	Change in Writings	Indexed	Composite Rate Index	Consumer Price Index
2005	\$ 51,889		1.00	1.000	1.000
2006	\$ 54,049	4.2%	1.04	0.995	1.038
2007	\$ 59,077	9.3%	1.14	0.992	1.071
2008	\$ 59,260	0.3%	1.14	0.992	1.105
2009	\$ 64,644	9.1%	1.25	1.023	1.109
2010	\$ 71,343	10.4%	1.37	1.043	1.105
2011	\$ 79,654	11.7%	1.54	1.088	1.120
2012	\$ 89,841	12.8%	1.73	1.132	1.138
2013	\$101,167	12.6%	1.95	1.160	1.162
2014	\$109,201	7.9%	2.10	1.195	1.192



FARMOWNERS

EXHIBIT VI: FIELD MARKET SURVEY

2014 Survey not available.

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 2014	NA	NA	NA
Residual Market Population			XX

Final ranking based upon all factors: Low

HOMEOWNERS

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	
1995	46.0%	81.0%		36.0%	55.0%	
1996	45.9%	80.0%		35.9%	55.5%	
1997	45.7%	80.7%		33.0%	54.6%	
1998	45.4%	82.2%		32.6%	54.8%	
1999	46.3%	83.6%		30.9%	54.3%	
2000	46.1%	85.3%		29.8%	53.2%	
2001	47.6%	86.3%		29.5%	53.0%	
2002	50.1%	88.9%		29.3%	52.6%	
2003	51.2%	91.6%		28.5%	52.4%	
2004	51.8%	91.5%	(981)	27.7%	53.1%	(792)
2005	52.1%	91.8%	(969)	26.5%	51.8%	(786)
2006	51.8%	91.6%	(948)	25.8%	50.7%	(783)
2007	52.1%	91.0%	(956)	24.8%	50.1%	(738)
2008	51.5%	89.6%	(944)	24.6%	48.8%	(738)
2009	51.8%	89.3%	(949)	24.8%	48.1%	(737)
2010	51.1%	88.8%	(934)	24.7%	48.0%	(729)
2011	49.9%	88.2%	(902)	24.3%	47.7%	(706)
2012	48.1%	87.2%	(846)	23.8%	46.5%	(679)
2013	46.8%	86.7%	(842)	23.8%	45.5%	(685)
2014	45.9%	86.5%	(819)	23.4%	44.5%	(665)

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

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 indices and concentration ratios are below the national benchmarks for a concentrated market, and have decreased slightly over the past few years. This is indicative of a highly competitive market.

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 regional carriers.

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

The top six writers have been the same over the past six years, - an indication that market is less than competitive. However their combined market share has been decreasing, as has the combined market share of the top 20 companies.

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 is still some movement among the top 20 carriers. This indicates 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)

Loss experience over the past six calendar years suggests this line of insurance has been profitable in North Dakota. However the high loss ratios in 2005 and 2007 serve as reminders 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

Since 2008, we have seen a gradual increase in rates despite a relatively flat CPI index, and improving loss ratios. This suggests that the market is non-competitive. We caveat this assessment by noting that part of the ratemaking process for this line of insurance focuses on catastrophic losses, usually averaged over a much longer time period.

Exhibit V – Change in Premium Writings

The statewide premium volume has increased 78% since 2005. Rate changes account for roughly 43% of this increase.

This information by itself is not an indicator of competitiveness.

Exhibit VI – Field Market Survey Results-September 2014

The 2014 Field Market Survey results were not available for this report.

Exhibit VII – Residual Market Population

There is currently no residual market mechanism for homeowners in North Dakota, which is an indication of a competitive market.

Exhibit VIII – Matrix of Indicators

The Herfindahl index, the Surplus lines market analysis and the lack of a residual market mechanism indicate a highly competitive market. Loss Ratio vs Rate Changes exhibit indicates a non-competitive market. Market Share analyses suggest a moderately competitive market.

Final assessment

The evaluation of the market through the year 2014 indicates a moderately competitive market.

HOMEOWNERS

EXHIBIT IIA: NORTH DAKOTA MARKET SHARE REPORT

Year: 2014				Year: 2013				Year: 2012			
<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	\$ 34,146	18.2%	18.2%	State Farm Fire & Cas Co	\$ 32,435	18.6%	18.6%	State Farm Fire & Cas Co	\$ 29,828	18.5%	18.5%
American Family Mut Ins Co	\$ 20,829	11.1%	29.3%	American Family Mut Ins Co	\$ 20,300	11.6%	30.2%	American Family Mut Ins Co	\$ 20,391	12.7%	31.2%
Farmers Union Mut Ins Co	\$ 16,745	8.9%	38.2%	Farmers Union Mut Ins Co	\$ 15,420	8.8%	39.0%	Farmers Union Mut Ins Co	\$ 14,212	8.8%	40.1%
Nodak Mut Ins Co	\$ 14,397	7.7%	45.9%	Nodak Mut Ins Co	\$ 13,517	7.7%	46.8%	Nodak Mut Ins Co	\$ 12,886	8.0%	48.1%
North Star Mut Ins Co	\$ 10,654	5.7%	51.6%	North Star Mut Ins Co	\$ 9,655	5.5%	52.3%	North Star Mut Ins Co	\$ 8,811	5.5%	53.5%
Auto Owners Ins Co	\$ 7,806	4.2%	55.8%	Auto Owners Ins Co	\$ 7,820	4.5%	56.8%	Auto Owners Ins Co	\$ 7,764	4.8%	58.4%
Owners Ins Co	\$ 6,422	3.4%	59.2%	Owners Ins Co	\$ 6,059	3.5%	60.3%	Owners Ins Co	\$ 5,612	3.5%	61.9%
Metropolitan Prop & Cas Ins Co	\$ 6,126	3.3%	62.5%	Country Mut Ins Co	\$ 5,325	3.1%	63.3%	Country Mut Ins Co	\$ 4,812	3.0%	64.9%
Country Mut Ins Co	\$ 5,654	3.0%	65.5%	Milbank Ins Co	\$ 4,842	2.8%	66.1%	Milbank Ins Co	\$ 4,615	2.9%	67.7%
Milbank Ins Co	\$ 4,918	2.6%	68.1%	Metropolitan Prop & Cas Ins Co	\$ 4,540	2.6%	68.7%	Fire Ins Exch	\$ 4,003	2.5%	70.2%
Center Mut Ins Co	\$ 4,336	2.3%	70.4%	Center Mut Ins Co	\$ 4,107	2.4%	71.0%	Center Mut Ins Co	\$ 3,626	2.3%	72.5%
Foremost Ins Co Grand Rapids MI	\$ 4,015	2.1%	72.6%	Fire Ins Exch	\$ 3,962	2.3%	73.3%	Foremost Ins Co Grand Rapids MI	\$ 2,952	1.8%	74.3%
Safeco Ins Co Of Amer	\$ 3,964	2.1%	74.7%	Safeco Ins Co Of Amer	\$ 3,420	2.0%	75.3%	Metropolitan Prop & Cas Ins Co	\$ 2,939	1.8%	76.1%
Nationwide Affinity Co of Amer	\$ 3,763	2.0%	76.7%	Foremost Ins Co Grand Rapids MI	\$ 3,408	2.0%	77.2%	Safeco Ins Co Of Amer	\$ 2,897	1.8%	77.9%
Fire Ins Exch	\$ 3,755	2.0%	78.7%	Farmers Ins Exch	\$ 3,047	1.7%	79.0%	Northwest Gf Mut Ins Co	\$ 2,807	1.7%	79.7%
Farmers Ins Exch	\$ 3,209	1.7%	80.4%	Northwest Gf Mut Ins Co	\$ 2,926	1.7%	80.6%	Dakota Fire Ins Co	\$ 2,759	1.7%	81.4%
Northwest Gf Mut Ins Co	\$ 3,097	1.7%	82.0%	United Serv Automobile Assn	\$ 2,815	1.6%	82.3%	United Serv Automobile Assn	\$ 2,600	1.6%	83.0%
United Serv Automobile Assn	\$ 3,018	1.6%	83.6%	Nationwide Affinity Co of Amer	\$ 2,647	1.5%	83.8%	Farmers Ins Exch	\$ 2,571	1.6%	84.6%
Secura Supreme Ins Co	\$ 2,949	1.6%	85.2%	Secura Supreme Ins Co	\$ 2,620	1.5%	85.3%	Secura Supreme Ins Co	\$ 2,142	1.3%	85.9%
Dakota Fire Ins Co	\$ 2,428	1.3%	86.5%	Dakota Fire Ins Co	\$ 2,550	1.5%	86.7%	Teachers Ins Co	\$ 1,977	1.2%	87.2%

Year: 2011				Year: 2010				Year: 2009			
<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	\$ 28,860	19.5%	19.5%	State Farm Fire & Cas Co	\$ 27,729	20.2%	20.2%	State Farm Fire & Cas Co	\$ 25,493	20.0%	20.0%
American Family Mut Ins Co	\$ 19,925	13.4%	32.9%	American Family Mut Ins Co	\$ 18,703	13.6%	33.9%	American Family Mut Ins Co	\$ 18,390	14.4%	34.4%
Farmers Union Mut Ins Co	\$ 13,185	8.9%	41.8%	Farmers Union Mut Ins Co	\$ 12,413	9.1%	42.9%	Farmers Union Mut Ins Co	\$ 11,971	9.4%	43.8%
Nodak Mut Ins Co	\$ 12,058	8.1%	49.9%	Nodak Mut Ins Co	\$ 11,271	8.2%	51.1%	Nodak Mut Ins Co	\$ 10,164	8.0%	51.8%
Auto Owners Ins Co	\$ 8,212	5.5%	55.4%	Auto Owners Ins Co	\$ 7,915	5.8%	56.9%	Auto Owners Ins Co	\$ 7,821	6.1%	57.9%
North Star Mut Ins Co	\$ 7,718	5.2%	60.7%	North Star Mut Ins Co	\$ 6,660	4.9%	61.8%	North Star Mut Ins Co	\$ 6,215	4.9%	62.8%
Owners Ins Co	\$ 4,921	3.3%	64.0%	Fire Ins Exch	\$ 4,353	3.2%	64.9%	Fire Ins Exch	\$ 4,478	3.5%	66.3%
Country Mut Ins Co	\$ 4,430	3.0%	67.0%	Milbank Ins Co	\$ 4,041	2.9%	67.9%	Milbank Ins Co	\$ 3,686	2.9%	69.2%
Milbank Ins Co	\$ 4,224	2.8%	69.8%	Owners Ins Co	\$ 3,957	2.9%	70.8%	Country Mut Ins Co	\$ 3,433	2.7%	71.8%
Fire Ins Exch	\$ 4,153	2.8%	72.6%	Country Mut Ins Co	\$ 3,896	2.8%	73.6%	Center Mut Ins Co	\$ 3,243	2.5%	74.4%
Center Mut Ins Co	\$ 3,272	2.2%	74.8%	Center Mut Ins Co	\$ 3,277	2.4%	76.0%	Owners Ins Co	\$ 3,165	2.5%	76.9%
Dakota Fire Ins Co	\$ 3,073	2.1%	76.9%	Dakota Fire Ins Co	\$ 2,806	2.0%	78.0%	Dakota Fire Ins Co	\$ 2,625	2.1%	78.9%
Northwest Gf Mut Ins Co	\$ 2,474	1.7%	78.5%	United Serv Automobile Assn	\$ 2,351	1.7%	79.8%	United Serv Automobile Assn	\$ 2,250	1.8%	80.7%
United Serv Automobile Assn	\$ 2,428	1.6%	80.2%	Safeco Ins Co Of Amer	\$ 2,209	1.6%	81.4%	Safeco Ins Co Of Amer	\$ 2,151	1.7%	82.4%
Safeco Ins Co Of Amer	\$ 2,348	1.6%	81.8%	Northwest Gf Mut Ins Co	\$ 2,167	1.6%	82.9%	Allstate Ins Co	\$ 1,839	1.4%	83.8%
Foremost Ins Co Grand Rapids MI	\$ 2,275	1.5%	83.3%	Foremost Ins Co Grand Rapids MI	\$ 1,835	1.3%	84.3%	Foremost Ins Co Grand Rapids MI	\$ 1,561	1.2%	85.0%
Farmers Ins Exch	\$ 2,016	1.4%	84.7%	Allstate Ins Co	\$ 1,789	1.3%	85.6%	Northwest Gf Mut Ins Co	\$ 1,530	1.2%	86.2%
Allstate Ins Co	\$ 1,752	1.2%	85.8%	Farmers Ins Exch	\$ 1,704	1.2%	86.8%	Farmers Ins Exch	\$ 1,481	1.2%	87.4%
Metropolitan Prop & Cas Ins Co	\$ 1,741	1.2%	87.0%	Teachers Ins Co	\$ 1,405	1.0%	87.9%	Amco Ins Co	\$ 1,246	1.0%	88.4%
Teachers Ins Co	\$ 1,719	1.2%	88.2%	Secura Supreme Ins Co	\$ 1,243	0.9%	88.8%	Allied Prop & Cas Ins Co	\$ 1,113	0.9%	89.3%

HOMEOWNERS

EXHIBIT IIA: NORTH DAKOTA MARKET SHARE REPORT (by Group)

Year: 2014				Year: 2013				Year: 2012			
<u>Group/Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>	<u>Group/Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>	<u>Group/Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>
STATE FARM GRP	\$ 34,146	18.2%	18.2%	STATE FARM GRP	\$ 32,435	18.6%	18.6%	STATE FARM GRP	\$ 29,828	18.5%	18.5%
AMERICAN FAMILY INS GRP	\$ 22,986	12.3%	30.5%	AMERICAN FAMILY INS GRP	\$ 22,156	12.7%	31.3%	AMERICAN FAMILY INS GRP	\$ 20,391	12.7%	31.2%
Farmers Union Mut Ins Co	\$ 16,745	8.9%	39.4%	Farmers Union Mut Ins Co	\$ 15,420	8.8%	40.1%	Farmers Union Mut Ins Co	\$ 14,212	8.8%	40.1%
Nodak Mut Grp	\$ 14,397	7.7%	47.1%	AUTO OWNERS GRP	\$ 13,879	8.0%	48.1%	AUTO OWNERS GRP	\$ 13,376	8.3%	48.4%
AUTO OWNERS GRP	\$ 14,228	7.6%	54.7%	Nodak Mut Grp	\$ 13,517	7.7%	55.8%	Nodak Mut Grp	\$ 12,886	8.0%	56.4%
FARMERS INS GRP	\$ 11,225	6.0%	60.6%	FARMERS INS GRP	\$ 10,653	6.1%	61.9%	ZURICH INS GRP	\$ 9,905	6.2%	62.5%
NORTH STAR CO GRP	\$ 10,654	5.7%	66.3%	NORTH STAR CO GRP	\$ 9,655	5.5%	67.4%	NORTH STAR CO GRP	\$ 8,811	5.5%	68.0%
METROPOLITAN GRP	\$ 6,126	3.3%	69.6%	Country Ins & Fin Serv Grp	\$ 5,325	3.1%	70.5%	Country Ins & Fin Serv Grp	\$ 4,812	3.0%	71.0%
UNITED SERV AUTOMOBILE ASSN GRP	\$ 5,703	3.0%	72.6%	UNITED SERV AUTOMOBILE ASSN GRP	\$ 4,914	2.8%	73.3%	STATE AUTO MUT GRP	\$ 4,615	2.9%	73.9%
Country Ins & Fin Serv Grp	\$ 5,654	3.0%	75.7%	STATE AUTO MUT GRP	\$ 4,842	2.8%	76.1%	UNITED SERV AUTOMOBILE ASSN GRP	\$ 4,176	2.6%	76.5%
NATIONWIDE CORP GRP	\$ 5,432	2.9%	78.6%	METROPOLITAN GRP	\$ 4,540	2.6%	78.7%	EMC INS CO GRP	\$ 3,999	2.5%	79.0%
STATE AUTO MUT GRP	\$ 4,918	2.6%	81.2%	NATIONWIDE CORP GRP	\$ 4,469	2.6%	81.2%	Center Mut Ins Co	\$ 3,626	2.3%	81.2%
LIBERTY MUT GRP	\$ 4,389	2.3%	83.5%	Center Mut Ins Co	\$ 4,107	2.4%	83.6%	NATIONWIDE CORP GRP	\$ 3,374	2.1%	83.3%
Center Mut Ins Co	\$ 4,336	2.3%	85.8%	LIBERTY MUT GRP	\$ 3,801	2.2%	85.8%	LIBERTY MUT GRP	\$ 3,259	2.0%	85.3%
ALLSTATE INS GRP	\$ 3,626	1.9%	87.8%	EMC INS CO GRP	\$ 3,662	2.1%	87.9%	ALLSTATE INS GRP	\$ 3,229	2.0%	87.4%
EMC INS CO GRP	\$ 3,525	1.9%	89.6%	ALLSTATE INS GRP	\$ 3,385	1.9%	89.8%	METROPOLITAN GRP	\$ 2,939	1.8%	89.2%
Northwest Gf Mut Ins Co	\$ 3,097	1.7%	91.3%	Northwest Gf Mut Ins Co	\$ 2,926	1.7%	91.5%	Northwest Gf Mut Ins Co	\$ 2,807	1.7%	90.9%
Secura Ins Grp	\$ 2,954	1.6%	92.9%	Secura Ins Grp	\$ 2,625	1.5%	93.0%	HORACE MANN GRP	\$ 2,252	1.4%	92.3%
HORACE MANN GRP	\$ 2,699	1.4%	94.3%	HORACE MANN GRP	\$ 2,427	1.4%	94.4%	Secura Ins Grp	\$ 2,148	1.3%	93.7%
ALLIANCE INS GRP	\$ 2,144	1.1%	95.5%	ALLIANCE INS GRP	\$ 1,956	1.1%	95.5%	ALLIANCE INS GRP	\$ 1,715	1.1%	94.7%

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
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
2009	1	7
2010	2	5
2011	1	10
2012	1	9
2013	1	7
2014	0	9

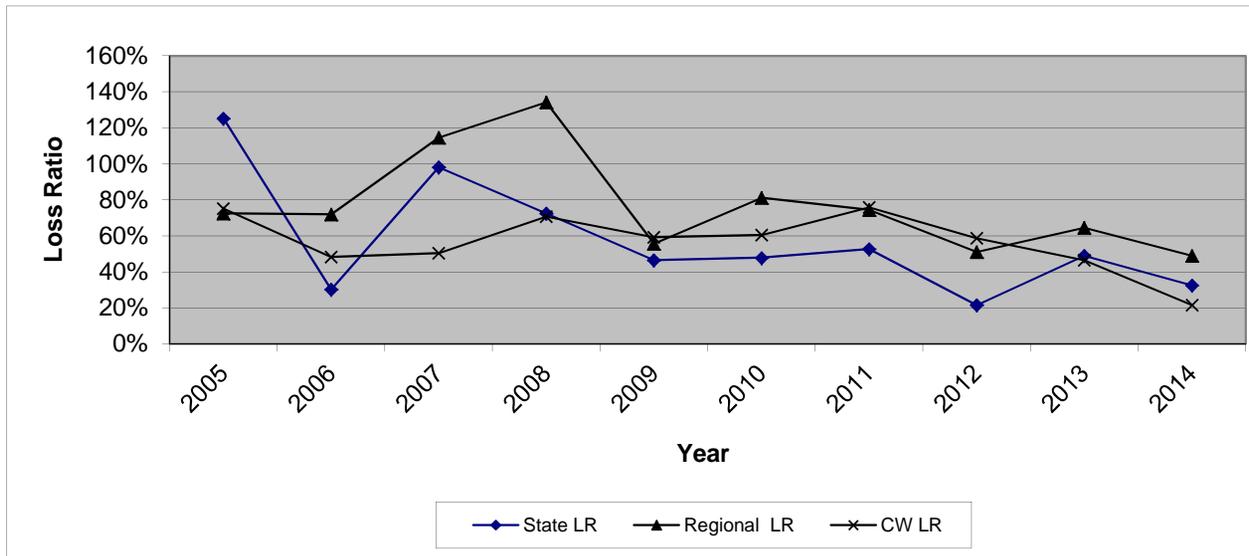
EXHIBIT IIC: NORTH DAKOTA HOMEOWNERS MARKET SHARE- SURPLUS (non-licensed)

YEAR:	2014	YEAR:	2013	YEAR:	2012
<u>Company</u>	Direct Written Premium (000s)	<u>Company</u>	Direct Written Premium (000s)	<u>Company</u>	Direct Written Premium (000s)
Lexington Ins Co	15.71	Scottsdale Ins Co	3.05	Lexington Ins Co	4.56
Scottsdale Ins Co	0.24	Lexington Ins Co	1.56	American Western Home Ins Co	4.47
	\$15.95		\$4.61	Prime Ins Co	3.79
					\$12.82
YEAR:	2011	YEAR:	2010	YEAR:	2009
<u>Company</u>	Direct Written Premium (000s)	<u>Company</u>	Direct Written Premium (000s)	<u>Company</u>	Direct Written Premium (000s)
American Western Home Ins Co	31.03	American Western Home Ins Co	24.88	American Western Home Ins Co	18.48
Lexington Ins Co	10.53	Lexington Ins Co	10.45	Lexington Ins Co	4.03
	\$41.56		\$35.33	Illinois Union Ins Co	1.05
					\$23.55
YEAR:	2008	YEAR:	2007	YEAR:	2006
<u>Company</u>	Direct Written Premium (000s)	<u>Company</u>	Direct Written Premium (000s)	<u>Company</u>	Direct Written Premium (000s)
American Western Home Ins Co	10.96	American Western Home Ins Co	6.33	Lexington Ins Co	6.77
				American Western Home Ins Co	0.81
				\$	7.58

HOMEOWNERS

EXHIBIT III: HISTORICAL LOSS RATIOS

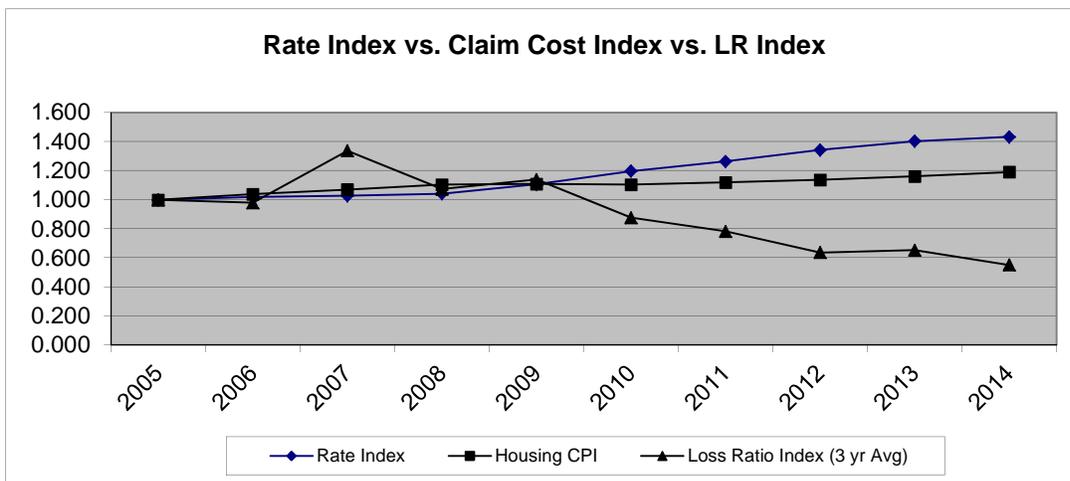
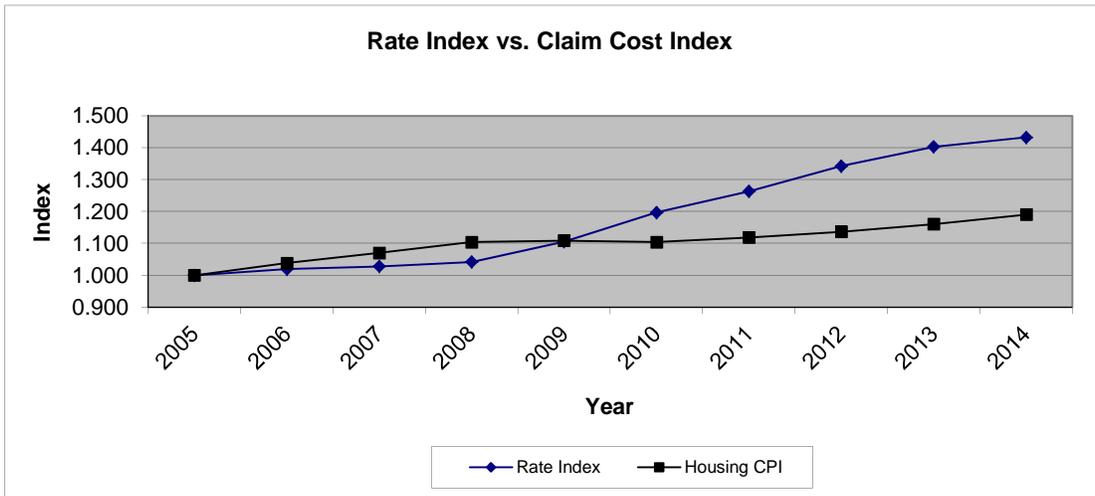
Year	Statewide Loss Ratio	Regional Loss Ratio	Countrywide Loss Ratio
2005	125%	73%	75%
2006	30%	72%	48%
2007	98%	115%	50%
2008	73%	134%	71%
2009	46%	56%	59%
2010	48%	81%	60%
2011	53%	74%	76%
2012	22%	51%	59%
2013	49%	64%	46%
2014	33%	49%	22%



HOMEOWNERS

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

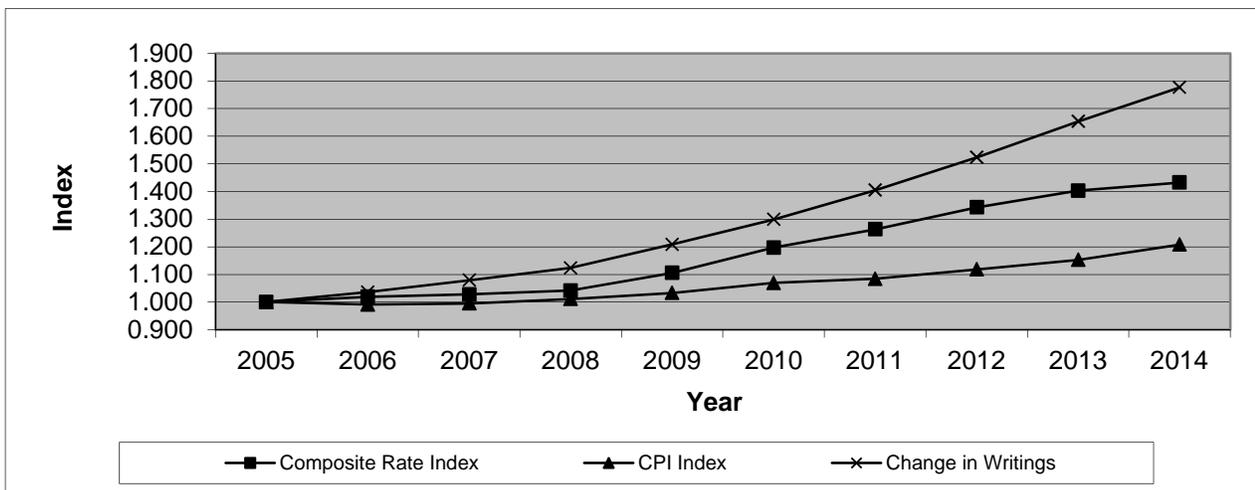
Year	Composite Rate Index	Relevant Claim Cost Index	Statewide 3 Yr LR Index
2005	1.000	1.000	1.000
2006	1.019	1.038	0.980
2007	1.028	1.070	1.337
2008	1.042	1.104	1.073
2009	1.106	1.109	1.138
2010	1.197	1.104	0.877
2011	1.263	1.119	0.782
2012	1.343	1.137	0.637
2013	1.403	1.161	0.653
2014	1.433	1.191	0.551



HOMEOWNERS

EXHIBIT V: CHANGE IN PREMIUM WRITINGS

Year	Statewide Written Premium (000s)	Change in Writings	Indexed	Composit Rate Index	Consumer Price Index
2005	\$ 105,569		1.00	1.000	1.000
2006	\$ 109,352	3.6%	1.04	1.019	0.991
2007	\$ 113,881	4.1%	1.08	1.028	0.995
2008	\$ 118,574	4.1%	1.12	1.042	1.011
2009	\$ 127,562	7.6%	1.21	1.106	1.033
2010	\$ 137,132	7.5%	1.30	1.197	1.069
2011	\$ 148,321	8.2%	1.40	1.263	1.084
2012	\$ 160,838	8.4%	1.52	1.343	1.118
2013	\$ 174,570	8.5%	1.65	1.403	1.153
2014	\$ 187,516	7.4%	1.78	1.433	1.208



HOMEOWNERS

EXHIBIT VI: FIELD MARKET SURVEY

2014 Survey not available.

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.

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

For the past six years, the top 4 writers' combined market share has been about 75%, which is considered high. The total market share of the top 20 companies combined has consistently been above 97% of the market. This suggests the market is not competitive.

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

While there are relatively few companies entering and leaving the top 20, there continues to be substantial movement among 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)

In 2014, more than 16% of the premium for this line was written by surplus lines carriers. Eight of the top 20 writers in the state, are surplus lines carriers. This information indicates that the competitive level of this market is low.

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

Statewide loss ratios over the past decade indicate that this line of insurance has been profitable.

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, those rate changes are not filed with, nor approved by our department, and are not reflected in this exhibit.

Over the past ten years, loss ratios are gradually decreasing while rates are staying relatively flat. 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

Written premiums have fluctuated significantly over the past 10 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/Self-insured retentions, - 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 2014

The 2014 Field Market Survey results were not available for this report.

Exhibit VII – Residual Market Population

There is no residual market mechanism for Medical Malpractice insurance in North Dakota. Consumers who cannot 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 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 2014 indicates a less than 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.

MEDICAL MALPRACTICE

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
1995	65.6%	98.4%		19.8%	54.5%	
1996	68.9%	98.7%		17.9%	54.1%	
1997	58.8%	97.8%		18.1%	52.9%	
1998	61.7%	98.5%		18.0%	54.3%	
1999	77.1%	99.3%		18.6%	53.2%	
2000	65.2%	98.7%		18.3%	51.0%	
2001	75.6%	99.2%		20.3%	54.2%	
2002	81.8%	99.0%		21.5%	55.6%	
2003	82.7%	98.9%		23.2%	55.9%	
2004	79.9%	98.9%	(2,094)	21.2%	54.1%	(308)
2005	74.0%	98.9%	(1,924)	19.9%	52.3%	(287)
2006	76.4%	98.5%	(2,050)	20.0%	52.1%	(290)
2007	79.5%	98.5%	(2,339)	21.2%	51.7%	(290)
2008	72.7%	98.2%	(2,539)	20.4%	51.1%	(294)
2009	67.8%	97.8%	(1,521)	20.5%	51.2%	(287)
2010	78.9%	98.3%	(2,185)	20.9%	50.4%	(300)
2011	78.3%	98.3%	(2,308)	21.2%	50.7%	(322)
2012	73.7%	97.8%	(2,035)	21.7%	50.9%	(319)
2013	77.7%	97.5%	(2,486)	22.5%	51.4%	(315)
2014	76.6%	97.2%	(2,349)	22.0%	51.6%	(313)

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

MEDICAL MALPRACTICE

EXHIBIT IIA: NORTH DAKOTA MARKET SHARE REPORT

Year: 2014				Year: 2013				Year: 2012			
Company	Direct WP (in 000s)	Market Share	Cumulative	Company	Direct WP (in 000s)	Market Share	Cumulative	Company	Direct WP (in 000s)	Market Share	Cumulative
MMIC Ins Inc	\$ 4,390	34.9%	34.9%	MHA Ins Co	\$ 4,237	37.2%	37.2%	MMIC Ins Inc	\$ 3,835	33.7%	33.7%
MHA Ins Co	\$ 3,783	30.1%	65.0%	MMIC Ins Inc	\$ 3,343	29.3%	66.5%	MHA Ins Co	\$ 2,930	25.7%	59.4%
Medical Protective Co	\$ 806	6.4%	71.4%	Medical Protective Co	\$ 824	7.2%	73.7%	Medical Protective Co	\$ 939	8.2%	67.7%
Columbia Cas Co	\$ 644	5.1%	76.6%	Ironshore Specialty Ins Co	\$ 454	4.0%	77.7%	Columbia Cas Co	\$ 682	6.0%	73.7%
Emergency Physicians Ins Co RRG	\$ 547	4.4%	80.9%	Columbia Cas Co	\$ 323	2.8%	80.5%	Preferred Professional Ins Co	\$ 503	4.4%	78.1%
American Cas Co Of Reading PA	\$ 325	2.6%	83.5%	American Cas Co Of Reading PA	\$ 288	2.5%	83.1%	Ironshore Specialty Ins Co	\$ 499	4.4%	82.5%
Ironshore Specialty Ins Co	\$ 270	2.1%	85.6%	NCMIC Ins Co	\$ 248	2.2%	85.2%	American Cas Co Of Reading PA	\$ 271	2.4%	84.8%
NCMIC Ins Co	\$ 257	2.0%	87.7%	Continental Cas Co	\$ 237	2.1%	87.3%	Continental Cas Co	\$ 248	2.2%	87.0%
Continental Cas Co	\$ 239	1.9%	89.6%	Evanston Ins Co	\$ 190	1.7%	89.0%	NCMIC Ins Co	\$ 241	2.1%	89.1%
Liberty Ins Underwriters Inc	\$ 112	0.9%	90.5%	Preferred Professional Ins Co	\$ 158	1.4%	90.4%	National Union Fire Ins Co Of Pitts	\$ 162	1.4%	90.6%
Preferred Professional Ins Co	\$ 109	0.9%	91.3%	Steadfast Ins Co	\$ 115	1.0%	91.4%	Steadfast Ins Co	\$ 129	1.1%	91.7%
Fair Amer Ins & Reins Co	\$ 108	0.9%	92.2%	Oms Natl Ins Co Rrg	\$ 107	0.9%	92.3%	Evanston Ins Co	\$ 122	1.1%	92.8%
Kinsale Ins Co	\$ 106	0.8%	93.0%	Liberty Ins Underwriters Inc	\$ 101	0.9%	93.2%	Doctors Co An Interins Exch	\$ 117	1.0%	93.8%
Oms Natl Ins Co Rrg	\$ 103	0.8%	93.9%	Fair Amer Ins & Reins Co	\$ 97	0.9%	94.0%	Oms Natl Ins Co Rrg	\$ 104	0.9%	94.7%
Doctors Co An Interins Exch	\$ 89	0.7%	94.6%	Doctors Co An Interins Exch	\$ 90	0.8%	94.8%	Liberty Ins Underwriters Inc	\$ 96	0.8%	95.5%
Arch Specialty Ins Co	\$ 85	0.7%	95.2%	Pharmacists Mut Ins Co	\$ 77	0.7%	95.5%	Pharmacists Mut Ins Co	\$ 76	0.7%	96.2%
Pharmacists Mut Ins Co	\$ 84	0.7%	95.9%	Arch Specialty Ins Co	\$ 75	0.7%	96.2%	Professional Underwriters Liab Ins C	\$ 69	0.6%	96.8%
Church Mut Ins Co	\$ 59	0.5%	96.4%	TDC Specialty Ins Co	\$ 68	0.6%	96.8%	Church Mut Ins Co	\$ 42	0.4%	97.2%
Landmark Amer Ins Co	\$ 50	0.4%	96.8%	Church Mut Ins Co	\$ 43	0.4%	97.2%	Ace Amer Ins Co	\$ 37	0.3%	97.5%
Evanston Ins Co	\$ 48	0.4%	97.2%	Ace Amer Ins Co	\$ 37	0.3%	97.5%	Kinsale Ins Co	\$ 37	0.3%	97.8%

Year: 2011				Year: 2010				Year: 2009			
Company	Direct WP (in 000s)	Market Share	Cumulative	Company	Direct WP (in 000s)	Market Share	Cumulative	Company	Direct WP (in 000s)	Market Share	Cumulative
MHA Ins Co	\$ 4,463	33.4%	33.4%	MHA Ins Co	\$ 4,670	33.3%	33.3%	MHA Ins Co	\$ 3,105	26.3%	26.3%
MMIC Ins Inc	\$ 4,297	32.2%	65.6%	MMIC Ins Inc	\$ 4,034	28.8%	62.1%	Midwest Medical Ins Co	\$ 2,489	21.1%	47.5%
Medical Protective Co	\$ 957	7.2%	72.7%	Medical Protective Co	\$ 1,664	11.9%	74.0%	Medical Protective Co	\$ 1,350	11.4%	58.9%
Arch Specialty Ins Co	\$ 746	5.6%	78.3%	Arch Specialty Ins Co	\$ 695	5.0%	78.9%	Arch Specialty Ins Co	\$ 1,053	8.9%	67.8%
Preferred Professional Ins Co	\$ 446	3.3%	81.7%	Columbia Cas Co	\$ 429	3.1%	82.0%	Steadfast Ins Co	\$ 941	8.0%	75.8%
Columbia Cas Co	\$ 380	2.8%	84.5%	Preferred Professional Ins Co	\$ 429	3.1%	85.1%	Preferred Professional Ins Co	\$ 434	3.7%	79.5%
American Cas Co Of Reading PA	\$ 256	1.9%	86.4%	Ironshore Specialty Ins Co	\$ 359	2.6%	87.6%	Columbia Cas Co	\$ 335	2.8%	82.3%
Continental Cas Co	\$ 244	1.8%	88.2%	American Cas Co Of Reading PA	\$ 251	1.8%	89.4%	American Cas Co Of Reading PA	\$ 298	2.5%	84.9%
NCMIC Ins Co	\$ 227	1.7%	90.0%	Continental Cas Co	\$ 239	1.7%	91.1%	Homeland Ins Co of NY	\$ 247	2.1%	87.0%
Ironshore Specialty Ins Co	\$ 211	1.6%	91.5%	NCMIC Ins Co	\$ 216	1.5%	92.7%	Continental Cas Co	\$ 244	2.1%	89.0%
Liberty Ins Underwriters Inc	\$ 147	1.1%	92.6%	Doctors Co An Interins Exch	\$ 127	0.9%	93.6%	NCMIC Ins Co	\$ 208	1.8%	90.8%
Steadfast Ins Co	\$ 124	0.9%	93.6%	Steadfast Ins Co	\$ 115	0.8%	94.4%	Professional Solutions Ins Co	\$ 189	1.6%	92.4%
Oms Natl Ins Co Rrg	\$ 111	0.8%	94.4%	Oms Natl Ins Co Rrg	\$ 106	0.8%	95.1%	Doctors Co An Interins Exch	\$ 151	1.3%	93.7%
National Union Fire Ins Co Of Pitts	\$ 107	0.8%	95.2%	National Union Fire Ins Co Of Pitts	\$ 99	0.7%	95.8%	Chicago Ins Co	\$ 104	0.9%	94.6%
Doctors Co An Interins Exch	\$ 106	0.8%	96.0%	National Fire & Marine Ins Co	\$ 84	0.6%	96.4%	Oms Natl Ins Co Rrg	\$ 89	0.8%	95.3%
Pharmacists Mut Ins Co	\$ 74	0.6%	96.5%	Pharmacists Mut Ins Co	\$ 73	0.5%	97.0%	Professional Underwriters Liab Ins C	\$ 70	0.6%	95.9%
National Fire & Marine Ins Co	\$ 70	0.5%	97.1%	Professional Underwriters Liab Ins C	\$ 65	0.5%	97.4%	Pharmacists Mut Ins Co	\$ 69	0.6%	96.5%
Professional Underwriters Liab Ins C	\$ 70	0.5%	97.6%	Ace Amer Ins Co	\$ 46	0.3%	97.8%	National Fire & Marine Ins Co	\$ 68	0.6%	97.1%
Ace Amer Ins Co	\$ 50	0.4%	98.0%	Evanston Ins Co	\$ 44	0.3%	98.1%	Evanston Ins Co	\$ 46	0.4%	97.5%
Evanston Ins Co	\$ 46	0.3%	98.3%	Church Mut Ins Co	\$ 39	0.3%	98.3%	Ace Amer Ins Co	\$ 45	0.4%	97.8%

MEDICAL MALPRACTICE

EXHIBIT IIA: NORTH DAKOTA MARKET SHARE REPORT (by Group)

Year: 2014				Year: 2013				Year: 2012			
<u>Group/Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>	<u>Group/Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>	<u>Group/Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>
MMIC Grp	\$ 4,390	34.9%	34.9%	Coveryrs Grp	\$ 4,395	38.6%	38.6%	MMIC Grp	\$ 3,835	33.7%	33.7%
Coveryrs Grp	\$ 3,892	31.0%	65.9%	MMIC Grp	\$ 3,343	29.3%	67.9%	Coveryrs Grp	\$ 2,930	25.7%	59.4%
CNA INS GRP	\$ 1,207	9.6%	75.5%	CNA INS GRP	\$ 847	7.4%	75.3%	CNA INS GRP	\$ 1,202	10.6%	70.0%
BERKSHIRE HATHAWAY GRP	\$ 829	6.6%	82.1%	BERKSHIRE HATHAWAY GRP	\$ 834	7.3%	82.6%	BERKSHIRE HATHAWAY GRP	\$ 974	8.6%	78.5%
Emergency Physicians Ins Co RRG	\$ 547	4.4%	86.4%	Ironshore Grp	\$ 454	4.0%	86.6%	Christus Hlth Grp	\$ 503	4.4%	82.9%
Ironshore Grp	\$ 270	2.1%	88.6%	NCMIC Grp	\$ 250	2.2%	88.8%	Ironshore Grp	\$ 499	4.4%	87.3%
NCMIC Grp	\$ 260	2.1%	90.7%	MARKEL CORP GRP	\$ 190	1.7%	90.5%	NCMIC Grp	\$ 242	2.1%	89.5%
Alleghany Grp	\$ 164	1.3%	92.0%	DOCTORS CO GRP	\$ 159	1.4%	91.9%	DOCTORS CO GRP	\$ 186	1.6%	91.1%
DOCTORS CO GRP	\$ 136	1.1%	93.0%	ZURICH INS GRP	\$ 115	1.0%	92.9%	AMERICAN INTL GRP	\$ 185	1.6%	92.7%
LIBERTY MUT GRP	\$ 112	0.9%	93.9%	Alleghany Grp	\$ 115	1.0%	93.9%	ZURICH INS GRP	\$ 129	1.1%	93.8%
Kinsale Ins Co	\$ 106	0.8%	94.8%	NATIONAL GRP	\$ 108	0.9%	94.8%	MARKEL CORP GRP	\$ 122	1.1%	94.9%
NATIONAL GRP	\$ 104	0.8%	95.6%	LIBERTY MUT GRP	\$ 101	0.9%	95.7%	NATIONAL GRP	\$ 105	0.9%	95.8%
Arch Ins Grp	\$ 85	0.7%	96.3%	PHARMACISTS MUT GRP	\$ 77	0.7%	96.4%	LIBERTY MUT GRP	\$ 96	0.8%	96.7%
PHARMACISTS MUT GRP	\$ 84	0.7%	97.0%	Arch Ins Grp	\$ 75	0.7%	97.0%	PHARMACISTS MUT GRP	\$ 76	0.7%	97.3%
Church Mut Ins Co	\$ 59	0.5%	97.4%	Ace Ltd Grp	\$ 51	0.4%	97.5%	Church Mut Ins Co	\$ 42	0.4%	97.7%
MARKEL CORP GRP	\$ 48	0.4%	97.8%	AMERICAN INTL GRP	\$ 47	0.4%	97.9%	Ace Ltd Grp	\$ 39	0.3%	98.1%
AMERICAN INTL GRP	\$ 44	0.3%	98.2%	Church Mut Ins Co	\$ 43	0.4%	98.3%	Kinsale Ins Co	\$ 37	0.3%	98.4%
Ace Ltd Grp	\$ 42	0.3%	98.5%	ProAssurance Corp Grp	\$ 31	0.3%	98.5%	CINCINNATI FIN GRP	\$ 27	0.2%	98.6%
CINCINNATI FIN GRP	\$ 34	0.3%	98.8%	CINCINNATI FIN GRP	\$ 27	0.2%	98.8%	Chubb Inc Grp	\$ 23	0.2%	98.8%
WR Berkley Corp GRP	\$ 27	0.2%	99.0%	WR Berkley Corp GRP	\$ 24	0.2%	99.0%	ProAssurance Corp Grp	\$ 23	0.2%	99.0%

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
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
2009	2	12
2010	3	10
2011	1	11
2012	2	11
2013	3	13
2014	3	14

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

YEAR:	2014		2013		2012
	Direct Written Premium (000s)	Company	Direct Written Premium (000s)	Company	Direct Written Premium (000s)
Columbia Cas Co	\$ 643.87	Ironshore Specialty Ins Co	\$ 454.25	Columbia Cas Co	\$ 682.38
Emergency Physicians Ins Co RRG	\$ 547.10	Columbia Cas Co	\$ 322.61	Ironshore Specialty Ins Co	\$ 498.95
Ironshore Specialty Ins Co	\$ 270.16	Evanston Ins Co	\$ 190.01	Steadfast Ins Co	\$ 129.07
Kinsale Ins Co	\$ 106.01	Steadfast Ins Co	\$ 114.64	Evanston Ins Co	\$ 122.35
Oms Natl Ins Co Rrg	\$ 102.97	Oms Natl Ins Co Rrg	\$ 106.78	Professional Underwriters Liab Ins C	\$ 69.46
Arch Specialty Ins Co	\$ 85.12	Arch Specialty Ins Co	\$ 75.00	Kinsale Ins Co	\$ 37.01
Landmark Amer Ins Co	\$ 50.40	TDC Specialty Ins Co	\$ 68.31	Chubb Custom Ins Co	\$ 23.18
Evanston Ins Co	\$ 48.22	ProAssurance Specialty Ins Co	\$ 26.08	General Star Ind Co	\$ 18.40
TDC Specialty Ins Co	\$ 47.83	Chubb Custom Ins Co	\$ 23.18	Landmark Amer Ins Co	\$ 17.50
General Star Ind Co	\$ 20.45	Landmark Amer Ins Co	\$ 17.50	National Fire & Marine Ins Co	\$ 16.25
ProAssurance Specialty Ins Co	\$ 19.05	MT Hawley Ins Co	\$ 14.98	ProAssurance Specialty Ins Co	\$ 16.23
MT Hawley Ins Co	\$ 14.12	Illinois Union Ins Co	\$ 13.94	Lexington Ins Co	\$ 11.34
Allied Professionals Ins Co RRG	\$ 13.44	Allied Professionals Ins Co RRG	\$ 11.78	Nautilus Ins Co	\$ 11.26
James River Ins Co	\$ 10.90	American Assoc Of Othodontists RRG	\$ 11.09	Admiral Ins Co	\$ 8.19
American Assoc Of Othodontists RRG	\$ 10.63	Health Care Industry Liab Recip Ins	\$ 10.00	James River Ins Co	\$ 5.27
Lexington Ins Co	\$ 10.41	James River Ins Co	\$ 9.72	Western World Ins Co	\$ 4.81
Health Care Industry Liab Recip Ins	\$ 10.00	General Star Ind Co	\$ 9.65	Interstate Fire & Cas Co	\$ 4.46
Capitol Specialty Ins Corp	\$ 5.75	Lexington Ins Co	\$ 7.26	Illinois Union Ins Co	\$ 2.35
Western World Ins Co	\$ 4.38	Admiral Ins Co	\$ 4.30	The Cincinnati Specialty Underwriter	\$ 2.26
Admiral Ins Co	\$ 3.50	The Cincinnati Specialty Underwriter	\$ 2.44	Essex Ins Co	\$ 0.14
The Cincinnati Specialty Underwriter	\$ 2.81	Western World Ins Co	\$ 2.25	Chartis Specialty Ins Co	\$ 0.13
National Fire & Marine Ins Co	\$ 2.60	Kinsale Ins Co	\$ 1.47		\$ 1,680.97
Illinois Union Ins Co	\$ 2.50	Oceanus Ins Co A RRG	\$ 1.33		
Great Amer E&S Ins Co	\$ 1.68		\$ 1,498.56		
Academic Medical Professionals Ins E	\$ 0.14				
National Guardian RRG Inc	\$ 0.08				
	\$ 2,034.10				

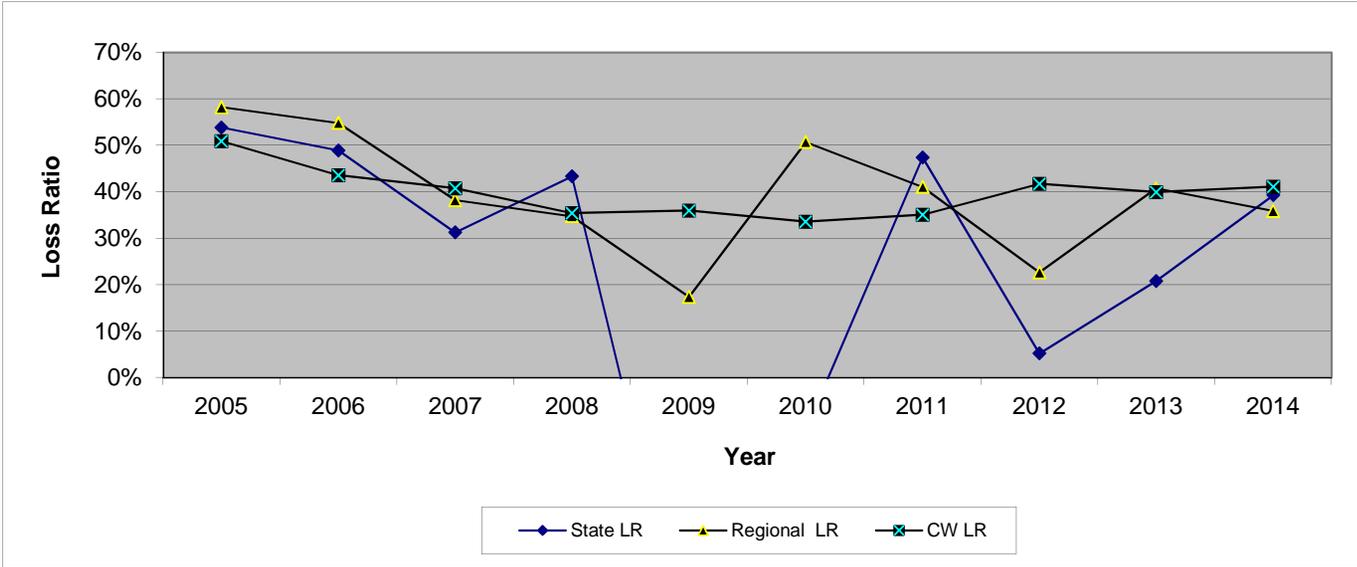
YEAR:	2011		2010		2009
	Direct Written Premium (000s)	Company	Direct Written Premium (000s)	Company	Direct Written Premium (000s)
Arch Specialty Ins Co	\$ 745.50	Arch Specialty Ins Co	\$ 695.00	Arch Specialty Ins Co	\$ 1,052.50
Columbia Cas Co	\$ 380.13	Columbia Cas Co	\$ 429.35	Steadfast Ins Co	\$ 940.73
Ironshore Specialty Ins Co	\$ 210.94	Ironshore Specialty Ins Co	\$ 359.00	Columbia Cas Co	\$ 334.58
Steadfast Ins Co	\$ 124.03	Steadfast Ins Co	\$ 115.17	Homeland Ins Co of NY	\$ 246.61
Oms Natl Ins Co Rrg	\$ 110.56	National Fire & Marine Ins Co	\$ 83.66	Oms Natl Ins Co Rrg	\$ 88.72
National Fire & Marine Ins Co	\$ 70.13	Professional Underwriters Liab Ins C	\$ 64.90	Professional Underwriters Liab Ins C	\$ 70.11
Professional Underwriters Liab Ins C	\$ 70.10	Evanston Ins Co	\$ 43.64	National Fire & Marine Ins Co	\$ 68.38
Evanston Ins Co	\$ 46.12	Admiral Ins Co	\$ 26.13	Evanston Ins Co	\$ 45.63
Chubb Custom Ins Co	\$ 22.50	Chubb Custom Ins Co	\$ 22.50	Chubb Custom Ins Co	\$ 22.50
Admiral Ins Co	\$ 15.12	Empire Ind Ins Co	\$ 15.74	Empire Ind Ins Co	\$ 16.40
Lexington Ins Co	\$ 13.79	Interstate Fire & Cas Co	\$ 9.30	Admiral Ins Co	\$ 10.38
ProAssurance Specialty Ins Co	\$ 12.60	Lexington Ins Co	\$ 8.40	Interstate Fire & Cas Co	\$ 9.28
Health Care Industry Liab Recip Ins	\$ 10.00	Homeland Ins Co of NY	\$ 7.74	American Assoc Of Othodontists RRG	\$ 8.47
American Assoc Of Othodontists RRG	\$ 8.81	ProAssurance Specialty Ins Co	\$ 7.68	Western World Ins Co	\$ 4.26
Landmark Amer Ins Co	\$ 8.55	Landmark Amer Ins Co	\$ 4.50	Lexington Ins Co	\$ 3.79
General Star Ind Co	\$ 6.08	James River Ins Co	\$ 2.61	James River Ins Co	\$ 2.55
Western World Ins Co	\$ 3.84	Western World Ins Co	\$ 2.42	Allied Professionals Ins Co RRG	\$ 1.64
James River Ins Co	\$ 2.68	Essex Ins Co	\$ 0.22	Landmark Amer Ins Co	\$ 1.50
Allied Professionals Ins Co RRG	\$ 1.89		\$ 1,897.96	Ophthalmic Mut Ins Co RRG	\$ 0.93
The Cincinnati Specialty Underwriter	\$ 1.65				
Illinois Union Ins Co	\$ 1.24				
Affiliates Ins Recip a RRG	\$ 1.15				
Essex Ins Co	\$ 0.22				
Chartis Specialty Ins Co	\$ 0.00				
	\$ 1,867.63				

YEAR:	2008		2007		2006
	Direct Written Premium (000s)	Company	Direct Written Premium (000s)	Company	Direct Written Premium (000s)
Arch Specialty Ins Co	\$ 1,057.35	Arch Specialty Ins Co	\$ 1,116.86	Arch Specialty 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 Underwriters 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 Underwriters 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 Specialty 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		

MEDICAL MALPRACTICE

EXHIBIT III: HISTORICAL LOSS RATIOS

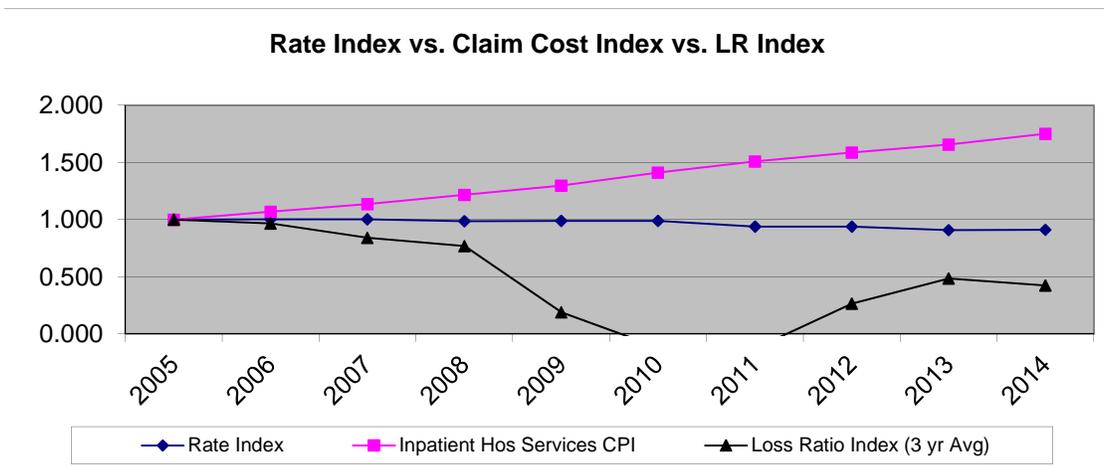
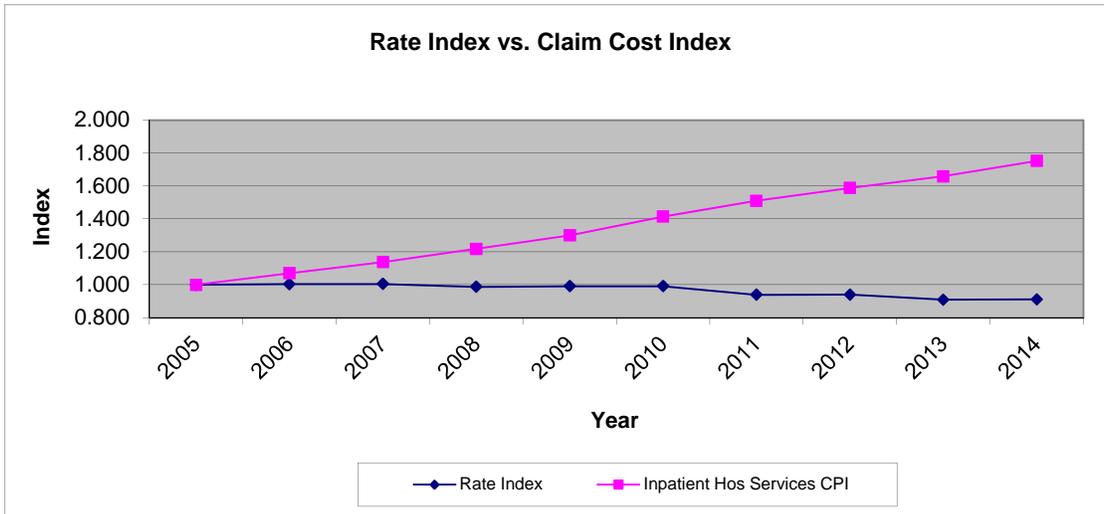
Year	Statewide Loss Ratio	Regional Loss Ratio	Countrywide Loss Ratio
2005	54%	58%	51%
2006	49%	55%	44%
2007	31%	38%	41%
2008	43%	35%	35%
2009	-61%	17%	36%
2010	-11%	51%	34%
2011	47%	41%	35%
2012	5%	23%	42%
2013	21%	41%	40%
2014	39%	36%	41%



MEDICAL MALPRACTICE

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

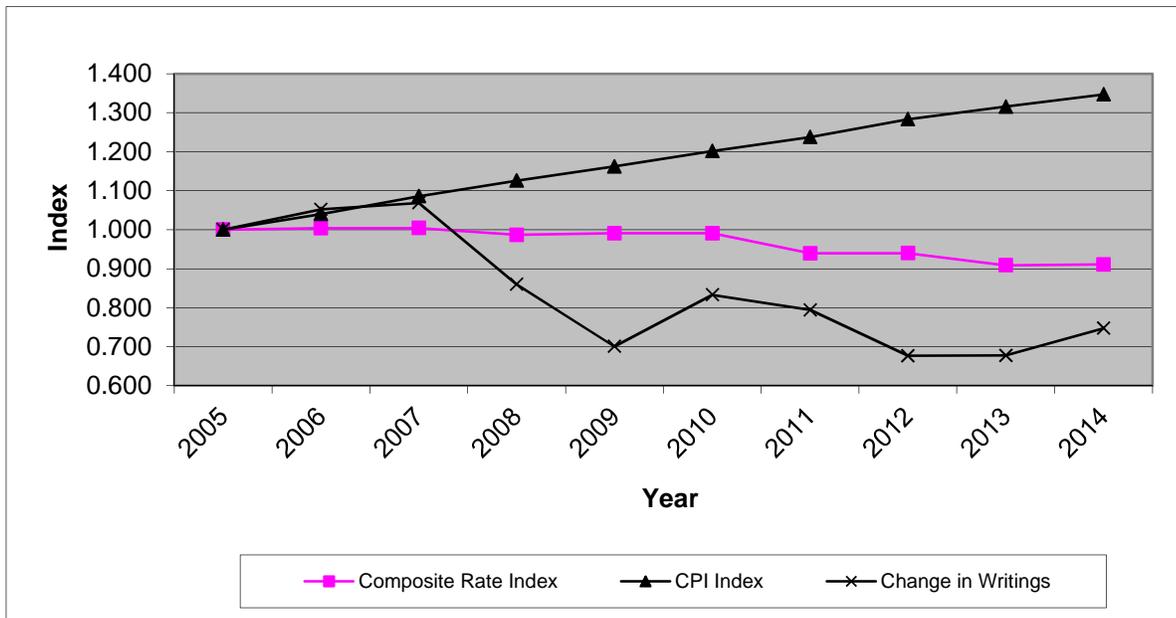
Year	Composite Rate Index	Relevant Claim Cost Index	Statewide 3 Yr LR Index
2005	1.000	1.000	1.000
2006	1.004	1.070	0.968
2007	1.004	1.137	0.841
2008	0.987	1.218	0.769
2009	0.991	1.300	0.191
2010	0.991	1.414	-0.118
2011	0.939	1.510	-0.127
2012	0.940	1.589	0.265
2013	0.909	1.659	0.485
2014	0.911	1.753	0.425



MEDICAL MALPRACTICE

EXHIBIT V: CHANGE IN PREMIUM WRITINGS

Year	Statewide Written Premium (000s)	Change in Writings	Indexed	Composite Rate Index	Consumer Price Index
2005	\$ 16,823		1.00	1.000	1.000
2006	\$ 17,696	5.2%	1.05	1.004	1.040
2007	\$ 17,980	1.6%	1.07	1.004	1.086
2008	\$ 14,468	-19.5%	0.86	0.987	1.126
2009	\$ 11,788	-18.5%	0.70	0.991	1.162
2010	\$ 14,016	18.9%	0.83	0.991	1.201
2011	\$ 13,359	-4.7%	0.79	0.939	1.238
2012	\$ 11,388	-14.8%	0.68	0.940	1.283
2013	\$11,400	0.1%	0.68	0.909	1.315
2014	\$12,569	10.3%	0.75	0.911	1.347



MEDICAL MALPRACTICE

EXHIBIT VI: FIELD MARKET SURVEY

2014 Survey not available.

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 2014	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 16% 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

There continues to be a significant number of companies entering the top 20 writers each year as well as considerable movement among the top 20 carriers. 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)

In 2014, 26% of this line’s premium was written by surplus lines carriers. This suggests that the market is moderately competitive.

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

Statewide loss ratios have varied considerably from year to year but have been consistently low compared to industry targets. Further the statewide loss ratios are

generally 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 information suggests the market is less than competitive.

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

North Dakota rates have remained relatively flat despite favorable loss experience. This may suggest non-competitive market. Making this comparison is complicated by 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. In 2012 premium volume increased more than 50% over the prior year's level. This is most-likely attributable to the rapid economic development in the western part of the state.

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

Exhibit VI – Field Market Survey Results-September 2014

The 2014 Field Market Survey results were not available for this report.

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 is 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 Loss Ratio vs Rate Change vs Claims Cost Index and the Market Share Surplus analysis indicate a

moderately competitive market. The Historical Loss Ratio exhibit indicates that the market is noncompetitive.

Final assessment

The evaluation of the market through the year 2014 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.

OTHER LIABILITY

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
1995	28.6%	56.3%		21.2%	43.1%	
1996	17.3%	48.8%		20.5%	42.0%	
1997	15.7%	50.1%		20.5%	42.1%	
1998	20.3%	50.8%		19.9%	41.6%	
1999	15.3%	46.8%		17.3%	40.2%	
2000	13.7%	43.9%		18.0%	39.7%	
2001	14.1%	44.9%		16.4%	40.5%	
2002	12.8%	44.4%		19.3%	43.4%	
2003	15.0%	44.9%		20.3%	44.6%	
2004	20.1%	49.0%	(446)	17.7%	43.2%	(663)
2005	14.4%	45.6%	(317)	16.2%	42.4%	(625)
2006	18.4%	48.6%	(383)	15.2%	42.2%	(609)
2007	19.2%	46.8%	(384)	15.7%	42.8%	(627)
2008	17.9%	47.2%	(383)	16.5%	41.0%	(513)
2009	20.7%	48.7%	(354)	16.4%	39.6%	(450)
2010	19.9%	49.4%	(333)	16.7%	39.6%	(450)
2011	16.6%	44.6%	(324)	16.3%	38.9%	(424)
2012	19.2%	45.9%	(311)	14.7%	36.1%	(352)
2013	18.0%	43.7%	(339)	13.8%	34.2%	(308)
2014	16.1%	42.3%	(340)	13.3%	34.2%	(303)

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

OTHER LIABILITY

EXHIBIT IIA: NORTH DAKOTA MARKET SHARE REPORT

Year: 2014				Year: 2013				Year: 2012			
<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	\$ 13,646	7.4%	7.4%	St Paul Fire & Marine Ins Co	\$ 13,549	7.8%	7.8%	St Paul Fire & Marine Ins Co	\$ 10,864	6.8%	6.8%
Mid Continent Cas Co	\$ 5,742	3.1%	10.5%	Mid Continent Cas Co	\$ 7,165	4.1%	11.9%	Everest Ind Ins Co	\$ 7,214	4.5%	11.3%
Employers Mut Cas Co	\$ 5,329	2.9%	13.4%	Employers Mut Cas Co	\$ 5,651	3.2%	15.1%	Mid Continent Cas Co	\$ 6,595	4.1%	15.4%
Zurich Amer Ins Co	\$ 5,043	2.7%	16.1%	Zurich Amer Ins Co	\$ 5,075	2.9%	18.0%	Caterpillar Ins Co	\$ 6,067	3.8%	19.2%
Caterpillar Ins Co	\$ 4,836	2.6%	18.7%	Cincinnati Ins Co	\$ 4,615	2.6%	20.7%	Employers Mut Cas Co	\$ 5,779	3.6%	22.8%
Acuity A Mut Ins Co	\$ 4,503	2.4%	21.2%	Acuity A Mut Ins Co	\$ 4,028	2.3%	23.0%	Cincinnati Ins Co	\$ 3,817	2.4%	25.2%
Cincinnati Ins Co	\$ 4,404	2.4%	23.6%	Lexington Ins Co	\$ 3,864	2.2%	25.2%	Zurich Amer Ins Co	\$ 3,669	2.3%	27.4%
Lexington Ins Co	\$ 3,850	2.1%	25.6%	Western Natl Mut Ins Co	\$ 3,728	2.1%	27.3%	Acuity A Mut Ins Co	\$ 3,288	2.1%	29.5%
Evanston Ins Co	\$ 3,194	1.7%	27.4%	Caterpillar Ins Co	\$ 3,578	2.1%	29.4%	Federal Ins Co	\$ 2,916	1.8%	31.3%
Liberty Mut Fire Ins Co	\$ 3,179	1.7%	29.1%	Federal Ins Co	\$ 2,852	1.6%	31.0%	American Modern Home Ins Co	\$ 2,799	1.7%	33.1%
Farmers Union Mut Ins Co	\$ 3,086	1.7%	30.8%	Farmers Union Mut Ins Co	\$ 2,842	1.6%	32.7%	Lexington Ins Co	\$ 2,600	1.6%	34.7%
St Paul Mercury Ins Co	\$ 3,068	1.7%	32.4%	Liberty Mut Fire Ins Co	\$ 2,584	1.5%	34.1%	Farmers Union Mut Ins Co	\$ 2,556	1.6%	36.3%
Federal Ins Co	\$ 2,725	1.5%	33.9%	Continental Cas Co	\$ 2,563	1.5%	35.6%	Western Natl Mut Ins Co	\$ 2,544	1.6%	37.9%
Continental Cas Co	\$ 2,693	1.5%	35.4%	Grinnell Mut Reins Co	\$ 2,336	1.3%	36.9%	Commerce & Industry Ins Co	\$ 2,484	1.5%	39.4%
Travelers Cas & Surety Co Of Amer	\$ 2,601	1.4%	36.8%	First Mercury Ins Co	\$ 2,323	1.3%	38.3%	Continental Cas Co	\$ 2,259	1.4%	40.8%
Ironshore Specialty Ins Co	\$ 2,169	1.2%	37.9%	Travelers Cas & Surety Co Of Amer	\$ 2,181	1.3%	39.5%	Grinnell Mut Reins Co	\$ 2,133	1.3%	42.1%
Grinnell Mut Reins Co	\$ 2,072	1.1%	39.1%	Evanston Ins Co	\$ 1,975	1.1%	40.7%	United Fire & Cas Co	\$ 1,617	1.0%	43.2%
Western Natl Mut Ins Co	\$ 2,070	1.1%	40.2%	Ace Amer Ins Co	\$ 1,818	1.0%	41.7%	Ace Amer Ins Co	\$ 1,555	1.0%	44.1%
First Mercury Ins Co	\$ 2,014	1.1%	41.3%	Nodak Mut Ins Co	\$ 1,817	1.0%	42.7%	American Family Mut Ins Co	\$ 1,454	0.9%	45.0%
Berkley Natl Ins Co	\$ 1,860	1.0%	42.3%	American Guar & Liab Ins	\$ 1,672	1.0%	43.7%	Nodak Mut Ins Co	\$ 1,450	0.9%	45.9%

Year: 2011				Year: 2010				Year: 2009			
<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	\$ 5,492	5.2%	5.2%	Everest Ind Ins Co	\$ 7,879	8.2%	8.2%	Everest Ind Ins Co	\$ 9,451	10.2%	10.2%
Caterpillar Ins Co	\$ 4,131	3.9%	9.0%	St Paul Fire & Marine Ins Co	\$ 4,743	4.9%	13.1%	St Paul Fire & Marine Ins Co	\$ 3,861	4.2%	14.3%
Employers Mut Cas Co	\$ 4,087	3.8%	12.9%	Employers Mut Cas Co	\$ 3,328	3.5%	16.6%	Employers Mut Cas Co	\$ 2,985	3.2%	17.6%
Mid Continent Cas Co	\$ 3,954	3.7%	16.6%	Cincinnati Ins Co	\$ 3,158	3.3%	19.9%	Federal Ins Co	\$ 2,945	3.2%	20.7%
Cincinnati Ins Co	\$ 3,194	3.0%	19.6%	Caterpillar Ins Co	\$ 3,130	3.3%	23.2%	Cincinnati Ins Co	\$ 2,891	3.1%	23.9%
Federal Ins Co	\$ 2,565	2.4%	22.0%	Federal Ins Co	\$ 2,939	3.1%	26.2%	Lexington Ins Co	\$ 2,701	2.9%	26.8%
Lexington Ins Co	\$ 2,495	2.3%	24.4%	Mid Continent Cas Co	\$ 2,418	2.5%	28.7%	Caterpillar Ins Co	\$ 2,472	2.7%	29.4%
American Modern Home Ins Co	\$ 2,391	2.2%	26.6%	Lexington Ins Co	\$ 2,402	2.5%	31.2%	Mid Continent Cas Co	\$ 2,147	2.3%	31.7%
Farmers Union Mut Ins Co	\$ 2,291	2.2%	28.8%	American Modern Home Ins Co	\$ 2,278	2.4%	33.6%	Farmers Union Mut Ins Co	\$ 1,900	2.0%	33.8%
Continental Cas Co	\$ 2,188	2.1%	30.8%	Farmers Union Mut Ins Co	\$ 2,061	2.1%	35.8%	American Bankers Ins Co Of FL	\$ 1,687	1.8%	35.6%
Acuity A Mut Ins Co	\$ 2,140	2.0%	32.8%	Grinnell Mut Reins Co	\$ 1,670	1.7%	37.5%	Grinnell Mut Reins Co	\$ 1,626	1.8%	37.4%
Grinnell Mut Reins Co	\$ 1,809	1.7%	34.5%	Acuity A Mut Ins Co	\$ 1,601	1.7%	39.2%	Acuity A Mut Ins Co	\$ 1,506	1.6%	39.0%
Chartis Specialty Ins Co	\$ 1,670	1.6%	36.1%	Continental Cas Co	\$ 1,517	1.6%	40.7%	Zurich Amer Ins Co	\$ 1,500	1.6%	40.6%
Commerce & Industry Ins Co	\$ 1,441	1.4%	37.4%	Zurich Amer Ins Co	\$ 1,448	1.5%	42.3%	Continental Cas Co	\$ 1,348	1.5%	42.1%
Nodak Mut Ins Co	\$ 1,360	1.3%	38.7%	National Union Fire Ins Co Of Pitts	\$ 1,272	1.3%	43.6%	Nodak Mut Ins Co	\$ 1,168	1.3%	43.3%
Western Natl Mut Ins Co	\$ 1,331	1.3%	40.0%	Nodak Mut Ins Co	\$ 1,271	1.3%	44.9%	American Family Mut Ins Co	\$ 1,029	1.1%	44.4%
American Family Mut Ins Co	\$ 1,259	1.2%	41.2%	American Bankers Ins Co Of FL	\$ 1,146	1.2%	46.1%	State Farm Fire & Cas Co	\$ 1,025	1.1%	45.5%
Auto Owners Ins Co	\$ 1,252	1.2%	42.3%	Auto Owners Ins Co	\$ 1,102	1.1%	47.2%	Auto Owners Ins Co	\$ 991	1.1%	46.6%
Zurich Amer Ins Co	\$ 1,236	1.2%	43.5%	State Farm Fire & Cas Co	\$ 1,063	1.1%	48.4%	Steadfast Ins Co	\$ 983	1.1%	47.7%
Ace Amer Ins Co	\$ 1,228	1.2%	44.6%	American Family Mut Ins Co	\$ 1,045	1.1%	49.4%	Greenwich Ins Co	\$ 978	1.1%	48.7%

OTHER LIABILITY

EXHIBIT IIA: NORTH DAKOTA MARKET SHARE REPORT (by Group)

Year: 2014				Year: 2013				Year: 2012			
<u>Group/Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>	<u>Group/Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>	<u>Group/Company</u>	<u>Direct WP (in 000s)</u>	<u>Market Share</u>	<u>Cumulative</u>
Travelers Grp	\$ 23,045	12.5%	12.5%	Travelers Grp	\$ 20,921	12.0%	12.0%	Travelers Grp	\$ 16,675	10.4%	10.4%
AMERICAN INTL GRP	\$ 9,104	4.9%	17.4%	AMERICAN INTL GRP	\$ 8,450	4.8%	16.8%	AMERICAN INTL GRP	\$ 7,752	4.8%	15.2%
ZURICH INS GRP	\$ 6,943	3.8%	21.2%	American Financial Grp	\$ 8,351	4.8%	21.6%	American Financial Grp	\$ 7,688	4.8%	20.0%
American Financial Grp	\$ 6,936	3.8%	24.9%	ZURICH INS GRP	\$ 7,691	4.4%	26.0%	EVEREST REINS HOLDINGS GRP	\$ 7,237	4.5%	24.5%
LIBERTY MUT GRP	\$ 6,717	3.6%	28.6%	LIBERTY MUT GRP	\$ 6,687	3.8%	29.9%	EMC INS CO GRP	\$ 6,590	4.1%	28.6%
WR Berkley Corp GRP	\$ 6,614	3.6%	32.1%	EMC INS CO GRP	\$ 6,561	3.8%	33.6%	Caterpillar Grp	\$ 6,067	3.8%	32.4%
EMC INS CO GRP	\$ 6,148	3.3%	35.5%	CINCINNATI FIN GRP	\$ 5,593	3.2%	36.8%	ZURICH INS GRP	\$ 5,775	3.6%	36.0%
NATIONWIDE CORP GRP	\$ 5,703	3.1%	38.6%	NATIONWIDE CORP GRP	\$ 5,582	3.2%	40.0%	NATIONWIDE CORP GRP	\$ 5,259	3.3%	39.3%
CINCINNATI FIN GRP	\$ 5,317	2.9%	41.4%	WR Berkley Corp GRP	\$ 4,968	2.8%	42.9%	CINCINNATI FIN GRP	\$ 4,576	2.9%	42.2%
Caterpillar Grp	\$ 4,836	2.6%	44.1%	CNA INS GRP	\$ 4,632	2.7%	45.6%	CNA INS GRP	\$ 4,249	2.6%	44.8%
MARKEL CORP GRP	\$ 4,635	2.5%	46.6%	FAIRFAX FIN GRP	\$ 4,493	2.6%	48.1%	WR Berkley Corp GRP	\$ 4,050	2.5%	47.3%
XL AMER GRP	\$ 4,582	2.5%	49.0%	Chubb Inc Grp	\$ 4,180	2.4%	50.5%	Chubb Inc Grp	\$ 3,898	2.4%	49.8%
Acuity A Mut Ins Co	\$ 4,503	2.4%	51.5%	Acuity A Mut Ins Co	\$ 4,028	2.3%	52.8%	LIBERTY MUT GRP	\$ 3,700	2.3%	52.1%
FAIRFAX FIN GRP	\$ 4,283	2.3%	53.8%	Ace Ltd Grp	\$ 3,829	2.2%	55.0%	Ace Ltd Grp	\$ 3,484	2.2%	54.2%
Chubb Inc Grp	\$ 4,032	2.2%	56.0%	WESTERN NATL MUT GRP	\$ 3,771	2.2%	57.2%	Acuity A Mut Ins Co	\$ 3,288	2.1%	56.3%
CNA INS GRP	\$ 3,980	2.2%	58.1%	Caterpillar Grp	\$ 3,578	2.1%	59.2%	FAIRFAX FIN GRP	\$ 3,248	2.0%	58.3%
Farmers Union Mut Ins Co	\$ 3,086	1.7%	59.8%	MARKEL CORP GRP	\$ 2,852	1.6%	60.9%	Munich Re Grp	\$ 2,928	1.8%	60.2%
Ace Ltd Grp	\$ 2,954	1.6%	61.4%	Farmers Union Mut Ins Co	\$ 2,842	1.6%	62.5%	Farmers Union Mut Ins Co	\$ 2,556	1.6%	61.7%
AUTO OWNERS GRP	\$ 2,780	1.5%	62.9%	AUTO OWNERS GRP	\$ 2,675	1.5%	64.0%	WESTERN NATL MUT GRP	\$ 2,553	1.6%	63.3%
Alleghany Grp	\$ 2,672	1.4%	64.4%	GRINNELL MUT GRP	\$ 2,336	1.3%	65.4%	AUTO OWNERS GRP	\$ 2,430	1.5%	64.9%

OTHER LIABILITY

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	9
1995	5	12
1996	4	14
1997	4	14
1998	4	15
1999	4	12
2000	3	12
2001	4	15
2002	6	13
2003	6	13
2004	4	9
2005	4	15
2006	4	16
2007	6	11
2008	6	14
2009	4	14
2010	2	12
2011	4	9
2012	2	16
2013	5	13
2014	3	11

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

YEAR:	2014		2013		2012
	Direct Written Premium (000s)	Company	Direct Written Premium (000s)	Company	Direct Written Premium (000s)
Lexington Ins Co	\$ 3,850.27	Lexington Ins Co	\$ 3,863.61	Everest Ind Ins Co	\$7,214.41
Evanston Ins Co	\$ 3,194.38	First Mercury Ins Co	\$ 2,322.69	Lexington Ins Co	\$2,599.94
Ironshore Specialty Ins Co	\$ 2,169.42	Evanston Ins Co	\$ 1,974.58	First Mercury Ins Co	\$1,268.83
First Mercury Ins Co	\$ 2,013.71	Ironshore Specialty Ins Co	\$ 1,505.74	Evanston Ins Co	\$1,142.20
AIG Specialty Ins Co	\$ 1,856.80	Hallmark Specialty Ins Co	\$ 1,493.07	Steadfast Ins Co	\$1,057.75
Indian Harbor Ins Co	\$ 1,737.71	AIG Specialty Ins Co	\$ 1,110.65	Nautilus Ins Co	\$1,039.37
Catlin Specialty Ins Co	\$ 1,727.93	Colony Ins Co	\$ 1,085.67	Catlin Specialty Ins Co	\$971.74
First Specialty Ins Corp	\$ 1,598.76	Liberty Surplus Ins Corp	\$ 1,059.62	James River Ins Co	\$914.67
Hallmark Specialty Ins Co	\$ 1,487.31	Catlin Specialty Ins Co	\$ 1,038.54	Hallmark Specialty Ins Co	\$879.02
Nautilus Ins Co	\$ 1,283.69	Nautilus Ins Co	\$ 1,034.32	Acceptance Ind Ins Co	\$878.97
Liberty Surplus Ins Corp	\$ 1,233.50	Allied World Assur Co US Inc	\$ 910.63	Allied World Assur Co US Inc	\$849.55
AXIS Surplus Ins Co	\$ 1,128.77	First Specialty Ins Corp	\$ 897.08	Colony Ins Co	\$824.81
Rockhill Ins Co	\$ 1,127.56	Northfield Ins Co	\$ 853.91	Columbia Cas Co	\$799.50
Gemini Ins Co	\$ 1,074.91	Scottsdale Ins Co	\$ 807.84	Chartis Specialty Ins Co	\$767.69
Kinsale Ins Co	\$ 1,062.51	Steadfast Ins Co	\$ 797.18	Gemini Ins Co	\$742.79
Houston Specialty Ins Co	\$ 1,030.09	Acceptance Ind Ins Co	\$ 782.43	XL Select	\$717.77
United Specialty Ins Co	\$ 991.52	General Star Ind Co	\$ 779.49	Northfield Ins Co	\$704.17
Crum & Forster Specialty Ins Co	\$ 941.52	Admiral Ins Co	\$ 667.54	Scottsdale Ins Co	\$703.63
Steadfast Ins Co	\$ 925.76	Starr Surplus Lines Ins Co	\$ 648.73	Starr Surplus Lines Ins Co	\$636.13
Acceptance Ind Ins Co	\$ 882.13	Columbia Cas Co	\$ 600.00	Navigators Specialty Ins Co	\$623.35
Navigators Specialty Ins Co	\$ 880.53	Everest Ind Ins Co	\$ 592.11	General Star Ind Co	\$616.43
Colony Ins Co	\$ 841.45	Endurance Amer Specialty Ins Co	\$ 590.81	Crum & Forster Specialty Ins Co	\$572.35
Allied World Assur Co US Inc	\$ 829.88	James River Ins Co	\$ 562.27	AXIS Surplus Ins Co	\$562.79
Scottsdale Ins Co	\$ 823.01	XL Select	\$ 543.37	Ironshore Specialty Ins Co	\$546.74
Northfield Ins Co	\$ 768.12	Illinois Union Ins Co	\$ 520.29	First Specialty Ins Corp	\$543.69
General Star Ind Co	\$ 752.88	Navigators Specialty Ins Co	\$ 494.69	Endurance Amer Specialty Ins Co	\$542.62
Admiral Ins Co	\$ 717.00	Gemini Ins Co	\$ 493.48	Liberty Surplus Ins Corp	\$516.46
Atlantic Cas Ins Co	\$ 559.16	NAMIC Ins Co Inc	\$ 476.37	Century Surety Co	\$404.74
Essex Ins Co	\$ 518.50	Mount Vernon Fire Ins Co	\$ 457.17	Arch Specialty Ins Co	\$396.11
Mount Vernon Fire Ins Co	\$ 511.78	Indian Harbor Ins Co	\$ 452.89	American Safety Ind Co	\$348.76
James River Ins Co	\$ 474.72	Tokio Marine Specialty Ins Co	\$ 450.15	Admiral Ins Co	\$346.78
Endurance Amer Specialty Ins Co	\$ 471.09	MT Hawley Ins Co	\$ 429.34	Chubb Custom Ins Co	\$345.74
Landmark Amer Ins Co	\$ 454.42	Atlantic Cas Ins Co	\$ 413.15	Illinois Union Ins Co	\$342.04
NAMIC Ins Co Inc	\$ 453.83	Chubb Custom Ins Co	\$ 401.41	NAMIC Ins Co Inc	\$317.49
Columbia Cas Co	\$ 450.81	United Specialty Ins Co	\$ 393.91	Interstate Fire & Cas Co	\$314.87
Illinois Union Ins Co	\$ 447.26	The Cincinnati Specialty Underwriter	\$ 390.22	Burlington Ins Co	\$305.37
Starr Surplus Lines Ins Co	\$ 433.21	Westchester Surplus Lines Ins Co	\$ 388.33	Houston Cas Co	\$305.04
Seneca Specialty Ins Co	\$ 376.63	Century Surety Co	\$ 372.82	Atlantic Cas Ins Co	\$303.58
Atain Specialty Ins Co	\$ 326.05	AXIS Surplus Ins Co	\$ 349.47	Mount Vernon Fire Ins Co	\$302.26
Alterra Excess & Surplus Ins Co	\$ 324.30	Crum & Forster Specialty Ins Co	\$ 346.73	The Cincinnati Specialty Underwriter	\$278.49
Westchester Surplus Lines Ins Co	\$ 322.17	Kinsale Ins Co	\$ 306.52	Darwin Select Ins Co	\$264.69
Allied World Surplus Lines Ins Co	\$ 299.28	Allied World Surplus Lines Ins Co	\$ 294.11	Essex Ins Co	\$252.82
The Cincinnati Specialty Underwriter	\$ 282.71	STICO Mut Ins Co RRG	\$ 282.57	Rockhill Ins Co	\$210.10
STICO Mut Ins Co RRG	\$ 280.21	Atain Specialty Ins Co	\$ 273.00	Hudson Specialty Ins Co	\$206.30
Houston Cas Co	\$ 274.82	Houston Cas Co	\$ 272.92	Berkley Regional Specialty Ins Co	\$194.84
Burlington Ins Co	\$ 274.81	Burlington Ins Co	\$ 271.34	Great Amer E&S Ins Co	\$186.02
AIX Specialty Ins Co	\$ 258.64	North Amer Capacity Ins Co	\$ 259.97	Western World Ins Co	\$181.03
Chubb Custom Ins Co	\$ 253.88	Essex Ins Co	\$ 256.18	Atain Specialty Ins Co	\$172.41
Arch Specialty Ins Co	\$ 246.16	Landmark Amer Ins Co	\$ 237.59	National Fire & Marine Ins Co	\$149.50
Princeton Excess & Surplus Lines Ins	\$ 239.42	Houston Specialty Ins Co	\$ 226.41	Western Heritage Ins Co	\$114.98
Tokio Marine Specialty Ins Co	\$ 239.27	American Safety Ind Co	\$ 206.14	Tokio Marine Specialty Ins Co	\$114.26
Western World Ins Co	\$ 190.22	Rockhill Ins Co	\$ 200.93	Landmark Amer Ins Co	\$111.45
Mesa Underwriters Specialty Ins Co	\$ 188.76	National Fire & Marine Ins Co	\$ 192.59	Hermitage Ins Co	\$92.07
Capitol Specialty Ins Corp	\$ 181.25	Capitol Specialty Ins Corp	\$ 189.08	Associated Intl Ins Co	\$87.05
Associated Intl Ins Co	\$ 173.91	Gotham Ins Co	\$ 162.10	Gotham Ins Co	\$80.57
North Amer Capacity Ins Co	\$ 164.29	Hudson Specialty Ins Co	\$ 152.21	Tudor Ins Co	\$78.57
National Fire & Marine Ins Co	\$ 152.63	Arch Specialty Ins Co	\$ 137.53	Homeland Ins Co of NY	\$77.93
Hudson Specialty Ins Co	\$ 143.44	Attorneys Liab Assur Society Inc RRG	\$ 129.00	Capitol Specialty Ins Corp	\$74.88
Attorneys Liab Assur Society Inc RRG	\$ 142.96	Western World Ins Co	\$ 128.87	Maxum Ind Co	\$73.22
Gotham Ins Co	\$ 136.52	Western Heritage Ins Co	\$ 120.55	Kinsale Ins Co	\$72.42
Title Industry Assur Co RRG	\$ 134.06	Associated Intl Ins Co	\$ 110.01	Princeton Excess & Surplus Lines Ins	\$65.42
Great Amer E&S Ins Co	\$ 120.37	Great Amer E&S Ins Co	\$ 108.68	Union Ins Co Of Providence	\$54.04
Western Heritage Ins Co	\$ 100.66	Title Industry Assur Co RRG	\$ 108.12	MT Hawley Ins Co	\$52.48
Berkley Regional Specialty Ins Co	\$ 90.44	St Paul Surplus Lines Ins Co	\$ 106.21	Alterra Excess & Surplus Ins Co	\$48.25
MT Hawley Ins Co	\$ 84.68	Mesa Underwriters Specialty Ins Co	\$ 94.55	St Paul Surplus Lines Ins Co	\$46.68
Golden Bear Ins Co	\$ 62.67	Hermitage Ins Co	\$ 84.66	United Specialty Ins Co	\$44.87
Prime Ins Co	\$ 59.80	AIX Specialty Ins Co	\$ 82.44	United Natl Ins Co	\$31.80
Maxum Ind Co	\$ 44.02	Princeton Excess & Surplus Lines Ins	\$ 82.30	AIX Specialty Ins Co	\$29.56
Union Ins Co Of Providence	\$ 42.63	Homeland Ins Co of NY	\$ 81.17	Westchester Surplus Lines Ins Co	\$27.37
Homeland Ins Co of NY	\$ 35.13	Alterra Excess & Surplus Ins Co	\$ 80.50	Associated Industries Ins Co Inc	\$22.56
Berkley Assur Co	\$ 33.50	Berkley Regional Specialty Ins Co	\$ 77.72	Mid Continent Excess and Surplus Ins	\$17.91
St Paul Surplus Lines Ins Co	\$ 32.46	Seneca Specialty Ins Co	\$ 76.62	North Amer Capacity Ins Co	\$15.12
ICI Mut Ins Co RRG	\$ 30.00	Interstate Fire & Cas Co	\$ 72.73	Berkley Assur Co	\$13.02
Covington Specialty Ins Co	\$ 25.00	Maxum Ind Co	\$ 69.46	Companion Specialty Ins Co	\$12.90
Torus Specialty Ins Co	\$ 24.96	Golden Bear Ins Co	\$ 56.30	Golden Bear Ins Co	\$12.43
Associated Industries Ins Co Inc	\$ 22.35	Union Ins Co Of Providence	\$ 55.87	Mesa Underwriters Specialty Ins Co	\$11.82
Restoration RRG Inc	\$ 19.32	Associated Industries Ins Co Inc	\$ 49.73	Penn Star Ins Co	\$11.37
Tudor Ins Co	\$ 19.15	Prime Ins Co	\$ 44.28	Savers Prop & Cas Ins Co	\$9.78
American Empire Surplus Lines Ins Co	\$ 17.67	Tudor Ins Co	\$ 43.28	American Empire Surplus Lines Ins Co	\$7.10
NASW RRG Inc	\$ 17.02	United Natl Ins Co	\$ 40.42	Torus Specialty Ins Co	\$6.97
Spirit Mountain Ins Co RRG Inc	\$ 16.29	Berkley Assur Co	\$ 35.82	ProAssurance Specialty Ins Co	\$1.46
United Educators Ins RRG Inc	\$ 14.30	ProAir RRG Inc	\$ 32.80	Covington Specialty Ins Co	\$0.92
Century Surety Co	\$ 12.68	ICI Mut Ins Co RRG	\$ 30.00	American Southern Ins Co	\$0.70
Housing Authority RRG Inc	\$ 11.32	Restoration RRG Inc	\$ 17.29	American Western Home Ins Co	\$0.57
Mid Continent Excess and Surplus Ins	\$ 11.00	American Empire Surplus Lines Ins Co	\$ 16.50		\$36,888.85
Savers Prop & Cas Ins Co	\$ 7.61	NASW RRG Inc	\$ 15.35		
Penn Star Ins Co	\$ 6.60	Spirit Mountain Ins Co RRG Inc	\$ 14.61		
Travelers Excess & Surplus Lines Co	\$ 6.20	United Educators Ins RRG Inc	\$ 14.30		
CrossFit RRG Inc	\$ 6.14	Covington Specialty Ins Co	\$ 10.70		
Emergency Physicians Ins Co RRG	\$ 5.60	Torus Specialty Ins Co	\$ 10.61		
New Home Warranty Ins Co a RRG	\$ 5.49	Housing Authority RRG Inc	\$ 10.09		
Conifer Ins Co	\$ 5.15	CHC Cas RRG	\$ 10.05		
Western Pacific Mut Ins Co RRG	\$ 3.53	National Contractors Ins Co Inc RRG	\$ 9.87		
National Serv Contract Ins Co RRG	\$ 3.40	Savers Prop & Cas Ins Co	\$ 9.25		
XL Select	\$ 3.00	Penn Star Ins Co	\$ 7.53		
ProAssurance Specialty Ins Co	\$ 2.37	Mid Continent Excess and Surplus Ins	\$ 4.26		
Everest Ind Ins Co	\$ 2.28	New Home Warranty Ins Co a RRG	\$ 3.82		
Alliance Of Nonprofits For Ins RRG	\$ 1.50	CrossFit RRG Inc	\$ 3.53		
United Natl Ins Co	\$ 1.35	Western Pacific Mut Ins Co RRG	\$ 3.52		
American Southern Ins Co	\$ 1.08	ProAssurance Specialty Ins Co	\$ 2.99		
Hermitage Ins Co	\$ 0.71	National Serv Contract Ins Co RRG	\$ 1.94		
PCH Mut Ins Co Inc RRG	\$ 0.58	Alliance Of Nonprofits For Ins RRG	\$ 1.50		
Canopus US Ins	\$ 0.14	PCH Mut Ins Co Inc RRG	\$ 1.00		
St Charles Ins Co RRG	\$ 0.03	Ooida RRG Inc	\$ 0.36		
	\$ 48,322.46	American Contractors Ins Co RRG	\$ 0.07		
		American Southern Ins Co	\$ 0.05		
			\$ 39,444.77		

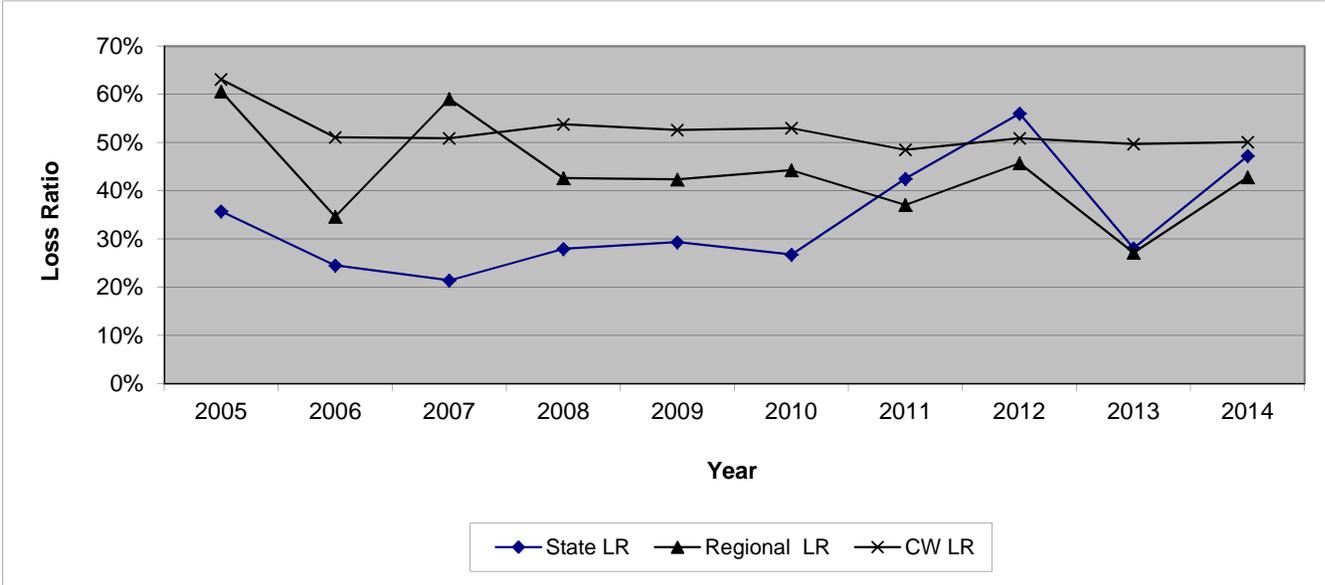
EXHIBIT IIC: NORTH DAKOTA OTHER LIABILITY MARKET SHARE- SURPLUS (non-licensed)

YEAR:	2011		2010		2010
	Direct Written Premium (000s)	Company	Direct Written Premium (000s)	Company	Direct Written Premium (000s)
Lexington Ins Co	\$2,494.90	Everest Ind Ins Co	\$ 7,878.80	Everest Ind Ins Co	\$ 9,451.47
Chartis Specialty Ins Co	\$1,669.97	Lexington Ins Co	\$ 2,402.40	Lexington Ins Co	\$ 2,701.36
First Mercury Ins Co	\$1,186.84	Scottsdale Ins Co	\$ 698.71	Steadfast Ins Co	\$ 983.00
Attorneys Liab Protection Soc RRG	\$877.84	Liberty Surplus Ins Corp	\$ 673.51	Attorneys Liab Protection Soc RRG	\$ 788.29
Evanston Ins Co	\$692.72	First Mercury Ins Co	\$ 649.81	Columbia Cas Co	\$ 583.13
Scottsdale Ins Co	\$609.62	Steadfast Ins Co	\$ 556.53	Ironshore Specialty Ins Co	\$ 439.88
Colony Ins Co	\$600.99	Evanston Ins Co	\$ 529.02	Liberty Surplus Ins Corp	\$ 419.46
Catlin Specialty Ins Co	\$518.15	Arch Specialty Ins Co	\$ 489.77	Scottsdale Ins Co	\$ 391.48
First Specialty Ins Corp	\$508.48	Endurance Amer Specialty Ins Co	\$ 431.09	Evanston Ins Co	\$ 390.08
Nautilus Ins Co	\$492.70	Columbia Cas Co	\$ 421.69	James River Ins Co	\$ 378.38
Liberty Surplus Ins Corp	\$491.77	Nautilus Ins Co	\$ 400.92	First Mercury Ins Co	\$ 362.43
Arch Specialty Ins Co	\$462.26	Colony Ins Co	\$ 381.30	Houston Cas Co	\$ 355.75
Ironshore Specialty Ins Co	\$410.76	Catlin Specialty Ins Co	\$ 375.76	Nautilus Ins Co	\$ 335.20
James River Ins Co	\$381.58	Starr Surplus Lines Ins Co	\$ 366.25	Namic Ins Co Inc	\$ 315.52
Endurance Amer Specialty Ins Co	\$376.78	Chartis Specialty Ins Co	\$ 364.64	Endurance Amer Specialty Ins Co	\$ 314.68
Starr Surplus Lines Ins Co	\$371.68	Houston Cas Co	\$ 334.19	Colony Ins Co	\$ 300.29
Namic Ins Co Inc	\$360.03	Namic Ins Co Inc	\$ 320.09	Catlin Specialty Ins Co	\$ 297.62
Acceptance Ind Ins Co	\$358.83	St Paul Surplus Lines Ins Co	\$ 319.00	Travelers Excess & Surplus Lines Co	\$ 261.20
Northfield Ins Co	\$352.33	AXIS Surplus Ins Co	\$ 254.67	Landmark Amer Ins Co	\$ 241.21
Columbia Cas Co	\$344.80	Northfield Ins Co	\$ 249.22	Colony Natl Ins Co	\$ 236.47
AXIS Surplus Ins Co	\$306.13	Travelers Excess & Surplus Lines Co	\$ 246.50	Arch Specialty Ins Co	\$ 222.38
Chubb Custom Ins Co	\$298.07	Illinois Union Ins Co	\$ 245.34	AXIS Surplus Ins Co	\$ 214.70
Allied World Assur Co US Inc	\$285.43	First Specialty Ins Corp	\$ 200.00	Northfield Ins Co	\$ 210.23
Mount Vernon Fire Ins Co	\$257.14	Mount Vernon Fire Ins Co	\$ 186.31	US Rail Ins Co A RRG	\$ 207.33
Century Surety Co	\$256.63	Darwin Select Ins Co	\$ 169.73	Chartis Specialty Ins Co	\$ 188.62
Hallmark Specialty Ins Co	\$256.55	XL Select	\$ 157.16	Acceptance Ind Ins Co	\$ 172.70
Darwin Select Ins Co	\$248.06	Admiral Ins Co	\$ 154.79	Darwin Select Ins Co	\$ 167.50
Burlington Ins Co	\$244.17	James River Ins Co	\$ 154.33	Berkley Regional Specialty Ins Co	\$ 162.20
Steadfast Ins Co	\$222.51	Chubb Custom Ins Co	\$ 152.62	Mount Vernon Fire Ins Co	\$ 149.31
Houston Cas Co	\$215.70	Century Surety Co	\$ 144.92	General Star Ind Co	\$ 122.13
Admiral Ins Co	\$214.92	Acceptance Ind Ins Co	\$ 140.68	Title Industry Assur Co RRG	\$ 115.17
Illinois Union Ins Co	\$208.00	Rockhill Ins Co	\$ 115.31	Tudor Ins Co	\$ 114.22
STICO Mut Ins Co RRG	\$198.30	Burlington Ins Co	\$ 107.91	Hermitage Ins Co	\$ 113.98
Western World Ins Co	\$165.22	The Cincinnati Specialty Underwriter	\$ 99.50	North Amer Capacity Ins Co	\$ 112.77
Essex Ins Co	\$162.61	Hermitage Ins Co	\$ 93.53	Admiral Ins Co	\$ 110.48
Title Industry Assur Co RRG	\$149.29	Maxum Ind Co	\$ 93.00	Illinois Union Ins Co	\$ 107.97
American Safety Ind Co	\$137.99	Tudor Ins Co	\$ 92.08	Maxum Ind Co	\$ 105.44
General Star Ind Co	\$137.77	Usf Ins Co	\$ 79.81	Rockhill Ins Co	\$ 104.10
Atain Specialty Ins Co	\$131.36	Capitol Specialty Ins Corp	\$ 76.95	St Paul Surplus Lines Ins Co	\$ 103.92
Interstate Fire & Cas Co	\$131.08	General Star Ind Co	\$ 70.90	Attorneys Liab Assur Society Inc RRG	\$ 101.66
The Cincinnati Specialty Underwriter	\$130.40	Berkley Regional Specialty Ins Co	\$ 69.46	STICO Mut Ins Co RRG	\$ 99.69
Rockhill Ins Co	\$129.49	Hallmark Specialty Ins Co	\$ 65.75	Chubb Custom Ins Co	\$ 96.52
Attorneys Liab Assur Society Inc RRG	\$127.45	Ironshore Specialty Ins Co	\$ 65.42	Burlington Ins Co	\$ 92.39
Hudson Specialty Ins Co	\$123.12	Western Heritage Ins Co	\$ 63.85	Allied World Assur Co US Inc	\$ 83.76
St Paul Surplus Lines Ins Co	\$119.03	National Fire & Marine Ins Co	\$ 63.72	National Fire & Marine Ins Co	\$ 81.56
Gemini Ins Co	\$115.10	Union Ins Co Of Providence	\$ 63.69	Century Surety Co	\$ 80.86
Hermitage Ins Co	\$106.26	Colony Natl Ins Co	\$ 63.11	Capitol Specialty Ins Corp	\$ 80.71
Navigators Specialty Ins Co	\$100.55	Hudson Specialty Ins Co	\$ 61.03	The Cincinnati Specialty Underwriter	\$ 71.96
XL Select	\$97.44	American Safety Ind Co	\$ 60.30	Homeland Ins Co of NY	\$ 70.65
Atlantic Cas Ins Co	\$91.62	Landmark Amer Ins Co	\$ 59.98	Usf Ins Co	\$ 67.48
Tudor Ins Co	\$88.21	Interstate Fire & Cas Co	\$ 57.10	Union Ins Co Of Providence	\$ 59.53
Kinsale Ins Co	\$82.45	United Natl Ins Co	\$ 54.33	MT Hawley Ins Co	\$ 59.16
Prime Ins Co	\$77.87	Westchester Surplus Lines Ins Co	\$ 53.68	XL Select	\$ 58.99
Crum & Forster Specialty Ins Co	\$71.13	MT Hawley Ins Co	\$ 49.42	Western Heritage Ins Co	\$ 57.40
Capitol Specialty Ins Corp	\$66.72	Western World Ins Co	\$ 46.65	Penn Star Ins Co	\$ 53.52
Western Heritage Ins Co	\$66.20	Essex Ins Co	\$ 39.75	Hudson Specialty Ins Co	\$ 50.26
Alterra Excess & Surplus Ins Co	\$63.71	Kinsale Ins Co	\$ 35.94	CHC Cas RRG	\$ 50.19
Gotham Ins Co	\$62.28	Allied World Assur Co US Inc	\$ 33.95	Interstate Fire & Cas Co	\$ 44.71
National Fire & Marine Ins Co	\$59.27	Alterra Excess & Surplus Ins Co	\$ 32.87	Nutmeg Ins Co	\$ 43.46
Great Amer E&S Ins Co	\$56.75	Great Amer E&S Ins Co	\$ 27.65	ICI Mut Ins Co RRG	\$ 40.00
Westchester Surplus Lines Ins Co	\$54.51	AIX Specialty Ins Co	\$ 22.18	American Safety Ind Co	\$ 39.61
Associated Intl Ins Co	\$54.47	Associated Intl Ins Co	\$ 21.38	Western World Ins Co	\$ 37.91
North Amer Capacity Ins Co	\$49.64	Princeton Excess & Surplus Lines Ins	\$ 20.68	Westchester Surplus Lines Ins Co	\$ 31.44
Union Ins Co Of Providence	\$47.68	Penn Star Ins Co	\$ 20.32	PCH Mut Ins Co Inc RRG	\$ 30.99
Landmark Amer Ins Co	\$44.99	Atlantic Cas Ins Co	\$ 19.08	Navigators Specialty Ins Co	\$ 29.36
ICI Mut Ins Co RRG	\$37.35	Homeland Ins Co of NY	\$ 15.95	Torus Specialty Ins Co	\$ 27.27
Berkley Regional Specialty Ins Co	\$35.40	Gotham Ins Co	\$ 12.60	Essex Ins Co	\$ 23.99
Princeton Excess & Surplus Lines Ins	\$31.55	Gemini Ins Co	\$ 11.27	Great Amer E&S Ins Co	\$ 23.78
MT Hawley Ins Co	\$25.32	Crum & Forster Specialty Ins Co	\$ 8.92	Atlantic Cas Ins Co	\$ 17.28
Companion Specialty Ins Co	\$25.00	Savers Prop & Cas Ins Co	\$ 8.76	American Safety RRG Inc	\$ 16.97
Homeland Ins Co of NY	\$24.84	Old Republic Union Ins Co	\$ 7.86	Gotham Ins Co	\$ 15.45
Torus Specialty Ins Co	\$24.72	Prime Ins Co	\$ 6.04	Max Specialty Ins Co	\$ 14.50
Maxum Ind Co	\$24.57	Navigators Specialty Ins Co	\$ 5.84	United Educators Ins RRG Inc	\$ 14.16
CHC Cas RRG	\$23.32	North Amer Capacity Ins Co	\$ 4.41	Gemini Ins Co	\$ 13.44
Restoration RRG Inc	\$21.05	Torus Specialty Ins Co	\$ 3.21	Associated Intl Ins Co	\$ 13.14
Maiden Specialty Ins Co	\$20.92	Philadelphia Ins Co	\$ 2.34	Prime Ins Co	\$ 8.94
AIX Specialty Ins Co	\$14.54	American Western Home Ins Co	\$ 1.69	Spirit Mountain Ins Co RRG Inc	\$ 8.41
United Educators Ins RRG Inc	\$14.16	ProAssurance Specialty Ins Co	\$ 0.95	United Natl Ins Co	\$ 8.32
United Specialty Ins Co	\$13.12	Montpelier US Ins Co	\$ 0.83	Old Republic Union Ins Co	\$ 8.31
United Natl Ins Co	\$12.72		\$ 22,140.64	Hallmark Specialty Ins Co	\$ 7.50
Penn Star Ins Co	\$12.23			Savers Prop & Cas Ins Co	\$ 7.05
Spirit Mountain Ins Co RRG Inc	\$10.09			Restoration RRG Inc	\$ 6.89
Discover Specialty Ins Co	\$9.65			United Specialty Ins Co	\$ 6.71
Savers Prop & Cas Ins Co	\$9.06			Philadelphia Ins Co	\$ 2.34
American Safety RRG Inc	\$9.00			American Western Home Ins Co	\$ 1.75
Housing Authority RRG Inc	\$8.14			Discover Specialty Ins Co	\$ 1.49
Mesa Underwriters Specialty Ins Co	\$6.38			National Home Ins Co RRG	\$ 1.28
Western Pacific Mut Ins Co RRG	\$4.52			Executive Risk Specialty Ins Co	\$ 1.03
Cpa Mut Ins Co Of Amer RRG	\$3.96			National Serv Contract Ins Co RRG	\$ 0.96
American Western Home Ins Co	\$3.17			Montpelier US Ins Co	\$ 0.75
Philadelphia Ins Co	\$2.34			Security Amer RRG Inc	\$ 0.70
Associated Industries Ins Co Inc	\$2.19			American Feed Industry Ins Co RRG	\$ 0.45
National Serv Contract Ins Co RRG	\$1.99				\$ 24,218.65
New Home Warranty Ins Co a RRG	\$1.57				
PCH Mut Ins Co Inc RRG	\$1.30				
ProAssurance Specialty Ins Co	\$1.23				
Security Amer RRG Inc	\$0.70				
Golden Bear Ins Co	\$0.70				
Affiliates Ins Recip a RRG	\$0.49				
Old Republic Union Ins Co	\$0.39				
St Charles Ins Co RRG	\$0.04				
	\$20,314.02				

OTHER LIABILITY

EXHIBIT III: HISTORICAL LOSS RATIOS

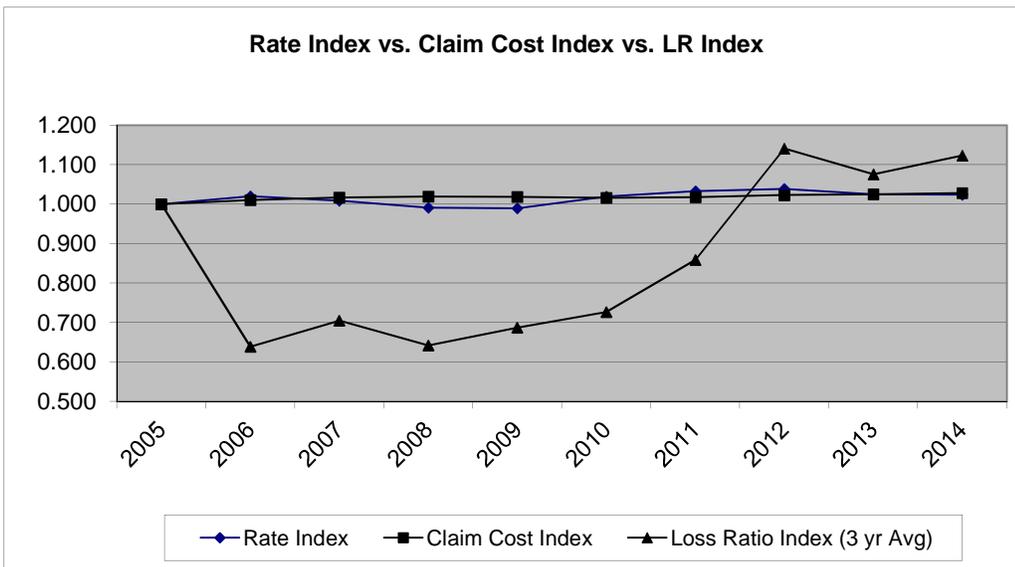
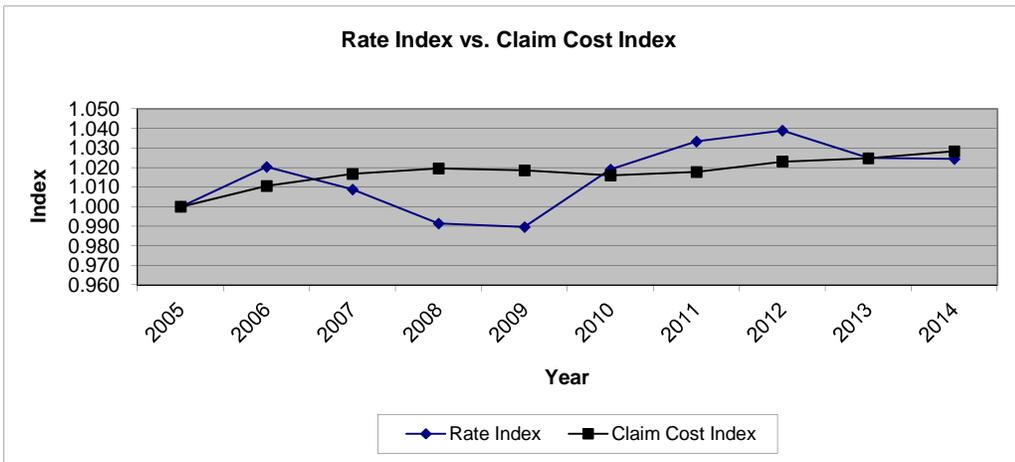
Year	Statewide Loss Ratio	Regional Loss Ratio	Countrywide Loss Ratio
2005	36%	61%	63%
2006	24%	35%	51%
2007	21%	59%	51%
2008	28%	43%	54%
2009	29%	42%	53%
2010	27%	44%	53%
2011	43%	37%	48%
2012	56%	46%	51%
2013	28%	27%	50%
2014	47%	43%	50%



OTHER LIABILITY

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

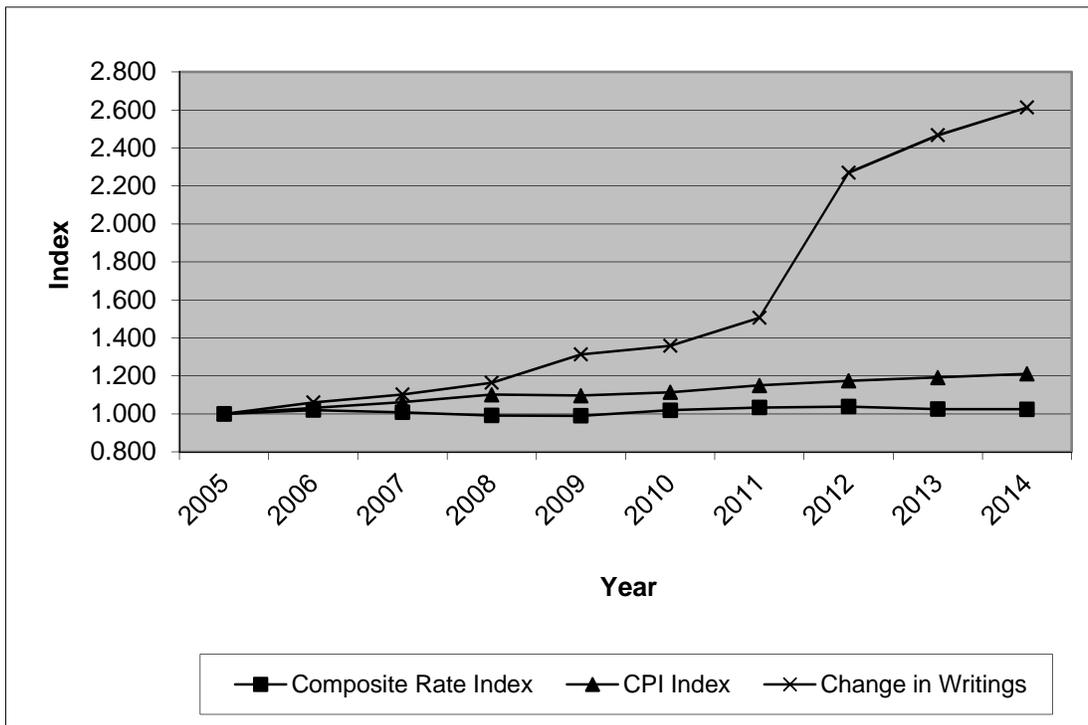
Year	Composite Rate Index	Relevant Claim Cost Index	Statewide 3 Yr LR Index
2005	1.000	1.000	1.000
2006	1.020	1.011	0.639
2007	1.009	1.017	0.705
2008	0.991	1.020	0.642
2009	0.990	1.019	0.687
2010	1.019	1.016	0.727
2011	1.033	1.018	0.859
2012	1.039	1.023	1.142
2013	1.025	1.025	1.076
2014	1.024	1.028	1.123



OTHER LIABILITY

EXHIBIT V: CHANGE IN PREMIUM WRITINGS

Year	Statewide Written Premium (000s)	Change in Writings	Indexed	Composite Rate Index	Consumer Price Index
2005	\$ 70,668		1.00	1.000	1.000
2006	\$ 74,917	6.0%	1.06	1.020	1.032
2007	\$ 77,917	4.0%	1.10	1.009	1.061
2008	\$ 82,285	5.6%	1.16	0.991	1.101
2009	\$ 92,787	12.8%	1.31	0.990	1.097
2010	\$ 96,012	3.5%	1.36	1.019	1.114
2011	\$ 106,423	10.8%	1.51	1.033	1.150
2012	\$ 160,375	50.7%	2.27	1.039	1.174
2013	\$ 174,378	8.7%	2.47	1.025	1.192
2014	\$ 184,687	5.9%	2.61	1.024	1.211



OTHER LIABILITY

EXHIBIT VI: FIELD MARKET SURVEY

2014 Survey not available.

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)	XX		
Loss Ratios vs Rate Change vs Claims Cost Indexes		XX	
Change in Premium Writings	NA	NA	NA
Field Market Survey Results-October 2014	NA	NA	NA
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 demonstrates that the marketplace is moderately concentrated. This suggests that the marketplace is less than competitive, although both the 4-firm concentration ratio and the Herfindahl index have been improving slightly in last few years.

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 regional carriers.

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

The combined market share of the top 4 writers has been in the 60% - 70% range for the past six years, (although we do note some improvement over time). In the past six years we've had fewer than 20 writers for this line of insurance. This suggests the market is noncompetitive.

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 information suggests that the market is moderately competitive.

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

Beginning in 2014, we are now able to track the volume of crop hail insurance written in the surplus lines market via annual statement data. Exhibit II-C shows that no crop hail business was written in the surplus lines market in 2014, suggesting that this line of insurance is competitive.

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

In the past 10 years, crop hail loss ratios have fluctuated considerably on a statewide, regional and countrywide basis. Eight of the past ten 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

The volatility in both loss experience and in the claim cost index makes it difficult to draw conclusions from these exhibits. However the fact that rates have been gradually decreasing in reaction to favorable loss ratios suggests that the market 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 2014

The 2014 Field Market Survey results were not available for this report.

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 and market share analysis of changes in market share 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 Market Share Analysis- Surplus line and 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 Crop Hail marketplace is moderately competitive.

CROP HAIL

EXHIBIT I: MARKET CONCENTRATION

Year	North Dakota			Countrywide		
	4-Firm	20-Firm	Herfindahl	4-Firm	20-Firm	Herfindahl
	Concentration Ratio	Concentration Ratio	Index	Concentration Ratio	Concentration Ratio	Index
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
2009	70.3%	100.0%	1691	57.4%	95.4%	1238
2010	67.8%	100.0%	1619	55.8%	94.7%	1232
2011	65.1%	100.0%	1566	54.8%	94.6%	1268
2012	63.8%	100.0%	1496	55.9%	95.9%	1170
2013	59.2%	100.0%	1339	53.4%	95.0%	1087
2014	59.2%	100.0%	1357	51.2%	94.7%	1041

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: 2014				Year: 2013				Year: 2012			
<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>
Rural Community Insurance Company	\$ 23,751	24.2%	24.2%	Rural Community Insurance Company	\$ 20,340	23.0%	23.0%	Fireman's Fund Insurance Company	\$ 25,031	25.5%	25.5%
NAU Country Insurance Co	\$ 13,736	14.0%	38.3%	NAU Country Insurance Co	\$ 12,111	13.7%	36.7%	NAU Country Insurance Co	\$ 14,184	14.5%	40.0%
Farmers Mutual Hail Ins Co of IA	\$ 11,587	11.8%	50.1%	Farmers Mutual Hail Ins Co of IA	\$ 10,281	11.6%	48.3%	Farmers Mutual Hail Ins Co of IA	\$ 13,470	13.7%	53.7%
GuideOne Mutual Insurance	\$ 8,949	9.1%	59.2%	ACE Property & Casualty Insurance Company	\$ 9,588	10.8%	59.2%	ACE Property & Casualty Insurance Company	\$ 9,813	10.0%	63.8%
ACE Property & Casualty Insurance Company	\$ 8,395	8.6%	67.8%	GuideOne Mutual Insurance	\$ 8,276	9.4%	68.5%	Austin Mutual Insurance Company	\$ 9,313	9.5%	73.3%
American Alternative Insurance Corporation	\$ 5,665	5.8%	73.6%	American Alternative Insurance Corporation	\$ 5,501	6.2%	74.7%	Nodak Mutual Insurance Co.	\$ 5,854	6.0%	79.2%
Nodak Mutual Insurance Co.	\$ 5,371	5.5%	79.1%	Nodak Mutual Insurance Co.	\$ 4,944	5.6%	80.3%	Great American Insurance Co.	\$ 4,636	4.7%	84.0%
Indemnity Ins. Co. of North America	\$ 4,683	4.8%	83.8%	Great American Insurance Co.	\$ 4,086	4.6%	85.0%	Indemnity Ins. Co. of North America	\$ 4,352	4.4%	88.4%
Great American Insurance Co.	\$ 4,013	4.1%	87.9%	Indemnity Ins. Co. of North America	\$ 3,822	4.3%	89.3%	Producers Agriculture Insurance Company	\$ 3,679	3.8%	92.2%
Producers Agriculture Insurance Company	\$ 3,947	4.0%	92.0%	Producers Agriculture Insurance Company	\$ 3,762	4.3%	93.5%	John Deere Insurance Company	\$ 2,134	2.2%	94.3%
John Deere Insurance Company	\$ 3,182	3.2%	95.2%	John Deere Insurance Company	\$ 2,422	2.7%	96.3%	Agri General Insurance Co.	\$ 1,814	1.9%	96.2%
American Agri-Business Insurance Company	\$ 1,987	2.0%	97.2%	Agri General Insurance Co.	\$ 1,211	1.4%	97.6%	American Alternative Insurance Corporation	\$ 1,468	1.5%	97.7%
Agri General Insurance Co.	\$ 1,863	1.9%	99.1%	American Agri-Business Insurance Company	\$ 903	1.0%	98.7%	American Agri-Business Insurance Company	\$ 1,296	1.3%	99.0%
Everest National Insurance Company	\$ 318	0.3%	99.5%	Occidental Fire & Casualty Company of North Carolina	\$ 609	0.7%	99.4%	Occidental Fire & Casualty Company of North Carolina	\$ 582	0.6%	99.6%
Starr Indemnity & Liability Company	\$ 229	0.2%	99.7%	State Farm Fire & Casualty Co.	\$ 204	0.2%	99.6%	State Farm Fire & Casualty Co.	\$ 251	0.3%	99.9%
State Farm Fire & Casualty Co.	\$ 165	0.2%	99.9%	Everest National Insurance Company	\$ 185	0.2%	99.8%	Everest National Insurance Company	\$ 126	0.1%	100.0%
Atlantic Specialty Insurance Company	\$ 95	0.1%	100.0%	Starr Indemnity & Liability Company	\$ 183	0.2%	100.0%	Hudson Insurance Company	\$ 16	0.0%	100.0%
AmTrust Insurance Company of Kansas	\$ 22	0.0%	100.0%								
Occidental Fire & Casualty Company of North Carolina	\$ 14	0.0%	100.0%								

Year: 2011				Year: 2010				Year: 2009			
<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>
Fireman's Fund Insurance Company	\$ 20,069	26.3%	26.3%	Fireman's Fund Insurance Company	\$ 19,549	26.5%	26.5%	Farmers Mutual Hail Ins Co of IA	\$ 18,488	25.0%	25.0%
Farmers Mutual Hail Ins Co of IA	\$ 12,888	16.9%	43.2%	Farmers Mutual Hail Ins Co of IA	\$ 16,142	21.9%	48.4%	Fireman's Fund Insurance Company	\$ 18,311	24.7%	49.7%
NAU Country Insurance Co	\$ 10,506	13.8%	57.0%	NAU Country Insurance Co	\$ 9,332	12.7%	61.1%	NAU Country Insurance Co	\$ 9,507	12.8%	62.6%
Austin Mutual Insurance Company	\$ 6,109	8.0%	65.1%	Nodak Mutual Insurance Co.	\$ 4,922	6.7%	67.8%	Nodak Mutual Insurance Co.	\$ 5,740	7.8%	70.3%
ACE Property & Casualty Insurance Company	\$ 5,871	7.7%	72.8%	Austin Mutual Insurance Company	\$ 4,287	5.8%	73.6%	ACE Property & Casualty Insurance Company	\$ 4,093	5.5%	75.8%
Nodak Mutual Insurance Co.	\$ 4,704	6.2%	78.9%	Indemnity Ins. Co. of North America	\$ 3,921	5.3%	78.9%	Great American Insurance Co.	\$ 3,820	5.2%	81.0%
Great American Insurance Co.	\$ 3,913	5.1%	84.1%	Great American Insurance Co.	\$ 3,472	4.7%	83.6%	Indemnity Ins. Co. of North America	\$ 3,800	5.1%	86.1%
Producers Agriculture Insurance Company	\$ 3,682	4.8%	88.9%	ACE Property & Casualty Insurance Company	\$ 3,456	4.7%	88.3%	Producers Agriculture Insurance Company	\$ 3,649	4.9%	91.1%
Indemnity Ins. Co. of North America	\$ 3,270	4.3%	93.2%	The Insurance Company of the State of Pennsylvania	\$ 2,141	2.9%	91.2%	The Insurance Company of the State of Pennsylvania	\$ 1,653	2.2%	93.3%
Agri General Insurance Co.	\$ 1,902	2.5%	95.7%	Producers Agriculture Insurance Company	\$ 1,886	2.6%	93.8%	American Agri-Business Insurance Company	\$ 1,402	1.9%	95.2%
John Deere Insurance Company	\$ 1,225	1.6%	97.3%	American Agri-Business Insurance Company	\$ 1,354	1.8%	95.6%	Agri General Insurance Co.	\$ 1,048	1.4%	96.6%
American Agri-Business Insurance Company	\$ 1,058	1.4%	98.7%	Agri General Insurance Co.	\$ 1,327	1.8%	97.4%	Western Agricultural Insurance Company	\$ 987	1.3%	97.9%
Stonington Insurance Company	\$ 526	0.7%	99.4%	CUMIS Insurance Society, Inc	\$ 1,075	1.5%	98.9%	CUMIS Insurance Society	\$ 911	1.2%	99.2%
State Farm Fire & Casualty Co.	\$ 268	0.4%	99.7%	Stonington Insurance Company	\$ 307	0.4%	99.3%	State Farm Fire & Casualty Co.	\$ 316	0.4%	99.6%
Greenwich Insurance Company	\$ 110	0.1%	99.9%	State Farm Fire & Casualty Co.	\$ 271	0.4%	99.6%	Greenwich Insurance Company	\$ 211	0.3%	99.9%
Occidental Fire & Casualty Company of North Carolina	\$ 72	0.1%	100.0%	Greenwich Insurance Company	\$ 216	0.3%	99.9%	Stonington Insurance Company	\$ 81	0.1%	100.0%
Hudson Insurance Company	\$ 21	0.0%	100.0%	Hudson Insurance Company	\$ 35	0.0%	100.0%	Clearwater Insurance Company	\$ 2	0.0%	100.0%
American West Insurance Co.	\$ 10	0.0%	100.0%	American West Insurance Co.	\$ 18	0.0%	100.0%				

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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
1995	3	9
1996	1	12
1997	4	14
1998	3	14
1999	3	16
2000	1	13
2001	2	15
2002	0	11
2003	2	10
2004	2	9
2005	3	5
2006	1	7
2007	1	9
2008	3	8
2009	2	13
2010	2	13
2011	2	10
2012	2	11
2013	3	7
2014	2	10

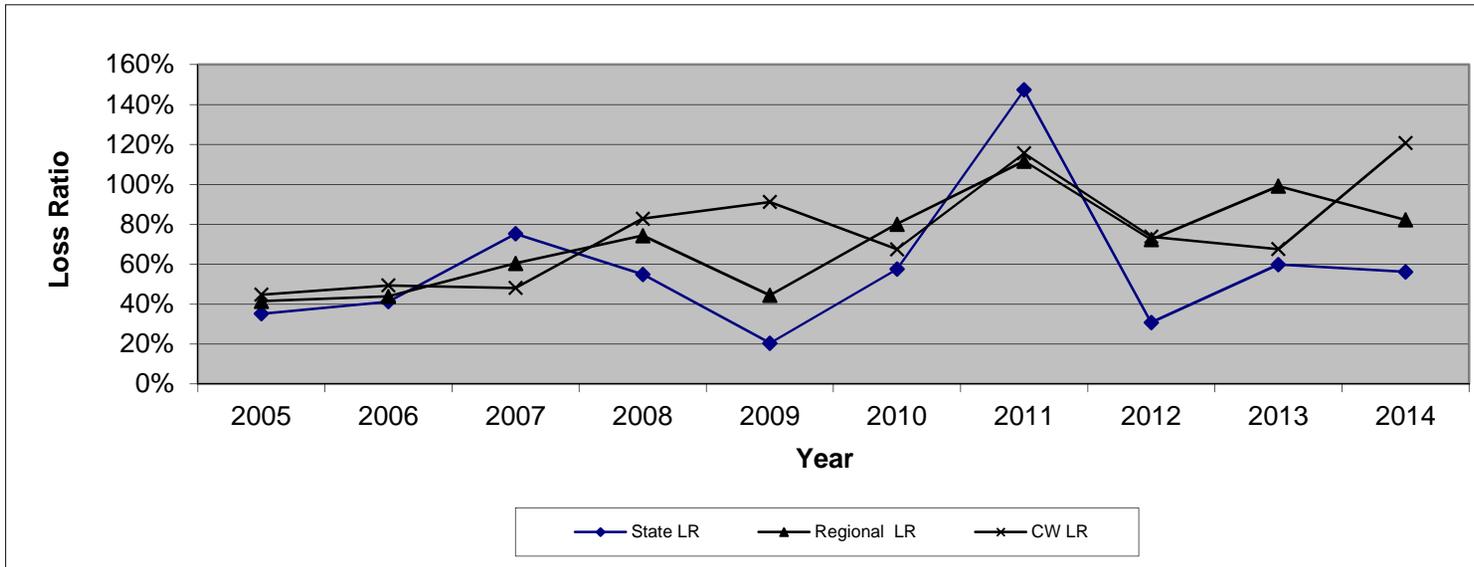
EXHIBIT IIC: NORTH DAKOTA CROP HAIL MARKET SHARE- SURPLUS (non-licensed)

YEAR:	2014
	Direct Written Premium
<u>Company</u>	<u>(000s)</u> NONE

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EXHIBIT III: HISTORICAL LOSS RATIOS

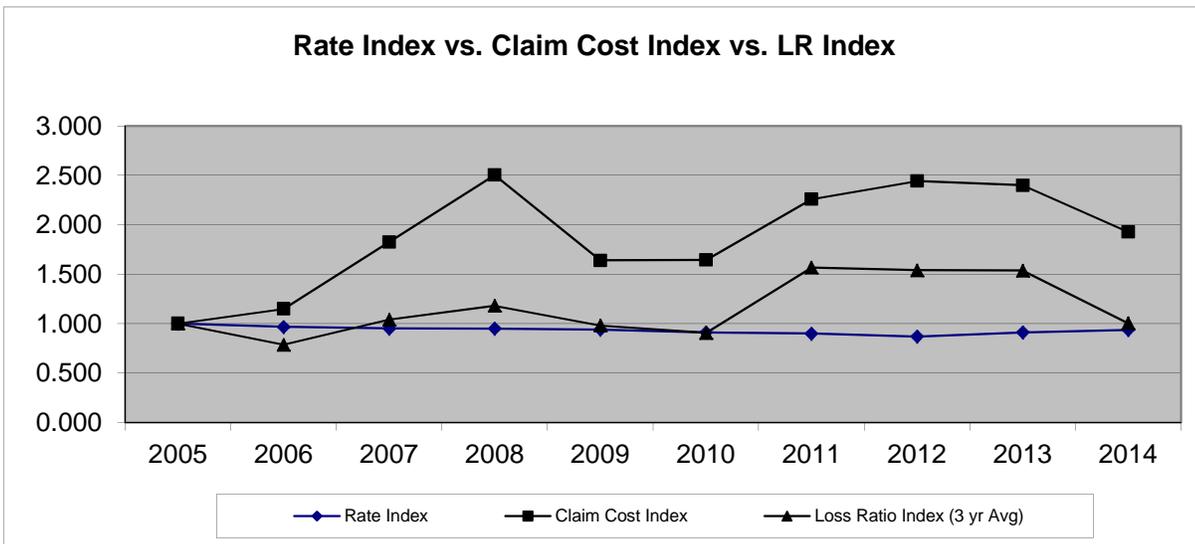
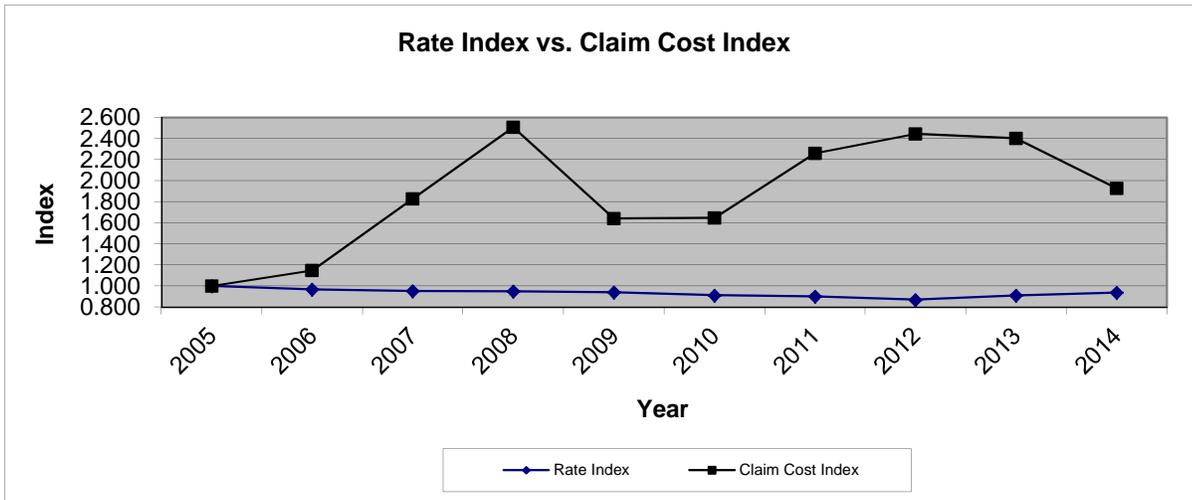
Year	Statewide Loss Ratio	Regional Loss Ratio	Countrywide Loss Ratio
2005	35%	41%	45%
2006	41%	44%	49%
2007	75%	60%	48%
2008	55%	74%	83%
2009	20%	44%	91%
2010	58%	80%	67%
2011	147%	112%	116%
2012	31%	72%	74%
2013	60%	99%	68%
2014	56%	82%	121%



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

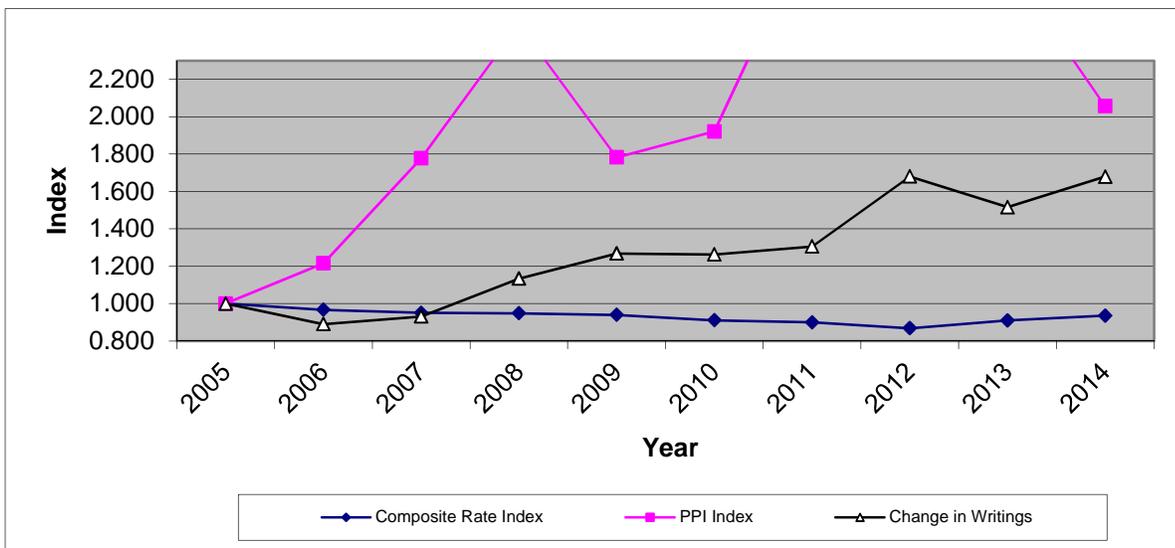
Year	Composite Rate Index	Relevant Claim Cost Index	Statewide 3 Yr LR Index
2005	1.000	1.000	1.000
2006	0.967	1.148	0.787
2007	0.951	1.827	1.040
2008	0.948	2.505	1.182
2009	0.940	1.640	0.981
2010	0.911	1.645	0.906
2011	0.900	2.260	1.566
2012	0.868	2.444	1.540
2013	0.910	2.400	1.537
2014	0.935	1.928	1.004



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EXHIBIT V: CHANGE IN PREMIUM WRITINGS

Year	Statewide Written Premium (000s)	Change in Writings	Index	Composit Rate Index	Producer Price Index
2005	\$ 58,346		1.000	1.000	1.000
2006	\$ 51,972	-10.9%	0.891	0.967	1.216
2007	\$ 54,370	4.6%	0.932	0.951	1.777
2008	\$ 66,155	21.7%	1.134	0.948	2.494
2009	\$ 74,021	11.9%	1.269	0.940	1.782
2010	\$ 73,711	-0.4%	1.263	0.911	1.921
2011	\$ 76,203	3.4%	1.306	0.900	3.040
2012	\$ 98,019	28.6%	1.680	0.868	3.135
2013	\$ 88,429	-9.8%	1.516	0.910	2.812
2014	\$ 97,974	10.8%	1.679	0.935	2.056



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EXHIBIT VI: FIELD MARKET SURVEY

2014 Survey not available.

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EXHIBIT VII – RESIDUAL MARKET POPULATION

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

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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 2014	NA	NA	NA
Residual Market Population			XX

Final ranking based upon all factors: Moderate

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 based upon information provided by the PCI Greenbook.

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 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– The department annually conducts an informal survey of the attendees of the annual agent forums held at seven locations across the state. The results are 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. 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 2014 evaluates the market through 2012. 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.

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.