MIKE CAUSEY
INSURANCE COMMISSIONER

December 4, 2023

Honorable Jake Johnson
Representative
300 North Salisbury Street, Room 306B1
Raleigh, North Carolina 27603-5925

Honorable Harry Warren
Representative
300 North Salisbury Street, Room 611
Raleigh, North Carolina 27603-5925

Re: **October 18, 2023, Request by the NC House of Representatives House Oversight and Reform Committee**

Dear Representative Johnson and Representative Warren:

On behalf of the North Carolina Department of Insurance ("DOI"), I appreciate the opportunity the Committee has provided for me to submit both my previous November 8, 2023 response to the *Report Prepared for the North Carolina House Oversight and Reform Committee* by Dr. Jonathan Murphy ("Murphy Report") and this written testimony addressing the topics the Committee identified in its October 18, 2023 request. This written testimony has been prepared in consultation with DOI professionals, including DOI actuaries.

I. Introduction

The Murphy Report suggests that the General Assembly: (1) restrict the number of auto "drivers" that auto insurers may cede to the North Carolina Motor Vehicle Reinsurance Facility ("Facility"); (2) allow the insurers to increase all drivers' auto rates annually by a statutorily set, flexible rate without "prior approval" by the Commissioner; and then (3) dissolve the Facility and create an "assigned-risk plan" that would require North Carolina auto insurers to write and bear the losses from auto policies for all eligible "drivers" but permit the insurers to charge higher rates to those "drivers" they deem to be "high risk."

In my November 8th response, I addressed many reasons why the DOI considers the Murphy Report to be unsupported or misleading and why North Carolina should not enact the regulatory changes Dr. Murphy suggests.[1] Among those reasons were that, if enacted, Dr. Murphy's proposed changes would radically undercut the ability of the Commissioner to review, approve, or effectively contest those auto rate increases requested by the North Carolina Rate Bureau ("Rate Bureau") and would eliminate the ability of North Carolina consumers to choose their own auto insurers. My responses below to the topics the Committee has posed only further demonstrate why the current operations of the Facility are preferable to Dr. Murphy's recommendations for legislative reform of the Facility.

Topic 1 -- History of Rate Regulation and Reinsurance Facility for Commercial and Private Vehicles

A. Evolution of the Facility

In 1958, North Carolina first adopted compulsory auto insurance. Prior to 1973, North Carolina had in effect an assigned-risk statutory framework that assigned policies for high-risk drivers to the state's auto insurers on a pro rata basis based on their participation in the auto insurance market.

In its 1973 session, the General Assembly repealed the state's assigned-risk law and replaced it with the Facility. The Facility law requires all PPA and commercial auto insurers in North Carolina to write auto policies for all insureds who qualify as eligible risks. When an auto insurer writes or renews a policy for an insured, however, the insurer may choose to "cede" most of the coverage under that policy to the Facility.

The one type of auto coverage that auto insurers cannot cede to the Facility is for physical damage to a vehicle. Upon ceding an auto policy to the Facility—i.e., upon "cession"—the insurer retains coverage for physical damage to a vehicle. Additionally, the insurer may obtain the insured's consent to charge a rate for such physical damage coverage that is higher than the maximum rate allowed by the Rate Bureau.

If it cedes a policy to the Facility, the insurer is compensated for continuing to service the policy but gives up any profit on the policy in return for relieving itself of any liability for claims under the policy. Policies that have been ceded to the Facility move into in the "residual market," while policies that auto insurers opt to retain remain in the "voluntary market."

The Facility law originally provided that no auto insurer could cede more than 50% of all of its automobile liability insurance business in the State. Later, the law was amended to remove any limitation on the number of policies an insurer may cede to the Facility.

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[1] My November 8th response contains detailed descriptions of the functions of the Facility, as well as the Commissioner's role with regard to auto insurance rates generally. So that I do not provide repetitive information, this written testimony will cross-reference terms and concepts which are addressed in greater detail in the November 8th response.

Since 1977, the Facility law has required that, when an insurer cedes a PPA policy to the Facility, the policy be characterized as either a "clean-risk" policy or an "other-than-clean-risk" ("OTC") policy, depending on various factors. By statute, the rates for a clean-risk PPA policy do not change upon the policy being ceded, but the rates on an OTC PPA policy may increase upon cession.

The Facility develops and proposes its own rates for ceded OTC PPA policies and ceded commercial auto policies. The Facility must calculate its proposed rates so far as possible to produce neither a profit nor a loss for the Facility. The Commissioner may challenge the Facility's proposed higher rates in a hearing.

The Facility may assess North Carolina auto insurers on a pro rata basis if necessary to defray its annual losses and expenses. Such losses and expenses may be caused by risks on both ceded PPA and commercial policies. In turn, the insurers pass on any such assessments to their policyholders via "recoupment" surcharges.

For PPA policies particularly, assessments and consequently recoupments are based both: (a) on losses caused by the requirement that rates for clean risk policies remain the same upon cession (the "clean-risk surcharge"); and (b) on losses under all ceded PPA policies—clean and OTC—from liability and medical payments and uninsured and underinsured drivers (the "loss-recoupment surcharge"). The Facility's Task Force on Recoupment, which is made up of industry representatives from the Facility's Board of Governors, reviews and approves such clean-risk and loss-recoupment surcharges.

B. The Legislature's 2023 Changes Positively Affecting the Facility

The Murphy Report argues that, unless the General Assembly reforms the Facility and permits North Carolina auto insurers to impose annual flexible rates on insureds for any reason and without prior approval by the Commissioner, auto insurers will be unable to charge sufficient premiums to cover the increased risk for certain policies and to lower the amount of policies they cede to the Facility.

Dr. Murphy neglects to mention, however, that the General Assembly acted this very year to improve the ability of auto insurers to charge sufficient premium to cover the increased risk for certain policies so that they will not need to cede as many policies to the Facility. *See* 2023 N.C. Sess. Laws secs. 16(e)-16(g) (2023) ("2023 Changes") p 26, www.ncleg.gov/Sessions/2023/Bills/Senate/PDF/S452v6.pdf. A task force established by the Commissioner and his staff to improve the state's auto insurance system recommended the 2023 Changes. The task force consisted of insurance industry representatives, as well as DOI representatives.

New drivers may present a higher risk than experienced drivers for numerous years after they first receive their driver's licenses. Under former GS 58-36-65(k), auto insurers could impose surcharges on new drivers for only three (3) years after they became licensed in North Carolina. Three years of surcharges are not always sufficient to cover the risks posed by new drivers, and this fact is understood as having caused insurers to cede many such policies to the Facility.

The 2023 Changes, however, amended the statute to permit auto insurers to impose a surcharge for eight (8) years on those newly licensed North Carolina drivers who receive their licenses on or after January 1, 2025.[2] *See* 2023 Changes p 26, www.ncleg.gov/Sessions/2023/Bills/Senate/PDF/S452v6.pdf. By being enabled to collect the inexperienced-driver surcharge for eight years instead of three years, auto insurers should be less likely to cede the policies for such drivers to the Facility. This, in turn, should lead to fewer assessments by the Facility against the state's auto insurers, with a resulting drop in the amount of any recoupments charged to consumers. Additionally, the extended surcharge for new drivers should allow insurers to charge sufficient premiums to cover the risks for certain clean policies they would otherwise have ceded, leading to lower requests for auto rate increases by the Rate Bureau.

Additionally, North Carolina auto insurers are more likely to cede to the Facility policies for those drivers who are at fault for accidents or who receive convictions for moving violations. Under former GS 58-36-65(b), auto insurers were permitted to impose surcharges on those drivers who accumulated Safe Driver Incentive Plan ("SDIP") points due to at-fault accidents or moving violations. These SDIP surcharges, however, only lasted three (3) years.

The 2023 Changes amended GS 58-36-65(j) to permit insurers to impose a surcharge for five (5) years on those drivers who are convicted of a broad range of traffic violations that result in more than four SDIP points. *See* 2023 Changes p 26, www.ncleg.gov/Sessions/2023/Bills/Senate/PDF/S452v6.pdf. By being enabled to collect a surcharge on these riskiest of drivers for five years instead of three years, auto insurers should be less likely to cede the policies for such drivers to the Facility. This, in turn, should lead to fewer assessments by the Facility against the state's auto insurers, with a resulting drop in the amount of any recoupments the insurers charge to consumers. Additionally, the extended surcharges for convicted drivers should allow insurers to charge sufficient premiums to cover the risks for certain clean policies they would otherwise have ceded, leading to lower requests for auto rate increases by the Rate Bureau.

It will take time before the effects of the 2023 Changes become apparent, especially because the extended inexperienced-driver surcharges will not take effect until January 1, 2025. The General Assembly should not consider reforming the Facility or the rate statutes in any way until a sufficient number of years have passed to learn whether the 2023 Changes are successful.

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[2] Under the 2023 Changes, new drivers may qualify for an inexperienced-driver insurance discount after three years if they have not experienced an at-fault accident or received a driving conviction. Additionally, DOI anticipates that the Rate Bureau will recommend inexperienced-driver surcharges that *decrease* over the eight-year period, based on the drivers' records.

<u>Topic 2 – Premium Impact of Reinsurance Facility on Total Insurance Cost, Including Surcharges and Other Fees</u>

In response to Topic 1 above, I have described in detail what additional premiums may be charged to certain drivers when their policies are ceded to the Facility, as well as what Facility losses can be assessed against insurers and in turn passed on to all North Carolina drivers via recoupment surcharges. It is unclear to the DOI what additional data the Committee may be requesting under this Topic 2, but if the Committee wants me to provide any additional data in response to Topic 2, I will gladly do so in supplemental written testimony.

That said, the Murphy Report may suggest that the additional premiums chargeable upon cession and the Facility's loss-recoupment surcharges are insufficient to fund the Facility. Also, the Murphy Report may suggest that the loss-recoupment surcharges are excessive for those North Carolina drivers whose policies the auto insurers elect *not* to cede to the Facility. I dispute any such suggestions because the best evidence that the Facility's operations are working well in their current form is the fact that North Carolina's auto insurance rates are within the top 11 least expensive state rates in the nation.

However, if the Committee is concerned that the Facility is not currently funded sufficiently, then I again urge it to not consider reforming the Facility or the rate statutes until a sufficient number of years have passed to learn whether the 2023 Changes are successful in lowering the number of policies auto insurers cede to the Facility and lowering assessments and resulting surcharges to consumers.

<u>Topic 3 – Anomalies in North Carolina's Insurance Market, Such as Companies that Only Serve the Reinsurance Facility and the Large Share of Drivers in the Reinsurance Facility</u>

A. The Companies that Cede a Great Deal of Premiums to the Facility Are Not a Negative Anomaly.

As I explained in response to Topic 1, there is no limit on the number of policies that an auto insurer may cede to the Facility. But the Facility does not report the number of policies ceded to it, and so the DOI does not know the breakdown of how many policies individual insurers have ceded to the Facility.

The DOI *does* have information about the overall premium amounts that individual auto insurers have foregone by ceding policies to the Facility, and I have attached an Excel spreadsheet demonstrating these amounts for year 2021.[3] *See* Ceded Premiums, Attachment C

[3] Ceded premium does not necessarily correspond with the number of ceded policies because: (a) the premium for a particular policy may vary greatly according to how many vehicles and drivers are insured under that policy; and (b) when an insurer cedes a policy, all of the vehicles and drivers under that policy are effectively ceded to the Facility.

hereto. Attachment C, which consists of data published by the Facility, lists 61 auto insurance companies that sold PPA or commercial auto insurance in North Carolina in 2021.

Overall, Attachment C demonstrates two important points. First, there are relatively few insurance companies ceding large amounts of annual premium to the Facility. For example, 32 out of the 61 companies that wrote auto insurance in the state in 2021 ceded less than 20% of their premiums to the Facility. Additionally, 11 out of these 61 insurance companies wrote in excess of $100 million in premiums in 2021. Seven (7) out of these 11 companies ceding over $100 million in premiums, however, ceded less than 20% of their premiums to the Facility.

Second, Attachment C demonstrates that those insurance companies that cede a great percentage of their annual premium to the Facility in fact write relatively low amounts of annual premium. For example, 12 companies out of 61 ceded more than 80% of their premium to the Facility in 2021. Out of these 12 companies, however, 10 companies wrote less than $25 million in annual premiums. In sum, I do not believe that Attachment C demonstrates any anomalous number of companies that are writing policies only to "service" the Facility.

I also want to observe that those companies that cede great amounts of their written premium to the Facility do not prejudice those companies that cede far lesser amounts. Under the Rate Bureau system, which submits rate increases based on a hypothetical conglomeration of all auto insurers in North Carolina (known as the "hypothetical one" company), the lost premium suffered by the companies ceding the most premium to the Facility inures to the benefit of the companies ceding less premium. This is because those companies ceding less premium can benefit from a higher overall requested rate increase based on the losses of those companies ceding more premium.

Finally, even those auto insurers that cede 100% of their written premiums to the Facility do not necessarily lose money on such policies. As noted in my November 8th response, the Facility permits the insurers to charge for their costs in servicing the policies, including claims-appraisal costs. Additionally, as noted above, the insurers still retain any physical damage coverage they wrote for the policy and are able to charge higher rates on such coverage if they obtain consent from the policyholders.

B. The Murphy Report Does Not Cite Evidence of an Anomalous Number of Drivers Being Ceded to the Facility.

I rebutted at great length in my November 8th response the argument in the Murphy Report that there is an anomalous number of drivers ceded to the Facility. It is entirely unclear from any reported data of which the DOI is aware exactly where Dr. Murphy would have obtained data to support his apparent claim that 25% of North Carolina auto policies or vehicles have been ceded to the Facility and that this represents the largest percentage of auto policies or drivers in the residual market of any state in the country.

As I explained in my November 8th response, auto insurers do not cede "drivers" to the Facility, as Dr. Murphy claims, but rather policies, and the Facility does not report the number of ceded policies. And, although Attachment C to this testimony demonstrates that from 2015 to 2021 between 24.91% and 27.74% of written premium was ceded to the Facility annually, this does not correlate to the number of ceded policies.

Likewise, it is currently unclear to the DOI where Dr. Murphy would have obtained data to support his seeming claim that *all* consumers whose policies or vehicles are in the Facility tend to pay up to "35 percent higher" premiums than drivers in the voluntary market. The Report itself has no citation for this conclusion, and the only known data demonstrates that: (a) the premiums for 73% of the vehicles covered by ceded PPA policies remained the same upon being ceded; and (b) only the 27% of consumers whose ceded policies are OTC pay approximately 35% more in premium than they paid before their policies were ceded.

C. There Are Many Positive Anomalies Resulting from the Facility's Operations.

Regardless of any negative anomalies that the Murphy Report claims there are with regard to the Facility, there are numerous advantages of North Carolina's unique Facility system that constitute *positive* anomalies when compared to other states' systems.

First and most importantly, the current formulation of the Facility—even with the number of cessions, assessments, and recoupment surcharges—still results in North Carolina having the 11th best, least expensive auto insurance rates in the nation. Meanwhile, the counter-example Dr. Murphy uses, South Carolina, has the 14th worst, most expensive auto insurance rates in the nation. North Carolina's low auto rates are a positive anomaly of the Facility's current organization.

Second, although 1.57 million vehicles have been ceded to the Facility under PPA policies, 1.15 million of these vehicles were ceded as clean risks, while only 420,000 vehicles were ceded as OTC. This results in the positive anomaly that policyholders for 73% of the ceded vehicles were not charged additional premium upon their vehicles being ceded.

Third, as of 2019, only 7.4% of drivers were uninsured in North Carolina, making it tied with South Dakota at tenth among the states with the least percentage of uninsured drivers. *See* "Facts and Statistics, Uninsured Motorists," Insurance Information Institute, at https://www.iii.org/fact-statistic/facts-statistics-uninsured-motorists. This too is a positive anomaly resulting from the current operation of the Facility. Meanwhile, for the same year, 10.9% of South Carolina drivers had no insurance, making South Carolina 28th among the 50 states with the highest percentage of uninsured drivers, which is a negative anomaly in South Carolina's assigned-risk system. *Id.*

Fourth, as noted in my November 8th response, in assigned-risk systems such as that Dr. Murphy advocates, auto policies are assigned based on the number of participating auto insurers, meaning that the consumer has no choice whatsoever in which auto insurer will write the consumer's policy. For example, a consumer in an assigned-risk state can be compelled to obtain a policy from an auto insurer with a poor history of handling legitimate claims. Consumers in South Carolina would have suffered this loss of choice since that state eliminated its facility, as would consumers in the other states Dr. Murphy asserts employ assigned-risk systems. Meanwhile, under North Carolina's current system, consumers can elect the auto insurer of their choice, and that insurer will continue to service the policy even where it is ceded to the Facility.

D. Negative Anomalies that Could Result from an Assigned-Risk System

In addition to North Carolina consumers losing their ability to select their own insurers, if the General Assembly were to eliminate the Facility in favor of an assigned-risk system, as Dr. Murphy suggests, it is highly likely that North Carolina auto insurance rates would rise quickly and extensively. First, there is every reason to believe that the number of policies ceded to the Facility would generally equal the number of policyholders whose risks would be assigned to the state's auto insurers in an assigned-risk system. Second, North Carolina auto insurers could no longer recover recoupment fees from such policyholders if the Facility were eliminated. Instead, the insurers would have to bear the losses from the assigned-risk policies.

These significant new losses to the insurance industry as the result of adopting an assigned-risk system would almost invariably result in much higher auto rates, such as those in South Carolina. Indeed, the Murphy Report itself anticipates such rate increases from an assigned-risk plan by specifically requesting that the industry be allowed a "flexible rate" such as that in South Carolina, where auto insurers can increase their rates by 7% annually for any reason and without any need for prior regulatory approval.[4] A process for North Carolina auto insurers to raise their rates unilaterally without the Commissioner's approval would deprive the North Carolina public of the extensive data that the Rate Bureau is currently required to submit to justify any auto insurance increase.

There are other significant risks from an assigned-risk system. For example, the Murphy Report suggests that, under a flexible rate system, one auto insurer could elect to raise its annual rate by only 5%, while another could elect to raise its rate by 7%, all without prior approval. Under an assigned-risk system, one insured's policy might be assigned to the first company, while another insured's policy might be assigned to the second insurer, resulting in two similarly situated drivers having to pay different rates.

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[4] The Murphy Report characterizes South Carolina's flexible rate as not requiring prior regulatory approval before it can be used. Report p 7, fn 3. In my November 8th response, I also referred to the South Carolina model as not requiring prior approval for a rate increase of up to 7%. To be clear, South Carolina *does* provide its insurance authority the ability to challenge an auto rate increase within the flexible rate range but *only after* that increase has already gone into effect without prior approval. S.C. Code sec. 38-73-220(c).

Further, it is unclear how an assigned-risk plan could be designed to ensure that risky insureds would be assigned only to those insurers with the lower rates without prejudicing those insurers with higher rates. In other words, an assigned-risk law combined with a flexible rate law could result in the assigned-risk plan picking "favorites" among insurers, although ironically those insurers with higher rates might be the "favorites" in that they will not have to cover the losses from as many assigned policies as a company with lower rates.

Finally, under an assigned-risk system, insurers may be assigned policies that they are unable to administer, either financially or in practice. For example, commercial auto insurers commonly specialize in the types of commercial policies they write. One small insurer may write only commercial policies for fleet taxis, while another larger insurer may write commercial policies for big rigs. If all commercial auto insurers were assigned policies for vehicles of all types under an assigned-risk system, it is unclear how the smaller company that previously wrote coverage for taxis suddenly would obtain the reserves to cover the risks posed by big rigs. Similarly, it is unclear that how smaller companies previously serving only taxis would suddenly obtain the claims expertise to service big rig policies.

Topic 4 - Factors that Lead to Variation in Insurance Premiums Across States

As addressed above and in my November 8th response, under North Carolina's unique system, the Commissioner reviews and either approves or challenges the auto rate increases proposed by the Rate Bureau on behalf of all North Carolina auto insurers. The Commissioner approves a maximum rate that auto insurers may charge eligible risks for the minimum required coverages.

Certainly, not all North Carolina insurers charge their customers this maximum rate, and there are numerous factors based on which they may charge consumers less. Further, such factors are similar to those used in other states that utilize prior-approval methods for auto rates, as well as those states that permit auto insurers to file and immediately use higher rates, subject to a later challenge by the insurance authorities.

Some of the main rating factors for auto insurance are:

- Location, including the location's population density, accident rates, vehicle theft rates, auto repair costs, medical and legal costs, auto safety claims, disposable income per capita, and number of uninsured drivers
- Age so long as it is not unfairly discriminatory
- Gender so long as it is not unfairly discriminatory
- Marital status so long as it is not unfairly discriminatory
- Driving experience
- Driving record

- Claims history
- Credit history
- Previous insurance coverage
- Vehicle type
- Vehicle use
- Miles driven per number of highway miles
- Relative amounts of coverages selected by consumers
- Relative amounts of deductibles selected by consumers

See https://content.naic.org/cipr-topics/auto-insurance; *see also* https://content.naic.org/sites/default/files/publication-aut-pb-auto-insurance-database.pdf

The above factors may affect North Carolina auto insurance rates as well as those of other states. However, another factor that may influence our state's low auto insurance rates is the fact that North Carolina is a contributory negligence state. This means that in a lawsuit for damages based on negligence, a claimant's own negligence is a complete bar to recovery if it contributed to the claimant's injuries. As a result, a claimant's negligence is considered a factor in settlement negotiations with an insurer before a lawsuit is filed. Lower settlement amounts, as well as verdicts that result in no recovery because of the claimant's negligence, can be seen as contributing to North Carolina's low auto insurance rates.

Topic 5 – Other Regulatory Needs for the Department of Insurance

The current functions of the Facility and North Carolina's current regulation of auto insurance rates have resulted in significantly low auto insurance rates in our state. Consequently, the DOI does not believe there is any need to reform the law regarding the Facility or auto rates.

However, if the Committee is concerned about the Facility or auto rates in North Carolina, then I again urge it to not consider reforming the Facility or the rate laws until we can see whether the 2023 Changes are successful in lowering the number of policies auto insurers cede to the Facility.

If, after a sufficient period of time, the 2023 Changes have not been successful, then the DOI requests that the General Assembly permit it to work with insurance industry representatives to explore together other possible changes to the current laws. If the 2023 Changes do not achieve their aims, then one potential change that DOI and industry representatives could discuss would be whether a moderate increase in fees for clean policies that are ceded to the Facility would inject new funds into the Facility. Such a possible change should not prejudice clean ceded policyholders, who could always seek lesser rates from different insurers.

Conclusion

The combination of the Facility and the Commissioner's authority to approve or reject the Rate Bureau's proposed auto-insurance increases results in a clear benefit to North Carolina consumers in the form of low auto rates. The 2023 Changes will further improve these results, and the General Assembly should not entertain the suggestions of the Murphy Report or any other attempts at reform unless the 2023 Changes are unsuccessful. Even then, the General Assembly should permit the DOI and the state's auto insurers to work together to propose any further auto insurance reform.

Sincerely,

Mike Causey
Insurance Commissioner

ATTACHMENT C

NC AUTOMOBILE LIABILITY WRITTEN PREMIUMS
2021 CALENDAR YEAR BY NCRF CEDING MEMBER COMPANY OR GROUP
EXCLUDING DESIGNATED AGENT BUSINESS

			2021 WRITTEN PREMIUM	2021 CEDED PREMIUM	2021 % CEDED
*	09823	ACE American Ins Co	16,884,838	2,274	0.01%
	02696	Agent Alliance Ins Co	524,033	528,184	100.79%
	07372	Allied P&C Ins Co	4,104,391	475,000	11.57%
*	07031	Allstate Ins Co	257,768,509	47,445,240	18.41%
	04886	American Millennium Ins Co	2,197,205	1,429,066	65.04%
*	08007	American States Ins Co	17,364,719	3,406,560	19.62%
	05697	Amguard Ins Co	18,277,697	13,801,432	75.51%
	03514	Amica Mut Ins Co	18,449,286	854,705	4.63%
	09994	Atlantic Cas Ins Co	14,281,191	14,155,696	99.12%
*	07093	Auto Owners Ins Co	100,466,501	616,112	0.61%
	02128	BITCO General Ins Corp	2,284,544	3,633	0.16%
*	03583	Central Mut Ins Co	19,360,816	506,807	2.62%
	27984	Discovery Ins Co	20,216,959	20,217,271	100.00%
	05092	Electric Ins Co	1,896,624	27,323	1.44%
*	06119	Employers Mut Cas Co	14,411,664	125,095	0.87%
*	09073	Erie Ins Co	184,103,635	6,069,381	3.30%
	09836	Esurance Ins Co	10,771,662	6,216,163	57.71%
*	05293	Farmers P&C Ins Co	32,844,576	6,436,748	19.60%
	04729	Firemens Ins Co of Wash DC	1,076,179	15,429	1.43%
*	07275	Foremost Ins Co Grand Rapids MI	614,748	403,686	65.67%
	07159	GEICO Indemnity Co	149,121,337	144,103,073	96.63%
*	07301	General Cas Co of Wisconsin	1,567,643	23,463	1.50%
*	07307	Government Employees Ins Co	344,008,645	170	0.00%
	27778	Greenville Cas Ins Co	4,220,238	4,250,052	100.71%
*	09818	Hanover Ins Co	6,350,084	284	0.00%
*	01238	Hartford Cas Ins Co	42,475,152	1,826,728	4.30%
*	07610	Horace Mann Ins Co	15,775,634	688,001	4.36%
	11099	Incline Cas Co	17,379,748	16,120,441	92.75%
	07144	Infinity Ins Co	5,734,224	4,598,295	80.19%
*	07611	Integon General Ins Corp	443,149,668	261,600,924	59.03%
	11034	Kemper Independence Ins Co	2,761,075	915,270	33.15%
*	09824	Liberty Mutual Ins Co	81,387,728	21,069,262	25.89%
	11692	Midvale Indemnity Co	158,105	102,733	64.98%
	02543	Milbank Ins Co	9,566,347	4,872,970	50.94%
	07504	Nationwide General Ins Co	76,600,244	21,556,656	28.14%
	07612	Nationwide Ins Co of America	58,716,196	15,550,301	26.48%
*	06124	Nationwide Mut Ins Co	144,364,030	16,334,947	11.32%
*	07524	NC Farm Bureau Mut Ins Co	399,935,610	36,143,130	9.04%
	06142	NGM Ins Co	4,859,246	193,750	3.99%
*	10511	Peak P&C Ins Corp	53,897,387	48,873,992	90.68%
*	06098	Penn National Mut Cas Ins Co	38,063,283	573,730	1.51%
*	27676	Perm Gen Assurance Corp of Ohio	14,780,999	14,580,409	98.64%
*	10545	Progressive Premier Ins Co of Illinois	494,874,513	168,108,367	33.97%
	10546	Progressive Universal Ins Co	5,219,474	2,448,448	46.91%
*	7960	SAFECO Ins Co of America	297,527	17,887	6.01%
*	7967	Selective Ins Co of the Southeast	29,230,794	11,829	0.04%
*	6127	Sentry Ins Co	16,373,966	321,654	1.96%
	7352	Southern General Ins Co	8,371,125	8,390,213	100.23%
	7633	State Automobile P&C Ins Co	8,180,927	682,740	8.35%
	7667	State Farm Mut Auto Ins Co	529,115,075	150,664,450	28.47%
	11366	Stonewood Ins Co	20,996,727	19,744,386	94.04%
*	7838	The Cincinnati Ins Co	40,741,224	1,482,736	3.64%
	11371	The Members Ins Co	17,868,756	10,934,547	61.19%
*	2034	The Travelers Indemnity Co	91,539,256	6,239,487	6.82%
	2513	Triangle Ins Co	5,246	4,447	84.77%
	6550	Truck Ins Exchange	179,665	85,662	47.68%
	5163	Unitrin Auto & Home Ins Co	5,645,759	384,644	6.81%
	7202	Unitrin Safeguard Ins Co	9,357,783	341,739	3.65%
	5394	Universal Ins Co	13,022,313	12,648,669	97.13%
*	3542	USAA Cas Ins Co	268,996,158	17,623,613	6.55%
*	5899	Utica Mut Ins Co	7,446,429	779,919	10.47%
		All other companies	346,953,140		
		Total	4,567,188,257	1,137,629,821	24.91%
		* includes all companies in a group			
		Comparison of Previous Years:			
		2020	4,296,939,511	1,078,531,753	25.10%
		2019	4,190,335,683	1,071,003,907	25.56%
		2018	4,025,407,582	1,084,378,934	26.94%
		2017	3,729,253,377	1,047,720,620	28.09%
		2016	3,478,927,909	967,165,027	27.80%
		2015	3,320,038,093	921,031,565	27.74%

NOTES:
1.Written Premiums are from Company annual statements (as writtten).
2.Ceded Premiums are from amounts reported to NCRF (as reported) and may include
adjustments for prior periods, thus ceded could exceed written on this exhibit.
3.NCRF company groups may not be the same as NAIC company groups.