



MINUTES OF THE FORTY-FIFTH ANNUAL MEETING OF THE NORTH CAROLINA REINSURANCE FACILITY HELD AT THE GRANDOVER RESORT AND CONFERENCE CENTER, ONE THOUSAND CLUB ROAD, GREENSBORO, NORTH CAROLINA, OCTOBER 9, 2019

MEMBERS PRESENT

Allstate Insurance Company

Allstate Indemnity Company
Allstate Insurance Company
Allstate Northbrook Indemnity Company
Allstate Property & Casualty Insurance Company
Allstate Vehicle and Property Insurance Company
Esurance Insurance Company

American Millennium Insurance Company

Atlantic Casualty Insurance Company

Auto Owners Insurance Company
Owners Insurance Company

Geico Indemnity Insurance Company

Amguard Insurance Company
Berkshire Hathaway Homestate Insurance Company
Berkshire Hathaway Specialty Insurance Company
Eastguard Insurance Company
GEICO Advantage Insurance Company
GEICO Casualty Company
GEICO Choice Insurance Company
GEICO General Insurance Company
GEICO Indemnity Company
GEICO Secure Insurance Company
General Star National Insurance Company
Genesis Insurance Company
Government Employees Insurance Company
National Indemnity Company
National Liability & Fire Insurance Company
Norguard Insurance Company
Pennsylvania Insurance Company
Radnor Specialty Insurance Company
United States Liability Insurance Company

REPRESENTED BY

Laura Hoffman

Richard Yarbrough

Robbie Strickland

Melinda Seibold

Hartford Accident & Indemnity Company

Eric Mize

Hartford Casualty Insurance Company
Hartford Fire Insurance Company
Hartford Insurance Company of Illinois
Hartford Insurance Company of Southeast
Hartford Insurance Company of the Midwest
Hartford Underwriters Insurance Company
Maxum Casualty Insurance Company
Nutmeg Insurance Company
Property & Casualty Insurance Company of Hartford
Sentinel Insurance Company Ltd
Trumbull Insurance Company
Twin City Fire Insurance Company

Integon Indemnity Corporation

Art Lyon
David Barson
Rick Pierce
Brian Rogers

Agent Alliance Insurance Company
Century-National Insurance Company
Imperial Fire and Casualty Insurance Company
Integon Casualty Insurance Company
Integon General Insurance Corporation
Integon Indemnity Corporation
Integon National Insurance Company
Integon Preferred Insurance Company
National General Insurance Company
National General Insurance Online, Inc.
New South Insurance Company

Kemper Independence Insurance Company

Robert Zarter

Infinity Insurance Company
Kemper Independence Insurance Company
Merastar Insurance Company
Response Worldwide Insurance Company
Unitrin Auto & Home Insurance Company
Unitrin Direct Property & Casualty Company
Unitrin Safeguard Insurance Company

Mendakota Insurance Company

Casey Brown
Mendi H Riddle
Christine Hague
Gary Morris
Eric Ryan
Nicholas Sizemore
Tom Souder

Nationwide Mutual Insurance Company

Allied Insurance Company of America
Allied Property & Casualty Insurance Company
AMCO Insurance Company
Crestbrook Insurance Company
Depositors Insurance Company
Freedom Specialty Insurance Company
Harleysville Insurance Company
Harleysville Preferred Insurance Company

Harleysville Worcester Insurance Company
National Casualty Company
Nationwide Affinity Insurance Company of America
Nationwide Agribusiness Insurance Company
Nationwide General Insurance Company
Nationwide Insurance Company of America
Nationwide Mutual Fire Insurance Company
Nationwide Mutual Insurance Company
Nationwide Property & Casualty Insurance Company
Scottsdale Indemnity Company
Titan Indemnity Company
Victoria Fire & Casualty Company

North Carolina Farm Bureau Mutual Insurance Company

Roger Batdorff

Farm Bureau Insurance Company of North Carolina
North Carolina Farm Bureau Mutual Insurance Company

Pennsylvania National Mutual Casualty Insurance Company

Teresa Burroughs
Lynette Prosser

Penn National Security Company
Pennsylvania National Mutual Casualty Insurance Company

Permanent General Assurance Corporation of Ohio

Sondra Cavanaugh
Li Bing

American Family Mutual Insurance Company, S.I.
American Standard Insurance Company of Wisconsin
Midvale Indemnity Company
Permanent General Assurance Corporation of Ohio

Sentry Insurance Group

Peter Sampson

Dairyland Insurance Company
Florists Mutual Insurance Company
Middlesex Insurance Company
Peak Property & Casualty Insurance Corporation
Sentry Casualty Company
Sentry Insurance A Mutual Company
Sentry Select Insurance Company

Jamie Boutilier

The Members Insurance Company

Universal Insurance Company

The Travelers Indemnity Company

Kirsten Forbes

Discover Property & Casualty Insurance Company
Farmington Casualty Company
Fidelity & Guaranty Insurance Company
Fidelity & Guaranty Insurance Underwriters Inc
Northland Casualty Company
Northland Insurance Company
Select Insurance Company
St Paul Guardian Insurance Company

St Paul Mercury Insurance Company
St Paul Protective Insurance Company
St. Paul Fire & Marine Insurance Company
Standard Fire Insurance Company
The Automobile Insurance Company of Hartford, Connecticut
The Charter Oak Fire Insurance Company
The Phoenix Insurance Company
The Travelers Indemnity Company
The Travelers Indemnity Company of America
The Travelers Indemnity Company of Connecticut
Travco Insurance Company
Travelers Casualty & Surety Company
Travelers Casualty & Surety Company of America
Travelers Casualty Company
Travelers Casualty Company of Connecticut
Travelers Casualty Insurance Company of America
Travelers Commercial Casualty Company
Travelers Commercial Insurance Company
Travelers Constitution State Insurance Company
Travelers Home & Marine Insurance Company
Travelers Personal Insurance Company
Travelers Personal Security Insurance Company
Travelers Property Casualty Company of America
Travelers Property Casualty Insurance Company
United States Fidelity & Guaranty Company

United Services Automobile Assn Group

Garrison Property & Casualty Insurance Company
United Services Automobile Association
USAA Casualty Insurance Company
USAA General Indemnity Company

OTHERS PRESENT

Able Auto Insurance Agency

Adcock Agency
Insurance Services Office/Verisk Analytics

Jones Insurance Agency, Inc.
Litaker Insurance
Milliman, Inc.
Mountcastle Insurance
North Carolina Department of Insurance
Paschal Law, PA
Public Member – NCRF Board of Governors

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REPRESENTED BY

Jeff Butler
Miles Butler
John Miller
Paul Ericksen
Santee Perfetto
Raul Retian
Wortham W. Boyle
Justin Litaker
Paul Anderson
Jack Calvert
Fred Fuller
Robert Paschal
Dr. Mark R. Royster

Young Moore and Henderson PA

Wellington Management Company

Staff

Brian Beverly
Angela Craddock
Mickey Spivey
Chris Holleman
Eric Tanaka
Joanna Biliouris
Tom Burns
Shelley Chandler
Terry Collins
Edith Davis
Linda Davis
Ray Evans
Vicki Godbold
Keri Johnson
Katie Lovelace
Andy Montano
Rebecca Williams

Two hundred and five (205) other companies were represented by proxy.

The meeting convened as scheduled, Mr. Strickland presiding. Mr. Collins announced that there was a quorum.

Reference was made to the Facility's Antitrust Compliance Policy, Conflicts of Interest Statement, and Code of Ethics and Standard of Conduct Statements, copies of which were included in the materials provided. Mr. Spivey briefly commented on the importance of these guidelines.

1. Minutes of the last meeting

A motion was seconded and passed to approve the minutes from the previous meeting held on October 11, 2018.

2. Annual Report

Copies of the Forty-Sixth Annual Report for the fiscal year ended September 30, 2019 were distributed, a copy of which is attached. Mr. Evans highlighted the members of management staff and offered general observations from the past year. Mr. Evans then reported on progress made towards the current year's goals and reviewed goals for the upcoming year.

3. Chairman's Comments

Mr. Strickland thanked the members of the Facility staff and counsel along with members of the various participating committees. He also shared comments regarding the implementation of the commercial loss recoupment surcharge and the success of that action.

4. Legislative Report

Mr. Paschal noted that the Facility does not lobby but monitors legislation that may impact the Facility member companies and responds to questions by legislators and others regarding the potential impacts of proposed changes. Mr. Paschal then gave a brief description of the make-up of the legislature and advised that the legislature was currently in a long session. Mr. Paschal then provided a brief summary of a number of bills that were considered during the current legislative session including several bills introduced by the Department of Insurance and a number of bills concerning topics such as motorcycles, electric scooters, NAIC accreditation and producer requirements.

5. Chief Information Officer

Ms. Chandler advised of the make-up of the IT department and advised that Frank Lonnett has been named Director of Security. Ms. Chandler also reported that the Facility would be implementing Tableau at the end of 2019 and would be acting as the pilot group for this system.

Ms. Chandler reported that security continues to be a major concern for the IT department and that the organizations successfully avoided a phishing attempt made earlier in the year. Ms. Chandler then reported on the ongoing security plan for the upcoming year, including continued remediation, risk assessment, and management of account access.

6. Recognition

Mr. Collins advised that Laura Hoffman would be leaving the Board and thanked her for her valued contributions to the Board. Mr. Collins then reported that Brian Beverly received the Leader in Law honor, which is awarded to a small number of attorneys each year. Finally, Mr. Collins reported that John Miller received the Independent Insurance Agents of North Carolina's Agent of the Year award and thanked him for his continued work on the Board.

7. Adjournment

There being no further business, the meeting was adjourned.

Respectfully submitted,

Terry F. Collins

Chief Operating Officer

North Carolina Reinsurance Facility

TFC/lad

Enclosure

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