

**Revised**

MINUTES OF THE MEETING OF THE THIRTY-NINTH ANNUAL MEETING OF THE
NORTH CAROLINA REINSURANCE FACILITY HELD AT THE GRANDOVER RESORT
AND CONFERENCE CENTER, ONE THOUSAND CLUB ROAD, GREENSBORO, NORTH
CAROLINA, OCTOBER 25, 2012

MEMBERS PRESENT

Allstate Insurance Co.
 Allstate Indemnity Co.
 Allstate Property & Casualty Insurance Co.
 Allstate Vehicle and Property Insurance Co.
 Encompass Indemnity Co.
 Northbrook Indemnity Co.
 Atlantic Casualty Insurance Co.
 Little River Insurance Co.
 Auto Owners Insurance Co.
 Owners Insurance Co.
 Builders Mutual Insurance Co.
 Builders Premier Insurance Co.
 Discovery Insurance Co.
 Erie Insurance Co.
 Erie Insurance Co. of New York
 Erie Insurance Exchange
 Erie Insurance Property & Casualty Co.
 Flagship City Insurance Co.
 Farmers Insurance Exchange
 21st Century Advantage Insurance Co.
 21st Century Assurance Co.
 21st Century Casualty Co.
 21st Century Centennial Insurance Co.
 21st Century Insurance Co.
 21st Century North America Insurance Co.
 21st Century Premier Insurance Co.
 Foremost Insurance Co. Grand Rapids MI
 Foremost Property & Casualty Insurance Co.
 Mid Century Insurance Co.
 Truck Insurance Exchange
 GEICO Indemnity Co.
 Berkshire Hathaway Homestate Insurance Co.
 GEICO Casualty Co.

REPRESENTED BY

Brian O'Neill

 Mark Caughron

 Drew Klasing

 Jerry Visintine

 Stuart Lindley
 Damien Josefiak
 Kristopher Marrison

 Bill Tibbens

 Joe Jordan
 Matthew Lystad

GEICO General Insurance Co.	
General Star National Insurance Co.	
Genesis Insurance Co.	
Government Employees Insurance Co.	
National Indemnity Co.	
National Liability & Fire Insurance Co.	
United States Liability Insurance Co.	
Integon Indemnity Corporation	Art Lyon
Agent Alliance Insurance Co.	
AmTrust Insurance Co. of Kansas, Inc.	
Integon Casualty Insurance Co.	
Integon General Insurance Corporation	
Integon National Insurance Co.	
Integon Preferred Insurance Co.	
Maiden ReInsurance Co.	
Maiden Specialty Insurance Co.	
Milwaukee Casualty Insurance Co.	
National General Insurance Co.	
New South Insurance Co.	
Security National Insurance Co.	
Technology Insurance Co.	
Wesco Insurance Co.	
Greenville Casualty Insurance Co.	
Hartford Fire Insurance Co.	Chad Mirock
Hartford Accident & Indemnity Co.	Andy Montano
Hartford Casualty Insurance Co.	
Hartford Insurance Co. of the Midwest	
Hartford Underwriters Insurance Co.	
Property & Casualty Insurance Co. of Hartford	
Sentinel Insurance Co. Ltd	
Trumbull Insurance Co.	
Twin City Fire Insurance Co.	
Liberty Mutual Insurance Co.	Mark Ford
American Economy Insurance Co.	Jeff Wright
American Fire & Casualty Co.	
American States Insurance Co.	
American States Preferred Insurance Co.	
Colorado Casualty Insurance Co.	
Employers Insurance Co. of Wausau	
Excelsior Insurance Co.	
First Liberty Insurance Corporation	
First National Insurance Co. of America	
General Insurance Co. of America	
Liberty Insurance Corporation	
Liberty Insurance Underwriters Inc	
Liberty Mutual Fire Insurance Co.	
Liberty Mutual Mid-Atlantic Insurance Co.	
LM General Insurance Co.	
LM Insurance Corporation	
LM Property & Casualty Insurance Co.	

Midwestern Indemnity Co.	
Montgomery Mutual Insurance Co.	
Netherlands Insurance Co.	
Ohio Casualty Insurance Co.	
Ohio Security Insurance Co.	
Peerless Indemnity Insurance Co.	
Peerless Insurance Co.	
SAFECO Insurance Co. of America	
SAFECO Insurance Co. of Indiana	
Wausau Business Insurance Co.	
Wausau Underwriters Insurance Co.	
West American Insurance Co.	
Nationwide Mutual Insurance Co.	Joe Buck
Allied Property & Casualty Insurance Co.	Mendi Riddle
AMCO Insurance Co.	
Depositors Insurance Co.	
Farmland Mutual Insurance Co.	
Freedom Specialty Insurance Co.	
National Casualty Co.	
Nationwide Affinity Insurance Co. of America	
Nationwide Agribusiness Insurance Co.	
Nationwide Insurance Co. of America	
Nationwide Mutual Fire Insurance Co.	
Nationwide Property & Casualty Insurance Co.	
Scottsdale Indemnity Co.	
Titan Indemnity Co.	
Victoria Fire & Casualty Co.	
North Carolina Farm Bureau Mutual Insurance Co.	Roger Batdorff
Farm Bureau Insurance Co. of North Carolina	
Peak Property & Casualty Insurance Corporation	Peter Sampson
Dairyland Insurance Co.	
Middlesex Insurance Co.	
Sentry Casualty Co.	
Sentry Insurance A Mutual Co.	
Sentry Select Insurance Co.	
Pennsylvania National Mutual Casualty Insurance Co.	John Buchenauer
Penn National Security Co.	Pat Lovell
The Members Insurance Co.	Jim McCafferty
Universal Insurance Co.	Greg Spray
<u>OTHERS PRESENT</u>	<u>REPRESENTED BY</u>
Young, Moore & Henderson	Glenn Raynor
	Mickey Spivey
	Mike Strickland
North Carolina Department of Insurance	Wayne Goodwin*
	Bob Mack
Wellington Management	Chris Holleman
Insurance Services Office	Patrick Woods
Able Auto Insurance	Jeff Butler

Green & Wooten Insurance
Pinehurst Insurance
Senn Dunn Marsh & Roland
Wester Realty & Insurance Agency
Public Members NCRF Board of Governors

Staff

John Wooten
Rob McVay
Tim Ward
Hutson Wester
Steve Smith
David Walker
Jannet Barnes
Edith Davis
Ray Evans
Vicki Godbold
Fred Hoerl
Tim Lucas
Lois Murphey
Mike Newton
David Sink
Sue Taylor
Rebecca Williams

201 other companies voted by proxy.

*Attended part of the meeting.

The meeting convened as scheduled, Mr. Lyon presiding. Mr. Evans 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 made available. Mr. Spivey provided a few comments regarding these statements and the importance of complying with them.

1. Address by Commissioner of Insurance

Commissioner Goodwin addressed the members of the Facility, commented on the important role of the Facility and highlighted several items interest to the industry.

2. Annual Report

Copies of the Thirty-Ninth Annual Report for the fiscal year ended September 30, 2012 were distributed. Mr. Evans reviewed and commented on the Report, a copy of which is attached and forms a part of the record. The members were also advised that the Report would be available on the Facility website under its own link from the homepage. A motion was made, seconded and unanimously passed to accept the report.

3. Chairman's Comments

Mr. Lyon shared comments on the numerous activities and events of the preceding year, especially noting the significant Legislative activity in early 2012 regarding various proposals that would impact the Facility, the decrease in budget, and the effective management of the Facility's portfolio by the Investment Manager, Wellington. He thanked the Board, the various participating committees, staff, and counsel for their efforts on behalf of the Facility.

4. Adjournment

There being no further business, the meeting was adjourned.

Respectfully submitted,

Edith T. Davis

Director, Reinsurance Facility

ETD/lad
Enclosure

RF-12-12