



MINUTES OF THE FORTY-SECOND ANNUAL MEETING OF THE NORTH CAROLINA REINSURANCE FACILITY HELD AT THE GRANDOVER RESORT AND CONFERENCE CENTER, ONE THOUSAND CLUB ROAD, GREENSBORO, NORTH CAROLINA, OCTOBER 13, 2016

MEMBERS PRESENT

Allstate Insurance Company
 Allstate Indemnity Company
 Allstate Northbrook Indemnity Company
 Allstate Property & Casualty Insurance Company
 Allstate Vehicle and Property Insurance Company
 Encompass Indemnity Company
 Esurance Insurance Company
 Atlantic Casualty Insurance Company
 Little River Insurance Company
 Erie Insurance Company
 Erie Insurance Exchange
 Erie Insurance Company of New York
 Erie Insurance Property & Casualty Company
 Flagship City Insurance Company
 Falls Lake National Insurance Company
 Stonewood Insurance Company
 GEICO Indemnity Company
 Amguard Insurance Company
 Berkshire Hathaway Homestate Insurance Company
 Norguard Insurance Company
 Eastguard Insurance Company
 General Star National Insurance Company
 Government Employees Insurance Company
 Genesis Insurance Company
 National Indemnity Company
 National Liability & Fire Insurance Company
 Pennsylvania Insurance Company
 United States Liability Insurance Company
 GEICO Advantage Insurance Company
 GEICO Casualty Company
 GEICO Secure Insurance Company
 GEICO Choice Insurance Company
 GEICO General Insurance Company
 Hartford Casualty Insurance Company
 Hartford Accident & Indemnity Company
 Hartford Fire Insurance Company

REPRESENTED BY

Fernando Hernandez

Mark Caughron
 Sonja Maki
 Cody Cook

Steve Hartman
 Greg Spray
 Andrea Bradley
 Elaine Sola

Andy Montano

Hartford Insurance Company of the Midwest
Hartford Underwriters Insurance Company
Property & Casualty Insurance Company of Hartford
Sentinel Insurance Company, Ltd.
Trumbull Insurance Company
Twin City Fire Insurance Company
Integon General Insurance Corporation
Agent Alliance Insurance Company
AmTrust Insurance Company of Kansas, Inc.
First Nonprofit Insurance Company
Imperial Fire & Casualty Insurance Company
Integon Casualty Insurance Company
Integon Indemnity Corporation
Integon National Insurance Company
Integon Preferred Insurance Company
Milwaukee Casualty Insurance Company
National General Insurance Company
National General Insurance Online, Inc.
New South Insurance Company
Security National Insurance Company
Sequoia Insurance Company
Technology Insurance Company
Tower Insurance Company of New York
Wesco Insurance Company
Liberty Mutual Insurance Company
American Economy Insurance Company
American Fire & Casualty Company
American States Insurance Company
American States Preferred Insurance Company
Colorado Casualty Insurance Company
Employers Insurance Company of Wausau
Excelsior Insurance Company
First Liberty Insurance Corporation
First National Insurance Company of America
General Insurance Company of America
Liberty Insurance Corporation
Liberty Insurance Underwriters, Inc.
Liberty Mutual Fire Insurance Company
Liberty Mutual Mid-Atlantic Insurance Company
LM General Insurance Company
LM Insurance Corporation
LM Property & Casualty Insurance Company
Midwestern Indemnity Company
Montgomery Mutual Insurance Company
Netherlands Insurance Company
Ohio Casualty Insurance Company
Ohio Security Insurance Company
Peerless Indemnity Insurance Company
Peerless Insurance Company
Safeco Insurance Company of America
Safeco Insurance Company of Indiana
Wausau Business Insurance Company

Art Lyon
Brian Rogers

Michele Lapinski

Wausau Underwriters Insurance Company	
West American Insurance Company	
Nationwide Mutual Insurance Company	Joel Buck
Allied Insurance Company of America	Terry Collins
Allied Property & Casualty Insurance Company	Mendi Riddle
AMCO Insurance Company	Tom Souder
Crestbrook Insurance Company	
Depositors Insurance Company	
Farmland Mutual Insurance Company	
Freedom Specialty Insurance Company	
Harleysville Mutual 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 Property & Casualty Insurance Company	
Scottsdale Indemnity Company	
Titan Indemnity Company	
Victoria Automobile Insurance Company	
Victoria Fire & Casualty Company	
Pennsylvania National Mutual Casualty Ins. Company	Lynette Prosser
Penn National Security Company	
Permanent General Assurance Corporation of Ohio	Sondra Cavanaugh
American Family Mutual Insurance Company	
American Standard Insurance Company of Wisconsin	
Midvale Indemnity Company	
Sentry Insurance A Mutual Company	Peter Sampson
Dairyland Insurance Company	
Middlesex Insurance Company	
Peak Property & Casualty Insurance Corporation	
Sentry Casualty Company	
Sentry Select Insurance Company	
State Farm Mutual Automobile Insurance Company	Alan Bentley
Travelers Indemnity Company	Molly Dunn
Automobile Insurance Company of Hartford	
Charter Oak Fire Insurance Company	
Commercial Guaranty Insurance Company	
Discover Property & Casualty Insurance Company	
Fidelity & Guaranty Insurance Company	
Fidelity & Guaranty Insurance Underwriters, Inc.	
Farmington Casualty Company	
Northland Casualty Company	
Northland Insurance Company	
Phoenix Insurance Company	
Select Insurance Company	
St. Paul Fire & Marine Insurance Company	
St. Paul Guardian Insurance Company	
St. Paul Mercury Insurance Company	

St. Paul Protective Insurance Company	
Standard Fire Insurance Company	
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 Casualty & Surety Company of America	
Travelers Home & Marine Insurance Company	
Travelers Indemnity Company of America	
Travelers Indemnity Company of Connecticut	
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	
USAA Casualty Insurance Company	Dan Pickens
Garrison Property & Casualty Insurance Company	
USAA General Indemnity Company United Services Automobile Association	
Unitrin Auto & Home Insurance Company	Ed Speich
Merastar Insurance Company	
Response Worldwide Insurance Company	
Unitrin Safeguard Insurance Company	
Unitrin Direct Property & Casualty Company	
Universal Insurance Company	Jim McCafferty
The Members Insurance Company	

OTHERS PRESENT

Young, Moore and Henderson

North Carolina Department of Insurance

Insurance Services Organization

Wellington Management

Able Auto Insurance

Green & Wooten Insurance

Pinehurst Insurance

Senn Dunn Marsh & Roland

Public Members – NCRF Board of Governors

Staff

REPRESENTED BY

Robert Paschal

Glenn Raynor

Mickey Spivey

Mike Strickland

Fred Fuller

Robert Mack

Dave Cummings

Rob Curry

Chris Holleman

Eric Tanaka

Jeff Butler

John E. Wooten, III

Rob McVay

Tim Ward

Steve Smith

Jannet Barnes

Joanna Biliouris

Edith Davis

Linda Davis
Ray Evans
Vicki Godbold
Keri Johnson
Donna Kallianos
Laura Lee Longest
Frank Lonnett
Tim Lucas
Mike Newton
Karen Ott
David Sink
Rebecca Williams

One-hundred and twenty-nine (143) other companies were represented by proxy.

The meeting convened as scheduled, Mr. McCafferty presiding. Ms. Davis 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

There were no outstanding minutes to be approved.

2. Plan of Operation Amendment

Ms. Davis directed attention to an exhibit distributed in the meeting materials regarding proposed revisions to the Facility's Plan of Operation, Article XV Hearings. She noted that the Facility's Board of Governors had previously approved these revisions on September 27, 2016, and that upon member company approval these proposed revisions would be filed with the Commissioner of Insurance for final approval.

A motion was made, seconded, and unanimously passed to adopt the amendment to Article XV in the Facility's Plan of Operation.

3. Annual Report

Copies of the Forty-Third Annual Report for the fiscal year ended September 30, 2016 were distributed, 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. Mr. Evans offered general observations from the past year and reported on progress made towards the current year's goals, highlighting the focus on managing members' equity.

4. Chairman's Comments

Mr. McCafferty shared comments on the numerous activities and events of the preceding year, especially noting the activity regarding the continued decline of members' equity balances and the associated implementation of a private passenger loss recoupment; the input provided in the development of commercial auto rate. He recognized Ray Evans for his continued leadership, as well as the Board, the various participating committees, staff, and counsel for their efforts on behalf of the Facility.

5. Adjournment

There being no further business, the meeting was adjourned.

Respectfully submitted,

Edith Davis

Chief Operating Officer

North Carolina Reinsurance Facility

ETD/lad

Enclosure

RF-16-16