

2017 INSURANCE MARKET REPORT



Nevada Division of Insurance
Talk to us. We're here to help.

INSURANCE COMMISSIONER'S MESSAGE

Pursuant to Nevada Revised Statute 679B.410, I am pleased to present the 2017 Nevada Insurance Market Report. This report is intended to provide Legislators an understanding of Nevada's insurance markets, the issues facing Nevada consumers and the insurance industry, as well as the activities of the Division of Insurance. A more detailed report of the Division's activities is available on our website in the Division of Insurance Bi-Annual Report.

In March of 2016, I began my position as Nevada's Insurance Commissioner and it is my honor to lead the State's Division of Insurance. As an agency that is first and foremost a consumer protection agency, all of our regulatory activities are intended to ultimately benefit consumers of insurance in Nevada.

Nevada consumers continue to be well-served by a competitive property and casualty insurance market. Market concentration among automobile and homeowners' insurers remains relatively constant, with a large number of carriers offering coverage in our state. We have seen an increase in the frequency and severity of automobile insurance claims throughout the nation and in this state, which has resulted in corresponding rate changes for Nevada consumers. We continue to encourage consumers to take advantage of our competitive market and review their choices on coverage limits and the price options available to them, to be sure they are not over or underinsured.

The Federal Patient Protection and Affordable Care Act of 2010 continues to create challenges both nationally and for Nevada's policyholders. The health insurance carriers offering individual policies have experienced two straight years of high loss ratios, which has resulted in increased rates and reduced markets for Nevada consumers. The Division is working with the carriers to seek market stabilization and to identify drivers of cost in both individual and small group health plans.

To enhance the Nevada consumers' knowledge of various insurance policies, the Division publishes and maintains several consumer guides and rate comparisons each year. Consumer Guides are available both in printed form and on the Division's website in the following areas: Automobile, Homeowners, Earthquake, Flood, and Title Insurance. In addition, the Division's staff participates in numerous public outreach programs each year to educate the public on insurance, safety and risk mitigation strategies.

Continuing advances in technology provide a constantly altering insurance environment in Nevada. Examples of some recent innovations are; cyber security coverages, drones, semi and fully autonomous vehicles, ride-sharing and home sharing companies. The Division continues to collaborate with the Department of Motor Vehicles, consumer groups, the insurance industry, and other external entities on emerging technologies to help develop a viable framework which would pave the way for such technologies to grow in Nevada.

Details of these topics, as well as others pertaining to Nevada's insurance market, are included in this report. I encourage you to contact me if you would like to discuss any issue in greater detail as you work to address your constituents' concerns during the 79th (2017) Legislative Session.



Sincerely,
Barbara D. Richardson
Commissioner of Insurance



STATE REGULATION OF THE INSURANCE INDUSTRY

With consumer protection as the ultimate purpose in regulating the insurance industry, the primary focuses of the Nevada Division of Insurance are: 1) solvency of the carriers doing business here, so the companies are able to make good on the promises made to their customers, and 2) market regulation, to provide an adequate, competitive market place for Nevada consumers, and to ensure policyholders and claimants are treated fairly.

The current framework for state regulation of the insurance industry started in 1851 when New Hampshire appointed the first state insurance commissioner. While financial services industries, such as banking and securities are primarily regulated by the federal government, the insurance industry has always been predominately regulated by the states. In 1945, Nevada U.S. Senator Pat McCarran co-sponsored the McCarran-Ferguson Act, which affirmed the states' right to regulate and tax the business of insurance was in the public's best interest.

In 1999, the United States Congress passed The Financial Modernization Act, which established a framework to permit affiliations among banks, securities firms and insurance companies. This bill, also known as Gramm-Leach-Bliley (GLB); re-affirmed the states' rights to regulate insurance, but also called for states to enact reforms to allow insurance companies to compete more efficiently, through increased uniformity of legislation and simplicity in access to markets.

Nevada has over two thousand traditional carriers licensed to conduct business in our state that are domiciled in other states. Most insurance companies transact business in multiple states, and many are national companies. Nevada is a fully accredited member of the National Association of Insurance Commissioners (NAIC). The NAIC is governed by the Insurance Commissioners from the 50 states, the District of Columbia and five U.S. territories. Through the NAIC, the Commissioners work together to create a regulatory framework that provides increased uniformity, sharing, and support to help create more efficient markets and better consumer advocacy.

One of the important activities of the NAIC is the drafting and adoption of model laws and regulations, which are created by and voted on by the Insurance Commissioners through a transparent collaborative process. These approved model laws are recommended for each state to enact through their state legislatures and Division of Insurance regulations. Model legislation helps provide carriers with an improved uniformity of regulation to create efficiencies mandated by the GLB Act., and to strengthen consumer protections. Title 57 of the Nevada Revised Statutes and Regulations pertaining to insurance contains language provided throughout the years by the NAIC model language development process. The Division's 2017 Omnibus and Adjusters Bills both contain proposed changes to Nevada's Statutes taken from NAIC model laws, regulations and guidelines.



The financial regulation of insurance carriers is crucial to safeguard insurance consumers. State regulators perform quarterly and annual analysis on all licensed insurance companies each year, and they perform in-depth financial examinations of the companies no less than once every 5 years, to ascertain whether the insurer is in sound financial condition. Regulators from the state the insurance company is domiciled in are responsible for conducting the analysis and exams. The results of the analysis and exams are shared and relied upon by all members of the NAIC through a shared NAIC database. The efficiency of this shared system of oversight has provided much greater cost controls to the carriers, (which ultimately provides lower rates to the consumers) while still maintaining solvency protections.

Based upon multiple insurance company insolvencies in the late 1980's and early 1990's, the National Association of Insurance Commissioners (NAIC) formed a special committee in 1988 to address inconsistencies within state regulation practices for insurance companies. In June 1989, the NAIC adopted the "Financial Regulation Standards," which established a baseline for an effective regulatory system in each state and subsequently became known as the "Accreditation Standards." Under the accreditation program, each state's insurance department is reviewed by an independent review team that assesses the department's compliance with the Accreditation Standards.

To provide for uniformity in training, proficiency and standards among the state examinations, all NAIC state insurance regulators are subject to an accreditation process every 5 years. The NAIC performs a comprehensive audit and review to ensure the departments have adequate statutory and administrative authority to regulate an insurer's corporate and financial affairs, as well as the properly trained and effective staff and resources to carry out the authority. Nevada is scheduled for its next accreditation review in early 2017. The Division's 2017 Holding Company Bill (A.B. 35) contains proposed changes to the Nevada Revised Statutes required to keep our state laws in compliance with the NAIC Accreditation Standards.

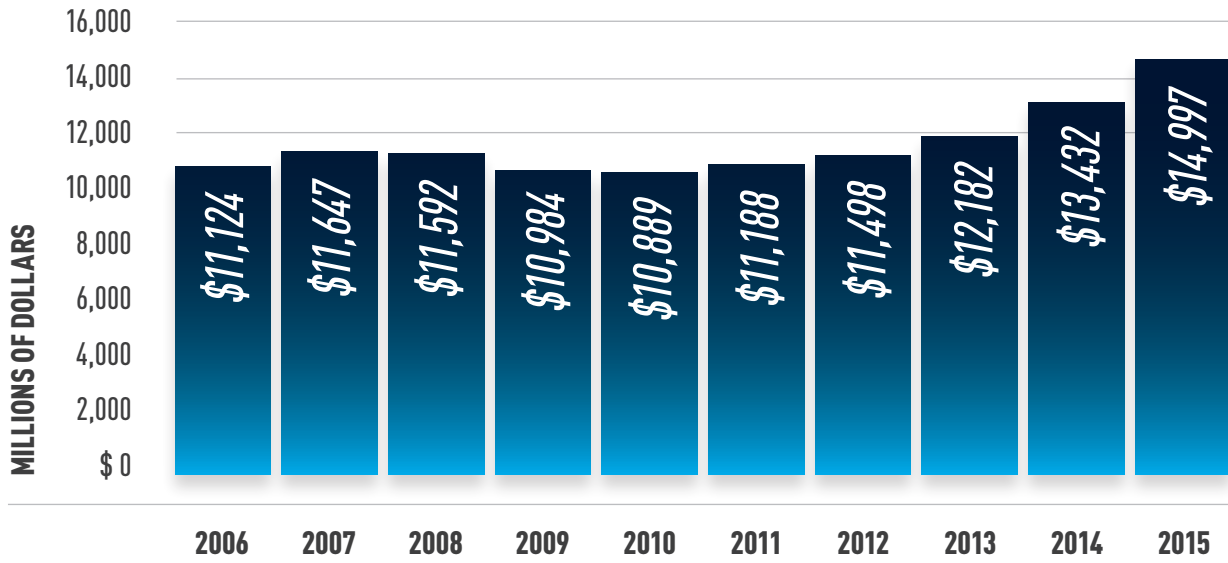
In addition to the NAIC, Nevada is also a member of the Interstate Insurance Product Regulation Commission (IIPRC). This compact enhances the efficiency and effectiveness of the way insurance products are filed, reviewed, and approved, allowing consumers to have faster access to competitive insurance products. The IIPRC serves as a central point of electronic filing for certain insurance products, including life insurance, annuities, disability income, and long-term care insurance to develop uniform product standards, affording a high level of protection to purchasers of asset protection insurance products.

The Nevada Legislature plays an important public policy making role in the regulation of insurance. Legislators provide the regulatory framework in which the Department operates by establishing laws which grant the specific regulatory authority and approve operating budgets. The insurance industry, which is regulated by the Department of Insurance, is the fourth largest source of revenue to the General Fund in the State of Nevada. Insurers had over \$14,997,000,000 of written premium to Nevada consumers in 2015. The following graphs reflect a historical perspective of our State's insurance written premium and the 2015 written premium breakdown by line of insurance. Nevada's insurance premium tax provided \$283,399,368 and \$299,446,771 of revenue to the State's General Fund for fiscal years 2015 and 2016, respectively.



EXHIBIT I

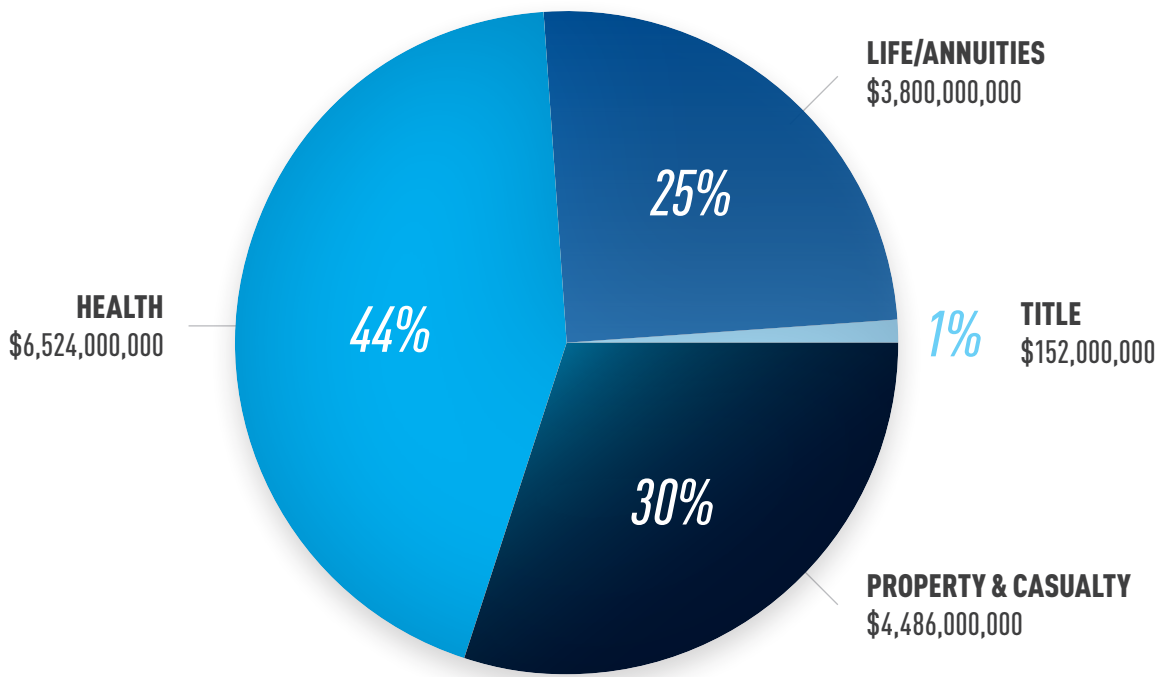
Total Nevada Direct Premiums Written All Types of Insurance



Source: National Association of Insurance Commissioners

EXHIBIT II

2015 Nevada Written Premiums by Line of Insurance



Source: National Association of Insurance Commissioners

NEVADA DOI 2017 LEGISLATIVE PRIORITIES SUMMARY

The Nevada Division of Insurance is proposing four bills during the 2017 Nevada Legislature.

ADJUSTERS – A.B. 12

The Division's Adjuster bill includes language from the NAIC's Independent Adjuster Licensing Model Guidelines, which governs the qualifications and procedures for licensing independent adjusters. Our bill specifies the duties of and restrictions on independent adjusters. This bill will allow for licensing uniformity and create reciprocity with other states for Nevada adjusters. These changes include a continuing education requirement for adjusters, requirements for licensing nonresident adjusters, and add worker's compensation under the independent adjuster's license. The bill also creates rules to accommodate adjusters temporarily working in Nevada in the event of a declared emergency.

BAIL – S.B. 18

The Division has received numerous consumer complaints related to the business of bail. During the 2017 Session, the Division seeks to update bail laws in NRS chapter 697 to provide further guidance to the industry. The Division's bail related bill will increase protections to the public through fairer bail services and eliminate some of the abuses that have occurred related to bail enforcement. Some enhanced consumer protections related to collateral held by bail agents include proper valuation, known physical location, protection of property, and prompt return of collateral upon discharge of the obligation. Additional requirements are being placed upon bail enforcement agents including new rules and restrictions on apprehending and surrendering a defendant.

HOLDING COMPANIES AND OTHER NAIC ACCREDITATION REQUIREMENTS – A.B. 35

The Division has one bill that includes all of its accreditation requirements developed by the NAIC process. The Division is proposing changes to NRS Chapter 692C, including new filing requirements, which are included to provide the Commissioner a summary of the insurer's governance structure, policies and business practices. The bill also proposes granting confidential treatment to the required material provided to the Division and includes a regulatory framework for internationally active groups, along with standards and rules for their oversight. This bill includes changes to NRS Chapter 679B related to the examinations of insurers, and NRS Chapter 694C – Captive Insurers, concerning reporting requirements, and corporate governance of state based Risk Retention Groups.

DIVISION OF INSURANCE OMNIBUS BILL: A.B. 83

The Division's Omnibus bill contains language from 8 NAIC Model Laws or Guidelines approved by the members of the National Association of Insurance Commissioners. The model laws are intended to provide carriers with improved uniformity in regulation, while addressing needed areas of consumer protections.

The Division's Omnibus bill includes numerous changes related to the areas of healthcare. The bill provides protections in the event of insolvency of a carrier, including balance billing protection, continuity of care issues after the termination of a contract between the carrier and provider, and granting the Commissioner authority to supervise and provide oversight to troubled domestic carriers. Since HMO's and non-profits are not included in the State's Guarantee Fund, our bill also moves the requirement to purchase a contract of insurance, to protect policyholders in the event of insolvency, to our Statutes.

This bill also addresses NRS Chapter 686 and modifies the current consumer credit information scoring system to allow insureds to request a re-scoring every 12 months. This will allow flexibility to carriers and will protect some customers from rate increases due to mandatory re-scoring. The Division is also proposing to eliminate insurer practices that can increase rates or deny coverage based upon non-fault claims or claims where no amounts were paid by a carrier.

Over the last 2 years, the Division has observed an increase in consumer complaints pertaining to service contracts, which is a business agreement between a contractor and customer covering the maintenance and servicing of equipment over a specified period. Proposed changes to NRS Chapter 690C will help insure that sufficient funds will be available to fund service contract provider's liabilities by requiring reserve accounts be located in the State of Nevada and kept separate from other company assets. We are also proposing that the financial security required by a service provider be maintained until all liabilities and obligations have been satisfied to its contract holders.

AGENCY OVERVIEW

The Nevada Division of Insurance's mission is to protect the rights of Nevada consumers in their experiences with the insurance industry and to ensure the financial solvency of insurers. In order to fulfill its mission, the Division will advance a sound regulatory environment that is responsive to the insurance needs of Nevada. This is evident in the \$6,133,635 recovered for consumers in Fiscal Year 2016.

As the primary regulatory and consumer protection agency of the \$14 billion insurance industry in Nevada, the Division is charged with protecting the rights of the consumer and the public's interest in dealing with the insurance industry and is responsible for regulating the insurance industry. The Division sets ethical and financial standards for insurance companies and reviews rates. The Division responds to and assists consumers. It reviews insurance policies to ensure compliance with Nevada insurance laws and regulations. The Division licenses insurance companies, insurance agents, brokers and producers. It makes sure insurance companies are solvent and have the ability to pay claims. It makes sure companies follow through on the promises made to consumers through insurance policies. The Division also reviews programs operated by self-insured employers for workers' compensation.

PROGRAMS AND OPERATIONS

The Division's primary office is located in Carson City with a second office located in Las Vegas. The Division has 85 authorized full time positions in its two locations and is organized into ten operational sections:

- 1) Administrative Section;
- 2) Legal and Enforcement Section;
- 3) Corporate and Financial Affairs;
- 4) Consumer Section;
- 5) Life and Health Section;
- 6) Producer Licensing Section;
- 7) Captive Insurer Section;
- 8) Market Compliance Section;
- 9) Self-Insured Worker's Compensation Section; and
- 10) Property and Casualty Section.

ADMINISTRATIVE SECTION

The Division is headed by Commissioner of Insurance Barbara D. Richardson, who has the responsibility of enforcing the provisions of Title 57 of the Nevada Revised Statutes. Included in the Administrative Section are three Deputy Commissioners, an Insurance Regulation Liaison, an Accounting Assistant, two Administrative Assistants and one IT Professional. The Administrative Section provides direct support to the Commissioner on all matters relating to insurance and ancillary support to all other Sections. Such support includes handling fiscal planning, personnel matters and regulatory interpretations. The Administrative Section is located in Carson with the exception of one Deputy Commissioner, who is in Las Vegas.

Prior to assuming the role of Nevada Insurance Commissioner in March of 2016, Commissioner Richardson had been the New Hampshire Insurance Department's Director of Operations and Fraud for 12 years. Richardson is a graduate of Vassar College and has a law degree from the University Of New Hampshire School Of Law and a MBA from Loyola University in Chicago. In addition to these duties, Richardson was an adjunct professor at the University Of New Hampshire School Of Law teaching Insurance law.

As a fully accredited and active member of the National Association of Insurance Commissioners, Nevada has a substantial voice during discussions of national and international importance related to insurance regulation. Commissioner Richardson is a member of the following NAIC Task Forces and Committees: Cybersecurity Task Force, Producer Licensing, CO-OP Solvency and Receivership Subgroup, Surplus Lines Task Force, Title Insurance Task Force, Examination Oversight Task Force, Receivership and Insolvency Task Force, Reinsurance Task Force, Risk Retention Group Task Force, and the NAIC Consumer Liaison Committee.

CONSUMER SERVICES SECTION

The Consumer Services section of the Nevada Division of Insurance protects Nevada consumers in their interactions with the insurance industry. Through the Compliance investigative unit, the Division advocates for consumers by ensuring that carriers and producers act within the law and the provisions of the policy contract when dealing with Nevada citizens and businesses, from marketing and sales of insurance products to fair claims handling.

Within the Section, 6 Compliance Investigators, one Administrative Assistant, and one Supervisory Compliance Investigator receive and respond to consumer concerns, including formal complaints. Two Compliance Investigators are located in the Carson City office and the remaining staff is based in Las Vegas; all Consumer Services staff members are supervised by a Deputy Commissioner, located in Las Vegas.

For the Fiscal Years 2015 and 2016 the Section responded to over 6,262 consumer inquiries and investigated more than 27,539 consumer complaints regarding the activities of insurance companies, insurance agents, bail agents, title agents, and other regulated entities.

The Consumer Services section has been conducting community outreach and education programs. The goal is to provide information to consumers and small businesses on the services that are offered by the Division of Insurance Consumer Services Section.

CONSUMER INQUIRIES

TYPE OF CONTACT (INCOMING)	FISCAL YEAR 2015	FISCAL YEAR 2016
Telephone	10,009	13,827
Walk-In	1,368	1,279
Email	514	542
TOTALS	11,891	15,648

FORMAL COMPLAINTS

LINE OF COVERAGE	FISCAL YEAR 2015	FISCAL YEAR 2016
Accident and Health	912	986
Automobile	1,351	1,2
Fire	5	8
Homeowners	226	225
Liability	31	46
Life and Annuity	116	131
Miscellaneous	430	289
TOTAL COMPLAINTS	3,071	3,197

Division staff routinely recovers additional amounts paid, refunded, or cleared to Nevada consumers as a result of handling of complaints filed with the Consumer Services Section and pursued by all Sections within the Division. Recoveries are tracked and reflect the amount of relief received by consumers as a result of the Division handling their complaint.

CONSUMER RECOVERIES

FISCAL YEAR 2015	FISCAL YEAR 2016
4,153,599.02	6,133,635.70

CORPORATE AND FINANCIAL AFFAIRS

The Commissioner of Insurance has the responsibility to ensure that the insurance companies doing business in Nevada are financially solvent.

The Division's Corporate and Financial Affairs Section (C&F) oversees the solvency of the insurance companies through financial reporting and monitoring, desk audits and examinations. The C&F Section ensures that insurers are in compliance with financial statutes and regulations and monitors the market conduct of regulated entities – especially their transactions with policyholders. The tasks C&F is charged with include:

- Processing insurers' admissions and licensing in that all insurers offering products and services in Nevada must be authorized by the Commissioner.
- Monitoring corporate governance and related transactions with affiliates including mergers, acquisitions, annual renewals, address changes and other revenue items.
- Monitoring solvency, investments and reinsurance: Accomplished through financial review and analysis, desk audits and financial examinations.
- Monitoring compliance with financial statutes and regulations, and market practices, this is accomplished through market review and analysis, and market conduct examinations.

C&F is the largest section of the Division, staffed by a Chief Insurance Examiner, two Assistant Chief Insurance Examiners, six Insurance Examiners, four Management Analysts, five Administrative Assistants, and one Accounting Assistant all located in Carson City.

There are approximately 1,798 traditional insurers licensed to conduct business in Nevada. Under Nevada law each insurer so licensed must be examined for financial solvency (financial examination) no less frequently than every five years and insurers may be examined for compliance with Nevada law (market conduct examination) on demand. While all insurers, both foreign and domestic, are subject to regular financial examinations, the Commissioner is authorized to accept the results of an examination performed by another accredited state. The result is a system of reciprocity in which each state is primarily responsible for examining its domestic insurance industry and may coordinate as a secondary examiner on foreign insurers.

For the 2014 and 2015 calendar years, the Division participated in 59 financial examinations and 13 market conduct examinations of domestic and foreign insurers. During that same time period, 199 regulatory examinations of “non-traditional” insurers (businesses regulated under the Insurance Code but which are not traditionally thought of as insurers, such as title insurance and funeral home services) were completed.

CAPTIVE INSURER SECTION

Captive Insurance is a form of self-insurance whereby the insurer is owned wholly by the insured. Captives are established and tailored specifically to meet the risk-management needs of the owners or members. They also provide coverages that cannot always be found in the regular commercial insurance market. There are various types of captive structures. The variations continue to evolve and flourish as companies come up with new and more sophisticated ways to utilize captive insurance. According to AM Best Captive Center, there are over 5,000 captives globally compared to roughly 1,000 in 1980. Today, there are more than 35 US jurisdictions competing in the captive insurance arena.

Since the inception of Nevada’s captive program in 1999 there has been significant growth in the captive domicile and market as a whole. Today, Nevada’s program has grown to house 202 captive entities and this number is continuing to grow. Although the number of captive domiciles is growing, making the market more competitive than in prior years, Nevada upholds its competitive edge as one of the leading captive domiciles in the nation.

In addition to the fastest application approvals in the country, Nevada also offers some of the best regulatory options for captive formations. This fact combined with Nevada’s nation-leading program support continues to make Nevada an attractive domiciliary state for captive insurers across the nation. The Division issued licenses to 26 new captive insurers in 2014 and 51 new captive insurers in 2015, bringing the total number of captive insurers licensed to 202.

Unlike traditional insurers, who pay their premium taxes to the Department of Taxation, captive insurers report their premiums and pay premium taxes directly to the Division of Insurance. Recent and historical premiums and premium tax levels are as follows:

NEVADA CAPTIVE INSURER PREMIUMS AND TAXES PAID

YEAR	TOTAL PREMIUMS	PREMIUM TAX PAID
2007	\$236,320,158	\$689,698
2008	176,427,403	\$724,498
2009	\$165,795,711	\$782,943
2010	\$164,401,531	\$782,033
2011	\$271,605,578	\$1,028,394
2012	\$194,494,931	\$848,471
2013	\$180,669,549	\$818,633
2014	\$193,173,340	1,002,422
2015	\$4,143,705,854 *	1,245,034

* Per NRS 694C.450 the premium tax on Nevada domestic captive insurers per insurer is capped at \$175,000 for any year.

LEGAL & ENFORCEMENT’S 2017 MARKET REPORT

In 2016, the Legal and Enforcement Sections were reunited to better coordinate and monitor enforcement actions instituted by the Division. The combined Legal & Enforcement Section is made up of 4 in-house counsel, 5 legal secretaries, and 7 investigators. Two attorneys from the Office of the Attorney General also provide support for contested cases and represent the Division in civil matters.

The Enforcement Section investigates allegations of violations of the Insurance Code as a result of consumer complaints, background reports, terminations for cause, and regulatory action reports from the National Association of Insurance Commissioners. Investigations also may occur as a result of reports from law enforcement, government agencies, and licensees. The Enforcement Section’s investigations substantiate whether violations of law occurred, and refer those cases to the Legal Section for action. Investigations that uncover criminal activity may be referred to the Nevada Attorney General, a district attorney’s office, or other law enforcement agencies. During the past biennium, the Enforcement Section opened 543 cases, 130 of which were referred to the Legal Section for administrative action.

The Legal Section provides legal advice and support to the Commissioner and Division staff. As part of its duties, Legal coordinates and executes Division functions related to investigations (1,436 cases opened; 1,935 cases closed), contested cases (26 hearings set; 12 hearings held), informal meetings (4 meetings set; 4 meetings held), regulations (16 workshops held; 16 hearings held), public records requests (385), service of process (1,227), bulletins (14), subpoenas (27), recoveries (\$711,987.15), assignments regarding legal interpretations and advisory opinions (174), settlements and fines (\$480,667.75 assessed; \$451,342.75 collected, including 9 multi-state settlements (\$165,492.75)), receiverships (13), and licensing review. Legal is also involved in legislative functions such as the development and drafting of the Division's bill draft requests.

RECEIVERSHIPS

Pursuant to chapter 696B of NRS, when a domestic insurance company becomes financially impaired, insolvent, or experiences management problems that may pose harm to policyholders, the Commissioner, through the district court, may take the company into receivership for the purpose of conservation, rehabilitation, or liquidation. Receiverships, like bankruptcies, usually take several years to reach conclusion. Unfortunately, the economic downturn and other factors had negative financial effects on some of Nevada's smaller domestic insurance companies, particularly risk retention groups, from which recovery was not possible. This resulted in the institution of 12 receiverships since 2010. Of particular note is the recent receivership of the Nevada Health CO-OP, which occurred in October of 2015.

LIFE AND HEALTH SECTION

The Life and Health Section is responsible for the analysis, review and approval of rates and forms to ensure a competitive and stable market for Nevada consumers. Life and health insurance products are subject to standards defined in NRA 686B.050 which means that rates cannot be "inadequate", "excessive," or "unfairly discriminatory." The insurance products regulated by the Life and Health Section are separately controlled by twenty five different chapters of the Nevada Revised Statutes.

The Section has one Chief Insurance Examiner, five Actuarial Analysts (one of which also serves as Assistant Chief), two contract employees funded by a federal "Rate Review Grant", and one Administrative Assistant.

In calendar year 2015, the Life and Health Section received 3,820 filings which include rate and form filings, advertising and other informational filings. Of these, 1,764 were approved for use; 39 were approved with stipulations; 24 were disapproved; and 62 were withdrawn. 1,931 informational filings were reviewed for compliance with Nevada State laws. In addition, 138 Medicare Supplement filings were also filed in 2015.

Products regulated by the Life & Health Section include:

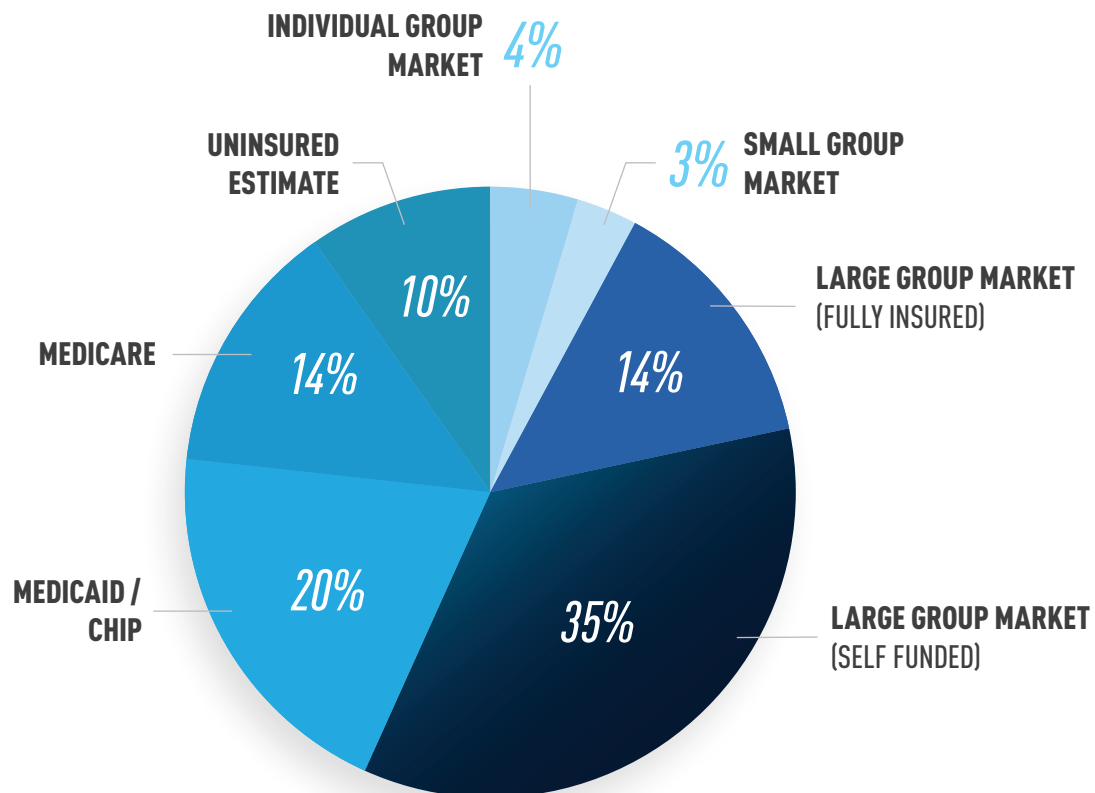
- All forms of life insurance
- Health Benefit Plans (which include Health, Accident and Medicare Supplement)
- Prescription Drug Plans
- Annuities
- Long term care insurance
- Disability insurance and involuntary unemployment insurance
- Dental insurance
- Vision insurance
- Dread Disease (such as cancer insurance)
- Credit life
- Funeral & Burial insurance

NEVADA HEALTH INSURANCE MARKET

Nevada is estimated to have 90% of its population covered with health insurance plans totaling 2,583,869 citizens for calendar year 2015. Information for 2016 should be available by July or August of 2017. The breakdown by type of coverage category is as follows:

POPULATION / COVERAGE CATEGORY	ESTIMATED MEMBER COUNT	MEMBER COUNT AS A PERCENTAGE OF TOTAL STATE POPULATION	DATA DESCRIPTION	DATA SOURCE
Total Estimated Population in Nevada	2,855,974	100%	Population for calendar year 2015	NV Gov Econ Develop
Individual Group Market	127,288	4%	Member count as of 12/2015	SHCE
Small Group Market	91,625	3%	Member count as of 12/2015	SHCE
Large Group Market (Fully Insured)	402,775	14%	Member count as of 12/2015	SHCE
Large Group Market (Self Funded)	1,008,011	35%	Survey Results 12/13	Kaiser
Medicaid / CHIP	563,484	20%	Enrollment 6/2015	CMS
Medicare	390,686	14%	Enrollment 7/2012	CMS
Tricare				
Other Public Programs				
Uninsured Estimate	272,105	10%	Estimate based on accessible data above	
Total Covered Population	2,583,869	90%	Estimate based on accessible data above	

2015 HEALTHCARE RESULTS BY COVERAGE CATEGORY



INDIVIDUAL AND SMALL GROUP MARKETS

The Nevada health insurance market regulated by the Division of Insurance is divided into individual and small group, which are available both on and off of the Nevada Exchange. Nevada’s individual market grew from 96,150 covered lives in 2013 to 127,288 at the end of 2015. We anticipate the individual market to encompass approximately 150,000 to 160,000 covered lives in 2017.

The Nevada individual health insurance market under the Patient Protection and Affordable Care Act of 2010 (ACA), has seen a large increase in “loss ratios” by Nevada’s carriers. Loss ratio is the ratio of the claims paid by an insurer to the premiums collected, usually for a one-year period. The newly insured consumers joining the individual market proved more in need of health care than the pre-ACA individual policyholder. Loss ratios have increased from 79.71 percent in 2013 to 92.02 and 98.94 percent in 2014 and 2015 respectively. In 2017 the national individual market is seeing rate increases averaging above 22%, while Nevada’s consumers will be experiencing about half that amount, with 10-11% approved rate increases.

The ACA brought metal levels to health insurance markets, which differentiate co-pay amounts by metal category. The individual market at the end of 2014 consisted of 12 carriers with a total of 211 plans, of which 13 were Platinum and 45 were Gold. Beginning January 2017 Nevada’s market has 9 active carriers with a total of 101 plans that included no Platinum offerings and a small number of Gold level plan options.

<i>PLAN CATEGORY</i>	<i>PLAN PAYS</i>	<i>YOU PAY</i>
Bronze	60%	40%
Silver	70%	30%
Gold	80%	20%
Platinum	90%	10%

In addition to metal levels, carriers have begun to shrink their networks to a narrower combination of provider coverage where the insurance carriers can better manage the care dispensed. This move to more control care costs has continued with the elimination of many PPO (Preferred Provider Organizations) plans, and the majority of the PPO’s that are remaining will no longer offer out-of-state networks.

While the small group market has not changed to the same extent as the individual section, there has been a consolidation of carriers and the number of plans available. This segment retains a strongly competitive group of carriers that have fine-tuned their plans to fit Nevada under the ACA. The availability of a move to the individual marketplace for small businesses has created a five percent annual decline in the number of those covered through their business from 2014. The rate increases have remained in the 3-5% range over the last two years for the group market.



PATIENT PROTECTION AND AFFORDABLE CARE ACT DIVISION OF INSURANCE IMPLEMENTATION

Regulation of Nevada's health insurance markets is a major focus of the Life and Health Section. The Division has received federal grants totaling just over \$6 million to streamline and improve the health insurance rate review processes, ensuring the reasonableness, sufficiency and nondiscriminatory nature of health insurance rate increases.

The Life and Health section shares plan management responsibilities with the Silver State Health Insurance Exchange for those products offered on the Exchange. This task involves approving all rates, forms and Binders that must be "validated" by the federal Health Insurance Oversight System (HIOS) prior to being submitted the Exchange. Numerous and specific deadlines were set by the federal Center for Medicare & Medicaid Services (CMS) for meeting a variety of tasks to ensure that the open enrollment date of November 1, 2016, would be met for the Healthcare.gov website.

The ACA requires that 80% to 85% of premiums received by carriers must go towards claims benefit payments (known as medical loss ratio). Starting in 2011 carriers were required to rebate the amounts that exceeded the benchmarks to policyholders. Carriers are required to price their products well in advance of the plan year, and their rates are based upon projected loss experience. Some carriers' plans actual loss experience, (primarily in the group market) were below the ACA mandated medical loss ratio benchmarks, so premium rebates were issued to Nevada policyholders. Total premiums rebated to Nevada policyholders in 2014 for Calendar Year 2013 were \$4,049,167. In 2015 the rebates for Calendar Year 2014 totaled \$3,797,839, benefiting 50,981 consumers with an average rebate per person of \$116.

To aid Nevada consumers with the transitions of the requirements under the ACA, a great deal of effort has gone into developing and maintaining one of the country's best designed health insurance rate resource tools. The Division's website and our newly launched phone app offer individual and small group rates along with the plan documents that support each offering in the state. The website and phone app include a Schedule of Benefits and Evidence of Coverage, along with links to the drug formulary and associated physician provider networks.

The rural nature of much of Nevada creates unique health care availability challenges to some of our citizens. The Division hosted a series of workshops and adopted Regulation R049-14, which established the Network Adequacy Advisory Council for the purpose of recommending additional or alternative standards for determining whether a network plan is adequate. The Council is comprised of nine individuals, equally representing consumers, providers of health care, and the health care insurance industry.

In compliance with R049-14, the Council's first meeting was June 15, 2016 for Plan Year 2018 recommendations. A total of five public meetings were held by the Council. The Council's final recommendation was submitted to the Commissioner on September 15, 2016. The Commissioner accepted the Council's recommendations, and has created Temporary Regulation T007-16 which expands the Federal Network Plan requirements to include the Specialty Area of Pediatrics in Nevada.



NEVADA HEALTH CO-OP

The Nevada Health CO-OP, which was created under the ACA's CO-OP provision, was formed in 2014, and garnered 37 percent of the Exchanges market share in 2014. The CO-OP initially let people enroll with no waiting period, and the result was a membership that skewed towards sicker enrollees with higher claims costs. By late August of 2015, the CO-OP announced it would cease operations by the end of 2015. On September 25, 2015 the Nevada Division of Insurance filed a petition to place the Nevada Health CO-OP into a conservation/rehabilitation receivership, with the Commissioner of Insurance as its receiver. The receivership was granted on October 1, 2015. Nationally, only 6 of the original 23 CO-OPs formed under the ACA remain active.

LONG-TERM CARE INSURANCE

Long-term care insurance (LTC) has provided a degree of volatility to Nevada consumers in recent years. With most LTC policies the premiums were marketed to be level and payable for life. Some insurance carriers greatly underestimated the cost of medical care inflation and the low investment rates of return when initially pricing their products.

To allow for the continued viability of long-term policies and their carriers, many LTC policyholders have experienced large rate increases on their policies. The Division of Insurance did enact new rate stabilization standards on October 1, 2011. These require that any future LTC rate increase must return at least 85 percent of the increased premium to the consumer in the form of benefits. The Division is continuing to closely monitor this product line.

PRODUCER LICENSING SECTION

The Producer Licensing Section is responsible for reviewing and ensuring the statutory compliance of approximately 30 different license types. The Licensing Section's primary activity includes the issuance of new and renewal licenses, as well as the general maintenance of licenses. The work of the Producer Licensing Section directly protects Nevada consumers through activities such as background investigations of potential licensees of the State licensing requirements. The Licensing Section also assists in the development of education for producers, agents, brokers, exchange enrollment facilitators and other licensees, and the evaluation and approval for producer education classes.

The Producer Licensing Section staff consists of one Program Officer Section Chief, one Program Officer Assistant Chief, one Program Officer Specialty Licensing and eight Administrative Licensing Technicians in Carson City.

As of January 2016, the Producer Licensing Section regulated 137,871 Licensees. This total includes 16,069 resident and 104,720 non-resident insurance producers licensed, and 17,082 other license types regulated by the Division's Producer Licensing Section, doing business in Nevada.

With the implementation of the Division's online electronic licensing functionality, the Division is processing 98 percent of expanded licensing services electronically. Effective January 1, 2016, all of the Division's license renewals are emailed directly to the licensee. The email includes a hyperlink allowing the licensee to renew online, and to print their license. The fees associated to the electronic transaction are deposited into the State Treasurer's account, and the Division receives documentation of the funds transaction.

The Producer Licensing Section also handles the annual appointment renewal invoicing process, which tracks the number of licensed producers appointed by the insurers doing business in this State. This process is done electronically, allowing over 1,000 licensees to submit electronic payments for their annual appointment renewal. In 2015, the annual appointment renewal project generated more than \$5.4 million dollars, which was deposited into the General Fund.

EXCHANGE ENROLLMENT FACILITATORS

The federal Patient Protection and Affordable Care Act of 2010 (“ACA”) and its associated regulations required states to create programs for “Navigators”, “Enrollment Assistors”, and “Certified Application Counselors” whom assist consumers in purchasing insurance through a public health insurance exchange. The 77th (2013) Nevada Legislative Session granted authority for a new certification and education program applicable to these new entities, collectively referred to as Exchange Enrollment Facilitators (“EEF”). Since the adoption of the EEF certification program in 2013, the Division has issued over 500 EEF Certifications. Currently there are 332 individuals with active EEF Certifications in this state.

SELF-INSURED WORKERS’ COMPENSATION SECTION

INTRODUCTION

The Self-Insured Workers’ Compensation Section is tasked with the regulation of employers and groups of employers who choose to “self-insure” the requirement to maintain workers’ compensation insurance coverage. These employers are comprised of two groups: self-insured employers (SIEs); and associations of self-insured employers or self-insured groups (SIGs). The Division provides comprehensive regulation of these entities to ensure that self-insured employers and self-insured groups are financially sound, thereby ensuring that adequate funds are available for the payment of claims to injured workers.

The Self-Insured Workers’ Compensation section staff consists of a Section Chief, two Management Analysts, and one Administrative Assistant allocated in Carson City.

INSOLVENCY FUNDS

Pursuant to Nevada Revised Statutes (NRS) 616B.309 and NRS 616B.443, insolvency funds are maintained for both SIEs and SIGs. These funds exist to provide for the payment of benefits, should an employer or a group become insolvent. Each of the funds is supported through annual assessments based upon the claims activity and the amount of the security deposit maintained for each SIE or SIG.

Over the many years of regulation, only a small number of SIEs have become insolvent. When this occurs, the Division has access to the security deposit as well as any excess insurance coverage in place at the time of the insolvency. The monies in the insolvency fund for SIEs have consistently been sufficient to meet all of the obligations of employers that become insolvent. No SIG has ever become insolvent since self-insured groups were first authorized in 1995. Nevada’s self-insured group statutes and regulations are considered to be among the strongest and most comprehensive in the country.

NEVADA EMPLOYERS

There are presently 104 employers in Nevada who are SIEs, meaning that the Division has granted a certificate of authority for them to self-insure their workers’ compensation obligation. These employers represent approximately 305,000 employees. In addition, Nevada has certified 9 SIGs representing approximately 2,700 employers and 80,000 employees.

FINANCIAL REGULATION

The regulation of SIEs requires that the Division perform regularly scheduled claim audits. Audits are conducted by examiners contracted by the Division to ensure the adequacy of the security deposit. A total of 39 audits were conducted in FY 16 and 33 were conducted in FY 15. The regulation of SIGs requires that a financial examination be conducted by an independent auditor at least every three years. Four SIGs were examined in FY16 and two were examined in FY15. In all of the audits and examinations conducted, no issues have been identified that would require regulatory action.

PROPERTY AND CASUALTY SECTION

The Property and Casualty (P&C) Section's primary responsibility is to protect Nevada consumers through the review of rate and form filings from the State's admitted property and casualty insurers. With rates for commercial lines of insurance deregulated, the review of rate filings is limited to personal lines of insurance such as personal automobile, homeowners, personal umbrella/liability, title and several other types of insurance. The P&C Section also reviews rates for workers' compensation and medical professional liability (medical malpractice) insurance. The rate review ensures that rates are adequate, not excessive, not unfairly discriminatory, and do not result in creating a monopoly by destroying competition.

Nevada is a "prior approval" state for personal lines, a term indicating that insurers' rates and forms must be submitted to the Commissioner and approved prior to use in the marketplace. The review of form filings involves reviewing all insurance policies, endorsements, applications, declaration pages, cancellation notices, non-renewal notices, and other applicable documents.

The regulation of the service contract industry (extended warranties on items such as home appliances, electronics, or vehicles) also falls within the P&C Section. Section staff is responsible for the licensing and annual renewal of service contract providers in accordance with existing laws. All service contract forms are reviewed to ensure compliance with Nevada law.

The P&C Section also provides actuarial and informational support to the Division's Corporate and Financial Section and participates in the market conduct and financial examinations of insurers. It reviews the workers' compensation insurance portion of consolidated insurance program (CIP) applications such as those submitted by Tesla and Faraday Future.

The property and casualty insurance marketplace is experiencing a revolution attributable to advances in technology. Cybersecurity and its potential ramifications on insurance, drone insurance, and sharing-economy-related insurance products are just some of the exciting topics that are under national discussion. The P&C Section routinely participates in, and monitors, national and state discussions on these emerging challenges.

PROPERTY & CASUALTY SECTION STATISTICS

The P&C Section is headed by a Section Chief and staffed by a Lead Actuary and four Actuarial Analysts (one of whom also serves as Assistant Chief), one Management Analyst, and an Administrative Assistant in Carson City. In an effort towards improving efficiencies, the P&C Section has moved to a largely paperless environment. This has been achieved by increased reliance on web-based electronic systems, mandating electronic filing for all insurance forms and filings, as well as scanning and electronic archiving of old documents and opinions.

PRIVATE PASSENGER AUTO INSURANCE

The NAIC's annual study of market concentration¹ both by individual company and company group shows that Nevada has an objectively competitive automobile insurance market with a lack of market concentration by its carriers. The NAIC Auto Insurance Database Report produced in 2015 lists Nevada as having the 11th highest average automobile premiums and expenditures, with an average expenditure of \$935.90, compared to the national average of \$841.23.

The increased cost of Nevada's auto insurance premiums relative to other states appears to be a result of market conditions in Nevada; A higher incidence of theft, 24 hour tourist industries, and the severity of injuries sustained in accidents appear to be the main cost driver (not because of an uncompetitive market or market manipulation).

Insurance premiums for automobiles have a correlation with the claims experience of Nevada insurers. Many insurers have observed notable increases in the number of claims (claim frequency) during 2015 and 2016 due to a rise in automobile accidents per capita, including accidents involving pedestrians, bicyclists, and motorcyclists. Average cost per claim (claim severity) has also tended to rise for many years largely attributed to the rising medical costs. These increases in claims severity and frequency have been occurring on a national basis, with the Insurance Information Institute reporting that total loss costs have risen by 13 percent nationally in the two year period ending March 2016.

A summary of Nevada's private passenger automobile insurance marketplace is provided in Exhibit I, which shows the calendar-year 2015 direct premium written, direct premium earned, and direct losses incurred for the largest 25 insurers by volume of direct premium written, along with the 2013 ranking. Exhibit II shows the largest five insurance groups offering private passenger automobile insurance in Nevada in 2013 and 2015. Exhibit II also shows that the pure direct loss ratio for the largest five groups in 2015 was 72.07 percent – 0.81 percentage points lower than the ratio for all companies and a significant 8.51 percentage-point increase from the ratio of 63.56 percent in 2013.

Exhibit III summarizes major rate changes by the largest five insurance groups within the past three years. Overall, rate increases were more prevalent than rate decreases – largely driven by observed increases in claim frequency and severity.



¹Source: NAIC I-SITE – Market-Share and Loss-Ratio Summary Reports by Group and Company, Calendar Year 2015

HOMEOWNERS' INSURANCE

Nevada's home insurance market remains very competitive, and homeowners have the ability to shop around and purchase the desired protection at a competitive rate. The NAIC's annual study of homeowners insurance market concentration² both by individual company and company group shows that Nevada Nevada's home insurance market has been stable and remains relatively un-concentrated.

A summary of Nevada's homeowners' insurance marketplace is provided in Exhibit IV, which shows the 2015 direct premium written, direct premium earned, and direct losses incurred for the largest³ 25 insurers, along with the 2013 ranking. Exhibit V shows the largest five insurance groups offering home insurance in Nevada in 2013 and 2015. The largest five insurance groups constituted 60.68 percent of Nevada direct written premium in 2015, compared to 60.51 percent in 2013. With regard to market shares of individual companies, the largest 25 insurers wrote 83.82 percent of the premium in 2015, compared to 84.78 percent in 2013 – a slight decrease in market share.

Exhibit VI summarizes major rate changes by the top five insurance groups within the past three years. Most of the changes in 2014 through 2016 have been rate increases, a trend that is indicative of increased claims activity and new methodologies being used by insurers to assess the risks at a finer level of detail.

While the Division continues to approve rate-change requests received from home insurers that are based on actuarially valid indications and supporting data, the Division's review process continues to emphasize that losses from natural disasters in other states may not be incorporated into Nevada rates. Nevada tends to be subject to fewer weather-related catastrophes than many other states; it has no hurricane exposure and a minimal exposure to tornadoes. When insurers propose loss-trend assumptions and catastrophe provisions based on severe loss experience in other states, the Division wants to ensure that this will not have the effect of redistributing increased prices from those states to Nevada.

MEDICAL PROFESSIONAL LIABILITY (MEDICAL MALPRACTICE) INSURANCE

Medical professional liability insurance provides defense and indemnification for claims arising out of alleged errors and omissions or failure to meet the standard of care in the practice of medicine. It is more commonly known as medical malpractice insurance. With few exceptions, medical professional liability insurance is not mandated by the state of Nevada. However, physicians and certain other medical professionals are typically required to show proof of coverage in order to receive hospital privileges or to be included in preferred-provider networks. Since many medical professionals would be unable to practice medicine without medical professional liability insurance and since the public's well-being depends on access to medical care, it is considered an essential insurance product.

Exhibit VII represents Nevada medical professional liability experience reported on the insurers' Annual Statements filed with the National Association of Insurance Commissioners (NAIC) for calendar year 2015. The exhibit shows that medical professional liability insurance has been a profitable line of business during the time period in question. In all of these years, overall insurer losses for this line of business in Nevada remained sufficiently low so that less than half of the premiums earned by medical professional liability insurers were used to pay claims.

The number of companies offering medical professional liability insurance in Nevada has been generally increasing over time, and the Division experienced a large influx of filings for new products by medical professional liability insurers beginning in 2015 and accelerating significantly in early 2016. The NAIC Annual Statements for calendar year 2015 – show that 69 insurers writing insurers in Nevada in 2009, compared to 93 in 2015.

²Source: NAIC I-SITE – Market-Share and Loss-Ratio Summary Reports by Group and Company, Calendar Year 2015

³Based on volume of direct premium written.

RISK-RETENTION GROUPS

Overall, the medical professional liability insurance market in Nevada continues to be extremely stable and competitive. However, the Division has observed significant differences between the experience of traditional medical professional liability insurers and that of risk-retention groups (RRGs) during the past several years.

RRGs are a form of self-insurance authorized by the federal Liability Risk Retention Act of 1986. Risk-retention groups may be formed by a group of insureds, each of whom is engaged in a similar or related business, in order to insure the liability risk exposures of that group. Once an RRG is licensed in its state of domicile, it may operate in any other state, subject to registration requirements and compliance with each state's laws regarding premium taxation, unfair trade practices, and other generally applicable insurance matters. RRGs are particularly significant providers of medical professional liability insurance in Nevada. Seven of the top 25 medical professional liability insurers by market share in 2015 were RRGs, including the insurer with the fifth-largest market share. Nevada-domiciled RRGs are licensed as association captive insurers pursuant to Chapter 694C of NRS.⁴

The Division has observed that, in spite of a favorable medical malpractice insurance market generally, many risk-retention groups – particularly those domiciled in Nevada, which has historically been a domicile for smaller RRGs – have struggled financially. Reasons for this vary by insurer but generally include the following:

- RRGs tend to have fewer assets and lower premium volume compared to traditional insurers while offering comparable limits of coverage – often reaching or exceeding \$1,000,000 of coverage per occurrence and a \$3,000,000 annual aggregate limit *per policy*.
- RRGs often have minimal in-house staff and rely on contracts with numerous external service providers. Many RRGs may have loss ratios comparable to those of traditional insurers but may experience significantly higher expense ratios.
- Small RRGs are at a negotiating disadvantage when procuring reinsurance to limit exposure on a given claim or set of policies.
- While Nevada's medical professional liability insurance market remains favorable, Nevada-domiciled RRGs that have written significant business in other states – such as Florida, New York, and Michigan – have experienced more adverse results due to experience in such states.

Despite the challenges faced by many RRGs, the overall market for medical professional liability insurance remains favorable in Nevada – with healthy and growing competition, available and affordable coverages, and an undiminished capacity of most insurers to pay claims.

WORKERS' COMPENSATION INSURANCE – PRIVATE INSURERS

Effective July 1, 1999, Nevada moved from a state-run industrial insurance program to a system delivered by private insurers, associations of self-insured employers, and individual self-insured employers. This new system has created a competitive and stable worker's compensation insurance market in Nevada. The 2014 Oregon Premium Rate Ranking Study produced by Oregon's Department of Consumer and Business Services identified Nevada as having the 6th- lowest average cost of workers' compensation insurance out of 51 U.S. jurisdictions.

Since July 1, 2001, the National Council on Compensation Insurance, Inc. (NCCI) has filed proposed loss costs "base rates" for the Nevada private insurance market. Once these loss costs are filed, insurers may file modified rates to increase the loss cost for other expenses and profit (taking into account investment income). NCCI also files proposed rates for the assigned-risk plan, for those Nevada businesses that are unable to find a carrier who will write their risk in the private insurance market.

Overall, Nevada workers' compensation insurance rates are poised to decrease significantly to reflect the declining costs of insured losses. NCCI received approval for an average *decrease* of 10.7 percent in voluntary-market loss costs and a 10.5 percent decrease in assigned-risk rates, effective March 1, 2017. This follows 2016 average reductions of 5.5 percent and 4.2 percent respectively from the voluntary-market and assigned risk market loss costs.

Exhibit VIII summarizes the voluntary-market loss-cost and assigned-risk rate changes for 2015-2017 by industry group and overall, and Exhibit IX shows the average base rate changes since 1999. Exhibit X represents Nevada workers' compensation experience reported on the insurers' 2015 NAIC Annual Statements, which is the latest time period for which such data is presently available.

Workers' compensation has been a profitable line of business for most of the Nevada insurers, with loss ratios (the ratios of incurred losses to earned premiums) for many companies remaining below 50% in 2015. The overall 2015 loss ratio improved by 8.36 percentage points compared to the overall 2013 loss ratio of 53.04%.

Both indemnity and medical loss components of workers' compensation, as analyzed by NCCI in its recently approved filing, showed improved experience and favorable loss development. In particular, frequency of workers' compensation losses has continued a pattern of significant declines. The low and declining overall loss ratios generally suggest that current workers' compensation rates are highly adequate and conducive to continued insurer solvency.

In conclusion, ongoing consideration of these and a variety of other metrics by the Division of Insurance reveals the continuing stability, solvency, and competitiveness of the workers' compensation market in Nevada.



⁴ The term "association captive insurer" is defined in NRS 694C.050: <http://leg.state.nv.us/NRS/NRS-694C.html#NRS694CSec050>.

TITLE INSURANCE

Title insurance is also regulated by the Nevada Division of Insurance. Title insurance is unique compared to other insurance products we regulate. Rather than providing protection for unknown future events, title insurance provides protection from future losses because of events that have already occurred (such as a mechanic's lien or a forgery in the chain of title).

Since the 2015 Insurance Market Report, there has been little change in the makeup of the title insurance market. In 2013, two insurance groups comprising three companies held 75 percent of the title insurance market, with nine companies making up the rest. In 2014 and 2015, the five companies in those same two largest insurance groups held 73 percent of the market, with nine companies comprising the balance.

Nevada title insurance revenue in the form of earned premiums decreased from \$162 million in 2013 to \$140 million in 2014 but rose back to \$151 million in 2015. Historically, loss ratios for title insurance have been very low – often less than 10 percent – however, they began to increase between 2009 and 2013, fluctuating between 15 percent and 28 percent. The housing crisis and growth in foreclosures increased the amount of claims filed during this period. In 2014 and 2015, loss ratios were back to a historically typical 7 percent.

To help buyers in navigating their options, the Division of Insurance has developed a title and escrow consumer education section on its website. It includes a brief explanation of how title insurance works, the Division's *Consumer's Guide to Title Insurance*, instructions for sending in a complaint or filing it online, and the Title Insurance Rate Comparison tool. This tool allows consumers to enter information about a property (purchase price, down payment, county, and whether it is a short sale) and receive: a list of title agencies operating in the county; the title insurers they write for; and the costs of an owner's policy of title insurance; a simultaneously issued lender's policy of title insurance; and the escrow/closing fees. The tool has a similar comparison for refinance transactions.



INNOVATIONS AND INDUSTRY TRENDS

Ride Sharing: Pursuant to NRS 690B.470, the Division continues to work collaboratively with the Nevada Transportation Authority in the licensing process of transportation network companies (TNCs). At the time of writing of this report, one rate service organization and 3 insurance companies had begun offering endorsements to TNC drivers, with several insurers working towards making similar endorsements or products available soon.

Driverless Cars/Autonomous Vehicles: The testing and operation of autonomous vehicles in this state has been permissible since 2011 with a deposit of cash, surety bond, or proof of insurance in the amount of \$5,000,000. The Division is monitoring and discussing the introduction of insurance products for autonomous vehicles in Nevada, but no such products have been submitted by the insurance industry at the time of this writing.

Home Sharing: A new type of service, introduced to consumers in recent years, enables owners to list their own apartments, homes, and other residential properties for rent to travelers or to rent similar accommodations when they are traveling themselves. While homeowners' insurance historically has excluded short-term rentals of one's own home, the Division has recently received policy endorsement changes offering protection for insureds renting their dwellings for a few months a year in exchange for an additional premium charge to reflect the increase in liability exposure. Several major home-sharing services also offer host protection coverage.

National Flood Insurance Program: Increased action at the federal level has occurred with the aim to increase availability and affordability of flood insurance by improving access to private insurance options. H.R. 2901, the Flood Insurance Market Parity and Modernization Act, unanimously passed the U.S. House of Representatives in early 2016, and, as of this writing, remains to be considered by the U.S. Senate. A similar bill, S. 1679, originated in the U.S. Senate and also remains pending as of this writing.

The Flood Insurance Market Parity and Modernization Act clarifies that valid flood insurance policies underwritten by private insurers should be accepted by mortgage lenders on the same basis as policies issued by the National Flood Insurance Program (NFIP). If this legislation is enacted, the Division anticipates an increase in flood insurance products offered by private insurers and filings submitted by such insurers for the Division's review and approval.

*Private Passenger Automobile Insurance by
Premium Largest 25 Insurers – 2015*

(Monetary figures are in thousands of dollars.)

2015 RANK	2013 RANK	NAIC COMPANY CODE	COMPANY NAME	STATE OF DOMICILE	DIRECT PREMIUM WRITTEN	DIRECT PREMIUM EARNED	DIRECT LOSS INCURRED	PURE DIRECT LOSS RATIO	MARKET SHARE
1	1	25178	State Farm Mutual Automobile Insurance Company	IL	\$315,650	\$307,874	\$233,468	75.83%	16.16%
2	2	21687	Mid-Century Insurance Company	CA	\$155,865	\$158,391	\$113,304	71.53%	7.98%
3	7	41491	GEICO Casualty Company	MD	\$146,433	\$140,965	\$114,138	80.97%	7.50%
4	3	29688	Allstate Fire & Casualty Insurance Company	IL	\$129,115	\$126,028	\$85,018	67.46%	6.61%
5	4	37770	CSAA General Insurance Company	IN	\$100,125	\$99,738	\$70,991	71.18%	5.12%
6	5	38628	Progressive Northern Insurance Company	WI	\$98,409	\$97,666	\$63,397	64.91%	5.04%
7	6	16322	Progressive Direct Insurance Company	OH	\$94,364	\$91,610	\$62,808	68.56%	4.83%
8	8	19275	American Family Mutual Insurance Company	WI	\$55,284	\$55,159	\$33,644	60.99%	2.83%
9	12	36447	LM General Insurance Company	IL	\$54,189	\$49,513	\$45,139	91.17%	2.77%
10	9	25941	United Services Automobile Association	TX	\$45,947	\$45,457	\$39,355	86.58%	2.35%
11	10	35882	GEICO General Insurance Company	MD	\$44,787	\$44,680	\$30,587	68.46%	2.29%
12	11	25143	State Farm Fire & Casualty Company	IL	\$42,813	\$41,323	\$37,015	89.57%	2.19%
13	18	39012	Safeco Insurance Company Of Illinois	IL	\$38,087	\$34,247	\$22,775	66.50%	1.95%
14	17	10730	American Access Casualty Company	IL	\$35,559	\$34,042	\$25,644	75.33%	1.82%
15	13	25968	USAA Casualty Insurance Company	TX	\$32,128	\$31,674	\$28,360	89.54%	1.64%
16	16	37478	Hartford Insurance Company Of The Midwest	IN	\$31,774	\$30,179	\$23,132	76.65%	1.63%
17	N/A	19070	Standard Fire Insurance Company	CT	\$21,875	\$16,852	\$11,903	70.63%	1.12%
18	200	18600	USAA General Indemnity Company	TX	\$19,956	\$18,837	\$17,378	92.25%	1.02%
19	N/A	12966	Key Insurance Company	KS	\$19,912	\$19,816	\$12,656	63.87%	1.02%
20	20	22055	GEICO Indemnity Company	MD	\$19,674	\$19,717	\$11,885	60.28%	1.01%
21	15	23035	Liberty Mutual Fire Insurance Company	WI	\$19,133	\$21,407	\$11,749	54.88%	0.98%
22	19	19232	Allstate Insurance Company	IL	\$19,058	\$19,607	\$8,954	45.67%	0.98%
23	25	30210	Esurance Property & Casualty Insurance Company	WI	\$18,526	\$18,322	\$14,769	80.61%	0.95%
24	24	22063	Government Employees Insurance Company	MD	\$17,509	\$17,541	\$11,085	63.19%	0.90%
25	N/A	11198	Loya Insurance Company	TX	\$15,329	\$15,041	\$10,097	67.13%	0.78%
Totals for Largest 25 Companies					\$1,591,501	\$1,555,686	\$1,139,251	73.23%	81.46%
Total for All 181 Companies (151 Active Companies) ⁵					\$1,953,755	\$1,912,136	\$1,393,572	72.88%	100%

Source: NAIC I-SITE – Market Share and Loss Ratio Summary Report, Calendar Year 2015

⁵An active company is defined as a company that wrote a positive amount of direct premium during the calendar year.

EXHIBIT II

*Private Passenger Automobile Insurance by Premium:
Largest 5 Insurance Groups by Market Share in 2013 and 2015
(Monetary figures are in thousands of dollars.)*

2015 - LARGEST 5 GROUPS

RANK	NAIC GROUP CODE	GROUP NAME	DIRECT PREMIUMS WRITTEN	DIRECT PREMIUMS EARNED	DIRECT LOSSES INCURRED	PURE DIRECT LOSS RATIO	MARKET SHARE
1	176	State Farm Group	\$358,463	\$349,197	\$270,483	77.46%	18.35%
2	31	Berkshire Hathaway Group	\$231,786	\$223,438	\$168,002	75.19%	11.86%
3	155	Progressive Group	\$200,164	\$196,938	\$131,426	66.73%	10.25%
4	8	Allstate Insurance Group	\$190,505	\$188,204	\$122,257	64.96%	9.75%
5	69	Farmers Insurance Group	\$187,763	\$185,052	\$131,452	71.04%	9.61%
Totals for Largest 5 Groups			\$1,168,681	\$1,142,829	\$823,620	72.07%	59.82%
Totals for All 78 Groups (64 Active Groups) ⁶			\$1,953,755	\$1,912,136	\$1,393,572	72.88%	100%

Source: NAIC I-SITE – Market Share and Loss Ratio Summary Report, Calendar Year 2015

2013 – LARGEST 5 GROUPS

RANK	NAIC GROUP CODE	GROUP NAME	DIRECT PREMIUMS WRITTEN	DIRECT PREMIUMS EARNED	DIRECT LOSSES INCURRED	PURE DIRECT LOSS RATIO	MARKET SHARE
1	176	State Farm Group	\$299,709	\$291,759	\$187,919	64.41%	17.28%
2	69	Farmers Insurance Group	\$190,564	\$194,527	\$105,846	54.41%	10.99%
3	155	Progressive Group	\$182,247	\$179,927	\$119,638	66.49%	10.51%
4	8	Allstate Insurance Group	\$179,160	\$179,042	\$105,264	58.79%	10.33%
5	31	Berkshire Hathaway	\$163,166	\$155,017	\$114,241	73.70%	9.41%
Totals for Largest 5 Groups			\$1,014,846	\$1,000,272	\$632,908	63.56%	58.52%
Totals for All 79 Groups (69 Active Groups)			\$1,734,079	\$1,706,234	\$1,132,518	66.38%	100%

Source: NAIC I-SITE – Market Share and Loss Ratio Summary Report, Calendar Year 2013

⁶An active group is defined as a group that wrote a positive amount of direct premium during the calendar year.

EXHIBIT III

3-Year Private Passenger Automobile (PPA) Insurance Rate-Change History

STATE FARM GROUP

COMPANY	EFFECTIVE DATE	OVERALL RATE CHANGE ⁷
State Farm Insurance Companies ⁸	01/01/2013	+0.10%, +0.10%
State Farm Insurance Companies	02/25/2013	+5.10%, +1.60%
State Farm Insurance Companies	11/25/2013	+4.40%, +10.70%
State Farm Insurance Companies	01/01/2014	+0.10%, +0.10%
State Farm Insurance Companies	06/01/2015	+5.40%, +2.90%
State Farm Insurance Companies	06/13/2016	+10.60%, +7.30%

BERKSHIRE HATHAWAY GROUP

COMPANY	EFFECTIVE DATE	OVERALL RATE CHANGE ⁷
GEICO Insurance Group ⁹	03/04/2013	0.00%
GEICO Insurance Group	09/30/2013	0.00%
GEICO Insurance Group	05/12/2014	0.00%
GEICO Casualty Company	01/27/2014	+4.60%
GEICO Casualty Company	10/06/2014	+3.70%
GEICO Casualty Company	08/31/2015	+15.00%
GEICO General Insurance Company	08/31/2015	+3.80%
Government Employees Insurance Company	08/31/2015	+3.80%

⁷Overall rate change reflects statewide average impact. Some consumers may experience a rate increase, some may experience a rate decrease, and some may not experience any change.

Where multiple changes are listed for a given group of companies, each change is an overall rate change that pertains to an individual insurance company within the group.

⁸Consist of State Farm Fire and Casualty Company and State Farm Mutual Automobile Insurance Company.

⁹Consists of GEICO Casualty Company, GEICO Indemnity Company, GEICO General Insurance Company, and Government Employees Insurance Company.

PROGRESSIVE GROUP

COMPANY	EFFECTIVE DATE	OVERALL RATE CHANGE ⁷
Progressive Northern Insurance Company	01/21/2013	+4.90%
Progressive Northern Insurance Company	06/13/2013	0.00%
Progressive Northern Insurance Company	04/13/2014	+4.30%
Progressive Northern Insurance Company	07/13/2014	+5.30%
Progressive Northern Insurance Company	01/11/2015	0.00%
Progressive Northern Insurance Company	07/26/2015	+5.10%
Progressive Northern Insurance Company	03/27/2016	+1.87%
Progressive Direct Insurance Company	06/13/2013	+0.10%
Progressive Direct Insurance Company	09/23/2013	+5.10%
Progressive Direct Insurance Company	01/11/2015	0.00%
Progressive Direct Insurance Company	07/26/2015	+5.10%
Progressive Direct Insurance Company	11/15/2015	+3.50%
Progressive Direct Insurance Company	03/27/2016	+2.45%

ALLSTATE INSURANCE GROUP

COMPANY	EFFECTIVE DATE	OVERALL RATE CHANGE ⁷
Allstate Fire and Casualty Insurance Company	01/13/2013	+2.00%
Allstate Fire and Casualty Insurance Company	07/15/2013	0.00%
Allstate Fire and Casualty Insurance Company	07/29/2013	0.00%
Allstate Fire and Casualty Insurance Company	12/01/2014	+1.30%
Allstate Fire and Casualty Insurance Company	01/12/2015	+1.50%
Allstate Fire and Casualty Insurance Company	03/23/2015	0.00%
Allstate Fire and Casualty Insurance Company	08/31/2015	+3.00%
Allstate Fire and Casualty Insurance Company	05/16/2016	+12.00%
Esurance Property & Casualty Insurance Company	04/11/2013	+3.00%
Esurance Property & Casualty Insurance Company	10/10/2013	+4.50%
Esurance Property & Casualty Insurance Company	05/29/2014	+13.00%
Esurance Property & Casualty Insurance Company	10/01/2015	+4.40%

FARMERS INSURANCE GROUP

COMPANY	EFFECTIVE DATE	OVERALL RATE CHANGE ⁷
Mid-Century Insurance Company	01/13/2013	+3.50%
Mid-Century Insurance Company	07/31/2013	+3.50%
Mid-Century Insurance Company	10/28/2014	+2.50%
Mid-Century Insurance Company	04/28/2015	+6.00%
Mid-Century Insurance Company	11/17/2015	+6.40%
Mid-Century Insurance Company	05/17/2016	+8.74%
Farmers Insurance Exchange	04/28/2015	+6.00%
Farmers Insurance Exchange	11/17/2015	+6.40%
Farmers Insurance Exchange	06/07/2016	+10.00%

Source: Personal-Lines Rate-Filing Database of the Nevada Division of Insurance

EXHIBIT IV

Home Insurance by Premium

Largest 25 Insurers – 2015

(Monetary figures are in thousands of dollars)

2015 RANK	2013 RANK	NAIC COMPANY CODE	COMPANY NAME	STATE OF DOMICILE	DIRECT PREMIUM WRITTEN	DIRECT PREMIUM EARNED	DIRECT LOSS INCURRED	PURE DIRECT LOSS RATIO	MARKET SHARE
1	1	25143	State Farm Mutual Automobile Insurance Company	IL	\$111,836	\$107,435	\$46,190	42.99%	20.90%
2	2	21652	Farmers Insurance Exchange	CA	\$40,511	\$38,105	\$17,743	46.56%	7.57%
3	3	21660	Fire Insurance Exchange	CA	\$31,109	\$30,980	\$14,484	46.75%	5.81%
4	4	10921	CSAA Fire & Casualty Insurance Company	IN	\$30,956	\$30,603	\$15,468	50.54%	5.79%
5	5	17230	Allstate Property & Casualty Insurance Company	IL	\$28,574	\$30,294	\$15,505	51.18%	5.34%
6	9	27998	Travelers Home & Marine Insurance Company	CT	\$19,439	\$17,705	\$7,792	44.01%	3.63%
7	7	25941	United Services Automobile Association	TX	\$18,063	\$17,695	\$8,057	45.53%	3.38%
8	6	19275	American Family Mutual Insurance Company	WI	\$17,982	\$17,690	\$10,542	59.59%	3.36%
9	11	42404	Liberty Insurance Corporation	IL	\$17,179	\$15,738	\$7,788	49.49%	3.21%
10	8	19240	Allstate Indemnity Company	IL	\$13,130	\$13,473	\$5,290	39.26%	2.45%
11	12	20990	Country Mutual Insurance Company	IL	\$11,645	\$11,559	\$4,954	42.86%	2.18%
12	14	11185	Foremost Insurance Company Grand Rapids Michigan	MI	\$10,565	\$10,383	\$5,216	50.24%	1.97%
13	10	19232	Allstate Insurance Company	IL	\$10,477	\$10,990	\$4,872	44.33%	1.96%
14	16	24740	Safeco Insurance Company Of America	NH	\$9,688	\$ 8,930	\$3,374	37.78%	1.81%
15	17	20419	Homesite Indemnity Company	KS	\$9,249	\$8,827	\$4,264	48.31%	1.73%
16	13	34690	Property & Casualty Insurance Company Of Hartford	IN	\$9,143	\$9,391	\$4,080	43.45%	1.71%
17	19	26905	Century National Insurance Company	CA	\$8,401	\$7,752	\$3,639	46.94%	1.57%
18	15	25968	USAA Casualty Insurance Company	TX	\$8,302	\$8,233	\$3,332	40.47%	1.55%
19	20	10759	Universal North America Insurance Company	TX	\$6,877	\$6,974	\$5,230	74.99%	1.29%
20	22	28401	American National Property & Casualty Company	MO	\$6,646	\$6,575	\$2,473	37.61%	1.24%
21	21	20397	Vigilant Insurance Company	NY	\$6,376	\$6,463	\$3,295	50.98%	1.19%
22	23	13625	Western Mutual Insurance Company	CA	\$5,813	\$5,509	\$5,028	91.27%	1.09%
23	N/A	37257	Praetorian Insurance Company	PA	\$5,805	\$5,512	\$2,288	41.51%	1.08%
24	18	23035	Liberty Mutual Fire Insurance Company	WI	\$5,488	\$5,900	\$2,249	38.12%	1.03%
25	N/A	33600	LM Insurance Corporation	IL	\$5,227	\$4,600	\$2,282	49.61%	0.98%
Totals for Largest 25 Companies					\$448,481	\$437,316	\$205,435	46.98%	83.82%
Totals for All 129 Companies (112 Active Companies)					\$535,066	\$518,826	\$242,940	46.82%	100%

Source: NAIC I-SITE - Market Share and Loss Ratio Summary Report, Calendar Year 2015

EXHIBIT V

Home Insurance by Premium: Largest 5 Insurance Groups by Market Share in 2013 and 2015

(Monetary figures are in thousands of dollars.)

2015 – LARGEST 5 GROUPS

RANK	NAIC GROUP CODE	GROUP NAME	DIRECT PREMIUMS WRITTEN	DIRECT PREMIUMS EARNED	DIRECT LOSSES INCURRED	PURE DIRECT LOSS RATIO	MARKET SHARE
1	176	State Farm Group	\$111,836	\$107,435	\$46,190	42.99%	20.90%
2	69	Farmers Insurance Group	\$84,179	\$81,480	\$38,774	47.59%	15.73%
3	8	Allstate Insurance Group	\$58,969	\$58,805	\$27,338	46.49%	11.02%
4	111	Liberty Mutual Group	\$37,582	\$35,168	\$15,693	44.62%	7.02%
5	200	United Services Automobile Association (USAA) Group	\$32,122	\$31,042	\$13,475	43.41%	6.00%
Totals for Largest 5 Groups			\$324,688	\$313,930	\$141,470	45.06%	60.68%
Totals for All 58 Groups (53 Active Groups)			\$535,066	\$518,826	\$243,526	46.94%	100%

Source: NAIC I-SITE – Market Share and Loss Ratio Summary Report, Calendar Year 2015

2013 – LARGEST 5 GROUPS

RANK	NAIC GROUP CODE	GROUP NAME	DIRECT PREMIUMS WRITTEN	DIRECT PREMIUMS EARNED	DIRECT LOSSES INCURRED	PURE DIRECT LOSS RATIO	MARKET SHARE
1	176	State Farm Group	\$98,839	\$97,177	\$44,988	46.29%	20.66%
2	69	Farmers Insurance Group	\$75,115	\$74,863	\$32,194	43.00%	15.70%
3	8	Allstate Insurance Group	\$57,558	\$57,919	\$27,404	47.31%	12.03%
4	1278	CSAA Insurance Group	\$29,227	\$29,211	\$15,408	52.75%	6.11%
5	111	Liberty Mutual Group	\$28,756	\$26,352	\$15,043	57.08%	6.01%
Totals for Largest 5 Groups			\$289,495	\$285,522	\$135,037	49.29%	60.51%
Totals for All 58 Groups (53 Active Groups)			\$478,457	\$471,806	\$226,904	48.09%	100%

Source: NAIC I-SITE – Market Share and Loss Ratio Summary Report, Calendar Year 2013

EXHIBIT VI

3-Year Homeowners' Insurance Rate-Change History

STATE FARM GROUP

COMPANY NAME	EFFECTIVE DATE	OVERALL RATE CHANGE ¹⁰
State Farm Fire and Casualty Company	03/01/2014	+3.10%
State Farm Fire and Casualty Company	04/01/2015	+2.00%
State Farm Fire and Casualty Company	04/01/2016	-4.50%

FARMERS INSURANCE GROUP

COMPANY NAME	EFFECTIVE DATE	OVERALL RATE CHANGE
Farmers Insurance Exchange, Fire Insurance Exchange	02/16/2013	+6.90%, +13.10%
Farmers Insurance Exchange, Fire Insurance Exchange	02/16/2014	+5.00%, +1.50%
Farmers Insurance Exchange, Fire Insurance Exchange	09/09/2014	+17.20%, +7.20%
Farmers Insurance Exchange	10/16/2014	-0.05%
Farmers Insurance Exchange, Fire Insurance Exchange	02/16/2015	+2.10%, +4.30%
Farmers Insurance Exchange, Fire Insurance Exchange	09/09/2015	+0.10%, +10.0%
Farmers Insurance Exchange, Fire Insurance Exchange	02/16/2016	+3.10%, +1.70%

ALLSTATE INSURANCE GROUP

COMPANY NAME	EFFECTIVE DATE	OVERALL RATE CHANGE
Allstate Property & Casualty Insurance Company	08/08/2013	0.00%
Allstate Property & Casualty Insurance Company	05/08/2014	+5.00%
Allstate Property & Casualty Insurance Company	05/12/2016	+2.90%
Allstate Vehicle and Property Insurance Company	05/12/2016	+2.90%
Allstate Indemnity Company	08/25/2016	+5.00%

¹⁰ Overall rate change reflects statewide average impact. Some consumers may experience a rate increase, some may experience a rate decrease, and some may not experience any change. Where multiple changes are listed for a given group of companies, each change is an overall rate change that pertains to an individual insurance company within the group.

LIBERTY MUTUAL INSURANCE GROUP

COMPANY NAME	EFFECTIVE DATE	OVERALL RATE CHANGE ¹
Liberty Insurance Corporation, LM Insurance Corporation	04/18/2013	+4.98%, +5.01%
Liberty Insurance Corporation, LM Insurance Corporation	04/25/2014	+9.40%, +9.70%
Liberty Insurance Corporation, LM Insurance Corporation	04/25/2015	+8.40%, +8.70%
Liberty Insurance Corporation, LM Insurance Corporation	06/30/2015	0.00%, 0.00%
Liberty Insurance Corporation, LM Insurance Corporation	04/25/2016	+5.70%, +5.80%
Safeco Insurance Company of America	10/08/2013	+4.60%
Safeco Insurance Company of America	10/08/2014	+6.30%
Safeco Insurance Company of America	04/07/2015	-0.10%

UNITED SERVICES AUTOMOBILE ASSOCIATION GROUP

COMPANY NAME	EFFECTIVE DATE	OVERALL RATE CHANGE ¹
Garrison Property and Casualty Insurance Company	08/25/2014	0.00%
USAA Casualty Insurance Company	08/25/2014	-6.90%
USAA General Indemnity Company	08/25/2014	0.00%
United Services Automobile Association	08/25/2014	+3.10%

Source: Personal-Lines Rate-Filing Database of the Nevada Division of Insurance



EXHIBIT VII

Medical Professional Liability Insurance by Premium Largest 25 Insurers – 2015

(Monetary figures are in thousands of dollars.)

RANK	NAIC GROUP CODE	NAIC COMPANY CODE	COMPANY NAME	STATE OF DOMICILE	DIRECT PREMIUM WRITTEN	DIRECT PREMIUM EARNED	DIRECT LOSS INCURRED	PURE DIRECT LOSS RATIO	MARKET SHARE
1	2698	38954	ProAssurance Casualty Company	MI	\$13,145	\$13,562	\$4,076	30.05%	18.42%
2	1282	33200	NORCAL Mutual Insurance Company	CA	\$11,209	\$9,033	\$5,404	59.83%	15.71%
3	4789	11260	Nevada Mutual Insurance Company, Inc.	NV	\$7,299	\$7,557	\$1,521	20.13%	10.23%
4	31	11843	Medical Protective Company	IN	\$6,180	\$6,359	\$671	10.55%	8.66%
5		12613	Premier Physicians Insurance Company, Inc., a RRG	NV	\$5,023	\$5,019	\$2,987	59.51%	7.04%
6	158	25054	Hudson Insurance Company	DE	\$2,679	\$2,603	\$-198	-7.61%	3.76%
7	831	34495	Doctors Company, An Interinsurance Exchange	CA	\$2,677	\$2,578	\$1,379	53.49%	3.75%
8	158	37079	Hudson Specialty Insurance Company	NY	\$1,629	\$2,133	\$3,645	170.89%	2.28%
9	218	20427	American Casualty Company of Reading, PA	PA	\$1,508	\$1,482	\$510	34.41%	2.11%
10	218	31127	Columbia Casualty Company	IL	\$1,365	\$1,348	\$161	11.94%	1.91%
11	218	20443	Continental Casualty Company	IL	\$1,168	\$1,124	\$251	22.33%	1.64%
12		44504	California Healthcare Insurance Company, Inc., RRG	HI	\$983	\$998	\$179	17.94%	1.38%
13		12180	California Medical Group Insurance Company, RRG	AZ	\$963	\$916	\$70	7.64%	1.35%
14		14260	OrthoForum Insurance Company, RRG	SC	\$898	\$881	\$631	71.62%	1.26%
15	831	14347	The Doctors Company RRG, a Reciprocal Exchange	DC	\$896	\$896	\$559	62.39%	1.26%
16		19348	Capson Physicians Insurance Company	TX	\$879	\$864	\$541	62.62%	1.23%
17		44105	Ophthalmic Mutual Insurance Company, RRG	VT	\$752	\$726	\$35	4.82%	1.05%
18	98	24856	Admiral Insurance Company	DE	\$750	\$777	\$11	1.42%	1.05%
19	2638	15865	NCMIC Insurance Company	IA	\$718	\$721	\$144	19.97%	1.01%
20	12	19437	Lexington Insurance Company	DE	\$690	\$616	\$83	13.47%	0.97%
21	2698	14460	Podiatry Insurance Company Of America	IL	\$593	\$579	\$206	35.58%	0.83%
22		40975	Dentists Insurance Company	CA	\$558	\$544	\$-96	-17.65%	0.78%
23		35904	Health Care Indemnity, Inc.	CO	\$546	\$546	\$-1,402	-256.78%	0.77%
24	508	44121	OMS National Insurance Company, RRG	IL	\$475	\$505	\$0	0%	0.67%
25	111	19917	Liberty Insurance Underwriters, Inc.	IL	\$458	\$446	\$129	28.92%	0.64%
Totals for Largest 25 Companies					\$64,041	\$62,813	\$21,497	34.22%	89.76%
Totals for All 113 Companies (93 Active Companies)					\$71,344	\$70,664	\$28,151	39.84%	100%

EXHIBIT VIII

Approved NCCI Voluntary Loss-Cost Changes and Assigned-Risk Rate Changes by Industry Group: 2015-2017

INDUSTRY GROUP	VOLUNTARY LOSS-COST CHANGE, 2015	VOLUNTARY LOSS-COST CHANGE, 2016	VOLUNTARY LOSS-COST CHANGE, 2017	ASSIGNED-RISK RATE CHANGE, 2015	ASSIGNED-RISK RATE CHANGE, 2016	ASSIGNED-RISK RATE CHANGE, 2017
Contracting	+2.8%	-5.0%	-9.8%	-1.7%	-3.7%	-9.6%
Goods & Services	-3.1%	-5.7%	-10.8%	-7.6%	-4.4%	-10.6%
Manufacturing	+2.3%	-1.4%	-8.6%	-2.2%	-0.1%	-8.4%
Office & Clerical	-0.5%	-7.2%	-11.0%	-5.0%	-5.9%	-10.8%
Miscellaneous	+0.1%	-6.5%	-12.4%	-4.4%	-5.2%	-12.2%
Overall	-0.5%	-5.5%	-10.7%	-5.0%	-4.2%	-10.5%

EXHIBIT IX

Average Approved Changes in Voluntary-Market Loss Costs and Assigned-Risk Rates

EFFECTIVE DATE	APPROVED AVERAGE CHANGE IN VOLUNTARY-MARKET LOSS COSTS	APPROVED AVERAGE CHANGE IN ASSIGNED-RISK RATES
7/1/1999	-8.0%	-8.0%
1/1/2000	+6.4%	+6.4%
7/1/2000	-1.9%	-1.9%
7/1/2001 – First NCCI filings take effect.	-6.0%	+1.1%
7/1/2002	+1.5%	N/A
8/1/2002 for new business, 9/1/2002 for renewals	N/A	-9.8%
1/1/2004	-12.3%	-9.1%
1/1/2005	-6.5%	-6.9%
3/1/2006	-0.3%	-2.6%
3/1/2007	+3.4%	+5.0%
3/1/2008	-10.5%	-10.1%
3/1/2009	-4.9%	-6.0%
3/1/2010	-7.6%	-3.7%
3/1/2011	-3.9%	-2.2%
3/1/2012	+1.0%	-5.2%
3/1/2013	+2.6%	+2.5%
3/1/2014	+3.2%	+3.3%
3/1/2015	-0.5%	-5.0%
3/1/2016	-5.5%	-4.2%
3/1/2017	-10.7%	-10.5%

EXHIBIT X

Workers' Compensation Insurance by Premium Largest 25 Insurers – 2015

(Monetary figures are in thousands of dollars.)

RANK	NAIC GROUP CODE	NAIC COMPANY CODE	COMPANY NAME	STATE OF DOMICILE	DIRECT PREMIUM WRITTEN	DIRECT PREMIUM EARNED	DIRECT LOSS INCURRED	PURE DIRECT LOSS RATIO	MARKET SHARE
1	922	27847	Insurance Company of the West	CA	\$20,793	\$21,000	\$11,503	54.78%	5.71%
2	785	38970	Market Insurance Company	IL	\$17,465	\$16,991	\$4,921	28.96%	4.80%
3	212	16535	Zurich American Insurance Company	NY	\$13,830	\$12,213	\$5,111	41.85%	3.80%
4	3548	25674	Travelers Prop Casualty Company of America	CT	\$13,670	\$9,772	\$4,964	50.80%	3.75%
5	98	36684	Riverport Insurance Company	IA	\$12,189	\$6,930	\$5,350	77.20%	3.35%
6	2538	42376	Technology Insurance Company, Inc.	NH	\$10,802	\$15,389	\$10,512	68.31%	2.97%
7	12	23841	New Hampshire Insurance Company	IL	\$10,627	\$11,815	\$5,155	43.63%	2.92%
8	2538	15954	AmTrust Insurance Company of Kansas, Inc.	KS	\$8,434	\$8,098	\$3,499	43.21%	2.32%
9	212	40142	American Zurich Insurance Company	IL	\$7,641	\$5,655	\$3,799	67.18%	2.10%
10	31	20044	Berkshire Hathaway Homestate Insurance Company	NE	\$7,639	\$6,366	\$3,583	56.28%	2.10%
11	3363	10346	Employers Preferred Insurance Company	FL	\$7,251	\$6,980	\$3,740	53.58%	1.99%
12	457	19801	Argonaut Insurance Company	IL	\$6,967	\$5,384	\$5,711	106.07%	1.91%
13	12	19410	Commerce & Industry Insurance Company	NY	\$5,768	\$5,793	\$3,119	53.84%	1.58%
14		41394	Benchmark Insurance Company	KS	\$5,737	\$4,607	\$2,447	53.11%	1.58%
15	3548	25615	Charter Oak Fire Insurance Company	CT	\$5,734	\$5,393	\$7,383	136.90%	1.57%
16	91	27120	Trumbull Insurance Company	CT	\$5,660	\$5,163	\$2,785	53.94%	1.55%
17	38	20281	Federal Insurance Company	IN	\$5,552	\$5,589	\$4,386	78.48%	1.52%
18	4670	38318	Starr Indemnity & Liability Company	TX	\$5,526	\$5,495	\$2,191	39.87%	1.52%
19	31	38865	California Insurance Company	CA	\$5,435	\$5,435	\$2,365	43.51%	1.49%
20	91	29459	Twin City Fire Insurance Company	IN	\$5,269	\$5,273	\$2,839	53.84%	1.45%
21	12	19380	American Home Assurance Company	NY	\$5,230	\$5,272	\$21,874	414.91%	1.44%
22	3548	25682	Travelers Indemnity Company of Connecticut	CT	\$5,163	\$5,353	\$3,063	57.22%	1.42%
23	457	19828	Argonaut Midwest Insurance Company	IL	\$5,002	\$4,521	\$5,991	132.51%	1.37%
24	111	23035	Liberty Mutual Fire Insurance Company	WI	\$4,697	\$4,223	\$2,237	52.97%	1.29%
25	12	19429	Insurance Company of the State of Pennsylvania	PA	\$4,375	\$4,671	\$5,209	111.52%	1.20%
Totals for Largest 25 Companies					\$206,456	\$193,381	\$133,737	69.16%	56.70%
Totals for All 269 Companies (230 Active Companies)					\$364,127	\$359,227	\$160,504	44.68%	100%

Source: NAIC I-SITE – Market Share and Loss Ratio Summary Report, Calendar Year 2015

Valley of Fire State Park



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