

State Insurance Regulation: Key Facts and Market Trends

North Dakota / 2021

NAIC NATIONAL ASSOCIATION OF
INSURANCE COMMISSIONERS



Overview of the 2021 Insurance Market in North Dakota

- North Dakota has **1,419** total domestic and licensed foreign insurers.
- North Dakota ranks **40th** in premiums written on property/casualty (P/C) annual statement filings.
- North Dakota ranks **3rd** in written farm premiums with **6.47%** of the U.S. market.
- North Dakota ranks **5th** in written crop premiums with **7.46%** of the U.S. market.
- Total direct premium written in-state has increased **44%** since 2012.
- The cost of regulation, currently **\$0.69** per \$1,000 premium, has decreased **37%** since 2012.

State Insurance Regulation: Key Facts and Market Trends

The mission of the National Association of Insurance Commissioners (NAIC) is to assist state insurance regulators, individually and collectively, in serving the public interest and achieving the following fundamental insurance regulatory goals in a responsive, efficient and cost effective manner, consistent with the wishes of its members. As part of this mission, the NAIC compiles meaningful data about the insurance regulatory community, as well as the insurance industry.

Number of Insurance Companies

The number of insurance companies is provided by state insurance regulators and is compiled annually by the NAIC. Depending on the type of insurance companies provided, they are classified either as property/casualty, life and fraternal, health, or title insurers. Insurers with primary corporate headquarters located in a particular state are called domestic insurers. The insurance regulator in the insurer's state of domicile is the primary regulator of that insurer. Foreign insurers are those that are allowed to sell insurance in a state but have a primary legal residence in another state. The state rank represents the rank relative to the state with the largest number of insurers among all states.

U.S. Premiums by NAIC Financial Statement Type

The premium volume from the NAIC financial filing database is direct written premium derived from insurer annual financial statement filings provided to the NAIC. The total is comprised of aggregate premium and deposits generated without any adjustments for reinsurance. This data is grouped according to insurer financial statement filing type (i.e., property/casualty; life, accident and health/fraternal; health; and title). Data in one financial statement type could contain data that seemingly fits better under

another line of business. For example, traditional health data may be filed by an insurer using the filing type of life, accident and health. Depending on the regulatory requirements in the state of domicile, captives and risk retention groups are not always required to file with the NAIC and, consequently, this data may not be considered complete. Not all state funds are required to file with the NAIC. State fund data contained herein is reported separately and added to the premium volume during composition of this report. Some categories are modified to more closely align with the structure of the NAIC financial statement filings and may not be comparable to data reported in prior years. The state rank represents the rank relative to the state with the largest premium volume among all states.

U.S. Premiums by IDRR Premium Type

The premium volume from the *Insurance Department Resources Report* (IDRR) is comprised of direct written premium that the states report to the NAIC in compiling the IDRR. This data is grouped by type of business and will not match up with data grouped by NAIC financial statement type. This data includes total direct written premium reported by each state insurance department and does not include premiums from captives or surplus lines business. It was requested that each state include state funds in its premium volume reported. Some companies may report premium data to the state insurance department that are not required to report to the NAIC due to sales volume or other regulatory requirements of their domiciliary state.

Insurance Department Data

The insurance department data is provided by state insurance regulators and is compiled annually by the NAIC. Total taxes include premium, retaliatory, franchise and income taxes paid by insurers. Total revenue includes other

sources of revenue, such as licensing fees and fines and assessments, as well as total taxes. Total budget represents the annual operating budget of the state insurance department. Total employment is the number of full-time state insurance department employees. The state rank represents the rank relative to the state with the largest respective number among all states.

Cost of Regulation

The cost of regulation is calculated from data supplied by state insurance regulators and collected from insurers' financial filings. It is a ratio that compares the insurance department budget to total premium written in the state. For state-specific details on the figures used, please refer to the IDRR technical notes.

Property/Casualty Premium by Line of Business

The premiums are from the annual financial statement information that property/casualty insurers file with the NAIC. Property/casualty premium is subdivided into several categories. This data includes information on state funds reported separately and added to the premium volume during composition of this report. The state rank represents the rank relative to the state with the largest respective premium by line of business among all states.

Insurance Industry Employment

The U.S. Bureau of Labor Statistics (BLS) produces the Quarterly Census of Employment and Wages (QCEW). The QCEW is derived from quarterly unemployment insurance tax reports submitted by employers to state workforce agencies. The reports are subject to state unemployment insurance laws, as well as to the Unemployment Compensation for Federal Employees (UCFE) program. According to the BLS, the QCEW program publishes a quarterly count of employment and wages covering 98% of U.S. jobs, available by industry in the county,

metropolitan statistical area (MSA), state and national levels. Employment is the total number of persons employed full-time or part-time in non-farm establishments during a specified payroll period. Temporary employees are included. In general, data refer to persons who worked during, or received pay for, any part of the pay period that includes the 12th of the month, which is standard for all federal agencies collecting employment data from business establishments. Insurance carriers include employees of direct insurers from all insurance types and reinsurers. Agencies, brokerages and other insurance-related activities include insurance agents and brokers, independent claims adjusters, third-party administrators of insurance and pension funds, and other insurance-related activities.

Consumer Complaints

Complaints include all formal complaints lodged with the insurance department.

Consumer Inquiries

Inquiries include all requests for information about insurance-related issues made by any medium, including phone calls, written letters, emails, etc. Requests for brochures are included, as are incidents where a complaint is voiced, but is not formally lodged.

Gross Domestic Product

The U.S. Bureau of Economic Analysis (BEA) produces the gross domestic product (GDP). The BEA defines GDP by state as the most comprehensive measure of overall economic activity in the individual states. Per the BEA, GDP by state is calculated as the sum of incomes earned by labor and capital and the costs incurred in the production of goods and services. It includes workers' wages and salaries; income earned by sole proprietorships, partnerships and corporations; and business taxes (such as sales, property, and federal excise taxes) that count as a business expense.

State Insurance Regulation: Key Facts and Market Trends

The primary goal of state regulation is to protect insurance consumers, while recognizing that consumers as well as companies are well served by efficient, market-oriented regulation of the business of insurance.

OVERVIEW OF THE UNITED STATES INSURANCE MARKET 2021

Insurance Group	Direct Premium Written*	% of Total Premium
UNITEDHEALTH GRP	\$194,086,368,828	6.92%
METROPOLITAN GRP	\$105,613,490,773	3.76%
ANTHEM INC GRP	\$94,000,396,011	3.35%
EQUITABLE HOLDINGS INC GRP	\$83,284,396,659	2.97%
CENTENE CORP GRP	\$82,581,733,090	2.94%
Top 5 Total	\$559,566,385,361	

*Includes Deposit Type Funds and premium written in U.S. territories from Property, Life, Fraternal, Title, and Health Annual Statements.

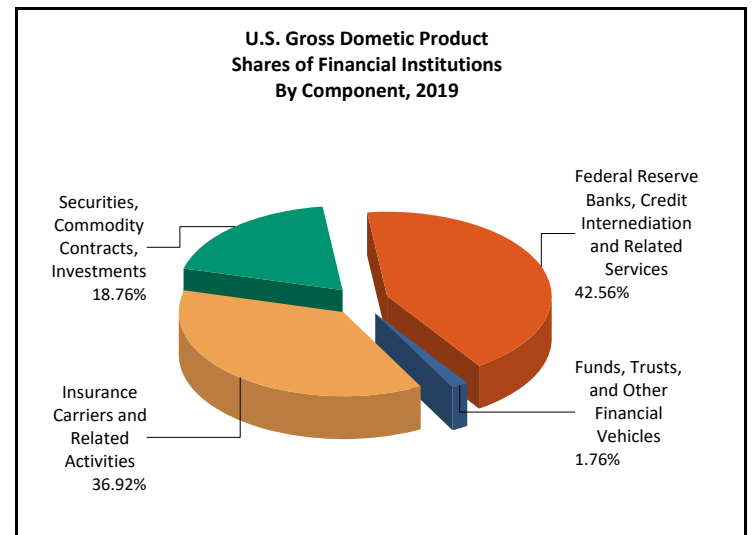
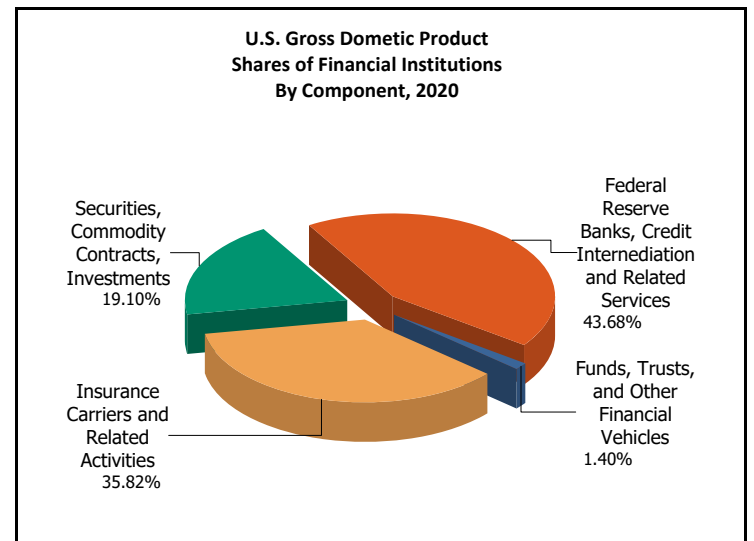
Source: National Association of Insurance Commissioners

	2020	2021
Funds, trusts, and other financial vehicles	25,105	N/A
Insurance carriers and related activities	640,299	N/A
Securities, commodity contracts, and other financial investments and related activities	341,381	N/A
Monetary Authorities- central bank, credit intermediation, and related services	780,960	N/A
Finance and insurance	1,787,746	1,949,538

*Figure is an estimate.
Source: US Department of Commerce, Bureau of Economic Analysis

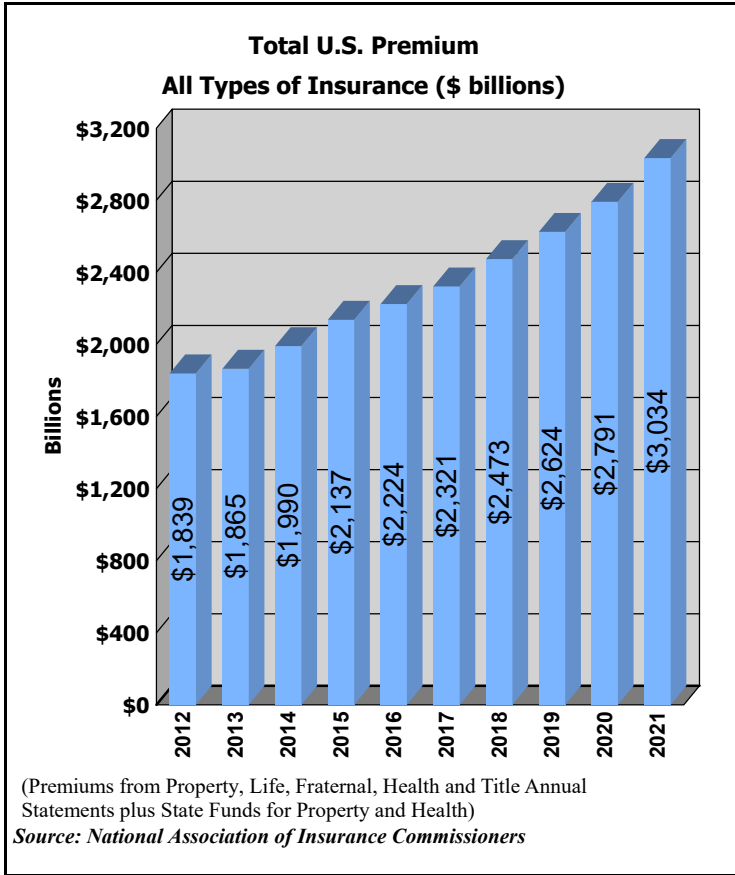
	2019	2020	2021
Insurance Carriers and Related Activities	2,411,263	2,419,845	2,449,834
<u>Insurance Carriers</u>	<u>1,211,490</u>	<u>1,216,922</u>	<u>1,200,301</u>
Direct Life and Health Insurance Carriers	625,050	641,994	637,235
Direct Life Insurance Carriers	241,580	240,024	233,651
Direct Health and Medical Insurance Carriers	391,350	403,979	405,846
Direct Insurers (except Life and Health)	516,102	514,994	503,471
Direct Property and Casualty Insurers	466,170	463,586	444,392
Direct Title Insurance Carriers	58,063	59,556	66,151
Other Direct Insurance Carriers	15,971	15,957	16,346
Reinsurance Carriers	21,455	19,571	19,443
<u>Insurance Agencies and Brokerages</u>	<u>1,199,778</u>	<u>1,202,923</u>	<u>1,249,542</u>
Other Insurance Related Activities	352,782	351,072	356,126
Claims Adjusting	56,891	56,707	60,144
Third Party Administration of Insurance Funds	207,013	205,640	207,608
All Other Insurance Related Activities	88,867	88,725	88,369

Source: U.S. Department of Labor, Bureau of Labor Statistics



OVERVIEW OF THE UNITED STATES INSURANCE MARKET

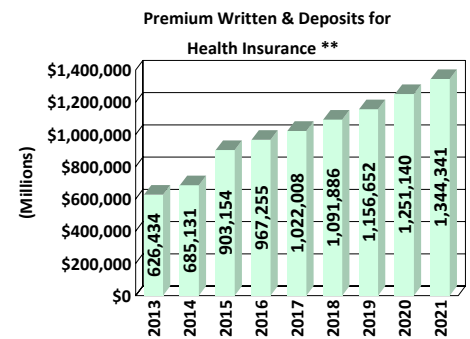
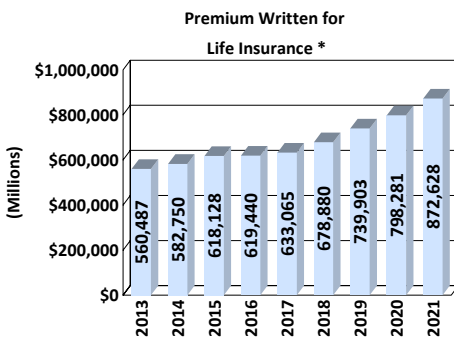
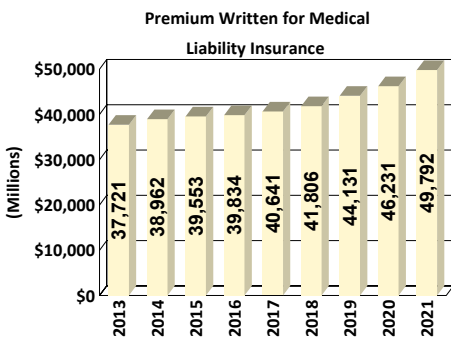
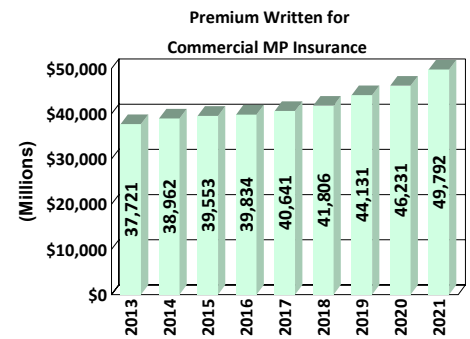
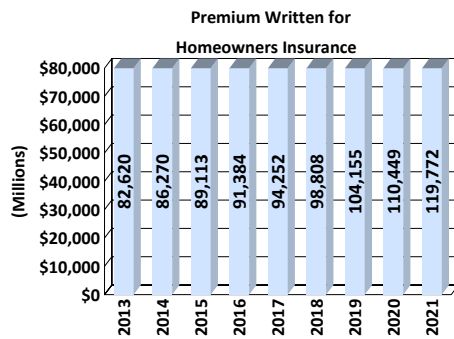
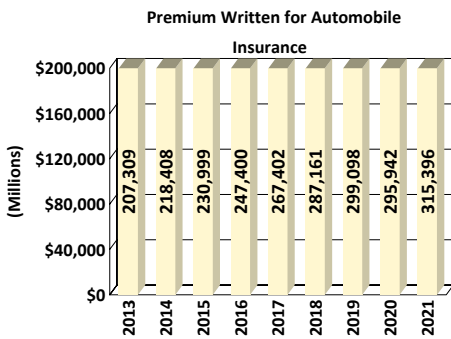
2021



U.S. Property & Casualty Premium by Line of Business

Line of Business	2020	2021
Accident & Health	6,511,262,859	6,810,051,807
Allied lines	16,370,476,903	18,304,822,242
Federal flood	3,045,672,853	3,149,585,633
Crop	1,115,706,189	1,267,688,228
Private Flood	706,915,943	1,018,081,888
Farm	14,957,355,307	18,991,653,046
Homeowners multiple peril	110,449,213,603	119,772,080,923
Commercial multi peril	46,231,089,795	49,791,768,120
Mortgage guaranty	5,746,469,924	5,715,488,991
Ocean & Inland Marine	29,065,052,981	33,377,833,123
Financial guaranty	421,674,643	332,979,456
Fire	15,770,907,517	17,949,785,704
Earthquake	3,374,432,634	3,780,527,198
Workers' compensation	54,298,958,889	55,164,050,344
Products liability	4,151,767,945	4,318,476,538
Automobile	295,942,458,093	315,395,762,148
Aircraft (all perils)	2,088,209,783	2,386,530,987
Fidelity	1,300,008,503	1,388,357,460
Surety	6,860,629,236	7,346,320,499
Burglary and theft	449,661,025	481,827,739
Boiler and machinery	1,923,898,944	2,131,779,842
Credit	2,065,539,405	2,228,858,989
Other	90,243,852,530	108,956,132,487
Medical professional liability	10,155,286,657	11,179,056,258
Total	723,246,793,516	791,239,640,851

Source: National Association of Insurance Commissioners
(Premiums from Property Annual Statements plus State Funds)



* Figures include Life, Annuities, Deposit Type Funds, and Other Considerations from the NAIC Life, and Fraternal financial statements.

** Figures includes Health data from the NAIC Health, Life, and Fraternal financial statements and California Insurance data.

Figures include data from State Funds where applicable.

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**OVERVIEW OF THE UNITED STATES INSURANCE MARKET
2021**

Data Year	U.S. Premiums by NAIC Financial Statement Type					Total
	Property & Casualty*	Life	Health**	Fraternal Organizations***	Title	
2012	\$515,034,929,750	\$755,476,662,449	\$546,690,826,769	\$10,309,568,317	\$11,129,549,422	\$1,838,641,536,707
2013	\$542,844,596,048	\$728,885,499,018	\$570,421,066,202	\$10,215,714,936	\$12,452,031,563	\$1,864,818,907,767
2014	\$567,105,061,580	\$737,379,318,108	\$664,142,345,327	\$10,458,718,584	\$11,060,055,329	\$1,990,145,498,928
2015	\$589,667,150,148	\$777,515,604,867	\$745,595,481,868	\$10,867,996,702	\$12,885,170,798	\$2,136,531,404,383
2016	\$611,195,728,207	\$785,304,558,898	\$802,132,413,342	\$11,028,741,281	\$14,030,332,178	\$2,223,691,773,906
2017	\$639,878,165,766	\$810,086,066,759	\$846,780,935,013	\$10,222,142,527	\$14,506,091,538	\$2,321,473,401,603
2018	\$674,190,146,476	\$869,600,291,092	\$904,474,399,538	\$10,303,786,208	\$14,631,346,937	\$2,473,199,970,251
2019	\$707,303,784,088	\$942,312,241,837	\$958,805,424,749	\$0	\$15,650,177,336	\$2,624,071,628,010
2020	\$723,246,793,358	\$1,006,632,235,604	\$1,042,028,770,238	\$0	\$19,243,067,702	\$2,791,150,866,902
2021	\$791,239,640,117	\$1,085,563,498,797	\$1,131,279,898,893	\$0	\$26,122,798,111	\$3,034,205,835,918

*Starting in 2004, Property/Casualty premiums include Supplemental State Funds.
 ** Starting in 2007, Health premiums include data filed with the California Department of Insurance.
 *** Starting in 2019, the Fraternal Organizations financial statement was combined with the Life financial statement.
Source: National Association of Insurance Commissioners

2021 U.S. Premiums by NAIC IDRR Premium Category						
Total	Life / Annuities	Property / Casualty	Health	Title	Risk Retention Group	All Other
\$2,922,081,909,505	\$899,726,588,097	\$724,826,076,682	\$1,258,087,285,340	\$25,229,159,881	\$4,554,146,712	\$9,658,652,793

Source: NAIC Insurance Department Resources Report

2021 U.S. Insurance Industry Information					
Domestic Premium	Num of Domestic	Domestic Mean Premium	Captive Premium	Num of Captives	Captive Mean Premium
\$2,922,081,909,505	5,978	\$488,805,940	\$38,509,621,518	3,643	\$10,570,854

Source: NAIC Insurance Department Resources Report

2021 U.S. Insurance Department Information for All States					
Total Revenue	Total State Tax Revenue	Total Budget	Total Employment	Consumer Inquiries	Consumer Complaints
\$29,779,581,274	\$24,724,026,268	\$1,625,464,490	10,855	1,528,862	259,345

Source: NAIC Insurance Department Resources Report

Overview of the 2021 Insurance Market In North Dakota

Number of Insurance Companies in North Dakota		
Type	Number	State Rank
Domestic	32	45
Total Domestic and Licensed Foreign Insurers	1,419	44
<i>Captives not included.</i>		
<i>Source: NAIC Insurance Department Resources Report</i>		

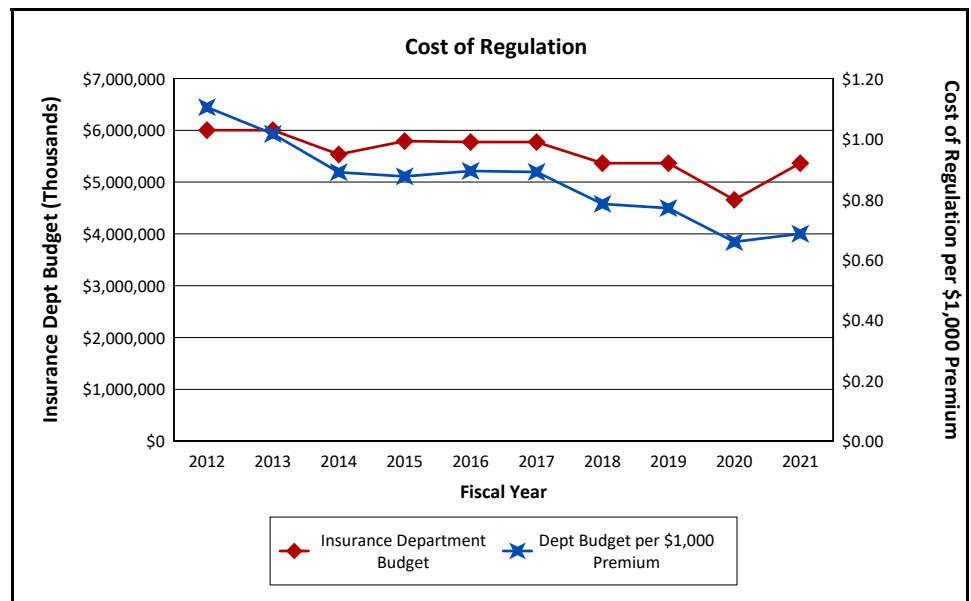
Captive Insurance Companies in North Dakota		
Number of Captives	Direct Written Premium	Total Captive Premium
0	\$0	\$0
<i>Source: NAIC Insurance Department Resources Report</i>		

Insurance Department Data for North Dakota			
Description	Amount	State Rank	% of U.S.
Total Taxes:	\$65,330,975	48	0.26%
Total Revenue:	\$97,165,683	48	0.33%
Total Budget:	\$5,364,672	49	0.33%
Total Employment:	38	49	0.35%
Total Inquiries:	487	48	0.03%
Total Complaints:	54	52	0.02%
<i>Source: NAIC Insurance Department Resources Report</i>			

Premiums & Deposits by Type of Annual Statement Filing in North Dakota			
Statement Type	Premium Written	State Rank	% of U.S.
Health	\$2,348,561,646	46	0.21%
Life, Accident, and Health	\$2,262,534,595	48	0.21%
Property and Casualty	\$3,185,178,929	40	0.40%
Title	\$20,589,901	51	0.08%
Total North Dakota	\$7,816,865,071	48	0.26%
<i>Source: National Association of Insurance Commissioners</i>			

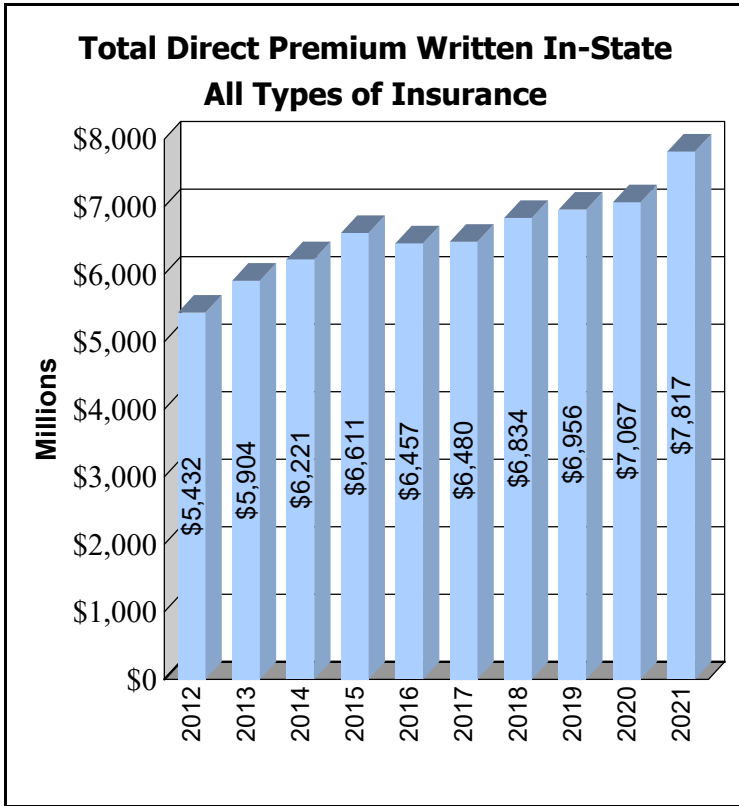
IDRR Premiums by Category in North Dakota			
Category Type	Premiums	State Rank	% of U.S.
Property and Casualty	\$3,187,815,813	39	0.44%
Life/Annuities	\$1,906,806,743	47	0.21%
Risk Retention Group	\$2,244,112	47	0.05%
All Other	\$0	17	0.00%
Title	\$19,864,159	49	0.08%
Health	\$2,715,171,036	45	0.22%
Total	\$7,831,901,863	47	0.27%
<i>Source: NAIC Insurance Department Resources Report</i>			

Cost of Regulation in North Dakota		
Year	Insurance Department Budget	Dept. Budget Per \$1,000 Premium
2012	\$6,002,040	\$1.10
2013	\$6,002,040	\$1.02
2014	\$5,534,952	\$0.89
2015	\$5,791,390	\$0.88
2016	\$5,772,570	\$0.89
2017	\$5,772,570	\$0.89
2018	\$5,364,672	\$0.79
2019	\$5,364,672	\$0.77
2020	\$4,657,515	\$0.66
2021	\$5,364,672	\$0.69
<i>Source: NAIC Insurance Department Resources Report</i>		



State Insurance Regulation in North Dakota: Key Facts and Market Trends

Overview of the 2021 Insurance Market In North Dakota

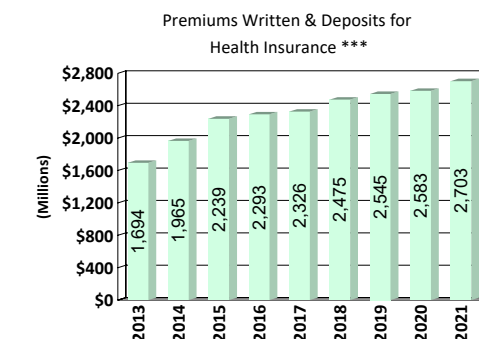
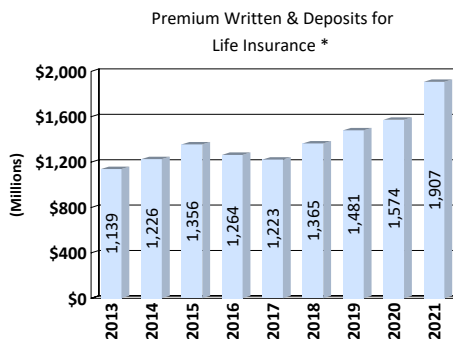
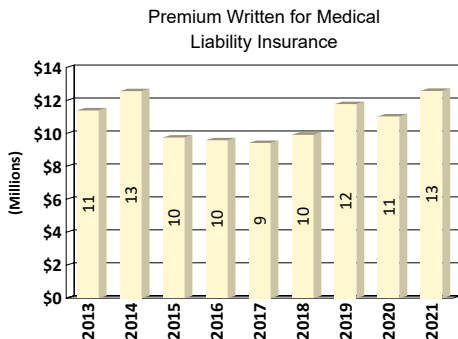
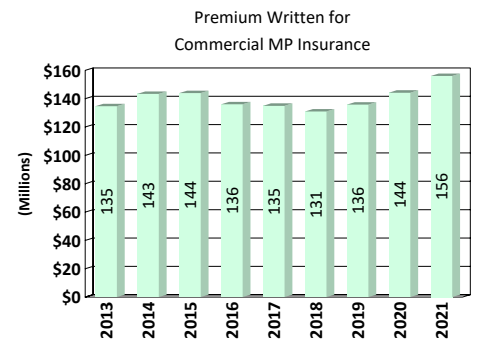
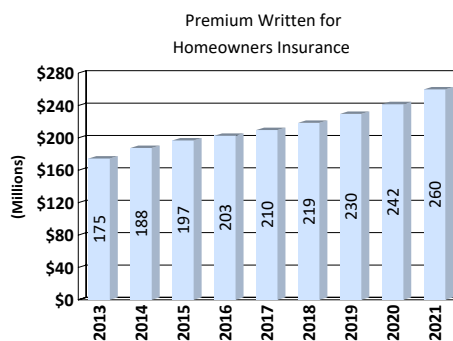
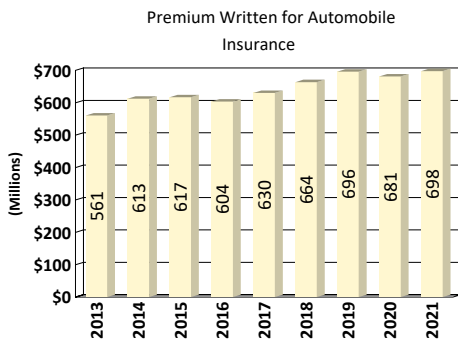


Source: National Association of Insurance Commissioners.

Premium by Line of Business in North Dakota

Line of Business	Premium Written	State Rank	% of U.S.
Farm	\$1,228,357,813	3	6.47%
Automobile	\$697,942,888	48	0.22%
Homeowners multiple peril	\$259,932,868	48	0.22%
Other	\$229,784,033	48	0.21%
Workers' compensation	\$199,168,235	45	0.36%
Commercial multi peril	\$156,044,885	49	0.31%
Ocean & Inland Marine	\$97,886,545	49	0.29%
Crop	\$94,579,001	5	7.46%
Allied lines	\$53,773,103	41	0.29%
Fire	\$49,421,144	46	0.28%
Surety	\$21,836,856	49	0.30%
Boiler and machinery	\$16,210,106	37	0.76%
Mortgage guaranty	\$15,656,921	48	0.27%
Products liability	\$12,941,449	43	0.30%
Medical professional liability	\$12,584,013	52	0.11%
Accident & Health	\$12,427,469	51	0.18%
Aircraft (all perils)	\$9,791,713	47	0.41%
Federal flood	\$5,594,376	43	0.18%
Financial guaranty	\$3,228,221	19	0.97%
Fidelity	\$3,063,479	49	0.22%
Credit	\$1,756,239	51	0.08%
Private Flood	\$1,369,606	52	0.13%
Earthquake	\$1,090,428	53	0.03%
Burglary and theft	\$737,547	49	0.15%
Total	\$3,185,178,928	40	0.40%

Source: National Association of Insurance Commissioners



* Figures include Life, Annuities, Deposit Type Funds, and Other Considerations from the NAIC Life, and Fraternal financial statements.

** Figures include Health data from the NAIC Health, Life, and Fraternal financial statements and California Insurance data.

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Insurance Industry Employment in North Dakota			
Year	Insurance Carriers and Related Activities	Insurance Carriers	Agents Brokers and Other Related Activities
2014	7,707	2,796	4,911
2015	7,549	2,657	4,893
2016	7,406	2,705	4,702
2017	7,311	2,665	4,645
2018	7,172	2,622	4,550
2019	7,078	2,598	4,481
2020	6,952	2,455	4,497
2021	6,783	2,332	4,451

Source: US Department of Labor, Bureau of Labor Statistics

Gross Domestic Product for North Dakota (Millions)				
	2018	2019	2020	2021
Funds, trusts, and other financial vehicles	\$14	\$11	\$7	N/A
Insurance carriers and related activities	\$1,233	\$1,249	\$1,281	N/A
Securities, commodity contracts, and other financial investments and related activities	\$185	\$189	\$191	N/A
Monetary Authorities-central bank, credit intermediation, and related services	\$1,438	\$1,465	\$1,742	N/A
Finance and insurance	\$2,869	\$2,914	\$3,222	\$3,470

Source: US Department of Commerce, Bureau of Economic Analysis

