

FINANCIAL EVALUATION

March 30, 2009

Mr. Douglas Rubino, President
National Contractors Insurance Company, Inc., a RRG
Attention: Ms. Gail Whitney
ORG Corporation
104 Crestview Drive, Suite 105
PO Box 510
Bigfork, MT 59911

Re: Registration in North Carolina of
National Contractors Insurance Company, Inc., a RRG

Dear Mr. Rubino:

Registration

The application for registration of National Contractors Insurance Company, Inc., a RRG (Company) has been received and accepted. The Company is registered in the State as of March 31, 2009. The registration authorizes the Company by the dominant authority of the Federal Risk Retention Act of 1986 : USC 3901-3906 (Act) as expressed in the laws of the Company's chartering State of Montana to engage in the following lines of insurance: **general commercial liability coverages for building contractors.**

Overview

The Company's statutory home office address is P.O. Box 510, Bigfoot Montana 59911 and mailing address is c/o ORG Corporation, 104 Crestview Dr., Suite 105, P.O. Box 510, Big Fork, MT 59911. The telephone number is 406-837-2774. The liability insurance policies issued by the Company cover the owners commercial general liabilities. The Company is owned by its policyholders.

Financial

At December 31, 2008, the Company reported \$20.7 million in assets and equity of \$2.9 million on a GAAP basis. On a SAP basis, the Company reported \$6.4 million in assets and \$3 million in surplus, with a SAP net reported income of \$142,473.

Financial Statements

The Company will need to file with the Department a hardcopy of the Company's 2009 Annual Statement on or before March 1, 2010. Please refer to the Department's website at www.ncdoi.com/FED/FA/fed_fa_checklists. The Department requires and accepts quarterly statements filed with the National Association of Insurance Commissioners ("NAIC") in accordance with the NAIC's electronic filing directives in lieu of filing with the Department a hardcopy quarterly statement. If the Company does not file electronically with the NAIC within forty-five days after the end of each quarter (first quarter, second quarter, third quarter) a hard copy of the quarterly statements must be filed with the Department. If quarterly statements are necessary, a hardcopy of the original quarterly statement and the amended quarterly statement must be filed with the Department.

Subsequent Filings and Notifications

All other filing of documents relating to the Company should be handled with Mr. Joseph R. Ennis, Director of the Special Entities Section, (919) 733-5633, extension 250. Any subsequent changes in any of the items provided in the registration must be filed with Mr. Ennis.

Agent Licensing

North Carolina General Statute 58-22-60 requires any person acting or offering to act as an Agent or Broker for a Risk Retention Group to first obtain a license from the Commissioner of Insurance. Necessary forms for this purpose are enclosed. Appointment of North Carolina Insurance Agents should be handled directly with Ms. Teresa Knowles, Agents Services Division (919) 733-7487. The appointment of Agents must be completed before the Company solicits or writes any business in North Carolina.

Premium Tax

The Company is hereby informed of the obligation to readily settle Premium Tax Liability when due with this State following the procedure outlined in the next paragraph. Risk Retention Groups domiciled outside of this state are subject to the same requirements of premium tax liability, interest, fines and penalties for non-payment as applicable to Surplus Lines Insurance Companies authorized in the State prescribed under North Carolina General Statute 58-22-20(3). The premium tax rate for Risk Retention Groups is five percent (5%).

A quarterly premium tax return along with the tax payment for each quarter must be filed by the end of January (for the quarter ending 12/31), April (3/31), July (6/30) and October (9/30). Any questions regarding North Carolina premium tax on Risk Retention Groups should be directed to Mr. Joseph R. Ennis, Manager of Special Entities Section, (919) 733-5633, extension 250.

National Contractors Insurance Company, Inc., a RRG

March 30, 2009

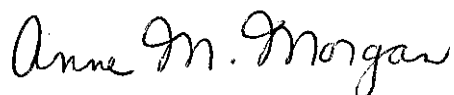
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Registration Fee

The North Carolina General Assembly established a non-refundable fee of \$250.00 for review and initial registration of a Risk Retention Group under North Carolina General Statute 58-22-70, which became effective 7/28/90. We have received your \$250.00 fee. The Statute also established an annual *renewal* registration fee of \$1,000, which is not due until the beginning of the next calendar year *after* the Company has been officially registered as a Risk Retention Group in this state.

Please feel free to contact me should you have any questions.

Sincerely yours,



Anne M. Morgan
Company Admissions Manager
Financial Evaluation Division

Enclosures

Cc: All appropriate Divisions of the North Carolina Department of Insurance