

CONNECTICUT INSURANCE GUARANTY ASSOCIATION

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March 3, 2008

TO: THE COMMISSIONER OF INSURANCE ("the Commissioner") AND THE
MEMBER INSURERS OF THE CONNECTICUT INSURANCE GUARANTY
ASSOCIATION ("the Association")

RE: The Annual Report of the Association for the Year Ending December 31, 2007

During 2007, there were no new insolvencies reported to the Association. The Board of Directors of the Association ("the Board") continued to monitor existing insolvencies and potential insolvencies.

On October 14, 2007, the Board held its Annual Meeting in Norwich, Connecticut, in conjunction with other meetings of the member guaranty associations of Guaranty Fund Management Services® ("GFMS®") and its committees. AMICA Mutual Insurance Company, Hartford Fire Insurance Company, Metropolitan Property and Casualty Insurance Company, Middlesex Mutual Assurance Company, Nationwide Insurance Company, Patrons Mutual Insurance Company of Connecticut and Travelers Indemnity Company were elected to the Board of Directors of the Association for terms of three (3) years. Messrs. Breitstadt, Gulko and Winskowicz, and Meses. Travers and Lavin, were elected Chairman, Executive Secretary, Claims Manager, Vice Chair and Treasurer, respectively, of the Association. Mr. Breitstadt was re-elected as the Association's representative on the Board of Directors of GFMS for a three (3) year term.

The Board received and considered reports concerning claims and recoveries from receivers, respectively.

The Board next reviewed the financial condition of the Association and its operating expenses and covered claim costs, in order to determine whether an assessment or a refund of prior assessments would be appropriate. The Board thereupon voted that the following assessments and refunds of prior assessments be made:

<u>ASSESSMENT</u>	<u>AUTO</u>	<u>OTHER</u>	<u>WORKERS' COMPENSATION</u>
Villanova Insurance Company			\$1,000,000
Casualty Reciprocal Exchange			500,000
Shelby Insurance Company			1,200,000
Shelby Casualty Insurance Company			50,000
	\$ 0	\$ 0	\$2,750,000
Total Assessment		\$ 2,750,000	

<u>REFUND</u>	<u>AUTO</u>	<u>OTHER</u>	<u>WORKERS' COMPENSATION</u>
Ideal Mutual Insurance Company		(\$10,329)	
Transit Casualty Insurance Company		(16,486)	
Integrity Insurance Company		(1,590,914)	
LMI Insurance Co.		(715,643)	
	\$ 0	(\$ 2,333,372)	\$ 0
Total Refund		(\$ 2,333,372)	

Upon recommendation of Ms. Lavin, the Board further voted that the **Integrity, LMI Insurance and Security Indemnity** insolvencies be **CLOSED**.

After discussion, the Board voted to obtain Directors and Officers Liability Insurance Coverage for Board members.

Mr. Corbett, Counsel to GFMS, reported that St. §38a-841, had been amended, effective October 1, 2007, for insolvencies occurring on or after that date, to raise the limit of recovery on non-workers compensation claims from \$300,000.00 to \$400,000.00

Mr. Arsenault, General Counsel to the Insurance Department, addressed the Board on legislative proposals concerning the Life and Health Guaranty Association.

The member insurers currently serving on the Board and their designated representatives are:

NATIONWIDE INSURANCE COMPANY	Charles P. Breitstadt
MIDDLESEX MUTUAL ASSURANCE COMPANY	Diane Choate
PATRONS MUTUAL INSURANCE COMPANY OF CONNECTICUT	William Siclari
HARTFORD FIRE INSURANCE COMPANY	Steven Pieren
METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY	Maura Travers
AMICA MUTUAL INSURANCE COMPANY	Robert Suglia
TRAVELERS INDEMNITY COMPANY	Joanne Garvin
EX-OFFICIO: OFFICE OF THE INSURANCE COMMISSIONER	Jon Arsenault

The Statement of Account of the Association, from inception through December 31, 2007, and its Balance Sheet for the same period, are attached hereto and made a part hereof.

Respectfully submitted,

The Board of Directors of the
CONNECTICUT INSURANCE
GUARANTY ASSOCIATION

By its Chairman



Charles P. Breitstadt