

NEW HAMPSHIRE INSURANCE GUARANTY ASSOCIATION

*One Bowdoin Square
Boston, MA 02114-2916
(617) 227-7020 (800) 852-2003
Fax: (617) 227-8235*

March 1, 2009

**To: THE COMMISSIONER OF INSURANCE (the "Commissioner") AND
THE MEMBER INSURERS OF THE NEW HAMPSHIRE INSURANCE
GUARANTY ASSOCIATION (the "Association")**

Re: The Annual Report of the Association for the Year ending December 31, 2008

During 2008, 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 28, 2008, the member insurers of the Association held their Annual Meeting in Freeport, Maine, in conjunction with other meetings of the member guaranty associations of Guaranty Fund Management Services® ("GFMS®") and its committees. The member insurers received and considered the report of the Executive Secretary regarding the ballots transmitted by the member insurers with instructions to vote in favor of the following nominees as Directors: Liberty Mutual Insurance Company, NGM Insurance Company and Providence Mutual Fire Insurance Company. The Chairman thereupon directed the Executive Secretary to cast one vote for the election of the nominees as Directors for a three-year term, expiring in 2011.

The Chairman then presented the 2007 Annual Report of the Association to the member insurers. The member insurers thereupon voted that the Annual Report be accepted.

Ms. Lavin, Association Assistant Treasurer, presented the Audited Financial Statements for the year ending December 31, 2007. The member insurers thereupon voted that the Report of the Assistant Treasurer be accepted.

Immediately subsequent thereto, the Board held its Annual Meeting. Messrs. Hartman, Desmond, Gulko and Winskowicz, and Ms. Lavin, were elected Chairman, Vice Chairman, Treasurer, Secretary/Clerk, Claims Manager and Assistant Treasurer, respectively, of the Association.

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

The Board reviewed the existing contract with GFMS and decided to make no changes.

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 the following refunds of prior assessments:

<u>REFUND</u>	<u>AUTO</u>	<u>OTHER</u>	<u>WORKERS' COMP</u>
Transit Casualty Company		(\$ 83,388)	
Midland Insurance Company		(242,594)	(\$ 18,265)
Mission Insurance Company		(57,612)	
Integrity Insurance Company		(51,968)	
American Mutual Liability	(\$ 43,790)		
American Universal Insurance Co.		(11,159)	
Western Employers Insurance Co.		(10,500)	
Reliance Insurance Company		(600,000)	
PHICO Insurance Company		(\$ 1,000,000)	
	(\$ 43,790)	(\$ 2,057,221)	(\$ 18,265)
Total Refund		(\$ 2,119,276)	
Net Refund		(\$ 2,119,276)	

Upon recommendation of Ms. Lavin, the Board voted that the following insolvencies be closed:
Abington Mutual, Integrity, Midland and Mission.

At this point Ms. O'Loughlin addressed the Board on current legislative filings and other matters of common interest.

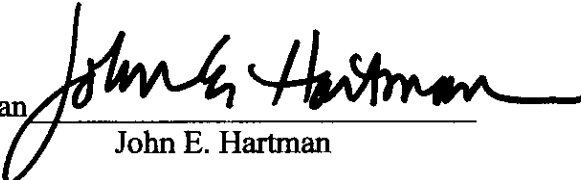
The member insurers currently serving on the Board and their designated representatives are:

LIBERTY MUTUAL INSURANCE COMPANY	John E. Hartman
PEERLESS INSURANCE COMPANY	Stephen Powell
CONCORD GENERAL MUTUAL INSURANCE COMPANY	Joseph Desmond
PROVIDENCE MUTUAL FIRE INSURANCE COMPANY	Earl F. Cottam, Jr.
MAINE BONDING AND CASUALTY COMPANY	Joyce Hall Mellinger
NGM INSURANCE COMPANY	Jack Crawford
CONTINENTAL CASUALTY COMPANY	Elizabeth Wilson
HARTFORD FIRE INSURANCE COMPANY	Cheryl Hetzel
NORTH AMERICAN SPECIALTY INSURANCE COMPANY	Robert Solitro

The Statement of Account of the Association, from inception through December 31, 2008,
and its Balance Sheet for the same period, are attached hereto and made a part hereof.

Respectfully submitted,

The Board of Directors of the
NEW HAMPSHIRE INSURANCE
GUARANTY ASSOCIATION

By its Chairman 
John E. Hartman

NEW HAMPSHIRE INSURANCE GUARANTY ASSOCIATION

Balance Sheet

December 31, 2008

**Year
To Date**

Assets:

Checking & Short-Term Cash

\$2,438,388.70

Investments

38,733,996.67

Total Assets

\$41,172,385.37

Fund Balance

\$41,172,385.37

New Hampshire Insurance Guaranty Association
Statement of Cash Receipts and Disbursements
From Inception Through December 31, 2008
Total All Insolvencies

	Year To Date	Inception To Date
RECEIPTS:		
Member Assessment Administrative	(\$85.86)	\$43,344.21
Member Assessment	85,623.00	97,030,428.00
Loan	0.00	425,000.00
Recovery	1,624,437.87	50,206,646.17
Interest Income	1,671,581.47	14,660,315.51
	-----	-----
Total Receipts	3,381,556.48	162,365,733.89
	-----	-----
DISBURSEMENTS:		
Claims Paid	1,582,302.51	51,609,030.76
Helmsman Claims Paid	247,382.69	19,190,372.46
Claims Expense Paid	380,552.11	10,630,122.16
Helmsman Claims Expense Paid	876.23	1,313,285.67
Premium Refund	25,040.40	1,566,103.88
	-----	-----
Member Refund	2,156,269.00	29,851,794.00
	-----	-----
Operating Expenses:		
Service Fee - ISO, Etc.	0.00	7,395.08
G.F.M.S.	229,503.78	5,037,941.55
Legal & Audit	34,483.97	983,731.19
Travel	6,036.23	123,677.30
NCIGF Fee	62,160.00	298,039.49
Other	13,872.01	107,175.08
Administrative Expense	(85.86)	21,239.13
Interest	0.00	28,440.77
Loan	0.00	425,000.00
	-----	-----
Total Operating Expenses	345,970.13	7,032,639.59
	-----	-----
Total Disbursements	4,738,393.07	121,193,348.52
	-----	-----
Funds Available	(\$1,356,836.59)	\$41,172,385.37
	=====	=====
Reserves:		
Claims Liability Auto		1.00
Claims Expense Liability Auto		11,161.31
Unearned Premium Liability Auto		3,784.05

Subtotal Auto		14,946.36

Claims Liability Other		1,365,001.00
Claims Expense Liability Other		78,626.91
Unearned Premium Liability Other		106.00

Subtotal Other		1,443,733.91

Claims Liability Workers	29,862,267.12
Claims Expense Liability Workers	548,202.41

Subtotal Workers	30,410,469.53

Total Reserves	\$31,869,149.80
	=====

Funds Available Per Account	
Auto	\$50,903.67
Other	4,231,382.48
Workers	36,858,617.02

Total	\$41,140,903.17
	=====

01/28/09
01:55 PM
PL_NH_INSOL