

# CONNECTICUT INSURANCE GUARANTY ASSOCIATION

*One Bowdoin Square  
Boston, MA 02114-2916  
(617) 227-7020 (800) 852-2003  
Accounting and Administration Departments Fax: (617) 227-8903  
Claim Department Fax: (617) 305-0001*

**Via Certified Mail/Return Receipt Requested**

March 1, 2012

The Honorable Thomas B. Leonardi  
Commissioner of Insurance  
Connecticut Insurance Department  
P.O. Box 816  
Hartford, CT 06142-0816

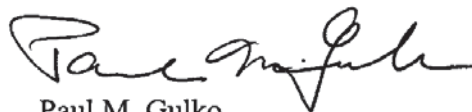
Re: Connecticut Insurance Guaranty Association (the "Association")  
Annual Report of the Association for the Year Ending December 31, 2011

Dear Commissioner Leonardi:

Pursuant to the Association Act, enclosed herewith for filing please find duly executed original Annual Report of the Association for the year ending December 31, 2011.

Should you have any questions, please do not hesitate to contact me.

Very truly yours,



Paul M. Gulko  
Executive Secretary

Enclosure

cc: The Board of Directors of the Association  
Jon Arsenault, Esq.

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March 1, 2012

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, 2011

During 2011, there were two new insolvencies reported to the Association. On May 11, 2011, the Board of Directors of the Association (the "Board") voted to accept the insolvencies of Atlantic Mutual Insurance Company and Centennial Insurance Company, which had been declared insolvent by the State of New York. The Board decided that the administration of these insolvencies would be provided by Guaranty Fund Management Services<sup>®</sup> ("GFMS<sup>®</sup>"). The Board also continued to monitor existing insolvencies and potential insolvencies.

On October 16, 2011, the Board held its Annual Meeting in Providence, Rhode Island, in conjunction with other meetings of the member guaranty associations of GFMS and its committees. Charles Breitstadt, Maura Travers, Paul Gulko, James Winskowicz, and Kathleen Lavin, were elected Chairman, Vice Chair, Executive Secretary, Claims Manager, and Treasurer, respectively, of the Association.

The Board received and considered the report of counsel on matters involving the obligations of the Association to pay a workers compensation claim as the last insurer on the risk and then seek reimbursement from other insurers, and on matters involving the Association's obligations when the underlying carrier defaulted.

The Board considered and adopted Expense Guidelines for Board and Committee Members.

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' COMP</u>
American Universal Insurance Company	\$0	\$0	\$ 300,000
Casualty Reciprocal Exchange	\$0	\$0	\$1,200,000
Shelby Insurance Company	\$158,570	\$180,000	\$ 700,000
Imperial Casualty & Indemnity Company	\$0	\$0	\$ 300,000
Atlantic Mutual Insurance Company	\$500,000	\$625,000	\$2,300,000
Centennial Insurance Company	\$400,000	\$0	\$7,000,000
	<b>\$1,058,570</b>	<b>\$805,000</b>	<b>\$11,800,000</b>
<b>Total Assessment</b>		<b>\$13,663,570</b>	

<u>REFUND</u>	<u>AUTO</u>	<u>OTHER</u>	<u>WORKERS' COMP</u>
Union Indemnity Insurance Company	(\$0)	(\$ 271,475)	\$0
Transit Casualty Company	(\$38,238)	(\$1,133,629)	\$0
Midland Insurance Company	(\$0)	(\$ 669,174)	\$0
Credit General Insurance Company	(\$11,882)	(\$ 65,609)	\$0
PHICO Insurance Company	(\$0)	(\$ 65,537)	\$0
	<b>(\$50,120)</b>	<b>(\$ 2,205,424)</b>	<b>\$ 0</b>
<b>Total Refund</b>		<b>(\$ 2,255,544)</b>	
<b>Net Assessment</b>		<b>\$11,408,026</b>	

Upon recommendation of the Treasurer, the Board further voted that the following insolvencies be **CLOSED**:

Union Indemnity Insurance Company  
Credit General Insurance Company

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

NATIONWIDE INSURANCE COMPANY	Charles P. Breitstadt
METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY	Maura Travers
MIDDLESEX MUTUAL ASSURANCE COMPANY	Diane Choate
PATRONS MUTUAL INSURANCE COMPANY OF CONNECTICUT	Fred Taverne
HARTFORD FIRE INSURANCE COMPANY	Steven Pieren
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, 2011, 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

**CONNECTICUT INSURANCE GUARANTY ASSOCIATION**  
**Balance Sheet**  
**December 31, 2011**

	<u>Inception To Date</u>
<b>Assets:</b>	
<b>Checking &amp; Short-Term Cash</b>	\$5,959,575.56
<b>Investments</b>	<u>57,823,565.18</u>
<b>Total Assets</b>	<u>\$63,783,140.74</u>
<b>Fund Balance</b>	<u>\$63,783,140.74</u>

Connecticut Insurance Guaranty Association  
Statement of Cash Receipts and Disbursements  
From Inception Through December 31, 2011  
Total All Insolvencies

	Year To Date	Inception To Date
<b>RECEIPTS:</b>		
Member Assessment Administrative	\$1,840.95	\$213,713.02
Member Assessment Recovery	1,230,239.00	289,466,331.00
Interest Income	7,590,765.11	176,378,822.23
	1,496,508.39	53,515,329.76
<b>Total Receipts</b>	10,319,353.45	519,574,196.01
<b>DISBURSEMENTS:</b>		
Claims Paid	3,352,256.55	169,711,874.19
Helmsman Claims Paid	537,025.92	28,257,471.61
Claims Expense Paid	746,175.20	30,015,800.46
Helmsman Claims Expense Paid	2,420.17	2,590,690.39
Premium Refund	0.00	1,064,314.97
Member Refund	1,102,409.00	199,344,958.00
Operating Expenses:		
Service Fee - ISO, Etc.	0.00	179,595.73
G.F.M.S.	1,330,408.16	20,484,642.28
Legal & Audit	124,945.46	2,566,906.78
Travel	5,320.24	228,887.88
NCIGF Fee	128,599.00	802,883.71
Insurance	7,000.00	36,875.00
Other	16,804.59	300,199.62
Administrative Expense	2,031.95	205,954.65
<b>Total Operating Expenses</b>	1,615,109.40	24,805,945.65
<b>Total Disbursements</b>	7,355,396.24	455,791,055.27
Funds Available	\$2,963,957.21	\$63,783,140.74
<b>Reserves:</b>		
Claims Liability Auto		949,705.00
Claims Expense Liability Auto		89,864.23
<b>Subtotal Auto</b>		1,039,569.23
Claims Liability Other		2,289,607.32
Claims Expense Liability Other		247,265.10
<b>Subtotal Other</b>		2,536,872.42
Claims Liability Workers		63,640,867.81
Claims Expense Liability Workers		2,403,030.17
<b>Subtotal Workers</b>		66,043,897.98
<b>Total Reserves</b>		\$69,620,339.63
<b>Funds Available Per Account</b>		
Auto		\$1,105,138.49
Other		9,263,087.91
Workers		53,213,792.80
<b>Total</b>		\$63,582,019.20

**Connecticut Insurance Guaranty Association**  
**Statement of Cash Receipts and Disbursements**  
**From Inception Through December 31, 2011**  
**Administrative**

	Year To Date	Inception To Date
<b>RECEIPTS:</b>		
Member Assessment Administrative	\$1,844.67	\$210,216.86
<b>Total Receipts</b>	<b>1,844.67</b>	<b>210,216.86</b>
<b>DISBURSEMENTS:</b>		
Operating Expenses:		
Administrative Expense	0.00	9,095.32
<b>Total Operating Expenses</b>	<b>0.00</b>	<b>9,095.32</b>
<b>Total Disbursements</b>	<b>0.00</b>	<b>9,095.32</b>
Funds Available	<b>\$1,844.67</b>	<b>\$201,121.54</b>
<b>Reserves:</b>		
<b>Total Reserves</b>		<b>\$0.00</b>
<b>Funds Available Per Account</b>		
Auto		\$0.00
Other		0.00
Workers		0.00
<b>Total</b>		<b>\$0.00</b>

**Connecticut Insurance Guaranty Association  
Statement of Cash Receipts and Disbursements  
From Inception Through December 31, 2011  
Consolidated Statement of Closed Insolvencies**

	<u>Inception To Date</u>
<b>RECEIPTS:</b>	
Member Assessment Administrative	\$3,496.16
Member Assessment	18,774,875.00
Recovery	10,477,885.64
Interest Income	<u>2,762,634.28</u>
<b>Total Receipts</b>	<u><b>32,018,891.08</b></u>
<b>DISBURSEMENTS:</b>	
Claims Paid	10,622,870.69
Helmsman Claims Paid	85,941.43
Claims Expense Paid	1,213,560.75
Helmsman Claims Expense Paid	10,942.71
Premium Refund	222,215.83
<b>Member Refund</b>	<b>18,055,094.00</b>
<b>Operating Expenses:</b>	
Service Fee - ISO, Etc.	179,595.73
G.F.M.S.	1,217,002.00
Legal & Audit	133,710.34
Travel	38,758.43
NCIGF Fee	47,114.60
Other	38,769.27
Administrative Expense	<u>153,315.30</u>
<b>Total Operating Expenses</b>	<u><b>1,808,265.67</b></u>
<b>Total Disbursements</b>	<u><b>32,018,891.08</b></u>
<b>Funds Available</b>	<u><u><b>\$0.00</b></u></u>