

# NEW HAMPSHIRE 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, 2017

The Honorable Roger A. Sevigny  
Commissioner of Insurance  
New Hampshire Insurance Department  
21 South Fruit Street, Suite 14  
Concord, NH 03301

Re: New Hampshire Insurance Guaranty Association (the "Association")  
Annual Report of the Association for the Year Ending December 31, 2016

Dear Commissioner Sevigny:

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, 2016.

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

Very truly yours,



Paul M. Gulko  
Executive Secretary/Clerk

Enclosure

cc: The Board of Directors of the Association

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March 1, 2017

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, 2016

During 2016, there was one new insolvency submitted to the Board of Directors for action. On June 3, 2016, the Board of Directors of the Association (the "Board") met and voted to accept the insolvency of Lumbermen's Underwriting Alliance, which had been declared insolvent by the State of Missouri. The Board decided that the administration of this insolvency would be provided by Guaranty Fund Management Services<sup>®</sup> ("GFMS<sup>®</sup>").

On October 19, 2016, the member insurers of the Association held their Annual Meeting in Cape Elizabeth, Maine, in conjunction with other meetings of the member guaranty associations of Guaranty Fund Management Services<sup>®</sup> ("GFMS<sup>®</sup>") 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: Concord General Mutual Insurance Company, Hanover Insurance Company and North American Specialty Insurance Company. The Chair thereupon directed the Executive Secretary to cast one vote for the election of the nominees as Directors for a three-year term, expiring in 2019.

The Chair then presented the 2015 Annual Report of the Association to the member insurers. The member insurers thereupon voted that the Annual Report be accepted.

The Plan of Operation was reviewed and the membership concluded that no amendments thereto were recommended at this time.

The Treasurer presented the Audited Financial Statements for the year ending December 31, 2015. The member insurers thereupon voted that the Report of the Treasurer be accepted.

Immediately subsequent thereto, the Board held its Annual Meeting. Joyce Hall Mellinger, Earl F. Cottam, Jr., Paul Gulko, Dawne Mills, and Kathleen Lavin, were elected Chair, Vice Chair, Treasurer, Executive Secretary/Clerk, Claims Manager and Treasurer, respectively, of the Association. The Board discussed and/or voted the following items:

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

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

The Plan of Operation was reviewed and the Board concluded that no amendments thereto were recommended.

The Board then 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 determined that neither an assessment nor a refund was warranted at this time.

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

ZURICH AMERICAN INSURANCE COMPANY	Joyce Hall Mellinger
PROVIDENCE MUTUAL FIRE INSURANCE COMPANY	Earl F. Cottam, Jr.
LIBERTY MUTUAL INSURANCE COMPANY	Donald Baldini
ACADIA INSURANCE COMPANY	Daniel Swift
CONCORD GENERAL MUTUAL INSURANCE COMPANY	Linda Day
NGM INSURANCE COMPANY	Bruce Fox
CONTINENTAL CASUALTY COMPANY	Richard Ehlers
HANOVER INSURANCE COMPANY	William Cahill
NORTH AMERICAN SPECIALTY INSURANCE COMPANY	Robert Solitro

The Statement of Account of the Association, from inception through December 31, 2016, 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 Chair

  
Joyce Hall Mellinger

**NEW HAMPSHIRE INSURANCE GUARANTY ASSOCIATION**  
**Balance Sheet**  
**December 31, 2016**

	<u>Inception To Date</u>
<b>Assets:</b>	
<b>Checking &amp; Short-Term Cash</b>	\$1,265,116.35
<b>Investments</b>	48,492,347.20
<b>Total Assets</b>	<u>\$49,757,463.55</u>
<b>Fund Balance</b>	<u>\$49,757,463.55</u>

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**New Hampshire Insurance Guaranty Association  
Statement of Cash Receipts and Disbursements  
From Inception Through December 31, 2016  
Total All Insolvencies**

	<u>Year To Date</u>	<u>Inception To Date</u>
<b>RECEIPTS:</b>		
Member Assessment Administrative	\$555.90	\$81,862.08
Member Assessment	-	97,564,790.00
Loan	-	425,000.00
Recovery	942,316.37	80,052,078.55
Interest Income	491,702.00	20,995,966.40
<b>Total Receipts</b>	<b>1,434,574.27</b>	<b>199,119,697.03</b>
<b>DISBURSEMENTS:</b>		
Claims Paid	1,220,334.38	63,812,905.24
Helmsman Claims Paid	358,257.13	22,083,357.61
Claims Expense Paid	77,793.96	11,567,800.26
Helmsman Claims Expense Paid	2,100.42	1,327,201.94
Premium Refund	-	1,604,688.63
<b>Member Refund</b>	<b>-</b>	<b>39,683,153.00</b>
<b>Operating Expenses:</b>		
Service Fee - ISO, Etc.	-	7,395.08
G.F.M.S.	264,870.35	6,716,336.82
Legal & Audit	13,177.37	1,126,171.86
Travel	3,885.49	178,605.86
NCIGF Fee	42,245.66	551,347.15
Insurance	6,000.00	56,490.00
Other	6,446.56	134,953.31
Administrative Expense	-	58,385.95
Interest	-	28,440.77
Loan	-	425,000.00
<b>Total Operating Expenses</b>	<b>336,625.43</b>	<b>9,283,126.80</b>
<b>Total Disbursements</b>	<b>1,995,111.32</b>	<b>149,362,233.48</b>
<b>Funds Available</b>	<b>(\$560,537.05)</b>	<b>\$49,757,463.55</b>
<b>Reserves:</b>		
Claims Liability Other		14,166.67
Claims Expense Liability Other		-
Subtotal Other		14,166.67
Claims Liability Workers		34,644,391.53
Claims Expense Liability Workers		667,799.96
Subtotal Workers		35,312,191.49
<b>Total Reserves</b>		<b>\$35,326,358.16</b>
<b>Funds Available Per Account</b>		
Auto		(\$653,643.27)
Other		4,056,559.34
Workers		46,283,053.66
<b>Total</b>		<b>\$49,685,969.73</b>

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