

CONNECTICUT INSURANCE GUARANTY ASSOCIATION

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March 1, 2009

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, 2008

During 2008, there was one new insolvency reported to the Association. On April 15, 2008, the Board of Directors of the Association (the "Board") voted to accept the insolvency of MIIX Insurance Company, which had been declared insolvent by the State of New Jersey. The Board decided that the administration of this insolvency would be provided by Guaranty Fund Management Services® ("GFMS®"). The Board also continued to monitor existing insolvencies and potential insolvencies.

On October 26, 2008, the Board held its Annual Meeting in Freeport, Maine, in conjunction with other meetings of the member guaranty associations of GFMS and its committees. 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.

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>
Home Insurance Company			\$2,000,000
	\$ 0	\$ 0	\$2,000,000
Total Assessment		\$ 2,000,000	

<u>REFUND</u>	<u>AUTO</u>	<u>OTHER</u>	<u>WORKERS' COMP</u>
Transit Casualty Insurance Company	(\$55,152)	(\$1,542,401)	
Midland Insurance Company		(2,041,432)	
Integrity Insurance Company	(17,689)	(368,760)	
American Universal Insurance Co.		(107,082)	
United Community Insurance Co.	(43,455)	(30,951)	
Abington Mutual Insurance Co.		(164,137)	
	(\$ 116,296)	(\$ 4,254,763)	\$ 0
Total Refund		(\$ 4,371,059)	
Net Refund		(\$2,371,059)	

Upon recommendation of Ms. Lavin, the Board further voted that the **Integrity, United Community** and **Abington Mutual** insolvencies be **CLOSED**.

Mr. Corbett, Counsel to GFMS, reported that St. §38a-844, had been amended, effective May 27, 2008, for insolvencies occurring on or after December 1, 2001, to exempt from net worth recovery any nonprofit domestic corporation and any affiliate thereof that provides health services and social services to meet the needs of the elderly.

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

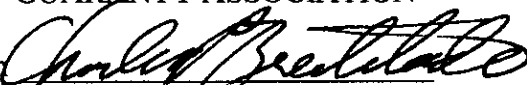
NATIONWIDE INSURANCE COMPANY	Charles P. Breitstadt
MIDDLESEX MUTUAL ASSURANCE COMPANY	Diane Choate
PATRONS MUTUAL INSURANCE COMPANY OF CONNECTICUT	Fred Taverne
HARTFORD FIRE INSURANCE COMPANY	Steven Pieren
METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY	Maura Travers
AMICA MUTUAL INSURANCE COMPANY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

By its Chairman


Charles P. Breitstadt

CONNECTICUT INSURANCE GUARANTY ASSOCIATION

Balance Sheet

December 31, 2008

**Year
To Date**

Assets:	
Checking & Short-Term Cash	\$5,926,868.87
Investments	62,711,838.97

Total Assets	\$68,638,707.84
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Fund Balance	\$68,638,707.84
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Connecticut 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	\$90,642.81	\$180,682.71
Member Assessment	2,811,600.00	283,377,277.00
Recovery	12,444,753.97	146,233,367.15
Interest Income	2,506,006.44	48,294,690.87
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Total Receipts	17,853,003.22	478,086,017.73
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DISBURSEMENTS:		
Claims Paid	3,603,127.78	161,342,373.58
Helmsman Claims Paid	181,223.44	27,189,630.39
Claims Expense Paid	1,009,424.04	27,534,117.77
Helmsman Claims Expense Paid	960.60	2,581,061.78
Premium Refund	65,305.95	1,061,292.02
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Member Refund	4,292,752.00	169,082,100.00
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Operating Expenses:		
Service Fee - ISO, Etc.	0.00	179,595.73
G.F.M.S.	1,180,995.63	16,971,936.59
Legal & Audit	87,275.13	2,223,342.35
Travel	6,344.71	207,373.92
NCIGF Fee	111,088.00	615,967.71
Insurance	15,826.00	15,826.00
Other	7,379.00	269,797.47
Administrative Expense	90,642.81	172,894.58
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Total Operating Expenses	1,499,551.28	20,656,734.35
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Total Disbursements	10,652,345.09	409,447,309.89
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Funds Available	\$7,200,658.13	\$68,638,707.84
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Reserves:		
Claims Liability Auto		418,905.00
Claims Expense Liability Auto		119,365.15
Unearned Premium Liability Auto		5,589.40

Subtotal Auto		543,859.55

Claims Liability Other		4,690,417.00
Claims Expense Liability Other		470,799.98
Unearned Premium Liability Other		7,857.71

Subtotal Other		5,169,074.69

Claims Liability Workers	47,853,465.12
Claims Expense Liability Workers	1,911,076.86
Unearned Premium Liability Workers	1,591.96

Subtotal Workers	49,766,133.94

Total Reserves	\$55,479,068.18
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 Funds Available Per Account	
Auto	\$3,641,055.05
Other	20,833,165.47
Workers	43,996,396.09

Total	\$68,470,616.61
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