

RHODE ISLAND PROPERTY & CASUALTY 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, 2018

The Honorable Elizabeth Dwyer
Superintendent of Insurance
RI Department of Business Regulations
1511 Pontiac Avenue, Bldg 69-2
Cranston, RI 02920

Re: Rhode Island Property & Casualty Insurance Guaranty Association (the "Association")
Annual Report of the Association for the Year Ending December 31, 2017

Dear Superintendent Dwyer:

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, 2017.

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
Jack Broccoli, Associate Director

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March 1, 2018

To: THE SUPERINTENDENT OF INSURANCE (“the “Superintendent”) AND THE
MEMBER INSURERS OF THE RHODE ISLAND PROPERTY & CASUALTY
INSURANCE GUARANTY ASSOCIATION (“the Association”)

Re: The Annual Report of the Association for the Year ending December 31, 2017

During 2017, there was one new insolvency reported to the Association. On April 5, 2017, the Board of Directors of the Association (the “Board”) met and voted to accept the insolvency of CastlePoint National Insurance Company, which had been declared insolvent by the State of California. CastlePoint is the successor company formed by merger of the following Tower Group of companies:

Tower Insurance Company of New York
Tower National Insurance Company
CastlePoint Florida Insurance Company
York Insurance Company of Maine
Massachusetts Homeland Insurance Company
Hermitage Insurance Company
North East Insurance Company
Preserver Insurance Company
CastlePoint Insurance Company

The Board decided that the administration of this insolvency would be provided by Guaranty Fund Management Services[®] (“GFMS[®]”).

On October 13, 2017, the Board held its Annual Meeting in Alexandria, Virginia in conjunction with other meetings of the member insolvency associations and fund of GFMS and its committees. Maura Travers, Earl (“Ty”) Cottam, Jr., Paul Gulko, Dawne Mills, and Kathleen Lavin, were elected Chair, Vice Chair, Executive Secretary, Claims Manager and Treasurer, respectively, of the Association. The Board discussed and/or voted the following items:

The Board received and considered the report of the Executive Secretary regarding the ballots transmitted by member insurers with instructions to vote in favor of the following nominees as Directors: Amica Mutual Insurance Company and Nationwide Mutual Insurance Company. The Chair thereupon directed the Executive Secretary to cast one vote for the nominees as directors for a three-year term, expiring in 2020.

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

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

The Board reviewed the existing contract with GFMS and determined no changes were necessary.

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 an assessment in the amount of **\$1,883,131** in the Workers' Compensation account was required.

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

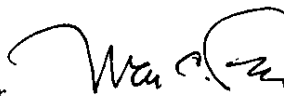
METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY	Maura Travers
PROVIDENCE MUTUAL FIRE INSURANCE COMPANY	Earl F. Cottam, Jr.
FACTORY MUTUAL INSURANCE COMPANY	Jay Swiatek
LIBERTY MUTUAL INSURANCE COMPANY	Donald Baldini
NATIONWIDE MUTUAL INSURANCE COMPANY	Larry Alan
AMICA MUTUAL INSURANCE COMPANY	Robert Suglia
VERMONT MUTUAL INSURANCE COMPANY	Brian Eagan
EX-OFFICIO: SUPERINTENDENT OF INSURANCE	Elizabeth Dwyer

The Statement of Account of the Association, from inception through December 31, 2017, and its Balance Sheet for the same period, are attached hereto and made a part hereof.

Respectfully submitted,

The Board of Directors of the
RHODE ISLAND PROPERTY & CASUALTY
INSURANCE GUARANTY ASSOCIATION

By its Chair



Maura Travers

RHODE ISLAND P&C INSURANCE GUARANTY ASSOCIATION
Balance Sheet
December 31, 2017
Inception
To Date

Assets:

Checking & Short-Term Cash	\$1,021,436.26
Investments	23,330,002.47

Total Assets	\$24,351,438.73
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Fund Balance	\$24,351,438.73
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Rhode Island Property & Casualty Insurance Guaranty Association
Statement of Cash Receipts and Disbursements
From Inception Through December 31, 2017
Total All Insolvencies

	Year To Date	Inception To Date
RECEIPTS:		
Member Assessment Administrative	(\$11,135.92)	\$563,502.70
Member Assessment	1,904,658.00	112,706,045.00
Member Assessment Special	-	9,173,260.00
Member Assessment Borrowing	-	4,998,487.00
Line of Credit	-	1,349,385.00
Loan	-	2,500,000.00
Interaccount Special Transfer	-	9,173,260.00
Recovery	1,308,101.24	86,099,333.04
Interest Income	245,795.13	20,791,722.75
Interest Income - Line of Credit	-	402,698.25
Total Receipts	3,447,418.45	247,757,693.74
DISBURSEMENTS:		
Claims Paid	776,561.48	74,655,041.31
Third-Party Administrator Claims Paid	117,228.66	29,385,906.90
Claims Expense Paid	93,178.40	13,691,237.98
Third-Party Administrator Claims Expense Paid	1,182.91	3,194,602.31
Premium Refund	-	5,293,327.51
Member Refund	543.00	63,957,536.00
Member Refund Borrowing	-	4,952,128.00
Operating Expenses:		
Service Fee - ISO, Etc.	-	103,879.74
G.F.M.S.	274,183.75	10,821,093.51
Legal & Audit	17,887.95	2,208,049.96
Travel	6,439.30	162,160.28
NCIGF Fee	42,665.67	557,443.70
Insurance	6,000.00	53,094.00
Other	4,025.16	128,996.38
Administrative Expense	-	629,996.07
Interest	-	1,938,501.36
Loan	-	2,500,000.00
Interaccount Special Transfer	-	9,173,260.00
Total Operating Expenses	351,201.83	28,276,475.00
Total Disbursements	1,339,896.28	223,406,255.01
Funds Available	\$2,107,522.17	\$24,351,438.73
Reserves:		
Claims Liability Auto		137,302.00
Claims Expense Liability Auto		51,627.40
Subtotal Auto		188,929.40
Claims Liability Other		27,502.00
Claims Expense Liability Other		16,535.88
Subtotal Other		44,037.88

Rhode Island Property & Casualty Insurance Guaranty Association
Statement of Cash Receipts and Disbursements
From Inception Through December 31, 2017
Total All Insolvencies

	Year To Date	Inception To Date
Claims Liability Workers		12,745,125.78
Claims Expense Liability Workers		224,334.43
Subtotal Workers		12,969,460.21
Total Reserves		\$13,202,427.49
Funds Available Per Account		
Auto		\$274,528.13
Other		712,205.29
Workers		21,255,104.34
Total		\$22,241,837.76

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Rhode Island Property & Casualty Insurance Guaranty Association
Statement of Cash Receipts and Disbursements
From Inception Through December 31, 2017
Consolidated Statement of Closed Insolvencies
Inception
To Date

RECEIPTS:

Member Assessment Administrative	(\$296,429.08)
Member Assessment	46,020,763.00
Recovery	26,245,022.26
Interest Income	6,092,664.47
Total Receipts	78,062,020.65

DISBURSEMENTS:

Claims Paid	26,412,335.58
Third-Party Administrator Claims Paid	1,307,263.29
Claims Expense Paid	5,551,411.89
Third-Party Administrator Claims Expense Paid	165,656.05
Premium Refund	1,779,252.34
Member Refund	38,601,846.00
Operating Expenses:	
Service Fee - ISO, Etc.	88,590.51
G.F.M.S.	2,957,018.64
Legal & Audit	316,838.21
Travel	70,627.36
NCIGF Fee	123,074.98
Other	58,109.73
Administrative Expense	629,996.07
Total Operating Expenses	4,244,255.50
Total Disbursements	78,062,020.65

Funds Available

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**Rhode Island Property & Casualty Insurance Guaranty Association
Statement of Cash Receipts and Disbursements
From Inception Through December 31, 2017**

	Administrative Year To Date	Inception To Date
RECEIPTS:		
Member Assessment Administrative	\$115,035.73	\$936,378.82
Line of Credit	-	1,349,385.00
Interest Income	15,169.54	89,875.23
Interest Income - Line of Credit	-	402,698.25
Total Receipts	130,205.27	2,778,337.30
DISBURSEMENTS:		
Operating Expenses:		
G.F.M.S.	-	96,745.01
Other	-	1,000.00
Total Operating Expenses	-	97,745.01
Total Disbursements	-	97,745.01
Funds Available	\$130,205.27	\$2,680,592.29
Reserves:		
Total Reserves		-
Funds Available Per Account		
Auto		\$152,459.15
Other		323,008.23
Workers		95,523.94
Total		\$570,991.32

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