

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 18, 2015

The Honorable Joseph Torti, III
Superintendent of Insurance
RI Department of Business Regulations
1511 Pontiac Avenue
Cranston, RI 02920

Re: Rhode Island Property & Casualty Insurance Guaranty Association (the "Association")
Annual Report of the Association for the Year Ending December 31, 2014

Dear Superintendent Torti:

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, 2014.

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

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March 18, 2015

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, 2014

During 2014, there were three new insolvencies reported to the Association. On August 7, 2014, the Board of Directors of the Association (the “Board”) met and voted to accept the insolvency of Freestone Insurance Company, which had been declared insolvent by the State of Delaware. On October 18, 2014, the Board of Directors of the Association (the “Board”) met and voted to accept the insolvencies of Red Rock Insurance Company, which had been declared insolvent by the State of Oklahoma, and Professional Liability Insurance Company of America, 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® (“GFMS®”).

On October 18, 2014, the Board held its Annual Meeting in Woodstock, VT, in conjunction with other meetings of the member insolvency funds of GFMS and its committees. Maura Travers, Earl (“Ty”) Cottam, Jr., Paul Gulko, James Winskowicz, 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 2017.

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

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 no assessment was required and that a refund of **\$679,509** in the Other Account was warranted.

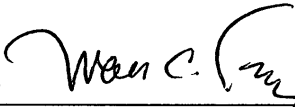
The member insurers currently serving on the Board and their designated representatives are:

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	William Catto
EX-OFFICIO: SUPERINTENDENT OF INSURANCE	Joseph Torti, III

The Statement of Account of the Association, from inception through December 31, 2014, 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 Property & Casualty Insurance Guaranty Association
Statement of Cash Receipts and Disbursements
From Inception Through December 31, 2014 and Quarter Ending December 31, 2014
Total All

Quarter Ending 12/31/2014

Inception To Date

RECEIPTS:

Member Assessment Administrative	-	\$636,590.83
Member Assessment	-	107,581,899.00
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	650,305.49	79,789,925.23
Interest Income	49,554.34	20,131,754.10
Interest Income - Line of Credit	-	402,698.25
Total Receipts	699,859.83	235,737,259.41

DISBURSEMENTS:

Claims Paid	203,272.26	72,000,004.42
Helmsman Claims Paid	33,026.31	28,795,044.02
Claims Expense Paid	9,244.00	13,460,164.97
Helmsman Claims Expense Paid	1,840.65	3,186,483.38
Premium Refund	-	5,293,327.51
Member Refund	650,039.00	57,328,619.00
Member Refund Borrowing	-	4,952,128.00
Operating Expenses:		
Service Fee - ISO, Etc.	-	103,879.74
G.F.M.S.	78,322.46	10,140,181.15
Legal & Audit	6,147.62	2,172,485.74
Travel	4,729.06	146,679.07
NCIGF Fee	-	438,578.37
Insurance	6,000.00	35,094.00
Other	696.35	116,569.43
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	95,895.49	27,395,224.93
Total Disbursements	993,317.71	212,410,996.23
Funds Available	(\$293,457.88)	\$23,326,263.18

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Rhode Island Property & Casualty Insurance Guaranty Association
Statement of Cash Receipts and Disbursements
From Inception Through December 31, 2014 and Quarter Ending December 31, 2014
Admin

Quarter Ending 12/31/2014

Inception To Date

RECEIPTS:

Member Assessment Administrative	-	\$474,281.92
Line of Credit	-	1,349,385.00
Interest Income - Line of Credit	-	402,698.25
Total Receipts	-	2,226,365.17

DISBURSEMENTS:

Operating Expenses:		
Other	-	1,000.00
Total Operating Expenses	-	1,000.00
Total Disbursements	-	1,000.00
Funds Available	-	\$2,225,365.17

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Rhode Island Property & Casualty Insurance Guaranty Association
Statement of Cash Receipts and Disbursements
From Inception Through December 31, 2014 and Quarter Ending December 31, 2014
Auto

Quarter Ending 12/31/2014 Inception To Date

RECEIPTS:

Member Assessment Administrative	-	\$9,435.28
Member Assessment	-	28,273,193.00
Member Assessment Special	-	3,827,418.00
Member Assessment Borrowing	-	2,795,495.00
Recovery	(329,175.88)	10,501,734.80
Interest Income	941.73	2,590,410.19
Total Receipts	(328,234.15)	47,997,686.27

DISBURSEMENTS:

Claims Paid	-	18,212,926.54
Claims Expense Paid	-	3,855,975.27
Premium Refund	-	2,186,789.62
 Member Refund	 -	 13,648,102.20
Member Refund Borrowing	-	2,795,661.00
 Operating Expenses:		
Service Fee - ISO, Etc.	-	50,837.82
G.F.M.S.	4,101.54	2,806,645.78
Legal & Audit	-	304,952.46
Travel	-	16,049.11
NCIGF Fee	-	17,779.34
Insurance	-	415.34
Other	-	9,814.55
Administrative Expense	-	51,543.95
Interaccount Special Transfer	-	3,827,418.00
Total Operating Expenses	4,101.54	7,085,456.35
 Total Disbursements	 4,101.54	 47,784,910.98
 Funds Available	 (\$332,335.69)	 \$212,775.29

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Rhode Island Property & Casualty Insurance Guaranty Association
Statement of Cash Receipts and Disbursements
From Inception Through December 31, 2014 and Quarter Ending December 31, 2014
Other

	Quarter Ending 12/31/2014	Inception To Date
RECEIPTS:		
Member Assessment Administra	-	\$111,852.10
Member Assessment	-	42,661,105.00
Member Assessment Special	-	5,345,842.00
Member Assessment Borrowing	-	2,202,992.00
Recovery	(204,386.65)	24,428,288.05
Interest Income	10,583.43	4,988,995.87
Total Receipts	(193,803.22)	79,739,075.02
DISBURSEMENTS:		
Claims Paid	-	24,774,532.39
Claims Expense Paid	500.00	6,748,455.17
Premium Refund	-	2,037,503.39
Member Refund	650,039.00	33,734,012.80
Member Refund Borrowing	-	2,156,467.00
Operating Expenses:		
Service Fee - ISO, Etc.	-	53,226.10
G.F.M.S.	4,945.87	3,035,532.58
Legal & Audit	0.46	405,877.40
Travel	26.32	46,738.94
NCIGF Fee	-	96,686.22
Insurance	35.27	4,235.70
Other	3.14	39,608.86
Administrative Expense	-	402,979.05
Interest	-	4,294.00
Interaccount Special Transfer	-	5,345,842.00
Total Operating Expenses	5,011.06	9,435,020.85
Total Disbursements	655,550.06	78,885,991.60
Funds Available	(\$849,353.28)	\$853,083.42

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Rhode Island Property & Casualty Insurance Guaranty Association
Statement of Cash Receipts and Disbursements
From Inception Through December 31, 2014 and Quarter Ending December 31, 2014
Workers Comp

Quarter Ending 12/31/2014 Inception To Date

RECEIPTS:

Member Assessment Administrative	-	\$41,021.53
Member Assessment	-	36,647,601.00
Loan	-	2,500,000.00
Interaccount Special Transfer	-	9,173,260.00
Recovery	1,183,868.02	44,859,902.38
Interest Income	38,029.18	12,552,348.04
Total Receipts	1,221,897.20	105,774,132.95

DISBURSEMENTS:

Claims Paid	203,272.26	29,012,545.49
Helmsman Claims Paid	33,026.31	28,795,044.02
Claims Expense Paid	8,744.00	2,855,734.53
Helmsman Claims Expense Paid	1,840.65	3,186,483.38
Premium Refund	-	1,069,034.50
Member Refund	-	9,946,504.00
Operating Expenses:		
Service Fee - ISO, Etc.	-	(184.18)
G.F.M.S.	69,275.05	4,298,002.79
Legal & Audit	6,147.16	1,461,655.88
Travel	4,702.74	83,891.02
NCIGF Fee	-	324,112.81
Insurance	5,964.73	30,442.96
Other	693.21	66,146.02
Administrative Expense	-	175,473.07
Interest	-	1,934,207.36
Loan	-	2,500,000.00
Total Operating Expenses	86,782.89	10,873,747.73
Total Disbursements	333,666.11	85,739,093.65
Funds Available	\$888,231.09	\$20,035,039.30