

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, 2016

The Honorable Elizabeth Kelleher Dwyer
Superintendent of Insurance
RI Department of Business Regulations
1511 Pontiac Avenue
Cranston, RI 02920

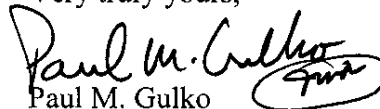
Re: Rhode Island Property & Casualty Insurance Guaranty Association (the "Association")
Annual Report of the Association for the Year Ending December 31, 2015

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, 2015.

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, 2016

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, 2015

During 2015, there was one new insolvency reported to the Association. On December 3, 2015, the Board of Directors of the Association (the “Board”) met and voted to accept the insolvency of Lincoln General Insurance Company, which had been declared insolvent by the Commonwealth of Pennsylvania. The Board decided that the administration of this insolvency would be provided by Guaranty Fund Management Services[®] (“GFMS[®]”).

On October 31, 2015, the Board held its Annual Meeting in Groton, Connecticut, in conjunction with other meetings of the member insolvency funds 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: Factory Mutual Insurance Company, Providence Mutual Insurance Company and Vermont 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 2018.

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 an assessment in the amount of **\$1,527,860** in the Workers’ Compensation account was required and that refunds of **\$448,997** in the Auto account, **\$360,537** in the Other Account and **\$2,432,233** are warranted. Thus, the net amount refunded to the member insurers is **\$1,815,432**.

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	Joseph Torti, III

The Statement of Account of the Association, from inception through December 31, 2015, 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, 2015
Inception
To Date

Assets:

Checking & Short-Term Cash	\$1,810,909.49
Investments	22,628,320.69

Total Assets	\$24,439,230.18
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Fund Balance	\$24,439,230.18
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Rhode Island Property & Casualty Insurance Guaranty Association
Statement of Cash Receipts and Disbursements
From Inception Through December 31, 2015
Total All Insolvencies

	Year To Date	Inception To Date
RECEIPTS:		
Member Assessment - Administrative	\$163.04	\$636,753.87
Member Assessment	1,465,702.00	109,047,601.00
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	3,918,442.17	83,708,367.40
Interest Income	208,002.49	20,339,756.59
Interest Income - Line of Credit	-	402,698.25
Total Receipts	5,592,309.70	241,329,569.11
DISBURSEMENTS:		
Claims Paid	812,653.50	72,812,657.92
Helmsman Claims Paid	229,904.78	29,024,948.80
Claims Expense Paid	34,761.63	13,494,926.60
Helmsman Claims Expense Paid	4,423.52	3,190,906.90
Premium Refund	-	5,293,327.51
Member Refund	3,163,466.00	60,492,085.00
Member Refund - Borrowing	-	4,952,128.00
Operating Expenses:		
Service Fee - ISO, Etc.	-	103,879.74
G.F.M.S.	177,516.41	10,317,697.56
Legal & Audit	7,711.52	2,180,197.26
Travel	3,311.37	149,990.44
NCIGF Fee	36,025.00	474,603.37
Insurance	6,000.00	41,094.00
Other	3,568.97	120,138.40
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	234,133.27	27,629,358.20
Total Disbursements	4,479,342.70	216,890,338.93
Funds Available	\$1,112,967.00	\$24,439,230.18
Reserves:		
Claims Liability Other		201,505.00
Claims Expense Liability Other		6,299.21
Subtotal Other		207,804.21
Claims Liability Workers		14,352,590.54
Claims Expense Liability Workers		183,505.08
Subtotal Workers		14,536,095.62
Total Reserves		\$14,743,899.83
Funds Available Per Account		
Auto		\$313,938.92
Other		999,244.10
Workers		20,928,545.64

Rhode Island Property & Casualty Insurance Guaranty Association
Statement of Cash Receipts and Disbursements
From Inception Through December 31, 2015
Total All Insolvencies

	Year To Date	Inception To Date
Total		\$22,241,728.66

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**Rhode Island Property & Casualty Insurance Guaranty Association
Statement of Cash Receipts and Disbursements
From Inception Through December 31, 2015**

	Administrative Year To Date	Inception To Date
RECEIPTS:		
Member Assessment Administrative	\$91,976.60	\$799,160.04
Line of Credit	-	1,349,385.00
Interest Income	38,854.24	67,147.84
Interest Income - Line of Credit	-	402,698.25
Total Receipts	130,830.84	2,618,391.13
DISBURSEMENTS:		
Operating Expenses:		
G.F.M.S.	52,727.06	82,095.63
Other	-	1,000.00
Total Operating Expenses	52,727.06	83,095.63
Total Disbursements	52,727.06	83,095.63
Funds Available	\$78,103.78	\$2,535,295.50
Reserves:		
Total Reserves		-
Funds Available Per Account		
Auto		\$52,573.93
Other		168,056.32
Workers		117,163.73
Total		\$337,793.98

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Rhode Island Property & Casualty Insurance Guaranty Association
Statement of Cash Receipts and Disbursements
From Inception Through December 31, 2015
Consolidated Statement of Closed Insolvencies
Inception
To Date

RECEIPTS:

Member Assessment Administrative	(\$176,773.89)
Member Assessment	41,287,043.00
Recovery	22,494,420.39
Interest Income	5,758,571.50
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Total Receipts	69,363,261.00
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DISBURSEMENTS:

Claims Paid	22,449,283.82
Helmsman Claims Paid	1,307,263.29
Claims Expense Paid	5,006,468.95
Helmsman Claims Expense Paid	165,656.05
Premium Refund	1,449,514.63
Member Refund	35,585,371.00
Operating Expenses:	
Service Fee - ISO, Etc.	88,590.51
G.F.M.S.	2,171,125.27
Legal & Audit	301,633.90
Travel	65,654.36
NCIGF Fee	108,328.58
Other	52,463.92
Administrative Expense	611,906.72
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Total Operating Expenses	3,399,703.26
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Total Disbursements	69,363,261.00
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Funds Available	-
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