

MAINE 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 Eric Cioppa, Superintendent
Maine Bureau of Insurance
State House Station 34
Augusta, ME 04333

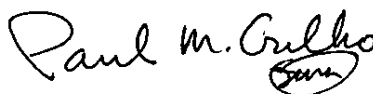
Re: Maine Insurance Guaranty Association (the "Association")
Annual Report of the Association for the Year Ending December 31, 2016

Dear Superintendent Cioppa:

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

Enclosure

cc: The Board of Directors of the Association

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March 1, 2017

To: THE SUPERINTENDENT OF INSURANCE (the "Superintendent") AND THE MEMBER INSURERS OF THE MAINE 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 May 26, 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[®] ("GFMS[®]").

On October 20, 2016, the Board held its Annual Meeting in Cape Elizabeth, Maine, in conjunction with other meetings of the member guaranty associations of Guaranty Fund Management Services[®] ("GFMS[®]") and its committees. Timothy Vernon, Priscilla Lenkowski, Paul Gulko, Dawne Mills, and Kathleen Lavin, were elected Chair, Vice Chair, Executive Secretary, Claims Manager and Treasurer, respectively, of the Association. In addition, 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 the member insurers with instructions to vote in favor of the following nominees as Directors: Metropolitan Property and Casualty Insurance Company and Vermont Mutual Insurance Company. The Chair then 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 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 received and considered reports concerning claims and reports on recoveries from receivers.

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 the time.

The member insurers serving on the Board and their designated representatives as of December 31, 2016 are:

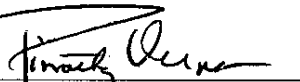
MMG INSURANCE COMPANY	Timothy Vernon
LIBERTY MUTUAL INSURANCE COMPANY	Priscilla Lenkowski
METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY	Maura Travers
TRAVELERS INDEMNITY COMPANY	David Fleming
PATRIOT INSURANCE COMPANY	Lincoln Merrill
PATRONS OXFORD INSURANCE COMPANY	Mark Pettingill
VERMONT MUTUAL INSURANCE COMPANY	Brian Eagan

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
MAINE INSURANCE
GUARANTY ASSOCIATION

By its Chair


Timothy Vernon

MAINE INSURANCE GUARANTY ASSOCIATION
Balance Sheet
December 31, 2016

	<u>Inception To Date</u>
Assets:	
Checking & Short-Term Cash	\$782,649.38
Investments	32,334,192.82
Total Assets	<u>\$33,116,842.20</u>
Fund Balance	<u>\$33,116,842.20</u>

**Maine 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>
RECEIPTS:		
Member Assessment Administrative	\$461.24	\$208,313.34
Member Assessment	13,689.00	91,991,001.00
Member Assessment Special	-	37,890,048.00
Loan	-	2,500,000.00
Interaccount Special Transfer	-	30,274,285.00
Recovery	829,259.84	110,795,002.29
Interest Income	332,115.43	20,158,234.79
Total Receipts	1,175,525.51	293,816,884.42
DISBURSEMENTS:		
Claims Paid	2,938,026.97	136,738,659.63
Helmsman Claims Paid	157,232.50	45,629,309.41
Claims Expense Paid	172,132.61	6,014,074.16
Helmsman Claims Expense Paid	330.00	3,190,802.39
Premium Refund	-	1,079,279.32
Member Refund	1,782.00	19,516,972.00
Member Refund Special	-	7,615,763.00
Operating Expenses:		
Service Fee - ISO, Etc.	-	30,077.28
G.F.M.S.	252,141.84	5,704,651.63
Legal & Audit	13,009.46	891,961.57
Travel	11,315.64	220,603.11
NCIGF Fee	40,094.00	522,729.55
Insurance	6,000.00	42,570.00
Other	4,480.18	252,805.34
Administrative Expense	-	196,626.53
Interest	-	278,872.30
Loan	-	2,500,000.00
Interaccount Special Transfer	-	30,274,285.00
Total Operating Expenses	327,041.12	40,915,182.31
Total Disbursements	3,596,545.20	260,700,042.22
Funds Available	(\$2,421,019.69)	\$33,116,842.20
Reserves:		
Claims Liability Auto		125,000.00
Claims Expense Liability Auto		8,849.30
Subtotal Auto		133,849.30
Claims Liability Other		45,000.00
Claims Expense Liability Other		20,396.41
Subtotal Other		65,396.41
Claims Liability Workers		25,811,761.71
Claims Expense Liability Workers		464,242.05
Subtotal Workers		26,276,003.76
Total Reserves		\$26,475,249.47
Funds Available Per Account		
Auto		(\$195,314.60)
Other		(480,273.03)
Workers		33,591,784.25
Total		\$32,916,196.62

1/23/2017

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