

NEW HAMPSHIRE 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, 2012

The Honorable Roger A. Seigny
Commissioner of Insurance
New Hampshire Insurance Department
21 South Fruit Street, Suite 14
Concord, NH 03301

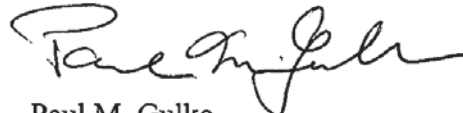
Re: New Hampshire Insurance Guaranty Association (the "Association")
Annual Report of the Association for the Year Ending December 31, 2011

Dear Commissioner Seigny:

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, 2011.

Should you have any questions, please do not hesitate to contact me.

Very truly yours,



Paul M. Gulko
Executive Secretary/Clerk

Enclosure

cc: The Board of Directors of the Association

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March 1, 2012

To: THE COMMISSIONER OF INSURANCE (the "Commissioner") AND
THE MEMBER INSURERS OF THE NEW HAMPSHIRE INSURANCE GUARANTY
ASSOCIATION (the "Association")

Re: The Annual Report of the Association for the Year ending December 31, 2011

During 2011, there were two new insolvencies reported to the Association. On May 13, 2011, the Board of Directors of the Association (the "Board") voted to accept the insolvencies of Atlantic Mutual Insurance Company and Centennial Insurance Company, 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[®]"). The Board also continued to monitor existing insolvencies and potential insolvencies.

On October 18, 2011, the member insurers of the Association held their Annual Meeting in Providence, Rhode Island, in conjunction with other meetings of the member guaranty associations of Guaranty Fund Management Services[®] ("GFMS[®]") and its committees.

The member insurers 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: Liberty Mutual Insurance Company, NGM Insurance Company and Providence Mutual Fire Insurance Company. The Chair thereupon directed the Executive Secretary to cast one vote for the election of the nominees as Directors for a three-year term, expiring in 2014.

The Chair then presented the 2010 Annual Report of the Association to the member insurers. The member insurers thereupon voted that the Annual Report be accepted.

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

The Treasurer, presented the Audited Financial Statements for the year ending December 31, 2010. The member insurers thereupon voted that the Report of the Treasurer be accepted.

Immediately subsequent thereto, the Board held its Annual Meeting. John Hartman, Charles Hamblen, Paul Gulko, James Winskowicz, and Kathleen Lavin, were elected Chair, Vice Chair, Treasurer, Executive Secretary/Clerk, Claims Manager and Treasurer, respectively, of the Association.

The Board received and considered reports concerning claims and recoveries from receivers. The Board reviewed the existing contract with GFMS and decided to make no changes.

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

The Board considered and adopted Expense Guidelines for Board and Committee Members.

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>
	\$0	\$0	\$0
Total Assessment		\$0	
<u>REFUND</u>	<u>AUTO</u>	<u>OTHER</u>	<u>WORKERS' COMP</u>
Transit Casualty Company	(\$19,160)	(\$ 60,451)	(\$0)
PHICO Insurance Company		(\$1,500,000)	(\$0)
	(\$19,160)	(\$1,560,451)	(\$0)
Total Refund		(\$1,579,611)	
Net Refund		(\$1,579,611)	

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

LIBERTY MUTUAL INSURANCE COMPANY	John E. Hartman
ACADIA INSURANCE COMPANY	Charles Hamblen
CONCORD GENERAL MUTUAL INSURANCE COMPANY	Linda Day
PROVIDENCE MUTUAL FIRE INSURANCE COMPANY	Earl F. Cottam, Jr.
ZURICH AMERICAN INSURANCE COMPANY	Joyce Hall Mellinger
NGM INSURANCE COMPANY	Bruce Fox
CONTINENTAL CASUALTY COMPANY	Wynette M. Head
HANOVER INSURANCE COMPANY	William Cahill
NORTH AMERICAN SPECIALTY INSURANCE COMPANY	Robert Solitro

The Statement of Account of the Association, from inception through December 31, 2011, and its Balance Sheet for the same period, are attached hereto and made a part hereof.

Respectfully submitted,

The Board of Directors of the
NEW HAMPSHIRE INSURANCE
GUARANTY ASSOCIATION

By its Chair

A handwritten signature in black ink, reading "John E. Hartman". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

John E. Hartman

NEW HAMPSHIRE INSURANCE GUARANTY ASSOCIATION
Balance Sheet
December 31, 2011

	<u>Inception To Date</u>
Assets:	
Checking & Short-Term Cash	\$1,101,247.60
Investments	<u>37,420,366.66</u>
Total Assets	<u><u>\$38,521,614.26</u></u>
Fund Balance	<u><u>\$38,521,614.26</u></u>

New Hampshire Insurance Guaranty Association
Statement of Cash Receipts and Disbursements
From Inception Through December 31, 2011
Total All Insolvencies

	<u>Year To Date</u>	<u>Inception To Date</u>
RECEIPTS:		
Member Assessment Administrative	\$392.09	\$78,369.35
Member Assessment	7,342.00	97,564,790.00
Loan	0.00	425,000.00
Recovery	282,821.85	61,114,472.78
Interest Income	<u>1,016,410.73</u>	<u>18,122,988.76</u>
Total Receipts	<u>1,306,966.67</u>	<u>177,305,620.89</u>
DISBURSEMENTS:		
Claims Paid	1,803,541.60	56,830,684.52
Helmsman Claims Paid	179,877.85	20,210,165.29
Claims Expense Paid	233,714.48	11,251,663.83
Helmsman Claims Expense Paid	2,050.00	1,317,825.52
Premium Refund	1,759.75	1,604,688.63
Member Refund	1,573,717.00	39,683,153.00
Operating Expenses:		
Service Fee - ISO, Etc.	0.00	7,395.08
G.F.M.S.	115,768.48	5,621,295.58
Legal & Audit	25,444.78	1,066,767.53
Travel	6,566.05	145,444.97
NCIGF Fee	70,079.00	400,135.49
Insurance	5,300.00	26,973.00
Other	6,927.70	108,088.79
Administrative Expense	392.09	56,284.63
Interest	0.00	28,440.77
Loan	<u>0.00</u>	<u>425,000.00</u>
Total Operating Expenses	<u>230,478.10</u>	<u>7,885,825.84</u>
Total Disbursements	<u>4,025,138.78</u>	<u>138,784,006.63</u>
Funds Available	<u>(\$2,718,172.11)</u>	<u>\$38,521,614.26</u>
Reserves:		
Claims Expense Liability Auto		<u>0.00</u>
Subtotal Auto		<u>0.00</u>
Claims Liability Other		300,154.00
Claims Expense Liability Other		<u>34,276.62</u>
Subtotal Other		<u>334,430.62</u>
Claims Liability Workers		30,225,882.34
Claims Expense Liability Workers		<u>563,687.18</u>
Subtotal Workers		<u>30,789,569.52</u>
Total Reserves		<u><u>\$31,124,000.14</u></u>
Funds Available Per Account		
Auto		(\$45,234.38)
Other		476,475.36
Workers		<u>38,021,358.14</u>
Total		<u><u>\$38,452,599.12</u></u>

New Hampshire Insurance Guaranty Association
Statement of Cash Receipts and Disbursements
From Inception Through December 31, 2011
Administrative

	Year To Date	Inception To Date
RECEIPTS:		
Member Assessment Administrative	\$392.09	\$69,015.14
Total Receipts	392.09	69,015.14
DISBURSEMENTS:		
Operating Expenses:		
Total Operating Expenses	0.00	0.00
Total Disbursements	0.00	0.00
Funds Available	\$392.09	\$69,015.14
Reserves:		
Total Reserves		\$0.00
Funds Available Per Account		
Auto		\$0.00
Other		0.00
Workers		0.00
Total		\$0.00

**New Hampshire Insurance Guaranty Association
Statement of Cash Receipts and Disbursements
From Inception Through December 31, 2011
Consolidated Statement of Closed Insolvencies**

	<u>Inception To Date</u>
RECEIPTS:	
Member Assessment Administrative	\$9,354.21
Member Assessment	7,318,880.00
Loan	425,000.00
Recovery	3,420,918.75
Interest Income	810,993.00
Total Receipts	11,985,145.96
DISBURSEMENTS:	
Claims Paid	3,236,909.92
Helmsman Claims Paid	469,655.01
Claims Expense Paid	668,609.98
Helmsman Claims Expense Paid	56,686.10
Premium Refund	175,218.90
Member Refund	6,145,126.00
Operating Expenses:	
Service Fee - ISO, Etc.	7,395.08
G.F.M.S.	478,884.39
Legal & Audit	133,415.73
Travel	37,845.53
NCIGF Fee	45,325.78
Other	20,348.14
Administrative Expense	56,284.63
Interest	28,440.77
Loan	425,000.00
Total Operating Expenses	1,232,940.05
Total Disbursements	11,985,145.96
Funds Available	\$0.00