

CONNECTICUT 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 Katharine L. Wade
Commissioner of Insurance
Connecticut Insurance Department
P.O. Box 816
Hartford, CT 06142-0816

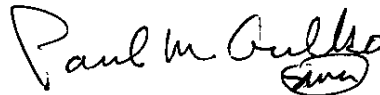
Re: Connecticut Insurance Guaranty Association (the "Association")
Annual Report of the Association for the Year Ending December 31, 2016

Dear Commissioner Wade:

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
Jon Arsenault, Esq.

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March 1, 2017

TO: THE COMMISSIONER OF INSURANCE (the "Commissioner") AND THE
MEMBER INSURERS OF THE CONNECTICUT INSURANCE GUARANTY
ASSOCIATION (the "Association")

RE: The Annual Report of the Association for the Year Ending December 31, 2016

During 2016, there were two new insolvencies reported to the Association. On April 8, 2016, the Board of Directors of the Association (the "Board") met and voted to accept the insolvency of Affirmative Insurance Company, which had been declared insolvent by the State of Illinois. The Board decided that the administration of this insolvency would be provided by Guaranty Fund Management Services® ("GFMS®"). On May 25, 2016, 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 further decided that the administration of this insolvency would be provided by GFMS.

On October 19, 2016, the Board held its Annual Meeting in Cape Elizabeth, Maine, in conjunction with other meetings of the member guaranty associations of GFMS and its committees. Charles Breitstadt, Maura Travers, 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: Amica Mutual Insurance Company, Hartford Fire Insurance Company, MEMIC Indemnity Company, Metropolitan Property and Casualty Insurance Company, Nationwide Insurance Company, Patrons Mutual Insurance Company of Connecticut and Travelers Indemnity 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 Board received and considered reports concerning claims and recoveries from receivers, respectively.

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 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:

ASSESSMENT

<u>AUTO</u>	<u>OTHER</u>	<u>WORKER'S COMP</u>
\$0	\$400,000	\$10,000,000

Total Assessment **\$10,400,000**

REFUND

<u>AUTO</u>	<u>OTHER</u>	<u>WORKERS' COMP</u>
(\$108,283)	(\$0)	(\$2,000,000)

Total Refund **(\$ 2,108,283)**

Net Assessment **\$8,291,717**

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

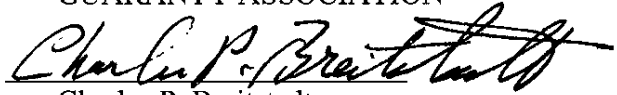
NATIONWIDE INSURANCE COMPANY	Charles P. Breitstadt
METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY	Maura Travers
MEMIC INDEMNITY COMPANY	Eileen Fongemie
PATRONS MUTUAL INSURANCE COMPANY OF CONNECTICUT	Fred Taverne
HARTFORD FIRE INSURANCE COMPANY	Andrew J. Schneider
AMICA MUTUAL INSURANCE COMPANY	Robert Suglia
TRAVELERS INDEMNITY COMPANY	Joanne Garvin
EX-OFFICIO: OFFICE OF THE INSURANCE COMMISSIONER	Jon Arsenault

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
CONNECTICUT INSURANCE
GUARANTY ASSOCIATION

By its Chair



Charles P. Breitstadt

CONNECTICUT INSURANCE GUARANTY ASSOCIATION
Balance Sheet
December 31, 2016

	<u>Inception To Date</u>
Assets:	
Checking & Short-Term Cash	\$3,768,129.13
Investments	<u>107,338,202.19</u>
Total Assets	<u><u>\$111,106,331.32</u></u>
Fund Balance	<u><u>\$111,106,331.32</u></u>

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**Connecticut 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	\$62,410.09	\$321,259.38
Member Assessment	9,400,338.00	352,128,753.00
Recovery	2,251,156.76	221,238,158.05
Interest Income	1,140,490.63	59,031,253.18
Total Receipts	12,854,395.48	632,719,423.61
DISBURSEMENTS:		
Claims Paid	5,131,509.90	197,661,733.14
Helmsman Claims Paid	57,437.64	29,098,773.27
Claims Expense Paid	872,021.66	35,035,904.87
Helmsman Claims Expense Paid	-	2,592,311.02
Premium Refund	699.00	1,086,614.21
Member Refund	8,149,895.00	222,548,225.00
Operating Expenses:		
Service Fee - ISO, Etc.	-	179,595.73
G.F.M.S.	1,408,524.01	28,331,122.88
Legal & Audit	145,699.76	3,019,871.58
Travel	3,511.92	258,451.40
NCIGF Fee	78,641.00	1,082,487.71
Insurance	9,500.00	80,490.00
Other	16,440.70	414,150.18
Administrative Expense	-	223,361.30
Total Operating Expenses	1,662,317.39	33,589,530.78
Total Disbursements	15,873,880.59	521,613,092.29
Funds Available	(\$3,019,485.11)	\$111,106,331.32
Reserves:		
Claims Liability Auto		549,281.26
Claims Expense Liability Auto		11,175.34
Unearned Premium Liability Auto		1,408.70
Subtotal Auto		561,865.30
Claims Liability Other		340,001.00
Claims Expense Liability Other		30,601.83
Subtotal Other		370,602.83
Claims Liability Workers		95,131,858.81
Claims Expense Liability Workers		2,674,438.32
Unearned Premium Liability Workers		-
Subtotal Workers		97,806,297.13
Total Reserves		\$98,738,765.26
Funds Available Per Account		
Auto		\$1,849,372.18
Other		3,991,638.52
Workers		105,064,545.72
Total		\$110,905,556.42

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