

# **RHODE ISLAND INSURERS INSOLVENCY FUND**

*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, 2010

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

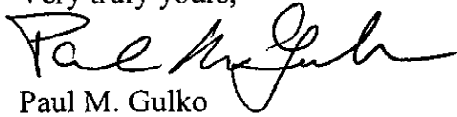
Re: Rhode Island Insurers' Insolvency Fund (the "Fund")  
Annual Report of the Fund for the Year Ending December 31, 2009

Dear Superintendent:

Pursuant to the Fund Act, enclosed herewith for filing please find duly executed original Annual Report of the Fund for the year ending December 31, 2009.

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 Fund

# RHODE ISLAND INSURERS INSOLVENCY FUND

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

March 1, 2010

To: THE SUPERINTENDENT OF INSURANCE ("the "Superintendent")  
AND THE MEMBER INSURERS OF THE RHODE ISLAND  
INSURERS' INSOLVENCY FUND ("the Fund")

Re: The Annual Report of the Fund for the Year ending December 31, 2009

During 2009, there were no new insolvencies reported to the Fund. The Board of Directors of the Fund (the "Board") continued to monitor existing insolvencies and potential insolvencies.

On October 26, 2009, the Board held its Annual Meeting in Richmond, Virginia, in conjunction with other meetings of the member insolvency funds of Guaranty Fund Management Services® ("GFMS®") and its committees. Maura Travers, Earl (Ty) Cottam, Jr., Paul Gulko, James Winskowicz, and Kathleen Lavin, were elected Chairwoman, Vice Chairman, Executive Secretary, Claims Manager and Treasurer, respectively, of the Fund.

The Board then 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 Chairwoman thereupon directed the Executive Secretary to cast one vote for the nominees as directors for a three-year term, expiring in 2012.

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

The Board reviewed the existing contract with GFMS and determined no changes were necessary.

The Board also reviewed the financial condition of the Fund and its operating expenses and covered claimed costs, in order to determine whether an assessment or a refund of prior assessments would be appropriate. The Board thereupon voted the following refund of prior assessments:

<u>REFUND</u>	<u>AUTO</u>	<u>OTHER</u>	<u>WORKERS' COMP</u>
Mission Insurance Company			(\$ 88,395)
Mission National Insurance Company		(\$49,203)	

Premier Alliance Insurance Company	(20,538)		
United Community Insurance Company (\$20,861)	(116,907)		
Abington Mutual Insurance Company	(90,536)		
Reliance Insurance Company (450,000)			
	<b>(\$ 470,861)</b>	<b>(\$ 277,184)</b>	<b>(\$ 88,395)</b>
<b>Net Refund</b>		<b>(\$836,440)</b>	

Upon the recommendation of the Treasurer, the Board voted that the following insolvencies be **CLOSED: Mission Insurance Company, Mission National Insurance Company, Premier Alliance Insurance Company, and Abington Mutual Insurance Company.**

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

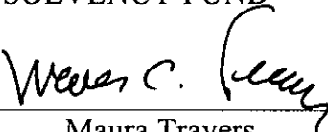
METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY	Maura Travers
PROVIDENCE MUTUAL FIRE INSURANCE COMPANY	Earl F. Cottam, Jr.
FACTORY MUTUAL INSURANCE COMPANY	Jay Swiatek
LIBERTY MUTUAL INSURANCE COMPANY	John E. Hartman
NATIONWIDE MUTUAL INSURANCE COMPANY	Larry Alan
AMICA MUTUAL INSURANCE COMPANY	Robert Suglia
VERMONT MUTUAL INSURANCE COMPANY	William Catto

The Statement of Account of the Fund, from inception through December 31, 2009, 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 INSURERS'  
INSOLVENCY FUND

By its Chairwoman

  
Maura Travers

**RHODE ISLAND INSURERS INSOLVENCY FUND**  
**Balance Sheet**  
**December 31, 2009**

	<u>Inception To Date</u>
<b>Assets:</b>	
Checking & Short-Term Cash	\$1,144,757.68
Investments	<u>23,188,700.31</u>
<b>Total Assets</b>	<u><u>\$24,333,457.99</u></u>
<b>Fund Balance</b>	<u><u>\$24,333,457.99</u></u>

Rhode Island Insurers Insolvency Fund  
Statement of Cash Receipts and Disbursements  
From Inception Through December 31, 2009  
Total All Insolvencies

	Year To Date	Inception To Date
<b>RECEIPTS:</b>		
Member Assessment Administrative	\$27,603.63	\$408,968.69
Member Assessment	1.00	105,232,232.00
Member Assessment Special	0.00	9,173,260.00
Member Assessment Borrowing	0.00	4,998,487.00
Line of Credit	0.00	1,349,385.00
Loan	0.00	2,500,000.00
Interaccount Special Transfer	0.00	9,173,260.00
Recovery	953,175.13	69,165,481.02
Interest Income	695,315.42	17,697,690.57
Interest Income - Line of Credit	0.00	402,698.25
Total Receipts	1,676,095.18	220,101,462.53
<b>DISBURSEMENTS:</b>		
Claims Paid	701,544.68	68,213,527.81
Helmsman Claims Paid	255,033.02	27,450,128.87
Claims Expense Paid	133,430.98	13,179,974.46
Helmsman Claims Expense Paid	2,222.83	3,170,881.04
Premium Refund	118.30	5,273,761.91
Member Refund	816,204.00	47,384,411.00
Member Refund Borrowing	0.00	4,952,128.00
<b>Operating Expenses:</b>		
Service Fee - ISO, Etc.	0.00	103,879.74
G.F.M.S.	287,287.91	9,432,804.09
Legal & Audit	15,858.22	2,088,076.42
Travel	6,572.88	121,651.87
NCIGF Fee	0.00	273,827.37
Insurance	3,990.00	12,444.00
Other	2,510.20	96,378.21
Administrative Expense	27,603.63	402,368.39
Interest	0.00	1,938,501.36
Loan	0.00	2,500,000.00
Interaccount Special Transfer	0.00	9,173,260.00
Total Operating Expenses	343,822.84	26,143,191.45
Total Disbursements	2,252,376.65	195,768,004.54
Funds Available	(\$576,281.47)	\$24,333,457.99

**Rhode Island Insurers Insolvency Fund**  
**Statement of Cash Receipts and Disbursements**  
**From Inception Through December 31, 2009**  
**Total All Insolvencies**

	Year To Date	Inception To Date
<b>Reserves:</b>		
Claims Liability Auto		\$314,202.00
Claims Expense Liability Auto		36,462.17
Unearned Premium Liability Auto		0.00
Subtotal Auto		350,664.17
Claims Liability Other		339,694.79
Claims Expense Liability Other		30,842.67
Unearned Premium Liability Other		0.00
Subtotal Other		370,537.46
Claims Liability Workers		11,786,520.31
Claims Expense Liability Workers		202,520.66
Subtotal Workers		11,989,040.97
Total Reserves		\$12,710,242.60
<b>Funds Available Per Account</b>		
Auto		\$825,278.43
Other		1,408,324.89
Workers		19,974,778.46
Total		\$22,208,381.78