

RHODE ISLAND INSURERS' INSOLVENCY FUND

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March 1, 2009

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, 2008

During 2008, 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 27, 2008, the Board held its Annual Meeting in Freeport, Maine, in conjunction with other meetings of the member insolvency funds of Guaranty Fund Management Services® ("GFMS®") and its committees. Ms. Travers, Messrs. Cottam, Gulko and Winskowicz, and Ms. 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: Amica Mutual Insurance Company and Nationwide 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 2011.

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

The Board reviewed the existing contract with Guaranty Fund Management Services 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>
Transit Casualty Company		(\$ 47,823)	(\$ 30,484)
Integrity Insurance Company	(\$ 26,915)	(55,201)	
American Mutual Liability Co.			(1,340,948)
American Mutual Insurance of Boston	(10,597)		
Rumford Property & Liability		(10,053)	
PHICO Insurance Company		(200,000)	
Villanova Insurance Company			(28,568)

(\$ 37,512)

(\$ 313,077)

(\$ 1,400,000)

Net Refund

(\$1,750,589)

Upon the recommendation of Ms. Lavin, the Board voted that the following insolvencies be **CLOSED: Integrity, ROA, Rumford P&C, Transit, Trust, Union and Villanova.**

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

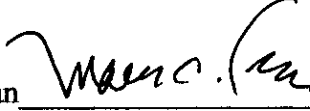
METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY	Maura Travers
FACTORY MUTUAL INSURANCE COMPANY	Jay Swiatek
LIBERTY MUTUAL INSURANCE COMPANY	John E. Hartman
NATIONWIDE MUTUAL INSURANCE COMPANY	Larry Alan
AMICA MUTUAL INSURANCE COMPANY	Robert Suglia
PROVIDENCE MUTUAL FIRE INSURANCE COMPANY	Earl F.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

The Statement of Account of the Fund, from inception through December 31, 2008, 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, 2008

**Year
To Date**

Assets:

**Checking & Short-Term Cash
Investments**

**\$1,414,063.09
23,495,676.37**

Total Assets

\$24,909,739.46

Fund Balance

\$24,909,739.46

Rhode Island Insurers Insolvency Fund
Statement of Cash Receipts and Disbursements
From Inception Through December 31, 2008
Total All Insolvencies

	Year To Date	Inception To Date
RECEIPTS:		
Member Assessment Administrative	\$13,860.52	\$381,365.06
Member Assessment	191.00	105,232,231.00
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	2.00	9,173,260.00
Recovery	2,345,547.42	68,212,305.89
Interest Income	945,480.11	17,002,375.15
Interest Income - Line of Credit	0.00	402,698.25
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Total Receipts	3,305,081.05	218,425,367.35
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DISBURSEMENTS:		
Claims Paid	841,512.41	67,511,983.13
Helmsman Claims Paid	238,730.82	27,195,095.85
Claims Expense Paid	207,689.93	13,046,543.48
Helmsman Claims Expense Paid	1,366.66	3,168,658.21
Premium Refund	41,745.01	5,273,643.61
Member Refund	1,682,052.00	46,568,207.00
Member Refund Borrowing	0.00	4,952,128.00
Operating Expenses:		
Service Fee - ISO, Etc.	0.00	103,879.74
G.F.M.S.	300,620.17	9,145,516.18
Legal & Audit	27,657.39	2,072,218.20
Travel	5,031.61	115,078.99
NCIGF Fee	57,890.00	273,827.37
Insurance	8,454.00	8,454.00
Other	2,311.40	93,868.01
Administrative Expense	13,835.52	374,764.76
Interest	0.00	1,938,501.36
Loan	0.00	2,500,000.00
Interaccount Special Transfer	2.00	9,173,260.00
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Total Operating Expenses	415,802.09	25,799,368.61
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Total Disbursements	3,428,898.92	193,515,627.89
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Funds Available	(\$123,817.87)	\$24,909,739.46
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Reserves:	
Claims Liability Auto	469,998.00
Claims Expense Liability Auto	83,306.81
Unearned Premium Liability Auto	19,747.63

Subtotal Auto	573,052.44

Claims Liability Other	559,153.00
Claims Expense Liability Other	58,304.11
Unearned Premium Liability Other	54,769.00

Subtotal Other	672,226.11

Claims Liability Workers	12,865,653.45
Claims Expense Liability Workers	221,724.28
Unearned Premium Liability Workers	0.00

Subtotal Workers	13,087,377.73

Total Reserves	\$14,332,656.28
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Funds Available Per Account	
Auto	\$1,353,970.06
Other	1,596,024.38
Workers	19,862,583.07

Total	\$22,812,577.51
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