

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, 2016

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, 2015

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, 2015.

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, 2016

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, 2015

During 2015, there was one new insolvency reported to the Association. On November 13, 2015, the Board of Directors of the Association (the "Board") met and voted to accept the insolvency of Lincoln General Insurance Company, which had been declared insolvent by the Commonwealth of Pennsylvania. The Board decided that the administration of this insolvency would be provided by Guaranty Fund Management Services® ("GFMS®").

On October 31, 2015, the Board held its Annual Meeting in Groton, Connecticut, 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 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> |
|-------------------------|--------------|----------------------|
| \$400,000 | \$0 | \$9,000,000 |
| Total Assessment | | \$9,400,000 |

| <u>REFUND</u> | <u>AUTO</u> | <u>OTHER</u> | <u>WORKERS'</u> <u>COMP</u> |
|-----------------------|-------------|-----------------------|--------------------------------|
| | (\$579,274) | (\$1,000,240) | (\$6,846,666) |
| Total Refund | | (\$ 8,426,180) | |
| Net Assessment | | \$973,820 | |

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

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

| | |
|---|-----------------------|
| NATIONWIDE INSURANCE COMPANY | Charles P. Breitstadt |
| METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY | Maura Travers |
| MIDDLESEX MUTUAL ASSURANCE COMPANY | Jonathan Herron |
| 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, 2015, 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, 2015
Inception
To Date

Assets:

Checking & Short-Term Cash
Investments

\$9,427,922.60
104,697,893.83

Total Assets

\$114,125,816.43

Fund Balance

\$114,125,816.43

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**Connecticut Insurance Guaranty Association
Statement of Cash Receipts and Disbursements
From Inception Through December 31, 2015
Total All Insolvencies**

| | Year To Date | Inception To Date |
|------------------------------------|------------------------|-------------------------|
| RECEIPTS: | | |
| Member Assessment Administrative | \$27,819.62 | \$258,849.29 |
| Member Assessment | 18,397,577.00 | 342,728,415.00 |
| Recovery | 15,030,855.34 | 218,987,001.29 |
| Interest Income | 919,471.01 | 57,890,762.55 |
| Total Receipts | 34,375,722.97 | 619,865,028.13 |
| DISBURSEMENTS: | | |
| Claims Paid | 4,998,106.89 | 192,530,223.24 |
| Helmsman Claims Paid | 66,857.71 | 29,041,335.63 |
| Claims Expense Paid | 842,213.78 | 34,163,883.21 |
| Helmsman Claims Expense Paid | 493.21 | 2,592,311.02 |
| Premium Refund | 12,293.59 | 1,085,915.21 |
| Member Refund | 2,162,844.00 | 214,398,330.00 |
| Operating Expenses: | | |
| Service Fee - ISO, Etc. | - | 179,595.73 |
| G.F.M.S. | 1,479,160.31 | 26,922,598.87 |
| Legal & Audit | 174,066.60 | 2,874,171.82 |
| Travel | 2,381.64 | 254,939.48 |
| NCIGF Fee | 69,865.00 | 1,003,846.71 |
| Insurance | 9,500.00 | 70,990.00 |
| Other | 13,365.27 | 397,709.48 |
| Administrative Expense | - | 223,361.30 |
| Total Operating Expenses | 1,748,338.82 | 31,927,213.39 |
| Total Disbursements | 9,831,148.00 | 505,739,211.70 |
| Funds Available | \$24,544,574.97 | \$114,125,816.43 |
| Reserves: | | |
| Claims Liability Auto | | 861,520.62 |
| Claims Expense Liability Auto | | 60,022.34 |
| Unearned Premium Liability Auto | | 2,040.88 |
| Subtotal Auto | | 923,583.84 |
| Claims Liability Other | | 400,005.00 |
| Claims Expense Liability Other | | 43,276.55 |
| Subtotal Other | | 443,281.55 |
| Claims Liability Workers | | 95,385,096.54 |
| Claims Expense Liability Workers | | 2,734,677.54 |
| Unearned Premium Liability Workers | | 985.08 |
| Subtotal Workers | | 98,120,759.16 |
| Total Reserves | | \$99,487,624.55 |
| Funds Available Per Account | | |
| Auto | | \$2,467,761.25 |
| Other | | 5,480,327.87 |
| Workers | | 106,039,362.50 |
| Total | | \$113,987,451.62 |

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**Connecticut Insurance Guaranty Association
Statement of Cash Receipts and Disbursements
From Inception Through December 31, 2015**

| | Administrative Year To Date | Inception To Date |
|------------------------------------|--|------------------------------|
| RECEIPTS: | | |
| Member Assessment Administrative | \$153,881.34 | \$648,966.96 |
| Interest Income | 5,254.16 | 9,998.16 |
| Total Receipts | 159,135.50 | 658,965.12 |
| DISBURSEMENTS: | | |
| Operating Expenses: | | |
| Other | - | 1,000.00 |
| Administrative Expense | - | 9,095.32 |
| Total Operating Expenses | - | 10,095.32 |
| Total Disbursements | - | 10,095.32 |
| Funds Available | \$159,135.50 | \$648,869.80 |
| Reserves: | | |
| Total Reserves | | - |
| Funds Available Per Account | | |
| Auto | | \$95,240.64 |
| Other | | 301,794.32 |
| Workers | | 113,470.03 |
| Total | | \$510,504.99 |

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Connecticut Insurance Guaranty Association
Statement of Cash Receipts and Disbursements
From Inception Through December 31, 2015
Consolidated Statement of Closed Insolvencies
Inception
To Date

RECEIPTS:

| | |
|----------------------------------|---------------|
| Member Assessment Administrative | (\$79,642.07) |
| Member Assessment | 14,331,787.00 |
| Recovery | 7,652,399.23 |
| Interest Income | 1,860,760.85 |
| | |
| Total Receipts | 23,765,305.01 |

DISBURSEMENTS:

| | |
|------------------------------|---------------|
| Claims Paid | 5,743,903.81 |
| Helmsman Claims Paid | 114,099.76 |
| Claims Expense Paid | 1,496,052.71 |
| Helmsman Claims Expense Paid | 15,193.52 |
| Premium Refund | 222,360.50 |
| | |
| Member Refund | 14,113,504.00 |
| | |
| Operating Expenses: | |
| Service Fee - ISO, Etc. | 179,595.73 |
| G.F.M.S. | 1,461,598.52 |
| Legal & Audit | 176,652.82 |
| Travel | 47,424.77 |
| NCIGF Fee | 55,269.30 |
| Other | 43,241.92 |
| Administrative Expense | 96,407.65 |
| | |
| Total Operating Expenses | 2,060,190.71 |
| | |
| Total Disbursements | 23,765,305.01 |
| | |
| Funds Available | - |

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