

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, 2018

The Honorable Roger A. Sevigny
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, 2017

Dear Commissioner Sevigny:

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, 2017.

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, 2018

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, 2017

During 2017, there was one new insolvency submitted to the Board of Directors for action. On April 4, 2017, the Board of Directors of the Association (the "Board") met and voted to accept the insolvency of CastlePoint National Insurance Company, which had been declared insolvent by the State of California. CastlePoint is the successor company formed by merger of the following Tower Group of companies:

Tower Insurance Company of New York
Tower National Insurance Company
CastlePoint Florida Insurance Company
York Insurance Company of Maine
Massachusetts Homeland Insurance Company
Hermitage Insurance Company
North East Insurance Company
Preserver Insurance Company
CastlePoint Insurance Company

The Board decided that the administration of this insolvency would be provided by Guaranty Fund Management Services® ("GFMS®").

On October 13, 2017, the member insurers of the Association held their Annual Meeting in Alexandria, Virginia, in conjunction with other meetings of the member guaranty associations of 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, Providence Mutual Fire Insurance Company and NGM Insurance Company. The Vice 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 2020.

The Vice Chair then presented the 2016 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, 2016. The member insurers thereupon voted that the Report of the Treasurer be accepted.

Immediately subsequent thereto, the Board held its Annual Meeting. Joyce Hall Mellinger, Earl F. Cottam, Jr., Paul Gulko, Dawne Mills, and Kathleen Lavin, were elected Chair, Vice Chair, Treasurer, Executive Secretary/Clerk, Claims Manager and Treasurer, respectively, of the Association. The Board discussed and/or voted the following items:

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 then 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 determined that neither an assessment nor a refund was warranted at this time.

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

ZURICH AMERICAN INSURANCE COMPANY	Joyce Hall Mellinger
PROVIDENCE MUTUAL FIRE INSURANCE COMPANY	Earl F. Cottam, Jr.
LIBERTY MUTUAL INSURANCE COMPANY	Donald Baldini
ACADIA INSURANCE COMPANY	Daniel Swift
CONCORD GENERAL MUTUAL INSURANCE COMPANY	Richard Welch
NGM INSURANCE COMPANY	Bruce Fox
CONTINENTAL CASUALTY COMPANY	Richard Ehlers
HANOVER INSURANCE COMPANY	William Cahill
NORTH AMERICAN SPECIALTY INSURANCE COMPANY	Matthew Wulf

The Statement of Account of the Association, from inception through December 31, 2017, 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


Joyce Hall Mellinger

NEW HAMPSHIRE INSURANCE GUARANTY ASSOCIATION
Balance Sheet
December 31, 2017
Inception
To Date

Assets:

Checking & Short-Term Cash	\$3,367,896.91
Investments	51,492,872.28

Total Assets	\$54,860,769.19
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Fund Balance	\$54,860,769.19
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**New Hampshire Insurance Guaranty Association
Statement of Cash Receipts and Disbursements
From Inception Through December 31, 2017
Total All Insolvencies**

	Year To Date	Inception To Date
RECEIPTS:		
Member Assessment Administrative	\$785.06	\$82,647.14
Member Assessment	-	97,564,790.00
Loan	-	425,000.00
Recovery	6,582,493.71	86,634,572.26
Interest Income	600,544.20	21,596,510.60
Total Receipts	7,183,822.97	206,303,520.00
DISBURSEMENTS:		
Claims Paid	1,460,136.80	65,273,042.04
Third-Party Administrator Claims Paid	104,447.30	22,187,804.91
Claims Expense Paid	114,767.12	11,682,567.38
Third-Party Administrator Claims Expense Paid	50.00	1,327,251.94
Premium Refund	-	1,604,688.63
Member Refund	-	39,683,153.00
Operating Expenses:		
Service Fee - ISO, Etc.	-	7,395.08
G.F.M.S.	306,076.33	7,022,413.15
Legal & Audit	34,703.57	1,160,875.43
Travel	4,024.07	182,629.93
NCIGF Fee	44,612.67	595,959.82
Insurance	6,000.00	62,490.00
Other	5,699.47	140,652.78
Administrative Expense	-	58,385.95
Interest	-	28,440.77
Loan	-	425,000.00
Total Operating Expenses	401,116.11	9,684,242.91
Total Disbursements	2,080,517.33	151,442,750.81
Funds Available	\$5,103,305.64	\$54,860,769.19
Reserves:		
Claims Liability Auto		97,501.00
Claims Expense Liability Auto		20,002.00
Subtotal Auto		117,503.00
Claims Liability Other		14,166.67
Subtotal Other		14,166.67
Claims Liability Workers		32,139,962.46
Claims Expense Liability Workers		705,958.72
Subtotal Workers		32,845,921.18
Total Reserves		\$32,977,590.85
Funds Available Per Account		
Auto		(\$153,255.27)
Other		4,721,262.06

New Hampshire Insurance Guaranty Association
Statement of Cash Receipts and Disbursements
From Inception Through December 31, 2017
Total All Insolvencies

	Year To Date	Inception To Date
Workers		50,220,483.52
Total		\$54,788,490.31

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New Hampshire Insurance Guaranty Association
Statement of Cash Receipts and Disbursements
From Inception Through December 31, 2017
Consolidated Statement of Closed Insolvencies
Inception
To Date

RECEIPTS:

Member Assessment Administrative	(\$146,432.75)
Member Assessment	7,318,880.00
Loan	425,000.00
Recovery	3,575,635.89
Interest Income	814,070.06
Total Receipts	11,987,153.20

DISBURSEMENTS:

Claims Paid	3,236,909.92
Third-Party Administrator Claims Paid	469,655.01
Claims Expense Paid	668,609.98
Third-Party Administrator 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	133,185.78
Travel	37,859.58
NCIGF Fee	45,325.78
Other	20,469.96
Administrative Expense	58,385.95
Interest	28,440.77
Loan	425,000.00
Total Operating Expenses	1,234,947.29
Total Disbursements	11,987,153.20
Funds Available	-

**New Hampshire Insurance Guaranty Association
Statement of Cash Receipts and Disbursements
From Inception Through December 31, 2017**

	Administrative Year To Date	Inception To Date
RECEIPTS:		
Member Assessment Administrative	\$1,204,964.69	\$4,642,374.02
Recovery	-	280,994.10
Interest Income	47,555.99	128,308.87
Total Receipts	1,252,520.68	5,051,676.99
DISBURSEMENTS:		
Operating Expenses:		
Other	-	1,000.00
Total Operating Expenses	-	1,000.00
Total Disbursements	-	1,000.00
Funds Available	\$1,252,520.68	\$5,050,676.99
Reserves:		
Total Reserves		-
Funds Available Per Account		
Auto		(\$148,464.28)
Other		4,725,120.04
Workers		401,742.35
Total		\$4,978,398.11

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