

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, 2011

The Honorable Roger A. Sevigny
Commissioner of Insurance
New Hampshire Insurance Department
21 South Fruit Street, Suite 14
Concord, NH 03301

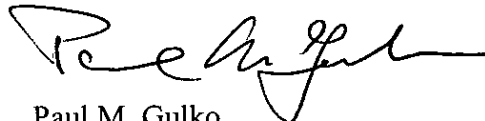
Re: New Hampshire Insurance Guaranty Association (the "Association")
Annual Report of the Association for the Year Ending December 31, 2010

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, 2010.

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, 2011

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, 2010

During 2010, there were four new insolvencies reported to the Association. On June 18, 2010, the Board of Directors of the Association (the "Board") voted to accept the insolvencies of Imperial Casualty and Indemnity Company, which had been declared insolvent by the State of Oklahoma, and Eastern Casualty Insurance Company, which had been declared insolvent by the Commonwealth of Massachusetts. On October 19, 2010, the Board voted to accept the insolvency of The Insurance Corporation of New York, which had been declared insolvent in the State of New York. The Board decided that the administration of these insolvencies would be provided by Guaranty Fund Management Services[®] ("GFMS[®]"). The Board also continued to monitor existing insolvencies and potential insolvencies.

On October 19, 2010, the member insurers of the Association held their Annual Meeting in Chatham, Massachusetts, in conjunction with other meetings of the member guaranty associations of Guaranty Fund Management Services[®] ("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: Concord General Mutual Insurance Company, North American Specialty Insurance Company and The Hanover Insurance Company. The Chairman thereupon directed the Executive Secretary to cast one vote for the election of the nominees as Directors for a three-year term, expiring in 2013.

The Chairman then presented the 2009 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, 2009. The member insurers thereupon voted that the Report of the Treasurer be accepted.

Immediately subsequent thereto, the Board held its Annual Meeting. John Hartman, Charles Hamblen, Paul Gulko, James Winskowicz, and Kathleen Lavin, were elected Chair, Vice Chair, Treasurer, Executive Secretary/Clerk, Claims Manager and Treasurer, respectively, of the Association.

The Executive Secretary informed the Board that the Hartford Fire Insurance Company resigned its seat on the Board of Directors. The remaining Board members voted unanimously to appoint Zurich American Insurance Company to fulfill the remainder of the term to which the Hartford Fire Insurance Company was voted by the member insurers.

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 at this time.

The Board considered and adopted a Conflict of Interest Policy.

The Board next 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:

<u>ASSESSMENT</u>	<u>AUTO</u>	<u>OTHER</u>	<u>WORKERS' COMP</u>
Eastern Casualty Insurance Co.			\$500,000
	\$0	\$0	\$500,000
Total Assessment		\$500,000	
<u>REFUND</u>	<u>AUTO</u>	<u>OTHER</u>	<u>WORKERS' COMP</u>
Transit Casualty Insurance Co.		(\$ 104,438)	
American Mutual Liability Ins. Co.			(\$1,000,000)
American Mutual of Boston Ins. Co.			(\$1,000,000)
Trust Insurance Company	(\$33,277)		
Relaince Insurance Company	(\$400,000)	(\$604,138)	
PHICO Insurance Company		(\$5,000,000)	
	(\$433,277)	(\$5,708,576)	(\$2,000,000)
Total Refund		(\$8,141,853)	
Net Refund		(\$7,641,853)	

Upon recommendation of the Treasurer, the Board voted that the **Trust Insurance Company** insolvency be **CLOSED**.

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

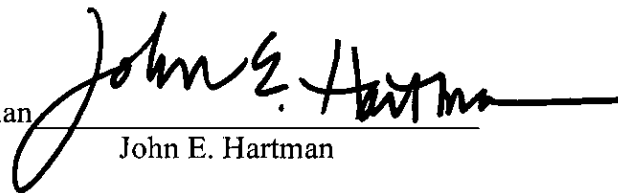
LIBERTY MUTUAL INSURANCE COMPANY	John E. Hartman
ACADIA INSURANCE COMPANY	Charles Hamblen
CONCORD GENERAL MUTUAL INSURANCE COMPANY	Linda Day
PROVIDENCE MUTUAL FIRE INSURANCE CO.	Earl F. Cottam, Jr.
ZURICH AMERICAN INSURANCE COMPANY	Joyce Hall Mellinger
NGM INSURANCE COMPANY	Susan Mack
CONTINENTAL CASUALTY COMPANY	Wynette M. Head
HANOVER INSURANCE COMPANY	Rachel E. van der Voort
NORTH AMERICAN SPECIALTY INSURANCE COMPANY	Robert Solitro

The Statement of Account of the Association, from inception through December 31, 2010, 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 Chairman


John E. Hartman

New Hampshire Insurance Guaranty Association
Statement of Cash Receipts and Disbursements
From Inception Through December 31, 2010
Total All Insolvencies

	Year To Date	Inception To Date
RECEIPTS:		
Member Assessment Administrative	\$14,016.61	\$77,977.26
Member Assessment	525,883.00	97,557,448.00
Loan	0.00	425,000.00
Recovery	9,500,822.23	60,831,650.93
Interest Income	1,152,526.39	17,106,578.03
Total Receipts	11,193,248.23	175,998,654.22
DISBURSEMENTS:		
Claims Paid	1,360,025.19	55,027,142.92
Helmman Claims Paid	372,981.82	20,030,287.44
Claims Expense Paid	234,290.30	11,017,949.35
Helmman Claims Expense Paid	2,146.15	1,315,775.52
Premium Refund	0.00	1,602,928.88
Member Refund	8,038,260.00	38,109,436.00
Operating Expenses:		
Service Fee - ISO, Etc.	0.00	7,395.08
G.F.M.S.	234,099.63	5,505,527.10
Legal & Audit	30,671.97	1,041,322.75
Travel	7,592.14	138,878.92
NCIGF Fee	32,017.00	330,056.49
Insurance	5,303.00	21,673.00
Other	2,177.88	101,161.09
Administrative Expense	14,031.97	55,892.54
Interest	0.00	28,440.77
Loan	0.00	425,000.00
Total Operating Expenses	325,893.59	7,655,347.74
Total Disbursements	10,333,597.05	134,758,867.85
Funds Available	\$859,651.18	\$41,239,786.37
Reserves:		
Claims Liability Auto		0.00
Claims Expense Liability Auto		1,315.79
Unearned Premium Liability Auto		0.00
Subtotal Auto		1,315.79
Claims Liability Other		775,051.00
Claims Expense Liability Other		142,778.94
Subtotal Other		917,829.94
Claims Liability Workers		28,843,692.86
Claims Expense Liability Workers		579,356.78
Subtotal Workers		29,423,049.64
Total Reserves		\$30,342,195.37
Funds Available Per Account		
Auto		\$81,764.83
Other		3,059,589.97
Workers		38,029,808.52
Total		\$41,171,163.32

NEW HAMPSHIRE INSURANCE GUARANTY ASSOCIATION

Balance Sheet
December 31, 2010

Inception
To Date

Assets:

Checking & Short-Term Cash

\$3,085,065.61

Investments

38,154,720.76

Total Assets

\$41,239,786.37

Fund Balance

\$41,239,786.37