

# DISTRICT OF COLUMBIA 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 18, 2015

The Honorable Chester A. McPherson  
Acting Commissioner  
D.C. Department of Insurance, Securities and Banking  
810 First Street, NE, Suite 701  
Washington, D.C. 20002

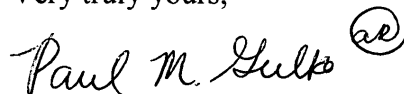
Re: District of Columbia Insurance Guaranty Association (the "Association")  
Annual Report of the Association for the Year Ending December 31, 2014

Dear Interim Commissioner McPherson:

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, 2014.

Should you have any questions, please do not hesitate to contact me.

Very truly yours,

 Paul M. Gulko

Paul M. Gulko  
Manager

Enclosure

cc: The Board of Directors of the Association

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March 18, 2015

To: THE COMMISSIONER OF INSURANCE (the "Commissioner") AND THE MEMBER  
INSURERS OF THE DISTRICT OF COLUMBIA INSURANCE GUARANTY ASSOCIATION  
(the "Association")

Re: The Annual Report of the Association for the Year ending December 31, 2014

During 2014, there were three new insolvencies reported to the Association. On August 14, 2014, the Board of Directors of the Association (the "Board") met and voted to accept the insolvency of Freestone Insurance Company, which had been declared insolvent and ordered liquidated by the State of Delaware, and on October 18, 2014, the Board met and voted to accept the insolvencies of Red Rock Insurance Company, which had been declared insolvent in the State of Delaware, and Professional Liability Insurance Company of America, 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®").

On October 18, 2014, the Board held its Annual Meeting in Woodstock, VT, in conjunction with other meetings of the member guaranty associations of Guaranty Fund Management Services® ("GFMS®") and its committees. Larry Hinton, Joanne Locke, Paul Gulko, James Winskowicz, and Kathleen Lavin, were elected Chair, Vice-Chair, Manager, Claims Manager, and Treasurer, respectively, of the Association. In addition, the Board discussed and/or voted the following items:

The Board received and considered the report of the Manager regarding the ballots transmitted by the member insurers with instructions to vote in favor of the following nominees as Directors:

Three year terms expiring in 2017: ProAssurance Indemnity Company, Inc.  
and  
National Union Fire Insurance Company of Pittsburgh,  
PA.

The Chairman then directed the Manager to cast one vote for the election of the nominees as Directors for the stated terms.

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

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 the time.

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

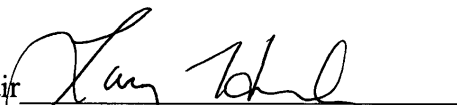
GOVERNMENT EMPLOYEES INSURANCE COMPANY	Larry Hinton
LIBERTY MUTUAL INSURANCE COMPANY	Joanne Locke
MARYLAND CASUALTY COMPANY	Joyce Hall Mellinger
PROASSURANCE INDEMNITY COMPANY, INC.	Howard Friedman
NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURG, PA	Steven Harris
STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY	Peggy Echols
ALLSTATE INSURANCE COMPANY	L. Noel Patterson, Jr.

The Statement of Account of the Association, from inception through December 31, 2014, and its Balance Sheet for the same period, are attached hereto and made a part hereof.

Respectfully submitted,

The Board of Directors of the  
DISTRICT OF COLUMBIA INSURANCE  
GUARANTY ASSOCIATION

By its Chair

  
Larry Hinton

**District of Columbia Insurance Guaranty Association**  
**Statement of Cash Receipts and Disbursements**  
**From Inception Through December 31, 2014 and Quarter Ending December 31, 2014**  
**Total All**

Quarter Ending 12/31/2014

Inception To Date

**RECEIPTS:**

Member Assessment Administrative	-	\$196,013.06
Member Assessment	-	58,954,202.00
Recovery	329,680.64	24,337,645.76
Interest Income	66,747.32	7,908,880.72
<b>Total Receipts</b>	<b>396,427.96</b>	<b>91,396,741.54</b>

**DISBURSEMENTS:**

Claims Paid	199,897.06	22,969,568.53
Helmsman Claims Paid	128.66	617,977.89
Claims Expense Paid	34,263.20	4,510,502.96
Helmsman Claims Expense Paid	-	59,432.28
Premium Refund	14,685.64	160,101.68
 Member Refund	 -	 27,109,056.00
<b>Operating Expenses:</b>		
G.F.M.S.	66,381.24	3,912,992.24
Legal & Audit	7,611.72	845,756.20
Travel	8,068.57	161,872.63
NCIGF Fee	-	387,451.89
Insurance	-	39,623.00
Other	6,515.50	91,535.55
Administrative Expense	-	217,313.37
<b>Total Operating Expenses</b>	<b>88,577.03</b>	<b>5,656,544.88</b>
 <b>Total Disbursements</b>	 <b>337,551.59</b>	 <b>61,083,184.22</b>
 <b>Funds Available</b>	 <b>\$58,876.37</b>	 <b>\$30,313,557.32</b>

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**District of Columbia Insurance Guaranty Association**  
**Statement of Cash Receipts and Disbursements**  
**From Inception Through December 31, 2014 and Quarter Ending December 31, 2014**  
**Admin**

	<u>Quarter Ending 12/31/2014</u>	<u>Inception To Date</u>
<b>RECEIPTS:</b>		
Member Assessment Administrative	-	\$131,428.99
<b>Total Receipts</b>	-	<b>131,428.99</b>
<b>DISBURSEMENTS:</b>		
Operating Expenses:		
Other	-	1,000.00
Administrative Expense	-	41,697.26
<b>Total Operating Expenses</b>	-	<b>42,697.26</b>
<b>Total Disbursements</b>	-	<b>42,697.26</b>
<b>Funds Available</b>	-	<b>\$88,731.73</b>

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**District of Columbia Insurance Guaranty Association**  
**Statement of Cash Receipts and Disbursements**  
**From Inception Through December 31, 2014 and Quarter Ending December 31, 2014**  
**Auto**

	Quarter Ending 12/31/2014	Inception To Date
<b>RECEIPTS:</b>		
Member Assessment Administrative	-	\$16,822.33
Member Assessment	-	4,264,112.00
Recovery	61,643.00	1,964,329.07
Interest Income	2,782.72	274,848.23
<b>Total Receipts</b>	<b>64,425.72</b>	<b>6,520,111.63</b>
<b>DISBURSEMENTS:</b>		
Claims Paid	-	1,495,208.66
Claims Expense Paid	-	945,588.32
Premium Refund	-	18,989.25
<b>Member Refund</b>	<b>-</b>	<b>1,436,828.00</b>
<b>Operating Expenses:</b>		
G.F.M.S.	-	1,326,942.07
Legal & Audit	-	36,455.22
Travel	-	15,126.08
NCIGF Fee	-	20,770.21
Other	-	10,441.76
Administrative Expense	-	39,721.53
<b>Total Operating Expenses</b>	<b>-</b>	<b>1,449,456.87</b>
<b>Total Disbursements</b>	<b>-</b>	<b>5,346,071.10</b>
<b>Funds Available</b>	<b>\$64,425.72</b>	<b>\$1,174,040.53</b>

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**District of Columbia Insurance Guaranty Association**  
**Statement of Cash Receipts and Disbursements**  
**From Inception Through December 31, 2014 and Quarter Ending December 31, 2014**  
**Other**

Quarter Ending 12/31/2014

Inception To Date

**RECEIPTS:**

Member Assessment Administrative	-	\$34,774.08
Member Assessment	-	25,326,983.00
Recovery	276,377.90	8,340,594.32
Interest Income	1,736.19	3,168,267.71
<b>Total Receipts</b>	<b>278,114.09</b>	<b>36,870,619.11</b>

**DISBURSEMENTS:**

Claims Paid	-	7,886,318.23
Claims Expense Paid	2,339.13	2,623,773.04
Premium Refund	-	110,837.50
<b>Member Refund</b>	<b>-</b>	<b>23,779,154.00</b>
<b>Operating Expenses:</b>		
G.F.M.S.	8,395.30	768,205.71
Legal & Audit	2,440.44	472,953.13
Travel	29.68	55,184.43
NCIGF Fee	-	85,931.41
Insurance	-	4,285.72
Other	24.21	24,575.86
Administrative Expense	-	78,917.12
<b>Total Operating Expenses</b>	<b>10,889.63</b>	<b>1,490,053.38</b>
<b>Total Disbursements</b>	<b>13,228.76</b>	<b>35,890,136.15</b>
<b>Funds Available</b>	<b>\$264,885.33</b>	<b>\$980,482.96</b>

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**District of Columbia Insurance Guaranty Association**  
**Statement of Cash Receipts and Disbursements**  
**From Inception Through December 31, 2014 and Quarter Ending December 31, 2014**  
**Workers Comp**

	Quarter Ending 12/31/2014	Inception To Date
<b>RECEIPTS:</b>		
Member Assessment Administrative	-	\$12,987.66
Member Assessment	-	29,363,107.00
Recovery	(8,340.26)	14,032,722.37
Interest Income	62,228.41	4,465,764.78
<b>Total Receipts</b>	<b>53,888.15</b>	<b>47,874,581.81</b>
<b>DISBURSEMENTS:</b>		
Claims Paid	199,897.06	13,588,041.64
Helmsman Claims Paid	128.66	617,977.89
Claims Expense Paid	31,924.07	941,141.60
Helmsman Claims Expense Paid	-	59,432.28
Premium Refund	14,685.64	30,274.93
<b>Member Refund</b>	-	<b>1,893,074.00</b>
<b>Operating Expenses:</b>		
G.F.M.S.	57,985.94	1,817,844.46
Legal & Audit	5,171.28	336,347.85
Travel	8,038.89	91,562.12
NCIGF Fee	-	280,750.27
Insurance	-	35,337.28
Other	6,491.29	55,517.93
Administrative Expense	-	56,977.46
<b>Total Operating Expenses</b>	<b>77,687.40</b>	<b>2,674,337.37</b>
<b>Total Disbursements</b>	<b>324,322.83</b>	<b>19,804,279.71</b>
<b>Funds Available</b>	<b>(\$270,434.68)</b>	<b>\$28,070,302.10</b>

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