

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, 2018

The Honorable Katharine L. Wade
Commissioner of Insurance
Connecticut Insurance Department
P.O. Box 816
Hartford, CT 06142-0816

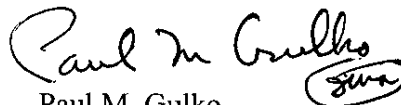
Re: Connecticut Insurance Guaranty Association (the "Association")
Annual Report of the Association for the Year Ending December 31, 2017.

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, 2017.

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, 2018

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, 2017

During 2017, there was one new insolvency reported to the Association. On April 3, 2017, the Board of Directors of the Association (the "Board") met and voted to accept the insolvency of CastlePoint National Insurance Company ("CastlePoint"), 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 14, 2017, the Board held its Annual Meeting in Alexandria, Virginia, 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 received and considered reports concerning claims and recoveries from receivers, respectively.

The Plan of Operation was reviewed and the Board concluded that no amendments thereto were recommended at this time.

The Board reviewed the existing contract with GFMS and determined no changes were necessary.

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>
\$0	\$0	\$3,800,000

Total Assessment **\$3,800,000**

REFUND

<u>AUTO</u>	<u>OTHER</u>	<u>WORKERS' COMP</u>
(\$125,606)	(\$0)	(\$1,002,035)

Total Refund **(\$ 1,127,641)**

Net Assessment **\$2,672,359**

The member insurers currently serving on the Board and their designated representatives as of December 31, 2017 are:

NATIONWIDE INSURANCE COMPANY Charles P. Breitstadt

METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY Maura Travers

MEMIC INDEMNITY COMPANY Eileen Fongemie

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, 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
CONNECTICUT INSURANCE
GUARANTY ASSOCIATION

By its Chair


Charles P. Breitstadt

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

Assets:

Checking & Short-Term Cash	\$4,626,154.63
Investments	112,459,172.80

Total Assets	\$117,085,327.43
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Fund Balance	\$117,085,327.43
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**Connecticut 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	\$57,840.78	\$379,100.16
Member Assessment	10,400,926.00	362,529,679.00
Recovery	3,843,269.76	225,081,427.81
Interest Income	1,471,072.72	60,502,325.90
Total Receipts	15,773,109.26	648,492,532.87
DISBURSEMENTS:		
Claims Paid	5,369,806.74	203,031,539.88
Third-Party Administrator Claims Paid	49,335.28	29,148,108.55
Claims Expense Paid	797,036.41	35,832,941.28
Third-Party Administrator Claims Expense Paid	-	2,592,311.02
Premium Refund	-	1,086,614.21
Member Refund	2,068,440.00	224,616,665.00
Operating Expenses:		
Service Fee - ISO, Etc.	-	179,595.73
G.F.M.S.	1,434,627.27	29,765,750.15
Legal & Audit	(35,906.78)	2,983,964.80
Travel	4,714.12	263,165.52
NCIGF Fee	82,590.00	1,165,077.71
Insurance	9,500.00	89,990.00
Other	13,970.11	428,120.29
Administrative Expense	-	223,361.30
Total Operating Expenses	1,509,494.72	35,099,025.50
Total Disbursements	9,794,113.15	531,407,205.44
Funds Available	\$5,978,996.11	\$117,085,327.43
Reserves:		
Claims Liability Auto		2,060,798.84
Claims Expense Liability Auto		223,168.27
Unearned Premium Liability Auto		1,408.70
Subtotal Auto		2,285,375.81
Claims Liability Other		2,237,288.64
Claims Expense Liability Other		155,405.22
Subtotal Other		2,392,693.86
Claims Liability Workers		87,128,496.70
Claims Expense Liability Workers		2,527,620.66
Subtotal Workers		89,656,117.36
Total Reserves		\$94,334,187.03
Funds Available Per Account		
Auto		\$1,664,014.73
Other		4,335,461.57
Workers		110,827,235.45

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

Total All Insolvencies

	Year To Date	Inception To Date
Total		\$116,826,711.75

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Connecticut 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	(\$637,903.68)
Member Assessment	31,462,985.00
Recovery	19,881,822.10
Interest Income	4,822,897.52
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Total Receipts	55,529,800.94
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DISBURSEMENTS:

Claims Paid	18,193,808.49
Third-Party Administrator Claims Paid	114,099.76
Claims Expense Paid	3,300,613.58
Third-Party Administrator Claims Expense Paid	15,193.52
Premium Refund	265,900.93
Member Refund	29,976,178.00
Operating Expenses:	
Service Fee - ISO, Etc.	179,595.73
G.F.M.S.	2,644,674.14
Legal & Audit	311,975.60
Travel	81,861.51
NCIGF Fee	146,297.07
Other	85,336.63
Administrative Expense	214,265.98
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Total Operating Expenses	3,664,006.66
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Total Disbursements	55,529,800.94
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Funds Available	-
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**Connecticut 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	\$215,147.56	\$1,184,644.26
Interest Income	13,814.78	33,071.27
Total Receipts	228,962.34	1,217,715.53
DISBURSEMENTS:		
Operating Expenses:		1,000.00
Other	-	9,095.32
Administrative Expense	-	
Total Operating Expenses	-	10,095.32
Total Disbursements	-	10,095.32
Funds Available	\$228,962.34	\$1,207,620.21
Reserves:		-
Total Reserves		-
Funds Available Per Account		
Auto		\$176,659.96
Other		385,520.95
Workers		386,823.62
Total		\$949,004.53

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