

# 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, 2010

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

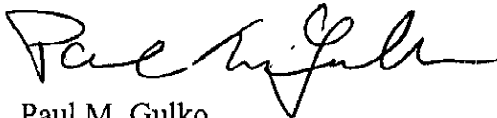
Re: New Hampshire Insurance Guaranty Association (the "Association")  
Annual Report of the Association for the Year Ending December 31, 2009

Dear Commissioner:

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, 2009.

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, 2010

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, 2009

During 2009, there were no new insolvencies reported to the Association. The Board of Directors of the Association (the "Board") continued to monitor existing insolvencies and potential insolvencies.

On October 27, 2009, the member insurers of the Association held their Annual Meeting in Richmond, Virginia, in conjunction with other meetings of the member guaranty associations of Guaranty Fund Management Services<sup>®</sup> ("GFMS<sup>®</sup>") 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: Acadia Insurance Company, Continental Casualty Company and Hartford Fire 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 2012.

The Chairman then presented the 2008 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, 2008. 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 Board received and considered reports concerning claims and recoveries from receivers, respectively.

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 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 the following refunds of prior assessments:

<u>REFUND</u>	<u>AUTO</u>	<u>OTHER</u>	<u>WORKERS'</u> <u>COMP</u>
Ambassador Insurance Company		(\$ 230,456)	
<b>Total Refund</b>		<b>(\$ 230,456)</b>	

Upon recommendation of the Treasurer, the Board voted that the **Ambassador** 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 COMPANY	Earl F. Cottam, Jr.
MAINE BONDING AND CASUALTY COMPANY	Joyce Hall Mellinger
NGM INSURANCE COMPANY	Susan Mack
CONTINENTAL CASUALTY COMPANY	Elizabeth Wilson
HARTFORD FIRE INSURANCE COMPANY	Cheryl Hetzel
NORTH AMERICAN SPECIALTY INSURANCE COMPANY	Robert Solitro

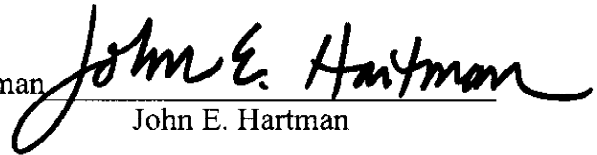
The Statement of Account of the Association, from inception through December 31, 2009, and its Balance Sheet for the same period, are attached hereto and made a part hereof.

Finally, I am sad to report that Joseph Desmond from the Concord General Mutual Insurance Company, and a member of the Association's Board of Directors since its inception, resigned from the Board this past year due to illness, and passed away on November 10, 2009. Mr. Desmond's counsel and advice will be missed.

Respectfully submitted,

The Board of Directors of the  
NEW HAMPSHIRE INSURANCE  
GUARANTY ASSOCIATION

By its Chairman

  
John E. Hartman

NEW HAMPSHIRE INSURANCE GUARANTY ASSOCIATION  
Balance Sheet  
December 31, 2009

	<u>Inception To Date</u>
Assets:	
Checking & Short-Term Cash	\$2,368,178.88
Investments	<u>38,011,956.31</u>
Total Assets	<u>\$40,380,135.19</u>
Fund Balance	<u>\$40,380,135.19</u>

New Hampshire Insurance Guaranty Association  
Statement of Cash Receipts and Disbursements  
From Inception Through December 31, 2009  
Total All Insolvencies

	Year To Date	Inception To Date
<b>RECEIPTS:</b>		
Member Assessment Administrative	\$20,616.44	\$63,960.65
Member Assessment	1,137.00	97,031,565.00
Loan	0.00	425,000.00
Recovery	1,124,182.53	51,330,828.70
Interest Income	1,293,736.13	15,954,051.64
Total Receipts	2,439,672.10	164,805,405.99
<b>DISBURSEMENTS:</b>		
Claims Paid	2,058,086.97	53,667,117.73
Helmsman Claims Paid	466,933.16	19,657,305.62
Claims Expense Paid	153,536.89	10,783,659.05
Helmsman Claims Expense Paid	343.70	1,313,629.37
Premium Refund	36,825.00	1,602,928.88
Member Refund	219,382.00	30,071,176.00
<b>Operating Expenses:</b>		
Service Fee - ISO, Etc.	0.00	7,395.08
G.F.M.S.	233,485.92	5,271,427.47
Legal & Audit	26,919.59	1,010,650.78
Travel	7,609.48	131,286.78
NCIGF Fee	0.00	298,039.49
Insurance	5,280.00	16,370.00
Other	2,898.13	98,983.21
Administrative Expense	20,621.44	41,860.57
Interest	0.00	28,440.77
Loan	0.00	425,000.00
Total Operating Expenses	296,814.56	7,329,454.15
Total Disbursements	3,231,922.28	124,425,270.80
Funds Available	(\$792,250.18)	\$40,380,135.19
<b>Reserves:</b>		
Claims Liability Auto		18,001.00
Claims Expense Liability Auto		8,062.11
Unearned Premium Liability Auto		3,784.05
Subtotal Auto		29,847.16
Claims Liability Other		900,001.00
Claims Expense Liability Other		48,110.31
Unearned Premium Liability Other		0.00
Subtotal Other		948,111.31
Claims Liability Workers		28,649,875.20
Claims Expense Liability Workers		559,748.62
Subtotal Workers		29,209,623.82
Total Reserves		\$30,187,582.29
<b>Funds Available Per Account</b>		
Auto		\$26,717.13
Other		4,162,499.51
Workers		36,136,275.31
Total		\$40,325,491.95