

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, 2010

The Honorable Thomas R. Sullivan
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, 2009

Dear Commissioner Sullivan:

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

Enclosure

cc: The Board of Directors of the Association
Jon Arsenault, Esq.

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March 1, 2010

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, 2009

During 2009, there was one new insolvency reported to the Association. On April 14, 2009, the Board of Directors of the Association (the "Board") voted to accept the insolvency of Eagle Insurance Company, which had been declared insolvent by the State of New Jersey. The Board decided that the administration of this insolvency would be provided by Guaranty Fund Management Services® ("GFMS®"). The Board also continued to monitor existing insolvencies and potential insolvencies.

On October 25, 2009, the Board held its Annual Meeting in Richmond, Virginia, in conjunction with other meetings of the member guaranty associations of GFMS and its committees. Charles Breitstadt, Maura Travers, Paul Gulko, James Winskowicz, and Kathleen Lavin, were elected Chairman, Vice Chair, Executive Secretary, Claims Manager, and Treasurer, respectively, of the Association.

The Board received and considered the report of counsel as to the status of the matters involving Hunnihan issues, health insurer reimbursement claims, and the application of Workers Compensation penalties in claims handled by the Association.

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

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'</u> <u>COMP</u>
Covenant Mutual Insurance Company			\$40,400
MIIX Insurance Company	\$0	\$1,000,000	
	\$0	\$1,000,000	\$40,400
Total Assessment		\$ 1,040,400	

<u>REFUND</u>	<u>AUTO</u>	<u>OTHER</u>	<u>WORKERS' COMP</u>
Reliance Insurance Company	(\$3,000,000)	(\$10,000,000)	
Abington Mutual Insurance Co.		(155,508)	
	(\$ 3,000,000)	(\$ 10,155,508)	\$ 0
Total Refund		(\$ 13,155,508)	
Net Refund		(\$12,115,108)	

Upon recommendation of the Treasurer, the Board further voted that the **Covenant Mutual** and **Abington Mutual** insolvencies be **CLOSED**.

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

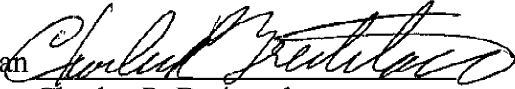
NATIONWIDE INSURANCE COMPANY	Charles P. Breitstadt
METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY	Maura Travers
MIDDLESEX MUTUAL ASSURANCE COMPANY	Diane Choate
PATRONS MUTUAL INSURANCE COMPANY OF CONNECTICUT	Fred Taverne
HARTFORD FIRE INSURANCE COMPANY	Steven Pieren
AMICA MUTUAL INSURANCE COMPANY	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, 2009, 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 Chairman

A handwritten signature in cursive script, appearing to read "Charles P. Breitstadt", written over a horizontal line.

Charles P. Breitstadt

CONNECTICUT INSURANCE GUARANTY ASSOCIATION
Balance Sheet
December 31, 2009

	<u>Inception To Date</u>
Assets:	
Checking & Short-Term Cash	\$6,035,099.88
Investments	<u>54,661,148.01</u>
Total Assets	<u><u>\$60,696,247.89</u></u>
Fund Balance	<u><u>\$60,696,247.89</u></u>

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

	Year To Date	Inception To Date
RECEIPTS:		
Member Assessment Administrative	\$18,642.65	\$199,325.36
Member Assessment	2,466,674.00	285,843,951.00
Recovery	6,359,960.98	152,593,328.13
Interest Income	2,030,657.57	50,325,348.44
Total Receipts	10,875,935.20	488,961,952.93
DISBURSEMENTS:		
Claims Paid	2,625,067.20	163,967,440.78
Helmsman Claims Paid	285,462.86	27,475,093.25
Claims Expense Paid	1,144,541.96	28,678,659.73
Helmsman Claims Expense Paid	2,213.46	2,583,275.24
Premium Refund	3,162.45	1,064,454.47
Member Refund	13,404,927.00	182,487,027.00
Operating Expenses:		
Service Fee - ISO, Etc.	0.00	179,595.73
G.F.M.S.	1,200,412.71	18,172,349.30
Legal & Audit	109,451.76	2,332,794.11
Travel	9,248.64	216,622.56
NCIGF Fee	0.00	615,967.71
Insurance	7,040.00	22,866.00
Other	8,200.30	277,997.77
Administrative Expense	18,666.81	191,561.39
Total Operating Expenses	1,353,020.22	22,009,754.57
Total Disbursements	18,818,395.15	428,265,705.04
Funds Available	(\$7,942,459.95)	\$60,696,247.89
Reserves:		
Claims Liability Auto		38,502.00
Claims Expense Liability Auto		20,363.42
Unearned Premium Liability Auto		3,186.90
Subtotal Auto		62,052.32
Claims Liability Other		3,744,008.00
Claims Expense Liability Other		261,226.85
Unearned Premium Liability Other		0.00
Subtotal Other		4,005,234.85
Claims Liability Workers		47,087,340.10
Claims Expense Liability Workers		1,632,866.37
Unearned Premium Liability Workers		0.00
Subtotal Workers		48,720,206.47
Total Reserves		\$52,787,493.64
Funds Available Per Account		
Auto		\$1,199,659.30
Other		13,541,316.05
Workers		45,768,538.66
Total		\$60,509,514.01