

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

MAINE 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 Eric Cioppa, Superintendent
Maine Bureau of Insurance
State House Station 34
Augusta, ME 04333

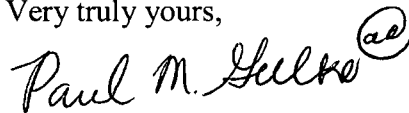
Re: Maine Insurance Guaranty Association (the "Association")
Annual Report of the Association for the Year Ending December 31, 2014

Dear Superintendent Cioppa:

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
Executive Secretary

Enclosure

cc: The Board of Directors of the Association

MAINE 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*

March 18, 2015

To: THE SUPERINTENDENT OF INSURANCE (the "Superintendent") AND THE MEMBER INSURERS OF THE MAINE 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 submitted to the Board of Directors for action. On August 7, 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 by the State of Delaware. On October 18, 2014, the Board met and voted to accept the insolvencies of Red Rock Insurance Company, which had been declared insolvent by the State of Oklahoma, 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. Timothy Vernon, Priscilla Lenkowski, Paul Gulko, James Winskowicz, 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 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: MMG Insurance Company and Patriot Insurance Company. The Chair then directed the Executive Secretary to cast one vote for the election of the nominees as Directors for a three-year term, expiring in 2017.

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

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 the following assessment and refunds be made:

<u>ASSESSMENT</u>	<u>AUTO</u>	<u>OTHER</u>	<u>WORKERS' COMP</u>
WC Residual Market	\$0	\$0	\$ 1,541,526
<u>Total Assessment</u>			<u>\$1,541,526</u>

The member insurers serving on the Board and their designated representatives as of December 31, 2013 are:

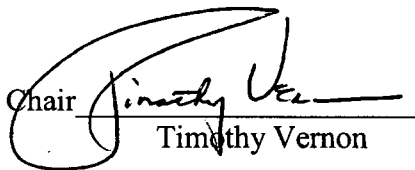
MMG INSURANCE COMPANY	Timothy Vernon
LIBERTY MUTUAL INSURANCE COMPANY	Priscilla Lenkowski
METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY	Maura Travers
ATLANTIC SPECIALTY INSURANCE COMPANY	Virginia McCarthy
TRAVELERS INDEMNITY COMPANY	David Fleming
PATRIOT INSURANCE COMPANY	Lincoln Merrill
PATRONS OXFORD INSURANCE COMPANY	Mark Pettingill

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
MAINE INSURANCE
GUARANTY ASSOCIATION

By its Chair


Timothy Vernon

Maine 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
RECEIPTS:		
Member Assessment Administrative	-	\$64.64
Member Assessment	1,536,201.00	73,194,173.00
Loan	-	2,500,000.00
Interaccount Special Transfer	-	30,272,404.00
Recovery	1,164,907.81	95,416,217.32
Interest Income	85,078.15	16,001,459.30
Total Receipts	2,786,186.96	217,384,318.26
DISBURSEMENTS:		
Claims Paid	421,780.45	119,056,260.32
Helmsman Claims Paid	269,873.39	45,487,440.77
Claims Expense Paid	28,638.26	1,743,311.12
Helmsman Claims Expense Paid	-	3,188,574.82
Premium Refund	-	95,147.21
Member Refund	-	3,092,324.00
Operating Expenses:		
G.F.M.S.	97,143.43	3,506,081.81
Legal & Audit	6,147.62	639,673.87
Travel	8,096.47	146,643.02
NCIGF Fee	-	362,986.42
Insurance	6,000.00	28,997.66
Other	1,169.93	200,540.54
Administrative Expense	-	34,082.26
Interest	-	278,872.30
Loan	-	2,500,000.00
Total Operating Expenses	118,557.45	7,697,877.88
Total Disbursements	838,849.55	180,360,936.12
Funds Available	\$1,947,337.41	\$37,023,382.14

1/26/2015
10:46:29 AM
PL_ME_QTR_LOB

Maine 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	-	\$579.71
Member Assessment	-	14,567,282.00
Member Assessment Special	-	17,160,525.00
Recovery	(1,078,246.23)	9,336,503.99
Interest Income	1,670.19	1,825,242.35
Total Receipts	(1,076,576.04)	42,890,133.05
DISBURSEMENTS:		
Claims Paid	-	9,910,815.32
Claims Expense Paid	882.00	3,033,586.17
Premium Refund	-	604,560.52
Member Refund	-	10,845,094.00
Member Refund Special	-	3,111,642.00
Operating Expenses:		
Service Fee - ISO, Etc.	-	5,122.09
G.F.M.S.	-	968,010.34
Legal & Audit	-	153,533.64
Travel	-	29,178.99
NCIGF Fee	-	59,362.87
Insurance	-	859.88
Other	-	26,336.96
Administrative Expense	-	65,059.23
Interaccount Special Transfer	-	14,048,883.00
Total Operating Expenses	-	15,356,347.00
Total Disbursements	882.00	42,862,045.01
Funds Available	(\$1,077,458.04)	\$28,088.04

1/26/2015
10:46:29 AM
PL_ME_QTR_LOB

Maine 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
RECEIPTS:		
Member Assessment Administrative	-	\$27.12
Member Assessment	-	4,050,686.00
Member Assessment Special	-	20,727,642.00
Recovery	-	3,229,466.39
Interest Income	566.54	1,666,999.26
Total Receipts	566.54	29,674,820.77
DISBURSEMENTS:		
Claims Paid	-	2,205,296.52
Claims Expense Paid	-	946,917.86
Premium Refund	-	379,571.59
Member Refund	-	4,292,832.00
Member Refund Special	-	4,504,121.00
Operating Expenses:		
Service Fee - ISO, Etc.	-	24,955.19
G.F.M.S.	-	715,954.00
Legal & Audit	-	74,972.05
Travel	-	18,605.29
NCIGF Fee	-	24,239.26
Insurance	-	712.46
Other	8.00	15,896.49
Administrative Expense	-	91,488.75
Interaccount Special Transfer	-	16,223,521.00
Total Operating Expenses	8.00	17,190,344.49
Total Disbursements	8.00	29,519,083.46
Funds Available	\$558.54	\$155,737.31

1/26/2015
10:46:29 AM
PL_ME_QTR_LOB

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

Quarter Ending 12/31/2014 Inception To Date

RECEIPTS:

Member Assessment Administrative	\$50.00	\$206,292.11
Total Receipts	50.00	206,292.11

DISBURSEMENTS:

Operating Expenses:		
Other	-	1,000.00
Administrative Expense	-	5,996.29
Total Operating Expenses	-	6,996.29
Total Disbursements	-	6,996.29
Funds Available	\$50.00	\$199,295.82

1/26/2015
 10:46:29 AM
 PL_ME_QTR_LOB

Maine 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	\$50.00	\$206,963.58
Member Assessment	1,536,201.00	91,812,141.00
Member Assessment Special	-	37,888,167.00
Loan	-	2,500,000.00
Interaccount Special Transfer	-	30,272,404.00
Recovery	86,661.58	107,982,187.70
Interest Income	87,314.88	19,493,700.91
Total Receipts	1,710,227.46	290,155,564.19
DISBURSEMENTS:		
Claims Paid	421,780.45	131,172,372.16
Helmsman Claims Paid	269,873.39	45,487,440.77
Claims Expense Paid	29,520.26	5,723,815.15
Helmsman Claims Expense Paid	-	3,188,574.82
Premium Refund	-	1,079,279.32
Member Refund	-	18,230,250.00
Member Refund Special	-	7,615,763.00
Operating Expenses:		
Service Fee - ISO, Etc.	-	30,077.28
G.F.M.S.	97,143.43	5,190,046.15
Legal & Audit	6,147.62	868,179.56
Travel	8,096.47	194,427.30
NCIGF Fee	-	446,588.55
Insurance	6,000.00	30,570.00
Other	1,177.93	243,773.99
Administrative Expense	-	196,626.53
Interest	-	278,872.30
Loan	-	2,500,000.00
Interaccount Special Transfer	-	30,272,404.00
Total Operating Expenses	118,565.45	40,251,565.66
Total Disbursements	839,739.55	252,749,060.88
Funds Available	\$870,487.91	\$37,406,503.31

1/26/2015
10:46:29 AM
PL_ME_QTR_LOB