

# MAINE STATE LEGISLATURE

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# 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 1, 2016

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

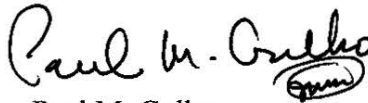
Re: Maine Insurance Guaranty Association (the "Association")  
Annual Report of the Association for the Year Ending December 31, 2015

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, 2015.

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

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March 1, 2016

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, 2015

During 2015, there was one new insolvency submitted to the Board of Directors for action. On November 24, 2015, the Board of Directors of the Association (the "Board") met and voted to accept the insolvency of Lincoln General Insurance Company, which had been declared insolvent by the Commonwealth of Pennsylvania. The Board decided that the administration of this insolvency would be provided by Guaranty Fund Management Services® ("GFMS®").

On October 30, 2015, the Board held its Annual Meeting in Groton, CT, 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, 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 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: Liberty Mutual Insurance Company, Patrons Oxford Insurance Company and Travelers Indemnity 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 2018.

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'</u> <u>COMP</u>
Centennial Insurance Co.		\$175,000	
	\$ 0	\$ 175,000	\$ 0
<b>Total Assessment</b>		<b>\$ 175,000</b>	

<u>REFUND</u>	<u>AUTO</u>	<u>OTHER</u>	<u>WORKERS'</u> <u>COMP</u>
Reliance Insurance Co.		(\$500,000)	
PHICO Insurance Co.		(\$800,799)	
	\$ 0	(\$1,300,799)	\$ 0
<b>Total Refund</b>		<b>(\$1,300,799)</b>	
<b>Net Refund</b>		<b>(\$1,125,799)</b>	

The member insurers serving on the Board and their designated representatives as of December 31, 2015 are:


MMG INSURANCE COMPANY	Timothy Vernon
LIBERTY MUTUAL INSURANCE COMPANY	Priscilla Lenkowski
METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY	Maura Travers
ATLANTIC SPECIALTY INSURANCE COMPANY	James G. Jordan
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, 2015, 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**  
**Balance Sheet**  
**December 31, 2015**  
**Inception**  
**To Date**

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**Assets:**

Checking & Short-Term Cash	\$1,285,784.50
Investments	34,252,077.39

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Total Assets	\$35,537,861.89
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Fund Balance	\$35,537,861.89
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**Maine Insurance Guaranty Association**  
**Statement of Cash Receipts and Disbursements**  
**From Inception Through December 31, 2015**  
**Total All Insolvencies**

	Year To Date	Inception To Date
<b>RECEIPTS:</b>		
Member Assessment Administrative	\$888.52	\$207,852.10
Member Assessment	165,171.00	91,977,312.00
Member Assessment Special	1,881.00	37,890,048.00
Loan	-	2,500,000.00
Interaccount Special Transfer	1,881.00	30,274,285.00
Recovery	1,983,554.75	109,965,742.45
Interest Income	332,418.45	19,826,119.36
<b>Total Receipts</b>	<b>2,485,794.72</b>	<b>292,641,358.91</b>
<b>DISBURSEMENTS:</b>		
Claims Paid	2,628,260.50	133,800,632.66
Helmman Claims Paid	(15,363.86)	45,472,076.91
Claims Expense Paid	118,126.40	5,841,941.55
Helmman Claims Expense Paid	1,897.57	3,190,472.39
Premium Refund	-	1,079,279.32
<b>Member Refund</b>	<b>1,284,940.00</b>	<b>19,515,190.00</b>
Member Refund Special	-	7,615,763.00
<b>Operating Expenses:</b>		
Service Fee - ISO, Etc.	-	30,077.28
G.F.M.S.	262,463.64	5,452,509.79
Legal & Audit	10,772.55	878,952.11
Travel	14,860.17	209,287.47
NCIGF Fee	36,047.00	482,635.55
Insurance	6,000.00	36,570.00
Other	4,551.17	248,325.16
Administrative Expense	-	196,626.53
Interest	-	278,872.30
Loan	-	2,500,000.00
Interaccount Special Transfer	1,881.00	30,274,285.00
<b>Total Operating Expenses</b>	<b>336,575.53</b>	<b>40,588,141.19</b>
<b>Total Disbursements</b>	<b>4,354,436.14</b>	<b>257,103,497.02</b>
<b>Funds Available</b>	<b>(\$1,868,641.42)</b>	<b>\$35,537,861.89</b>
<b>Reserves:</b>		
Claims Liability Other		45,000.00
Claims Expense Liability Other		19,367.34
<b>Subtotal Other</b>		<b>64,367.34</b>
Claims Liability Workers		28,561,557.22
Claims Expense Liability Workers		651,438.18
<b>Subtotal Workers</b>		<b>29,212,995.40</b>
<b>Total Reserves</b>		<b>\$29,277,362.74</b>
<b>Funds Available Per Account</b>		
Auto		(\$173,850.77)
Other		(509,770.29)
Workers		36,021,298.61
<b>Total</b>		<b>\$35,337,677.55</b>

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**Maine Insurance Guaranty Association  
Statement of Cash Receipts and Disbursements  
From Inception Through December 31, 2015**

	Administrative Year To Date	Inception To Date
<b>RECEIPTS:</b>		
Member Assessment Administrative	\$9,212.97	\$382,802.47
Interest Income	2,283.63	3,154.51
<b>Total Receipts</b>	<b>11,496.60</b>	<b>385,956.98</b>
<b>DISBURSEMENTS:</b>		
<b>Operating Expenses:</b>		
Other	-	1,000.00
Administrative Expense	-	5,996.29
<b>Total Operating Expenses</b>	<b>-</b>	<b>6,996.29</b>
<b>Total Disbursements</b>	<b>-</b>	<b>6,996.29</b>
<b>Funds Available</b>	<b>\$11,496.60</b>	<b>\$378,960.69</b>
<b>Reserves:</b>		
<b>Total Reserves</b>		-
<b>Funds Available Per Account</b>		
Auto		\$52,772.90
Other		124,778.07
Workers		1,225.38
<b>Total</b>		<b>\$178,776.35</b>

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**Maine Insurance Guaranty Association  
Statement of Cash Receipts and Disbursements  
From Inception Through December 31, 2015  
WC Residual Market Obligation**

	Year To Date	Inception To Date
<b>RECEIPTS:</b>		
Member Assessment	\$764.00	\$19,533,050.00
Member Assessment Special	1,881.00	24,081,290.00
Interaccount Special Transfer	1,881.00	24,081,290.00
<b>Total Receipts</b>	<b>4,526.00</b>	<b>67,695,630.00</b>
<b>DISBURSEMENTS:</b>		
Claims Paid	-	61,521,560.00
<b>Operating Expenses:</b>		
Interaccount Special Transfer	1,881.00	24,081,290.00
<b>Total Operating Expenses</b>	<b>1,881.00</b>	<b>24,081,290.00</b>
<b>Total Disbursements</b>	<b>1,881.00</b>	<b>85,602,850.00</b>
<b>Funds Available</b>	<b>\$2,645.00</b>	<b>(\$17,907,220.00)</b>
<b>Reserves:</b>		
Total Reserves		-
<b>Funds Available Per Account</b>		
Auto		-
Other		-
Workers		(17,907,220.00)
<b>Total</b>		<b>(\$17,907,220.00)</b>

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Maine Insurance Guaranty Association  
Statement of Cash Receipts and Disbursements  
From Inception Through December 31, 2015  
Consolidated Statement of Closed Insolvencies  
Inception  
To Date

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**RECEIPTS:**

Member Assessment Administrative	(\$53,760.71)
Member Assessment	5,975,543.00
Recovery	4,354,742.13
Interest Income	773,764.41
<b>Total Receipts</b>	<b>11,050,288.83</b>

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**DISBURSEMENTS:**

Claims Paid	2,316,081.15
Helmsman Claims Paid	973,613.76
Claims Expense Paid	874,024.30
Helmsman Claims Expense Paid	141,322.95
Premium Refund	209,264.44
<b>Member Refund</b>	<b>5,537,299.00</b>
<b>Operating Expenses:</b>	
Service Fee - ISO, Etc.	30,077.28
G.F.M.S.	544,899.96
Legal & Audit	110,745.09
Travel	38,984.18
NCIGF Fee	39,646.47
Other	47,206.30
Administrative Expense	187,123.95
<b>Total Operating Expenses</b>	<b>998,683.23</b>
<b>Total Disbursements</b>	<b>11,050,288.83</b>
<b>Funds Available</b>	<b>-</b>

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