

DISTRICT OF COLUMBIA 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, 2011

The Honorable William P. White
Acting Commissioner of Insurance
District of Columbia Insurance Department
810 First Street, NE, Suite 701
Washington, D.C. 20002

Re: District of Columbia Insurance Guaranty Association (the "Association")
Annual Report of the Association for the Year Ending December 31, 2010

Dear Acting Commissioner White:

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, 2010.

Should you have any questions, please do not hesitate to contact me.

Very truly yours,



Paul M. Gulko
Manager

Enclosure

cc: The Board of Directors of the Association

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March 1, 2011

To: THE COMMISSIONER OF INSURANCE (the "Commissioner") AND
THE MEMBER INSURERS OF THE DISTRICT OF COLUMBIA
INSURANCE GUARANTY ASSOCIATION (the "Association")

Re: The Annual Report of the Association for the Year ending December 31, 2010

During 2010, there were three new insolvencies reported to the Association. On June 2, 2010, the Board of Directors of the Association (the "Board") voted to accept the insolvency of Imperial Casualty and Indemnity Company, which had been declared insolvent by the State of Oklahoma. On October 17, 2010, the Board voted to accept the insolvencies of Pegasus Insurance Company, which had been declared insolvent in the State of Oklahoma, and The Insurance Corporation of New York, 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[®]"). The Board also continued to monitor existing insolvencies and potential insolvencies.

On October 17, 2010, the Board held its Annual Meeting in Chatham, Massachusetts, in conjunction with other meetings of the member guaranty associations of Guaranty Fund Management Services[®] ("GFMS[®]") and its committees. Larry Hinton, Joanne Locke, Paul Gulko, James Winskowicz, and Kathleen Lavin, were elected Chair, Vice-Chair, Manager, Claims Manager, and Treasurer, respectively, of the Association.

The Board received and considered the report of the Manager regarding the ballots transmitted by the member insurers with instructions to vote in favor of the following nominees as Directors: Allstate Insurance Company, Government Employees Insurance Company, Liberty Mutual Insurance Company, Maryland Casualty Company, National Union Fire Insurance Company of Pittsburgh, PA, ProAssurance National Capital Insurance Company and State Farm Mutual Automobile Insurance Company. The Chairman then directed the Manager to cast one vote for the election of the nominees as Directors for a three-year term, expiring in 2013.

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

The Board considered and adopted a Conflict of Interest Policy.

The Board then 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 assessment and refund of prior assessments be made:

<u>ASSESSMENT</u>	<u>AUTO</u>	<u>OTHER</u>	<u>WORKERS' COMP</u>
Reliance Insurance Company			\$2,000,000
	\$0	\$0	\$2,000,000
Total Assessment		\$ 2,000,000	

<u>REFUND</u>	<u>AUTO</u>	<u>OTHER</u>	<u>WORKERS' COMP</u>
Union Indemnity Insurance Company		(\$103,223)	
Transit Casualty Insurance Company		(\$43,869)	
Grangers Mutual Insurance Company		(\$60,053)	
Reliance Insurance Company		(\$2,000,000)	
PHICO Insurance Company		(\$374,378)	
Home Insurance Company		(\$500,000)	
	\$0	(\$3,081,523)	(\$0)
Total Refund		(\$3,081,523)	
Net Refund		(\$1,081,523)	

Upon recommendation of the Treasurer, the Board further voted that the following insolvencies be **CLOSED: Union Indemnity Insurance Company, Transit Casualty Insurance Company and Grangers Mutual Insurance Company.**

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

GOVERNMENT EMPLOYEES INSURANCE COMPANY	Larry Hinton
LIBERTY MUTUAL INSURANCE COMPANY	Joanne Locke
MARYLAND CASUALTY COMPANY	Joyce Hall Mellinger
PROASSURANCE NATIONAL CAPITAL INSURANCE COMPANY	Howard Friedman

NATIONAL UNION FIRE INSURANCE COMPANY
OF PITTSBURG, PA

Paul S. Brown

STATE FARM MUTUAL AUTOMOBILE
INSURANCE COMPANY

Peggy Echols

ALLSTATE INSURANCE COMPANY


Jeff Williams

The Statement of Account of the Association, from inception through December 31, 2010, and its Balance Sheet for the same period, are attached hereto and made a part hereof.

Respectfully submitted,

The Board of Directors of the
DISTRICT OF COLUMBIA INSURANCE
GUARANTY ASSOCIATION

By its Chairman


Larry Hinton

District of Columbia Insurance Guaranty Association
Statement of Cash Receipts and Disbursements
From Inception Through December 31, 2010
Total All Insolvencies

	Year To Date	Inception To Date
RECEIPTS:		
Member Assessment Administrative	\$31,780.64	\$173,214.66
Member Assessment	2,010,449.00	54,447,821.00
Recovery	5,331,542.13	19,025,089.29
Interest Income	550,158.11	6,327,846.95
Total Receipts	7,923,929.88	79,973,971.90
DISBURSEMENTS:		
Claims Paid	(13,856.02)	19,426,582.75
Helmsman Claims Paid	477.88	616,047.99
Claims Expense Paid	30,033.41	4,198,201.10
Helmsman Claims Expense Paid	0.00	59,432.28
Premium Refund	0.00	145,416.04
Member Refund	3,053,706.00	26,490,338.00
Operating Expenses:		
G.F.M.S.	196,947.95	3,438,637.08
Legal & Audit	22,921.48	791,250.47
Travel	5,278.72	137,623.58
NCIGF Fee	27,251.00	266,539.89
Insurance	5,323.00	21,703.00
Other	1,761.94	70,918.56
Administrative Expense	31,780.64	192,059.97
Total Operating Expenses	291,264.73	4,918,732.55
Total Disbursements	3,361,626.00	55,854,750.71
Funds Available	\$4,562,303.88	\$24,119,221.19
Reserves:		
Claims Liability Other		105,001.00
Claims Expense Liability Other		586.78
Subtotal Other		105,587.78
Claims Liability Workers		27,037,961.43
Claims Expense Liability Workers		379,438.39
Subtotal Workers		27,417,399.82
Total Reserves		\$27,522,987.60
Funds Available Per Account:		
Auto		\$33,888.02
Other		1,198,970.67
Workers		22,822,058.43
Total		\$24,054,917.12

DISTRICT OF COLUMBIA INSURANCE GUARANTY ASSOCIATION
Balance Sheet
December 31, 2010

Inception
To Date

Assets:

Checking & Short-Term Cash
Investments

\$1,062,107.07
23,057,114.12

Total Assets

\$24,119,221.19

Fund Balance

\$24,119,221.19