

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 18, 2014

The Honorable Chester A. McPherson
Interim Commissioner
D.C. Department of Insurance, Securities and Banking
810 First Street, NE, Suite 701
Washington, D.C. 20002

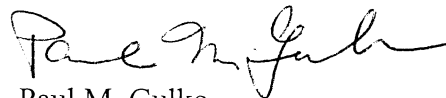
Re: District of Columbia Insurance Guaranty Association (the "Association")
Annual Report of the Association for the Year Ending December 31, 2013

Dear Interim Commissioner McPherson:

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, 2013.

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 18, 2014

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, 2013

During 2013, there were four new insolvencies reported to the Association. On May 29, 2013, the Board of Directors of the Association (the "Board") met and voted to accept the insolvencies of American Manufacturers Mutual Insurance Company, American Motorists Insurance Company and Lumbermens Mutual Casualty Company, which had been declared insolvent and ordered liquidated by the State of Illinois. On June 7, 2013, the Board met and voted to accept the insolvency of Ullico Casualty Company, which had been declared insolvent in the State of Delaware. The Board decided that the administration of these insolvencies would be provided by Guaranty Fund Management Services[®] ("GFMS[®]").

On October 27, 2013, the Board held its Annual Meeting in Washington D.C., 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. In addition, the Board discussed and/or voted the following items.

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:

Three Year terms expiring in 2016: Allstate Insurance Company, Maryland Casualty Company, and State Farm Mutual Automobile Insurance Company.

Two year terms expiring in 2015: Government Employees Insurance Company and Liberty Mutual Insurance Company

One year terms expiring in 2014: ProAssurance Indemnity Company, Inc. and National Union Fire Insurance Company of Pittsburgh, PA.

The Chairman then directed the Manager to cast one vote for the election of the nominees as Directors for the stated terms.

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

The Board received a report concerning a claim audit performed earlier in 2013.

The Board reviewed the process by which assessments are levied upon member insurers.

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 an **assessment** in the **Workers' Compensation account** be made in the amount of **\$1,500,000**.

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

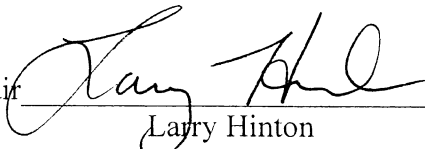
GOVERNMENT EMPLOYEES INSURANCE COMPANY	Larry Hinton
LIBERTY MUTUAL INSURANCE COMPANY	Joanne Locke
MARYLAND CASUALTY COMPANY	Joyce Hall Mellinger
PROASSURANCE INDEMNITY COMPANY, INC.	Howard Friedman
NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURG, PA	Paul S. Brown
STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY	Peggy Echols
ALLSTATE INSURANCE COMPANY	L. Noel Patterson, Jr.

The Statement of Account of the Association, from inception through December 31, 2013, 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 Chair


Larry Hinton

DISTRICT OF COLUMBIA INSURANCE GUARANTY ASSOCIATION
Balance Sheet
December 31, 2013

	<u>Inception To Date</u>
Assets:	
Checking & Short-Term Cash	\$4,669,129.51
Investments	<u>25,369,028.14</u>
Total Assets	<u><u>\$30,038,157.65</u></u>
Fund Balance	<u><u>\$30,038,157.65</u></u>

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**District of Columbia Insurance Guaranty Association
Statement of Cash Receipts and Disbursements
From Inception Through December 31, 2013
Administrative**

	Year To Date	Inception To Date
RECEIPTS:		
Member Assessment Administrative	\$95,036.16	\$226,465.15
Recovery	-	47,465.44
Interest Income	1,185.08	1,185.08
Total Receipts	96,221.24	275,115.67
DISBURSEMENTS:		
Operating Expenses:		
Other	-	1,000.00
Administrative Expense	-	41,697.26
Total Operating Expenses	-	42,697.26
Total Disbursements	-	42,697.26
Funds Available	\$96,221.24	\$232,418.41
Reserves:		
Total Reserves	-	-
Funds Available Per Account		
Auto		\$795.81
Other		80,848.50
Workers		62,042.37
Total		\$143,686.68

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**District of Columbia Insurance Guaranty Association
Statement of Cash Receipts and Disbursements
From Inception Through December 31, 2013
Assessment by Account**

	<u>Year To Date</u>	<u>Inception To Date</u>
RECEIPTS:		
Member Assessment	\$1,437,500.00	\$2,437,486.00
Interest Income	9,776.37	9,776.37
Total Receipts	<u>1,447,276.37</u>	<u>2,447,262.37</u>
DISBURSEMENTS:		
Operating Expenses:		
Total Operating Expenses	-	-
Total Disbursements	-	-
Funds Available	<u>\$1,447,276.37</u>	<u>\$2,447,262.37</u>
Reserves:		
Total Reserves		-
Funds Available Per Account		
Auto		-
Other		-
Workers		2,447,262.37
Total		<u><u>\$2,447,262.37</u></u>

**District of Columbia Insurance Guaranty Association
Statement of Cash Receipts and Disbursements
From Inception Through December 31, 2013
Consolidated Statement of Closed Insolvencies**

	Inception To Date
RECEIPTS:	
Member Assessment Administrative	(\$33,387.68)
Member Assessment	16,583,861.00
Recovery	4,610,740.47
Interest Income	1,810,357.31
Total Receipts	22,971,571.10
DISBURSEMENTS:	
Claims Paid	5,379,857.26
Helmsman Claims Paid	174,049.87
Claims Expense Paid	2,394,944.65
Helmsman Claims Expense Paid	16,086.09
Premium Refund	96,451.70
 Member Refund	 12,319,627.00
Operating Expenses:	
G.F.M.S.	1,936,786.45
Legal & Audit	296,481.73
Travel	72,487.39
NCIGF Fee	75,267.23
Other	33,915.62
Administrative Expense	175,616.11
Total Operating Expenses	2,590,554.53
Total Disbursements	22,971,571.10
Funds Available	-

**District of Columbia Insurance Guaranty Association
Statement of Cash Receipts and Disbursements
From Inception Through December 31, 2013
Total All Insolvencies**

	<u>Year To Date</u>	<u>Inception To Date</u>
RECEIPTS:		
Member Assessment Administrative	-	\$196,013.06
Member Assessment	1,437,500.00	58,891,708.00
Recovery	1,992,770.79	22,593,453.69
Interest Income	265,212.55	7,639,764.67
Total Receipts	3,695,483.34	89,320,939.42
DISBURSEMENTS:		
Claims Paid	917,050.00	21,538,365.31
Helmsman Claims Paid	477.88	617,500.01
Claims Expense Paid	111,975.48	4,393,683.67
Helmsman Claims Expense Paid	-	59,432.28
Premium Refund	-	145,416.04
Member Refund	-	27,109,056.00
Operating Expenses:		
G.F.M.S.	124,818.59	3,749,117.25
Legal & Audit	21,207.67	822,199.06
Travel	4,196.35	153,684.22
NCIGF Fee	29,656.00	356,062.89
Insurance	6,840.00	39,623.00
Other	2,436.56	81,328.67
Administrative Expense	-	217,313.37
Total Operating Expenses	189,155.17	5,419,328.46
Total Disbursements	1,218,658.53	59,282,781.77
Funds Available	\$2,476,824.81	\$30,038,157.65
Reserves:		
Claims Liability Other		625,025.00
Claims Expense Liability Other		13,476.48
Subtotal Other		638,501.48
Claims Liability Workers		23,722,288.17
Claims Expense Liability Workers		431,046.36
Subtotal Workers		24,153,334.53
Total Reserves		\$24,791,836.01
Funds Available Per Account		
Auto		\$91,893.29
Other		684,290.76
Workers		29,173,241.87
Total		\$29,949,425.92

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