

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, 2018

The Honorable Stephen C. Taylor
D.C. Department of Insurance, Securities and Banking
1050 First Street, NE, Suite 801
Washington, D.C. 20002


Re: District of Columbia Insurance Guaranty Association (the "Association")
Annual Report of the Association for the Year Ending December 31, 2017

Dear Commissioner Taylor:

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, 2017.

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, 2018

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, 2017

During 2017, there were two new insolvencies reported to the Association. On April 6, 2017, the Board of Directors of the Association (the "Board") met and voted to accept the insolvency of CastlePoint National Insurance Company, which had been declared insolvent and ordered liquidated by the State of California. CastlePoint is the successor company formed by merger of the following Tower Group of companies:

Tower Insurance Company of New York
Tower National Insurance Company
CastlePoint Florida Insurance Company
York Insurance Company of Maine
Massachusetts Homeland Insurance Company
Hermitage Insurance Company
North East Insurance Company
Preserver Insurance Company
CastlePoint Insurance Company

On December 6, 2017, the Board met and voted to accept the insolvency of Guarantee Insurance Company, which had been declared insolvent and ordered liquidated by the State of Florida.

The Board decided that the administration of these insolvencies would be provided by Guaranty Fund Management Services® ("GFMS®").

On October 14, 2017, the Board held its Annual Meeting in Alexandria, Virginia, in conjunction with other meetings of the member guaranty associations of GFMS and its committees. Larry Hinton, Joanne Locke, Paul Gulko, Dawne Mills, 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 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: National Union

Fire Insurance Company of Pittsburgh, PA and ProAssurance Indemnity Company, Inc.. The Chair thereupon directed the Manager to cast one vote for the nominees as directors for a three-year term, expiring in 2020.

The Plan of Operation was reviewed and the Board concluded that no amendments thereto were recommended at this time.

The Board reviewed the existing contract with GFMS and determined no changes were necessary.

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

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 determined that neither an assessment nor a refund was warranted at the time.

The member insurers currently serving on the Board and their designated representatives as of December 31, 2017 are:

GOVERNMENT EMPLOYEES INSURANCE COMPANY	Larry Hinton
LIBERTY MUTUAL INSURANCE COMPANY	Joanne Locke
ZURICH AMERICAN INSURANCE COMPANY	Michael P. Catina
PROASSURANCE INDEMNITY COMPANY, INC.	Howard Friedman
NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURG, PA	Steven Harris
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, 2017, and its Balance Sheet for the same period, are attached hereto and made a part hereof.

Respectfully submitted,

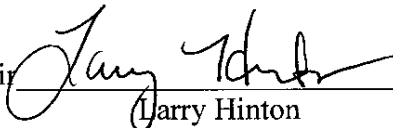
The Board of Directors of the
DISTRICT OF COLUMBIA INSURANCE
GUARANTY ASSOCIATION

DEVELOPER

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REVISIONS

By its Chair


Larry Hinton

DISTRICT OF COLUMBIA INSURANCE GUARANTY ASSOCIATION
Balance Sheet
December 31, 2017
Inception
To Date

Assets:

Checking & Short-Term Cash	\$5,938,419.13
Investments	34,862,026.85

Total Assets	\$40,800,445.98
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Fund Balance	\$40,800,445.98
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**District of Columbia Insurance Guaranty Association
Statement of Cash Receipts and Disbursements
From Inception Through December 31, 2017
Total All Insolvencies**

	Year To Date	Inception To Date
RECEIPTS:		
Member Assessment Administrative	(\$95,259.68)	(\$687.11)
Member Assessment	-	62,869,166.00
Recovery	6,199,952.56	32,657,037.58
Interest Income	406,989.94	8,882,763.38
Total Receipts	6,511,682.82	104,408,279.85
DISBURSEMENTS:		
Claims Paid	721,238.32	24,556,724.84
Third-Party Administrator Claims Paid	33,477.88	652,411.53
Claims Expense Paid	111,536.43	4,729,917.87
Third-Party Administrator Claims Expense Paid	-	59,597.28
Premium Refund	-	162,559.31
Member Refund	-	27,109,113.00
Operating Expenses:		
G.F.M.S.	146,624.78	4,402,153.75
Legal & Audit	15,763.81	889,428.22
Travel	4,148.58	175,046.16
NCIGF Fee	38,295.00	494,360.89
Insurance	6,000.00	57,623.00
Other	3,163.34	101,584.65
Administrative Expense	-	217,313.37
Total Operating Expenses	213,995.51	6,337,510.04
Total Disbursements	1,080,248.14	63,607,833.87
Funds Available	\$5,431,434.68	\$40,800,445.98
Reserves:		
Claims Liability Other		31,835.80
Claims Expense Liability Other		4,909.80
Subtotal Other		36,745.60
Claims Liability Workers		29,868,318.44
Claims Expense Liability Workers		356,450.23
Subtotal Workers		30,224,768.67
Total Reserves		\$30,261,514.27
Funds Available Per Account		
Auto		\$1,214,484.26
Other		496,955.10
Workers		39,196,975.06
Total		\$40,908,414.42

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**District of Columbia Insurance Guaranty Association
Statement of Cash Receipts and Disbursements
From Inception Through December 31, 2017
Total All Insolvencies**

**Year
To Date**

**Inception
To Date**

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**District of Columbia Insurance Guaranty Association
Statement of Cash Receipts and Disbursements
From Inception Through December 31, 2017
Consolidated Statement of Closed Insolvencies
Inception
To Date**

RECEIPTS:

Member Assessment Administrative	(\$1,525,232.44)
Member Assessment	16,783,860.00
Recovery	6,172,975.57
Interest Income	1,836,440.25
Total Receipts	23,268,043.38

DISBURSEMENTS:

Claims Paid	5,440,912.09
Third-Party Administrator Claims Paid	174,049.87
Claims Expense Paid	2,400,605.57
Third-Party Administrator Claims Expense Paid	16,086.09
Premium Refund	96,451.70
Member Refund	12,467,187.00
Operating Expenses:	
G.F.M.S.	1,945,373.85
Legal & Audit	360,873.56
Travel	73,731.91
NCIGF Fee	80,533.21
Other	36,622.42
Administrative Expense	175,616.11
Total Operating Expenses	2,672,751.06
Total Disbursements	23,268,043.38
Funds Available	-

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**District of Columbia Insurance Guaranty Association
Statement of Cash Receipts and Disbursements
From Inception Through December 31, 2017
Administrative**

	Year To Date	Inception To Date
RECEIPTS:		
Member Assessment Administrative	(\$200,271.19)	\$1,141,085.23
Recovery	-	47,465.44
Interest Income	11,521.84	47,947.45
Total Receipts	(188,749.35)	1,236,498.12
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	(\$188,749.35)	\$1,193,800.86
Reserves:		
Total Reserves	-	-
Funds Available Per Account		
Auto		\$1,212,677.47
Other		(157,376.21)
Workers		246,468.04
Total	-	\$1,301,769.30

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