Via Certified Mail/Return Receipt Requested

March 1, 2016

The Honorable Elizabeth Kelleher Dwyer
Superintendent of Insurance
RI Department of Business Regulations
1511 Pontiac Avenue
Cranston, RI 02920

Re: Rhode Island Property & Casualty Insurance Guaranty Association (the “Association”)
Annual Report of the Association for the Year Ending December 31, 2015

Dear Superintendent Dwyer:

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
    Jack Broccoli, Associate Director
March 1, 2016

To: THE SUPERINTENDENT OF INSURANCE ("the “Superintendent”) AND THE MEMBER INSURERS OF THE RHODE ISLAND PROPERTY & CASUALTY 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 reported to the Association. On December 3, 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 31, 2015, the Board held its Annual Meeting in Groton, Connecticut, in conjunction with other meetings of the member insolvency funds of GFMS and its committees. Maura Travers, Earl (“Ty”) Cottam, Jr., Paul Gulko, Dawne Mills, and Kathleen Lavin, were elected Chair, Vice Chair, Executive Secretary, Claims Manager and Treasurer, respectively, of the Association. 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 member insurers with instructions to vote in favor of the following nominees as Directors: Factory Mutual Insurance Company, Providence Mutual Insurance Company and Vermont Mutual Insurance Company. The Chair thereupon directed the Executive Secretary to cast one vote for the nominees as directors for a three-year term, expiring in 2018.

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

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

The Board next 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 amount of $1,527,860 in the Workers’ Compensation account was required and that refunds of $448,997 in the Auto account, $360,537 in the Other Account and $2,432,233 are warranted. Thus, the net amount refunded to the member insurers is $1,815,432.
The member insurers currently serving on the Board and their designated representatives are:

METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY  Maura Travers
PROVIDENCE MUTUAL FIRE INSURANCE COMPANY  Earl F. Cottam, Jr.
FACTORY MUTUAL INSURANCE COMPANY  Jay Swiatek
LIBERTY MUTUAL INSURANCE COMPANY  Donald Baldini
NATIONWIDE MUTUAL INSURANCE COMPANY  Larry Alan
AMICA MUTUAL INSURANCE COMPANY  Robert Suglia
VERMONT MUTUAL INSURANCE COMPANY  Brian Eagan

EX-OFFICIO:
SUPERINTENDENT OF INSURANCE  Joseph Torti, III

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
RHODE ISLAND PROPERTY & CASUALTY
INSURANCE GUARANTY ASSOCIATION

By its Chair

Maura Travers
RHODE ISLAND P&C INSURANCE GUARANTY ASSOCIATION
Balance Sheet
December 31, 2015
Inception
To Date

<table>
<thead>
<tr>
<th>Assets:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Checking &amp; Short-Term Cash</td>
<td>$1,810,909.49</td>
</tr>
<tr>
<td>Investments</td>
<td>22,628,320.69</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$24,439,230.18</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fund Balance</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fund Balance</strong></td>
<td><strong>$24,439,230.18</strong></td>
</tr>
</tbody>
</table>

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# Rhode Island Property & Casualty Insurance Guarantee Association

## Statement of Cash Receipts and Disbursements

From Inception Through December 31, 2015

### Total Insolvencies

<table>
<thead>
<tr>
<th>Year</th>
<th>To Date</th>
<th>Inception</th>
<th>To Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Receipts:

- **Member Assessment Administrative**
  - $163.94
  - $636,755.87

- **Member Assessment**
  - 1,465,702.00
  - 199,047,691.00

- **Member Assessment Special**
  - 91,173,246.00

- **Member Assessment Borrowing**
  - 4,988,447.00

- **Line of Credit**
  - 1,349,385.00
  - 3,508,060.00

- **Intercostant Special Transfer**
  - 3,918,443.17
  - 83,708,347.40

- **Recovery**
  - 3,918,443.17
  - 83,708,347.40

- **Interest Income**
  - 208,003.49
  - 20,339,756.59

- **Interest Income - Line of Credit**
  - 402,498.25

- **Total Receipts**
  - 5,592,369.70
  - 241,329,569.11

### Disbursements:

- **Claims Paid**
  - 812,655.50
  - 72,812,657.92

- **Heineman Claims Paid**
  - 229,904.78
  - 39,024,948.80

- **Claims Expense Paid**
  - 34,704.63
  - 13,949,526.60

- **Heineman Claims Expense Paid**
  - 4,435.52
  - 3,190,906.90

- **Premium Refund**
  - -
  - 5,293,327.51

- **Member Refund**
  - 3,163,466.00
  - 40,492,085.00

- **Member Refund Borrowing**
  - -
  - 4,952,128.00

- **Operating Expenses:**
  - **Service Fee - ISO, Etc.**
    - -
    - 103,879.74

  - **G.F.M.S.**
    - 177,536.41
    - 10,317,697.56

  - **Legal & Audit**
    - 7,701.52
    - 2,160,191.26

  - **Travel**
    - 2,211.27
    - 149,590.44

  - **NCIGF Fee**
    - 36,025.00
    - 474,603.37

  - **Insurance**
    - 6,689.09
    - 41,094.00

  - **Other**
    - 3,568.87
    - 120,138.40

  - **Administrative Expense**
    - -
    - 620,966.07

  - **Interest**
    - -
    - 1,938,501.36

  - **Loan**
    - -
    - 2,500,000.00

  - **Intercostant Special Transfer**
    - -
    - 5,712,260.00

- **Total Operating Expenses**
  - 234,133.27
  - 27,629,258.20

- **Total Disbursements**
  - 4,179,345.70
  - 216,890,338.93

- **Funds Available**
  - $1,112,967.80
  - $14,639,238.18

### Reserves:

- **Claims Liability Other**
  - 201,505.00

- **Claims Expense Liability Other**
  - 6,399.21

- **Subtotal Other**
  - 207,904.21

- **Claims Liability Workers**
  - 14,352,590.54

- **Claims Expense Liability Workers**
  - 183,085.08

- **Subtotal Workers**
  - 14,535,675.62

- **Total Reserves**
  - $14,743,640.83

### Funds Available Per Account:

- **Arts**
  - $313,938.92

- **Other**
  - 999,244.10

- **Workers**
  - 29,928,545.64
## Rhode Island Property & Casualty Insurance Guaranty Association

### Statement of Cash Receipts and Disbursements

From Inception Through December 31, 2015

<table>
<thead>
<tr>
<th>Total AR Involvements</th>
<th>Year To Date</th>
<th>Inception To Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>$12,241,728.66</td>
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</tbody>
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PL_RI_INSOL
Rhode Island Property & Casualty Insurance Guaranty Association
Statement of Cash Receipts and Disbursements
From Inception Through December 31, 2015
Administrative

<table>
<thead>
<tr>
<th></th>
<th>Year To Date</th>
<th>Inception To Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RECEIPTS:</strong></td>
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</tr>
<tr>
<td>Member Assessment Administrative</td>
<td>$91,976.60</td>
<td>$795,160.64</td>
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<tr>
<td>Line of Credit</td>
<td>-</td>
<td>1,340,385.00</td>
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<tr>
<td>Interest Income</td>
<td>38,854.24</td>
<td>67,147.84</td>
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<tr>
<td>Interest Income - Line of Credit</td>
<td>-</td>
<td>402,698.25</td>
</tr>
<tr>
<td><strong>Total Receipts</strong></td>
<td>130,830.84</td>
<td>2,618,398.13</td>
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**DISBURSEMENTS:**

<table>
<thead>
<tr>
<th></th>
<th>Year To Date</th>
<th>Inception To Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>G.T.M.S.</td>
<td>$2,727.06</td>
<td>$2,995.63</td>
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<tr>
<td>Other</td>
<td>-</td>
<td>1,000.06</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>$2,727.06</td>
<td>$3,095.63</td>
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<tr>
<td><strong>Total Disbursements</strong></td>
<td>$2,727.06</td>
<td>$3,095.63</td>
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<tr>
<td>Funds Available</td>
<td>$78,103.78</td>
<td>$2,533,285.50</td>
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</table>

**Reserves:**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Reserves</td>
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<tr>
<td><strong>Funds Available Per Account</strong></td>
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<tr>
<td>Auto</td>
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<td>$505,573.93</td>
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<tr>
<td>Other</td>
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<td>168,006.32</td>
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<tr>
<td>Workers</td>
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<td>117,165.73</td>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td>$335,793.98</td>
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</tbody>
</table>

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Rhode Island Property & Casualty Insurance Guaranty Association
Statement of Cash Receipts and Disbursements
From Inception Through December 31, 2015
Consolidated Statement of Closed Insolvencies
Inception
To Date

RECEIPTS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member Assessment Administrative</td>
<td>($176,773.89)</td>
</tr>
<tr>
<td>Member Assessment</td>
<td>41,287,043.00</td>
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<tr>
<td>Recovery</td>
<td>22,494,420.39</td>
</tr>
<tr>
<td>Interest Income</td>
<td>5,758,571.50</td>
</tr>
<tr>
<td><strong>Total Receipts</strong></td>
<td><strong>69,363,261.00</strong></td>
</tr>
</tbody>
</table>

DISBURSEMENTS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Claims Paid</td>
<td>22,449,283.82</td>
</tr>
<tr>
<td>Helmsman Claims Paid</td>
<td>1,307,263.29</td>
</tr>
<tr>
<td>Claims Expense Paid</td>
<td>5,006,468.95</td>
</tr>
<tr>
<td>Helmsman Claims Expense Paid</td>
<td>165,656.05</td>
</tr>
<tr>
<td>Premium Refund</td>
<td>1,449,514.63</td>
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<tr>
<td>Member Refund</td>
<td>35,585,371.00</td>
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<tr>
<td><strong>Operating Expenses:</strong></td>
<td></td>
</tr>
<tr>
<td>Service Fee - ISO, Etc.</td>
<td>88,590.51</td>
</tr>
<tr>
<td>G.F.M.S.</td>
<td>2,171,125.27</td>
</tr>
<tr>
<td>Legal &amp; Audit</td>
<td>301,633.90</td>
</tr>
<tr>
<td>Travel</td>
<td>65,654.36</td>
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<tr>
<td>NCIGF Fee</td>
<td>108,328.58</td>
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<tr>
<td>Other</td>
<td>52,463.92</td>
</tr>
<tr>
<td>Administrative Expense</td>
<td>611,906.72</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td><strong>3,399,703.26</strong></td>
</tr>
</tbody>
</table>

**Total Disbursements** 69,363,261.00

Funds Available

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