

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, 2017

The Honorable Stephen C. Taylor
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, 2016

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, 2016.

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, 2017

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, 2016

During 2016, there was one new insolvency reported to the Association. On June 2, 2016, the Board of Directors of the Association (the "Board") met and voted to accept the insolvency of Lumbermen's Underwriting Alliance, which had been declared insolvent and ordered liquidated by the State of Missouri. The Board decided that the administration of this insolvency would be provided by Guaranty Fund Management Services® ("GFMS®").

On October 19, 2016, the Board held its Annual Meeting in Cape Elizabeth, Maine, 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, 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: Allstate Insurance Company, State Farm Mutual Automobile Insurance Company and Zurich American Insurance Company. The Chair thereupon directed the Manager to cast one vote for the nominees as directors for a three-year term, expiring in 2019.

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, 2016 are:

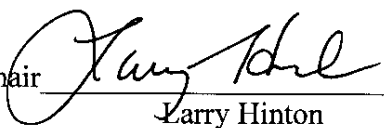
GOVERNMENT EMPLOYEES INSURANCE COMPANY	Larry Hinton
LIBERTY MUTUAL INSURANCE COMPANY	Joanne Locke
ZURICH AMERICAN INSURANCE COMPANY	Michael P. Catina
PROASSURANCE INDEMNITY COMPANY, INC.	Howard Friedman
NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURG, PA	Steven Harris
STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY	Peggy Echols
ALLSTATE INSURANCE COMPANY	L. Noel Patterson, Jr.

The Statement of Account of the Association, from inception through December 31, 2016, 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, 2016

	Inception To Date
Assets:	
Checking & Short-Term Cash	\$763,974.39
Investments	34,605,036.91
Total Assets	<u>35,369,011.30</u>
Fund Balance	<u>35,369,011.30</u>

**District of Columbia Insurance Guaranty Association
Statement of Cash Receipts and Disbursements
From Inception Through December 31, 2016
Total All Insolvencies**

	<u>Year To Date</u>	<u>Inception To Date</u>
RECEIPTS:		
Member Assessment Administrative	(\$69,262.21)	\$94,572.57
Member Assessment	139,164.00	62,869,166.00
Recovery	316,257.91	26,457,085.02
Interest Income	332,878.25	8,475,773.44
Total Receipts	719,037.95	97,896,597.03
DISBURSEMENTS:		
Claims Paid	187,167.66	23,835,486.52
Helmsman Claims Paid	477.88	618,933.65
Claims Expense Paid	28,195.85	4,618,381.44
Helmsman Claims Expense Paid	-	59,597.28
Premium Refund	978.73	162,559.31
Member Refund	-	27,109,113.00
Operating Expenses:		
G.F.M.S.	150,613.44	4,255,528.97
Legal & Audit	12,794.88	873,664.41
Travel	5,596.27	170,897.58
NCIGF Fee	36,057.00	456,065.89
Insurance	6,000.00	51,623.00
Other	3,820.45	98,421.31
Administrative Expense	-	217,313.37
Total Operating Expenses	214,882.04	6,123,514.53
Total Disbursements	431,702.16	62,527,585.73
Funds Available	\$287,335.79	\$35,369,011.30
Reserves:		
Claims Liability Other		303,780.15
Claims Expense Liability Other		7,683.49
Subtotal Other		311,463.64
Claims Liability Workers		30,358,866.81
Claims Expense Liability Workers		394,128.38
Subtotal Workers		30,752,995.19
Total Reserves		\$31,064,458.83
Funds Available Per Account		
Auto		\$1,140,010.75
Other		426,282.43
Workers		33,815,426.88
Total		\$35,381,720.06

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