



**Pennsylvania Property and Casualty Insurance Guaranty Association**

December 19, 2016

To: Member Company Chief Executive Officer

Re: 2016 Assessment, Assessment Reduction, Assessment Billing, Assessment Distribution

There have been no new insolvencies this year triggering the involvement of the Pennsylvania Property and Casualty Insurance Association (PPCIGA).

It has been PPCIGA's practice to defer the billing of assessments until funds are needed to cover claims and expenses on a total account basis, or when a Liquidator has closed, or is in the process of closing an estate. After reviewing the thirty-two open Estates handled by PPCIGA, the Board of Directors of the Association, at its December 15, 2016 meeting, determined that there was a need for Assessments on some of the open Estates, but the Billing of these new Assessments will be deferred to a later date.

The Board of Directors further determined that it would be appropriate to reduce prior Assessments that were deferred and are no longer necessary due to recoveries from Estate Assets. A full breakdown by Estate, Year, and Account for the Reduction and the Distribution is as follows:

**2016 Assessment**

	<u>Base Year</u>	<u>Auto</u>	<u>Other</u>	<u>Total</u>
Regis	2015		\$1,400,000	\$1,400,000
Red Rock	2015		\$750,000	\$750,000
American Mut Liability	2015		\$3,000,000	\$3,000,000
American Universal	2015		\$2,000,000	\$2,000,000
<b>Total Assessment</b>			<b>\$7,150,000</b>	<b>\$7,150,000</b>

**2016 Assessment Reduction**

	<u>Base Year</u>	<u>Auto</u>	<u>Other</u>	<u>Total</u>
Western Employers	2002		\$100,000	\$100,000
MIIX	2007		\$1,000,000	\$1,000,000
Centennial	2010		\$250,000	\$250,000
<b>Total Reduction</b>			<b>\$1,350,000</b>	<b>\$1,350,000</b>

The Pennsylvania net written premiums after dividends for all members provided by the NAIC are as follows:

Year: 2015

Auto: \$9,131,675,521

Other: \$8,658,232,481

Please refer to our website [www.ppciga.org](http://www.ppciga.org) for updated information on all Assessments authorized but not billed.

Very Truly Yours

A handwritten signature in black ink that reads "Stephen Perrone". The signature is written in a cursive, flowing style.

Stephen Perrone  
Executive Director