



Pennsylvania Property and Casualty Insurance Guaranty Association

December 18, 2017

To: All Member Companies

Re: 2017 Assessment, Assessment Reduction, Assessment Billing, Assessment Distribution

There were two new Property and Casualty insolvencies in 2017 that triggered the Pennsylvania Property and Casualty Insurance Association. They were Castlepoint Insurance Company on March 30, 2017 and IFA Insurance Company on May 4, 2017.

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. After reviewing all open Estates handled by PPCIGA, the Board of Directors of the Association, at its December 14, 2017 meeting, determined that there was a need for Assessments on the two new Estates. The Board further approved a Billing of some previously deferred Assessments on two Estates.

The Board of Directors also determined that it would be appropriate to reduce a prior Assessment that was deferred and is no longer necessary due to recoveries from Estate Assets. Finally, the Board felt it appropriate to make a Refund or Assessment Distribution on nine Estates due to recoveries of Early Access or Final Distribution from those Estates.

A full breakdown by Estate, Year, and Account for the new Assessments, Assessment Reduction, Assessment Billing, and the Assessment Distribution is as follows:

<u>2017 Assessment</u>	<u>Base Yr.</u>	<u>Auto</u>	<u>Other</u>	<u>Total</u>
IFA	2016	\$ 1,000,000		\$ 1,000,000
Castlepoint	2016	50,000	\$ 850,000	900,000
Total Assessment		\$ 1,050,000	\$ 850,000	\$ 1,900,000
<u>2017 Assessment Reduction</u>				
MIIX	2007		\$ 300,000	\$ 300,000
<u>2017 Assessment Billing</u>				
American Mut Liab	2011		\$ 4,000,000	\$ 4,000,000
American Mut Liab	2015		2,000,000	2,000,000
American Universal	2014		4,000,000	4,000,000
American Universal	2015		2,000,000	2,000,000
Total Billing			\$ 12,000,000	\$ 12,000,000

<u>2017 Assessment Distribution</u>	<u>Base Yr.</u>	<u>Auto</u>	<u>Other</u>	<u>Total</u>
Western	1990		\$ 125,000	\$ 125,000
United Community	1993	\$ 245,000	455,000	700,000
United Southern	1996	85,000	11,000	96,000
PIC	1998		500,000	500,000
Hamilton	1999	195,000		195,000
Premier	1999	135,000		135,000
Reliance	2000	2,000,000	2,125,000	4,125,000
Reliance	2001		5,875,000	5,875,000
PHICO	2001		1,500,000	1,500,000
Legion	2002	145,000	100,000	245,000
Shelby	2005		100,000	100,000
Total Distribution		\$ 2,805,000	\$ 10,791,000	\$ 13,596,000

The enclosed statement reflects the billing and credit for your company on your pro-rata share of Pennsylvania Net Written Premiums. Please note that refunds/credits (Distributions) have been deducted from any assessment due, where applicable. For those Member Companies who were previously assessed and billed for the United Community, United Southern, Western Employers, PIC, Hamilton, Premier, Reliance, PHICO, Legion, and Shelby Insolvencies on the stated years' premiums and are due a refund, we are enclosing our check as well as an Assessment Billing Statement.

If your company applied a premium tax offset at the time of the original payment to the Guaranty Fund, there may be an obligation to the Pennsylvania Revenue Department for those offsets. Newer member companies that were not billed for these assessments are not due a refund. **Accordingly, no check or statement is enclosed.** Refunds under \$25.00 will be applied to future Assessment Billings.

Any enclosed billing is due within thirty days.

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

Year: 2016

Auto: \$9,619,185,189

Other: \$8,827,415,218

Please refer to our website: www.ppciga.org for updated information on all Assessments Authorized but Not Billed. Please direct any questions regarding this billing to our Accounting Manager, Patricia Ettore, at Extension 1100 or pettore@ppciga.org.

Very Truly Yours



Stephen Perrone
Executive Director