



Pennsylvania Property and Casualty Insurance Guaranty Association

December 20, 2018

To: All Member Companies
Re: 2018 Assessment, and Assessment Billing

There were two new Property and Casualty insolvencies in 2018 that triggered the Pennsylvania Property and Casualty Insurance Guaranty Association. They were Access Insurance Company on March 13, 2018 and Healthcare Providers Insurance Exchange on January 12, 2018.

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 13, 2018 meeting, determined that there was a need for Assessments on the two new Estates, and on five older Estates totaling \$62,600,000. The Board further approved a Billing of the two new 2018 Estates and on some previously deferred Assessments totaling \$39,885,000. 97% of these Assessments and 75% of the Billings are on the two new 2018 insolvencies.

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

2018 Assessment

| | <u>Base</u> | | | |
|-------------------------|-------------|---------------------|---------------------|---------------------|
| | <u>Yr.</u> | <u>Auto</u> | <u>Other</u> | <u>Total</u> |
| State Auto | 2017 | \$450,000 | | \$450,000 |
| Atlantic Mutual | 2017 | 165,000 | \$135,000 | 300,000 |
| Ullico | 2017 | 300,000 | | 300,000 |
| Gramercy | 2017 | 200,000 | | 200,000 |
| Lincoln General | 2017 | 350,000 | | 350,000 |
| Healthcare Providers | 2017 | 0 | 40,000,000 | 40,000,000 |
| Access | 2017 | 21,000,000 | 0 | 21,000,000 |
| Total Assessment | | \$22,465,000 | \$40,135,000 | \$62,600,000 |

2018 Assessment Billing

| | <u>Base</u> | | | |
|----------------------|-------------|---------------------|---------------------|---------------------|
| | <u>Yr.</u> | <u>Auto</u> | <u>Other</u> | <u>Total</u> |
| Home | 2002 | | \$2,250,000 | \$2,250,000 |
| Security Indemnity | 2003 | \$20,000 | 480,000 | 500,000 |
| Shelby Cas | 2005 | 500,000 | | 500,000 |
| Frontier | 2012 | 5,000 | 80,000 | 85,000 |
| Lumbermens | 2012 | 260,000 | 40,000 | 300,000 |
| Ullico | 2017 | 300,000 | | 300,000 |
| Gramercy | 2012 | 100,000 | | 100,000 |
| Red Rock | 2014 | | 2,000,000 | 2,000,000 |
| American Mut Liab | 2015 | | 400,000 | 400,000 |
| Regis | 2015 | | 1,400,000 | 1,400,000 |
| Lincoln General | 2017 | 350,000 | | 350,000 |
| IFA | 2015 | 500,000 | | 500,000 |
| Castlepoint | 2016 | 50,000 | 850,000 | 900,000 |
| Healthcare Providers | 2017 | | 20,000,000 | 20,000,000 |
| Access | 2017 | 10,000,000 | | 10,000,000 |
| Atlantic Mutual | 2017 | 165,000 | 135,000 | 300,000 |
| Total Billing | | \$12,250,000 | \$27,635,000 | \$39,885,000 |

The enclosed statement reflects the billing for your company on your pro-rata share of Pennsylvania Net Written Premiums.

There are no tax offset implications in this year's billing.

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: 2017

Auto: \$10,159,536,215

Other: \$8,952,425,792

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