



NORTH CAROLINA INSURANCE GUARANTY ASSOCIATION

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August 19, 2002

CIRCULAR LETTER TO ALL MEMBER INSURERS

This is notice of a meeting of member insurers of the North Carolina Insurance Guaranty Association to be held at the Conference Center of the Mid Pines Inn and Golf Club, 1010 Midland Road, Southern Pines, North Carolina on Tuesday, October 15, 2002. The meeting will convene at 8:30 a.m.

This is the meeting agenda:

1. Election of Board of Directors

The Plan of Operation provides that the Board of Directors consists of eight directors, seven of whom are member insurers and one non-voting director appointed by the Commissioner of Insurance. The election of directors is subject to approval of the Commissioner and one elected director must be a domestic insurer. The appointed director must be a property and casualty insurance agent authorized to write insurance for a member insurer. Directors shall serve for three-year terms or until their successors have been elected and qualified.

The Plan also provides that the elected Board be fairly representative of member insurers and shall be elected by a plurality of member insurers with each member company being entitled to one vote. Further, affiliated groups or companies under common ownership or control shall not hold more than one membership on the Board.

The current member insurers of the Board, elected in 1999 are:

Allstate Insurance Company
Integon Indemnity Corporation
Nationwide Mutual Insurance Company
North Carolina Farm Bureau Mutual Insurance Company (Secretary-Treasurer)
Royal Insurance Company of America
State Farm Mutual Automobile Insurance Company (Chairperson)
The Travelers Indemnity Company

The appointed director is C. Delaine Bradsher of Raleigh.

The terms of all current directors are expiring and the Board nominates the following member companies for the succeeding three-year term:

Allstate Insurance Company
Integon Indemnity Corporation
Nationwide Mutual Insurance Company
North Carolina Farm Bureau Mutual Insurance Company
Royal Insurance Company of America
State Farm Mutual Automobile Insurance Company
The Travelers Indemnity Company

We expect the Commissioner's appointment for the non-voting director will be announced at the meeting.

2. Any other business that might properly come before the meeting.

We encourage you to have a representative of your company attend this meeting. For directions, or help with reservations or other arrangements, call Lois Murphey at 919-783-9790.

For companies that cannot be represented in person, the Plan allows voting by proxy. A proxy form is attached and we appreciate your completing this form and returning it by September 13, 2002, whether or not your company plans to attend. If you do attend the proxy will not be used.

It is suggested that member companies consider naming as proxy one of the seven current member insurers of the Board of Directors.

Sincerely,

Raymond F. Evans, Jr., C.P.C.U.

Managing Secretary

RFE:lm

Enclosure

IGA-02-3

NORTH CAROLINA INSURANCE GUARANTY ASSOCIATION

PROXY FORM

KNOW ALL MEN BY THESE PRESENTS THAT I _____
(Print or type name of person preparing form)

_____, of the _____
(Print or type title of person preparing form) (Print or type name of member company)

do hereby constitute and appoint _____
(Print or type name of proxy)

as my attorney and agent for the said Company, in my name, place and stead to vote as proxy at the meeting of member insurers of the NORTH CAROLINA INSURANCE GUARANTY ASSOCIATION to be held on the Fifteenth (15) day of October, 2002, and/or such other date or dates to which such meeting may be adjourned, hereby giving to such attorney and agent power and authority to act conclusively for said Company on all questions which may duly come before such meeting as fully as I could act if I were personally present.

IN WITNESS WHEREOF I have hereunto subscribed my name and title and the name of said Company, this _____ day of _____, 2002.

(Signature and title of person preparing form)

(Member company)

**Return to: North Carolina Insurance Guaranty Association
Attn: Lois Murphey, Executive Administrative Assistant
P.O. Box 176010, Raleigh, N.C. 27619-6010
Fax 919-783-9542**