



August 8, 2005

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Call for Nomination of Board Members

A meeting of member insurers of the North Carolina Insurance Guaranty Association will be held on Tuesday, October 11, 2005.

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

The current member insurers of the Board elected in 2002 are:

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 (Chairman)
The Travelers Indemnity Company

The Plan of Operation of the Association provides for three-year terms of Board members, and the terms of all Board members are expiring. The Plan of Operation provides further that any director shall be eligible for reelection or reappointment, that the Board shall be fairly representative of member insurers, that the Board shall be elected by a plurality of member insurers with each member company being entitled to one vote, that at least one Board member shall be a North Carolina domestic insurer, and that member insurers belonging to affiliated groups or under common ownership or control shall not hold more than one membership on the Board.

Please note that Royal Insurance Company of America has determined not to stand for reelection creating a vacancy. The Board has appointed a Nominating Committee to accept member nominations to stand for election at the meeting of member insurers.

If your Company is interested, please contact Mike Newton prior to August 20, at the above address or by telephone number (919) 582-1018 or fax number (919) 719-7446.

Sincerely,

R. Mike Newton

Director IGA

RMN:lm

IGA-05-02