



# North Carolina Insurance Guaranty Association

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January 24, 1997

## CIRCULAR LETTER TO ALL MEMBER INSURERS

### **Re: Refunds - Company Insolvencies**

During a meeting held on October 15, 1996, the Board of Directors of this Association reviewed the Association's obligations in connection with the outstanding insolvencies and voted to take the following actions:

#### Refund - American Universal Insurance Company Insolvency

The Board of Directors has voted to refund to member insurers from the assessment for the insolvency of American Universal Insurance Company made in March, 1992 the amount of \$1,000,000. The refund is to be distributed among member insurers in proportion to the amount of assessments paid. The automobile refund amounts to \$200,000 and the assessments paid were \$398,585. Each company's share of this refund is  $\$200,000 \div \$398,585$  or .501775029 applied to its automobile assessments paid. The "all other" assessments amount to \$1,590,322 and the "all other" refund is  $\$800,000 \div \$1,590,322$  or .503042780 applied to its "all other" assessments paid.

#### Refund - Carriers Insurance Company Insolvency

The Board of Directors has voted to refund to member insurers from the assessment for the insolvency of Carriers Insurance Company made in November, 1986 the amount of \$200,000. The refund is to be distributed among member insurers in proportion to the amount of assessments paid. The automobile refund amounts to \$140,000 and the assessment paid was \$678,906. Each company's share of this refund is  $\$140,000 \div \$678,906$  or .206214115 applied to its automobile assessment paid. The "all other" assessment amounted to \$296,097 and the "all other" refund is  $\$60,000 \div \$296,097$  or .202636298 applied to its "all other" assessment paid.

#### Refund - Insurance Company of Florida Insolvency

The Board of Directors has voted to refund to member insurers from the assessment for the insolvency of Insurance Company of Florida made in June, 1993 the amount of \$350,000. The refund is to be distributed among member insurers in proportion to the amount of the "all other" assessments paid. The "all other" assessments amount to \$445,667 and the "all other" refund is  $\$350,000 \div \$445,667$  or .785339726 applied to its "all other" assessments paid.

#### Refund - Integrity Insurance Company Insolvency

The Board of Directors has voted to refund to member insurers from the assessments for the insolvency of Integrity Insurance Company made in March, and November, 1989 the amount of \$600,000. The refund is to be distributed

among member insurers in proportion to the amount of assessments paid. The automobile refund amounts to \$30,000 and the assessments paid were \$34,162. Each company's share of this refund is  $\$30,000 \div \$34,162$  or .878168725 applied to its automobile assessments paid. The "all other" assessments amount to \$656,245 and the "all other" refund is  $\$570,000 \div \$656,245$  or .868578046 applied to its "all other" assessments paid.

#### Refund - Interstate Casualty Insurance Company Insolvency

The Board of Directors has voted to refund to member insurers from the three assessments for the insolvency of Interstate Casualty Insurance Company made in April, 1990, January, 1991 and March, 1992 the amount of \$500,000. The refund is to be distributed among member insurers in proportion to the amount of assessments paid. The automobile refund amounts to \$450,000 and the assessments paid were \$18,535,715. Each company's share of this refund is  $\$450,000 \div \$18,535,715$  or .024277455 applied to its automobile assessments paid. The "all other" assessments amount to \$2,052,696 and the "all other" refund is  $\$50,000 \div \$2,052,696$  or .024358209 applied to its "all other" assessments paid.

#### Refund - Mission National Insurance Company Insolvency

The Board of Directors has voted to refund to member insurers from the assessment for the insolvency of Mission National Insurance Company made in March, 1988 the amount of \$400,000. The refund is to be distributed among member insurers in proportion to the amount of assessments paid. The automobile refund amounts to \$60,000 and the assessments paid were \$80,540. Each company's share of this refund is  $\$60,000 \div \$80,540$  or .744971442 applied to its automobile assessments paid. The "all other" assessments amount to \$462,626 and the "all other" refund is  $\$340,000 \div \$462,626$  or .734934915 applied to its "all other" assessments paid.

If a statement is attached hereto, it shows the amount of assessments paid by your Company and the amount of your Company's refunds. Included with the statement you will find the Association's check for the amount due your Company by the Association.

Very truly yours,

John W. Watkins

Managing Secretary

JWW:lg

Enclosure

IGA-97-2