



NORTH CAROLINA INSURANCE GUARANTY ASSOCIATION

5401 Six Forks Road • Raleigh NC • 27609
(919) 783-9813 • Fax (919) 783-5262 • www.ncrb.org

**MINUTES OF THE MEETING OF MEMBER INSUREDS HELD AT PINE HURST
RESORT, CAROLINA VISTA, PINEHURST, NORTH CAROLINA
OCTOBER 11, 2005**

COMPANY MEMBERS PRESENT

Alliance Mutual Insurance Company
Allstate Insurance Company
 Allstate Indemnity Company
 Encompass Indemnity Company
 Northbrook Indemnity Company
Key Risk Insurance Company
Liberty Mutual Insurance Company
 First Liberty Insurance Corporation
 Liberty Insurance Corporation
 Liberty Mutual Fire Insurance Company
 LM General Insurance Company
 LM Insurance Corporation
 LM Personal Insurance Company
 LM Property and Casualty Insurance Company
Nationwide Mutual Insurance Company
 Allied Property and Casualty Insurance Company
 Nationwide Affinity Insurance Company
 Nationwide Agribusiness Insurance Company
 Nationwide Mutual Fire Insurance Company
 Nationwide Property and Casualty Insurance Company
North Carolina Farm Bureau Mutual Insurance Company
 Farm Bureau Insurance of North Carolina, Inc.
Royal Indemnity Company
 Grocers Insurance Company
 Peak Property and Casualty Insurance Corporation
 Sea Insurance Company of America
 Security Insurance Company of Hartford
State Farm Mutual Automobile Insurance Company
 State Farm Fire & Casualty Company
 State Farm General Insurance Company
Travelers Indemnity Company
 Automobile Insurance Company of Hartford
 Charter Oak Fire Insurance Company
 Farmington Casualty Company
 Phoenix Insurance Company
 Standard Fire Insurance Company
 Travco Insurance Company

REPRESENTED BY

Mr. Bob White
Ms. Nancy Lempke

Mr. John Godfrey
Ms. Laura Wherle

Mr. Bob Kistner

Mr. Ron Medeiros

Ms. Andrea Fitzgerald

Mr. Tom Huels

Mr. B F Seagle

Travelers Casualty and Surety Company of America
Travelers Casualty Insurance Company of America
Travelers Casualty Company of Connecticut
Travelers Casualty and Surety Company
Travelers Commercial Casualty Company
Travelers Commercial Insurance Company
Travelers Home & Marine Insurance Company
Travelers Indemnity Company of Connecticut
Travelers Indemnity Company of America
Travelers Insurance Company
Travelers Personal Security Insurance Company
Travelers Property Casualty Insurance Company

OTHERS PRESENT

Nelson Mullins Riley and Scarborough, LLP

Staff

REPRESENTED BY

Mr. Chris Blake
Mr. Joe Eason
Mr. George Teague

Mr. Bill Delbridge
Mr. Ray Evans
Mr. Bob Greer
Mr. Mike Newton
Mr. David Sink

The meeting convened as scheduled, Mr. Huels of State Farm Mutual Automobile Insurance Company, Chairman of the Board of Directors, presiding. Mr. Evans reported that a quorum was represented in person and with 338 companies being represented by proxy.

1. Election of Board of Directors

Mr. Huels noted that all of the current directors except Royal Insurance Company of America had agreed to continue serving if so elected. He thanked Alliance Mutual Insurance Company, Atlantic Casualty Insurance Company, Key Risk Insurance Company and Liberty Mutual Insurance Company for expressing interest in serving on the upcoming Board.

The representatives of companies not currently serving on the Board were allowed to speak before the elective body prior to ballots being submitted to voting parties. After tabulation of the votes, the results were presented to Mr. Huels.

Mr. Huels then announced that the membership on the Board of Directors for the ensuing three years was: Allstate Insurance Company, Integon Indemnity Corporation, Liberty Mutual Insurance Company, Nationwide Mutual Insurance Company, North Carolina Farm Bureau Mutual Insurance Company, State Farm Mutual Automobile Insurance Company, and The Travelers Indemnity Company.

Mr. Evans reported that notice had been received from the Commissioner of Insurance reappointing Mr. Delaine Bradsher of Raleigh, a property and casualty insurance agent, as a non-voting member of the Board of Directors to serve for a three- year term.

2. **Adjournment**

There being no further business the meeting was adjourned.

Respectfully submitted,

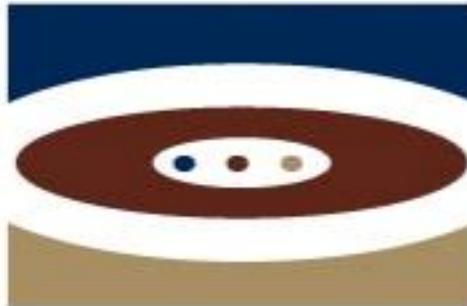
Raymond F. Evans, Jr., CPCU

Managing Secretary

RFE:rn

IGA-05-8

NCRB-NCRF-NCIGA



north carolina

RATE BUREAU

REINSURANCE FACILITY

INSURANCE GUARANTY ASSOCIATION

North Carolina Insurance Guaranty Association 2005 ANNUAL REPORT

North Carolina Insurance Guaranty Association
5401 Six Forks Road • Raleigh, NC 27609
(919) 783-9790
www.ncrb.org

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MISSION

NORTH CAROLINA INSURANCE GUARANTY ASSOCIATION MISSION STATEMENT

Our mission

is to fulfill statutorily created duties which are to provide a mechanism for the payment of covered claims as defined by the Guaranty Act, to avoid excessive delay in those payments, to avoid financial loss to claimants or policy holders because of the insolvency of an insurer, to assist in the detection and prevention of insurer insolvencies, and to provide an association to assess the cost of such protection among insurers. The manner in which our associates carry out those duties will define our excellence as an organization.

GOVERNANCE

BOARD OF DIRECTORS

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 nonvoting director who shall be a property and a casualty insurance agent authorized to write insurance for a member company and who is appointed by the Commissioner of Insurance to serve for a three- year term at the pleasure of the Commissioner.

| BOARD MEMBER INSURERS | REPRESENTATIVE |
|---|---|
| Allstate Insurance Company | Nancy Lemke |
| Integon Indemnity Corporation | Art Lyon |
| Nationwide Mutual Insurance Company | Bob Kistner |
| †NC Farm Bureau Mutual Insurance Company | Ronald Medeiros |
| Royal Insurance Company of America | Andrea Fitzgerald |
| ‡State Farm Mutual Automobile Insurance Company | Tom Huels |
| Travelers Indemnity Company | Benjy Seagle |
| NON-VOTING MEMBER | |
| Bradsher & Bunn Insurance Agency, Inc. | Delaine Bradsher, Property and Casualty Insurance Agent |

The Audit Committee oversees the financial activities of the Association and formulates recommendations for presentation to the Board of Directors.

During the year covered by this Report the following three member companies served as members of the NCIGA Audit Committee:

| MEMBER | REPRESENTATIVE |
|-------------------------------------|-------------------------|
| Nationwide Mutual Insurance Company | Bob Kistner |
| NCFB Mutual Insurance Company | Ron Medeiros - Chairman |
| Royal Insurance Company of America | Andrea Fitzgerald |

THE TEAM

MESSAGE FROM THE CHAIRMAN

As 2005 draws to a close, we again reflect on what has been a very active year for the North Carolina Insurance Guaranty Association. The ultimate effect on the insurance industry as a result of the recent Hurricanes Katrina and Rita is unknown but it should be a relief to all parties that the Guaranty Fund system continues to meet its statutory obligations of providing a safety net for our industry.

The professionalism of our Staff, Legal Counsel and Board Members gives me great pride in the work we do and the security we provide. Thank you for your continuing support, the wisdom of your counsel and your friendship. I look forward to the Associations continued good work in the support of our industry and most importantly our ability to help our state's policyholders.

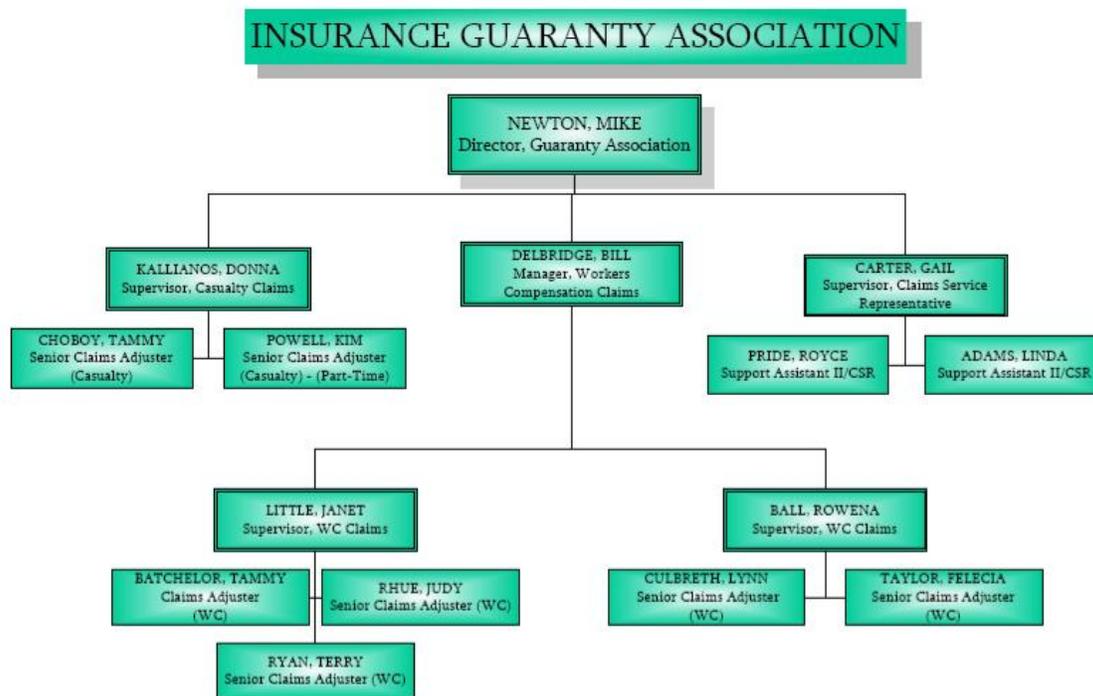
Sincerely,

**Thomas M Huels
Chairman**

The Team Continued...

GUARANTY ASSOCIATION ORGANIZATIONAL CHART

The following information represents changes during this reporting period and reflects the Insurance Guaranty Association as of August 31, 2005.



| | |
|-----------------------------|-----------|
| TOTAL STAFF | 15 |
| Regular Full-Time | 14 |
| Regular Part-Time | 1 |
| † In-house Adjusters | 7 |
| Workers Comp (WC) | 5 |
| Casualty | 2 |

€ "Regular" refers to a direct employee of the North Carolina Insurance Guaranty Association

€ "Full-Time" refers to thirty or more hours worked during a work week

€ "Part-Time" refers to less than thirty hours worked during a work week

€ "Adjuster" refers to any person actually processing claims

€ Three Supervisors handle claims

The Team Continued...



The Team Continued...



Direct: 919-582-1048
Fax: 919-783-5262
Email: lsa@ncrb.org

Linda Adams, Support Assistant II/CSR



Direct: 919-582-1039
Fax: 919-783-9062
Email: rlb@ncrb.org

Rowena Ball, WC Claims Supervisor



Direct: 919-645-3189
Fax: 919-783-9062
Email: tdb@ncrb.org

Tammy Batchelor, WC Claims Adjuster



Direct: 919-582-1041
Fax: 919-783-5262
Email: gpc@ncrb.org

Gail Carter, Support Assistant III/CSR



Direct: 919-582-1044
Fax: 919-783-5262
Email: trc@ncrb.org

Tammy Choboy, Casualty Sr. Claims Adjuster



Direct: 919-582-1035
Fax: 919-783-9062
Email: lwc@ncrb.org

Lynn Culbreth, WC Sr. Claims Adjuster



Direct: 919-582-1040
Fax: 919-783-5262
Email: wcd@ncrb.org

William Delbridge, Jr., WC Claims Manager



Voice: 919-783-9790
Fax: 919-783-0355
Email: rfe@ncrb.org

Raymond F. Evans, Jr., Managing Secretary



Direct: 919-582-1046
Fax: 919-783-5262
Email: dpk@ncrb.org

Donna Kallianos, Casualty Claims Supervisor



Direct: 919-582-1045
Fax: 919-783-5262
Email: jbl@ncrb.org

Janet Little, WC Claims Supervisor

The Team Continued...



Direct: 919-582-1018
Fax: 919-783-5262
Email: rmn@ncrb.org

Mike Newton, Director



Direct: 919-645-3180
Fax: 919-783-5262
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Kim Powell, Casualty Sr. Claims Adjuster



Direct: 919-645-3188
Fax: 919-783-9062
Email: rmp@ncrb.org

Royce Pride, Support Assistant II/CSR



Direct: 919-582-1043
Fax: 919-783-5262
Email: jdr@ncrb.org

Judy Rhue, WC Sr. Claims Adjuster



Direct: 919-582-1049
Fax: 919-783-5262
Email: tmr@ncrb.org

Terry Ryan, WC Sr. Claims Adjuster



Direct: 919-582-1047
Fax: 919-783-9062
Email: fit@ncrb.org

Felecia Taylor, WC Sr. Claims Adjuster

ACTIVITIES

MANAGEMENT REPORT

STAFF REPORT

The Association continued its record breaking activity over the past three years but began to see progress as the claims count and net payments at the end of the report year were less than the proceeding year's final numbers. There remained thirteen ancillary receiverships pending in Wake County Superior Court relating to insolvent carriers not domiciled in North Carolina. Of the Association's twenty seven open insolvencies, nineteen were active with payments made or reserves outstanding during the report year. Eight estates were inactive with no pending claims or reserves awaiting final action by the respective Liquidators of those Insolvencies. There were three insolvencies during the last report year, those being Casualty Reciprocal Exchange, domiciled in the State of Missouri; South Carolina Insurance Company and Consolidated American Insurance Company, both domiciled in the State of South Carolina.

The Association continued utilizing the Guaranty Act's provisions concerning net worth and large deductibles to recover \$2,917,064 which combined with \$377,725 in subrogation reflected total recoveries of \$3,294,789. This amounted to a recovery rate of 13.4 percent of funds spent during the report year.

During the report year the Association received in 288 new claim files and closed 540 files leaving 833 files open as of August 31, 2004. The Association processed 164 unearned premium claims paying out \$233,233. Issuing 33,155 checks, the Association paid \$24,596,416 in claims and allocated expense during the report year which netted to \$21,301,627 after the deduction of recoveries.

Workers' Compensation claims continued to be the focus of claims adjustment activity with ninety one percent of the indemnity and claims expense payments paid (\$19,900,119) during the report year and ninety one percent of current reserves (\$54,717,745) as of the report period's ending were workers' compensation related.

The Association's casualty files numbered 133 at year's end reserved for \$5,648,389. These cases are complex commercial exposures in litigation and pose interesting questions under the provisions of the Guaranty Act. This was reflected by seventy nine percent (\$955,801) of the total amount spent (\$1,208,007) being allocated loss adjustment expense.

Activities continued...

With the closure of some of the older estates, the maturing of the record breaking insolvencies of Reliance Insurance Company and Legion Insurance Company, and the moderate size of this report year's three insolvencies, the open claim count of 833 is the smallest number since fiscal year 2001. Of note is the fact that, even with the expenditure of \$22 million net dollars and the closure of 540 claims, the reserves since last fiscal report have increased by \$2 million to \$60.34 million. The increasing dollar exposure of the workers' compensation book of claims was due to current Industrial Commission regulations as well as the absence of statutory monetary caps on those claims as well as the NC Court's positions on Loss portfolio Transfers and Assumption Agreements.

We continue to carefully balance staffing with the continued need to be able to respond to any challenge. Staff reduction since last report totals four with the Association's staff currently at fifteen.

R. Mike Newton
Director, NCIGA

INTERNAL CONTROL

As defined by the Institute of Internal Auditors, internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Adopting this definition to focus the roles and responsibilities of the internal audit staff, the Organizations made substantial progress during the year toward establishing a comprehensive internal control structure following the concepts of the COSO Internal Control Integrated Framework. Concentrating on internal controls over financial reporting, processes were analyzed and documented, risks were assessed and appropriate controls were developed to mitigate those risks. This involved identification of significant accounts impacting the financial statements, identification of relevant assertions, detailing processes that influence each significant account and formulating appropriate controls.

Activities continued...

The risk assessment and control matrix with respect to financial reporting was substantially completed by year end, although further refinements will be made as assessment and review will be ongoing. While priority was given to financial reporting, similar efforts were also in progress regarding controls relating to the effectiveness and efficiency of operations and compliance with applicable laws and regulations. Plans were made to begin evaluation and testing of control effectiveness as soon as feasible.

Further advances were evident in the control environment, as the Board of Directors and the Audit Committee of the Board became more active in addressing audit and control issues and providing direction to staff and counsel regarding control activities, monitoring, information gathering and communication. This included an evaluation of the various components of the internal control structure using the Audit Committee Toolkit published by the AICPA.

Staff endeavored to remain current as to prevailing best practices through research, training and education, involvement in professional associations, and communication with counterparts in industry. Continuing efforts were made to promote Organization-wide awareness of the internal control environment. Periodic reports were made by staff regarding the Associates Accounting Complaints Policy, with no complaints submitted to date.

In accordance with the COSO framework, internal control is a process requiring the involvement of Board and Committee members, managers and associates at all levels within the Organizations. The continuing efforts of these individuals will help the Organizations achieve the objectives of reliable financial reporting, effective and efficient operations, and compliance with applicable laws and regulations.

Activities continued...

MEMBERSHIP CHANGES

Net membership decreased by two in this report period. Total membership equaled 691 on August 31, 2005 compared to 693 on August 31, 2004.

The following companies were added during the report year:

| |
|---|
| Allied Property & Casualty Insurance Company |
| AMCO Insurance Company |
| ARAG Insurance Company |
| Colonial Surety Company |
| Depositors Insurance Company |
| Eastguard Insurance Company |
| Encompass Indemnity Company |
| G.U.I.C. Insurance Company |
| IDS Property Casualty Insurance Company |
| Nipponkoa Insurance Company, Ltd. |
| Podiatry Insurance Company of America, A Mutual Company |
| Progressive Premier Insurance Company of Illinois |
| Progressive Universal Insurance Company of Illinois |
| Sentry Casualty Company |
| Stonebridge Casualty Insurance Company |
| Western General Insurance Company |

Activities continued...

The following companies withdrew from membership or were merged with another member company during the report year:

| |
|--|
| American & Foreign Insurance Company |
| American Growers Insurance Company |
| American Protection Insurance Company |
| Atlantic Indemnity Company |
| Atlantic Security Insurance Company |
| Connecticut Indemnity Company |
| Consolidated American Insurance Company |
| Fire & Casualty Insurance Company of Connecticut |
| Frontier Insurance Company |
| Globe Indemnity Company |
| Gulf Insurance Company |
| Pennsylvania Casualty Company |
| Phoenix Assurance Company of NY |
| Royal Insurance Company of America |
| Safeguard Insurance Company |
| South Carolina Insurance Company |
| Specialty National Insurance Company |
| Unisun Insurance Company |

Activities continued...

ASSESSMENTS & REFUNDS

The following assessments were authorized and called by the Board of Directors during this report period:

| ASSESSMENT CALL DATE | DESCRIPTION | AMOUNT |
|----------------------|---|--------------------|
| Nov 02, 2004 | Administrative Account WC, Auto, A/O | \$750,000 |
| Nov 02, 2004 | Casualty Reciprocal Exchange (WC) | \$4,000,000 |
| Nov 02, 2004 | State Capital Insurance Company (Auto, A/O) | \$500,000 |
| Nov 02, 2004 | Villanova Insurance Company (WC) | \$1,600,000 |
| | Total | \$6,850,000 |

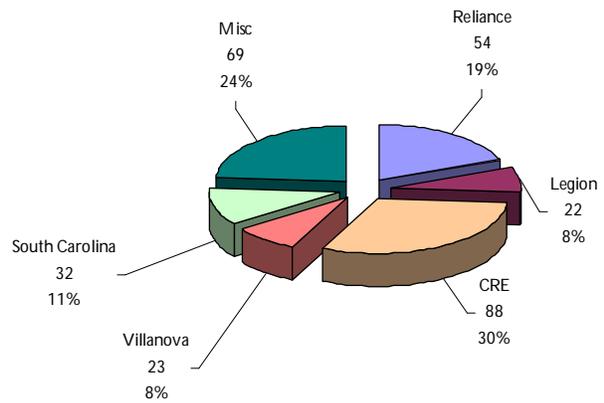
There were no refunds authorized by the Board of Directors during this report period.

Activities continued...

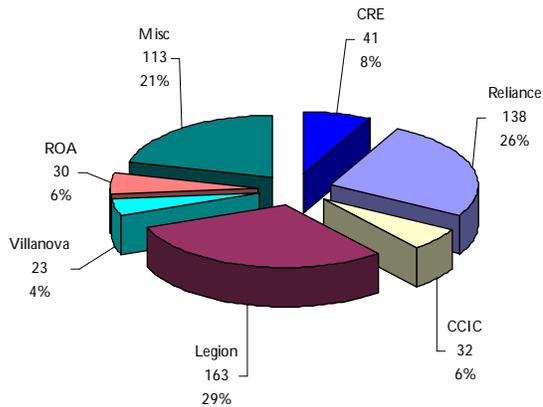
FILE COUNT SUMMARY

| | |
|----------------------------------|--------------|
| Beginning File Count (9/1/04) | 1,085 |
| Files Added during report period | 288 |
| TOTAL | 1,373 |
| MINUS Files Closed | 540 |
| FILES REMAINING (8/31/05) | 833 |

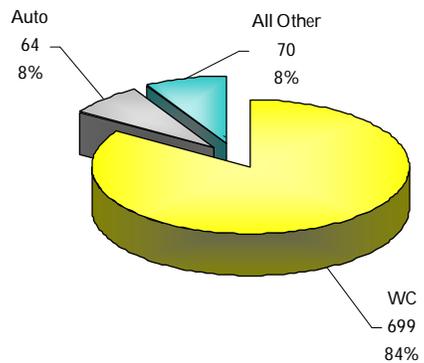
288 FILES ADDED THIS PERIOD



540 FILES CLOSED

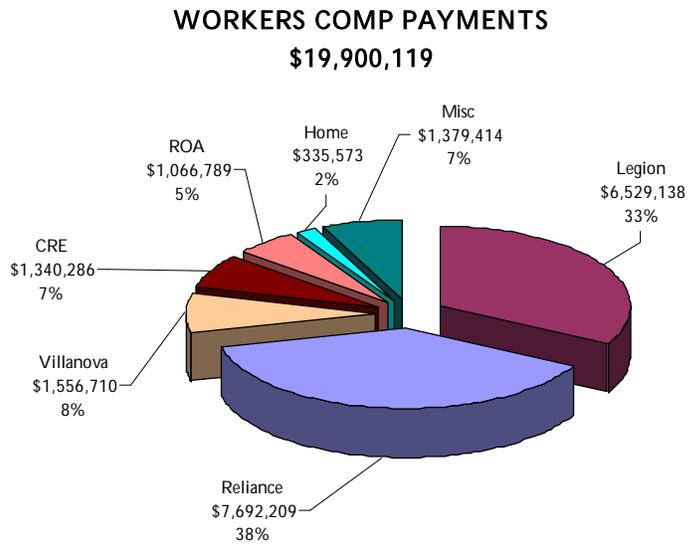
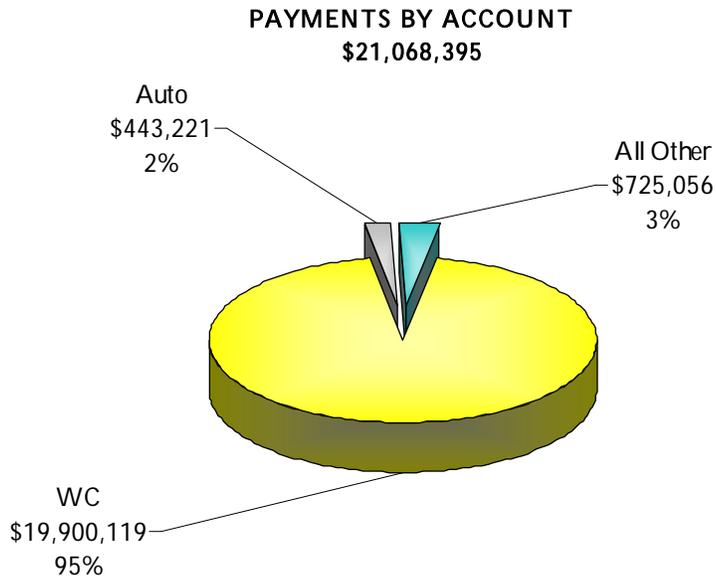


833 FILES OPEN AS OF AUG 31, 2005



CLAIMS PAID SUMMARY

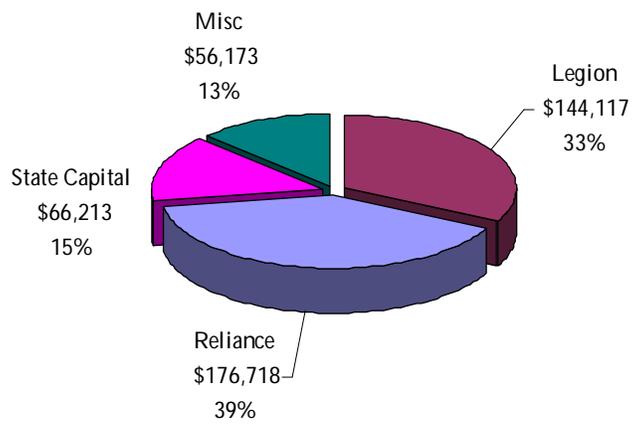
(Indemnity and Expense)



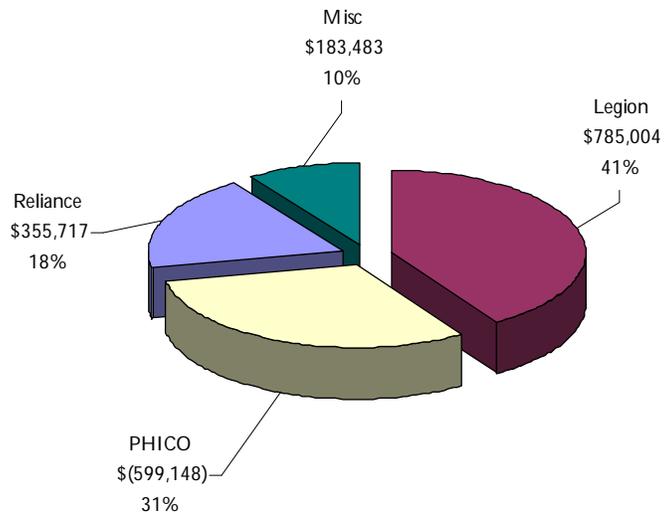
Activities continued...

Claims Paid Summary

AUTO PAYMENTS
\$443,221



ALL OTHER PAYMENTS
\$725,056

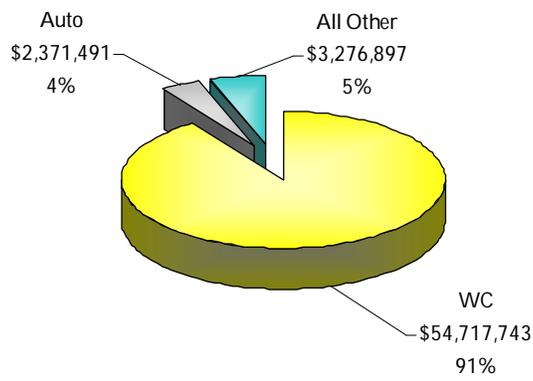


Activities continued...

RESERVES SUMMARY

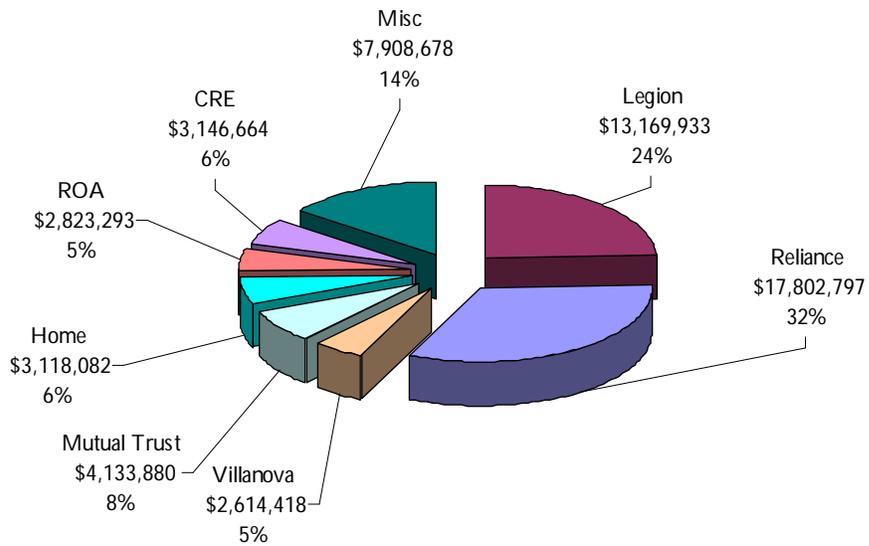
RESERVES BY ACCOUNT

\$60,366,132



WORKERS COMP RESERVES

\$54,717,745

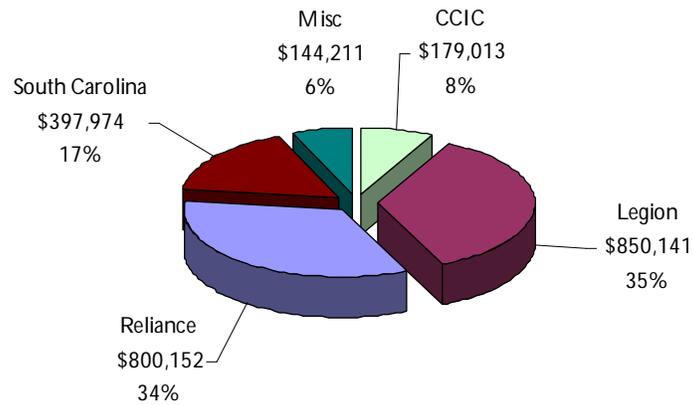


Activities continued...

Reserves Summary

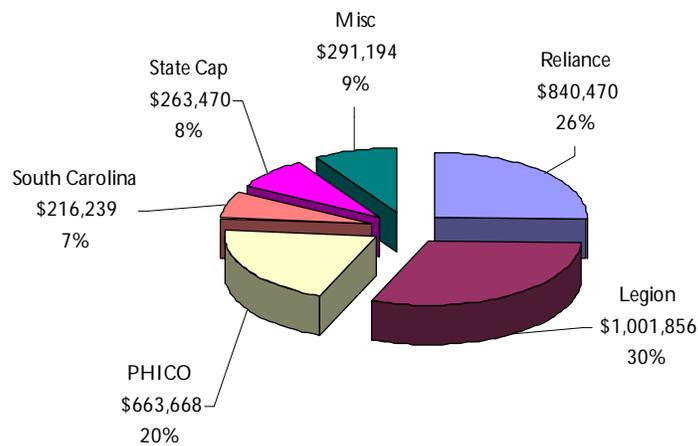
AUTO RESERVES

\$2,371,491



ALL OTHER RESERVES

\$3,276,897



FACTS

CLAIMS PAID DETAIL

(Indemnity and Expenses)

| COMPANY | WC | | | AUTO | | | ALL OTHER | | | TOTAL |
|------------------------|---------------------|--------------------|---------------------|-----------------------|------------------|------------------|-------------------------|------------------|------------------|---------------------|
| | Indemnity Paid | Expense Paid | Total Paid | Indemnity Paid | Expense Paid | Total Paid | Indemnity Paid | Expense Paid | Total Paid | |
| American Mut Liab | | | | | | | \$0 | \$0 | \$0 | \$0 |
| Casualty Reciprocal | \$1,113,798 | \$226,488 | \$1,340,286 | | | | | | | \$1,340,286 |
| Commercial Casualty | | | | \$30,000 | \$16,557 | \$46,557 | \$10,380 | \$104,824 | \$115,204 | \$161,761 |
| Credit General | \$306,651 | \$23,806 | \$330,458 | | \$6,416 | \$6,416 | \$0 | \$0 | \$0 | \$336,873 |
| Employers Casualty | \$28,469 | \$72 | \$28,541 | | | | | | | \$28,541 |
| Fremont Indemnity Co | \$127,542 | \$51,363 | \$178,905 | | | | | | | \$178,905 |
| Home Insurance | \$281,264 | \$54,309 | \$335,573 | | | | \$0 | \$17,038 | \$17,038 | \$352,611 |
| Legion Insurance Co | \$5,289,965 | \$1,239,173 | \$6,529,138 | \$7,500 | \$136,617 | \$144,117 | \$418,400 | \$366,604 | \$785,004 | \$7,458,259 |
| LMI | \$1,145 | \$0 | \$1,145 | | | | | | | \$1,145 |
| South Carolina | \$31,275 | \$13,141 | \$44,416 | | \$3,200 | \$3,200 | \$0 | \$3,861 | \$3,861 | \$51,477 |
| PHICO Insurance | \$159,125 | \$77,588 | \$236,713 | | | | -\$496,553 | -\$102,595 | -\$599,148 | -\$362,435 |
| Reliance Insurance Co | \$6,208,321 | \$1,483,888 | \$7,692,209 | \$55,216 | \$121,502 | \$176,718 | \$162,512 | \$193,205 | \$355,717 | \$8,224,644 |
| ROA Insurance Co | \$835,093 | \$231,696 | \$1,066,789 | | | | \$15,000 | \$17,321 | \$32,321 | \$1,099,110 |
| State Capital | | | | \$57,000 | \$9,213 | \$66,213 | \$3,750 | \$11,309 | \$15,059 | \$81,271 |
| Villanova Insurance Co | \$1,220,493 | \$336,217 | \$1,556,710 | | | | | | | \$1,556,710 |
| 888 Mutual Trust | \$476,129 | \$40,057 | \$516,186 | | | | | | | \$516,186 |
| 999 Stock Trust | \$38,476 | \$4,574 | \$43,050 | | | | | | | \$43,050 |
| Total | \$16,117,746 | \$3,782,372 | \$19,900,119 | \$149,716 | \$293,504 | \$443,221 | \$113,489 | \$611,567 | \$725,056 | \$21,068,394 |
| | | | | | | | | Unearned Premium | | \$233,233 |
| | | | | | | | | Net Total | | \$21,301,627 |
| | | | | Recovered Network and | | | Large Deductible | | | \$2,917,064 |
| | | | | | | | Subrogation | \$ | | 377,725 |
| | | | | | | | Gross Total Expenditure | | | \$24,596,416 |

Facts continued...

RESERVES DETAIL

| COMPANY | WC | | | | AUTO | | | | ALL OTHER | | | | TOTAL RESERVES |
|------------------------|---------------------|--------------------|---------------------|---------------|--------------------|------------------|--------------------|---------------|--------------------|------------------|--------------------|---------------|---------------------|
| | Indemnity Reserve | Expense Reserve | Total Reserve | Files Pending | Indemnity Reserve | Expense Reserve | Total Reserve | Files Pending | Indemnity Reserve | Expense Reserve | Total Reserve | Files Pending | |
| Commercial Casualty Co | | | | | \$111,525 | \$67,488 | \$179,013 | 17 | \$53,875 | \$64,904 | \$118,779 | 13 | \$297,793 |
| Credit General | \$1,898,599 | \$37,413 | \$1,936,012 | 6 | \$136,175 | \$12,513 | \$148,688 | 1 | | | | | \$2,084,700 |
| Employers Casualty | \$197,238 | \$8,968 | \$206,206 | 4 | | | | | | | | | \$206,206 |
| Fremont Indemnity Co | \$1,361,852 | \$158,138 | \$1,519,990 | 5 | | | | | | | | | \$1,519,990 |
| Home Insurance | \$2,863,082 | \$255,000 | \$3,118,082 | 48 | | | | | \$80,520 | \$14,034 | \$94,554 | 11 | \$3,212,637 |
| Legion Insurance Co | \$12,460,961 | \$708,972 | \$13,169,933 | 108 | \$649,455 | \$200,686 | \$850,141 | 21 | \$836,100 | \$165,756 | \$1,001,856 | 14 | \$15,021,930 |
| PHICO Insurance | \$939,614 | \$108,204 | \$1,047,818 | 13 | | | | | \$530,000 | \$133,668 | \$663,668 | 6 | \$1,711,486 |
| South Carolina Ins Co. | \$1,270,544 | \$756,276 | \$2,026,820 | 8 | \$295,005 | \$72,969 | \$367,974 | 12 | \$150,100 | \$66,139 | \$216,239 | 7 | \$2,611,034 |
| Reliance Insurance Co | \$16,281,160 | \$1,521,637 | \$17,802,797 | 188 | \$757,504 | \$42,648 | \$800,152 | 11 | \$736,142 | \$104,328 | \$840,470 | 14 | \$19,443,419 |
| ROA Insurance Co | \$2,477,562 | \$345,731 | \$2,823,293 | 41 | | | | | \$50,000 | \$27,861 | \$77,861 | 2 | \$2,901,154 |
| LMI Insurance Co. | \$2 | \$1 | \$3 | 1 | | | | | | | | | \$3 |
| State Capital | | | | | \$15,000 | \$10,523 | \$25,523 | 2 | \$209,400 | \$54,070 | \$263,470 | 2 | \$288,993 |
| Casualty Reciprocal | \$2,875,430 | \$271,234 | \$3,146,664 | 47 | | | | | | | | | \$3,146,664 |
| Villanova Insurance Co | \$2,282,148 | \$332,270 | \$2,614,418 | 30 | | | | | | | | | \$2,614,418 |
| 888 Mutual Trust | 3,706,048 | \$427,832 | \$4,133,880 | 198 | | | | | | | | | \$4,133,880 |
| 999 Stock Trust | \$1,119,973 | \$51,856 | \$1,171,829 | 3 | | | | | | | | | \$1,171,829 |
| Total | \$49,734,213 | \$4,983,532 | \$54,717,745 | 700 | \$1,964,664 | \$406,827 | \$2,371,491 | 64 | \$2,646,137 | \$630,760 | \$3,276,897 | 69 | \$60,366,136 |

INACTIVE INSOLVENCIES DETAIL

| INSOLVENCY | BAR DATE | ASSESSMENTS? | FULL RECOVERY? | SUBJECT TO CLOSE? |
|---------------------|------------|--------------|----------------|-------------------|
| American Mutual | 12/22/1998 | Yes | No | |
| Ideal Mutual | 2/7/1986 | Yes | No | |
| Insurance Co. FI | 12/29/1993 | Yes | No | |
| Integrity Insurance | 3/25/1988 | Yes | Yes | |
| Midland Insurance | 4/3/1987 | Yes | No | |
| Mission National | 9/12/1987 | Yes | No | |
| Premier Alliance | 2/18/1995 | Yes | Yes | |
| United Community | 3/10/1996 | Yes | No | |

Facts continued...

UNEARNED PREMIUM DETAIL

| COMPANY | SEPTEMBER 1, 2004 TO AUGUST 31, 2005 | | INCEPTION TO AUGUST 31, 2005 | |
|--------------------------|---|------------------|------------------------------------|------------------|
| | # OF UEP CLAIMS | AMOUNT PAID | # OF UEP CLAIMS | AMOUNT PAID |
| Credit General | -1 | -1,194 | 53 | \$134,280 |
| Legion Insurance company | 160 | \$200,258 | 212 | \$470,697 |
| Villanova | 3 | \$23,965 | 7 | \$42,000 |
| Fremont | 1 | \$204 | 1 | \$204 |
| Casualty Reciprocal Ex | 1 | \$10,000 | 1 | \$10,000 |
| TOTAL | 164 | \$233,233 | 274 | \$657,181 |

REPORT OF NCIGA COUNSEL

In the past year, no new major insurer insolvencies occurred, and a clearer picture emerged concerning some of the issues faced by the Association in connection with the insolvencies of Reliance Insurance Company (“Reliance”), PHICO Insurance Company (“PHICO”), Legion Insurance Company (“Legion”), and Reciprocal Of America (“ROA”). This report from counsel for the Association will: (1) focus on the major legal issues and outstanding litigation the Association has faced in the past year; and (2) address outstanding legislative activity being monitored by the Association and counsel.

1. Legal Issues And Outstanding Litigation

A. Large Deductible Policies

As previously reported, a number of the recent insolvent insurers – particularly Reliance and Legion – wrote many policies of insurance for large corporate insureds that included large deductibles and/or self-insured retentions. The amounts of these large deductibles/self-insured retentions were usually in excess of \$100,000, with some as high as \$2,000,000. The specific terms of these policies varied from policyholder to policyholder, but generally fell into the following categories: (1) large deductible policies where the insurers were responsible from the first dollar of coverage, but where an arrangement was put in place by which the insured administered and paid the claims (typically through a third party administrator) up to the amount of the deductible before insurer funds were used; (2) large deductible policies where the insurer paid claims from the first dollar of coverage with a right to seek reimbursement from the insured up to the amount of the deductible; (3) policies including large deductibles and self-insured retentions where the insurer did not have any policy obligations unless and until the amount of the deductible or self-insured retention was exhausted by the policyholder; and (4) “fronting arrangements,” in which the insurer issued policies with large deductibles and immediately ceded virtually all of the risk to an affiliated offshore surplus lines insurer. In some cases, insureds deposited collateral with the insolvent insurer to secure their obligations to the insurer in connection with the large deductible insurance structures.

In the Reliance insolvency, the Reliance liquidator entered an agreement with the guaranty associations from the different states concerning the treatment of large deductible claims. One of the purposes of the agreement was to provide a framework for addressing a dispute between the Reliance liquidator and the guaranty associations concerning the entitlement to reimbursements made by policyholders, or to distributions of policyholder collateral held by the Reliance liquidator. As reported in last year's Annual Report, the Association chose not to sign the Large Deductible Agreement because: (1) the Association has a unique provision providing for a statutory right of reimbursement from Reliance large deductible insureds; and (2) the Association did not want to consent to the jurisdiction of the Pennsylvania courts for the resolution of all disputes with the Reliance liquidator. Because the volume of Reliance large deductible claims in North Carolina was not as significant as originally anticipated, the Association did not become involved in any large deductible disputes with either Reliance insureds or the Reliance liquidator. A settlement of the litigation in Pennsylvania between the Reliance liquidator and guaranty associations from other states that signed the Large Deductible Agreement was reached earlier this year. Under the terms of that settlement, the Association will receive the benefit of a refund from large deductible funds held by the Reliance liquidator, and will do so without having to incur any of the legal fees that were paid by the other guaranty associations.

B. Randstad

In connection with the Legion insolvency, the NCIGA was involved in a unique dispute before the North Carolina Industrial Commission with Randstad North America, L.P. ("Randstad"). Prior to Legion's insolvency, Randstad participated in a program marketed by Legion as the "rent-a-captive" insurance program. As part of this program, Randstad acquired a workers' compensation liability insurance policy from Legion which contained a \$500,000 deductible. At the same time, Randstad acquired a "deductible reimbursement policy" from a Legion affiliate located in Bermuda, pursuant to which the Legion affiliate reimbursed Legion for any amounts Legion had to pay on behalf of Randstad within the deductible amount. Such reimbursements were made with credits drawn from a letter of credit Randstad deposited with Legion's Bermuda affiliate. In verified filings made in litigation with the Legion liquidator in Pennsylvania, Legion stated that the Legion policy was nothing more than a "fronting policy," and that the "rent-a-captive" transaction did not result in the transfer of any insurance risk to Legion. Because the Association agreed with Randstad's own assessment, the Association commenced a proceeding at the Industrial Commission seeking a determination that workers' compensation claims against Randstad are not "covered claims" because the

Legion “rent-a-captive” insurance program that Randstad participated in, when considered in its entirety, does not constitute an insurance transaction because there was no transfer of insurance risk to Legion.

Prior to a hearing before the Industrial Commission, Randstad and the Association agreed to a settlement pursuant to which Randstad agreed that the claims were not “covered claims,” and agreed to reimburse the Association all amounts paid in connection with claims against Randstad. The settlement was approved by the Industrial Commission, after which all claims were transferred back to Randstad, and Randstad reimbursed the Association approximately \$700,000.

C. Assumption Reinsurance Agreements

As reported last year, Reliance was a party to three assumption reinsurance agreements with North Carolina-based groups of employers who self-insured their workers’ compensation liabilities. The three self-insured groups were the North Carolina Selective Fund (the “Selective Fund”), the Professional Business Owners Association Self-Insurers Fund of North Carolina, Inc. (the “PBOA Fund”), and the North Carolina Burger King Franchisees Self-Insurers Fund (the “Burger King Fund”). As a result of these assumption reinsurance agreements, Reliance assumed all of the self-insured liabilities of the Selective Fund, the PBOA Fund and the Burger King Fund, including liabilities for existing claims that were known to each of the self-insured groups and Reliance at the time of the assumption reinsurance agreements. Each of the assumption reinsurance transactions were approved by the North Carolina Department of Insurance (the “NCDOI”).

In order to resolve disputes involving the Reliance assumption reinsurance agreements, the Association filed Requests for Hearing in 11 Selective Fund and 15 PBOA Fund cases at the Industrial Commission seeking a determination: (1) that the claims arising under the Reliance assumption reinsurance agreements were not “covered claims” within the scope of the Association’s statutory obligations; (2) that the Association was entitled to cease the payment of workers’ compensation benefits in the Selective Fund and PBOA cases; and (3) that the Association was entitled to be reimbursed by the employer, or any other responsible entity, for workers’ compensation benefits previously paid by the Association in connection with these claims.

Facts continued...

In September 2002, a hearing was conducted in one of the Selective Fund cases, *Bowles v. BCJ Trucking* (the “Bowles Case”). On October 15, 2002, Deputy Commissioner Douglas Berger issued an Opinion and Award concluding that the claim was a “covered claim” within the statutory obligations of the Association. The Association appealed this decision to the Full Industrial Commission. On April 16, 2004, the Full Industrial Commission issued a decision which affirmed Deputy Commissioner Berger’s Opinion and Award by a 2-1 decision. One Commissioner wrote a dissenting opinion which adopted the arguments advanced on behalf of the Association. The Association appealed the decision of the Full Industrial Commission to the North Carolina Court of Appeals. On August 2, 2005, the North Carolina Court of Appeals issued an opinion affirming the ruling of the Full Industrial Commission. The Association has filed a petition for discretionary review seeking further review by the North Carolina Supreme Court.

Issues similar to those presented by the disputes over the Reliance assumption reinsurance agreements have been raised in the insolvency of ROA. Prior to its insolvency, one of ROA’s predecessors entered into an assumption agreement with the SunHealth Group Self-Insurance Company of North Carolina (“SunHealth”), a self-insured group of North Carolina hospitals. As it did in the Bowles Case, the Association commenced a proceeding at the Industrial Commission seeking a determination that claims against ROA arising under the assumption reinsurance agreement were not “covered claims” under the Guaranty Act. On July 19, 2004, Deputy Commissioner Wanda Blanche Taylor issued an Opinion and Award ruling against the Association. As a result of this decision, the Association has had to take over the administration of the SunHealth workers’ compensation claims. The Association’s appeal to the Full Industrial Commission remains pending a determination of some issues in the underlying claim files. The outcome of the SunHealth proceeding will likely depend on the final resolution of the Bowles Case in the North Carolina appellate courts.

D. Workers’ Compensation Penalties

The Association has become involved in a number of cases before the Industrial Commission in which penalties have been imposed for either: (1) late payments of workers’ compensation benefits by insolvent insurers prior to their insolvency; (2) penalties imposed by the Industrial Commission against employers for OSHA violations; or (3) sanctions and attorneys’ fees imposed against the insolvent insurer and the insured. The Association has taken the position that the Industrial Commission penalties do not meet the definition of a “covered claim” under the Guaranty Act. In one decision, a

Facts continued...

Deputy Commissioner of the Industrial Commission has agreed that late payment penalties imposed by the Industrial Commission for the pre-insolvency acts or omissions of the insolvent insurer are not the responsibility of the Association.

However, in *Vogler v. Branch Erections* (the “Vogler Case”), the Full Industrial Commission concluded that a 10% penalty imposed on an employer for violation of an OSHA standard was within the Association’s statutory obligations. On September 7, 2004, the Court of Appeals reversed the decision of the Full Industrial Commission in the Vogler Case based on the Industrial Commission’s failure to consider the terms of the Reliance workers’ compensation policy in determining that the OSHA penalties constituted a “covered claim.” In a subsequent Opinion and Award, the Full Industrial Commission ruled that while the 10% awarded was additional compensation and not a penalty, the Association was entitled to seek reimbursement from the employer under the terms of the Reliance policy. The employer may appeal this decision to the North Carolina Court of Appeals.

In a case arising from the insolvency of Fremont Insurance Company (“Fremont”), the Association argued that sanctions and attorneys’ fees imposed against Fremont and its insured were not a “covered claim” within the obligations of the NCIGA. In this case, the Association relied on the 2003 amendments to the Guaranty Act which became effective prior to Fremont’s insolvency, and which explicitly exclude sanctions and attorneys’ fees awarded against the insolvent insurer and its insured from the definition of a “covered claim.” In an Opinion and Award issued in February 2005, the Industrial Commission accepted the Association’s arguments, and concluded that the Association was not responsible for the sanctions and attorneys’ fees.

E. Exhaustion of Solvent Insurance Issued to Joint Tortfeasors

The Association continues to address the issue of whether a plaintiff is required to exhaust the limits of solvent insurance coverage issued to a joint tortfeasor. This issue has presented itself in a number of medical malpractice cases arising from the PHICO and Legion insolvencies. As reported last year, an action was commenced against the Association by Lincoln Medical Center (“Lincoln Medical”), which was previously insured by PHICO. In this case, a plaintiff presented claims against an OBGYN and Lincoln Medical arising from the death of a newborn child. A settlement was reached by the plaintiff with the solvent insurer of the OBGYN for an amount far less than the limits of that solvent insurer’s policy. Thereafter, Lincoln Medical settled the plaintiff’s claims

for \$250,000. Lincoln Medical's suit seeks recovery of the \$250,000 settlement paid to the plaintiff. The Association has taken the position that the plaintiff failed to exhaust its remedies against the solvent insurer for the OBGYN by settling for less than the policy limits, and that Lincoln Medical's \$250,000 settlement represented a compromise of Lincoln Medical's liability exposure beyond the Association liability cap of \$300,000 up to the coverage limits of the PHICO policy issued to Lincoln Medical. After summary judgment was granted in favor of the Association at the trial court level, Lincoln Medical filed an appeal with the North Carolina Court of Appeals. Oral argument has been scheduled for October 13, 2005, and the Association anticipates a decision by the Court of Appeals sometime in the next report year.

F. Psychiatrists Purchasing Group

Prior to its insolvency, Legion issued an insurance program to the Psychiatrists Purchasing Group ("PPG"), pursuant to which individual member of the American Psychiatric Association obtained medical malpractice insurance. As part of this arrangement, PPG retained a right of direct access to Transatlantic Reinsurance Company ("Transatlantic") which provided reinsurance to Legion for the program. In the Pennsylvania liquidation proceedings, the Commonwealth Court affirmed PPG's right of direct access to the reinsurance issued by Transatlantic. This decision was affirmed by the Pennsylvania Supreme Court in July 2005. The Association administered and handled a number of North Carolina claims against participants in the PPG program. The Association has been in contact with Transatlantic to determine when the Association will be reimbursed by Transatlantic for these claims payments. If these efforts are successful, the Association will receive from Transatlantic 100% of the amounts paid in connection with the PPG claims, instead of only a fractional amount if the NCIGA's payments had to be reimbursed through the claims process in the Legion liquidation.

G. Net Worth Reimbursements

In the past year, the Association has continued to realize significant reimbursements of claim payments from high net worth insureds pursuant to the net worth provisions of the Guaranty Act. Nonetheless, in a few cases, high net worth insureds have refused the Association's requests for reimbursement. One example is Guilford Technical Community College which does not dispute that it meets the net worth threshold of the Guaranty Act, but nonetheless contends that it is not obligated to reimburse the Association for a significant payment on a workers' compensation claim on the grounds

of sovereign immunity. The Association intends to commence a declaratory judgment action against Guilford Technical Community College which should be resolved at the trial court level in the next year.

H. Workers' Compensation Mutual Fund Consolidated Industrial Commission Proceeding

As previously reported, the Association has been involved in proceedings to determine the Association's statutory responsibility for certain workers' compensation claims arising from the Association's role as administrator of the stock and mutual workers' compensation accounts under certain amendments to the Guaranty Act enacted in 1992. The underlying workers' compensation claims assert claims for occupational diseases (primarily asbestosis) which were first diagnosed years after the effective date of the 1992 amendments to the Guaranty Act. Pursuant to those amendments, the Association, in its role as administrator of the stock and mutual accounts, is only responsible for the payment of claims "existing" prior to January 1, 1993. The issue of whether these claims were "existing" prior to January 1, 1993 will be decided initially by hearing officers at the North Carolina Industrial Commission. Due to the number of claims and the similarity of the allegations involved, a single claim involving a claimant named Ray Benjamin Ketchie (the "Ketchie Claim") was identified as a test case for the determination of the issue of when and by what standard a claim was "existing," and more than 140 other claims were consolidated for purposes of determining the issues under the Guaranty Act. A hearing in the Ketchie Claim was held on August 6, 2003 before Deputy Commissioner Garner at the Industrial Commission. On January 22, 2004, Deputy Commissioner Garner issued an Opinion and Award which concluded that the Association was obligated for these claims. On February 17, 2005, the Full Industrial Commission issued an Opinion and Award affirming the decision that the Association was obligated for the claims. The Association does not intend to pursue an appeal of that decision. Additionally, the Full Industrial Commission concluded that further proceedings were necessary on the issue of whether the Association is obligated to provide a defense to the employers in these claims. The Association anticipates that issue to be decided in the next year.

I. Large-Insured Claims

In the past year, the Association has continued to monitor claims asserted by large-insureds, *i.e.*, large commercial insureds, previously insured by one or more insolvent insurers, who are asserting claims against the Association and other guaranty funds across the country. Claims asserted by large-insureds typically involve multiple insolvent insurers and a large volume of claims, such as asbestos claims, or other products liability or mass tort claims. Additionally, as reported in previous Annual Reports, the Association has received letters from various policyholders of various insolvent insurers regarding concerns of these policyholders about potential claims which may ultimately be made against them or the Association. In most instances, such letters have been turned over to counsel for the Association for further factual investigation and legal research, but no present reserves have been established due to the hypothetical or uncertain nature of the existence of any specific claims against a policyholder, and numerous questions concerning the existence or scope of any obligation of the Association under the Act, or as administrator of the stock and mutual workers' compensation funds.

2. Legislative Report

There were no statutory changes to the North Carolina Insurance Guaranty Association Act in this year's North Carolina legislative session. Nonetheless, the Association closely monitored legislative changes to the North Carolina Workers' Compensation Act that could impact the Association, including amendments to the North Carolina self-insurance guaranty association statute. At the national level, the Association is monitoring efforts by the National Association of Insurance Commissioners to adopt a new model liquidation statute.

FINANCIAL EXHIBITS

The following exhibits reflect the detail of the Association's financial activity for the period covered by this report.

Exhibit 1 is the Association's income statement for the twelve months ending August 31, 2005. Interest income increased approximately \$931,000, or 69%, from the twelve months ending August 31, 2004, primarily as a result of a larger fund base and increasing yields on fixed income investments. A distribution from the Liquidator of Reliance Insurance Company (\$9.2 million) and a deposit received from the North Carolina Department of Insurance relating to the insolvency of South Carolina Insurance Company (\$6.7 million) accounted for most of the \$16.8 million in miscellaneous income which represents an increase of about \$3.2 million, or 24%, from the same period a year ago. Operating expenses, net claims paid and claim expenses decreased 4%, 17% and 32%, respectively, from the twelve months ending August 31, 2004.

Exhibit 2 shows the Association's balance sheet as of August 31, 2005. Cash and investments increased approximately \$2.2 million, or 3.8% from August 31, 2004 to August 31, 2005. During the same period, the Association's claims liability increased from \$53.5 million to \$54.4 million, or approximately 1.6%, while the claims expense liability increased about 25% from \$4.8 million to \$6.0 million.

Exhibit 3 reflects the Association's administrative and claim costs by insolvency and for the Association for the period covered by the report.

Exhibit 4 shows receipts and disbursements separately by insolvency and for the Association from inception through August 31, 2005, including insolvencies for which the Association was holding no funds and had no known liabilities as of that date.

NORTH CAROLINA INSURANCE GUARANTY ASSOCIATION

INCOME STATEMENT

9/01/04 to 8/31/05

INCOME

| | |
|----------------------|----------------------|
| Membership Fees | \$850.00 |
| Interest Income | 2,284,750.91 |
| Assessment Income | 6,849,774.00 |
| Miscellaneous Income | <u>16,851,219.08</u> |
| Total Income | 25,986,593.99 |

EXPENSES

| | |
|---------------------------------------|-----------------------|
| Refunds to Commissioner | \$294,649.38 |
| Refunds to Members | 0.00 |
| Operating Expenses | 2,638,780.14 |
| Claims Paid (Net) | 16,379,913.50 |
| Claim Expenses | 4,688,033.45 |
| Premium Refunds | <u>233,233.13</u> |
| Total Expenses | 24,234,609.60 |
| Excess of Income over Expenses | \$1,751,984.39 |

NORTH CAROLINA INSURANCE GUARANTY ASSOCIATION

BALANCE SHEET

As of August 31, 2005

ASSETS

| | |
|-------------------------|--------------------------------------|
| Cash (Checking Account) | \$852,874.80 |
| Investments | 60,785,135.67 |
| Assessments Receivable | 8,030.00 |
| Other Assets | <u>0.00</u> |
| Total Assets | <u><u>\$61,646,040.47</u></u> |

LIABILITIES

| | |
|--|--------------------------------------|
| Accounts Payable | \$0.00 |
| Claims Liability | 54,345,017.00 |
| Unearned Premium Liability | 0.00 |
| Claims Expense Liability | 6,021,119.00 |
| Outstanding Check Liability | 135,092.51 |
| Other Liabilities | <u>(129.16)</u> |
| Total Liabilities | \$60,501,099.35 |
| Fund Equity | <u>1,144,941.12</u> |
| Total Liabilities and Fund Equity | <u><u>\$61,646,040.47</u></u> |

NOTE--The Association's Assets Consist of:

| | | |
|-----------------------|-----------------|--------------------------------------|
| Administrative - Cash | \$35,549.73 | |
| - Receivable | <u>3,144.00</u> | \$38,693.73 |
| Insolvency - Cash | \$47,174,227.25 | |
| - Receivable | <u>4,886.00</u> | 47,179,113.25 |
| Quick Access Funds | | <u>14,428,233.49</u> |
| Total | | <u><u>\$61,646,040.47</u></u> |

NC INSURANCE GUARANTY ASSOC
STATEMENT OF ADMINISTRATIVE
AND CLAIM COSTS
09/01/04 THROUGH 08/31/05

| <u>ACCOUNT</u> | <u>ASSOCIATION</u> | <u>IDEAL MUTUAL</u> | <u>MISSION</u> | <u>MIDLAND</u> |
|-------------------------------------|---------------------|-------------------------|----------------|----------------|
| ADMINISTRATION | \$344,593.08 | \$0.00 | \$0.00 | \$0.00 |
| PAYROLL TAXES | 3,552.22 | 0.00 | 0.00 | 0.00 |
| RENT | 36,010.18 | 0.00 | 0.00 | 0.00 |
| TRAVEL | 12,243.55 | 0.00 | 0.00 | 0.00 |
| DATA PROCESSING | 22,309.23 | 0.00 | 0.00 | 0.00 |
| HARDWARE EQUIPMENT | 14,576.88 | 0.00 | 0.00 | 0.00 |
| POSTAGE | 1,640.45 | 0.00 | 0.00 | 0.00 |
| OFFICE SUPPLIES | 7,753.02 | 0.00 | 0.00 | 0.00 |
| EQUIPMENT | 45,785.16 | 0.00 | 0.00 | 0.00 |
| TELEPHONE | 7,515.72 | 0.00 | 0.00 | 0.00 |
| EMP RELATIONS | 123,559.81 | 0.00 | 0.00 | 0.00 |
| LUNCHEONS | 9,185.47 | 0.00 | 0.00 | 0.00 |
| LEGAL FEES | 74,463.83 | 0.00 | 0.00 | 0.00 |
| SUBSCRIPTIONS | 73,656.99 | 0.00 | 0.00 | 0.00 |
| ADVERTISING | 85.36 | 0.00 | 0.00 | 0.00 |
| INSURANCE | 10,025.96 | 0.00 | 0.00 | 0.00 |
| OUTSIDE SERVICES | 134,614.57 | 0.00 | 0.00 | 0.00 |
| TAXES | 577.80 | 0.00 | 0.00 | 0.00 |
| MISCELLANEOUS | (721.47) | 0.00 | 0.00 | 0.00 |
| NAT'L ORGANIZATIONAL DUES | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL OPERATING EXPENSES | \$921,427.81 | \$0.00 | \$0.00 | \$0.00 |
| PAID CLAIMS (NET) | 0.00 | 0.00 | 0.00 | 0.00 |
| CLAIM EXPENSES | 0.00 | 0.00 | 0.00 | 0.00 |
| PREMIUM REFUNDS | 0.00 | 0.00 | 0.00 | 0.00 |
| REFUND TO N. C. DEPT. INSURANCE | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL EXPENSES | \$921,427.81 | \$0.00 | \$0.00 | \$0.00 |

NC INSURANCE GUARANTY ASSO
STATEMENT OF ADMINISTRATIVE
AND CLAIM COSTS
09/01/04 THROUGH 08/31/05

| <u>ACCOUNT</u> | <u>MISSION NATIONAL</u> | <u>INTEGRITY</u> | <u>STONE MOUNTAIN</u> | <u>AMERICAN MUTUAL LIAB</u> |
|-------------------------------------|-----------------------------|------------------|---------------------------|---------------------------------|
| ADMINISTRATION | \$0.00 | \$0.00 | \$0.00 | \$16,378.77 |
| PAYROLL TAXES | 0.00 | 0.00 | 0.00 | 1,288.38 |
| RENT | 0.00 | 0.00 | 0.00 | 0.00 |
| TRAVEL | 0.00 | 0.00 | 0.00 | 0.00 |
| DATA PROCESSING | 0.00 | 0.00 | 0.00 | 0.00 |
| HARDWARE EQUIPMENT | 0.00 | 0.00 | 0.00 | 0.00 |
| POSTAGE | 0.00 | 0.00 | 0.00 | 21.61 |
| OFFICE SUPPLIES | 0.00 | 0.00 | 0.00 | 26.53 |
| EQUIPMENT | 0.00 | 0.00 | 0.00 | 2.69 |
| TELEPHONE | 0.00 | 0.00 | 0.00 | 37.44 |
| EMP RELATIONS | 0.00 | 0.00 | 0.00 | 46.01 |
| LUNCHEONS | 0.00 | 0.00 | 0.00 | 0.00 |
| LEGAL FEES | 0.00 | 0.00 | 0.00 | 1,820.75 |
| SUBSCRIPTIONS | 0.00 | 0.00 | 0.00 | 0.00 |
| ADVERTISING | 0.00 | 0.00 | 0.00 | 0.00 |
| INSURANCE | 0.00 | 0.00 | 0.00 | 0.00 |
| OUTSIDE SERVICES | 0.00 | 0.00 | 0.00 | 0.50 |
| TAXES | 0.00 | 0.00 | 0.00 | 0.00 |
| MISCELLANEOUS | 0.00 | 0.00 | 0.00 | 0.00 |
| NAT'L ORGANIZATIONAL DUES | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL OPERATING EXPENSES | \$0.00 | \$0.00 | \$0.00 | \$19,622.68 |
| PAID CLAIMS (NET) | 0.00 | 0.00 | 0.00 | 0.00 |
| CLAIM EXPENSES | 0.00 | 0.00 | 0.00 | 0.00 |
| PREMIUM REFUNDS | 0.00 | 0.00 | 0.00 | 0.00 |
| REFUND TO N. C. DEPT. INSURANCE | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL EXPENSES | \$0.00 | \$0.00 | \$0.00 | \$19,622.68 |

NC INSURANCE GUARANTY ASSO
STATEMENT OF ADMINISTRATIVE
AND CLAIM COSTS
09/01/04 THROUGH 08/31/05

| <u>ACCOUNT</u> | <u>INTERSTATE CASUALTY</u> | <u>WESTERN EMPLOYERS</u> | <u>EMPLOYERS CASUALTY</u> | <u>PREMIER ALLIANCE</u> |
|-------------------------------------|--------------------------------|------------------------------|-------------------------------|-----------------------------|
| ADMINISTRATION | \$70.05 | \$0.00 | \$1,921.47 | \$0.00 |
| PAYROLL TAXES | 5.10 | 0.00 | 153.50 | 0.00 |
| RENT | 0.00 | 0.00 | 0.00 | 0.00 |
| TRAVEL | 0.00 | 0.00 | 0.00 | 0.00 |
| DATA PROCESSING | 0.00 | 0.00 | 0.00 | 0.00 |
| HARDWARE EQUIPMENT | 0.00 | 0.00 | 0.00 | 0.00 |
| POSTAGE | 1.68 | 0.00 | 108.76 | 0.00 |
| OFFICE SUPPLIES | 0.01 | 0.00 | 10.91 | 0.00 |
| EQUIPMENT | 0.19 | 0.00 | 1.38 | 0.00 |
| TELEPHONE | 0.00 | 0.00 | 5.77 | 0.00 |
| EMP RELATIONS | 5.54 | 0.00 | 7.33 | 0.00 |
| LUNCHEONS | 0.00 | 0.00 | 0.00 | 0.00 |
| LEGAL FEES | 0.00 | 0.00 | 0.00 | 0.00 |
| SUBSCRIPTIONS | 0.00 | 0.00 | 0.00 | 0.00 |
| ADVERTISING | 0.00 | 0.00 | 0.00 | 0.00 |
| INSURANCE | 0.00 | 0.00 | 0.00 | 0.00 |
| OUTSIDE SERVICES | 0.04 | 0.00 | 2.64 | 0.00 |
| TAXES | 0.00 | 0.00 | 0.00 | 0.00 |
| MISCELLANEOUS | 0.00 | 0.00 | 0.00 | 0.00 |
| NAT'L ORGANIZATIONAL DUES | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL OPERATING EXPENSES | \$82.61 | \$0.00 | \$2,211.76 | \$0.00 |
| PAID CLAIMS (NET) | 0.00 | 0.00 | 28,469.23 | 0.00 |
| CLAIM EXPENSES | 0.00 | 0.00 | 71.67 | 0.00 |
| PREMIUM REFUNDS | 0.00 | 0.00 | 0.00 | 0.00 |
| REFUND TO N. C. DEPT. INSURANCE | 0.00 | 226,605.92 | 0.00 | 0.00 |
| TOTAL EXPENSES | \$82.61 | \$226,605.92 | \$30,752.66 | \$0.00 |

NC INSURANCE GUARANTY ASSO
STATEMENT OF ADMINISTRATIVE
AND CLAIM COSTS
09/01/04 THROUGH 08/31/05

| <u>ACCOUNT</u> | <u>UNITED COMMUNITY</u> | <u>GRANGERS MUTUAL</u> | <u>UNITED SOUTHERN ASSUR</u> | <u>LMI INSURANCE</u> |
|-------------------------------------|-----------------------------|----------------------------|----------------------------------|--------------------------|
| ADMINISTRATION | \$0.00 | \$0.00 | \$375.91 | \$0.00 |
| PAYROLL TAXES | 0.00 | 0.00 | 27.43 | 0.00 |
| RENT | 0.00 | 0.00 | 0.00 | 0.00 |
| TRAVEL | 0.00 | 0.00 | 0.00 | 0.00 |
| DATA PROCESSING | 0.00 | 0.00 | 0.00 | 0.00 |
| HARDWARE EQUIPMENT | 0.00 | 0.00 | 0.00 | 0.00 |
| POSTAGE | 0.00 | 0.00 | 1.78 | 0.00 |
| OFFICE SUPPLIES | 0.00 | 0.00 | 3.60 | 0.00 |
| EQUIPMENT | 0.00 | 0.00 | 0.40 | 0.00 |
| TELEPHONE | 0.00 | 0.00 | 0.05 | 0.00 |
| EMP RELATIONS | 0.00 | 0.00 | 11.05 | 0.00 |
| LUNCHEONS | 0.00 | 0.00 | 0.00 | 0.00 |
| LEGAL FEES | 0.00 | 0.00 | 0.00 | 0.00 |
| SUBSCRIPTIONS | 0.00 | 0.00 | 0.00 | 0.00 |
| ADVERTISING | 0.00 | 0.00 | 0.00 | 0.00 |
| INSURANCE | 0.00 | 0.00 | 0.00 | 0.00 |
| OUTSIDE SERVICES | 0.00 | 0.00 | 0.04 | 0.00 |
| TAXES | 0.00 | 0.00 | 0.00 | 0.00 |
| MISCELLANEOUS | 0.00 | 0.00 | 19.78 | 0.00 |
| NAT'L ORGANIZATIONAL DUES | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL OPERATING EXPENSES | \$0.00 | \$0.00 | \$440.04 | \$0.00 |
| PAID CLAIMS (NET) | 0.00 | 0.00 | 0.00 | 1,145.00 |
| CLAIM EXPENSES | 0.00 | 0.00 | 0.00 | 0.00 |
| PREMIUM REFUNDS | 0.00 | 0.00 | 0.00 | 0.00 |
| REFUND TO N. C. DEPT. INSURANCE | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL EXPENSES | \$0.00 | \$0.00 | \$440.04 | \$1,145.00 |

NC INSURANCE GUARANTY ASSO
STATEMENT OF ADMINISTRATIVE
AND CLAIM COSTS
09/01/04 THROUGH 08/31/05

| <u>ACCOUNT</u> | <u>CREDIT GENERAL</u> | <u>RELIANCE</u> | <u>PHICO</u> | <u>LEGION</u> |
|-------------------------------------|---------------------------|-----------------------|-----------------------|-----------------------|
| ADMINISTRATION | \$11,466.46 | \$268,386.11 | \$38,719.77 | \$192,979.48 |
| PAYROLL TAXES | 932.46 | 19,110.80 | 3,096.38 | 13,536.86 |
| RENT | 2,209.37 | 40,664.82 | 5,174.28 | 34,506.58 |
| TRAVEL | 0.00 | 3,667.19 | 96.00 | 2,849.29 |
| DATA PROCESSING | 0.00 | 3,816.16 | 0.00 | 3,816.16 |
| HARDWARE EQUIPMENT | 0.00 | 7,288.44 | 0.00 | 7,288.44 |
| POSTAGE | 218.44 | 6,241.49 | 525.35 | 5,406.03 |
| OFFICE SUPPLIES | 46.45 | 5,008.19 | 128.88 | 5,657.50 |
| EQUIPMENT | 17.47 | 4,023.33 | 50.60 | 4,068.91 |
| TELEPHONE | 117.60 | 6,163.49 | 372.77 | 5,549.80 |
| EMP RELATIONS | 2,187.63 | 96,015.20 | (31.88) | 115,476.38 |
| LUNCHEONS | 0.00 | 1,612.87 | 0.00 | 1,876.50 |
| LEGAL FEES | 0.00 | 52,245.69 | 24,364.62 | 68,519.35 |
| SUBSCRIPTIONS | 0.00 | 873.54 | 0.00 | 873.54 |
| ADVERTISING | 0.00 | 42.69 | 0.00 | 42.69 |
| INSURANCE | (0.85) | 5,240.24 | (0.85) | 5,472.43 |
| OUTSIDE SERVICES | 6.90 | 38,718.64 | 19.08 | 39,381.04 |
| TAXES | 0.00 | 513.71 | 0.00 | 738.60 |
| MISCELLANEOUS | 27.10 | 1,742.78 | 226.80 | 3,390.34 |
| NAT'L ORGANIZATIONAL DUES | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL OPERATING EXPENSES | \$17,229.03 | \$561,375.38 | \$72,741.80 | \$511,429.92 |
| PAID CLAIMS (NET) | 306,651.20 | 6,425,926.60 | (337,423.67) | 5,718,138.39 |
| CLAIM EXPENSES | 30,221.93 | 1,798,345.94 | (25,010.53) | 1,742,425.75 |
| PREMIUM REFUNDS | (1,194.00) | 0.00 | 0.00 | 200,258.13 |
| REFUND TO N. C. DEPT. INSURANCE | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL EXPENSES | \$352,908.16 | \$8,785,647.92 | (\$289,692.40) | \$8,172,252.19 |

NC INSURANCE GUARANTY ASSO
STATEMENT OF ADMINISTRATIVE
AND CLAIM COSTS
09/01/04 THROUGH 08/31/05

| <u>ACCOUNT</u> | <u>VILLANOVA</u> | <u>HOME INS</u> | <u>ROA</u> | <u>FREMONT</u> |
|---------------------------------|-----------------------|---------------------|-----------------------|---------------------|
| ADMINISTRATION | \$78,475.94 | \$41,677.17 | \$63,504.27 | \$17,715.37 |
| PAYROLL TAXES | 5,363.16 | 3,355.08 | 5,070.87 | 1,409.56 |
| RENT | 8,976.18 | 6,249.55 | 9,037.10 | 2,176.71 |
| TRAVEL | 0.00 | 0.00 | 191.05 | 0.00 |
| DATA PROCESSING | 0.00 | 0.00 | 0.00 | 0.00 |
| HARDWARE EQUIPMENT | 0.00 | 0.00 | 0.00 | 0.00 |
| POSTAGE | 1,157.40 | 547.52 | 1,084.20 | 223.29 |
| OFFICE SUPPLIES | 794.91 | 323.99 | 260.12 | 67.76 |
| EQUIPMENT | 77.21 | 53.09 | 81.71 | 16.94 |
| TELEPHONE | 685.71 | 472.51 | 683.98 | 133.90 |
| EMP RELATIONS | 8,229.50 | 181.76 | 648.30 | (11.95) |
| LUNCHEONS | 0.00 | 0.00 | 0.00 | 0.00 |
| LEGAL FEES | 1,104.00 | 0.00 | 50,878.95 | 9,136.01 |
| SUBSCRIPTIONS | 0.00 | 0.00 | 0.00 | 0.00 |
| ADVERTISING | 0.00 | 0.00 | 0.00 | 0.00 |
| INSURANCE | 0.00 | 33.87 | 0.00 | 0.00 |
| OUTSIDE SERVICES | 39.14 | 18.58 | 38.03 | 7.24 |
| TAXES | 0.00 | 74.94 | 0.00 | 0.00 |
| MISCELLANEOUS | 340.02 | 128.71 | 292.08 | 39.38 |
| NAT'L ORGANIZATIONAL DUES | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL OPERATING EXPENSES | \$105,243.17 | \$53,116.77 | \$131,770.66 | \$30,914.21 |
| PAID CLAIMS (NET) | 1,219,260.36 | 281,301.48 | 849,189.76 | 127,542.48 |
| CLAIM EXPENSES | 336,458.05 | 71,309.40 | 249,919.95 | 51,362.83 |
| PREMIUM REFUNDS | 23,965.00 | 0.00 | 0.00 | 204.00 |
| REFUND TO N. C. DEPT. INSURANCE | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL EXPENSES | \$1,684,926.58 | \$405,727.65 | \$1,230,880.37 | \$210,023.52 |

NC INSURANCE GUARANTY ASSO
STATEMENT OF ADMINISTRATIVE
AND CLAIM COSTS
09/01/04 THROUGH 08/31/05

| <u>ACCOUNT</u> | <u>MILLERS</u> | <u>COMMERCIAL CAS</u> | <u>STATE CAPITAL</u> | <u>CAS RECIP EXCH</u> |
|---------------------------------|--------------------|-----------------------|----------------------|-----------------------|
| ADMINISTRATION | \$580.97 | \$38,625.79 | \$11,877.66 | \$63,290.20 |
| PAYROLL TAXES | 47.80 | 3,043.19 | 926.40 | 5,071.79 |
| RENT | 37.62 | 1,956.93 | 452.30 | 3,161.54 |
| TRAVEL | 0.00 | 239.85 | 0.00 | 102.60 |
| DATA PROCESSING | 0.00 | 0.00 | 0.00 | 0.00 |
| HARDWARE EQUIPMENT | 0.00 | 0.00 | 0.00 | 0.00 |
| POSTAGE | 4.82 | 231.63 | 98.27 | 689.31 |
| OFFICE SUPPLIES | 1.29 | 316.65 | 450.22 | 447.02 |
| EQUIPMENT | 0.46 | 52.44 | 3.40 | 22.14 |
| TELEPHONE | 1.45 | 396.16 | 41.07 | 484.17 |
| EMP RELATIONS | 11.92 | 4,893.31 | 4.42 | 13,419.09 |
| LUNCHEONS | 0.00 | 28.29 | 0.00 | 0.00 |
| LEGAL FEES | 0.00 | 3,001.00 | 1,035.00 | 0.00 |
| SUBSCRIPTIONS | 0.00 | 0.00 | 0.00 | 0.00 |
| ADVERTISING | 0.00 | 0.00 | 0.00 | 0.00 |
| INSURANCE | 0.00 | 185.34 | 0.00 | 0.00 |
| OUTSIDE SERVICES | 0.08 | 5.25 | 3.28 | 258.83 |
| TAXES | 0.00 | 74.94 | 0.00 | 0.00 |
| MISCELLANEOUS | 20.45 | 64.16 | 0.00 | 122.37 |
| NAT'L ORGANIZATIONAL DUES | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL OPERATING EXPENSES | \$706.86 | \$53,114.93 | \$14,892.02 | \$87,069.06 |
| PAID CLAIMS (NET) | 0.00 | 40,380.44 | 60,750.00 | 1,114,093.41 |
| CLAIM EXPENSES | 0.00 | 121,380.74 | 20,521.44 | 226,192.56 |
| PREMIUM REFUNDS | 0.00 | 0.00 | 0.00 | 10,000.00 |
| REFUND TO N. C. DEPT. INSURANCE | 68,043.46 | 0.00 | 0.00 | 0.00 |
| TOTAL EXPENSES | \$68,750.32 | \$214,876.11 | \$96,163.46 | \$1,437,355.03 |

NC INSURANCE GUARANTY ASSO
STATEMENT OF ADMINISTRATIVE
AND CLAIM COSTS
09/01/04 THROUGH 08/31/05

| <u>ACCOUNT</u> | <u>SOUTH CAROLINA</u> | <u>MUTUAL WORKERS' COMP</u> | <u>STOCK WORKERS' COMP</u> | <u>TOTALS</u> |
|-------------------------------------|-----------------------|---------------------------------|--------------------------------|------------------------|
| ADMINISTRATION | \$21,089.52 | \$10,269.77 | \$2,165.60 | \$1,224,163.36 |
| PAYROLL TAXES | 1,604.69 | 838.59 | 177.88 | 68,612.14 |
| RENT | 1,004.09 | 1,690.66 | 649.35 | 153,957.26 |
| TRAVEL | 0.00 | 0.00 | 0.00 | 19,389.53 |
| DATA PROCESSING | 0.00 | 0.00 | 0.00 | 29,941.55 |
| HARDWARE EQUIPMENT | 0.00 | 0.00 | 0.00 | 29,153.76 |
| POSTAGE | 16.31 | 385.24 | 79.02 | 18,682.60 |
| OFFICE SUPPLIES | 0.08 | 57.31 | 12.83 | 21,367.27 |
| EQUIPMENT | 0.00 | 11.48 | 4.50 | 54,273.50 |
| TELEPHONE | 58.92 | 100.31 | 27.09 | 22,847.91 |
| EMP RELATIONS | (177.54) | 34.51 | 38.51 | 364,548.90 |
| LUNCHEONS | 0.00 | 0.00 | 0.00 | 12,703.13 |
| LEGAL FEES | 6,808.21 | 8,259.44 | 0.00 | 301,636.85 |
| SUBSCRIPTIONS | 0.00 | 0.00 | 0.00 | 75,404.07 |
| ADVERTISING | 0.00 | 0.00 | 0.00 | 170.74 |
| INSURANCE | 0.00 | 0.00 | 0.00 | 20,956.14 |
| OUTSIDE SERVICES | 0.34 | 12.48 | 3.59 | 213,130.29 |
| TAXES | 0.00 | 0.00 | 0.00 | 1,979.99 |
| MISCELLANEOUS | 49.55 | 119.10 | 0.00 | 5,861.15 |
| NAT'L ORGANIZATIONAL DUES | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL OPERATING EXPENSES | \$30,454.17 | \$21,778.89 | \$3,158.37 | \$2,638,780.14 |
| PAID CLAIMS (NET) | 31,274.63 | 474,738.03 | 38,476.16 | 16,379,913.50 |
| CLAIM EXPENSES | 20,202.64 | 40,057.01 | 4,574.07 | 4,688,033.45 |
| PREMIUM REFUNDS | 0.00 | 0.00 | 0.00 | 233,233.13 |
| REFUND TO N. C. DEPT. INSURANCE | 0.00 | 0.00 | 0.00 | 294,649.38 |
| TOTAL EXPENSES | \$81,931.44 | \$536,573.93 | \$46,208.60 | \$24,234,609.60 |

**N C INSURANCE GUARANTY ASSOCIATION
RECEIPTS AND DISBURSEMENTS
THROUGH AUGUST 31, 2005**

| | <u>ASSOCIATION</u> | <u>MISSION</u> | <u>MISSION NATIONAL</u> | <u>AMERICAN MUTUAL LIAB</u> |
|---|-----------------------|-----------------------|-----------------------------|---------------------------------|
| <u>RECEIPTS:</u> | | | | |
| Balance Trans 4/9/75 | \$7,961.20 | \$0.00 | \$0.00 | \$0.00 |
| Membership Fees | 21,250.00 | 0.00 | 0.00 | 0.00 |
| Assessments | 3,567,900.07 | 749,742.00 | 549,652.00 | 0.00 |
| Distributions - Rehab/Liq | 0.00 | 520,509.00 | 268,978.00 | 0.00 |
| Other Receipts - Rehab/Liq | 0.00 | 0.00 | 0.00 | 0.00 |
| Deposits from Dept Ins | 0.00 | 156,508.15 | 182,088.67 | 2,180,249.96 |
| Other Receipts - Dept Ins | 8,715.44 | 0.00 | 0.00 | 0.00 |
| Interest | 73,231.21 | 581,001.40 | 328,882.78 | 1,004,378.08 |
| Miscellaneous | 22,819.58 | 0.00 | 0.00 | 0.00 |
| Inter - Dept Transfers | 616,982.58 | 0.00 | 0.00 | 0.00 |
| TOTAL RECEIPTS | \$4,318,860.08 | \$2,007,760.55 | \$1,329,601.45 | \$3,184,628.04 |
| <u>DISBURSEMENTS:</u> | | | | |
| Administrative Expenses | \$4,418,273.70 | \$75,407.49 | \$50,245.65 | \$155,812.38 |
| Claims Paid | 0.00 | 453,468.78 | 320,224.13 | 1,434,997.49 |
| Claims Expense | 0.00 | 143,146.86 | 80,598.28 | 345,788.06 |
| Premium Refunds | 0.00 | 0.00 | 0.00 | 0.00 |
| Refunds to Member Cos. | 0.00 | 1,250,008.00 | 699,992.00 | 0.00 |
| Refunds to Dept Ins | 0.00 | 5,000.00 | 0.00 | 0.00 |
| TOTAL DISBURSEMENTS | \$4,418,273.70 | \$1,927,031.13 | \$1,151,060.06 | \$1,936,597.93 |
| LESS: Other O/S Payables | (129.16) | 0.00 | 0.00 | 0.00 |
| LESS: O/S Check Contingency | \$135,092.51 | \$0.00 | \$0.00 | \$0.00 |
| NET DISBURSEMENTS | \$4,283,310.35 | \$1,927,031.13 | \$1,151,060.06 | \$1,936,597.93 |
| FUND BALANCES - EXCESS RECEIPTS OVER DISBURSEMENTS | \$35,549.73 | \$80,729.42 | \$178,541.39 | \$1,248,030.11 |

**N C INSURANCE GUARANTY ASSOCIATION
RECEIPTS AND DISBURSEMENTS
THROUGH AUGUST 31, 2005**

| | INTERSTATE CASUALTY | EMPLOYERS CASUALTY CO | CREDIT GENERAL | RELIANCE |
|---|--------------------------------|----------------------------------|---------------------------|------------------------|
| <u>RECEIPTS:</u> | | | | |
| Balance Trans 4/9/75 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Membership Fees | 0.00 | 0.00 | 0.00 | 0.00 |
| Assessments | 20,686,384.00 | 500,000.00 | 5,755,085.00 | 41,960,538.00 |
| Distributions - Rehab/Liq | 0.00 | 409,934.00 | 0.00 | 22,320,889.51 |
| Other Receipts - Rehab/Liq | 11,665,074.27 | 0.00 | 0.00 | 0.00 |
| Deposits from Dept Ins | 1,902,093.15 | 98,266.97 | 645,462.22 | 1,258,003.97 |
| Other Receipts - Dept Ins | 0.00 | 0.00 | 0.00 | 0.00 |
| Interest | 1,882,193.19 | 246,363.14 | 285,999.08 | 1,847,408.52 |
| Miscellaneous | 5,515,560.82 | 0.00 | 0.00 | 0.00 |
| Inter - Dept Transfers | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL RECEIPTS | \$41,651,305.43 | \$1,254,564.11 | \$6,686,546.30 | \$67,386,840.00 |
| <u>DISBURSEMENTS:</u> | | | | |
| Administrative Expenses | \$2,327,742.47 | \$73,527.03 | \$301,205.47 | \$2,745,570.54 |
| Claims Paid | 7,452,525.01 | 534,296.88 | 4,716,520.62 | 37,656,672.73 |
| Claims Expense | 1,681,668.02 | 7,965.96 | 424,538.98 | 6,022,427.75 |
| Premium Refunds | 7,640,987.75 | 0.00 | 134,441.62 | 544,128.88 |
| Refunds to Member Cos. | 22,440,060.00 | 250,000.00 | 0.00 | 3,986,139.00 |
| Refunds to Dept Ins | 17,142.96 | 0.00 | 0.00 | 0.00 |
| TOTAL DISBURSEMENTS | \$41,560,126.21 | \$865,789.87 | \$5,576,706.69 | \$50,954,938.90 |
| LESS: Other O/S Payables | 0.00 | 0.00 | 0.00 | 0.00 |
| LESS: O/S Check Contingency | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| NET DISBURSEMENTS | \$41,560,126.21 | \$865,789.87 | \$5,576,706.69 | \$50,954,938.90 |
| FUND BALANCES - EXCESS RECEIPTS OVER DISBURSEMENTS | \$91,179.22 | \$388,774.24 | \$1,109,839.61 | \$16,431,901.10 |

**N C INSURANCE GUARANTY ASSOCIATION
RECEIPTS AND DISBURSEMENTS
THROUGH AUGUST 31, 2005**

| | <u>PHICO</u> | <u>LEGION</u> | <u>VILLANOVA</u> | <u>HOME INS</u> |
|---|------------------------|------------------------|-----------------------|-----------------------|
| <u>RECEIPTS:</u> | | | | |
| Balance Trans 4/9/75 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Membership Fees | 0.00 | 0.00 | 0.00 | 0.00 |
| Assessments | 0.00 | 15,339,464.00 | 6,923,052.00 | 5,944,357.00 |
| Distributions - Rehab/Liq | 0.00 | 0.00 | 0.00 | 0.00 |
| Other Receipts - Rehab/Liq | 0.00 | 0.00 | 0.00 | 0.00 |
| Deposits from Dept Ins | 11,271,861.85 | 15,357,519.90 | 82,952.80 | 1,201,564.46 |
| Other Receipts - Dept Ins | 0.00 | 0.00 | 0.00 | 0.00 |
| Interest | 901,327.85 | 516,113.47 | 67,367.70 | 399,465.88 |
| Miscellaneous | 65.06 | 4,312.02 | 0.00 | 0.00 |
| Inter - Dept Transfers | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL RECEIPTS | \$12,173,254.76 | \$31,217,409.39 | \$7,073,372.50 | \$7,545,387.34 |
| <u>DISBURSEMENTS:</u> | | | | |
| Administrative Expenses | \$420,489.19 | \$1,848,283.79 | \$255,635.16 | \$133,323.55 |
| Claims Paid | 3,711,569.24 | 20,900,666.48 | 4,184,037.80 | 953,452.39 |
| Claims Expense | 1,413,659.87 | 6,085,223.29 | 1,268,408.95 | 151,350.22 |
| Premium Refunds | 90,344.86 | 470,697.13 | 42,000.40 | 0.00 |
| Refunds to Member Cos. | 0.00 | 0.00 | 0.00 | 0.00 |
| Refunds to Dept Ins | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL DISBURSEMENTS | \$5,636,063.16 | \$29,304,870.69 | \$5,750,082.31 | \$1,238,126.16 |
| LESS: Other O/S Payables | 0.00 | 0.00 | 0.00 | 0.00 |
| LESS: O/S Check Contingency | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| NET DISBURSEMENTS | \$5,636,063.16 | \$29,304,870.69 | \$5,750,082.31 | \$1,238,126.16 |
| FUND BALANCES - EXCESS RECEIPTS OVER DISBURSEMENTS | \$6,537,191.60 | \$1,912,538.70 | \$1,323,290.19 | \$6,307,261.18 |

**N C INSURANCE GUARANTY ASSOCIATION
RECEIPTS AND DISBURSEMENTS
THROUGH AUGUST 31, 2005**

| | <u>ROA</u> | <u>FREMONT</u> | <u>COMMERCIAL CAS</u> | <u>STATE CAPITAL</u> |
|---|-----------------------|-----------------------|-----------------------|----------------------|
| <u>RECEIPTS:</u> | | | | |
| Balance Trans 4/9/75 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Membership Fees | 0.00 | 0.00 | 0.00 | 0.00 |
| Assessments | 3,962,904.00 | 1,668,198.00 | 799,248.00 | 498,143.00 |
| Distributions - Rehab/Liq | 0.00 | 178,495.00 | 0.00 | 0.00 |
| Other Receipts - Rehab/Liq | 0.00 | 0.00 | 0.00 | 0.00 |
| Deposits from Dept Ins | 121,120.60 | 206,039.79 | 0.00 | 0.00 |
| Other Receipts - Dept Ins | 0.00 | 0.00 | 0.00 | 0.00 |
| Interest | 129,313.06 | 94,169.36 | 24,767.57 | 12,350.72 |
| Miscellaneous | 0.00 | 0.00 | 0.00 | 0.00 |
| Inter - Dept Transfers | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL RECEIPTS | \$4,213,337.66 | 2,146,902.15 | \$824,015.57 | \$510,493.72 |
| <u>DISBURSEMENTS:</u> | | | | |
| Administrative Expenses | \$415,039.06 | \$58,862.46 | \$73,278.01 | \$14,892.05 |
| Claims Paid | 1,844,384.20 | 240,976.65 | 47,041.53 | 60,750.00 |
| Claims Expense | 599,044.58 | 118,079.27 | 126,431.24 | 20,521.44 |
| Premium Refunds | 39,071.00 | 204.00 | 0.00 | 0.00 |
| Refunds to Member Cos. | 0.00 | 0.00 | 0.00 | 0.00 |
| Refunds to Dept Ins | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL DISBURSEMENTS | \$2,897,538.84 | \$418,122.38 | \$246,750.78 | \$96,163.49 |
| LESS: Other O/S Payables | 0.00 | 0.00 | 0.00 | 0.00 |
| LESS: O/S Check Contingency | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| NET DISBURSEMENTS | \$2,897,538.84 | \$418,122.38 | \$246,750.78 | \$96,163.49 |
| FUND BALANCES - EXCESS RECEIPTS OVER DISBURSEMENTS | \$1,315,798.82 | \$1,728,779.77 | \$577,264.79 | \$414,330.23 |

**N C INSURANCE GUARANTY ASSOCIATION
RECEIPTS AND DISBURSEMENTS
THROUGH AUGUST 31, 2005**

| | CASUALTY RECIP EXCH | SOUTH CAROLINA | ACCELERATION NATIONAL | AMERICAN DRUGGISTS' |
|---|--------------------------------|---------------------------|----------------------------------|--------------------------------|
| <u>RECEIPTS:</u> | | | | |
| Balance Trans 4/9/75 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Membership Fees | 0.00 | 0.00 | 0.00 | 0.00 |
| Assessments | 3,999,339.00 | 0.00 | 0.00 | 0.00 |
| Distributions - Rehab/Liq | 0.00 | 0.00 | 0.00 | 0.00 |
| Other Receipts - Rehab/Liq | 0.00 | 0.00 | 0.00 | 0.00 |
| Deposits from Dept Ins | 215,956.14 | 6,651,815.45 | 66,182.55 | 157,494.98 |
| Other Receipts - Dept Ins | 0.00 | 0.00 | 0.00 | 0.00 |
| Interest | 93,093.83 | 73,127.77 | 3,321.14 | 6,479.56 |
| Miscellaneous | 0.00 | 0.00 | 0.00 | 0.00 |
| Inter - Dept Transfers | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL RECEIPTS | \$4,308,388.97 | \$6,724,943.22 | \$69,503.69 | \$163,974.54 |
| <u>DISBURSEMENTS:</u> | | | | |
| Administrative Expenses | \$87,069.06 | \$30,454.17 | \$120.56 | \$12,439.88 |
| Claims Paid | 1,114,413.09 | 31,274.63 | 0.00 | 17,782.36 |
| Claims Expense | 226,192.56 | 20,202.64 | 0.00 | 3,473.50 |
| Premium Refunds | 10,000.00 | 0.00 | 0.00 | 0.00 |
| Refunds to Member Cos. | 0.00 | 0.00 | 0.00 | 0.00 |
| Refunds to Dept Ins | 0.00 | 0.00 | 69,383.13 | 130,278.80 |
| TOTAL DISBURSEMENTS | \$1,437,674.71 | \$81,931.44 | \$69,503.69 | \$163,974.54 |
| LESS: Other O/S Payables | 0.00 | 0.00 | 0.00 | 0.00 |
| LESS: O/S Check Contingency | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| NET DISBURSEMENTS | \$1,437,674.71 | \$81,931.44 | \$69,503.69 | \$163,974.54 |
| FUND BALANCES - EXCESS RECEIPTS OVER DISBURSEMENTS | \$2,870,714.26 | \$6,643,011.78 | \$0.00 | \$0.00 |

**N C INSURANCE GUARANTY ASSOCIATION
RECEIPTS AND DISBURSEMENTS
THROUGH AUGUST 31, 2005**

| | AMERICAN EAGLE | AMERICAN FIDELITY FIRE | AMERICAN MUTUAL INS | AMERICAN RESERVE |
|---|---------------------------|-----------------------------------|--------------------------------|-----------------------------|
| <u>RECEIPTS:</u> | | | | |
| Balance Trans 4/9/75 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Membership Fees | 0.00 | 0.00 | 0.00 | 0.00 |
| Assessments | 399,743.76 | 0.00 | 0.00 | 121,767.00 |
| Distributions - Rehab/Liq | 21,323.00 | 0.00 | 0.00 | 0.00 |
| Other Receipts - Rehab/Liq | 0.00 | 0.00 | 0.00 | 0.00 |
| Deposits from Dept Ins | 105,199.43 | 522,774.79 | 536,723.24 | 97,451.67 |
| Other Receipts - Dept Ins | 0.00 | 0.00 | 0.00 | 0.00 |
| Interest | 46,061.49 | 66,234.66 | 143,704.65 | 45,716.52 |
| Miscellaneous | 0.00 | 0.00 | 0.00 | 22,550.00 |
| Inter - Dept Transfers | (26,376.59) | 0.00 | 0.00 | 0.00 |
| TOTAL RECEIPTS | \$545,951.09 | \$589,009.45 | \$680,427.89 | \$287,485.19 |
| <u>DISBURSEMENTS:</u> | | | | |
| Administrative Expenses | \$29,439.78 | \$45,772.33 | \$13,428.06 | \$48,687.25 |
| Claims Paid | 296,152.40 | 198,059.63 | 0.00 | 68,500.00 |
| Claims Expense | 73,057.91 | 58,140.87 | 0.00 | 8,395.44 |
| Premium Refunds | 2,988.00 | 6,272.04 | 0.00 | 0.00 |
| Refunds to Member Cos. | 144,313.00 | 0.00 | 0.00 | 142,132.13 |
| Refunds to Dept Ins | 0.00 | 280,764.58 | 666,999.83 | 19,770.37 |
| TOTAL DISBURSEMENTS | \$545,951.09 | \$589,009.45 | \$680,427.89 | \$287,485.19 |
| LESS: Other O/S Payables | 0.00 | 0.00 | 0.00 | 0.00 |
| LESS: O/S Check Contingency | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| NET DISBURSEMENTS | \$545,951.09 | \$589,009.45 | \$680,427.89 | \$287,485.19 |
| FUND BALANCES - EXCESS RECEIPTS OVER DISBURSEMENTS | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

**N C INSURANCE GUARANTY ASSOCIATION
RECEIPTS AND DISBURSEMENTS
THROUGH AUGUST 31, 2005**

| | AMERICAN UNIVERSAL | BEACON | CARRIERS | COMMERCIAL STANDARD |
|---|-------------------------------|-----------------------|-----------------------|--------------------------------|
| <u>RECEIPTS:</u> | | | | |
| Balance Trans 4/9/75 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Membership Fees | 0.00 | 0.00 | 0.00 | 0.00 |
| Assessments | 2,000,000.00 | 534,608.00 | 997,738.00 | 0.00 |
| Distributions - Rehab/Liq | 0.00 | 476,116.18 | 707,756.69 | 0.00 |
| Other Receipts - Rehab/Liq | 0.00 | 0.00 | 0.00 | 0.00 |
| Deposits from Dept Ins | 3,391,239.34 | 559,184.27 | 79,090.65 | 489,665.89 |
| Other Receipts - Dept Ins | 0.00 | 0.00 | 0.00 | 4,177.50 |
| Interest | 940,497.58 | 47,388.09 | 333,755.42 | 174,608.26 |
| Miscellaneous | 0.00 | 0.00 | 0.00 | 0.00 |
| Inter - Dept Transfers | (5,413.02) | (6,930.85) | (21,032.81) | (331.91) |
| TOTAL RECEIPTS | \$6,326,323.90 | \$1,610,365.69 | \$2,097,307.95 | \$668,119.74 |
| <u>DISBURSEMENTS:</u> | | | | |
| Administrative Expenses | \$396,354.08 | \$70,555.95 | \$35,303.83 | \$35,038.16 |
| Claims Paid | 780,118.43 | 937,246.00 | 688,649.83 | 163,510.12 |
| Claims Expense | 98,995.77 | 20,015.74 | 219,058.10 | 26,027.35 |
| Premium Refunds | 1,907,142.25 | 0.00 | 24,020.19 | 24,606.49 |
| Refunds to Member Cos. | 2,571,301.00 | 571,548.00 | 1,125,276.00 | 0.00 |
| Refunds to Dept Ins | 572,412.37 | 11,000.00 | 5,000.00 | 418,937.62 |
| TOTAL DISBURSEMENTS | \$6,326,323.90 | \$1,610,365.69 | \$2,097,307.95 | \$668,119.74 |
| LESS: Other O/S Payables | 0.00 | 0.00 | 0.00 | 0.00 |
| LESS: O/S Check Contingency | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| NET DISBURSEMENTS | \$6,326,323.90 | \$1,610,365.69 | \$2,097,307.95 | \$668,119.74 |
| FUND BALANCES - EXCESS RECEIPTS OVER DISBURSEMENTS | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

**N C INSURANCE GUARANTY ASSOCIATION
RECEIPTS AND DISBURSEMENTS
THROUGH AUGUST 31, 2005**

| | EMPIRE MUTUAL | ENTERPRISE | EXCALIBUR | GRANGERS MUTUAL |
|---|--------------------------|---------------------|-----------------------|----------------------------|
| <u>RECEIPTS:</u> | | | | |
| Balance Trans 4/9/75 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Membership Fees | 0.00 | 0.00 | 0.00 | 0.00 |
| Assessments | 448,825.14 | 0.00 | 499,894.00 | 0.00 |
| Distributions - Rehab/Liq | 0.00 | 0.00 | 269,767.82 | 0.00 |
| Other Receipts - Rehab/Liq | 562,762.91 | 0.00 | 0.00 | 0.00 |
| Deposits from Dept Ins | 0.00 | 118,845.79 | 395,557.98 | 371,844.40 |
| Other Receipts - Dept Ins | 0.00 | 0.00 | 36,911.97 | 0.00 |
| Interest | 10,679.12 | 46,862.00 | 158,281.26 | 32,321.98 |
| Miscellaneous | 0.00 | 0.00 | 0.00 | 0.00 |
| Inter - Dept Transfers | 0.00 | (1,194.59) | (15,662.36) | (54,121.13) |
| TOTAL RECEIPTS | \$1,022,267.17 | \$164,513.20 | \$1,344,750.67 | \$350,045.25 |
| <u>DISBURSEMENTS:</u> | | | | |
| Administrative Expenses | \$92,212.19 | \$5,447.05 | \$63,683.37 | \$102,173.14 |
| Claims Paid | 312,793.89 | 0.00 | 763,187.61 | 149,852.21 |
| Claims Expense | 84,494.29 | 0.00 | 129,071.46 | 17,663.15 |
| Premium Refunds | 3,536.16 | 0.00 | 16,441.23 | 80,356.75 |
| Refunds to Member Cos. | 529,230.64 | 0.00 | 319,967.00 | 0.00 |
| Refunds to Dept Ins | 0.00 | 159,066.15 | 52,400.00 | 0.00 |
| TOTAL DISBURSEMENTS | \$1,022,267.17 | \$164,513.20 | \$1,344,750.67 | \$350,045.25 |
| LESS: Other O/S Payables | 0.00 | 0.00 | 0.00 | 0.00 |
| LESS: O/S Check Contingency | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| NET DISBURSEMENTS | \$1,022,267.17 | \$164,513.20 | \$1,344,750.67 | \$350,045.25 |
| FUND BALANCES - EXCESS RECEIPTS OVER DISBURSEMENTS | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

**N C INSURANCE GUARANTY ASSOCIATION
RECEIPTS AND DISBURSEMENTS
THROUGH AUGUST 31, 2005**

| | GREAT GLOBAL | IDEAL MUTUAL | INS CO OF FLORIDA | IOWA NATIONAL |
|---|-------------------------|-------------------------|------------------------------|--------------------------|
| <u>RECEIPTS:</u> | | | | |
| Balance Trans 4/9/75 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Membership Fees | 0.00 | 0.00 | 0.00 | 0.00 |
| Assessments | 0.00 | 5,140,493.00 | 447,439.23 | 5,546,105.00 |
| Distributions - Rehab/Liq | 0.00 | 1,566,880.76 | 0.00 | 5,093,734.11 |
| Other Receipts - Rehab/Liq | 0.00 | 0.00 | 0.00 | 8,693,000.00 |
| Deposits from Dept Ins | 76,465.53 | 102,706.87 | 70,506.13 | 103,838.37 |
| Other Receipts - Dept Ins | 0.00 | 0.00 | 0.00 | 1,001,611.70 |
| Interest | 2,939.88 | 854,142.57 | 68,768.24 | 2,475,404.83 |
| Miscellaneous | 0.00 | 3,891.00 | 0.00 | 480,360.80 |
| Inter - Dept Transfers | 0.00 | (150,293.02) | (43,546.18) | (5,619.52) |
| TOTAL RECEIPTS | \$79,405.41 | \$7,517,821.18 | \$543,167.42 | \$23,388,435.29 |
| <u>DISBURSEMENTS:</u> | | | | |
| Administrative Expenses | \$8,836.24 | \$219,088.41 | \$58,515.63 | \$966,016.39 |
| Claims Paid | 250.00 | 3,241,916.08 | 78,373.31 | 6,690,121.95 |
| Claims Expense | 6,174.07 | 971,057.54 | 39,521.48 | 1,121,829.67 |
| Premium Refunds | 83.29 | 9,055.15 | 16,757.00 | 6,084,046.54 |
| Refunds to Member Cos. | 0.00 | 3,076,704.00 | 350,000.00 | 8,475,825.00 |
| Refunds to Dept Ins | 64,061.81 | 0.00 | 0.00 | 50,595.74 |
| TOTAL DISBURSEMENTS | \$79,405.41 | \$7,517,821.18 | \$543,167.42 | \$23,388,435.29 |
| LESS: Other O/S Payables | 0.00 | 0.00 | 0.00 | 0.00 |
| LESS: O/S Check Contingency | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| NET DISBURSEMENTS | \$79,405.41 | \$7,517,821.18 | \$543,167.42 | \$23,388,435.29 |
| FUND BALANCES - EXCESS RECEIPTS OVER DISBURSEMENTS | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

**N C INSURANCE GUARANTY ASSOCIATION
RECEIPTS AND DISBURSEMENTS
THROUGH AUGUST 31, 2005**

| | INTEGRITY | INTERNATIONAL INDEMNITY | LMI INS | MCA INSURANCE |
|---|-----------------------|------------------------------------|---------------------|--------------------------|
| <u>RECEIPTS:</u> | | | | |
| Balance Trans 4/9/75 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Membership Fees | 0.00 | 0.00 | 0.00 | 0.00 |
| Assessments | 696,982.00 | 0.00 | 0.00 | 0.00 |
| Distributions - Rehab/Liq | 0.00 | 0.00 | 0.00 | 0.00 |
| Other Receipts - Rehab/Liq | 0.00 | 0.00 | 0.00 | 0.00 |
| Deposits from Dept Ins | 1,005,006.90 | 95,816.30 | 700,785.13 | 35,788.11 |
| Other Receipts - Dept Ins | 0.00 | 0.00 | 0.00 | 0.00 |
| Interest | 388,300.27 | 4,805.57 | 120,059.99 | 14,789.25 |
| Miscellaneous | 0.00 | 0.00 | 0.00 | 0.00 |
| Inter - Dept Transfers | (20,993.40) | 0.00 | 76.00 | 0.00 |
| TOTAL RECEIPTS | \$2,069,295.77 | \$100,621.87 | \$820,921.12 | \$50,577.36 |
| <u>DISBURSEMENTS:</u> | | | | |
| Administrative Expenses | \$134,278.78 | \$124.18 | \$2,895.87 | \$4,918.79 |
| Claims Paid | 569,106.94 | 0.00 | 7,413.99 | 0.00 |
| Claims Expense | 406,335.77 | 0.00 | 1,766.05 | 0.00 |
| Premium Refunds | 5,277.85 | 0.00 | 0.00 | 0.00 |
| Refunds to Member Cos. | 790,000.00 | 0.00 | 0.00 | 0.00 |
| Refunds to Dept Ins | 164,296.43 | 100,497.69 | 808,845.21 | 45,658.57 |
| TOTAL DISBURSEMENTS | \$2,069,295.77 | \$100,621.87 | \$820,921.12 | \$50,577.36 |
| LESS: Other O/S Payables | 0.00 | 0.00 | 0.00 | 0.00 |
| LESS: O/S Check Contingency | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| NET DISBURSEMENTS | \$2,069,295.77 | \$100,621.87 | \$820,921.12 | \$50,577.36 |
| FUND BALANCES - EXCESS RECEIPTS OVER DISBURSEMENTS | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

**N C INSURANCE GUARANTY ASSOCIATION
RECEIPTS AND DISBURSEMENTS
THROUGH AUGUST 31, 2005**

| | <u>MIDLAND</u> | <u>MILLERS</u> | <u>PREMIER ALLIANCE</u> | <u>PROPRIETORS</u> |
|---|-----------------------|--------------------|-----------------------------|---------------------|
| <u>RECEIPTS:</u> | | | | |
| Balance Trans 4/9/75 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Membership Fees | 0.00 | 0.00 | 0.00 | 0.00 |
| Assessments | 498,925.00 | 0.00 | 995,597.00 | 0.00 |
| Distributions - Rehab/Liq | 0.00 | 0.00 | 609,000.00 | 0.00 |
| Other Receipts - Rehab/Liq | 0.00 | 0.00 | 0.00 | 0.00 |
| Deposits from Dept Ins | 837,272.91 | 71,323.05 | 222,659.04 | 194,341.50 |
| Other Receipts - Dept Ins | 0.00 | 0.00 | 0.00 | 914.88 |
| Interest | 202,050.16 | 3,343.45 | 315,288.68 | 73,258.78 |
| Miscellaneous | 0.00 | 0.00 | 0.00 | 0.00 |
| Inter - Dept Transfers | (54,395.04) | 369.32 | (44,193.07) | 0.00 |
| TOTAL RECEIPTS | \$1,483,853.03 | \$75,035.82 | \$2,098,351.65 | \$268,515.16 |
| <u>DISBURSEMENTS:</u> | | | | |
| Administrative Expenses | \$99,702.54 | \$2,768.40 | \$122,224.54 | \$30,097.25 |
| Claims Paid | 980,267.84 | 4,223.96 | 341,000.00 | 16,089.94 |
| Claims Expense | 231,944.05 | 0.00 | 495,326.11 | 1,932.50 |
| Premium Refunds | 16,938.60 | 0.00 | 0.00 | 20,985.00 |
| Refunds to Member Cos. | 150,000.00 | 0.00 | 1,139,801.00 | 0.00 |
| Refunds to Dept Ins | 5,000.00 | 68,043.46 | 0.00 | 199,410.47 |
| TOTAL DISBURSEMENTS | \$1,483,853.03 | \$75,035.82 | \$2,098,351.65 | \$268,515.16 |
| LESS: Other O/S Payables | 0.00 | 0.00 | 0.00 | 0.00 |
| LESS: O/S Check Contingency | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| NET DISBURSEMENTS | \$1,483,853.03 | \$75,035.82 | \$2,098,351.65 | \$268,515.16 |
| FUND BALANCES - EXCESS RECEIPTS OVER DISBURSEMENTS | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

**N C INSURANCE GUARANTY ASSOCIATION
RECEIPTS AND DISBURSEMENTS
THROUGH AUGUST 31, 2005**

| | RESERVE | SECURITY CASUALTY | STONE MOUNTAIN | SUMMIT |
|---|---------------------|------------------------------|---------------------------|---------------------|
| RECEIPTS: | | | | |
| Balance Trans 4/9/75 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Membership Fees | 0.00 | 0.00 | 0.00 | 0.00 |
| Assessments | 362,932.00 | 0.00 | 0.00 | 74,764.00 |
| Distributions - Rehab/Liq | 125,960.13 | 0.00 | 0.00 | 0.00 |
| Other Receipts - Rehab/Liq | 0.00 | 0.00 | 0.00 | 54,752.52 |
| Deposits from Dept Ins | 214,234.53 | 99,113.99 | 107,764.45 | 0.00 |
| Other Receipts - Dept Ins | 0.00 | 0.00 | 0.00 | 0.00 |
| Interest | 231,768.37 | 23,630.52 | 30,557.33 | 1,007.12 |
| Miscellaneous | 392.73 | 3.73 | 0.00 | 0.00 |
| Inter - Dept Transfers | (960.13) | 0.00 | (19,942.51) | 0.00 |
| TOTAL RECEIPTS | \$934,327.63 | \$122,748.24 | \$118,379.27 | \$130,523.64 |
| DISBURSEMENTS: | | | | |
| Administrative Expenses | \$85,137.71 | \$16,537.04 | \$9,167.14 | \$18,387.11 |
| Claims Paid | 72,784.90 | 0.00 | 23,618.33 | 29,750.62 |
| Claims Expense | 97,671.38 | 0.00 | 11,981.99 | 581.58 |
| Premium Refunds | 74,494.43 | 0.00 | 244.80 | 6,033.21 |
| Refunds to Member Cos. | 499,062.81 | 0.00 | 0.00 | 75,771.12 |
| Refunds to Dept Ins | 105,176.40 | 106,211.20 | 73,367.01 | 0.00 |
| TOTAL DISBURSEMENTS | \$934,327.63 | \$122,748.24 | \$118,379.27 | \$130,523.64 |
| LESS: Other O/S Payables | 0.00 | 0.00 | 0.00 | 0.00 |
| LESS: O/S Check Contingency | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| NET DISBURSEMENTS | \$934,327.63 | \$122,748.24 | \$118,379.27 | \$130,523.64 |
| FUND BALANCES - EXCESS RECEIPTS OVER DISBURSEMENTS | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

**N C INSURANCE GUARANTY ASSOCIATION
RECEIPTS AND DISBURSEMENTS
THROUGH AUGUST 31, 2005**

| | TRANSIT CASUALTY | UNITED COMMUNITY | UNITED SO ASSUR | UNIVERSAL SECURITY |
|---|-----------------------------|-----------------------------|----------------------------|-------------------------------|
| <u>RECEIPTS:</u> | | | | |
| Balance Trans 4/9/75 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Membership Fees | 0.00 | 0.00 | 0.00 | 0.00 |
| Assessments | 0.00 | 1,495,674.07 | 0.00 | 0.00 |
| Distributions - Rehab/Liq | 0.00 | 319,286.00 | 0.00 | 0.00 |
| Other Receipts - Rehab/Liq | 0.00 | 0.00 | 0.00 | 0.00 |
| Deposits from Dept Ins | 829,405.67 | 91,632.14 | 206,397.41 | 250,828.13 |
| Other Receipts - Dept Ins | 0.00 | 0.00 | 0.00 | 0.00 |
| Interest | 391,551.17 | 252,760.81 | 60,594.99 | 85,908.62 |
| Miscellaneous | 0.00 | 200.00 | 0.00 | 0.00 |
| Inter - Dept Transfers | (4,348.01) | (134,054.38) | (137.81) | (7,799.87) |
| TOTAL RECEIPTS | \$1,216,608.83 | \$2,025,498.64 | \$266,854.59 | \$328,936.88 |
| <u>DISBURSEMENTS:</u> | | | | |
| Administrative Expenses | \$61,867.36 | \$162,969.89 | \$37,014.33 | \$35,539.56 |
| Claims Paid | 220,549.76 | 895,545.65 | 29,600.00 | 16,604.11 |
| Claims Expense | 141,458.07 | 242,286.10 | 53,052.32 | 7,923.90 |
| Premium Refunds | 24,191.90 | 101,989.00 | 0.00 | 1,500.00 |
| Refunds to Member Cos. | 0.00 | 622,708.00 | 0.00 | 0.00 |
| Refunds to Dept Ins | 768,541.74 | 0.00 | 147,187.94 | 267,369.31 |
| TOTAL DISBURSEMENTS | \$1,216,608.83 | \$2,025,498.64 | \$266,854.59 | \$328,936.88 |
| LESS: Other O/S Payables | 0.00 | 0.00 | 0.00 | 0.00 |
| LESS: O/S Check Contingency | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| NET DISBURSEMENTS | \$1,216,608.83 | \$2,025,498.64 | \$266,854.59 | \$328,936.88 |
| FUND BALANCES - EXCESS RECEIPTS OVER DISBURSEMENTS | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

**N C INSURANCE GUARANTY ASSOCIATION
RECEIPTS AND DISBURSEMENTS
THROUGH AUGUST 31, 2005**

| | WESTERN EMPLOYERS | SUB-TOTAL | MUTUAL WORKERS' COMP | STOCK WORKERS' COMP |
|---|------------------------------|-------------------------|---------------------------------|--------------------------------|
| <u>RECEIPTS:</u> | | | | |
| Balance Trans 4/9/75 | \$0.00 | \$7,961.20 | \$0.00 | \$0.00 |
| Membership Fees | 0.00 | \$21,250.00 | 0.00 | 0.00 |
| Assessments | 0.00 | \$133,165,493.27 | 2,710,000.00 | 890,494.00 |
| Distributions - Rehab/Liq | 0.00 | \$32,888,630.20 | 10,684,625.28 | 2,817,035.01 |
| Other Receipts - Rehab/Liq | 0.00 | \$20,975,589.70 | 0.00 | 0.00 |
| Deposits from Dept Ins | 125,911.58 | \$53,864,556.80 | 0.00 | 0.00 |
| Other Receipts - Dept Ins | 0.00 | \$1,052,331.49 | 11,488,757.45 | 16,486,217.41 |
| Interest | 111,853.73 | \$16,329,250.67 | 7,153,557.97 | 1,678,026.30 |
| Miscellaneous | 0.00 | \$6,050,155.74 | 4,034,250.49 | 0.00 |
| Inter - Dept Transfers | (81.70) | \$0.00 | 0.00 | 0.00 |
| TOTAL RECEIPTS | \$237,683.61 | \$264,355,219.07 | \$36,071,191.19 | \$21,871,772.72 |
| <u>DISBURSEMENTS:</u> | | | | |
| Administrative Expenses | \$10,100.50 | \$16,521,954.52 | \$1,019,140.13 | \$207,877.02 |
| Claims Paid | 0.00 | \$103,250,341.51 | 10,236,695.73 | 2,000,328.62 |
| Claims Expense | 977.19 | \$23,305,461.32 | 499,257.85 | 53,834.68 |
| Premium Refunds | 0.00 | \$17,398,835.52 | 2,151.00 | 0.00 |
| Refunds to Member Cos. | 0.00 | \$49,209,838.70 | 13,732,000.00 | 17,748,394.55 |
| Refunds to Dept Ins | 226,605.92 | \$5,609,024.71 | 0.00 | 0.00 |
| TOTAL DISBURSEMENTS | \$237,683.61 | \$215,295,456.28 | \$25,489,244.71 | \$20,010,434.87 |
| LESS: Other O/S Payables | 0.00 | (\$129.16) | 0.00 | 0.00 |
| LESS: O/S Check Contingency | \$0.00 | \$135,092.51 | \$0.00 | \$0.00 |
| NET DISBURSEMENTS | \$237,683.61 | \$215,160,492.93 | \$25,489,244.71 | \$20,010,434.87 |
| FUND BALANCES - EXCESS RECEIPTS OVER DISBURSEMENTS | \$0.00 | \$49,194,726.14 | \$10,581,946.48 | \$1,861,337.85 |

**N C INSURANCE GUARANTY ASSOCIATION
RECEIPTS AND DISBURSEMENTS
THROUGH AUGUST 31, 2005**

| | SUB-TOTAL WORKERS' COMP | GRAND TOTAL |
|---|------------------------------------|-------------------------|
| <u>RECEIPTS:</u> | | |
| Balance Trans 4/9/75 | \$0.00 | \$7,961.20 |
| Membership Fees | 0.00 | 21,250.00 |
| Assessments | 3,600,494.00 | 136,765,987.27 |
| Distributions - Rehab/Liq | 13,501,660.29 | 46,390,290.49 |
| Other Receipts - Rehab/Liq | 0.00 | 20,975,589.70 |
| Deposits from Dept Ins | 0.00 | 53,864,556.80 |
| Other Receipts - Dept Ins | 27,974,974.86 | 29,027,306.35 |
| Interest | 8,831,584.27 | 25,160,834.94 |
| Miscellaneous | 4,034,250.49 | 10,084,406.23 |
| Inter - Dept Transfers | 0.00 | 0.00 |
| TOTAL RECEIPTS | \$57,942,963.91 | \$322,298,182.98 |
| <u>DISBURSEMENTS:</u> | | |
| Administrative Expenses | \$1,227,017.15 | \$17,748,971.67 |
| Claims Paid | 12,237,024.35 | 115,487,365.86 |
| Claims Expense | 553,092.53 | 23,858,553.85 |
| Premium Refunds | 2,151.00 | 17,400,986.52 |
| Refunds to Member Cos. | 31,480,394.55 | 80,690,233.25 |
| Refunds to Dept Ins | 0.00 | 5,609,024.71 |
| TOTAL DISBURSEMENTS | \$45,499,679.58 | \$260,795,135.86 |
| LESS: Other O/S Payables | \$0.00 | (\$129.16) |
| LESS: O/S Check Contingency | \$0.00 | \$135,092.51 |
| NET DISBURSEMENTS | \$45,499,679.58 | \$260,660,172.51 |
| FUND BALANCES - EXCESS RECEIPTS OVER DISBURSEMENTS | \$12,443,284.33 | \$61,638,010.47 |