



August 30, 2005

CIRCULAR LETTER TO ALL MEMBER INSURERS

**Re: Meeting of Member Insurers
October 11, 2005**

This is notice of a meeting of member insurers of the North Carolina Insurance Guaranty Association to be held at the Pinehurst Resort, Carolina Vista, Pinehurst, North Carolina on Tuesday, October 11, 2005. The meeting will convene at 8:30 a.m.

This is the meeting agenda:

1. Election of Board of Directors

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

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

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

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

The appointed director is C. Delaine Bradsher of Raleigh.

All of the current directors except Royal Insurance Company of America have agreed to continue serving if members so decide.

Additionally, the following companies wish to be considered for the Board:

**Alliance Mutual Insurance Company
Atlantic Casualty Insurance Company
Key Risk Insurance Company
Liberty Mutual Insurance Company**

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

2. Any Other Business That Might Properly Come Before the Meeting

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

For companies that cannot be represented in person, the Plan allows voting by proxy. A proxy form is attached and we appreciate your completing this form and returning by September 15, 2005, whether or not your company plans to attend. If you do attend the proxy will not be used.

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

Sincerely,

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

Managing Secretary

RFE: rn

IGA- 05-03

NORTH CAROLINA GUARANTY ASSOCIATION

PROXY FORM

KNOW ALL MEN BY THESE PRESENTS THAT I

(Print or type name and title of preparer.)

of the _____
(Print or type name of company preparing proxy.)

do hereby constitute and appoint _____
(Print or type name of company appointed as proxy.)

as my attorney and agent for the said company, in my name, place and stead to vote as proxy at the meeting of member insurers of the North Carolina Insurance Guaranty Association to be held on the Eleventh (11th) day of October, 2005 and/or such other date or dates to which such meeting may be adjourned, hereby giving to such attorney and agent power and authority to act conclusively for said company on all questions which may duly come before such meeting as fully as I could act if I were personally present.

IN WITNESS WHEREOF I have hereunto subscribed my name and title and the name of said company, this _____ day of _____, 2005.

(Signature of preparer.)

(Title of preparer.)

Return by **September 15, 2005** to:

Lois Murphey, Executive Assistant
North Carolina Insurance Guaranty Association
PO Box 176010
Raleigh, North Carolina 27619-6010

Or, FAX to:
(919) 719-7400

Or, Email to:
llm@ncrb.org