



North Carolina Insurance Guaranty Association

January 26, 1995

CIRCULAR LETTER TO ALL MEMBER INSURERS

**Re: (1) Assessment - Company Insolvency
(2) Assessment - Administrative Account**

The Board of Directors of this Association has reviewed the Association's obligations in connection with the outstanding insolvencies and voted to take the following actions:

Assessment - Premier Alliance Insurance Company

The Board of Directors voted to assess member insurers in the total amount of \$1,000,000 to provide necessary additional funds to continue the Association's task of discharging its obligations arising from the insolvency of Premier Alliance Insurance Company. The Company was declared insolvent on July 28, 1994 and is being liquidated.

The assessment as provided in Article 48, Chapter 58, General Statutes of North Carolina was developed on the basis of the following:

Account	Assessment	Premium Base	Assessment Factor
"All Other"	\$1,000,000	\$1,653,361,777	.000604828

This assessment is based upon the total 1993 North Carolina net direct "all other" insurance premiums, less dividends, as shown on Page 14 of the 1993 North Carolina Annual Statements. Each company's share of this assessment is .000604828 applied to its 1993 "all other" insurance premium writings.

Assessment - Administrative Account

The Board of Directors has voted further to make an additional assessment of \$70,000 to cover the administrative expenses not related to a specific insolvency. This assessment is distributed in proportion to the 1993 automobile, "all other" and workers' compensation insurance premium writings as defined in the Act and each company's share of this assessment is \$70,000 ÷ \$4,895,443,980 or .000014299 applied to its 1993 automobile, "all other" and workers' compensation insurance premium writings.

If a statement is attached hereto, it shows (1) your Company's premiums utilized in determining the assessments; (2) the assessment amount for each of the accounts; and (3) the net amount due this Association from your Company.

Prompt remittance will be appreciated. If your remittance includes total assessments billed to more than one company in a group, we would appreciate your identifying the companies for which assessments are being paid either on the remittance check or in an accompanying memorandum.

Very truly yours,

John W. Watkins

Managing Secretary

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Enclosure

IGA-95-2