

2010

ANNUAL REPORT

LIGA

MARCH 30, 2011

LOUISIANA INSURANCE GUARANTY ASSOCIATION

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OUR MISSION

TO PAY COVERED CLAIMS OF INSOLVENT PROPERTY AND CASUALTY INSURANCE COMPANIES IN A PROMPT, COURTEOUS AND CARING MANNER AT A FAIR AND EQUITABLE COST, AND TO ALSO AID THE INSURANCE DEPARTMENT IN THE DETECTION AND PREVENTION OF INSURER INSOLVENCIES.

BOARD OF DIRECTORS

AS OF DECEMBER 31, 2010

Chairman

MICHAEL T. GRAY

The Gray Insurance Company

Secretary

WAYNE T. ROUSSEL

Appointee of the President of the Senate

Treasurer

MARKHAM R. McKNIGHT

Appointee of the Commissioner of Insurance as a Consumer Representative

J. E. BRIGNAC, JR.

Imperial Fire & Casualty

WILLIAM D. HUGHS, III

Appointee of the Speaker of the House

DENIS HUSERS

Appointee of the Commissioner of Insurance as a Consumer Representative

DAVID A. ROSS

State Farm Insurance Companies

AUBREY TEMPLE

Louisiana Workers' Compensation Corporation

KEITH D. THOMPSON

Liberty Mutual Insurance Companies

LIGA STAFF

JOHN C. WELLS

Director of Operations

NORMAN REESE

Director of Claims & Litigation

LACEY ANDERSON

Administrative Assistant

GERRY CORYELL

Claims Examiner

CHANTELLE DAVIDSON

Accounting Clerk

VIOLET HURST

Claims Examiner

DANA TIRCUIT

Clerical Supervisor

BRYAN JOHNSON

Claims Examiner

KRYSTAL WILLIAMSON

Claims Assistant

JOHN OZIER

Claims Examiner

L I G A
LOUISIANA INSURANCE GUARANTY ASSOCIATION

March 30, 2011

Hon. James J. Donelon,
Commissioner of Insurance
State of Louisiana
P.O. Box 94214
Baton Rouge, Louisiana 70804-9214

RE: 2010 Annual Financial Report of LIGA

Dear Commissioner:

Pursuant to *La. R.S. 22:2064*, we are pleased to submit to you LIGA's *2010 Annual Financial Report*. Please allow me to highlight a few of LIGA's accomplishments during the year.

- LIGA continued to operate on distributions from liquidators and interest income allowing another year that member insurers were not called upon to pay assessments.
- 2010 ranks second with regards to the amounts collected by LIGA from liquidators. The \$29 million dollars received carried LIGA to a net asset increase of \$24 million dollars in 2010.
- The number of claims pending at year-end increased from 1,257 at 12/31/2009 to 1,341 at 12/31/2010. This is the result of 178 new files, 307 closures and one claim that was separated into 213 claims. Overall reserves were lowered by \$20 million.
- LIGA continued the trend of lowering expenses while maintaining the same level of claim payments.
- Operationally LIGA introduced a new claim system to increase the efficiency and effectiveness of the Association. The Lightspeed claims system puts more resources at the fingertips of the adjuster allowing him to better service the policyholders and more quickly fund covered claims.
- In 2010, LIGA received notice of the insolvency of Imperial Casualty and Indemnity Company and Pegasus Insurance Company, both Oklahoma domiciled companies which primarily wrote high deductible compensation policies to professional employer organizations.

While 2010 was a calm period in the insolvency and guaranty fund sectors, I hope you can see from the above that LIGA is committed to meeting its statutory role in Louisiana's insurance framework. In 2010 and beyond LIGA will continue to meet its obligations and challenges with the same commitment to prompt, fair claims practices and sound business principles.

LIGA would like to again express its appreciation to the Department and the Legislature for their continued support of our mission. Enclosed herein is our *2010 Report on Insolvent Companies*, *2010 Company Claims Activity*, *2010 Report of LIGA's General Counsel*, and our *Annual Financial Audit for 2010* prepared by Postlethwaite & Netterville.

Respectfully submitted,



John C. Wells
Director of Operations

REPORT OF GENERAL COUNSEL

January 1, 2010 – December 31, 2010

I. 2010 LEGISLATION

S.B. 268: The intent of this Bill was to conform, to the extent practical, LIGA Law to the Property and Casualty Insurance Guaranty Association Model Act issued by the NAIC. The most substantive change from prior LIGA Law was the increase of LIGA's per-claim limit to \$500,000 from \$300,000. The most substantive retention of the former LIGA Law was the retention of the 1% assessment authority rather than an increased authority to 2%. Countless smaller changes are embedded in the language of this comprehensive legislation. Several important changes made in this Bill help to clarify the application of the Bill to future claims.

H.B. 463, 464 and 465: These three Bills provided for technical recodification of certain provisions of the Louisiana Insurance Code, with respect to general insurance policy requirements, health and accident insurance, and property insurance, respectively. While these Bills do not have a direct impact on LIGA's operations, they are a part of the general re-write of the Code of Insurance.

II. NEW AND ANTICIPATED INSOLVENCIES, ESTATE CLOSURES AND DISTRIBUTIONS

In 2010, there were two insolvencies of Member Insurers. Imperial Casualty and Indemnity Company, an Oklahoma domiciled insurer, was placed into liquidation on May 12, 2010. Pegasus Insurance Company, also an Oklahoma domiciled insurer was placed into liquidation on August 12, 2010.

One domestic insolvency was concluded in 2010. CAR Insurance Company formerly known as Automotive Casualty Insurance Company closed in May and made a final distribution to LIGA in the amount of \$3,915,594. The total amount received from the CAR receiver since the liquidation order is \$19,592,015 against LIGA's inception to date losses and expenses totaling \$41,755,514.

LIGA received \$29, 830,079 in total distributions from all Liquidators during the year.

III. REVISIONS TO THE PLAN OF OPERATIONS AND POLICIES AND PROCEDURES MANUAL

At the December 7, 2010 Board Meeting, the Board voted to amend the Plan of Operation. Most of the changes were either editorial in nature or necessitated by the passage of the aforementioned S.B. 268. The changes were submitted to the Commissioner and approved for use subsequent to 12/31/2010.

IV. SIGNIFICANT BOARD ACTIONS

The Board of Directors had four regular quarterly meetings during 2010 to conduct the business of LIGA. Additionally, the Personnel, Claims, and Investment Committees each met once during the year. The following Board actions were of significance:

- A. During 2010, the Board was pleased to retain Michael Gray, David Ross and J.E. Brignac who were either reelected or reappointed to the Board.
- B. At the June 24, 2010 meeting of the Board of Directors, the election of officers was held. Michael Gray was elected Chairman, Wayne Roussel was elected Secretary, and Markham R. McKnight was elected Treasurer.

V. ASSESSMENTS

The Board elected not to assess Member Insurers in 2010.

Respectfully submitted,



Stephanie B. Laborde



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Independent Auditors' Report

Members and Directors
Louisiana Insurance Guaranty Association
Baton Rouge, Louisiana

We have audited the accompanying statements of financial position arising from cash transactions of Louisiana Insurance Guaranty Association (the Association) as of December 31, 2010 and 2009, and the related statements of activities arising from cash transactions for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the cash basis financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 1, these financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Insurance Guaranty Association as of December 31, 2010 and 2009, and its changes in net assets during the years then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2011, on our consideration of Louisiana Insurance Guaranty Association's internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

Since these financial statements are prepared on a cash basis, no liability is recorded for future payments for claims obligations. However, as discussed in Note 7 to the financial statements, the Association regularly estimates liabilities for such losses. These estimated losses have not been audited by us, and accordingly, we express no opinion or any other form of assurance on them.

A handwritten signature in cursive script that reads 'Postlethwaite & Netterville'.

Baton Rouge, Louisiana
March 15, 2011

Statements of Financial Position Arising from Cash Transactions

December 31, 2010 and 2009

Assets	2010	2009
Cash	\$ 1,242,135	\$ —
Investments, at cost	214,406,791	194,753,132
	\$ 215,648,926	\$ 194,753,132
Liabilities and Net Assets		
Outstanding checks in excess of bank balances	\$ —	\$ 3,235,934
Net assets — restricted	215,648,926	191,517,198
	\$ 215,648,926	\$ 194,753,132

The accompanying notes are an integral part of these statements.

Statements of Activities Arising from Cash Transactions

December 31, 2010 and 2009

Receipts	2010	2009
Assessments	\$ —	\$ 2,315,231
Distributions from liquidators	29,830,079	7,552,486
Interest income	8,245,475	12,940,997
Net (loss) gain on disposition of investments	(2,810,878)	731,872
Restitution	9,913	13,985
Other income	13,503	162,436
	35,288,092	23,717,007
Disbursements		
Return of assessments	—	77,311,923
Claims paid	8,041,696	8,198,745
Legal fees and expenses	1,722,149	1,749,963
Claims handling costs	294,495	393,023
Professional and bank fees	195,182	266,507
Staff salaries, taxes, and benefits	566,540	530,764
Travel, meetings, and seminars	12,267	12,412
Building expenses	12,932	12,932
Administrative expenses	311,103	472,047
	11,156,364	88,948,316
Excess of Receipts Over (Under) Disbursements	24,131,728	(65,231,309)
Net assets — beginning of the year	191,517,198	256,748,507
Net assets — end of the year	\$ 215,648,926	\$ 191,517,198

The accompanying notes are an integral part of these statements.

Notes to Financial Statements

1. Significant Accounting Policies

Organization

The Louisiana Insurance Guaranty Association (the Association) is an organization created by the Louisiana Insurance Guaranty Act to pay for the claims against insolvent member insurance companies. Funds are provided for the payment of the claims by the assessment of the remaining member insurance companies. All admitted insurance companies doing business in Louisiana are required to be members of the Association (excluding the following lines of business: life, health and accident, title, disability, mortgage guaranty, and ocean marine insurance, as well as all types of reinsurance).

The Association's day-to-day operations and management are performed by the Association's staff under the direction of the Board of Directors. The Association may also contract with outside staffing services, claims service providers, and other professionals to carry out these functions.

Accounting Method

The Association's policy is to prepare its financial statements on the basis of cash receipts and disbursements; consequently, revenue and related assets are recognized when received, and expenses and related liabilities are recognized when paid. Accordingly, no liabilities are recorded for future payments for return of unearned premiums, loss claims or related expenses. As discussed in Note 7, the Association regularly estimates amounts for such liabilities.

Equipment and Facilities

The Association recognizes equipment and facilities as cash disbursements when incurred. These items are not capitalized and depreciated under the Association's cash basis of accounting.

Income Taxes

The Association is exempt from income taxes under Internal Revenue Code Section 501(c)(6); therefore, no provision for income taxes has been made.

2. Restricted Net Assets

Net assets represent funds collected from member insurance companies, distributions from liquidators, interest income, and other receipts in excess of funds disbursed to pay claims and expenses of the Association. All assets are considered restricted under the Act which created the Association. Excess funds are to be used for the payment of claims, return of unearned premiums and reimbursement of expenses incurred for the insolvent member insurance companies (See Note 7). During 2009, the Associations' Board authorized the return of assessments previously received from member insurers (See Note 7). There were no returns of assessments during 2010.

3. Investments

The Association's investments are recorded at cost and consisted of the following at December 31, 2010 and 2009:

	2010		2009	
	Cost	Estimated Fair Value	Cost	Estimated Fair Value
Short-term repurchase agreements	\$ 849,400	\$ 849,400	\$ 4,044,766	\$ 4,044,766

	2010		2009	
	Cost	Estimated Fair Value	Cost	Estimated Fair Value
Money market accounts invested in U.S. Treasury obligations	677,296	677,296	1,397,904	1,397,904
U.S. Treasury notes and bonds	151,224,574	152,527,785	127,393,114	128,644,403
U.S. Government Agency obligations	61,655,521	62,143,932	61,917,348	61,492,443
	\$ 214,406,791	\$ 216,198,413	\$ 194,753,132	\$ 195,579,516

The Association's policy is to purchase securities issued by the U.S. Treasury and obligations issued or guaranteed by the U.S. Government and its Agencies. The estimated fair value of these securities is based on quoted market prices. The Association enters into short-term repurchase agreements with financial institutions whereby the Association purchases U.S. Government securities with an agreement to resell the securities to the financial institution at cost. The Association also deposits funds in money market accounts invested in U.S. Treasury obligations.

The Association purchases securities at premiums or discounts from the contractual maturity amount of the security. Due to the use of the cash basis of accounting, these premiums and discounts are not amortized over the holding period of the security. Instead, these differences are reported as gains or losses upon maturity or sale of the respective security. Accordingly, interest income represents the contractual interest payments received under the investment securities.

The cost and estimated fair value of investments at December 31, 2010, by contractual maturity, are shown below. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Cost	Estimated Fair Value
Due in one year or less	\$ 41,680,281	\$ 41,445,963
Due after 1 year through 5 years	172,726,510	174,752,450
	\$ 214,406,791	\$ 216,198,413

4. Assessments

Louisiana Revised Statute 22:1382 gives the Association the authority to assess member insurance companies the amount necessary to pay the obligations and expenses of the Association. Beginning January 1, 2003, and thereafter, the assessment to member insurance companies is not to exceed an amount equal to one percent (1%) of net direct written premiums during the preceding calendar year, unless changed by the Louisiana Legislature.

The Association has determined that six member companies qualify for earned credits of up to 80% of their annual assessments. Member companies can also qualify for assessment reductions by investing in qualifying Louisiana securities. The Association collected \$2,315,231 during 2009 related to resolution of disputed assessments levied to a member insurer in 2004. There were no assessments collected from members during 2010.

5. Distributions from Liquidators

The Association files claims against the estates of insolvent insurers in an effort to recover a portion of the policyholders' claims paid and related expenses from the assets of the insolvent insurers. During the years ended December 31, 2010 and 2009, the Association received \$29,830,079 and \$7,553,030, respectively, of such distributions which are reflected as receipts in these financial statements. During the years ended December 31, 2010 and 2009, the Association also returned \$0 and \$544, respectively, of early access distributions previously received from liquidators under the terms of those agreements. No estimate is available of future potential distributions from liquidations or that may be required to be returned to liquidators due to the inherent uncertainty and difficulty in accurately estimating these amounts.

6. Building

On December 3, 2002, the Association purchased land and a building in Baton Rouge, Louisiana to be used for the Association's home office. The Association records self occupancy rent expense and other income.

7. Estimate of Future Return of Unearned Premiums and Claims Payments (Not Audited)

The funds of the Association are used to pay insurance claims of insolvent member insurance companies (See Note 2). These claims are pursuant to the Louisiana Insurance Guaranty Law, La. R.S. 22:1375-1394. As of December 31, 2010, the Association had 1,341 open claims files outstanding, a substantial portion of which are involved in litigation. Additionally, other member insurance companies may be declared insolvent subsequent to the date of these financial statements.

Due to the uncertainty involved in accepting and administering insolvent companies, as well as the difficulty in determining reliable estimates, the Association maintains its financial records on a cash basis. However, the Association regularly attempts to estimate the amount of claims and claims administration expenses related to insolvent member insurance companies. This "reserve setting" practice is a common function of managing and administering those losses.

Provided below is an unaudited condensed balance sheet of the Association at December 31, 2010, on a modified accrual basis which recognizes management's estimate of the undiscounted claims and related liabilities. This information is intended to reflect only certain estimated assets and liabilities of the Association and is not intended to represent the financial position of the Association in accordance with accounting principles generally accepted in the United States of America. These estimates are expected to vary as additional information becomes available.

The condensed unaudited balance sheet below does not provide for accruals of amounts due from liquidators of insolvent insurance companies, billed but uncollected member assessments due, capitalization and depreciation of property and equipment, adjustments of investments to estimated fair value, accruals for restitution recoveries, and accruals of operating costs owed at year end not included in the reserves for claims administration expenses.

As described in Note 4, the Association has been granted the authority to assess member insurers at a rate of one percent (1%) of net direct written premiums annually beginning January 1, 2003, which, if assessed, is estimated to produce approximately \$68 million annually. Additionally, La. R.S. 22:1382 provides that if the maximum assessment and other assets available to the Association are insufficient to make all necessary payments, the Asso-

ciation may borrow additional funds or payments can be reduced on a pro-rated basis and unpaid balances are to be paid as funds become available.

	December 31, 2010 Unaudited
Assets	
Cash	\$ 1,242,135
Investments, at cost	214,406,791
Total assets	\$ 215,648,926

	December 31, 2010 Unaudited
Liabilities and Net Deficit	
Outstanding checks in excess of bank balances	\$ —
Estimated claims and claims administration expenses payable	257,500,000 (1)
Total liabilities	257,500,000
Net deficit	(41,851,074) (2)
Total liabilities and net deficit	\$ 215,648,926

(1) Represents management's estimate of claims and claims administration expense reserves related to open claim files at December 31, 2010.

The Association has been notified of claims, as well as threatened claims, by certain large insureds of insolvent insurance companies relating to the use and production of asbestos, silica, tobacco, and environmentally hazardous materials. The Association continues to evaluate the merits of these claims, the appropriateness of coverage under the Act, and the amount of potential liability to the Association.

Management includes in the reserve for claims and claims administration expense amounts estimated as the Association's liability for these claims based on present statutes and based on the best information available at this time. However, there are numerous and significant uncertainties regarding the amount of ultimate liability the Association may be responsible for under these claims and when amounts ultimately determined as owed by the Association become due and payable. As facts and circumstances develop, management intends to revise its estimates of these claims liabilities. Revisions in these estimates could result in significant increases or decreases in these estimates.

(2) Due to the uncertainty of the timing and amount of claims to be paid by the Association, it is unknown whether the Association can meet its claims obligations as they become due. As described in Note 4, the Association has the statutory authority to assess up to 1% of member insurers' net direct written premiums annually if necessary to pay its obligations. The Association's financial resources also include receipt of investment earnings and the continued receipt of proceeds from liquidators of insolvent insurance companies.

8. Subsequent Event

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 15, 2011, and determined that there were no events that would require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.



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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Members and Directors
Louisiana Insurance Guaranty Association
Baton Rouge, Louisiana

We have audited the cash basis financial statements of Louisiana Insurance Guaranty Association (the Association) as of and for the year ended December 31, 2010, and have issued our report there on dated, March 15, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Association's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

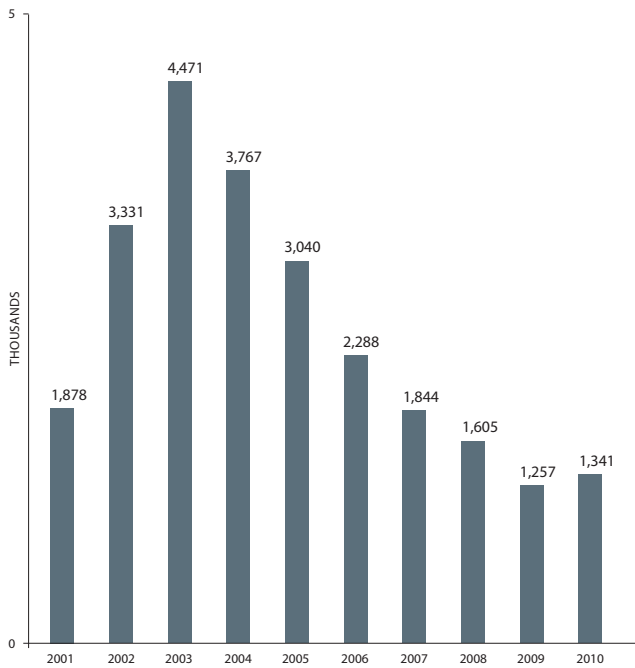
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Louisiana Insurance Guaranty Association's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

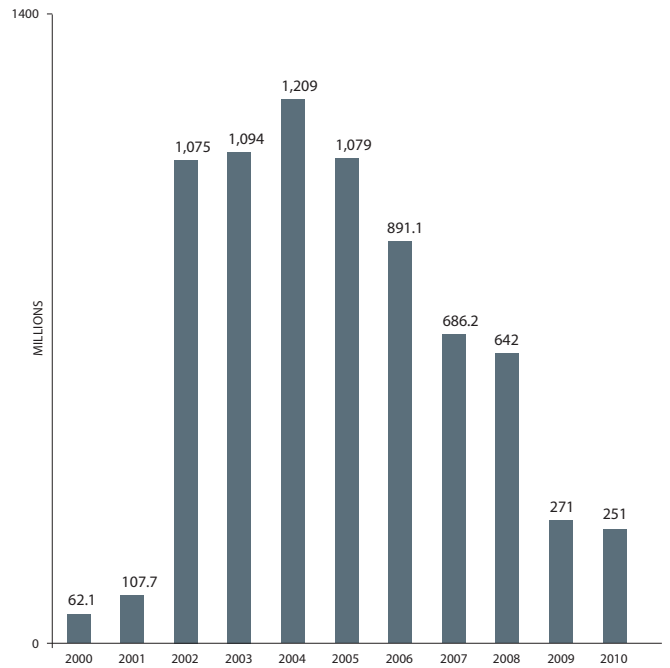
This report is intended solely for the information and use of the Board of Directors, management of the Association, the Commissioner of Insurance, State of Louisiana, and the Legislative Auditor, State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads 'Postlethwaite & Netterville'.

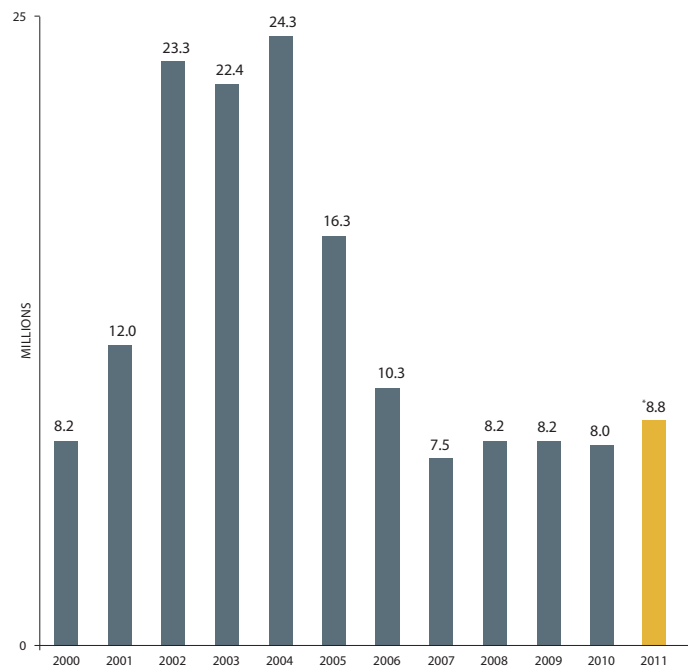
Baton Rouge, Louisiana
March 15, 2011



Claims Pending per Year

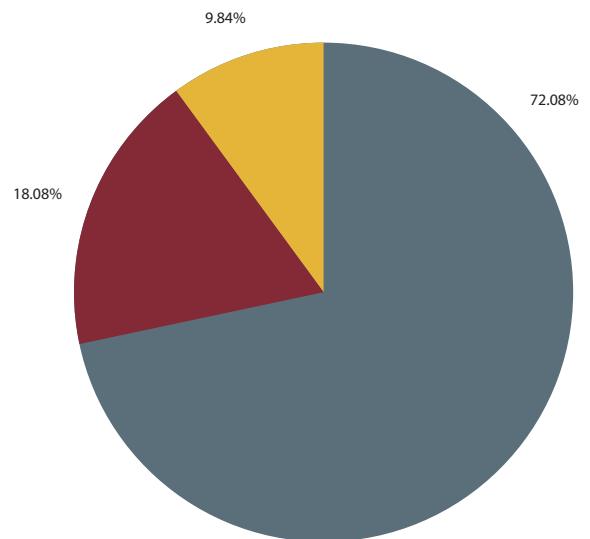


Reserves per Year



Losses Paid per Year

* Projected



2010 Total Expenditures — \$11,156,364

- Claims Paid \$8,041,696
- Allocated Expense (Claims Handling) \$2,016,644
- Unallocated Expenses (Administrative) \$1,098,024

LIGA Company Claims Activity For Year Ending 2010

Company Name	Closed in 2010	Pending 12/31/10	Distribution Refunds in 2010	Losses Paid in 2010	Claims Expenses Paid in 2010	Outstanding Reserves
ACCELERATION NATIONAL	0	0	0	0	0	0
ALLIANCE CASUALTY	0	1	0	10,221	514	69,252
AMERICAN DRUGGIST	0	1	0	25,852	4,998	615,373
AMERICAN EAGLE	0	0	0	0	0	0
AMERICAN FIDELITY	0	0	0	0	0	0
AMERICAN MUTUAL BOSTON	0	5	0	37,165	6,980	601,971
AMERICAN MUTUAL LIABILITY	106	683	0	1,513,130	1,161,419	73,714,490
AMERICAN SURETY	0	0	0	0	0	0
ANGLO AMERICAN	2	6	0	74,314	17,060	944,622
ARIST NAT'L/CERTIFIED	0	0	0	0	0	0
CALIFORNIA COMPENSATION	0	1	206,241	193,242	6,230	226,931
CAR (AUTOMOTIVE CASUALTY)	1	0	3,915,594	19,700	5,277	0
CARRIERS	0	0	0	0	0	0
CASCADE	0	0	0	0	0	0
CASUALTY RECIPROCAL	4	11	0	253,142	55,112	4,734,942
COLONIAL LLOYDS	0	0	0	0	0	0
COMMERCIAL CASUALTY	1	4	49	7,400	61,675	288,432
COMMERCIAL COMPENSATION	2	6	1,763,257	273,033	32,946	676,823
CREDIT GENERAL	4	21	931,214	976,577	202,799	4,656,778
DIXIE LLOYDS	0	0	0	0	0	0
EARLY AMERICAN	0	0	0	0	0	0
EMPLOYERS CASUALTY	0	10	0	0	1,376	315,953
EMPLOYERS NATIONAL	2	73	6,531,681	669,144	258,656	6,992,353
FIDELITY FIRE & CASUALTY	0	0	322	0	0	0
FREMONT INSURANCE CO.	1	0	76,458	86	2,243	0
GENERAL	1	3	0	0	22,856	19,343
HOME INSURANCE CO.	34	59	502,911	41,663	54,666	8,154,854
IDEAL MUTUAL	2	0	0	793	17,729	0
IMPERIAL CASUALTY	5	1	0	17,184	7,124	78,272
INSURANCE CORP. OF AMERICA	0	1	0	0	1,661	67,500
INTEGRITY	0	1	0	0	299	49,223
LARAMIE	0	1	0	0	15,756	83,734
LEGION INSURANCE CO.	10	13	244,205	275,777	123,118	1,162,776
LIBERTY LLOYDS	0	0	1,478	0	0	0
LLOYDS ASSURANCE	0	0	0	0	0	0
LLOYDS OF LOUISIANA	0	0	0	0	0	0
LUTHERAN BENEVOLENT	0	0	0	0	208	0

LIGA Company Claims Activity For Year Ending 2010 *(continued)*

Company Name	Closed in 2010	Pending 12/31/10	Distribution Refunds in 2010	Losses Paid in 2010	Claims Expenses Paid in 2010	Outstanding Reserves
MAGNOLIA FIRE & CASUALTY	0	0	0	0	0	0
MERIT	0	0	29,096	0	(250)	0
MIDLAND	1	4	585,092	78,640	33,048	996,427
MILLERS INSURANCE CO.	0	0	0	0	0	0
MISSION	0	6	0	3,510	2,804	398,613
MISSION NATIONAL	1	2	0	20,000	18,825	414,607
NATIONAL ALLIED	1	0	0	186,147	3,907	0
OLD HICKORY	0	2	0	45,633	20,609	536,573
PACIFIC MARINE	0	2	0	23,751	4,817	702,904
PARK AVENUE P & C INS. CO.	9	12	0	161,201	60,742	204,511
PATTERSON INSURANCE CO.	10	9	0	(4,900)	83,639	93,346
PEGASUS INSURANCE CO.	0	1	0	0	1,114	1,000
PELICAN STATE MUTUAL	1	1	333	0	5,584	150,000
PETROSURANCE	1	4	0	426,218	35,379	515,536
PHICO	2	1	139,664	0	24,976	67,157
PINNACLE	0	1	0	0	1,828	106,378
PRESIDENTIAL FIRE & CASUALTY	1	3	0	180,719	22,813	329,703
REALM INSURANCE CO.	0	1	21,302	16,999	3,925	208,243
RECIPROCAL OF AMERICA	0	0	86,891	0	0	0
RELIANCE NATIONAL	97	345	7,889,503	1,116,084	478,694	136,200,792
ROCKWOOD	2	25	0	1,024,655	114,728	11,169,652
SAVANT	0	2	0	20,655	15,615	65,980
SECURITY CASUALTY	0	1	0	0	0	147,805
SOUTH CAROLINA INSURANCE CO.	0	0	0	0	0	0
SOUTH CENTRAL	0	0	0	0	0	0
SOUTHERN AMERICAN	0	9	0	296,674	64,092	458,338
TRANSIT	1	6	2,154,977	57,284	6,872	1,122,669
UNION INDEMNITY	0	0	224,707	0	0	0
UNITED AGENTS	2	2	4,265,292	0	15,297	114,057
UNITED COMMUNITY	0	0	0	0	0	0
UNITED SOUTHERN ASSURANCE	0	1	0	0	16,934	42,156
VESTA FIRE	0	0	0	0	0	0
VILLANOVA INSURANCE CO.	3	0	23,707	0	17,994	0
WESTERN PREFERRED	0	0	0	0	0	0
Totals	307	1,341	29,593,972	8,041,695	3,114,690	257,500,069

Insolvent Companies Monies Paid from Date of Insolvency to 12/31/2010

Company Name, State and Date of Insolvency	Losses	Expenses	Unearned Premiums/ Expenses Paid	Total All Time LIGA Billings
ACCELERATION NATIONAL, OH 2/28/2001	109,200.00	70,871.55	0.00	\$180,071.55
ALLIANCE, LA 6/19/1992	5,475,624.38	1,306,075.37	611,847.69	\$7,393,547.44
AMERICAN DRUGGIST, OH 4/30/1986	2,352,738.31	745,190.18	0.00	\$3,097,928.49
AMERICAN EAGLE, TX 12/22/1997	997,056.18	525,345.84	8,932.00	\$1,531,334.02
AMERICAN MUTUAL BOSTON, MA 3/9/1989	6,824,517.99	960,389.83	0.00	\$7,784,907.82
AMERICAN MUTUAL LIABILITY, MA 3/9/1989	17,736,411.57	19,008,785.26	0.00	\$36,745,196.83
ANGLO AMERICAN, LA 3/20/1989	22,581,021.71	4,189,889.94	1,035,251.48	\$27,806,163.13
CALIFORNIA COMPENSATION, CA 9/26/2001	1,121,923.37	384,582.60	11,580.00	\$1,518,085.97
CAR (AUTOMOTIVE CASUALTY), LA 1/20/1993	29,792,639.19	11,629,195.83	333,678.75	\$41,755,513.77
CASUALTY RECIPROCAL, MO 8/18/2004	4,007,580.30	914,128.54	0.00	\$4,921,708.84
COLONIAL LLOYDS, LA 3/27/1992	22,166,749.38	6,469,606.53	5,911,383.05	\$34,547,738.96
COMMERCIAL CASUALTY, GA 4/2/2004	719,361.53	823,865.96	0.00	\$1,543,227.49
COMMERCIAL COMPENSATION, CA 9/26/2001	4,699,434.21	1,372,313.75	148,830.00	\$6,220,577.96
CREDIT GENERAL, OH 1/5/2001	13,967,760.19	4,045,547.06	327,406.94	\$18,340,714.19
EMPLOYERS CASUALTY, TX 2/11/1994	587,563.62	422,093.22	0.00	\$1,009,656.84
EMPLOYERS NATIONAL, TX 2/11/1994	12,509,192.59	3,896,932.29	7,638.00	\$16,413,762.88
FIDELITY FIRE & CASUALTY, LA 9/4/1991	11,608,852.54	4,917,021.45	639,089.05	\$17,164,963.04
FREMONT INSURANCE CO., CA 7/2/2003	346,824.02	79,453.47	0.00	\$426,277.49
GENERAL	220,283.30	269,098.05	0.00	\$489,381.35
HOME INSURANCE CO., NH 6/13/2003	1,726,419.16	575,864.15	0.00	\$2,302,283.31
IDEAL MUTUAL, NY 2/7/1985	7,558,699.19	1,774,613.96	5,164.60	\$9,338,477.75
IMPERIAL CASUALTY & IND. CO., OK 5/12/2010	17,183.96	7,124.37	0.00	\$24,308.33
INSURANCE CORP. OF AMERICA, TX 4/28/1997	3,916,350.21	4,380,680.08	414,293.43	\$8,711,323.72
LARAMIE, WY 2/14/1990	6,883,470.38	1,960,813.63	1,274,804.13	\$10,119,088.14
LEGION INSURANCE CO., PA 7/28/2003	6,883,411.75	2,621,634.36	137,987.44	\$9,643,033.55
LIBERTY LLOYDS, LA 5/17/1993	42,919,330.92	12,101,243.41	173,564.46	\$55,194,138.79
LUTHERAN BENEVOLENT, MO 12/2/1996	1,175,784.26	292,852.02	103,318.88	\$1,571,955.16
MAGNOLIA FIRE & CASUALTY, LA 5/14/1993	751,162.78	190,109.52	79,185.50	\$1,020,457.80
MERIT CASUALTY CO., IL 4/1/1997	659,633.89	175,478.82	0.00	\$835,112.71
MIDLAND, NY 4/3/1986	10,453,146.05	2,698,568.41	17,023.59	\$13,168,738.05
MILLERS INSURANCE CO., TX 3/24/2003	181,053.85	97,358.96	0.00	\$278,412.81
MISSION, CA 2/24/1987	1,653,668.78	588,984.08	0.00	\$2,242,652.86
MISSION NATIONAL, CA 2/24/1987	726,469.67	599,061.69	0.00	\$1,325,531.36
NATIONAL ALLIED, TX 10/31/1986	1,413,667.43	200,115.79	0.00	\$1,613,783.22

Insolvent Companies Monies Paid from Date of Insolvency to 12/31/2010 *(continued)*

Company Name, State and Date of Insolvency	Losses	Expenses	Unearned Premiums/ Expenses Paid	Total All Time LIGA Billings
OLD HICKORY, LA 10/31/1991	11,090,701.73	4,260,015.62	2,274,689.75	\$17,625,407.10
PACIFIC MARINE, WA 6/7/1989	2,714,218.52	524,360.87	0.00	\$3,238,579.39
PARK AVENUE P & C INS. CO., OK 11/18/2009	161,201.00	60,742.28	0.00	\$221,943.28
PATTERSON INSURANCE CO., LA 3/17/2003	6,910,660.99	5,657,747.40	782,718.75	\$13,351,127.14
PEGASUS INSURANCE CO., OK 8/12/2010	0.00	1,114.27	0.00	\$1,114.27
PELICAN STATE MUTUAL, LA 2/26/1993	19,147,364.30	5,457,707.81	321,366.03	\$24,926,438.14
PETROSURANCE, OK 3/14/2002	1,395,181.44	308,216.17	0.00	\$1,703,397.61
PHICO, PA 2/1/2002	543,751.91	877,896.00	14,829.00	\$1,436,476.91
PINNACLE INS. CO., GA 9/20/1999	570,378.00	252,746.78	0.00	\$823,124.78
PRESIDENTIAL FIRE & CASUALTY, LA 11/13/1991	13,137,946.06	2,996,049.69	595,841.29	\$16,729,837.04
REALM INSURANCE CO., NY 6/10/2005	58,629.38	16,270.29	0.00	\$74,899.67
RECIPROCAL OF AMERICA, VA 6/20/2003	654,959.58	410,007.11	0.00	\$1,064,966.69
RELIANCE NATIONAL, PA 10/3/2001	49,406,515.28	19,789,176.84	0.00	\$69,195,692.12
ROCKWOOD, PA 8/26/1991	29,092,573.63	4,673,215.40	22,994.25	\$33,788,783.28
SAVANT, LA 11/7/2001	1,094,061.48	296,343.92	0.00	\$1,390,405.40
SOUTH CAROLINA INSURANCE CO., SC 3/21/2005	0.00	12,688.33	0.00	\$12,688.33
SOUTHERN AMERICAN, UT 3/20/1992	1,199,573.81	1,021,881.45	0.00	\$2,221,455.26
TRANSIT CASUALTY, CA 12/3/1985	23,473,118.75	5,921,279.48	17,251.46	\$29,411,649.69
U.S. CAPITAL, NY 11/20/1997	1,959,275.14	1,471,939.79	0.00	\$3,431,214.93
UNITED AGENTS, LA 3/3/2002	5,045,954.72	2,016,761.81	179,232.23	\$7,241,948.76
UNITED COMMUNITY, NY 11/10/1995	5,802,964.07	2,477,350.99	166,571.56	\$8,446,886.62
UNITED SOUTHERN ASSURANCE, FL 9/18/1997	1,304,815.94	596,373.42	0.00	\$1,901,189.36
VESTA FIRE INSURANCE CO., TX 8/1/2006	0.00	1,699.95	0.00	\$1,699.95
VILLANOVA INSURANCE CO., PA 7/28/2003	409,660.59	93,583.70	0.00	\$503,244.29
Inactive Company Totals	212,434,328.43	66,099,980.45	21,278,167.54	299,812,476.42
Totals	632,352,021.41	215,590,039.79	36,894,640.85	884,836,702.05

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