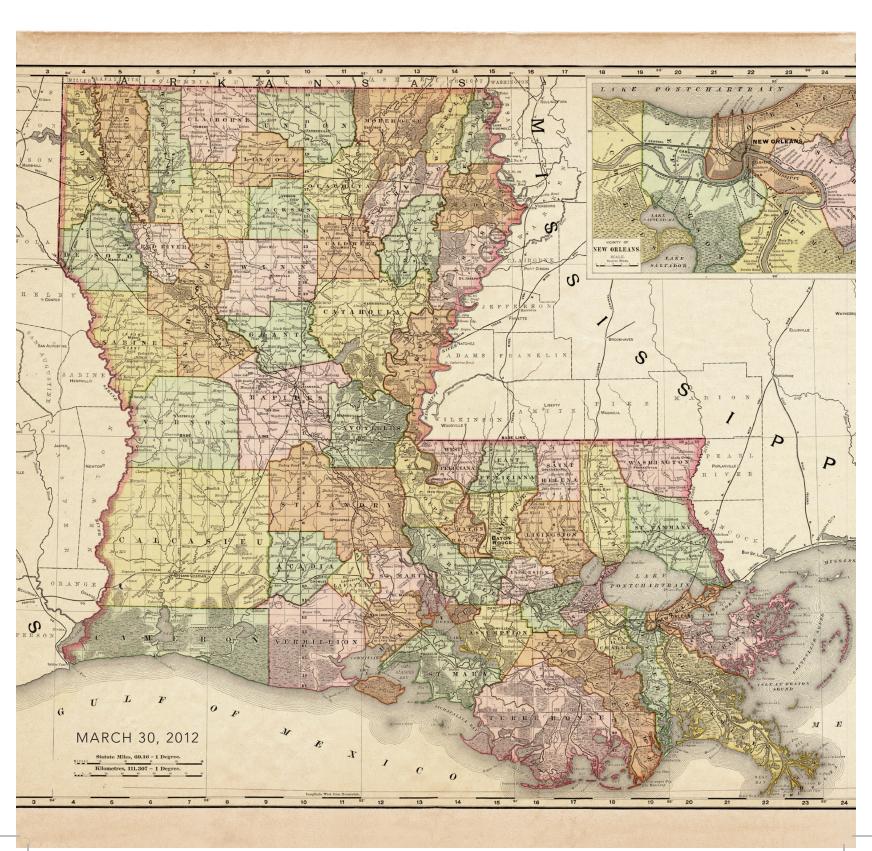
# LIGA LOUISIANA INSURANCE GUARANTY ASSOCIATION

## 2011 ANNUAL REPORT



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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 AID THE INSURANCE

DEPARTMENT IN THE DETECTION AND PREVENTION

OF INSURER INSOLVENCIES.

#### **BOARD OF DIRECTORS**

AS OF DECEMBER 31, 2011

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

**KEITH D. THOMPSON** 

Liberty Mutual Insurance Companies

KRISTIN WALL

Louisiana Workers' Compensation Corporation

#### LIGA STAFF

JOHN C. WELLS

**Director of Operations** 

LACEY ANDERSON

Administrative Assistant

**CHANTELLE DAVIDSON** 

Accounting Clerk

DANA TIRCUIT

Clerical Supervisor

**KRYSTAL WILLIAMSON** 

Claims Assistant

NORMAN REESE

Director of Claims & Litigation

**GERRY CORYELL** 

Claims Examiner

**VIOLET HURST** 

Claims Examiner

**BRYAN JOHNSON** 

Claims Examiner

March 30, 2012

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

#### RE: 2011 Annual Financial Report of LIGA

Dear Commissioner:

Pursuant to *La. R.S. 22:2064* and Department directives, we are pleased to submit to you LIGA's *2011 Annual Financial Report*. Please allow me to highlight a few of LIGA's activities during the year.

- LIGA continued to fund its operations solely on distributions from liquidators and interest income ensuring another year that member insurers were not called upon to pay assessments.
- Approximately half of the sixteen million dollars received from liquidators was received from Louisiana domestic
  insolvencies under your supervision including a 100% recovery on ANA Insurance Group in Liquidation. With the
  closure of ANA, Patterson Insurance Company is the sole remaining open property and casualty estate in Louisiana.
- The number of open claims increased from 1,341 at 12/31/2010 to 1,852 at 12/31/2011. While claims were opened and closed in many estates, the bulk of the new claim activity was the result of over 500 new claims received from Florida homeowner insurer Homewise Insurance Company (NAIC# 10149) which was deemed insolvent in November 2011.
- In addition to Homewise, LIGA has been called upon in two new and additional insolvencies, Atlantic Mutual Insurance Company (NAIC# 19895) and Centennial Insurance Company (NAIC# 19909), both liquidated by New York in April 2011.

Despite LIGA's 40 years of existence and nearly nine hundred million dollars of claim payments, most of the Homewise's policyholders had never heard of LIGA. We were pleased to be the bearer of good news by sending them adjusters to help resolve their claims. In 2012 and beyond, LIGA will likewise be prepared to assist policyholders when needed.

LIGA would once again like to express its appreciation to the Department and the Legislature for their continued support of our mission. Enclosed herein is our 2011 Report on Insolvent Companies, 2011 Company Claims Activity, 2011 Report of LIGA's General Counsel, and our Annual Financial Audit for 2011 prepared by Postlethwaite & Netterville.

Respectfully submitted,

John C. Wells

**Director of Operations** 



**Stephanie B. Laborde**Main: (225) 291-7300
Direct: (225) 388-1022
Toll Free: (888) 611-6405 *slaborde@millinglaw.com* 

March 13, 2012

#### REPORT OF GENERAL COUNSEL

January 1, 2011 - December 31, 2011

#### I. 2011 LEGISLATION

2011 was a relatively quiet year on the legislative front. A few bills made technical changes with respect to insurance, none of which has a direct effect on LIGA. Several bills had potentially negative Amendments with respect to LIGA, all of which were ultimately removed.

Senate Bill 271 (Act 157) provides benefits for the family of a state employee who dies while conducting an investigation, serving a subpoena, or collecting evidence, concerning a possible violation of state law. This Bill was passed in response to the death of two Insurance Department Investigators in connection with the investigation of an insurance agency.

#### II. REVISIONS TO THE PLAN OF OPERATION OF AND POLICIES AND PROCEDURES MANUAL

After the fairly substantive revisions to the Plan of Operation and the Policies and Procedures Manual in 2010, there were no additional revisions made in 2011.

#### III. MISCELLANEOUS

With Norman Reese, we worked extensively to develop guidelines for the fulfillment of LIGA's responsibilities arising out of new CMS policies regarding Medicare Set-Asides, reporting, and related issues.

Kindest regards. Sincerely,

Stephanie B. Laborde

Stephanie B. Laborde

SBL/kd 23759



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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, 2011 and 2010, 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, 2011 and 2010, 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 9, 2012, 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.

Baton Rouge, Louisiana

astlethurite & Netterville

March 9, 2012

## **Statements of Financial Position Arising from Cash Transactions**

December 31, 2011 and 2010

Assets	2011	2010
Cash	\$ 84,922	\$ 1,242,135
Investments, at cost	232,875,922	214,406,791
	\$ 232,960,844	\$ 215,648,926
Liabilities and Net Assets		
Net assets — restricted	\$ 232,960,844	\$ 215,648,926
	\$ 232,960,844	\$ 215,648,926

The accompanying notes are an integral part of these statements.

## **Statements of Activities Arising from Cash Transactions**

December 31, 2011 and 2010

Receipts	2011		2010
neceipts	2011		2010
Distributions from liquidators	\$ 16,892,024	\$	29,830,079
Interest income	8,059,162		8,245,475
Net loss on disposition of investments	(908,644)		(2,810,878)
Restitution	16,644 9,		
Other income	_		13,503
	\$ 24,059,186	\$	35,288,092
Disbursements			
Claims paid	\$ 4,009,471	\$	8,041,696
Legal fees and expenses	1,396,694		1,722,149
Claims handling costs	261,524 294		
Professional and bank fees	110,331		195,182
Staff salaries, taxes, and benefits	662,076		566,540
Travel, meetings, and seminars	17,615		12,267
Building expenses	12,932		12,932
Administrative expenses	276,625		311,104
	\$ 6,747,268	\$	11,156,365
Excess of Receipts Over Disbursements	\$ 17,311,918	\$	24,131,727
Net assets — beginning of the year	215,648,926		191,517,199
Net assets — end of the year	\$ 232,960,844	\$	215,648,926

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 and related expenses, or return of early access distributions received. 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.

The Association recognizes the effect of uncertain income tax positions only if the positions are more likely than not of being sustained. Recognized income tax positions are recorded at the largest amount that is greater than 50% likely of being realized. Changes in the recognition or measurement are reflected in the period in which the change in judgment occurs. The Association has evaluated its position regarding the accounting for uncertain income tax positions and does not believe that it has any material uncertain tax positions. With few exceptions, the Association is no longer subject to federal, state, or local tax examinations by tax authorities for years before December 31, 2008.

#### 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) and return of early access distributions to liquidators (See Note 5). There were no returns of assessments authorized during 2011 or 2010.

#### 3. Investments

The Association's investments are recorded at cost and consisted of the following at December 31, 2011 and 2010:

		2011 Estimated		2010 Estimated
	Cost	Fair Value	Cost	Fair Value
Short-term repur- chase agreements	\$ 464,495	\$ 464,495	\$ 849,400	\$ 849,400
Money market accounts invested in U.S. Treasury obligations	2,023,158	2,023,158	677,296	677,296
U.S. Treasury notes and bonds	178,044,649	179,812,857	151,224,574	152,527,785
U.S. Government Agency obligations	52,343,620	51,970,202	61,655,521	62,143,932
	\$ 232,875,922	\$ 234,270,712	\$ 214,406,791	\$ 216,198,413

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, 2011, 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	\$ 35,615,051	\$ 31,079,516
Due after 1 year through 5 years	197,260,871	203,191,196
	\$ 232,875,922	\$ 234,270,712

#### 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.

#### 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, 2011 and 2010, the Association received \$16,999,361 and \$29,830,079, respectively, of such distributions which are reflected as receipts in these financial statements. No estimate is available of future potential distributions from liquidations.

Distributions received from liquidators are included in the Association's net assets. However, distributions received from liquidators prior to the closing of the insolvent insurer estate may be subject to return of the distribution under provisions of the early access agreements with the estate. During the years ended December 31, 2011, the Association returned \$107,337 of early access distributions which had previously been received from liquidators under the terms of those agreements. There were no similar amounts returned during 2010. There is no estimate available of receipts which may be required to be returned to liquidators due to the inherent uncertainty and difficulty in accurately estimating these amounts.

## 6. 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, 2011, the Association had 1,852 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, 2011, 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, early access distributions refundable, 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 Association may borrow additional funds or payments can be reduced on a prorated basis and unpaid balances are to be paid as funds become available.

Assets	December 31, 2011 Unaudited
Cash	\$ 84,922
Investments, at cost	232,875,922
Total assets	\$ 232,960,844

Liabilities and Net Deficit	December 31, 2011 Unaudited
Estimated claims and claims administration expenses payable	240,300,000 (1)
Total liabilities	240,300,000
Net deficit	( 7,339,156) (2)
Total liabilities and net deficit	\$ 232,960,844

(1) Represents management's estimate of claims and claims administration expense reserves related to open claim files at December 31, 2011.

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. Additionally, as described in Note 5, the Association has received early access distributions of approximately \$62 million from the estates of insolvent insurers which remain subject to claw back provisions by the respective estate if those funds are requested. Any demands for return of early access distributions would also increase the above deficit.

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 as described in Note 4. The Association's financial resources also include receipt of investment earnings and the continued receipt of proceeds from liquidators of insolvent insurance companies.

#### 7. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 9, 2012, and determined that there were no events that would require further 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, 2011, and have issued our report there on dated, March 9, 2012. 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

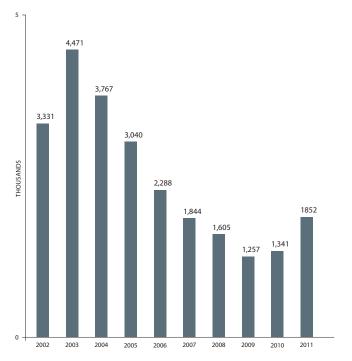
As part of obtaining reasonable assurance about whether Louisiana Insurance Guaranty Association's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and 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*.

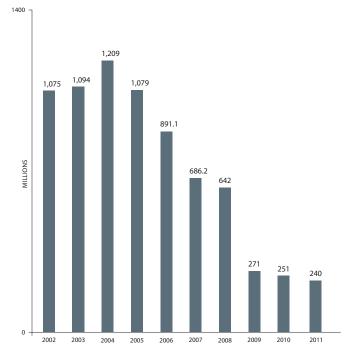
This report is intended solely for the information and use of the Board of Directors, management of the Association, the Commissioner of Insurance, State of Louisiana, and the Legislative Auditor, State of Louisiana and is not intended to be and should not be used by anyone other than these specified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

Baton Rouge, Louisiana

ostlethwaite & Netterville

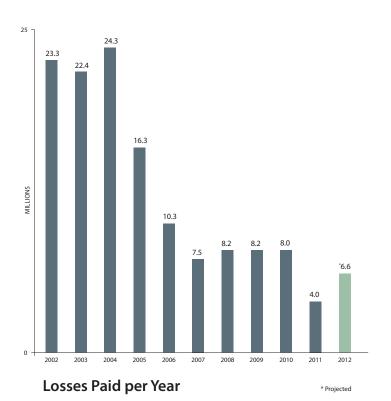
March 9, 2012

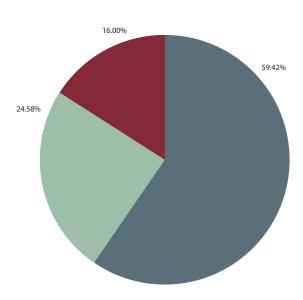




**Claims Pending per Year** 







2011 Total Expenditures — \$6,747,268

- Claims Paid \$4,009,471
- Allocated Expense (Claims Handling) \$1,658,218
- Unallocated Expenses (Administrative) \$1,079,579

## **LIGA Company Claims Activity For Year Ending 2011**

Company Name	Closed in 2011	Pending 12/31/11	Distribution Refunds in 2011	Losses Paid in 2011	Expenses Paid in 2011	Outstanding Reserves
ACCELERATION NATIONAL	0	0	70,020	0	0	0
ALLIANCE CASUALTY	0	1	0	10,157	1,503	59,031
AMERICAN DRUGGIST	0	1	0	22,619	6,580	592,398
AMERICAN EAGLE	0	0	0	0	18	0
AMERICAN FIDELITY	0	0	163,084	0	0	0
AMERICAN MUTUAL BOSTON	0	5	425,143	5,663	9,733	601,767
AMERICAN MUTUAL LIABILITY	143	624	2,409,145	1,075,975	1,184,836	59,932,981
AMERICAN NATIONAL	0	0	7,468,839	0	58	0
ANGLO AMERICAN	0	8	0	39,762	21,739	884,970
ATLANTIC MUTUAL INS. CO.	2	0	0	0	3,658	0
CADILLAC	0	0	508,674	0	0	0
CALIFORNIA COMPENSATION	0	1	41,060	(3,468)	4,749	221,148
CAR (AUTOMOTIVE CASUALTY)	0	0	0	0	1,492	0
CASUALTY RECIPROCAL	0	11	1,566,685	106,822	52,907	3,486,817
CENTENNIAL INS. CO.	0	1	0	0	3,805	3,593
CHAMPION	0	0	865	0	140	0
COLONIAL LLOYDS	0	0	160,811	0	0	0
COMMERCIAL CASUALTY	2	2	872,430	49,036	78,756	175,506
COMMERCIAL COMPENSATION	0	6	1,472,302	43,343	33,889	742,466
CREDIT GENERAL	3	19	0	182,253	148,871	4,136,480
EMPLOYERS CASUALTY	1	9	0	0	2,086	215,697
EMPLOYERS NATIONAL	13	76	1,086,065	333,304	218,658	7,424,518
FIDELITY FIRE & CASUALTY	0	0	199	0	54	0
FREMONT INSURANCE CO.	0	0	0	(275)	217	0
GENERAL	9	4	0	10,921	6,763	9,687
GULF COAST CASUALTY	0	0	249,163	0	0	0
HOME INSURANCE CO.	15	55	41,558	110,726	47,129	5,667,306
HOMEWISE INS. CO.	0	507	0	65,325	2,026	1,931,589
HORIZON	0	0	7,532	0	0	0
IDEAL MUTUAL	0	0	399,102	(7,638)	2,230	0
IMPERIAL CASUALTY	3	1	0	17,108	8,629	158,619
IMPERIAL LLOYDS	0	0	105	0	133	0
INSURANCE CORP. OF AMERICA	1	0	0	0	34,636	0
INTEGRITY	0	1	0	0	0	49,223

## LIGA Company Claims Activity For Year Ending 2011 (continued)

Company Name	Closed in 2011	Pending 12/31/11	Distribution Refunds in 2011	Losses Paid in 2011	Expenses Paid in 2011	Outstanding Reserves
LARAMIE	0	1	0	0	16,967	268,173
LEGION INSURANCE CO.	2	11	0	(117,405)	72,097	1,058,919
MIDLAND	0	4	0	25,370	9,982	648,449
MILLERS INSURANCE CO.	0	0	0	(130)	130	0
MISSION	3	3	0	3,380	1,897	380,276
MISSION NATIONAL	0	2	0	(119)	4,939	410,303
NATIONAL ALLIED	0	0	0	0	1,621	0
NEW ENGLAND	0	0	165	0	0	0
OLD HICKORY	0	2	0	23,882	19,099	480,126
PACIFIC MARINE	0	2	0	23,168	1,646	679,529
PARK AVENUE P & C INS. CO.	12	3	0	22,174	31,006	43,683
PATTERSON INSURANCE CO.	5	5	0	(2,411)	25,315	46,606
PEGASUS INSURANCE CO.	0	1	0	2,500	7,831	371
PELICAN STATE MUTUAL	0	1	0	0	940	150,000
PETROSURANCE	1	3	0	(30,301)	55,878	1,106,714
PHICO	1	0	0	0	7,145	0
PINNACLE	0	1	0	0	2,466	105,247
PRESIDENTIAL FIRE & CASUALTY	0	3	10	(9,736)	9,780	305,417
REALM INSURANCE CO.	0	1	0	4,816	3,030	203,185
RECIPROCAL OF AMERICA	0	0	(107,337)	0	2,523	0
RELIANCE NATIONAL	108	329	0	1,002,415	309,064	132,995,171
ROCKWOOD	1	24	0	655,408	113,137	9,898,895
SAVANT	0	2	0	20,059	5,555	489,361
SECURITY CASUALTY	0	1	0	0	0	147,805
SOUTHERN AMERICAN	3	6	0	220,907	121,242	265,759
TRANSIT	0	113	0	57,747	12,653	4,269,019
UNION INDEMNITY	0	0	0	0	0	0
UNITED AGENTS	1	1	1,247	46,114	19,288	53,710
UNITED COMMUNITY	0	0	7,473	0	0	0
UNITED SOUTHERN ASSURANCE	0	1	0	0	7,153	39,165
VILLANOVA INSURANCE CO.	0	0	0	0	116	0
Totals	329	1,852	16,844,339	4,009,471	2,737,798	240,339,679

## Insolvent Companies Monies Paid from Date of Insolvency to 12/31/2011

Company Name, State and Date of Insolvency	Losses	Evnanças	Unearned Premiums	Total All Time LIGA Billings
Company Name, state and Date of insolvency	Losses	Expenses	Offeathed Fremiums	LIGA Billings
ACCELERATION NATIONAL, OH 2/28/2001	109,200.00	70,871.55	0.00	\$180,071.55
<b>ALLIANCE</b> , LA 6/19/1992	5,485,781.49	1,307,578.31	611,847.69	\$7,405,207.49
AMERICAN DRUGGIST, OH 4/30/1986	2,375,357.16	751,769.83	0.00	\$3,127,126.99
AMERICAN EAGLE, TX 12/22/1997	997,056.18	525,363.86	8,932.00	\$1,531,352.04
AMERICAN FIDELITY, NY 3/14/1986	324,209.64	267,879.76	174,150.75	766,240.15
AMERICAN MUTUAL BOSTON, MA 3/9/1989	6,877,358.67	970,122.69	0.00	\$7,847,481.36
AMERICAN MUTUAL LIABILITY, MA 3/9/1989	18,834,958.13	20,193,620.88	0.00	\$39,028,579.01
ANGLO AMERICAN, LA 3/20/1989	22,642,678.14	4,211,628.51	1,035,251.48	\$27,889,558.13
ARTIST NATIONAL, LA 5/4/1992	10,799,778.00	2,402,073.10	414,376.85	13,616,227.95
ATLANTIC MUTUAL, NY 4/27/2011	0.00	3,658.47	0.00	3,658.47
CALIFORNIA COMPENSATION, CA 9/26/2001	1,118,455.36	389,331.80	11,580.00	\$1,519,367.16
CAR (AUTOMOTIVE CASUALTY), LA 1/20/1993	29,792,639.19	11,630,688.31	333,678.75	\$41,757,006.25
CASUALTY RECIPROCAL, MO 8/18/2004	4,105,064.22	965,867.46	0.00	\$5,070,931.68
CENTENNIAL INSURANCE, NY 4/27/2011	0.00	3,804.90	0.00	3,804.90
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	769,361.53	902,621.91	0.00	\$1,671,983.44
COMMERCIAL COMPENSATION, CA 9/26/2001	4,742,777.50	1,406,203.22	148,830.00	\$6,297,810.72
CREDIT GENERAL, OH 1/5/2001	14,236,266.13	4,194,417.79	327,406.94	\$18,758,090.86
EMPLOYERS CASUALTY, TX 2/11/1994	587,563.62	424,179.08	0.00	\$1,011,742.70
EMPLOYERS NATIONAL, TX 2/11/1994	13,081,249.66	4,115,620.66	7,638.00	\$17,204,508.32
FIDELITY FIRE & CASUALTY, LA 9/4/1991	11,608,852.54	4,917,075.52	639,089.05	\$17,165,017.11
FREMONT INSURANCE CO., CA 7/2/2003	346,824.02	79,670.59	0.00	\$426,494.61
GENERAL	220,283.30	289,903.52	0.00	\$510,186.82
HOME INSURANCE CO., NH 6/13/2003	1,841,787.99	622,993.31	0.00	\$2,464,781.30
HOMEWISE INSURANCE CO., FL 11/18/2011	65,324.73	2,026.19	0.00	67,350.92
IDEAL MUTUAL, NY 2/7/1985	7,551,060.75	1,776,843.54	5,164.60	\$9,333,068.89
IMPERIAL CASUALTY & IND. CO., OK 5/12/2010	34,292.33	15,753.29	0.00	\$50,045.62
INSURANCE CORP. OF AMERICA, TX 4/28/1997	3,916,350.21	4,415,316.38	414,293.43	\$8,745,960.02
INTEGRITY, NJ 3/24/1987	2,689,202.10	814,086.74	2,522.55	3,505,811.39
<b>LARAMIE</b> , WY 2/14/1990	6,883,470.38	1,977,780.30	1,274,804.13	\$10,136,054.81
LEGION INSURANCE CO., PA 7/28/2003	6,982,186.39	2,693,772.63	137,987.44	\$9,813,946.46
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

### Insolvent Companies Monies Paid from Date of Insolvency to 12/31/2011 (continued)

Company Name, State and Date of Insolvency	Losses	Expenses	Unearned Premiums	Total All Time LIGA Billings
MEDIT CASHALTY CO. II. 4/1/1007	659,633.89	175 470 02	0.00	¢025 112 71
MERIT CASUALTY CO., IL 4/1/1997  MIDLAND, NY 4/3/1986	10,478,515.78	2,709,172.25	17,023.59	\$835,112.71 \$13,204,711.62
		97,489.44	0.00	
MILLERS INSURANCE CO., TX 3/24/2003	180,923.37	·	0.00	\$278,412.81
MISSION, CA 2/24/1987	1,657,048.78	590,881.07	0.00	\$2,247,929.85
MISSION NATIONAL, CA 2/24/1987  NATIONAL ALLIED, TX 10/31/1986	726,469.67 1,413,667.43	201,736.95	0.00	\$1,330,470.34 \$1,615,404.38
		·		
OLD HICKORY, LA 10/31/1991	11,114,583.31	4,279,114.98	2,274,689.75	\$17,668,388.04
PACIFIC MARINE, WA 6/7/1989	2,737,386.92	526,007.29	0.00	\$3,263,394.21
PARK AVENUE P & C INS. CO., OK 11/18/2009	183,618.56	91,748.55	0.00	\$275,367.11
PATTERSON INSURANCE CO., LA 3/17/2003	6,910,660.99	5,683,062.86	782,718.75	\$13,376,442.60
PEGASUS INSURANCE CO., OK 8/12/2010	2,500.00	8,945.33	0.00	\$11,445.33
PELICAN STATE MUTUAL, LA 2/26/1993	19,147,364.30	5,458,648.03	321,366.03	\$24,927,378.36
PETROSURANCE, OK 3/14/2002	1,432,502.05	364,094.66	0.00	\$1,796,596.71
PHICO, PA 2/1/2002	543,751.91	885,041.11	14,829.00	\$1,443,622.02
PINNACLE INS. CO., GA 9/20/1999	570,378.00	255,212.41	0.00	\$825,590.41
PRESIDENTIAL FIRE & CASUALTY, LA 11/13/1991	13,162,004.86	3,005,829.47	595,841.29	\$16,763,675.62
REALM INSURANCE CO., NY 6/10/2005	63,445.77	19,300.10	0.00	\$82,745.87
RECIPROCAL OF AMERICA, VA 6/20/2003	666,323.01	413,698.36	0.00	\$1,080,021.37
RELIANCE NATIONAL, PA 10/3/2001	50,559,894.43	20,100,258.23	0.00	\$70,660,152.66
ROCKWOOD, PA 8/26/1991	29,834,396.82	4,786,352.48	22,994.25	\$34,643,743.55
<b>SAVANT</b> , LA 11/7/2001	1,114,927.53	301,899.10	0.00	\$1,416,826.63
SECURITY CASUALTY, IL 12/4/1981	9,651.11	27,178.79	0.00	36,829.90
SOUTH CAROLINA INSURANCE CO., SC 3/21/2005	0.00	12,688.33	0.00	\$12,688.33
SOUTHERN AMERICAN, UT 3/20/1992	1,420,480.93	1,143,123.85	0.00	\$2,563,604.78
TRANSIT CASUALTY, CA 12/3/1985	23,530,865.89	5,933,932.36	17,251.46	\$29,482,049.71
<b>U.S. CAPITAL</b> , NY 11/20/1997	1,959,275.14	1,471,939.79	0.00	\$3,431,214.93
UNITED AGENTS, LA 3/3/2002	5,093,454.72	2,036,049.50	179,232.23	\$7,308,736.45
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	603,526.81	0.00	\$1,908,342.75
VILLANOVA INSURANCE CO., PA 7/28/2003	409,660.59	93,699.48	0.00	\$503,360.07
Inactive Company Totals	198,611,487.58	62,590,514.51	20,687,117.39	281,889,119.48
Totals	637,335,070.05	218,344,312.15	36,894,640.85	892,574,023.05



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