

MARCH 30, 2018

2017

ANNUAL REPORT



LIGA

LOUISIANA INSURANCE GUARANTY ASSOCIATION

CONTENTS

- 1 Letter to Commissioner
- 2 General Counsel's Report
- 4 Independent Auditors' Report
- 11 Claims Pending per Year Chart
- 11 Reserves per Year Chart
- 11 Losses Paid per Year Chart
- 11 2017 Total Expenditures Chart
- 12 2017 Claims Activity
- 14 Report on All Time Payments by Insolvency

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, 2017

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

NOEL J. BUNOL, IV

Gulf States Insurance Company

BILL GOURGUES

State Farm Insurance Companies

JOHN HAWIE

Louisiana Workers' Compensation Corporation

WILLIAM D. HUGHS, III

Appointee of the Speaker of the House

DENIS HUSERS

Appointee of the Commissioner of Insurance
as a Consumer Representative

THOMAS McCORMICK

LAMMICO

LIGA STAFF

AS OF DECEMBER 31, 2017

JOHN C. WELLS

Executive Director

GERRY CORYELL

Claims Manager

LACEY ANDERSON

Administrative Assistant

BRYAN JOHNSON

Claims Examiner

CHANTELLE DAVIDSON

Accounting Clerk

MALCOLM TWINER

Claims Examiner

DANA TIRCUIT

Clerical Supervisor

LEAH WEBER

Claims Examiner

KRYSTAL WILLIAMSON

Claims Assistant

JAY MAYFIELD

Claims Examiner

BRIGITTE KLEINPETER

Claims Assistant

WANDA POCHE

Claims Examiner

CISSY WILSON

Claims Examiner

L I G A
LOUISIANA INSURANCE GUARANTY ASSOCIATION

March 30, 2018

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

RE: 2017 Annual Report of LIGA

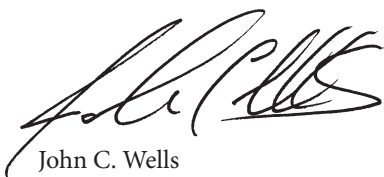
Dear Commissioner:

Pursuant to La. R.S. 22:2064, we are pleased to submit to you LIGA's *2017 Annual Report*. Please allow me to highlight a few of LIGA's activities during the year.

- CastlePoint National Insurance Company is the successor by merger for the ten companies that were part of the Tower Group. The companies were redomiciled to California, merged, then were placed into conservation on 7/28/2016 and liquidation on 4/1/2017. LIGA received a mix of commercial auto, general liability, and workers compensation and estimates payments of \$2.4 million for this insolvency.
- Guarantee Insurance Company (GIC) was a workers compensation writer domiciled in Florida. GIC was placed into liquidation on 11/27/2017. LIGA estimates payments for this insolvency at \$3 million.
- Millers First Insurance Company was also placed into liquidation on 8/30/2017 in Illinois. This company which wrote primarily automobile insurance was being run-off in rehabilitation for five years prior to liquidation. Consequently, LIGA only received one legacy worker compensation claim.
- In total, LIGA received 463 new claims in 2017. However only 30% of these were due to new insolvencies. Another 30% were auto claims opened from the 2016 insolvencies. The remainder were toxic tort claims from older insolvencies.
- LIGA was again able to fund claims without assessing its member insurers. This was possible because: 1) claims of existing insolvencies were paid with funds assessed closer to the dates of liquidation, and 2) new insolvencies were funded with distributions from closing estates.

LIGA is proud of its service to the public and to the industry. We stand ready to assist policyholders and claimants when called upon. The Association would like to express its appreciation to the Department and the Legislature for their continued support of our mission. Enclosed herein is our *2017 Report on Insolvent Companies*, *2017 Company Claims Activity*, *2017 Report of LIGA's General Counsel*, and our *Annual Financial Audit for 2017* prepared by Postlethwaite & Netterville.

Respectfully submitted,



John C. Wells
Executive Director

March 30, 2018

REPORT OF GENERAL COUNSEL

January 1, 2017 – December 31, 2017

1. 2017 LEGISLATION

Senate Bill 184, enacted as Act No. 166 of 2017, was intended to exempt UM coverage from the LIGA credit statute, so that a claimant could recover under both an available liability policy and an available UM policy, and one would not act as a credit to cancel LIGA's coverage under the other. The Bill was amended to remove UM coverage from the "exhaustion of other coverage" provision of the LIGA Law completely, such that LIGA would now be responsible to pay the insolvent insurer's auto liability policy before the solvent UM carrier's limits would be invoked.

Several other Bills of general interest to LIGA were enacted by the Legislature, as discussed in greater detail in my 2017 Legislative Report to the Board dated June 19, 2017.

2. REVISIONS TO THE PLAN OF OPERATION AND POLICIES AND PROCEDURES MANUAL

No revisions to LIGA's Plan of Operation or Policies and Procedures Manual were made in 2017.

3. IMPORTANT CASES

LIGA's primary focus in 2017 continued to be the application of the new LIGA Law to the Affirmative cases, primarily regarding the application of the credit for other applicable insurance. These cases involve the interpretation of a new provision added to the LIGA Law by the 2010 amendments. As reported for the last two years, we obtained the only Court of Appeal decision to date interpreting the credit provision, La. R.S. 22:2062(A)(2), in 2015. Essentially, the Louisiana Fourth Circuit Court of Appeal held that LIGA is entitled to a credit in the full amount of any payment made by another insurer, including a health insurer, which in this case was Medicaid. The Court did not reach the issue of whether LIGA was also entitled to a summary judgment based on the "No pay, no play" statute (La. R.S. 32:866) as a result of the plaintiff's failure to purchase his own coverage, as the holding on the credit issue made that issue moot. *Brown vs. Norman-Fuegero*, 2014-CA-0826 (La. App. 4 Cir. 4/22/15), 165 So.3d 1059.

In the Affirmative cases, we are more squarely being presented with various coverage issues under the policy that were not decided by the *Brown* Court. Because of the small limits of these policies, it is unlikely that any of them will be litigated as far as a published decision with precedential value in other cases, but we continue to build a body of lower court jurisprudence interpreting the new LIGA Law and upholding the *Brown* decision.

We also had several cases seeking to apply Act No. 166 of 2017 to pending cases, so that LIGA would have been unable to take a credit for UM insurance in those cases. We have thus far prevailed in each case, convincing the courts that Act No. 166 should be given prospective effect only, to apply to insolvencies occurring after the effective date of the Act, and attempts to apply the Act to pending cases have slowed.

LIGA's secondary focus is the continuing resolution of long-term hazardous and environmental exposure cases, which continue to be aggressively pursued.


4. MISCELLANEOUS

Our Law Review article on the updated provisions of the LIGA Law was published in the LSU Law Review in the Spring of 2017. The article's citation is, *The DEF's of LIGA: An Update to the ABC's of LIGA*, 77 La. L. Rev. 997 (2017). We have begun citing to the article in legal briefs and memoranda, and hope that Courts will begin citing it in their opinions as the issues covered therein are litigated and decided.

Due to the insolvency of several insurers whose insureds are potential high net worth insureds, I have been working with Gerry Coryell and several business valuation firms in an effort to determine the net worth of multiple insureds. This valuation determines whether their claims are excluded from coverage on the basis of the aggregate net worth of the insured and all of its subsidiaries and affiliates, as calculated on a consolidated basis. These efforts have resulted in the exclusion of multiple significant claims.

It was my great honor and privilege to serve LIGA as its General Counsel again in 2017. Please let me know if you would like any additional information regarding any of these issues, or any other matter of concern to you.

Kindest regards.
Sincerely,



Stephanie B. Laborde

SBL/kd
37991w



8550 United Plaza Blvd., Ste. 1001 – Baton Rouge, LA 70809
225-922-4600 Phone – 225-922-4611 Fax – pncpa.com

A Professional Accounting Corporation

Independent Auditors' Report

Members and Directors
Louisiana Insurance Guaranty Association
Baton Rouge, Louisiana

We have audited the accompanying financial statements of Louisiana Insurance Guaranty Association (the Association), which comprise the statements of financial position arising from cash transactions as of December 31, 2017 and 2016, the related statements of activities arising from cash transactions for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements. Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1. This includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility. 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion. In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and liabilities arising from cash transactions of Louisiana Insurance Guaranty Association, as of December 31, 2017 and 2016, and its activities arising from cash transactions during the years then ended in accordance with the cash basis of accounting described in Note 1.



Emphasis of Matter—Basis of Accounting. We draw attention to Note 1 of the financial statements, which describes the Association's basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Postlethwaite & Netterville

Baton Rouge, Louisiana
March 14, 2018

Statements of Financial Position Arising from Cash Transactions

December 31, 2017 and 2016

Assets	2017	2016
Cash	\$ 2,552,539	\$ 608,346
Investments, at cost	140,293,640	143,481,349
	\$ 142,846,179	\$ 144,089,695
Liabilities and Net Assets		
Net assets — restricted	\$ 142,846,179	\$ 144,089,695
	\$ 142,846,179	\$ 144,089,695

The accompanying notes are an integral part of these statements.

Statements of Activities Arising from Cash Transactions

December 31, 2017 and 2016

Receipts	2017	2016
Distributions from liquidators	\$ 17,435,233	\$ 8,021,185
Interest income	2,509,255	3,236,306
Net loss on disposition of investments	(3,529,117)	(3,396,216)
Restitution	5,521	6,053
	16,420,892	7,867,328
Disbursements		
Claims paid	12,450,810	8,748,158
Legal fees and expenses	2,827,800	1,974,160
Claims handling costs	347,142	271,273
Professional and bank fees	57,905	54,204
Staff salaries, taxes, and benefits	1,513,155	1,267,858
Travel, meetings, and seminars	29,400	30,566
Administrative expenses	438,196	371,787
	17,664,408	12,718,006
Excess of Receipts Over (Under) Disbursements	(1,234,516)	(4,850,678)
Net assets — beginning of the year	144,089,695	148,940,373
Net assets — end of the year	\$ 142,846,179	\$ 144,089,695

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 6, 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.

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 6) and return of early access distributions to liquidators (See Note 5).

3. Investments

The Association's investments are recorded at cost and consisted of the following at December 31, 2017 and 2016:

	2017		2016	
	Cost	Estimated Fair Value	Cost	Estimated Fair Value
Short-term repurchase agreements	\$ 2,044,445	\$ 2,044,445	\$ 1,114,807	\$ 1,114,807
Money market accounts invested in U.S. Treasury obligations	237,203	237,203	2,022,355	2,022,355
U.S. Treasury notes and bonds	117,905,426	114,728,975	126,376,864	121,169,869
U.S. Government Agency obligations	20,106,566	19,798,986	13,967,323	13,791,315
	\$ 140,293,640	\$ 136,809,609	\$ 143,481,349	\$ 138,098,346

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. Pursuant to the cash basis of accounting, these premiums and discounts are not amortized over the holding period of the security. Instead, investments are stated at original cost and any premiums or discounts 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, 2017, 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	\$ 46,816,749	\$ 44,812,889
Due after 1 year through 5 years	93,476,891	91,996,720
	\$ 140,293,640	\$ 136,809,609

Financial instruments are carried at cost in accordance with the cash basis of accounting as well as disclosures of estimated fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, other than in a forced or liquidation sale.

The Association's investment securities have been classified, for disclosure purposes, based on a hierarchy which prioritizes the inputs to valuation

techniques to measure fair value into three broad levels. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). Classification is based on the lowest level input that is significant to its measurement. The levels of the fair value hierarchy are as follows:

- Level 1 – Valuation is based on quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 assets and liabilities generally include debt and equity securities that are traded in an active exchange market. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.
- Level 2 – Valuation is based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The valuation may be based on quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability.
- Level 3 – Valuation is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which determination of fair value requires significant management judgment or estimation.

The Association’s investments in short-term repurchase agreements, money market accounts and U.S. Treasury notes and bonds are considered to have fair values derived using Level 1 criteria, while investments in U.S. Government Agency obligations are considered to be based on Level 2 criteria.

4. Assessments

Louisiana Revised Statute 22:2058 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. During 2017 and 2016, the Association did not assess or receive any assessments from member companies.

5. Distributions from Liquidators

The Association files claims against the estates of insolvent insurers in an effort to recover a portion of the claims paid and related expenses from the assets of the insolvent insurers. During the years ended December 31, 2017 and 2016, the Association received \$17,435,233 and \$8,021,185, 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 distri-

bution under provisions of the early access agreements with the estate. The Association returned no distributions during 2017 or 2016. Management estimates that \$71 million of early access distributions have been collected which are subject to return to liquidators at December 31, 2017.

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. 22:2051-2070. As of December 31, 2017, the Association had 1,714 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 case based reserve setting practice is a common function of managing and administering those losses.

Provided below are unaudited condensed balance sheets of the Association at December 31, 2017 and 2016, 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 unaudited condensed balance sheet below does not provide for accruals of amounts which may be due from liquidators of insolvent insurance companies, early access distributions subject to refund, 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 \$88 million annually. Additionally, La. R.S. 22:2058 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 pro-rated basis and unpaid balances are to be paid as funds become available.

December 31, Assets	2017 Unaudited	2016 Unaudited
Cash	\$ 2,552,539	\$ 608,346
Investments, at cost	140,293,640	143,481,349
Total assets	\$ 142,846,179	\$ 144,089,695

December 31, Liabilities and Net Assets	2017 Unaudited	2016 Unaudited
Liability for estimated claims and claims administration expenses payable (1)	128,786,000	138,425,000
Net assets (2)	14,060,179	5,664,695
Total liabilities and net assets	\$ 142,846,179	\$ 144,089,695

(1) Represents management's estimate of claims and claims administration expense reserves related to open claim files at December 31, 2017 and 2016.

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

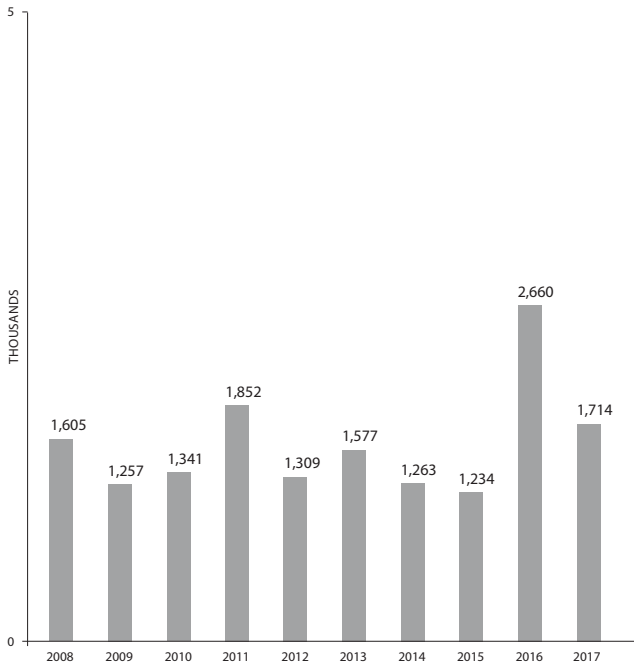
develop, management intends to revise its estimates of these claims liabilities. Revisions in these estimates could result in significant increases or decreases in these estimates.

(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 all of its claims obligations as they become due. Additionally, as described in Note 5, the Association has received early access distributions of approximately \$71 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 decrease the above net assets.

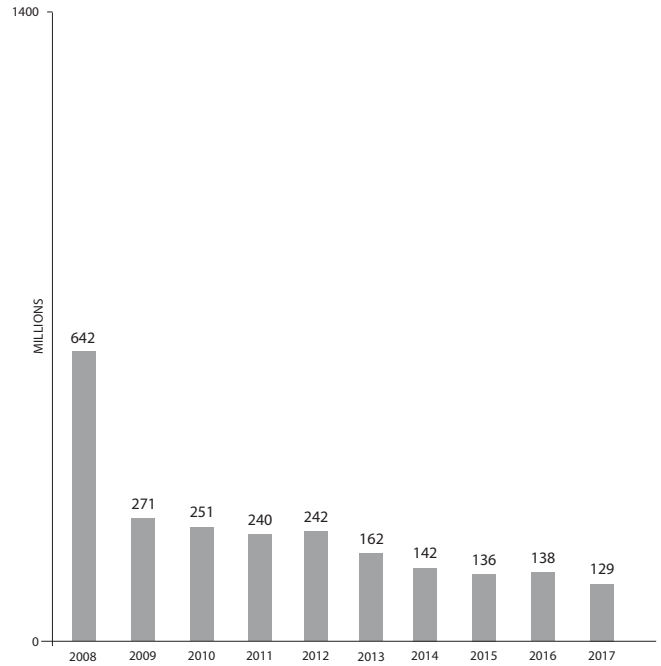
The Association has the statutory authority to assess up to 1% of member insurers' net direct written premiums annually if necessary to pay its obligations as described in Note 4. The Association's financial resources also include receipt of investment earnings and the continued receipt of proceeds from liquidators of insolvent insurance companies.

7. Subsequent Events

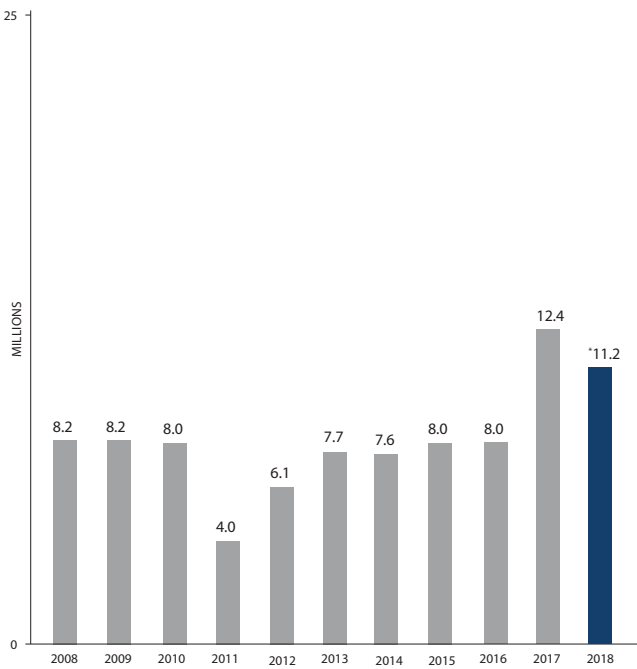
Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 14, 2018, and determined that there were no events that required additional disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.



Claims Pending per Year

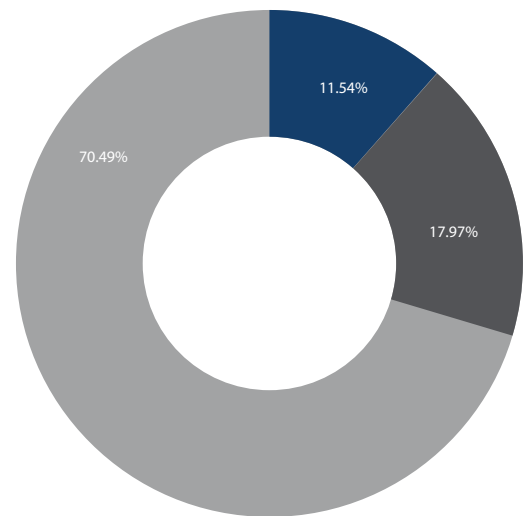


Reserves per Year



Losses Paid per Year

* Projected



2017 Total Expenditures — \$17,664,408

- Claims Paid \$12,450,810
- Allocated Expense (Claims Handling) \$3,174,942
- Unallocated Expenses (Administrative) \$2,038,656

LIGA Company Claims Activity for the Year Ending 2017

Company Name	Closed in 2017	Pending 12/31/17	Distribution (Refunds) in 2017	Losses Paid in 2017	Claims Expenses Paid in 2017	Outstanding Reserves
AFFIRMATIVE CASUALTY	854	625	0	2,128,843	2,412,703	4,171,454
AFFIRMATIVE INSURANCE	108	132	0	308,867	472,361	947,203
ALLIANCE CASUALTY	0	0	0	0	1,853	0
AMERICAN DRUGGIST	0	1	0	10,660	448	303,093
AMERICAN MUTUAL BOSTON	0	4	0	13,755	9,608	589,768
AMERICAN MUTUAL LIABILITY	267	381	0	3,912,892	1,381,180	63,318,177
ANGLO AMERICAN	3	7	0	64,885	58,618	451,036
CALIFORNIA COMPENSATION	0	1	45,000	2,688	2,173	192,251
CASTLEPOINT INSURANCE CO.	55	19	0	181,185	79,582	2,179,435
CASUALTY RECIPROCAL	0	6	937,101	85,791	7,520	2,459,353
CHAMPION	0	0	0	0	-399	0
COMMERCIAL CASUALTY	2	0	0	100,000	14,793	0
COMMERCIAL COMPENSATION	0	2	0	3,501	1,921	181,081
CREDIT GENERAL	0	13	0	170,508	29,152	3,153,050
EMPLOYERS CASUALTY	0	9	0	0	999	1,542,139
EMPLOYERS NATIONAL	7	46	0	241,742	78,032	5,050,031
FREESTONE	5	17	0	133,672	62,034	2,607,186
FRONTIER INS. CO.	0	2	0	17,506	5,202	383,076
GENERAL	9	2	0	-681	5,508	4,904
GRAMERCY	0	1	120	0	370	35,133
GUARANTEE INSURANCE CO.	0	58	0	54,000	3,945	3,014,827
HOME INSURANCE CO.	10	34	6,454	325,939	14,552	3,984,237
HOMEWISE INS. CO.	1	0	0	0	2,987	0
IMPERIAL CASUALTY	0	0	0	0	227	0
LARAMIE	1	0	0	0	102	0
LEGION INSURANCE CO.	0	4	2,931,137	171,740	9,490	395,138
LINCOLN GENERAL INSURANCE	2	0	0	0	836	0
LUMBERMENS MUTUAL	3	17	16,255	83,749	75,039	2,759,173
LUMBERMEN'S UNDERWRITING	11	15	664,438	481,463	178,958	2,034,656
LUTHERAN BENEVOLENT	0	0	99,426	0	0	0
MIDLAND	0	2	0	15,675	1,555	353,473
MILLERS FIRST INSURANCE CO.	0	1	0	0	320	24,306
MISSION	1	0	0	2,990	916	0
MISSION NATIONAL	0	0	90,550	0	0	0

LIGA Company Claims Activity for the Year Ending 2017 *(continued)*

Company Name	Closed in 2017	Pending 12/31/17	Distribution (Refunds) in 2017	Losses Paid in 2017	Claims Expenses Paid in 2017	Outstanding Reserves
OLD HICKORY	0	1	0	20,165	3,094	386,269
PACIFIC MARINE	0	2	0	23,168	1,251	266,179
PARK AVENUE P & C INS. CO.	0	0	0	0	350	0
PATTERSON INSURANCE CO.	0	1	32	0	2,098	12,273
PETROSURANCE	1	1	0	0	715	153,486
PINNACLE	1	0	0	0	3,287	0
PRESIDENTIAL FIRE & CASUALTY	0	3	0	-8,142	3,184	229,625
REALM INSURANCE CO.	0	1	3,854	20,238	5,162	430,488
RED ROCK	0	2	0	0	680	48,378
RELIANCE NATIONAL	98	218	10,499,765	236,790	51,187	14,463,005
ROCKWOOD	1	14	0	699,506	66,464	7,313,078
SOUTHERN AMERICAN	0	1	0	0	50	20,00
SOUTHERN CASUALTY INS. CO.	31	24	0	133,567	131,285	256,214
TRANSIT	11	43	0	68,121	8,444	4,150,480
ULLICO	0	4	0	80,934	23,762	922,081
UNITED AGENTS	0	0	377	0	0	0
UNITED SOUTHERN ASSURANCE	0	0	1,917,889	0	0	0
VILLANOVA INSURANCE CO.	0	0	172,960	0	0	0
TOTALS	1,482	1,714	17,385,358	9,785,719	5,213,597	128,785,736

Claims for Unearned Premiums

Company Name	Claims Paid	Amount Paid
AFFIRMATIVE INSURANCE COMPANY	1,107	392,768
AFFIRMATIVE CASUALTY INSURANCE COMPANY	11,012	2,272,323

Insolvent Companies Monies Paid from the Date of Insolvency to 12/31/2017

Company Name, State and Date of Insolvency	Losses	Expenses	Unearned Premiums/ Expenses Paid	Total All Time LIGA Billings
A.N.A., LA 05/17/93	10,580,868.00	2,644,479.04	1,464,539.41	14,689,886.45
ACCELERATION NATIONAL, OH 02/28/01	109,200.00	70,871.55	0.00	180,071.55
AFFIRMATIVE CASUALTY, LA 04/11/16	4,622,787.88	3,639,053.53	2,272,323.61	10,534,165.02
AFFIRMATIVE INSURANCE, IL 03/24/16	697,176.13	711,488.57	392,767.70	1,801,432.40
ALLIANCE CASUALTY, LA 06/19/92	5,517,652.29	1,309,145.54	611,847.69	7,438,645.52
ALLIED FIDELITY, IN 07/15/86	1,151,896.75	684,836.19	14,865.30	1,851,598.24
AMERICAN DRUGGIST, OH 04/30/86	2,473,558.86	762,199.51	0.00	3,235,758.37
AMERICAN EAGLE, TX 12/22/97	997,056.18	525,363.86	8,932.00	1,531,352.04
AMERICAN FIDELITY, NY 03/14/86	324,209.64	267,879.76	174,150.75	766,240.15
AMERICAN LLOYDS, LA 06/21/89	9,480,353.77	1,951,866.78	632,508.49	12,064,729.04
AMERICAN MUTUAL BOSTON, MA 03/09/89	7,047,260.60	1,013,038.62	0.00	8,060,299.22
AMERICAN MUTUAL LIABILITY, MA 03/09/89	36,074,611.80	28,833,792.37	0.00	64,908,404.17
AMERICAN SURETY & FIDELITY, LA 07/08/92	8,582,647.25	2,524,605.85	996,485.67	12,103,738.77
AMERICAN UNIVERSAL, IL 01/08/91	335,335.00	22,368.85	0.00	357,703.85
ANDREW JACKSON, MS 04/04/92	3,696,783.16	1,310,264.59	1,308,505.76	6,315,553.51
ANGLO AMERICAN, LA 03/20/89	23,080,082.14	4,395,475.38	1,035,251.48	28,510,809.00
ARIST, LA 05/04/92	10,799,778.00	2,402,073.10	414,376.85	13,616,227.95
ASPEN, CO 09/06/84	792,587.37	268,847.18	111.10	1,061,545.65
ATLANTIC MUTUAL INS. CO., NY 04/27/11	0.00	4,045.06	0.00	4,045.06
BONNEVILLE OF OREGON, OR 10/22/93	450,638.63	159,163.80	0.00	609,802.43
CADILLAC, MI 01/02/90	956,259.45	116,084.73	1,492,435.20	2,564,779.38
CALIFORNIA COMPENSATION, CA 09/26/01	1,140,423.72	412,664.22	11,580.00	1,564,667.94
CAR (AUTOMOTIVE CASUALTY), LA 01/20/93	29,792,639.19	11,630,688.31	333,678.75	41,757,006.25
CARRIERS, IA 1/16/86	1,271,512.16	269,012.67	0.00	1,540,524.83
CASCADE, LA 08/12/93	2,511,225.27	611,082.48	3,131.16	3,125,438.91
CASTLEPOINT INSURANCE CO., CA 03/30/17	181,185.13	79,582.22	0.00	260,767.35
CASUALTY RECIPROCAL, MO 08/18/04	4,604,389.33	1,098,044.95	0.00	5,702,434.28
CENTENNIAL INS. CO., NY 04/27/11	0.00	3,924.58	0.00	3,924.58
CHAMPION, LA 06/05/89	90,375,345.26	31,130,754.34	4,604,419.47	126,110,519.07
COLONIAL LLOYDS, LA 03/27/92	22,166,749.38	6,469,596.84	5,911,383.05	34,547,729.27
COMCO, TX 01/13/92	2,319,545.42	1,106,446.12	120,636.04	3,546,627.58
COMMERCIAL CASUALTY, GA 04/02/04	1,098,197.91	1,122,561.15	0.00	2,220,759.06
COMMERCIAL COMPENSATION, CA 09/26/01	4,960,163.18	1,475,081.28	148,830.00	6,584,074.46
CREDIT GENERAL, OH 01/05/01	15,906,505.37	4,433,848.02	387,603.44	20,727,956.83

Insolvent Companies Monies Paid from the Date of Insolvency to 12/31/2017 *(continued)*

Company Name, State and Date of Insolvency	Losses	Expenses	Unearned Premiums/ Expenses Paid	Total All Time LIGA Billings
DIXIE LLOYDS, LA 12/20/90	9,538,487.97	4,230,916.04	2,103,022.53	15,872,426.54
EARLY AMERICAN, AL 02/01/85	3,542,520.19	1,216,289.05	460,371.68	5,219,180.92
EASTERN INDEMNITY, MD 01/11/85	1,737,078.10	454,309.81	0.00	2,191,387.91
EMPLOYERS CASUALTY, TX 02/11/94	587,563.62	435,023.93	0.00	1,022,587.55
EMPLOYERS NATIONAL, TX 02/11/94	14,729,079.53	4,872,607.85	7,638.00	19,609,325.38
ENTERPRISE, CA 02/24/87	116,628.80	52,462.58	0.00	169,091.38
EXCALIBUR, TX 09/05/84	658,030.74	244,240.25	0.00	902,270.99
FIDELITY FIRE & CASUALTY, LA 09/04/91	11,608,852.54	4,917,117.58	639,089.05	17,165,059.17
FIRST SOUTHERN, FL 10/31/92	1,659,631.00	298,690.82	299,295.45	2,257,617.27
FREESTONE, DE 08/15/14	718,963.21	307,820.36	0.00	1,026,783.57
FREMONT INSURANCE CO., CA 07/02/03	346,549.12	79,702.05	0.00	426,251.17
FRONTIER INS. CO., NY 11/16/12	384,693.00	96,365.32	0.00	481,058.32
GRAMERCY, TX 08/26/13	943,388.75	89,219.48	0.00	1,032,608.23
GREAT GLOBAL, AZ 04/27/87	224,848.26	114,845.96	12,286.04	351,980.26
GUARANTEE INSURANCE CO., FL 11/27/17	54,000.00	3,944.83	0.00	57,944.83
GULF COAST CASUALTY, LA 04/02/93	3,622,007.42	799,048.46	629,221.01	5,050,276.89
HAMILTON INSURANCE CO., PA 08/03/00	4,550.00	4,498.26	0.00	9,048.26
HERITAGE, IL 02/26/86	276,838.34	41,196.52	0.00	318,034.86
HOME INSURANCE CO., NH 06/13/03	2,680,312.53	746,325.31	0.00	3,426,637.84
HOMEWISE INS. CO., FL 11/18/11	1,626,238.25	817,885.71	11,452.97	2,455,576.93
HORIZON, NY 01/11/85	228,917.73	49,586.94	1,367.25	279,871.92
IDEAL MUTUAL, NY 02/07/85	7,551,060.75	1,776,965.92	5,164.60	9,333,191.27
IMPERIAL, CA 01/10/78	133,091.51	47,699.87	0.00	180,791.38
IMPERIAL CASUALTY & IND. CO., OK 05/12/10	165,636.06	43,498.20	0.00	209,134.26
IMPERIAL LLOYDS, LA 07/08/91	1,806,692.05	719,220.67	0.00	2,525,912.72
INSURANCE CORP. OF AMERICA, TX 04/28/97	3,916,350.21	4,415,339.97	414,293.43	8,745,983.61
INTEGRITY, NJ 03/24/87	2,689,202.10	814,192.33	2,522.55	3,505,916.98
LARAMIE, WY 02/14/90	6,883,470.38	1,979,691.57	1,274,804.13	10,137,966.08
LEGION INSURANCE CO., PA 07/28/03	7,392,852.45	2,883,838.02	137,987.44	10,414,677.91
LIBERTY LLOYDS, LA 05/17/93	42,919,330.92	12,101,189.49	173,564.46	55,194,084.87
LINCOLN GENERAL INSURANCE, PA 11/05/15	0.00	1,469.49	0.00	1,469.49
LUMBERMENS MUTUAL, IL 05/10/13	771,158.19	334,331.02	0.00	1,105,489.21
LUMBERMEN'S UNDERWRITING ALLIANCE	934,067.83	256,578.89	0.00	1,190,646.72
LUTHERAN BENEVOLENT, MO 12/02/96	1,175,784.26	292,852.02	103,318.88	1,571,955.16

Insolvent Companies Monies Paid from the Date of Insolvency to 12/31/2017 *(continued)*

Company Name, State and Date of Insolvency	Losses	Expenses	Unearned Premiums/ Expenses Paid	Total All Time LIGA Billings
MAGNOLIA FIRE & CASUALTY, LA 05/14/93	751,162.78	190,109.52	79,185.50	1,020,457.80
MANCHESTER, OH 02/13/76	1,647,092.78	385,961.89	132,507.56	2,165,562.23
MEDALLION, MO 09/12/75	205,134.51	126,821.40	493,223.25	825,179.16
MERIT CASUALTY CO., IL 04/01/97	659,633.89	175,550.45	0.00	835,184.34
MID-AMERICAN CASUALTY, LA 11/07/90	280,140.00	85,311.90	271,502.07	636,953.97
MIDLAND, NY 04/03/86	10,577,699.46	2,721,034.95	17,023.59	13,315,758.00
MILLERS FIRST INSURANCE CO., IL 08/30/17	0.00	320.29	0.00	320.29
MILLERS INSURANCE CO., TX 03/24/03	180,923.37	97,489.44	0.00	278,412.81
MISSION, CA 02/24/87	1,676,938.78	594,242.23	0.00	2,271,181.01
MISSION NATIONAL, CA 02/24/87	726,469.67	620,114.47	0.00	1,346,584.14
MISSION REINSURANCE CORP., CA 02/24/87	115,000.00	1,964.45	0.00	116,964.45
NATIONAL ALLIED, TX 10/31/86	1,413,667.43	202,460.72	0.00	1,616,128.15
NEW ENGLAND, LA 09/22/89	6,929,966.48	1,652,851.02	366,194.09	8,949,011.59
NORTH AMERICAN INDEMNITY, LA 05/26/92	2,655,886.09	540,596.93	231,362.47	3,427,845.49
OHIO GENERAL, OH 03/28/90	185,374.74	56,061.74	24,688.00	266,124.48
OLD HICKORY, LA 10/31/91	11,436,010.58	4,317,262.78	2,274,689.75	18,027,963.11
PACIFIC AMERICAN, DE 01/23/85	234,705.95	52,183.07	0.00	286,889.02
PACIFIC MARINE, WA 06/07/89	2,876,397.32	532,085.61	0.00	3,408,482.93
PARK AVENUE P & C INS. CO., OK 11/18/09	183,618.56	96,855.36	0.00	280,473.92
PATTERSON INSURANCE CO., LA 03/17/03	6,912,544.38	5,724,309.11	782,506.08	13,419,359.57
PEGASUS INSURANCE CO., OK 08/12/10	2,500.00	10,845.25	0.00	13,345.25
PELICAN STATE MUTUAL, LA 02/26/93	19,147,364.30	5,458,937.58	321,366.03	24,927,667.91
PETROSURANCE, OK 03/14/02	1,546,910.66	401,051.55	0.00	1,947,962.21
PHICO, PA 02/01/02	543,697.91	884,781.28	14,829.00	1,443,308.19
PINNACLE, GA 09/20/99	570,378.00	273,834.38	0.00	844,212.38
PREMIER ALLIANCE, CA 08/02/94	199,218.00	132,983.22	0.00	332,201.22
PRESIDENTIAL FIRE & CASUALTY, LA 11/13/91	13,144,665.19	3,033,087.33	595,841.29	16,773,593.81
PROPRIETORS, OH 08/05/81	144,658.25	40,673.03	7,648.00	192,979.28
PROTECTIVE CASUALTY, MO 05/24/91	5,265,558.30	1,272,342.98	632,627.81	7,170,529.09
REALM INSURANCE CO., NY 06/10/05	170,052.58	68,404.45	0.00	238,457.03
RECIPROCAL OF AMERICA, VA 06/20/03	654,959.58	414,871.19	0.00	1,069,830.77
RED ROCK, OK 08/21/14	0.00	15,849.36	0.00	15,849.36
RELIABLE, OH 01/29/88	112,140.01	23,087.38	0.00	135,227.39
RELIANCE NATIONAL, PA 10/03/01	55,190,990.82	21,275,578.93	0.00	76,466,569.75

Insolvent Companies Monies Paid from the Date of Insolvency to 12/31/2017 *(continued)*

Company Name, State and Date of Insolvency	Losses	Expenses	Unearned Premiums/ Expenses Paid	Total All Time LIGA Billings
RESERVE, IL 05/07/79	985,483.29	209,197.16	317,544.14	1,512,224.59
ROCKWOOD, PA 08/26/91	34,246,948.46	5,249,032.46	22,994.25	39,518,975.17
SAVANT, LA 11/07/01	1,127,156.31	304,384.34	0.00	1,431,540.65
SOUTH CENTRAL, LA 01/05/89	1,496,640.55	356,707.26	387,532.96	2,240,880.77
SOUTHERN AMERICAN, UT 03/20/92	1,420,480.93	1,212,415.90 ^o	0.00	2,632,896.83
SOUTHERN CASUALTY INS. CO., GA 03/20/13	1,907,828.73	3,216,799.72	165,154.97	5,289,783.42
SOVEREIGN FIRE & CASUALTY, LA 05/29/91	7,825,397.25	2,913,123.82	3,382,524.64	14,121,045.71
SUMMIT, NY 05/28/75	527,145.12	98,467.34	0.00	625,612.46
SUNBELT SOUTHERN, LA 12/02/88	296,126.70	296,507.48	0.00	592,634.18
TRANSIT, CA 12/03/85	23,987,519.51	6,106,077.92	17,251.46	30,110,848.89
U.S. CAPITAL, NY 11/20/97	1,959,275.14	1,471,939.79	0.00	3,431,214.93
U.S. INDEMNITY, LA 10/13/89	2,192,153.64	428,503.71	38,849.76	2,659,507.11
ULLICO, DE 05/30/13	431,944.85	102,935.24	0.00	534,880.09
UNION INDEMNITY, NY 06/16/85	683,366.39	209,907.69	5,553.00	898,827.08
UNITED AGENTS, LA 03/03/02	5,092,068.47	2,036,400.32	179,232.23	7,307,701.02
UNITED COMMUNITY, NY 11/10/95	5,802,227.78	2,480,189.81	166,571.56	8,448,989.15
UNITED SOUTHERN ASSURANCE, FL 09/18/97	1,334,715.94	605,917.36	0.00	1,940,633.30
UNIVERSAL SECURITY, TN 10/13/91	1,145,779.85	280,761.14	8,772.65	1,435,313.64
VILLANOVA INSURANCE CO., PA 07/28/03	409,660.59	93,772.30	0.00	503,432.89
YORKTOWN, IL 02/07/89	174,800.00	7,457.76	0.00	182,257.76
Inactive Company Totals	\$ 9,487,563.78	\$ 2,785,088.73	\$ 243,385.43	\$ 12,516,037.94
Totals	\$ 684,602,243.68	\$ 240,944,698.10	\$ 39,796,323.93	\$ 965,343,265.71

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