

NORTH CAROLINA INSURANCE GUARANTY ASSOCIATION

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January 20, 2000

CIRCULAR LETTER TO ALL MEMBER INSURERS

Re: Refunds - Company Insolvencies

During a meeting held on October 5, 1999, the Board of Directors of this Association reviewed the Associations obligations in connection with the outstanding insolvencies and voted to make the following refunds:

Refund - Ideal Mutual Insurance Company Insolvency

The Board of Directors has voted to refund to member insurers from the four assessments for the insolvency of Ideal Mutual Insurance Company made in February 1985, July 1985, May 1986 and November 1986 the amount of \$490,000. The refund is to be distributed among member insurers in proportion to the amount of assessments paid. The automobile refund amounts to \$117,600 and the assessments paid were \$1,224,406. Each company's share of this refund is \$117,600 , \$1,224,406 or .096046572 applied to its automobile assessments paid. The "all other" assessments paid amount to \$3,804,477 and the "all other" refund is \$372,400 , \$3,804,477 or .097884676 applied to a company's "all other" assessments paid.

Refund - Carriers Insurance Company Insolvency

The Board of Directors has voted to refund to member insurers from the assessment for the insolvency of Carriers Insurance Company made in November 1986 the amount of \$435,000. The refund is to be distributed among member insurers in proportion to the amount of assessments paid. The automobile refund amounts to \$304,500 and the assessments paid were \$674,701. Each company's share of this refund is \$304,500 , \$674,701 or .451311025 applied to its automobile assessments paid. The "all other" assessments paid amount to \$295,330 and the "all other" refund is \$130,500 , \$295,330 or .441878576 applied to a company's "all other" assessments paid.

Refund - Premier Alliance Insurance Company Insolvency

The Board of Directors has voted to refund to member insurers from the "all other" assessment for the insolvency of Premier Alliance Insurance Company

made in January, 1995 the amount of \$350,000. The refund is to be distributed among member insurers in proportion to the amount of assessments paid. The "all other" assessments paid amount to \$994,900 and the "all other" refund is \$350,000 , \$994,900 or .351794150 applied to a company's "all other" assessment paid.

Refund - Employers Casualty Company Insolvency

The Board of Directors has voted to refund to member insurers from the workers compensation assessment for the insolvency of Employers Casualty Company made in April 1994 the amount of \$250,000. The refund is to be distributed among member insurers in proportion to the amount of assessments paid. The refund amounts to \$250,000 and the assessments paid were \$498,496. Each company's share of this refund is \$250,000 , \$498,496 or .501508537 applied to its workers compensation assessments paid.

If a statement is attached hereto, it shows (1) the amount of assessments previously paid by your Company; (2) the amount of your Company's refunds; and (3) the total amount due your Company from this Association. Included with this statement you will find the Association's check for the amount due your Company by the Association.

Very truly yours,

John W. Watkins

Managing Secretary

JWW:lm

Enclosure

IGA-00-2