

# CONNECTICUT INSURANCE GUARANTY ASSOCIATION

*One Bowdoin Square  
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January 2, 2019

**TO: COMMISSIONER OF INSURANCE AND MEMBER INSURERS**

**RE: NOTICE OF ASSESSMENT AND REFUND OF ASSESSMENT**

The Board of Directors of the Connecticut Insurance Guaranty Association at its October 27, 2018 meeting reviewed the financial position of the Association and in view of the outstanding reserves, voted the following assessments and refunds of assessments as indicated below and on the enclosed statement:

<b>ASSESSMENT</b>	<b>AUTO</b>	<b>OTHER</b>	<b>WORKERS COMP</b>
Eastern Casualty Ins. Co.			\$425,000
Castlepoint National	\$1,900,000	\$1,500,000	1,400,000
	<b>\$1,900,000</b>	<b>\$1,500,000</b>	<b>\$1,825,000</b>
<b>Total Assessment</b>		<b>\$5,225,000</b>	
<b>REFUND</b>	<b>AUTO</b>	<b>OTHER</b>	<b>WORKERS COMP</b>
Reliance Insurance. Co.	(\$155,269)		
Legion Insurance Co.		(\$335,650)	
	<b>(\$155,269)</b>	<b>(\$335,650)</b>	<b>(\$0)</b>
<b>Total Refund</b>		<b>(\$490,919)</b>	
<b>Net Assessment</b>		<b>\$4,734,081</b>	

Effective June 2000, the statute was revised adding the following language “Each insurer paying an assessment under sections 38a-836 to 38a-853, inclusive, may offset one hundred percent of the amount of such assessment against its premium tax liability to this state under chapter 207. Such offset shall be taken over a period of the five successive tax years following the year of payment of the assessment, at the rate of twenty percent per year of the assessment paid to the association. Each insurer which has offset assessments paid to the association from its premium tax liability to the state shall pay to the state one hundred percent of any sums which are acquired by refund from the association pursuant to subdivision (2) of this section. The association shall notify the commissioner that such refunds have been made”.

Both of the refunds of assessments are on assessments paid subsequent to the premium tax offset provision and therefore are subject to reimbursement to the DRS. These amounts were assessed in 2001 and 2002 and should therefore be fully amortized. Accordingly, the entire amount of the refunds should be remitted to the DRS.

If a balance is due, enclosed you will find two copies of your company's assessment statement. Please return one copy along with your check payable to the Connecticut Insurance Guaranty Association for the amount indicated **no later than February 1, 2019**. Please inform us of any change to your address on your remittance and forward to our address below:

**CONNECTICUT INSURANCE GUARANTY ASSOCIATION  
ONE BOWDOIN SQUARE, 2<sup>ND</sup> FLOOR  
BOSTON, MA 02114-2916**

If money is to be returned to you, a check is enclosed. Please note that if an insolvency listed on this letter is not reflected on your company's assessment statement, you did not have premium for the applicable year. In the case of a refund, you were not previously assessed and therefore not eligible for a refund.

If you have any questions regarding your assessment statement, do not hesitate to contact us.

Very truly yours,

Kathleen M. Lavin,  
Treasurer  
klavin@gfms.org

Enclosure

cc: Jon Arsenault, Counsel for Connecticut Insurance Department (without enclosures)