



Nevada Insurance Guaranty Association

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August 31, 2017

To: Nevada Insurance Guaranty Association member companies

RE: Property and Casualty Guaranty Fund Assessment

Dear Member Company:

Nevada law (NRS 687A.060) requires, in part, that the Nevada Insurance Guaranty Association (NVIGA), through its Board of Directors, assess member insurers amounts necessary to pay the obligations of the Association. This letter is to notify you of the probability of an assessment by NVIGA in 2018.

NVIGA implemented a member assessment in 2017 as a result of cash-flow needs to pay claims of insolvent insurers. An Assessment Plan has been implemented which includes an annual cash needs evaluation to be conducted at the NVIGA Summer Board Meeting in August of each year. At that meeting this year the Board authorized an assessment of \$5,000,000 to be called in the first quarter of 2018 after evaluation of the 2017 year-end cash needs and utilizing the final Net-Direct Written Premium numbers. As of June 30, 2017 the 2016 Assessable Premium in Nevada was \$4,540,328,327 making the upcoming assessment .11% of member company Net-Direct Written Premium from the final 2016 NAIC Assessable Premium report.

The Board of Directors of NVIGA meets twice annually or as needed. The next scheduled meeting is set for February 6, 2018. The Board of Directors will consider options at that meeting.

I hope that you will find this letter to be of some assistance in your 2017 year end preparation as well as your 2018 fiscal budgeting. If you should have any questions, concerns, or need to discuss this further, please don't hesitate to contact me at (702) 368-0607.

Sincerely,
Nevada Insurance Guaranty Association

Bruce W. Gilbert
Executive Director