

# **RHODE ISLAND PROPERTY & CASUALTY INSURANCE GUARANTY ASSOCIATION**

*One Bowdoin Square  
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March 31, 2021

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

**RE: NOTICE OF REFUND OF LINE OF CREDIT**

In accordance with Rhode Island statute § 27-34-8, the Rhode Island Property & Casualty Insurance Guaranty Association, (“the Association”), previously the Rhode Island Insurers Insolvency Fund, is obligated to obtain a line of credit from a qualified financial institution for the purpose of having monies readily available to pay claims of new insolvencies. The statute provides a maximum amount of the line of credit for auto, all other and workers compensation. Should the Association be unable to obtain a line of credit on its own, the member insurers are to provide an irrevocable line of credit to the Association. In lieu of the line of credit, the statute allows for the member insurer to send a payment of assessment.

In 1992 the Association was unable to obtain a line of credit on its own, and as such, the member insurers were required to either:

1. Provide an irrevocable line of credit to the Association, or
2. In lieu of the line of credit, send a payment of the assessment to the Association.

In 1992 the Association collected \$1.3M from member insurers who chose to pay the assessment instead of providing an irrevocable line of credit.

Effective October 5, 2020, the Association was approved for a \$4.5M one-year unsecured line of credit from a qualified financial institution.

As a result of the execution of the unsecured line of credit the Association is returning the \$1.3M assessment previously obtained from member insurers.

Therefore:

If you opened a line of credit on our behalf, you may now close that line.

If you provided funds to us, enclosed you will find a copy of your company’s assessment statement and a check for the amount indicated.

If you have any questions relative to the above, or the enclosed, do not hesitate to contact me at (617) 603-4775 or [hholland@gfms.org](mailto:hholland@gfms.org).

Sincerely,



Heather Holland  
Treasurer

Enclosure

cc: Rhode Island Property & Casualty Insurance Guaranty Association Board of Directors