

HAWAII INSURANCE GUARANTY ASSOCIATION

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November 5, 2021

TO: MEMBER INSURERS OF THE HAWAII INSURANCE GUARANTY ASSOCIATION

RE: Levy Only of 2021 Assessment and Abatement of 2020 Assessment

At a Regular Meeting of the Board of Directors on October 26, 2021 the Board approved the levy of a maximum assessment of 2% (two percent) for calendar year 2021. At that time, it was also decided that the actual call (billing) would be deferred to a future date.

It was also decided that the assessment for 2020 that was levied in November, 2020, but not called/billed, will be rescinded and deemed no longer outstanding.

HIGA has been active in discharging its obligations and responsibilities to policyholders and claimants for a number of insolvent member insurers. These include the following:

- HIH America Compensation & Liability Ins. Co. (liquidated 5/8/01)
- Reliance Insurance Company (liquidated 10/3/01)
- PHICO Insurance Company (liquidated 2/1/02)
- HIH America Insurance Co. of Hawaii, Inc. (liquidated 5/31/02)
- Home Insurance Co. (liquidated 6/13/03)
- Fremont Indemnity Co. (liquidated 7/2/03)
- Legion Insurance Co. & Villanova Ins. Co. (liquidated 7/28/03)
- The Hawaiian Insurance & Guaranty Company Limited (liquidated 8/21/06)
- Park Avenue Property & Casualty Ins. Co. (liquidated 11/20/09)
- Imperial Casualty & Indemnity Co. (liquidated 5/12/10)
- Atlantic Mutual Insurance Company (liquidated 4/27/11)
- Centennial Insurance Company (liquidated 4/27/11)
- Western Insurance Company (liquidated 9/13/11)
- Lumbermens Mutual Casualty Co. (liquidated 5/10/13)
- ULLICO Casualty Company (liquidated 5/30/13)
- Freestone Insurance Company (liquidated 8/15/14)
- Red Rock Insurance Company (liquidated 8/21/14)
- Lincoln General Insurance Company (liquidated 11/5/15)
- CastlePoint Insurance Company (liquidated 4/1/17)
- Guarantee Insurance Company (liquidated 11/27/17)
- Bedivere Insurance Company (liquidated 3/11/21)

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The Board has, therefore, determined that it is necessary to levy the 2021 assessment and reserve the actual call (billing) for a future date. Based on the lack of adequate and sufficient information surrounding loss and related liabilities for these insolvencies, it is not predictable, when and if, a call for some, all or none of 2021's assessment will be made.

**PLEASE NOTE THAT THIS IS A NOTICE OF AN ASSESSMENT THAT
MAY OR MAY NOT BE CALLED.**

DO NOT REMIT PAYMENT TO HIGA WITH THIS NOTICE

PLEASE ALSO NOTE THAT THE AMOUNT OF YOUR ASSESSMENT SHOULD NOT BE INCLUDED AS AN AMOUNT TO BE SURCHARGE RECOUPED FROM POLICYHOLDERS AS PROVIDED UNDER §431:16-15, H.R.S. UNLESS AND UNTIL, ANY OR ALL OF THE AMOUNT ASSESSED IS ACTUALLY PAID.

PRIOR APPROVAL FROM THE INSURANCE COMMISSIONER IS REQUIRED FOR ANY AND ALL RECOUPMENT PLANS AND MUST BE SUBMITTED TO HIS OFFICE BEFORE IMPLEMENTING SURCHARGE RECOUPMENT.

Should you have any questions, please do not hesitate to contact our office.

Sincerely,



Blake Obata
Executive Director