MARCH 30, 2023

2022
ANNUAL REPORT

LIGA

LOUISIANA INSURANCE GUARANTY ASSOCIATION

Contents

Our Mission

TO PAY COVERED CLAIMS OF INSOLVENT PROPERTY AND CASUALTY INSURANCE COMPANIES IN A PROMPT, COURTEOUS AND CARING MANNER AT A FAIR AND EQUITABLE COST, AND TO ALSO AID THE INSURANCE DEPARTMENT IN THE DETECTION AND PREVENTION OF INSURER INSOLVENCIES.

Introduction

For the Louisiana Insurance Guaranty Association, 2022 began where 2021 left off. In fact, it is difficult to tell LIGA's 2022 story without recognizing the 2021 precursors. First, American Capital Assurance Corporation (AmCap) collapsed in April of 2021 under the weight of the Texas winter storm Uri and the litigious Florida market. GulfStream Property and Casualty Insurance Company quickly followed in July. These insolvencies were not significant matters on their own, but they were the "canary in the coal mine"—an early warning sign of what was to come in the property insurance markets of the Southeastern United States.

Hurricane Ida made landfall in Southeast Louisiana as a Category 4 hurricane on August 29, 2021. Property insurers, many of whom paid significant amounts relating to 2020 Hurricanes Laura, Delta and Zeta, were met with a deluge of claims amid hyperinflation in building materials and construction labor caused by the coronavirus pandemic and the storm demand. Several carriers did not carry enough catastrophe reinsurance to survive.

LIGA began assisting policyholders when State National Fire Insurance Company (SNFIC) and Access Home Insurance Company (AHIC) were placed into rehabilitation on 11/10/2021. LIGA worked with the Commissioner, Receiver and Court to begin assisting policyholders in advance of the anticipated liquidation orders from the Nineteenth Judicial District Court. Besides assuming the day-to-day payment of claims, LIGA was also called upon to pledge funds to avert the companies' banks from rejecting $67 million in outstanding checks. In the closing days of 2021, LIGA also helped fund the transfer of policies for SNFIC and AHIC to a solvent carrier.

In January 2022, SNFIC and AHIC were placed into liquidation. Subsequently in 2022, six additional homeowners' companies became insolvent. In this report, LIGA will attempt to succinctly relate the enormity and complexity of assisting policyholders in the aftermath of these insolvencies.

Insolvencies

LIGA is no stranger to insurer insolvencies—after all, the LIGA mission is to assist policyholders affected by such. However, the recent failures in the Louisiana insurance market are truly unprecedented. The closest comparison to the current environment was the failure of multiple auto insurers between 1989 and 1993. While those insurers left over 100,000 unpaid claims, those insolvencies and claims were spread over several years, were primarily minimum limits liability claims, and many of the claimants had access to other insurance coverage for their losses. The current wave of claims involve homeowner claims from Hurricanes Laura, Delta, Zeta and Ida, all occurring over a 12-month period.

The recent insolvencies can be correlated to two primary factors. First, as had been stated, several insurers were not adequately reinsured for an Ida-sized catastrophe. Second is the Florida litigation environment. It has been heavily publicized that the property litigation in Florida makes up the majority of such litigation in the country. While some of this variance can be attributed to the storms that have battered the Florida coast over the past decade, much of the blame has been placed on the overburdensome requirements that its legislature has placed on insurers and the corresponding penalties that policyholders can collect when their carriers are found out of compliance.

Insolvencies during 2021 and 2022	Type	Year of	State of Domicile
FedNat Ins. Co.*	Homeowners	2022	FL
Weston Property & Casualty Ins. Co.	Homeowners	2022	FL
Southern Fidelity Ins. Co.	Homeowners	2022	FL
Lighthouse Property Ins. Corp.	Homeowners	2022	LA
Lighthouse Excalibur Ins. Co.	Homeowners	2022	LA
Americas Ins. Co.	Homeowners	2022	LA
Access Home Ins. Co.	Homeowners	2021	LA
State National Fire Ins. Co.	Homeowners	2021	LA
Highlands Ins. Co.	Commercial Multi-line	2021	TX
Gulfstream P&C Ins. Co.*	Homeowners	2021	FL
American Capital Assurance Corp.	Commercial Property	2021	FL
Bedivere Ins. Co.	Commercial Multi-line	2021	PA

*Gulfstream Select Insurance Company (LA) was merged into Gulfstream P&C just prior to the liquidation of the latter. Similarly, Maison Insurance Company (LA) merged into FedNat shortly before its insolvency.

Transfer of Documents

One of the functions of an Order of Liquidation is the appointment of a Receiver who will act as trustee, manager and records custodian of the insurer. Insurance guaranty associations are reliant upon this entity to provide the data and documents necessary for the evaluation of claims and premium refunds. As insurer information systems are designed to meet the specific needs of each company and not to transition claims to guaranty funds, mining data and documents is neither the easiest nor the quickest of tasks. Additional factors can complicate the process and delay the delivery of data to guaranty funds. Among these are 1) outsourced data models where third-party vendors might control the datasets, 2) multiple insolvencies competing for the time and technical resources of the same receiver, and 3) the number of distinct applications/databases that each insurer utilized. For example, the Florida Department of Financial Services, Receiver, had to pull data from seven distinct systems as FedNat had separate programs or merged entities on separate platforms. The FedNat insolvency followed Southern Fidelity and Weston, all Florida-domiciled companies. Certain datasets were not received by LIGA for nearly six months.

We have been working with the Louisiana Department of Insurance, the National Association of Insurance Commissioners, and the National Conference of Insurance Guaranty Funds on ways to increase the efficiency and effectiveness of the transition of claims and data.

Claims

As LIGA provides a safety net for a broad swath of the property and casualty market, new claims received by LIGA can vary greatly from year to year, in quantity and types. Naturally the numbers and types of new claims are driven by the most recent insolvencies.

Adjusting claims in the current environment is made difficult by three factors:

- The nature of homeowners' claims.
    - Property claims require a different mix of knowledge, skills and experience than workers compensation, automobile or liability. Construction knowledge and experience with estimating software are examples.

  - Homeowners' policies contain several separate coverages and limits. The policy contracts vary from company to company and many homeowners do not understand the terms and conditions therein.
  - The prevalence of supplements and recoverable depreciation extend the time claims remain open.

- The nature of hurricane claims.
  - Hurricanes increase the volume and severity of homeowners claims.
  - Power outages and civil disruption cause delays for homeowners and insurers alike, slowing down the mitigation efforts of both.
  - Good estimators and builders are in high demand, delaying adjusting and completing repairs.
  - Materials and labor costs are constantly changing.

- The nature of insolvency claims.
  - Many claims that are received were not managed well prior to the company's insolvency.
  - Besides the difficulty with data mining, migration and conversion, LIGA must contend with incomplete or faulty pre-insolvency data and limited access to the carriers' systems. LIGA must take the best data at hand, confirm statuses of damages, payments and coverage specifics.
  - Even though a receiver sends data on open claims, the prevalence of reopened claims leads to additional work and additional waiting.
  - Liquidation law and LIGA law provide added complexities such as statutory limits, additional deadlines and excluded damages.

As has been stated, LIGA was dealt several insolvencies, each with homeowner claims from multiple storms.

To meet the challenge of assisting this amount of policyholders, LIGA engaged the assistance of Legion Claims Services ("*Legion*") to serve as Claim Services Coordinator (the "*CSC*"). As CSC to LIGA, Legion provides a multitude of services including a call center, quality control, data entry and training. Legion also provides specialty adjusters for litigation, alternative dispute resolution, escalation and special projects. Most importantly, the CSC assists LIGA in the supervision of over a dozen independent adjusting firms (each an "*IAF*") that provide desk and field adjusters to work homeowner claims on behalf of LIGA. Claim reports are generated by the adjusters, reviewed by an IAF supervisor prior to being submitted to the CSC, who upon satisfactory review, forwards the payment recommendations to LIGA's accounting department for payment of the claim.

Premium Refunds

In addition to the perils covered under the insurance policies, the LIGA statute also provides an added benefit to policyholders. LIGA is able to refund, with certain limitations, the proportion of prepaid dollars that were unearned due to the timing of the insurer insolvency and resulting loss of coverage. LIGA utilized two methods to fulfill its unearned premium obligations.

For most insolvencies, LIGA mails payments to individuals once the Receiver has certified that such are owed premium refunds. In 2022, LIGA paid over $77 million on 76,672 separate policies.

LIGA has also assisted the Receiver and Commissioner in their efforts to move certain policies to the private market. LIGA first assisted in this manner in December 2021 for State National Fire and Access Home. In 2022, LIGA similarly funded $24.6 million to transition 27,955 policyholders to Safepoint Insurance Company following the failure of Americas Insurance Company.

Funding LIGA's Mission

LIGA funding comes from three sources: 1) Distribution of assets from insolvent insurers; 2) Industry assessments; and 3) Borrowing (loans and bonds).

Liquidator Distributions

Distribution of assets from insolvent insurers may come in a variety of manners depending on the receivership jurisdiction and liquidity of assets. The majority of funds come many years after the order of liquidation as it takes time for the receiver to marshal the company's assets and determine all the creditors. However, it is not uncommon for receivership courts to recognize the special nature of guaranty funds and provide early access to limited funds from the liquidity of the company. LIGA received $56.8 million from receiverships in 2022 including $25 million in early access funds from the recent property insolvencies. Estate distributions alone proved inadequate for LIGA's 2022 funding needs.

Assessments

In order to carry out its mission, LIGA is permitted under Louisiana Law to assess licensed insurance companies up to one percent of their annual premium writings. This allows LIGA to fund the covered claims timely while waiting significant lengths for liquidator distributions that are usually fractions of what LIGA has paid to policyholders and claimants.

From 2005 to 2020, LIGA was funded sufficiently as to pay the claims and operate the Association without the need to assess members. In fact, during this period, LIGA was able to refund to its stakeholders $151 million as various older receiverships closed and distributed the assets of the insurers' estates.

In December 2021, the influx of claims and insolvencies caused LIGA to assess its full one-percent authority. From this 2021 assessment, LIGA received $100.3 million after January 1, 2022. LIGA again assessed one percent on April 4, 2022, fully utilizing its 2022 authority and collecting $105.3 million.

Borrowing

As the insolvencies and claims mounted, it became apparent that the assessments would also not raise enough to continue paying claims as they came due. Thus, LIGA began the process of raising funds through borrowing. LIGA first sought to advise, and receive the cooperation of, the Louisiana State Bond Commission and the Louisiana Local Government Environmental Facilities and Community Development Authority (LCDA).

LIGA then approached commercial banks with the understanding that loans, if funded on acceptable terms, could likely be funded quicker than a public offering. Ultimately, LIGA assisted by its placement agent, Crews and Associates, found five banks who collectively offered LIGA acceptable terms on $142 million. This was deemed the LIGA 2022A notes and closed on 8/31/2022.

LIGA then sought additional funds through a public offering. $458 Million in tax-exempt securities were issued through the LCDA with Wells Fargo Bank serving as Senior Underwriter. These Series 2022B bonds, the last of which mature in 2038, offer a 5% coupon. LIGA's Bonds were rated A1 by Moody's and AA- by KBRA. The bonds were sold at a premium, raising $478 million.

Statistics	Series 2022A	Series 2022B	Aggregate
Delivery Date	08/31/2022	11/30/2022	n/a
Last Maturity	08/15/2034	08/15/2037	08/15/2037
Total Investment Cost	4.327%	4.433%	4.412%
Average Coupon	4.250%	5.000%	4.757%
Average Life (years)	7.8 years	9.9 years	9.6 years
Deposit to Claims Fund	**$ 141,244,615**	**$ 478,089,152**	**$ 619,333,767**

While the debt instruments contain early redemption provisions, the below chart shows the annual schedule of minimum payments.

	SERIES 2022A NOTES ($)			SERIES 2022B BONDS ($)			AGGREGATE DEBT SERVICE ($)			
Bond Year	Principal	Interest	D/S	Principal	Interest	D/S	Principal	Interest	D/S	Coverage
08/14/2024	—	8,801,042	8,801,042	—	27,670,833	27,670,833	—	36,471,875	36,471,875	2.85x
08/14/2025	—	6,035,000	6,035,000	—	22,900,000	22,900,000	—	28,935,000	28,935,000	3.59x
08/14/2026	11,641,000	5,787,629	17,428,629	22,485,000	22,337,875	44,822,875	34,126,000	28,125,504	62,251,504	1.67x
08/14/2027	12,146,000	5,282,155	17,428,155	23,640,000	21,184,750	44,824,750	35,786,000	26,466,905	62,252,905	1.67x
08/14/2028	12,674,000	4,754,730	17,428,730	24,855,000	19,972,375	44,827,375	37,529,000	24,727,105	62,256,105	1.67x
08/14/2029	13,224,000	4,204,398	17,428,398	26,125,000	18,697,875	44,822,875	39,349,000	22,902,273	62,251,273	1.67x
08/14/2030	13,798,000	3,630,180	17,428,180	27,465,000	17,358,125	44,823,125	41,263,000	20,988,305	62,251,305	1.67x
08/14/2031	14,397,000	3,031,036	17,428,036	28,875,000	15,949,625	44,824,625	43,272,000	18,980,661	62,252,661	1.67x
08/14/2032	15,023,000	2,405,861	17,428,861	30,355,000	14,468,875	44,823,875	45,378,000	16,874,736	62,252,736	1.67x
08/14/2033	15,675,000	1,753,529	17,428,529	31,915,000	12,912,125	44,827,125	47,590,000	14,655,654	62,255,654	1.67x
08/14/2034	16,356,000	1,072,870	17,428,870	33,550,000	11,275,500	44,825,500	49,906,000	12,348,370	62,254,370	1.67x
08/14/2035	17,066,000	362,653	17,428,653	35,270,000	9,555,000	44,825,000	52,336,000	9,917,653	62,253,653	1.67x
08/14/2036	—	—	—	54,955,000	7,299,375	62,254,375	54,955,000	7,299,375	62,254,375	1.67x
08/14/2037	—	—	—	57,775,000	4,481,125	62,256,125	57,775,000	4,481,125	62,256,125	1.67x
08/14/2038	—	—	—	60,735,000	1,518,375	62,253,375	60,735,000	1,518,375	62,253,375	1.67x
Totals	142,000,000	47,121,082	189,121,082	458,000,000	227,581,833	685,581,833	600,000,000	274,702,915	874,702,915	

Non-Property Insolvencies

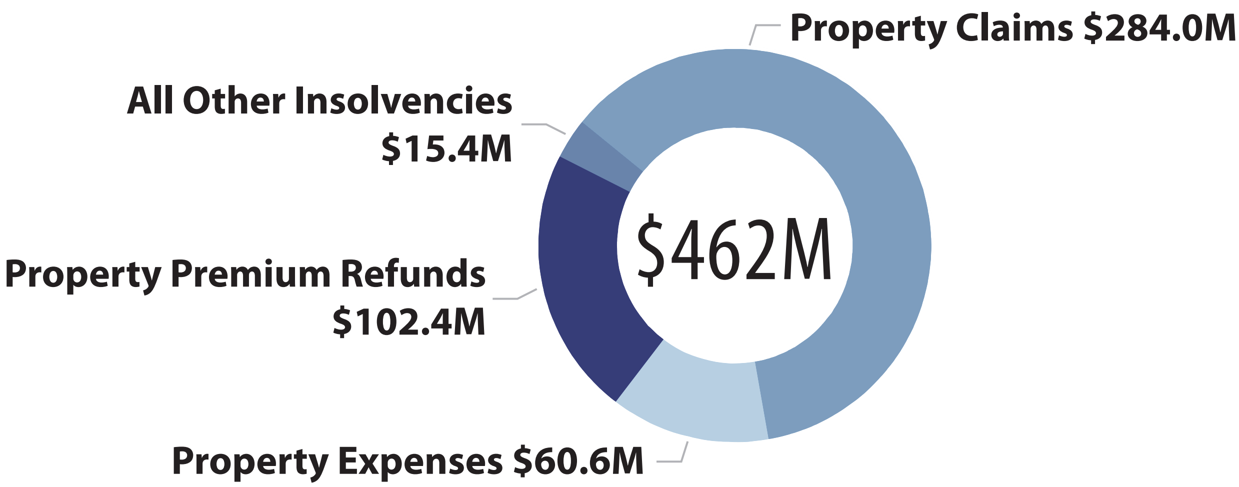
While most of LIGA's activities were the result of the recent property insolvencies, one should not overlook the activities on slightly older yet active insolvencies.

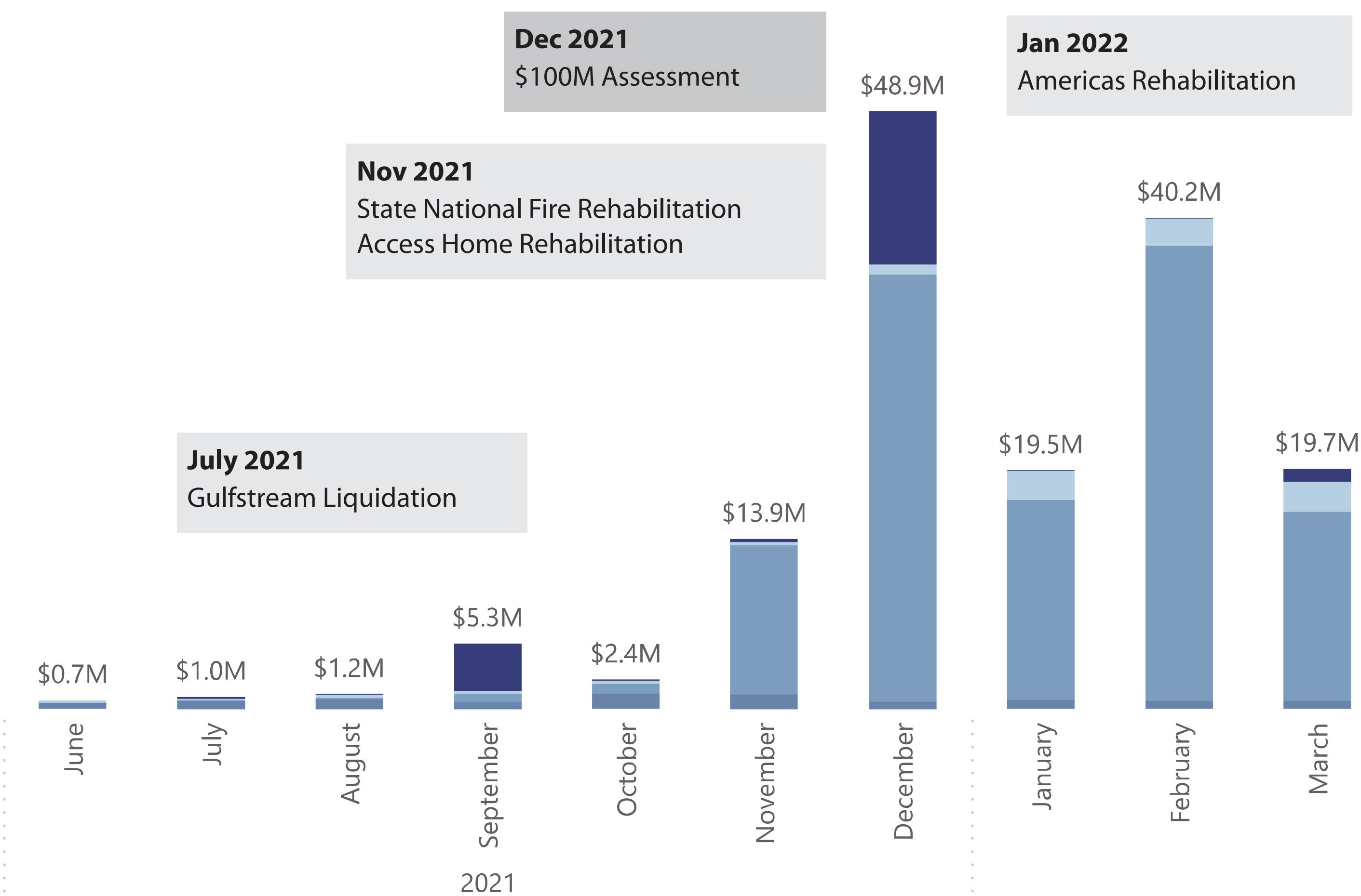
- Due in large part to the Bedivere insolvency in early 2021, payments on environmental claims increased to $5.8 million in 2022.
- There was also increased activity in the commercial auto claim payments. A total of $3.4 million in claim disbursements were made on the two 2020 Illinois insolvencies of Gateway and American Service.
- In 2022, LIGA received closing orders and final distribution for Gramercy Insurance Company. This was a Texas insolvency dating back to 2013. Gramercy had two lines of business in Louisiana. Their primary operation was as a fronting company on non-standard auto policies. During the company's rehabilitation phase, this book of business was assumed by another carrier and LIGA was not responsible for the losses. On much smaller scale, the company also sold a limited number of trucking policies that were subject to LIGA protection. LIGA paid out just over $1 million dollars and recovered about half of this amount through liquidator distributions.

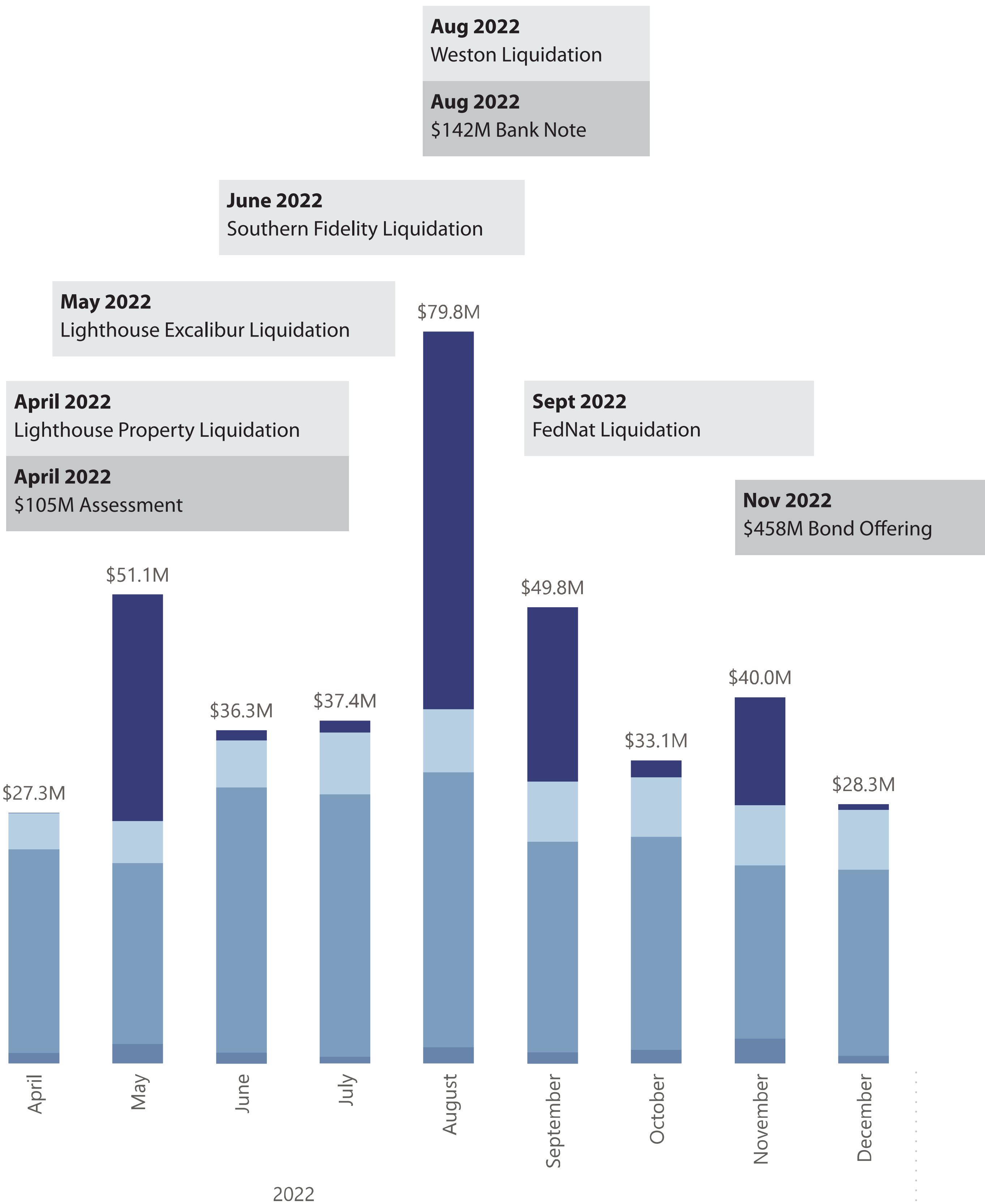
Conclusion

The post-Ida insolvencies have presented LIGA with many challenges, however we understand that our struggles pale in comparison to the struggles of those who have suffered the twin catastrophes of a natural disaster and an insurance insolvency. The Board, management, staff and contractors of LIGA are honored by the trust placed in us and are anxious to accomplish our mission. We will continue to assist policyholders of these failed insurers and stand ready to assist the public with any additional insolvencies.

2022 Disbursements






Aug 2022
Weston Liquidation
Aug 2022
$142M Bank Note
June 2022
Southern Fidelity Liquidation
May 2022
Lighthouse Excalibur Liquidation
April 2022
Lighthouse Property Liquidation
April 2022
$105M Assessment
Sept 2022
FedNat Liquidation
Nov 2022
$458M Bond Offering
$27.3M
$51.1M
$36.3M
$37.4M
$79.8M
$49.8M
$33.1M
$40.0M
$28.3M
April
May
June
July
August
September
October
November
December
2022

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March 30, 2023

REPORT OF GENERAL COUNSEL

January 1, 2022 – December 31, 2022

1. 2022 LEGISLATION

There were two Bills adopted by the 2022 Legislature directly affecting LIGA.

Act No. 185, effective 8/1/2022, (H.B. 664) made technical changes to R.S. 22:2057 regarding LIGA's Board of Directors, and R.S. 22:2059 regarding LIGA's Plan of Operation dealing with the requirements for a hearing.

Act No. 753, effective 6/18/2022, (S.B. 402) amended the statute providing for special masters in certain civil actions arising within a parish included in a major disaster declaration to provide, among other changes, that LIGA may voluntarily participate in such proceedings six months after the order of receivership or liquidation, or at such time before then when in its sole discretion it determines it has enough information to participate.

There were several other bills that would have made LIGA liable for bad faith penalties applicable to insurance companies, and/or to eliminate the six-month stay in certain circumstances, which are discussed in greater detail in my 2022 Legislative Report to the Board dated June 30, 2022.

2. REVISIONS TO THE PLAN OF OPERATION AND POLICIES AND PROCEDURES MANUAL

No revisions to LIGA's Plan of Operation or Policies and Procedures Manual were made in 2022.

3. IMPORTANT CASES

We were able to obtain three favorable decisions upholding the LIGA claim filing deadline provision, and have several other Motions pending on that issue in hopes of building a substantial body of jurisprudence interpreting that statute. So far, none of those decisions are final judgments as the cases are still ongoing and the Opinions have not been certified as final judgments, but we are hopeful that one or more of those decisions will become final soon.

Two federal courts and the Department of Insurance are investigating a law firm which has filed thousands of claims in connection with potential insurance fraud, alleging to represent claimants without valid retention agreements, and other alleged problems with their purported representation. These investigations are ongoing.

4. MISCELLANEOUS

We assisted LIGA with the complex issues involved in the combination of a private placement of $142 million and a public offering of $458 million to secure a combined $600 million bond financing of its obligations incurred due to the insolvencies of multiple insurance companies, of which you are aware.

LIGA also assessed its Member Insurers the maximum amount of its one (1%) percent assessment authority in 2021, which was actually collected during 2022, and assessed its Member Insurers another one (1%) percent in 2022.

We continue to advise LIGA contract defense counsel regarding the many issues facing LIGA at this complex time. We advise them regarding the appropriate arguments to guide the courts toward the interpretations of LIGA Law that are most consistent with LIGA's purpose to provide for the payment of covered claims with a minimum delay and a minimum loss to claimants or policyholders due to the insolvency of an insurer.

It was my great honor and privilege to serve LIGA as its General Counsel once again in 2022. Please let me know if you would like any additional information regarding any of these issues, or any other matter of concern to you.

Kindest regards.
Sincerely,

Stephanie B. Laborde

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LaFleur & Laborde, LLC

Postlethwaite & Netterville

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A Professional Accounting Corporation

Independent Auditors' Report

Members and Directors
Louisiana Insurance Guaranty Association
Baton Rouge, Louisiana

Opinion. We have audited the accompanying financial statements of Louisiana Insurance Guaranty Association (the Association), which comprise the statements of financial position arising from cash transactions as of December 31, 2022 and 2021, the related statements of activities arising from cash transactions for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and liabilities arising from cash transactions of Louisiana Insurance Guaranty Association, as of December 31, 2022 and 2021, and its activities arising from cash transactions during the years then ended in accordance with the cash basis of accounting described in Note 1.

Basis for Opinion. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matters. We draw attention to Note 1 of the financial statements, which describes the Association's basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

The accompany financial statements do not recognize all known financial obligations of the Association. As further described in Notes 7 and 8, the Association's management has estimated that the Association has financial obligations, which have not been audited, which are estimated to be significantly in excess of the Association's assets at December 31, 2022. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements. Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Postlethwaite & Netterville

Auditors' Responsibilities for the Audit of the Financial Statements. Our objectives are to obtain reasonable assurance about whether the cash basis financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Postlethwaite & Netterville

Baton Rouge, Louisiana
March 27, 2023

Statements of Financial Position Arising from Cash Transactions

December 31, 2022 and 2021

Assets	2022	2021
Cash and cash equivalents	$ 544,715,475	$ 75,353,910
Investments, at cost	3,455,251	32,512,843
	$ 548,170,726	**$ 107,866,753**

Liabilities and Net Assets (Deficit)		
Outstanding checks in excess of bank balances	$ 39,740,473	$ 23,726,854
Long-term debt	600,000,000	—
	$ 639,740,473	**$ 23,726,854**
Net assets (deficit) — without donor restrictions	(91,569,747)	84,139,899
	$ 548,170,726	**$ 107,866,753**

The accompanying notes are an integral part of these statements.

Statements of Activities Arising from Cash Transactions

December 31, 2022 and 2021

Receipts	2022	2021
Assessment revenue	$ 205,653,379	$ —
Distributions from liquidators	56,839,303	9,780,977
Premium received on bond issuance	22,466,650	—
Interest income	1,197,921	3,078,033
Net gain on disposition of investments	540,148	1,472,179
Restitution	200	107,805
	286,697,601	**14,438,994**
Disbursements		
Program Services		
Claims paid	295,094,010	55,152,333
Return of unearned premiums	102,350,364	17,461,129
Claims handling costs	55,177,166	1,330,145
Legal fees and expenses	3,305,181	2,081,396
Professional and bank fees	352,198	106,738
Staff salaries, taxes, and benefits	1,670,242	1,243,986
Bond issuance expenses	3,042,884	—
Administrative expenses and other	870,006	414,723
Supporting Services		
Travel, meetings, and seminars	34,763	8,493
Staff salaries, taxes, and benefits	294,749	219,527
Administrative expenses and other	215,684	92,023
	462,407,247	**78,110,493**
Excess of Receipts Over (Under) Disbursements	(175,709,646)	(63,671,499)
Net assets — beginning of the year	84,139,899	147,811,398
Net assets (deficit) — end of the year	**$ (91,569,747)**	**$ 84,139,899**

The accompanying notes are an integral part of these statements.

Notes to Financial Statements

1. Significant Accounting Policies

Organization

The Louisiana Insurance Guaranty Association (the Association) is an organization created by the Louisiana Insurance Guaranty Act to pay for the claims against insolvent member insurance companies. Funds are provided for the payment of the claims by the assessment of the remaining member insurance companies. All admitted insurance companies doing business in Louisiana are required to be members of the Association (excluding the following lines of business: life, health and accident, title, disability, mortgage guaranty, and ocean marine insurance, as well as all types of reinsurance).

The Association's day-to-day operations and management are performed by the Association's staff under the direction of the Board of Directors. The Association also contracts with outside staffing services, claims service providers, and other professionals to carry out these functions.

Accounting Method

The Association's policy is to prepare its financial statements on the basis of cash receipts and disbursements; consequently, revenue and related assets are recognized when received, and expenses and related liabilities are recognized when paid. Accordingly, no liabilities are recorded for future payments for return of unearned premiums, loss claims and related expenses, or return of early access distributions received. As discussed in Note 7, the Association regularly estimates amounts for such liabilities.

Equipment and Facilities

The Association recognizes equipment and facilities as cash disbursements when incurred. These items are not capitalized and depreciated under the Association's cash basis of accounting.

Debt Obligations and Interest Cost

The Association recognizes debt obligations for borrowed funds when debt agreements are entered and cash is received from lenders. Debt obligations are recognized and reported as a cash basis liability in the amount of cash basis obligation owed. Upon entering into debt obligations, the Association may receive more or less cash proceeds from debt offerings, as premiums or discounts, than is required to be repaid as principal under the debt agreements to lenders. Such premiums of the cash received from debt offerings and the debt obligations owed is recognized as a cash receipt for the debt premium when received upon entering into the debt agreement.

The issuance of debt obligation requires the Association to expend cash for debt issuance expense purposes which are recognized as a cash basis disbursement when these costs are paid. The Association recognizes interest cost when paid and does not accrue interest cost associated with debt or other obligations.

Income Taxes

The Association is exempt from income taxes under Internal Revenue Code Section 501(c)(6); therefore, no provision for income taxes has been made.

Reclassification

Certain amounts have been reclassified in the December 31, 2021 financial statements to conform their presentation to that used in December 31, 2022 financial statements.

2. Net Assets (Deficit)

Net assets represent funds collected from member insurance companies, distributions from liquidators, investment income, and other receipts in excess of funds disbursed to pay claims and expenses of the Association. Net deficit represents cash basis liabilities in excess of the available assets resulting from borrowings to meet Association's financial obligations. All assets are considered restricted under the Act which created the Association. Excess funds are to be used for the payment of claims, return of unearned premiums and reimbursement of expenses incurred for the insolvent member insurance companies (see Note 7) and return of early access distributions to liquidators (see Note 6). The Association has no donors and accordingly none of the Association's net assets are subject to donor restrictions.

As further described in Note 4, during 2022 the Association entered into loan and bond agreements which, among other commitments, provides a security interest in the Association's assets and future assessments.

3. Cash & Cash Equivalents and Investments

The Association maintains cash and cash equivalents in demand deposit and short-term repurchase agreements with financial institutions which are considered cash equivalents. The Association enters into short-term repurchase agreements with financial institutions whereby the Association purchases U.S. Government securities with an agreement to resell the securities to the financial institution at cost. The Association also invests in money market accounts which are maintained in trust accounts established pursuant to the notes and bond trust indenture agreements as further described in Note 4. At December 31, 2022 and 2021 cash and cash equivalent amounts were comprised of:

	2022	2021
Short-term repurchase agreements	$ 52,521,383	$ 33,320,723
Money market accounts	492,194,092	42,033,187
	$ 544,715,475	$ 75,353,910

At December 31, 2022, approximately $492,140,000 of the money market accounts are invested in Goldman Sachs Financial Square Government Fund which invests in U.S. Treasury and U.S Government Agency obligations.

The Association's investments are recorded at cost and consisted of the following at December 31, 2022 and 2021:

		2022		2021
	Cost	Estimated Fair Value	Cost	Estimated Fair Value
U.S. Treasury notes and bonds	$ 589,066	$ 591,553	$ 24,123,899	$ 24,900,994
U.S. Government Agency obligations	2,669,795	2,681,746	8,388,944	8,625,981
Corporate Bonds	196,390	195,932	—	—
	$ 3,455,251	$ 3,469,231	$ 32,512,843	$ 33,526,975

The Association's policy is to purchase securities issued by the U.S. Treasury, obligations issued or guaranteed by the U.S. Government and its Agencies and up to 20% of the investment portfolio can be invested in highly rated corporate bonds.

The Association purchases securities at premiums or discounts from the contractual maturity amount of the security. Pursuant to the cash basis of accounting, these premiums and discounts are not amortized over the holding period of the security. Instead, investments are stated at original cost and any original premiums or discounts are reported as gains or losses upon maturity or sale of the respective security. Accordingly, interest income represents the contractual interest payments received under the investment securities.

The cost and estimated fair value of investments at December 31, 2022, by contractual maturity, are shown below. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Cost	Estimated Fair Value
Due in one year or less	$ 1,179,139	$ 1,181,050
Due after 1 year through 5 years	2,276,112	2,288,181
Due after five years	—	—
	$ 3,455,251	$ 3,469,231

Financial instruments are carried at cost in accordance with the cash basis of accounting as well as disclosures of estimated fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, other than in a forced or liquidation sale.

The Association's investment securities have been classified, for disclosure purposes, based on a hierarchy which prioritizes the inputs to valuation techniques to measure fair value into three broad levels. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). Classification is based on the lowest level input that is significant to its measurement. The levels of the fair value hierarchy are as follows:

- Level 1 – Valuation is based on quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 assets and liabilities generally include debt and equity securities that are traded in an active exchange market. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.
- Level 2 – Valuation is based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The valuation may be based on quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability.
- Level 3 – Valuation is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which determination of fair value requires significant management judgment or estimation.

The Association's investments in money market accounts, U.S. Treasury notes and bonds are considered to have fair values derived using Level 1 criteria, while investments in U.S. Government Agency obligations and corporate bonds are considered to be based on Level 2 criteria.

4. Long-term Debt

During 2022, the Association entered into long-term debt agreements which consisted of the following at December 31, 2022:

LCDA Insurance Assessment Revenue Notes Series 2022A	$ 142,000,000
LCDA Insurance Assessment Revenue Bonds Series 2022B	458,000,000
Long-term debt outstanding	$ 600,000,000

The Louisiana Local Government Environmental Facilities and Community Development Authority (LCDA), the bond issuer, entered into a financing agreement with the Association pursuant to which the issuer provided funds to the Association in order to finance the payment of covered claims and returned premiums under certain insurance policies to avoid delay in payment and to provide financial assistance to claimants and policyholders of member insurers under rehabilitation or liquidation.

Pursuant to the Note and bond offering documents, the bond trustee and the Association established certain reserve funds to be maintained by the trustee whereby certain funds from the bond offering are maintained for designated purposes and are not available for general purposes of the Association. The Association maintained $491,890,569 of cash and cash equivalents in the claims funds which is available for the payment of eligible claims and related costs and expense of the Association at December 31, 2022.

Pursuant to the Note and Bond agreements, the Association is obligated to assess members by May 1st of each year in an amount up to 125% of the annual debt service for the Notes and Bonds until these debts are repaid. Upon receipt of assessments, the Association is to establish debt service reserves from annual assessments in amounts sufficient to meet the annual debt service requirements. However, the annual assessment to member insurers is limited to 1% of assessable premiums as further described in Note 5.

Series 2022A Notes

The Notes are subject to an indenture of trust dated August 31, 2022 between LCDA and Hancock Whitney Bank, as trustee. The Notes have a maturity date of August 15, 2034 with principal payments commencing August 15, 2025 and annually thereafter as reflected in the below repayment schedule. The Association may also redeem Notes prior to maturity, up to $30 million per year, upon the Association continuing to maintain certain reserves and financial covenants. The Notes bear interest of 4.25% which is payable on February 15 and August 15 of each year, commencing on August 15, 2023.

Series 2022B Bonds

The Bonds are subject to an indenture of trust dated November 30, 2022 between LCDA and Hancock Whitney Bank, as trustee. The Bonds have a maturity date of August 15, 2038 with principal payments commencing August 15, 2025 and annually thereafter as reflected in the below repayment schedule. The Bonds are also subject to optional redemption by the Association, at par, on any date on or after August 15, 2027 upon the Association continuing to maintain certain reserves and financial covenants. The Bonds bear interest of 5.00% which is payable on February 15 and August 15 of each year, commencing on August 15, 2023.

The Bonds were issued including an original issue premium of $22,466,650 which was recognized as receipts in the statements of activities, and not a debt obligation liability, during 2022 pursuant to the cash basis of accounting.

Debt Issuance Costs and Interest

The Association paid underwriter fees of $1,188,024 pursuant to the issuance of the Bonds as well as additional debt issuances costs of $1,854,860 for the issuance of the Notes and Bonds.

Pursuant to the terms of the Notes and Bonds, the Association did not pay interest during 2022 related to the Notes or Bonds but owed accrued interest of approximately $4,017,000 at December 31, 2022 which is not recognized in these cash basis financial statements which are scheduled to begin interest payments in August 2023.

Repayment Schedule

The Notes and the Bonds are subject to mandatory sinking fund redemption requirements as well as optional redemption by the Association. The following provides the required minimum sinking fund debt repayment, excluding consideration of any optional repayments, over the next ten years and through maturity.

	2022 A Notes	2022 B Notes	Total
2023	$ —	$ —	$ —
2024	—	—	—
2025	11,641,000	22,485,000	34,126,000
2026	12,146,000	23,640,000	35,786,000
2027	12,674,000	24,855,000	37,529,000
2028	13,224,000	26,125,000	39,349,000
2029	13,798,000	27,465,000	41,263,000
2030	14,397,000	28,875,000	43,272,000
2031	15,023,000	30,355,000	45,378,000
2032	15,675,000	31,915,000	47,590,000
Thereafter	33,422,000	242,285,000	275,707,000
	$ 142,000,000	$ 458,000,000	$ 600,000,000

5. Assessments

Louisiana Revised Statute 22:2058 provides the Association the authority to assess member insurance companies the amount necessary to pay the obligations and expenses of the Association. Beginning January 1, 2003, and thereafter, the assessment to member insurance companies is not to exceed an amount equal to one percent (1%) of net direct written premiums during the preceding calendar year, unless changed by the Louisiana Legislature. As further described in Note 4, the debt obligations entered into by the Association require the Association to annually assess members in an amount sufficient to meet 125% of the annual debt service for the debt obligations up to the one percent maximum assessment capacity.

As further described in Note 7, several member insurers became insolvent, and the Association experienced a significant increase in expected claims and return of unearned premiums beginning in late 2021. During November 2021, the Association's Board of Directors approved a full one percent assessment based on member's 2020 premiums which totaled $100.3 million and was billed to members in December 2021. During November 2021, the Board of Directors also approved an assessment to be billed to members in 2022 based on member's 2021 premiums which totaled $105.6 million and was billed in April 2022. Assessments received in 2022 for the 2021 and 2022 assessments totaled approximately $205.6 million.

6. Distributions from Liquidators

The Association files claims against the estates of insolvent insurers in an effort to recover a portion of the claims paid and related expenses from the assets of the insolvent insurers. During the years ended December 31, 2022 and 2021, the Association received $56,839,303 and $9,780,977, respectively, of such distributions which are reflected as receipts in these financial statements. No estimate is available of future potential distributions from liquidations.

Distributions received from liquidators are included in the Association's net assets. However, distributions received from liquidators prior to the closing of the insolvent insurer estate may be subject to return of the distribution under provisions of the early access agreements with the respective estate. Management estimates that approximately $46.6 million of early access distributions have been collected which are subject to return to liquidators at December 31, 2022. Included in this amount is approximately $1.4 million of early access distributions that the Association has identified as an amount subject to a reimbursement obligation to pay large deductible reimbursements under the Lumberman's Underwriting Alliance agreement. The Association returned no early access distributions to liquidators during 2022 or 2021.

7. Estimate of Future Return of Unearned Premiums and Claims Payments (Not Audited)

The funds of the Association are used to pay insurance claims of insolvent member insurance companies (See Note 2) and debt obligations (See Note 4). These claims are pursuant to the Louisiana Insurance Guaranty Law, La. R.S. 22:2051-2070. As of December 31, 2022, the Association had in excess of 31,000 open claims files outstanding, a substantial portion of which are involved in litigation. Additionally, other member insurance companies may be declared insolvent subsequent to the date of these financial statements which are not included in these estimates.

Due to the uncertainty involved in accepting and administering insolvent companies, as well as the difficulty in determining reliable estimates, the Association maintains its financial records on a cash basis. However, the Association regularly attempts to estimate the amount of claims and claims administration expenses related to insolvent member insurance companies.

Provided below is an unaudited condensed balance sheet of the Association at December 31, 2022, on a modified accrual basis which recognizes only management's estimate of the undiscounted claims and related liabilities. This information is intended to reflect only certain estimated assets and liabilities of the Association and is not intended to represent the financial position of the Association in accordance with accounting principles generally accepted in the United States of America. These estimates are expected to vary as additional information becomes available and those variances could be significant. Additionally, due to the number of insolvencies and related open claims accepted by the Association through 2022, management's estimated claims reserves may be subject to greater uncertainty and variability.

The unaudited condensed balance sheet below does not provide for accruals of amounts which may be due from liquidators of insolvent insurance companies, early access distributions subject to refund, billed but uncollected member assessments due, capitalization and depreciation of property and equipment, adjustments of investments to estimated fair value, accruals for restitution recoveries, recognition of debt related costs, and accruals of operating costs owed at year end not included in the reserves for claims administration expenses.

As described in Note 5, the Association has been granted the authority to assess member insurers at a rate of one percent (1%) of net direct written premiums annually beginning January 1, 2003, which is currently estimated to produce approximately $105 million annually. Additionally, La. R.S. 22:2058 provides that if the maximum assessment and other assets available to the Association are insufficient to make all necessary payments, the Association may borrow additional funds or payments can be reduced on a prorated basis and unpaid balances are to be paid as funds become available. As described in Note 4, the Association borrowed additional funds during 2022 in the form of notes payable and the issuance of bonds.

Assets		(Unaudited)
Cash and cash equivalents	$	544,715,475
Investments, at cost		3,455,251
Total assets	$	548,170,726
Liabilities and Net Asset (Deficiency)		
Outstanding checks in excess of bank balances	$	39,740,473
Unpaid claims liability for hurricane related insolvencies - incurred basis (1)		930,000,000
Case reserve liability for non-hurricane related insolvencies (2)		125,000,000
Long-term debt		600,000,000
Total liabilities		1,694,740,473
Net assets (deficiency) (3)		(1,146,569,747)
Total liabilities and net asset (deficiency)	$	548,170,726

(1) During 2020, the State of Louisiana was impacted by three major hurricane events which resulted in significant insured losses to member insurers. In August 2021, Hurricane Ida made landfall in Louisiana which had a significant impact on the financial condition of certain member insurance companies operating in the State of Louisiana which resulted in two member insurers being declared insolvent and placed into receivership during late 2021 and two member insurers began to receive financial support from the Association by the end of 2021 and placed into receivership in January 2022. In addition, six member insurers were subsequently declared insolvent and placed into receivership during 2022 which resulted in significant increases in the payment of returned premiums and covered claims payments and related claims handling expenses.

The amount estimated above represents management's estimate of claims and claims administration expense reserves which are, to a certain extent, estimated using common insurance industry actuarial practices for the purpose of estimating ultimate unpaid claims liabilities related to open claims. The Association utilized the most recent available ultimate unpaid loss estimate which was primarily estimated as of July 1, 2022 and reduced for subsequent payments through December 31, 2022 for estimation purposes. These estimates represent the most recent information as of the date these financial statements were available to be issued and management believes to provide a reasonable indication of the magnitude of ultimate unpaid losses related to these insolvent member insurers. While management has undertaken the previously described common insurance industry methods to estimate the ultimate unpaid losses of the Association, management also recognizes that the unusual circumstances of insolvent members facing catastrophic claims scenarios coupled with the uniqueness of each insolvent member's claims, and the inability to utilize common trend analysis over long periods increases the variability and uncertainty associated with the unpaid loss estimates provided above. Management expects revisions in these estimates which may result in significant increases or decreases in these estimates.

As described in Note 8, the Association was notified in February 2023 of an additional insolvent member insurance company that is considered to have been impacted by hurricane related losses. The above estimated claims liabilities do not provide for estimated claims and obligations which may have existed at December 31, 2022.

(2) The Association routinely estimates unpaid losses and claims handling expenses for all covered member insurers which reflect only estimated case reserves as established by claims adjustors and are intended to be less than and not comparable to ultimate unpaid loss estimates as described above (1). Management includes in the case based liability for claims and claims administration expense amounts estimated for these claims based on present statutes and based on the best information available at this time. However, there are numerous and significant uncertainties regarding the amount of ultimate liability the Association may be responsible for under these claims and when amounts ultimately determined as owed by the Association become due and payable. As facts and circumstances develop, management intends to revise its estimates of these claims liabilities. Revisions in these estimates could result in significant increases or decreases in these estimates.

The Association has also been notified of claims, as well as threatened claims, by certain large insureds of insolvent insurance companies relating to the use and production of asbestos, silica, tobacco, and environmentally hazardous materials. The Association continues to evaluate the merits of these claims, the appropriateness of coverage under the Act, and the amount of potential liability to the Association.

(3) Due to the uncertainty of the timing and the amount of claims to be paid by the Association, it is unknown whether the Association can meet all of its claims obligations as they become due (See Note 8). Additionally, as described in Note 6, the Association has received early access distributions of approximately $46.6 million from the estates of insolvent insurers which remain subject to claw back provisions by the respective estate if those funds are requested. These contingent liabilities are not reflected as liabilities in the above information. Any demands for return of early access distributions would decrease the above net assets.

The Association has the statutory authority to assess up to 1% of member insurers' net direct written premiums annually if necessary to pay its obligations as described in Note 5. The Association's financial resources also include receipt of investment earnings and the continued receipt of proceeds from liquidators of insolvent insurance companies.

8. Operational Risks and Uncertainties

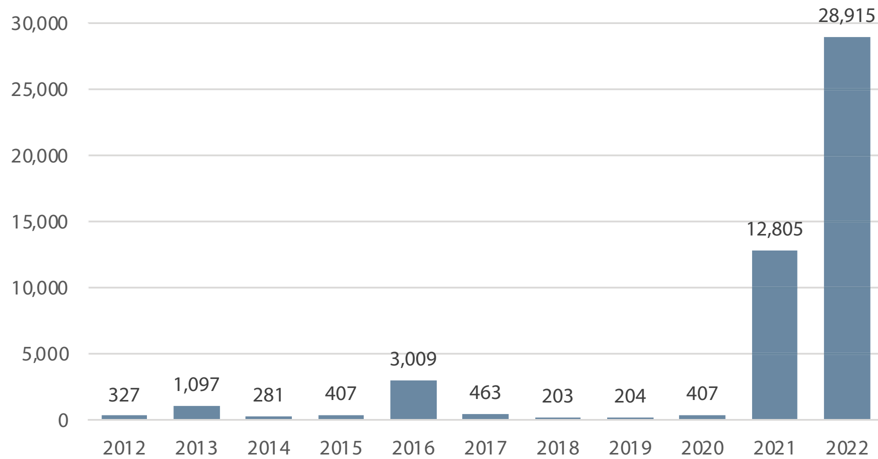
As described in Note 7, the Association's management estimates that the Association's covered obligation to claimants and policyholders and debt obligation exceeds the Associations cash basis assets by over $1.1 billion as of December 31, 2022. Additionally, another covered member insurer was ordered into liquidation on February 27, 2023 for which the Association's management has not yet obtained sufficient information to reasonably estimate the additional claims and loss exposure for the additional insolvent member insurer. As described in Note 4, the Association entered into $600 million of long-term debt obligations to provide available funds to continue to pay covered claims, policyholder benefits and operating expenses. These debt obligations become due beginning in 2023 for interest payments and principal repayments in 2025. The Association has the authority to assess member insurance companies annually at a rate of one percent (1%) of written premiums which currently results in approximately $105 million of annual collected assessments.

The Association expects to continue to assess members the maximum amount permitted to fund its operating cash flows and debt service requirements. The Association also has the authority to defer payments of covered benefits to claimants and policyholders as well as to pursue additional debt should its available resources and annual cash flows not be sufficient to meet the Association's financial obligations as they become due. Additionally, the Louisiana Insurance Guaranty Association Act may be amended by legislative actions which could impact the Associations ability to meet its current and future financial obligations as they become due. The Association's management is continuing to pursue strategies to meet the Association's financial obligations but cannot provide any assurances that the Association will have sufficient financial resources to meet these obligations as they become due without implementing plans to reduce benefit payments.

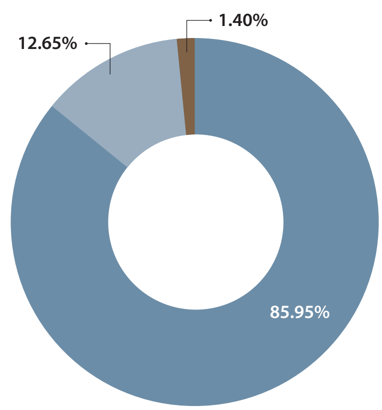
9. Subsequent Events

The Association was notified in February 2023 that a member insurance company was determined to be insolvent and the Association is statutorily responsible for payment of covered obligations to claimants and policyholders of this member insurance company. The Association's management has not received sufficient information to estimate the extent of the Association's financial obligations related to this event.

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 27, 2023, and determined that there were no other events that required additional disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

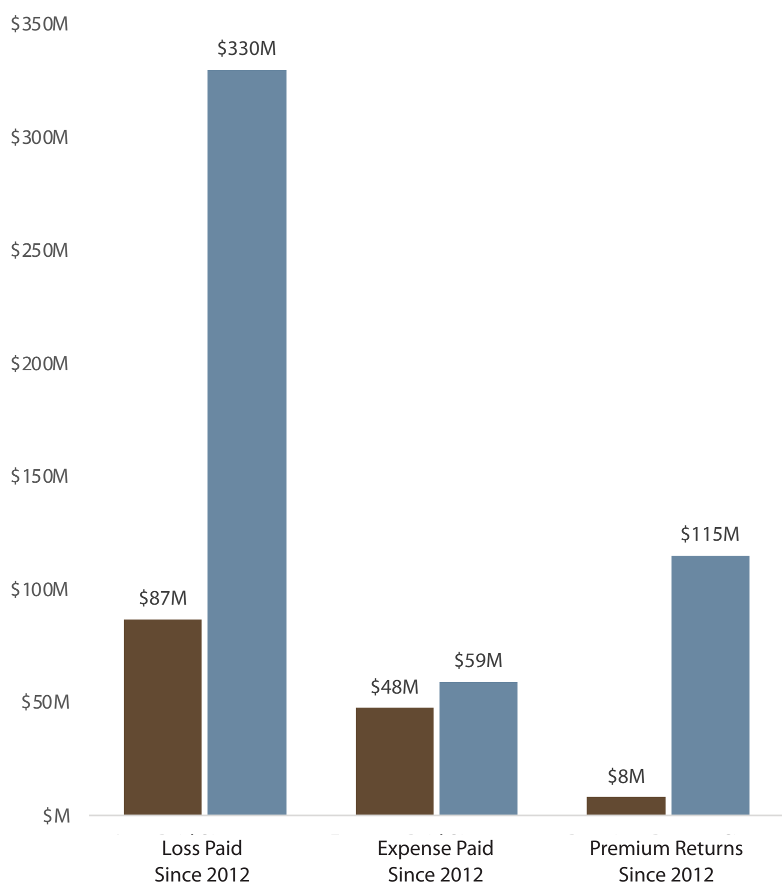


New Claims Since 2012



2022 Total Expenditures — $462,407,247

- Claims Paid (Including Premium Refunds) $397,444,374
- Allocated Expense (Claims Handling) $58,482,347
- Unallocated Expenses (Administrative) $6,480,526



Payments Made Since 2012

- Pre-2022 Insolvencies
- 2022 Insolvencies

Includes payments made in 2021, prior to liquidation

LIGA Company Claims Activity for the Year Ending 2022

Company Name	Closed in 2022	Pending 12/31/22	Distribution (Refunds) in 2022	Losses Paid in 2022	Claims Expenses Paid in 2022	Outstanding Reserves
ACCC INS. CO.	4	1	0	22,800	18,185	13,639
ACCESS HOME INS. CO.	4,766	2,073	10,000,000.00	54,691,353	9,353,208	69,613,340
ACCESS INSURANCE CO.	0	0	23,441.38	0	99	0
AFFIRMATIVE CASUALTY	19	33	12,000,000.00	35,653	81,434	421,474
AFFIRMATIVE INSURANCE	7	4	0	17,800	20,042	60,213
AMERICAN CAPITAL ASSURANCE	18	10	350,000.00	561,490	136,346	1,668,656
AMERICAN DRUGGIST	0	1	0	11,492	279	85,614
AMERICAN MUTUAL BOSTON	0	1	0	1,830	910	32,336
AMERICAN MUTUAL LIABILITY	77	464	0	2,467,031	1,971,323	59,958,362
AMERICAN SERVICE INS. CO.	18	66	0	2,066,039	640,503	3,480,634
AMERICAS INSURANCE CO.	2,454	10,015	4,140,990.39	91,950,567	20,524,447	91,068,919
ANGLO AMERICAN	0	3	0	4,449	9,487	238,605
BEDIVERE INS CO.	300	5,006	0	3,390,633	2,255,690	15,982,495
CALIFORNIA COMPENSATION	0	1	0	1,516	936	181,736
CAPSON PHYSICIAN INS. CO.	26	24	0	140,000	112,427	564,919
CASTLEPOINT INSURANCE CO.	0	4	0	554	16,633	368,818
CASUALTY RECIPROCAL	0	5	0	50,761	2,235	1,804,281
CHAMPION	0	0	0	0	(30)	0
COMMERCIAL COMPENSATION	0	1	0	0	139	147,162
CREDIT GENERAL	0	8	0	79,008	21,400	1,129,455
EMPLOYERS CASUALTY	1	9	0	0	492	1,541,755
EMPLOYERS NATIONAL	7	50	0	311,987	297,961	6,725,183
FEDNAT INSURANCE CO.	8	1,459	0	277,921	199,892	303,195,636
FREESTONE	0	5	66,917.00	30,695	7,518	889,713
FRONTIER INS. CO.	0	1	0	54,379	1,391	237,230
GATEWAY INSURANCE CO.	20	48	0	1,405,392	497,918	1,930,953
GENERAL	153	628	0	0	172,550	604,292
GRAMERCY	0	0	204,601.90	0	(494)	0
GUARANTEE INSURANCE CO.	3	2	0	28,548	12,384	172,296
GULFSTREAM P&C INS. CO.	143	22	2,068,969.00	997,308	444,183	420,923
HIGHLANDS	1	0	0	0	1,604	0
HOME INSURANCE CO.	0	31	0	10,097	3,829	2,906,333
IMPERIAL CASUALTY	0	0	0	0	603	0
LEGION INSURANCE CO.	0	2	0	362	(3,203)	239,746
LIGHTHOUSE EXCALIBUR	1,733	4,670	10,000,000.00	62,949,785	13,188,260	136,812,436
LIGHTHOUSE PROPERTY	274	752	0	8,501,329	2,137,958	40,561,816
LUMBERMENS MUTUAL	3	10	60,730	87,846	31,414	1,771,272

LIGA Company Claims Activity for the Year Ending 2022 *(continued)*

Company Name	Closed in 2022	Pending 12/31/22	Distribution (Refunds) in 2022	Losses Paid in 2022	Claims Expenses Paid in 2022	Outstanding Reserves
LUMBERMEN'S UNDERWRITING	0	4	306,335.89	54,825	23,192	2,066,802
MIDLAND	0	2	0	10,955	615	297,389
OLD HICKORY	0	1	0	10,328	273	293,265
PARK AVENUE	0	0	0	0	603	
PEGASUS	0	0	9,471	0	0	0
PETROSURANCE	0	1	0	0	0	139,997
PRESIDENTIAL FIRE & CASUALTY	0	1	0	-5,765	634	118,883
REALM INSURANCE CO.	0	1	0	10,155	3,792	381,704
RED ROCK	0	1	0	0	285	40,878
RELIANCE NATIONAL	2	203	0	296,851	187,276	11,430,899
ROCKWOOD	0	11	0	441,842	62,774	2,917,931
SOUTHERN CASUALTY INS. CO.	1	2	0	0	3,594	22,397
SOUTHERN FIDELITY INS. CO.	622	4,036	12,607,846.00	21,560,468	5,517,548	233,851,723
STATE NATIONAL FIRE INS. CO	1,453	912	5,000,000.00	41,837,948	6,166,292	32,635,178
TRANSIT	5	26	0	45,945	24,759	3,374,863
ULLICO	1	1	0	9,311	5,727	38,714
WESTON P&C INSURANCE CO.	24	495	0	672,523	805,552	22,283,710
TOTALS	12,143	31,106	56,839,303	295,094,010	64,962,873	1,054,724,574

Claims for Unearned Premiums

Company Name	Claims Paid	Amount Paid
ACCESS HOME INS. CO.	308	370,892
AMERICAN CAPITAL ASSURANCE	2	4,281
AMERICAS INSURANCE CO.	28,248	25,142,805
FEDNAT INSURANCE CO.	87	60,926
GULFSTREAM P&C INS. CO.	94	23,905
LIGHTHOUSE EXCALIBUR	26,283	30,457,138
LIGHTHOUSE PROPERTY	103	70,554
SOUTHERN FIDELITY INS. CO.	39,271	34,349,707
STATE NATIONAL FIRE INS. CO	267	193,624
WESTON P&C INSURANCE CO.	9,961	11,676,532
TOTALS	104,624	102,350,364

Insolvent Companies Monies Paid from the Date of Insolvency to 12/31/2022

Company Name, State and Date of Insolvency	Losses	Expenses	Unearned Premiums/ Expenses Paid	Total All Time LIGA Billings
A.N.A., LA 05/17/93	10,580,868.00	2,644,479.04	1,464,539.41	14,689,886.45
ACCC INS. CO., TX 12/20/20	69,800.00	30,003.19	0.00	99,803.19
ACCELERATION NATIONAL, OH 02/28/01	109,200.00	70,871.55	0.00	180,071.55
ACCESS HOME INS. CO., LA 1/13/2022	88,015,421.51	10,206,791.97	8,870,891.58	107,093,105.06
ACCESS INSURANCE CO., TX 03/13/18	209,260.27	130,466.03	30,409.86	370,136.16
AFFIRMATIVE CASUALTY, LA 04/11/16	6,740,363.86	7,298,231.79	2,703,300.61	16,741,896.26
AFFIRMATIVE INSURANCE, IL 03/24/16	1,274,536.16	1,589,774.78	392,767.70	3,257,078.64
ALLIANCE CASUALTY, LA 06/19/92	5,517,652.29	1,309,145.54	611,847.69	7,438,645.52
ALLIED FIDELITY, IN 07/15/86	1,151,896.75	684,836.19	14,865.30	1,851,598.24
AMERICAN CAPITAL ASSURANCE, FL 4/14/2021	2,046,806.67	191,112.86	412,545.00	2,650,464.53
AMERICAN DRUGGIST, OH 04/30/86	2,622,932.86	763,803.52	0.00	3,386,736.38
AMERICAN EAGLE, TX 12/22/97	997,056.18	525,363.86	8,932.00	1,531,352.04
AMERICAN FIDELITY, NY 03/14/86	324,209.64	267,879.76	174,150.75	766,240.15
AMERICAN LLOYDS, LA 06/21/89	9,480,353.77	1,951,866.78	632,508.49	12,064,729.04
AMERICAN MUTUAL BOSTON, MA 03/09/89	7,140,899.66	1,069,461.95	0.00	8,210,361.61
AMERICAN MUTUAL LIABILITY, MA 03/09/89	47,098,932.54	36,796,393.12	0.00	83,895,325.66
AMERICAN SERVICE INS. CO., IL 08/11/20	2,702,376.46	1,352,522.91	6,412.00	4,061,311.37
AMERICAN SURETY & FIDELITY, LA 07/08/92	8,582,647.25	2,524,605.85	996,485.67	12,103,738.77
AMERICAN UNIVERSAL, IL 01/08/91	335,335.00	22,368.85	0.00	357,703.85
AMERICAS INSURANCE CO., LA 6/23/22	91,950,566.99	20,443,871.84	483,108.96	112,877,547.79
ANDREW JACKSON, MS 04/04/92	3,696,783.16	1,310,264.59	1,308,505.76	6,315,553.51
ANGLO AMERICAN, LA 03/20/89	23,160,329.73	4,496,341.25	1,035,251.48	28,691,922.46
ARIST, LA 05/04/92	10,799,778.00	2,402,073.10	414,376.85	13,616,227.95
ASPEN, CO 09/06/84	792,587.37	268,847.18	111.10	1,061,545.65
ATLANTIC MUTUAL INS. CO., NY 04/27/11	0.00	4,086.32	0.00	4,086.32
BEDIVERE INS. CO., PA 03/11/2021	3,795,331.52	2,895,037.98	0.00	6,690,369.50
BONNEVILLE OF OREGON, OR 10/22/93	450,638.63	159,163.80	0.00	609,802.43
CADILLAC, MI 01/02/90	956,259.45	116,084.73	1,492,435.20	2,564,779.38
CALIFORNIA COMPENSATION, CA 09/26/01	1,150,491.85	421,071.27	11,580.00	1,583,143.12
CAPSON PHYSICIANS INS. CO., TX 06/28/19	339,900.00	622,366.85	19,181.07	981,447.92
CAR (AUTOMOTIVE CASUALTY), LA 01/20/93	29,792,639.19	11,630,537.81	333,678.75	41,756,855.75
CARRIERS, IA 1/16/86	1,271,512.16	269,012.67	0.00	1,540,524.83
CASCADE, LA 08/12/93	2,511,225.27	611,082.48	3,131.16	3,125,438.91
CASTLEPOINT INSURANCE CO., CA 03/30/17	735,665.29	378,339.32	0.00	1,114,004.61
CASUALTY RECIPROCAL, MO 08/18/04	4,990,086.59	1,123,367.11	0.00	6,113,453.70
CENTENNIAL INS. CO., NY 04/27/11	0.00	3,924.58	0.00	3,924.58
CHAMPION, LA 06/05/89	90,375,345.26	31,130,715.34	4,604,419.47	126,110,480.07

Insolvent Companies Monies Paid from the Date of Insolvency to 12/31/2022 (*continued*)

Company Name, State and Date of Insolvency	Losses	Expenses	Unearned Premiums/ Expenses Paid	Total All Time LIGA Billings
COLONIAL LLOYDS, LA 03/27/92	22,166,749.38	6,469,625.96	5,911,383.05	34,547,758.39
COMCO, TX 01/13/92	2,319,545.42	1,106,446.12	120,636.04	3,546,627.58
COMMERCIAL CASUALTY, GA 04/02/04	1,098,197.91	1,122,517.15	0.00	2,220,715.06
COMMERCIAL COMPENSATION, CA 09/26/01	4,977,828.09	1,507,540.47	148,830.00	6,634,198.56
CREDIT GENERAL, OH 01/05/01	16,774,222.88	4,621,011.51	387,603.44	21,782,837.83
DIXIE LLOYDS, LA 12/20/90	9,538,487.97	4,230,916.04	2,103,022.53	15,872,426.54
EARLY AMERICAN, AL 02/01/85	3,542,520.19	1,216,289.05	460,371.68	5,219,180.92
EASTERN INDEMNITY, MD 01/11/85	1,737,078.10	454,309.81	0.00	2,191,387.91
EMPLOYERS CASUALTY, TX 02/11/94	587,563.62	461,825.59	0.00	1,049,389.21
EMPLOYERS NATIONAL, TX 02/11/94	16,168,125.26	5,782,084.21	7,638.00	21,957,847.47
ENTERPRISE, CA 02/24/87	116,628.80	52,462.58	0.00	169,091.38
EXCALIBUR, TX 09/05/84	658,030.74	244,240.25	0.00	902,270.99
FEDNAT INSURANCE CO., FL 9/27/22	277,921.47	195,349.77	60,926.00	534,197.24
FIDELITY FIRE & CASUALTY, LA 09/04/91	11,608,852.54	4,917,117.58	639,089.05	17,165,059.17
FIRST SOUTHERN, FL 10/31/92	1,659,631.00	298,690.82	299,295.45	2,257,617.27
FREESTONE, DE 08/15/14	1,020,614.77	371,201.11	0.00	1,391,815.88
FREMONT INSURANCE CO., CA 07/02/03	346,549.12	79,702.05	0.00	426,251.17
FRONTIER INS. CO., NY 11/16/12	529,870.35	99,973.10	0.00	629,843.45
GATEWAY INSURANCE CO., IL 06/08/20	1,998,324.61	1,266,356.48	58,705.00	3,323,386.09
GRAMERCY, TX 08/26/13	943,388.75	90,000.94	0.00	1,033,389.69
GREAT GLOBAL, AZ 04/27/87	224,848.26	115,455.15	12,286.04	352,589.45
GUARANTEE INSURANCE CO., FL 11/27/17	1,147,811.71	627,125.90	84,938.07	1,859,875.68
GULF COAST CASUALTY, LA 04/02/93	3,622,007.42	798,693.62	629,221.01	5,049,922.05
GULFSTREAM P&C INS. CO., FL 07/28/2021	2,331,798.92	641,974.29	4,080,676.20	7,054,449.41
HAMILTON INSURANCE CO., PA 08/03/00	4,550.00	4,498.26	0.00	9,048.26
HERITAGE, IL 02/26/86	276,838.34	41,196.52	0.00	318,034.86
HIGHLANDS, TX 10/20/21	0.00	2,568.09	0.00	2,568.09
HOME INSURANCE CO., NH 06/13/03	2,727,691.23	909,787.69	0.00	3,637,478.92
HOMEWISE INS. CO., FL 11/18/11	1,626,238.25	817,885.71	11,452.97	2,455,576.93
HORIZON, NY 01/11/85	228,917.73	49,586.94	1,367.25	279,871.92
IDEAL MUTUAL, NY 02/07/85	7,551,060.75	1,776,965.92	5,164.60	9,333,191.27
IMPERIAL, CA 01/10/78	133,091.51	47,699.87	0.00	180,791.38
IMPERIAL CASUALTY & IND. CO., OK 05/12/10	165,636.06	44,763.36	0.00	210,399.42
IMPERIAL LLOYDS, LA 07/08/91	1,806,692.05	719,220.67	0.00	2,525,912.72
INSURANCE CORP. OF AMERICA, TX 04/28/97	3,916,350.21	4,415,339.97	414,293.43	8,745,983.61
INTEGRITY, NJ 03/24/87	2,689,202.10	814,192.33	2,522.55	3,505,916.98
LARAMIE, WY 02/14/90	6,883,470.38	1,979,691.57	1,274,804.13	10,137,966.08

Insolvent Companies Monies Paid from the Date of Insolvency to 12/31/2022 *(continued)*

Company Name, State and Date of Insolvency	Losses	Expenses	Unearned Premiums/ Expenses Paid	Total All Time LIGA Billings
LEGION INSURANCE CO., PA 07/28/03	7,382,448.69	2,918,833.73	137,987.44	10,439,269.86
LIBERTY LLOYDS, LA 05/17/93	42,919,330.92	12,101,189.49	173,564.46	55,194,084.87
LIGHTHOUSE EXCALIBUR INS. CO., LA 5/23/22	62,949,785	13,020,443.28	30,457,138.14	106,427,366.03
LIGHTHOUSE PROPERTY INS. CO., LA 4/28/22	8,501,329	2,104,223.94	70,553.64	10,676,106.29
LINCOLN GENERAL INSURANCE, PA 11/05/15	0.00	1,469.49	0.00	1,469.49
LUMBERMENS MUTUAL, IL 05/10/13	1,729,021.47	630,338.80	0.00	2,359,360.27
LUMBERMEN'S UNDERWRITING ALLIANCE	1,986,347.22	494,462.19	0.00	2,480,809.41
LUTHERAN BENEVOLENT, MO 12/02/96	1,175,784.26	292,852.02	103,318.88	1,571,955.16
MAGNOLIA FIRE & CASUALTY, LA 05/14/93	751,162.78	190,109.52	79,185.50	1,020,457.80
MANCHESTER, OH 02/13/76	1,647,092.78	385,961.89	132,507.56	2,165,562.23
MEDALLION, MO 09/12/75	205,134.51	126,821.40	493,223.25	825,179.16
MERIT CASUALTY CO., IL 04/01/97	659,633.89	175,550.45	0.00	835,184.34
MID-AMERICAN CASUALTY, LA 11/07/90	280,140.00	85,311.90	271,502.07	636,953.97
MIDLAND, NY 04/03/86	10,633,710.03	2,724,510.27	17,023.59	13,375,243.89
MILLERS FIRST INSURANCE CO., IL 08/30/17	0.00	771.71	0.00	771.71
MILLERS INSURANCE CO., TX 03/24/03	180,923.37	97,489.44	0.00	278,412.81
MISSION, CA 02/24/87	1,676,938.78	594,242.23	0.00	2,271,181.01
MISSION NATIONAL, CA 02/24/87	726,469.67	620,114.47	0.00	1,346,584.14
MISSION REINSURANCE CORP., CA 02/24/87	115,000.00	1,964.45	0.00	116,964.45
NATIONAL ALLIED, TX 10/31/86	1,413,667.43	202,460.72	0.00	1,616,128.15
NEW ENGLAND, LA 09/22/89	6,929,966.48	1,652,851.02	366,194.09	8,949,011.59
NORTH AMERICAN INDEMNITY, LA 05/26/92	2,655,886.09	540,596.93	231,362.47	3,427,845.49
OHIO GENERAL, OH 03/28/90	185,374.74	56,061.74	24,688.00	266,124.48
OLD HICKORY, LA 10/31/91	11,528,892.39	4,335,995.35	2,274,689.75	18,139,577.49
PACIFIC AMERICAN, DE 01/23/85	234,705.95	52,183.07	0.00	286,889.02
PACIFIC MARINE, WA 06/07/89	2,998,130.57	542,967.07	0.00	3,541,097.64
PARK AVENUE P & C INS. CO., OK 11/18/09	183,618.56	98,120.49	0.00	281,739.05
PATTERSON INSURANCE CO., LA 03/17/03	6,912,544.38	5,725,752.37	782,506.08	13,420,802.83
PEGASUS INSURANCE CO., OK 08/12/10	2,500.00	10,845.25	0.00	13,345.25
PELICAN STATE MUTUAL, LA 02/26/93	19,147,364.30	5,458,829.74	321,366.03	24,927,560.07
PETROSURANCE, OK 03/14/02	1,558,270.92	416,265.09	0.00	1,974,536.01
PHICO, PA 02/01/02	543,697.91	885,289.28	14,829.00	1,443,816.19
PINNACLE, GA 09/20/99	570,378.00	274,047.47	0.00	844,425.47
PREMIER ALLIANCE, CA 08/02/94	199,218.00	132,983.22	0.00	332,201.22
PRESIDENTIAL FIRE & CASUALTY, LA 11/13/91	13,132,535.93	3,042,803.23	595,841.29	16,771,180.45
PROPRIETORS, OH 08/05/81	144,658.25	40,673.03	7,648.00	192,979.28
PROTECTIVE CASUALTY, MO 05/24/91	5,265,558.30	1,272,342.98	632,627.81	7,170,529.09

Insolvent Companies Monies Paid from the Date of Insolvency to 12/31/2022 (*continued*)

Company Name, State and Date of Insolvency	Losses	Expenses	Unearned Premiums/ Expenses Paid	Total All Time LIGA Billings
REALM INSURANCE CO., NY 06/10/05	217,477.61	94,101.50	0.00	311,579.11
RECIPROCAL OF AMERICA, VA 06/20/03	654,959.58	414,871.19	0.00	1,069,830.77
RED ROCK, OK 08/21/14	0.00	20,926.97	0.00	20,926.97
RELIABLE, OH 01/29/88	112,140.01	23,296.38	0.00	135,436.39
RELIANCE NATIONAL, PA 10/03/01	56,735,270.80	21,853,600.01	0.00	78,588,870.81
RESERVE, IL 05/07/79	985,483.29	209,197.16	317,544.14	1,512,224.59
ROCKWOOD, PA 08/26/91	36,912,497.59	5,768,058.89	22,994.25	42,703,550.73
SAVANT, LA 11/07/01	1,127,156.31	304,460.31	0.00	1,431,616.62
SOUTH CENTRAL, LA 01/05/89	1,496,640.55	356,707.26	387,532.96	2,240,880.77
SOUTHERN AMERICAN, UT 03/20/92	1,416,737.72	1,212,463.46	0.00	2,629,201.18
SOUTHERN CASUALTY INS. CO., GA 03/20/13	2,035,302.71	3,367,586.24	165,154.97	5,568,043.92
SOUTHERN FIDELITY INS. CO., FL 6/15/22	21,560,468	5,254,750.79	34,349,707.36	61,164,925.72
SOVEREIGN FIRE & CASUALTY, LA 05/29/91	7,825,397.25	2,913,263.04	3,382,524.64	14,121,184.93
STATE NATIONAL FIRE INS. CO., LA 1/7/22	55,742,611.58	6,195,400.26	4,193,624.49	66,131,636.33
SUMMIT, NY 05/28/75	527,145.12	98,467.34	0.00	625,612.46
SUNBELT SOUTHERN, LA 12/02/88	296,126.70	296,507.48	0.00	592,634.18
TRANSIT, CA 12/03/85	24,305,383.69	6,255,864.46	17,251.46	30,578,499.61
U.S. CAPITAL, NY 11/20/97	1,959,275.14	1,471,939.79	0.00	3,431,214.93
U.S. INDEMNITY, LA 10/13/89	2,192,153.64	428,503.71	38,849.76	2,659,507.11
ULLICO, DE 05/30/13	626,789.16	157,642.33	0.00	784,431.49
UNION INDEMNITY, NY 06/16/85	683,366.39	209,907.69	5,553.00	898,827.08
UNITED AGENTS, LA 03/03/02	5,092,068.47	2,036,315.47	179,232.23	7,307,616.17
UNITED COMMUNITY, NY 11/10/95	5,802,227.78	2,480,189.81	166,571.56	8,448,989.15
UNITED SOUTHERN ASSURANCE, FL 09/18/97	1,334,715.94	605,917.36	0.00	1,940,633.30
UNIVERSAL SECURITY, TN 10/13/91	1,145,779.85	280,761.14	8,772.65	1,435,313.64
VILLANOVA INSURANCE CO., PA 07/28/03	409,660.59	93,772.30	0.00	503,432.89
WESTON PROPERTY & CASUALTY INS. CO., FL 8/8/22	672,523	685,279.73	11,676,531.74	13,034,334.94
YORKTOWN, IL 02/07/89	174,800.00	7,457.76	0.00	182,257.76
INACTIVE COMPANY TOTALS	**9,465,605.78**	**3,115,188.49**	**243,385.43**	**12,824,179.70**
TOTALS	**1,053,597,934.26**	**324,698,854.37**	**159,742,346.08**	**1,538,033,323.67**

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