



CALIFORNIA INSURANCE GUARANTEE ASSOCIATION

October 21, 2011

Re: 2012 Policyholder Surcharges – “Automobile/Homeowners” and “All Other” Categories

Dear Member Insurer:

In accordance with this Association’s Plan of Operation, please consider this letter as notification that there were no “automobile/homeowners” or “all other” category premium charges during 2011. Therefore, member insurers should not surcharge policies written in the “automobile/homeowners” and “all other” categories with effective dates of January 1, 2012 through December 31, 2012.

Please keep in mind that CIGA previously made the 2011 workers compensation premium charge to its member companies. This is a reminder that your company should surcharge workers compensation policies with effective dates of January 1, 2012 through December 31, 2012 at the rate of 2.285%. The 2.285% approved premium surcharge consists of the following components: a special bond assessment of 1.285% levied pursuant to California Insurance Code Section 1063.74 for payment of principal and interest on bonds issued for the Workers’ Compensation Bond Fund; and, an initial premium charge of 1% levied pursuant to California Insurance Code Section 1063.5 for the Workers’ Compensation account.

If you have any questions, you may contact either me or Richard Hurd.

Sincerely,



Wayne D. Wilson
Executive Director