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FROM:

BURNS & WILCOX LTD.
SALT LAKE CITY OFFICE
OUR FAX NO: 1-801-359-0555

COVER SHEET

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TO: PAM LITTEG

Tax Pam

COMPANY/OFFICE:

FROM: JOHN MACUMBER

DATE: 2-27-95

TOTAL PAGES: 4 (INCLUDING THIS COVER SHEET)

RE: (1) NEVADA ELECTRIC INVESTMENT

COMMENTS: (2) SUNNYSIDE M/ME

PER CONVERSATION, HERE'S
THE INFORMATION FOR THE ILLINOIS
INSURANCE EXCHANGE (ABORA SYNDICATE)
FEEL FREE TO CONTACT
VANNA HUNTER AT THE
INSURANCE DEPT. PH# 538-3800.

REGARDS,
John



Agora Syndicate, Inc.

For more information on Agora Syndicate, Inc.
please contact:

Donald J. Hopfensperger
President and CEO
Agora Syndicate, Inc.
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demotech, Inc.

demotech, Inc. is a Columbus, Ohio based financial analysis and
casualty services firm. We provide a wide variety of services to
an expanding clientele of property & casualty insurers:

- Analysis and Certification of Loss and LAE Reserves
- Financial Stability Ratings*
- Loss Costs Filings
- Demotech 1994 FirstRate/P&C*
- Financial Stability Rating Brochures
- First Draft Service
- Pricing Recommendations
- Rate Filings Assistance
- Management Audits

demotech, Inc. Financial Stability Ratings* are accepted by the
regulators for participants in the secondary mortgage marketplace. This
recognition eliminates the need for cut-through (reinsurance)
requirements related to property insurance policies.

demotech's Statements of Actuarial Opinion meet or exceed the
regulatory and professional actuarial requirements established by the NAIC in
its Instructions to the Fire & Casualty annual statement.

The Illinois Insurance Exchange

The Illinois Insurance Exchange is one of the nation's
largest and most disciplined facilities for unusual and
difficult to place risks. Modeled after Lloyd's of London,
it was created by the Illinois State Legislature in 1980. It
has grown to 11 active syndicates as of 12/31/93 with
combined capital and surplus totaling more than
\$173,000,000 and admitted assets of over \$597,000,000.

As a self-regulating marketplace, the Exchange receives
certified annual statements, quarterly statutory statements,
annual independent audits and annual actuarial certification
of loss reserves from each syndicate. Together with day-
to-day monitoring of syndicate underwriting and claims
practices and annual review of each syndicate's reinsurance,
these Exchange requirements provide the basis of the
market regulation.

The IIE Guaranty Fund provides additional protection to
policyholders in the event of a syndicate insolvency. As of
12/31/93, the Guaranty Fund has assets totaling more than
\$32,000,000. In the event of an insolvency the assets of the
insolvent syndicate, including 50% of its capital and
surplus held in an immediate access fund available to the
IIE, are first used, and if insufficient, the Guaranty Fund is
tapped with distributions limited to:

- \$15 million aggregate per insolvency
- \$300,000 limit per claimant per insolvency
- \$10,000 per claimant per unearned premium

**1994
INDEPENDENT
FINANCIAL
STABILITY
RATING®**



AGORA SYNDICATE, INC.

**A
Exceptional**

Analysis prepared by:

DEMOTECH, INC.

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DEMOTECH, INC.

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Agora Syndicate, Inc. was incorporated under the laws of Illinois in November 1988 and commenced business in January 1989. Agora Syndicate is a member of the Illinois Insurance Exchange.

Agora Syndicate writes commercial general liability insurance, including some product liability, on an excess surplus lines basis. Agora Syndicate's minimum premium is \$500.00 and its capacity is \$1,000,000.00.

Agora Syndicate specializes in providing liquor liability coverage to restaurants and taverns and general liability coverage to small specialty contractors. Agora Syndicate writes such accounts as prize coverage, special events, operational risks, and difficult product risks.

Business is developed by Walton Insurance Services, Inc., a wholly-owned subsidiary corporation to Agora Syndicate, through approximately 120 sub-producers. Walton Insurance Services was formed to act as an underwriting manager and performs most of the functions normally performed by an insurance company - including preparing financial statements, making investments and arranging reinsurance.

Agora Syndicate is a wholly-owned subsidiary of Marl III Insurance Company which also owns Criterion Premium Insurance Corporation. Marl III is owned by Roger A. Mitchell and Laurence L. Lacaillade. Mr. Mitchell is a member of the Board of Trustees of the Illinois Insurance Exchange. Donald J. Hopfensperger, president of Agora Syndicate, has been active in the affairs of the Illinois Insurance Exchange since 1985 and has held senior executive positions with Zurich American Insurance Company, Alliance Insurance Group of Illinois and Chicago Casualty Insurance Company.

Agora Syndicate's goal is to be unique in the quality of service it provides its broker-producers, who are then able to better serve their customers. Agora's professional underwriters are expected to process all submissions and respond within forty-eight hours.

Executive Officers

Donald J. Hopfensperger
President and Chief Executive Officer

Laurence L. Lacaillade
Vice-President and Director

Roger A. Mitchell
Secretary, Treasurer and Director

Joseph D. Keenan, III
General Counsel

Financial Stability Rating

Agora Syndicate, Inc. has undergone rigorous, quantitative analyses. The 1994 Demotech Financial Stability Rating* of Agora Syndicate, Inc. is:

A
Exceptional

Based on the Demotech review of the statutory financial statements of Agora Syndicate, Inc., the Financial Stability Rating* presents our analysis of the Company's ability to meet its financial obligations over the next year.

The data to develop our ratings is obtained from statutory annual statements. Some of the items reviewed include:

Total Current Assets	Total Assets
Total Current Liabilities	Total Liabilities
Working Capital	Surplus
Total Revenue	Net Income
Receivables	Total Expenses

Rating Categories

A''	(A Double Prime) <i>Unsurpassed</i>
A'	(A Prime) <i>Unsurpassed</i>
A	<i>Exceptional</i>
S	<i>Strong</i>
M	<i>Mean (Average)</i>
L	<i>Licensed</i>

Financial Data

Assets	12/31/93	12/31/92
Bonds	\$11,532,070	\$5,537,474
Preferred Stocks	2,750,000	0
Common Stocks	43,788	0
Cash and Short Term Investments	1,530,732	5,197,594
Other Invested Assets	3,091,483	1,248,803
Premiums and Agents' Balance	5,344,771	2,159,985
Interest, Dividends and Real Estate Income Due and Accrued	238,828	213,328
All Other	4,218,717	5,269,708
Totals	<u>\$28,750,389</u>	<u>\$19,626,892</u>

Liabilities, Surplus and Other Funds

Losses & LAE	\$14,487,385	\$10,155,659
Unearned Premiums	7,017,591	5,726,801
Total Liabilities	<u>\$21,504,976</u>	<u>\$15,882,460</u>
Common Capital Stock	\$2,000,000	\$2,000,000
Aggregate Write-In	2,100,000	2,600,000
Gross Paid in and Contributed Surplus	5,890,000	3,055,000
Unassigned Funds (Surplus)	(2,744,587)	(3,910,568)
Guaranty Fund Premium	0	132,338
Surplus As Regards Policyholders	<u>7,245,413</u>	<u>3,744,432</u>
Totals	<u>\$28,750,389</u>	<u>\$19,626,892</u>

Reinsurance

Agora Syndicate currently maintains excess of loss reinsurance for its liability business in the amount of 100% of \$850,000 XS \$150,000. Agora's treaty reinsurers for 1994 include Lloyd's of London underwriters (32.26%), Transatlantic Reinsurance Company (44%), Frankona Reinsurance Company (4%), Reliance Reinsurance Corporation (4%), Hanover Reinsurance Companies-Germany (6.27%), Sphere Drake Insurance Company-London (5.47%) and Security Reinsurance Company (4%).

NEWS FROM AGORA



February 1995

- I) REMEMBER, THE ILLINOIS INSURANCE EXCHANGE HAS A GUARANTEE FUND OF OVER 34 MILLION AS OF DECEMBER 31, 1994 FOR THE PROTECTION OF POLICYHOLDERS IN ALL STATES OF THE SYNDICATES OF THE EXCHANGE INCLUDING AGORA. NO OTHER U.S. NON-ADMITTED INSURANCE CARRIERS HAVE THIS ALL STATES PROTECTION.**
- II) AS A SERVICE TO ALL OF OUR BROKERS, AGORA'S PRELIMINARY CLAIM FORM WILL BE SENT TO YOUR OFFICE WHEN A NEW CLAIM IS REPORTED TO US. THIS FORM IS DESIGNED TO PROVIDE YOU WITH INITIAL CLAIM INFORMATION AS WELL AS TO NOTIFY YOU OF A NEW CLAIM. IF YOU SHOULD HAVE ANY QUESTIONS, PLEASE CALL MIKE MULLIGAN OR CINDY ARMOUR IN THE CLAIMS DEPARTMENT.**