

SIGFA Survey of State Self-Insurance Guaranty Funds

Response for: **Florida**

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2 **What is the total future value of claims currently covered by self-insurance, including case reserves and IBNR if known?**

Answer
<input type="checkbox"/> Less Than \$10 million dollars
<input type="checkbox"/> \$10,000,000 to \$25,000,000
<input type="checkbox"/> \$25,000,001 to \$50,000,000
<input type="checkbox"/> \$50,000,001 to \$100,000,000
<input checked="" type="checkbox"/> Greater Than \$100,000,000

Comment: This applies to current and former non-governmental individual self-insurers. This data is not collected for governmental self-insurers.

3 **Are self-insured employers/funds required to actuarially calculate their WC liabilities and report that figure to the state?**

Answer
<input type="checkbox"/> Yes
<input type="checkbox"/> No

Comment: Current and former non-governmental individual self-insurers are required to submit actuarial reports if they do not have an investment grade credit rating.

4 **If self-insured employers/funds are required to actuarially calculate their WC liabilities and report that figure to the state... How often are they required to report?**

Answer
<input checked="" type="checkbox"/> At Least Annually
<input type="checkbox"/> Every 2 Years
<input type="checkbox"/> Less Frequently Than Every 2 Years
<input type="checkbox"/> Other

- 5 How many individually self-insured employers defaulted on their claims obligations since Jan 1, 2009?

Answer
None
1
2
3
<input checked="" type="checkbox"/> 4
5 or more

- 6 Describe the structure of how your state regulates self-insurance and covers the administration of claims of defaulting employers (e.g. a single state entity that does both, combination of state agency and private fund, etc.)

A not-for-profit corporation (FSIGA) administers claims of defaulting individual self-insurers. FSIGA has a contract with the regulatory agency to provide administrative services such as collecting all reports, processing reports, records management, etc related to the regulation of non-governmental individual self-insurers. FSIGA has statutory authority to make recommendations to the state agency regarding approval of self-insurers, revocation of self-insurance authorization and setting security deposit amounts.

- 7 Are individually self-insured employers required to carry specific excess insurance?

Answer
<input checked="" type="checkbox"/> Yes
No

- 8 If individually self-insured employers are required to carry specific excess insurance, what is the maximum amount of loss permitted to be retained by the self-insured employer before the specific excess insurance carrier begins paying?

Answer
\$250,000 or Less
<input checked="" type="checkbox"/> \$250,001 to \$500,000
\$500,001 to \$1,000,000
\$1,000,001 to \$2,500,000
\$2,500,001 to \$5,000,000
More Than \$5,000,000
Other

Comment: The maximum SIR is the greater of \$500,000 or 1% of the self-insurer's book equity.

9 If specific excess insurance is required, is it required to provide full statutory coverage once the self-insured retention point has been breached?

Answer
Specific Excess Insurance Is Not Required
Specific Excess Is Required To Pay Full Statutory Coverage
<input checked="" type="checkbox"/> Specific Excess Is Not Required To Pay Full Statutory Coverage
Other

Comment: Specific Excess policies are required to have limits of not less than \$50,000,000.

10 How does the amount of loss permitted to be carried by the self-insured employer, through either a high or low self-insured retention, impact the amount of required security?

Actuarial estimates consider estimated excess insurance recoveries as an offset to estimated outstanding reserves. Security Deposits are set based on actuarial estimates for self-insurers that do not have investment grade credit ratings.

11 Are the carriers who provide the excess insurance required to be an admitted carrier?

Answer
<input checked="" type="checkbox"/> Yes
No

Comment: If coverage is not available from an admitted carrier, the Department may accept policies from non-admitted carriers with AM Best strength and size ratings of not less than "A-" and "VII", respectively.

12 Are carriers who provide excess insurance required to possess a minimum AM Best rating?

Answer
<input checked="" type="checkbox"/> No
Yes, At Least A+ (Superior)
Yes, At Least A- (Excellent)
Yes, At Least B+ (Good)
Yes, B, B- (Fair)
Other

Comment: see comments on #11

13 Does the state have access to financial statements of the individual self-insured employer?

Answer

Yes

No

14 Does the state monitor the credit strength of individual self-insured employers?

Answer

Yes

No

15 If the state monitors the credit strength of the individual self-insured employer, for what purpose?

If the self-insurer has an investment grade credit rating, the security requirement is \$100,000, otherwise, the security deposit is set at the actuarially determined loss reserve amount.

16 Is full statutory coverage provided by your state insurance guaranty association/fund in the event that the voluntary market excess carrier becomes insolvent? If not statutory, what is the maximum required payment?

Answer

No, Payment is Limited To Less Than Full Statutory Coverage

Yes, Full Statutory Coverage Is Provided

Other

17 In the event that the self-insured employer and the excess carrier both default on their payment obligations, what process is in place to guarantee payment of claims?

The self-insurers guaranty association (FSIGA) is responsible for the claims with a right of recovery from the insurance guaranty association (FWCIGA.)

18 In the event that the self-insured employer and the surety bond carrier both default on their payment obligations, what process is in place to guarantee payment of claims?

The self-insurer guaranty association (FSIGA) is responsible for the claims and attempts to recover all or part of the surety bond from the receiver/liquidator.

19 If a domestic surety bond carrier defaults and is placed into rehabilitation / liquidation by your state insurance department, which creditor class will workers' comp surety bonds be considered?

We have not encountered this with an in-state surety bond carrier.

20 Does your state have a separate guaranty fund for individual self-insured employers?

Answer

Yes

No

21 Does your state have a separate guaranty fund for group self-insured funds?

Answer

Yes

No

Comment: Group self-insurers are pooled with the workers' compensation lines of insurance carriers in the Florida Workers' Compensation Insurance Guaranty Association.

22 If a self-insured employer guaranty fund exists in your state is it a governmental, quasi-governmental, or private entity?

Answer

Governmental

Quasi-Governmental

Private

No State Self-Insured Guaranty Fund Exists

Other

Comment: Not-for-profit corporation with board members appointed by elected CFO of the State of Florida.

23 **Does your self-insured employer state guaranty fund levy assessments against individual self-insurers?**

Answer
<input checked="" type="checkbox"/> Yes, Assessments Are Levied Against Individual Self-Insurers
<input type="checkbox"/> No, Assessments Are NOT Levied Against Individual Self-Insurers
<input type="checkbox"/> We Have No Individual Self-Insured Employer Guaranty Funds
<input type="checkbox"/> Other

24 **If assessments are levied against individual self-insurers, how are they calculated?**

Assessments are based on a percentage of calculated written premium, not to exceed 1%. Currently, assessment rates are 1% for the first 35 quarters of self-insurance, 0.5% for the next 20 quarters, and 0.1% for the next 4 quarters for a total of 59 quarters of self-insurance, and 0% thereafter.

25 **How are claim liabilities funded when a group self-insurer defaults?**

Through the Florida Workers' Compensation Insurance Guaranty Association. see #21

26 **How many employers are currently individually self-insured in your state?**

Answer
<input type="checkbox"/> None, Individual Self-Insurance Is Not Allowed
<input type="checkbox"/> Less Than 20 Employers Are Self-Insured
<input type="checkbox"/> From 20 to 75
<input type="checkbox"/> From 76 to 125
<input checked="" type="checkbox"/> From 126 to 175
<input type="checkbox"/> From 176 to 225
<input type="checkbox"/> Over 225
<input type="checkbox"/> Other

27 What types of employers are eligible to individually self-insure their WC liabilities in your state (e.g. private [non-state] entities only, public and private, etc?)

Answer
<input checked="" type="checkbox"/> Privately Held Companies
<input checked="" type="checkbox"/> Public Entities
<input checked="" type="checkbox"/> Governmental Agencies
<input checked="" type="checkbox"/> School Boards
<input checked="" type="checkbox"/> Municipalities
Individual Self-Insurance Is Not Allowed
Other

28 What are the minimum financial requirements for participation in self-insurance (e.g. minimum net worth, earnings, etc.?)

Net worth (book equity) > \$10 million and credit rating of not less than "Ba3", "BB-" or "BB-" issued by Moody's, S&P or Fitch, respectively, or equivalent.

29 Are individually self-insured employers allowed to self-administer their claims?

Answer
<input checked="" type="checkbox"/> Yes
No
Individual Self-Insurance Is Not Allowed
Other

30 If individual self-insured employers are allowed to self-administer claims, are there conditions imposed that do not exist for those employers who utilize a TPA?

Answer
<input checked="" type="checkbox"/> Yes
No
Individual Self-Insurance Is Not Allowed
Other

Comment: The self-servicing program must be approved by the Division of Workers' Compensation

31 Is group self-insurance permitted in your state?

Answer
<input checked="" type="checkbox"/> Yes
<input type="checkbox"/> No

32 How many group funds are operating in your state?

Answer
<input type="checkbox"/> None
<input type="checkbox"/> 1-5
<input type="checkbox"/> 6-10
<input type="checkbox"/> 10-15
<input type="checkbox"/> More Than 15

Comment: I do not have this info.

33 Is group self-insurance permitted in your state for public entities (i.e. public schools)

Answer
<input checked="" type="checkbox"/> Yes
<input type="checkbox"/> No
<input type="checkbox"/> Other

34 Are both heterogeneous and homogeneous group self-insurance funds permitted in your state?

Answer
<input checked="" type="checkbox"/> Yes, Both Heterogeneous & Homogeneous Groups Are Permitted
<input type="checkbox"/> No, Only Homogeneous Groups Are Permitted
<input type="checkbox"/> Other

Comment: *This needs verification*

35 How many employers are currently insured through self-insured group funds?

Answer
None, Group Self-Insurance Is Not Permitted
Less Than 500
From 501 to 1,000
From 1,001 to 2,500
From 2,501 to 5,000
From 5,001 to 10,000
More Than 10,000

Comment: I do not have this info.

36 Are group self-insurers required to carry specific excess insurance

Answer
Yes
No
Other

Comment: I do not have this info.

37 Are group self-insurers required to carry aggregate excess insurance?

Answer
Yes
No
Other

Comment: I do not have this info.

38 Are individual self-insured employers required to collateralize their self-insured liabilities by posting a surety bond, letter of credit, or other security with the state governing agency?

Answer
<input checked="" type="checkbox"/> Yes
No
Other

39 What forms of collateral or security are allowed?

Answer
✔ Surety Bonds
✔ Letters of Credit
Cash
Securities
Real Property
Other

40 How is the collateral obligation calculated? (e.g. formula based on case reserves, actuarially developed, etc?)

see #15

41 How often is the collateral or security calculated and adjusted to reflect changes with the self-insured employer?

Answer
Yearly, Once Calculated The Amount Remains Unchanged For A Year
Periodically As Needed, Changes May Occur During A Year
Other

Comment: As credit rating changes and actuarial estimate changes occur.

42 How does the state insure that the collateral is sufficient to cover the liabilities in the event of a failure to pay benefits by the individually self-insured employer?

see #15