

SIGFA Survey of State Self-Insurance Guaranty Funds

Response for: Georgia

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

Comment: Last check total self reported reserves were approximately \$450,000,000

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

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

Comment: No actuarial report is required in Georgia

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
At Least Annually
Every 2 Years
Less Frequently Than Every 2 Years
<input checked="" type="checkbox"/> Other: Actuarial Reports Not Required

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.)

Employers apply to the State for the issuance of a certificate of self insurance. they must also apply for acceptance into the Georgia Self Insurers Guaranty Trust Fund in order to be granted self insured status as a non governmental entity. Groups are not covered and the Fund does not apply to them. In the event of a default, the Fund takes over administration and payment of all claims for a defaulting employer and uses the posted security as the first source of funds to make payments. Once security is exhausted, Fund assets are used to continue benefits. Counties, municipalities and governmental entities are regulated by the State Board of WC and are not members of the Guaranty Trust Fund.

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

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

Comment: The SIR can generally be no greater than \$750,000 unless the state and Fund have granted an exception.

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
\$250,001 to \$500,000
<input checked="" type="checkbox"/> \$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

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

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?

It is a factor in considering security for the employer. There is a balancing consideration between the SIR amount and the required security.

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

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

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

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

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?

To assist in evaluating financial viability / To monitor the company's strength and stability.

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 Fund is statutorily charged with the responsibility of stepping in and paying claims.

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 Fund is statutorily charged with the responsibility of stepping in and paying claims.

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?

Unknown

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

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

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

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

Comment: The Office of Insurance Commissioner regulates Group Funds.

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

Answer
<input type="checkbox"/> Governmental
<input checked="" type="checkbox"/> Quasi-Governmental
<input type="checkbox"/> Private
<input type="checkbox"/> No State Self-Insured Guaranty Fund Exists
<input type="checkbox"/> Other

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?**

Statutorily based on the total medical and indemnity paid by the employer in a particular year. Minimum assessment is \$2,000 & the maximum is \$8,000. The initial assessment for a new participant is \$8,000.

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

Members of Group Funds have joint and several liability.

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

Answer

- None, Individual Self-Insurance Is Not Allowed
- Less Than 20 Employers Are Self-Insured
- From 20 to 75
- From 76 to 125
- From 126 to 175
- From 176 to 225
- Over 225
- 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

- Privately Held Companies
- Public Entities
- Governmental Agencies
- School Boards
- 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.?)**

There are no set minimum financial requirements. Self insurance acceptance is done on a case by case basis with no minimum net worth requirement per se. Generally, however, 3 million is somewhat of a benchmark.

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

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

31 Is group self-insurance permitted in your state?

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

Comment: The Office of Insurance Commissioner regulates Group Funds in Georgia.

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 checked="" type="checkbox"/> 10-15
<input type="checkbox"/> More Than 15

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

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

Answer
<input type="checkbox"/> None, Group Self-Insurance Is Not Permitted
<input type="checkbox"/> Less Than 500
<input type="checkbox"/> From 501 to 1,000
<input type="checkbox"/> From 1,001 to 2,500
<input checked="" type="checkbox"/> From 2,501 to 5,000
<input type="checkbox"/> From 5,001 to 10,000
<input type="checkbox"/> More Than 10,000

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

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

Comment: The Office of Insurance Commissioner approves excess loss funding programs which may consist of excess insurance, self-funding from surplus or a combination.

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

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

Comment: The Office of Insurance Commissioner approves excess loss funding programs which may consist of excess insurance, self-funding from surplus or a combination.

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

Comment: The self-insurer members of the GSIGTF are required to post security. The counties, municipalities and governmental entities, regulated by the SBWC, are not required to post security and are not members of the GSIGTF.

39 What forms of collateral or security are allowed?

Answer
<input checked="" type="checkbox"/> Surety Bonds
<input checked="" type="checkbox"/> 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?)

The greater of case reserves or twice the average of the last three years medical and indemnity benefits paid.

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

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 #40 ABOVE...and close monitoring of financial conditions. Thereafter fund resources are used once security is exhausted.