

SIGFA Survey of State Self-Insurance Guaranty Funds

Response for: **Missouri**

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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

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

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

Comment: individual self-insured employers - no / self-insured groups - yes

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

Comment: self-insured groups only

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

Answer
None
1
<input checked="" type="checkbox"/> 2
3
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.)

The Division of Workers' Compensation regulates self-insurance and non-profit corporation administers claims of defaulting private sector individual self-insured employers.

- 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
\$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
<input checked="" type="checkbox"/> Other: Varies

Comment: The SIR allowed varies depending on the financial position of the employer. All SIR's must be approved by the Division.

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?

Depending on the financial position of the self-insured employer the higher the retention the higher the security requirement.
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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

Comment: Financial statements must be audited.

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?

NA

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?

All private sector individual self-insured employers are required to be member of a non profit guaranty corporation which will step into the shoes of the defaulting member.

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?

Same as 17.

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

Yes

No

Comment: Private sector employers only.

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

Answer

Yes

No

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: Non profit corporation established by statute.

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?

As a percentage of standard premium equivalent subject to statutory maximums.

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

Security held by the Division and the joint and several liability of the group members.

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 type="checkbox"/> From 126 to 175
<input type="checkbox"/> From 176 to 225
<input type="checkbox"/> Over 225
<input checked="" type="checkbox"/> Other: 292

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
<input checked="" type="checkbox"/> Other: publicly held companies

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

None set by statute. Actual determined by tangible net worth compared to exposure potential and loss history.

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

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

Comment: Must be approved by the Division.

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
Individual Self-Insurance Is Not Allowed
Other

31 Is group self-insurance permitted in your state?

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

32 How many group funds are operating in your state?

Answer
None
1-5
6-10
10-15
<input checked="" 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
No
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
No, Only Homogeneous Groups Are Permitted
Other

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
<input checked="" type="checkbox"/> From 2,501 to 5,000
From 5,001 to 10,000
More Than 10,000

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

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

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

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

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
<input checked="" type="checkbox"/> Surety Bonds
<input checked="" type="checkbox"/> Letters of Credit
<input checked="" type="checkbox"/> Cash
Securities
Real Property
Other

Comment: Cash is held under Escrow Agreement in the form of US Treasury Bills, Bonds or Notes in bank located within the state.

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

Security is formula based on financial statements and case reserves and actuarially developed.

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
<input checked="" type="checkbox"/> Periodically As Needed, Changes May Occur During A Year
Other

Comment: Reviewed at least annually.

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?

Division staff continually monitors the financial performance and condition of self-insured employers and their losses as well as conducting claims audits including case reserves.