

SIGFA Survey of State Self-Insurance Guaranty Funds

Response for: Montana

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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 checked="" type="checkbox"/> \$50,000,001 to \$100,000,000
<input 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 type="checkbox"/> No

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: Required with annual self-insurance renewal application. Actuary may be waived on a case by case basis.

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

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

Case by case basis. With our current defaulted employer, the state regulates self-insurance and covers the administration of claims.

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

Comment: Case by case basis.

- 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?

Higher the SIR, higher 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
<input checked="" type="checkbox"/> 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?

For general financial health information.

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?

Western Guaranty Fund will cover defaulted insurance companies. Montana Self Insurers Guaranty Fund guarantee payments to injured workers.

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?

Montana Self-Insurers Guaranty Fund will make payments.

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?

Not sure.

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

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

Comment: One Guaranty Fund for both individual self-insured and group self-insured.

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

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

Comment: One Guaranty Fund for both individual self-insured and group self-insured.

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 type="checkbox"/> Quasi-Governmental
<input checked="" 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?

Based on compensation and medical claim payments in prior calendar year. Percentage rate determined annually.

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

Not funded.

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
<input checked="" type="checkbox"/> 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
<input checked="" type="checkbox"/> Privately Held Companies
<input checked="" type="checkbox"/> Public Entities
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.?)

Minimum net worth of 25%. Audited financial statements required.

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
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
<input checked="" type="checkbox"/> 6-10
10-15
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

Comment: Public group entities not covered by Guaranty Fund.

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

Answer
Yes, Both Heterogeneous & Homogeneous Groups Are Permitted
<input checked="" type="checkbox"/> 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
<input checked="" type="checkbox"/> 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

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

Comment: May be waived.

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
<input type="checkbox"/> No
<input type="checkbox"/> 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
<input checked="" type="checkbox"/> Securities
<input type="checkbox"/> Real Property
<input type="checkbox"/> Other

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

Case by case basis. No formula.

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

Answer
<input checked="" type="checkbox"/> Yearly, Once Calculated The Amount Remains Unchanged For A Year
<input type="checkbox"/> Periodically As Needed, Changes May Occur During A Year
<input type="checkbox"/> 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?

Guaranty Fund and State determine amount of security annually. Joint approval
