

SIGFA Survey of State Self-Insurance Guaranty Funds

Response for: Rhode Island

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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
<input checked="" type="checkbox"/> \$25,000,001 to \$50,000,000
\$50,000,001 to \$100,000,000
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
Yes
<input checked="" 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
At Least Annually
Every 2 Years
Less Frequently Than Every 2 Years
<input checked="" type="checkbox"/> Other: SI employers are required to report loss data at least annually

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

Answer
<input checked="" type="checkbox"/> None
<input type="checkbox"/> 1
<input type="checkbox"/> 2
<input type="checkbox"/> 3
<input type="checkbox"/> 4
<input type="checkbox"/> 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 Dept of labor and training certifies and regulates individual SI employers. The Dept. of Business Regulation handles group self insureds.
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- 7 Are individually self-insured employers required to carry specific excess insurance?

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

**Comment:** some larger SI employers are allowed a higher retention.

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

Currently it does not but there are proposed rules for 2011 tying the retention to amount of surety.
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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
<input type="checkbox"/> No

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

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

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

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

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

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

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

n/a
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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?

<b>Answer</b>
<input checked="" type="checkbox"/> No, Payment is Limited To Less Than Full Statutory Coverage
<input type="checkbox"/> Yes, Full Statutory Coverage Is Provided
<input type="checkbox"/> 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?

no process in place
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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?

no process in place

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?

I don't know

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

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

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

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

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

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

posted surety
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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
<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.?)

no minimum financila requirements

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

<b>Answer</b>
<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?

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

**Comment:** dept. claims handling certification is required

31 Is group self-insurance permitted in your state?

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

32 How many group funds are operating in your state?

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

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

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

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

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

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

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

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

39 What forms of collateral or security are allowed?

<b>Answer</b>
<input checked="" type="checkbox"/> Surety Bonds
<input checked="" type="checkbox"/> Letters of Credit
<input checked="" type="checkbox"/> Cash
<input 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?)

based on case reserves

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:** usually only adjusted annually but it can be adjusted at any time.

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?

case reserves