

SIIA Workers' Compensation Committee
Self Insured Group Trustee
Responsibility Training

Questions Every SIG Trustee Needs to Know:

- What is the mission statement of your SIG?
- Does your SIG have any risk sharing exposure if another SIG in your state becomes insolvent? Could the insolvency of an individual Self Insured Corporation create risk sharing?
- Would your State Guarantee Fund cover an insolvency of your Excess Workers' Compensation carrier? Some states cover insolvencies subject to an asset threshold. Verify if the Guarantee Fund would use assets of the SIG or assets of all members combined.
- The continuous "soft market" has forced many SIGs to reduce rates. What is the historical trend of your SIG's average payroll rate and loss ratio? Include years 2000 and 2001 in your analysis. These were difficult underwriting years for SIGs at the end of the last soft market.
- What is your SIGs target of surplus as a function of premium or the self insured retention?
- Have any other SIG's in your state become insolvent or had assessments? If so, what were the reasons for underfunding?
- How do the loss development factors (LDF) for your SIG compare to state averages?
- What is the Directors & Officers policy limit for the SIG? Do you share this limit with any sponsoring trade organization?
- Does the D&O policy have an "Insurance Company Related" exclusion?
- If your SIG does not use an outside claims management TPA, what limits of insurance coverage apply to claims management activities?
- Do the key service providers such as the actuary, excess underwriter and investment manager regularly attend board meetings?