

Group Self-Insurance Provisions in the Governor's Budget Bill: 4/1/2011

The definition of "self-insurer" is expanded to include all public and private group self-insurers

- This will change the way GSIs are treated for assessment calculations and security requirements

All assessments will be calculated based on the proportion of the group's compensation payments to the compensation payments made by all NYS workers' compensation providers

- This replaces a calculation based on the proportion of pure premium collected by a group to the premium paid by all other self-insurers.

By 1/31/16, any member of a GSI that closed due to insolvency will be subject to a one-time assessment, unless all liabilities of the group have been resolved through

- Settlement agreement/payment plan with WCB
- Loss portfolio transfer
- Payment of all outstanding liabilities
- Individual member responsibility for payment of this assessment will be determined by the pro rata share of the GSI's unpaid deficit by premium size

No new GSIs may be formed after January 1, 2012

GSI Requirements:

- Secure the services of a trust administrator
- Joint deposit of security to cover:
 - All existing claims obligations by 11/1/11
 - All anticipated present and future claims by 11/1/14, with annual adjustments to the security amount thereafter
 - All non-claim liabilities, including anticipated future assessments by 11/1/11
- GSI has been approved (in existence as of 1/1/2012)
- Limitation of payroll class codes for any new members to the GSI
 - Current members with payroll codes outside the limitations may remain in the group
- GSI must be fully funded 3 out of the last 5 years, and at least 90% funded for one of the underfunded years
- GSI must have a safety program
- GSI members must sign an agreement that acknowledges:
 - Joint and Several responsibility
 - Plan for collection of any assessments

Closed GSIs must continue to pay all assessments until no liabilities remain

If any employer fails to pay a judgment (i.e. deficit billing) within 90 days of notice will be issued a stop-work order by the WCB