

STATE OF NEW YORK
WORKERS' COMPENSATION BOARD

Report of Group Self-Insurers – Frequently Asked Questions

Q: How often is this report updated?

A: The report is updated on the first of each month and reflects any changes made during the month including those made to the group self-insurer name, group administrator, number of members, status, regulatory funding position, or restrictions imposed since the last monthly report.

Q: Can any type of employer belong to each of these group self-insurers?

A: Group self-insurers are required to be homogeneous with employer members in the same or similar lines of business. Membership in a group self-insurer is limited to those employers that meet the homogeneity standard established by the group self-insurer and approved by the Workers' Compensation Board (Board). A general description of each group self-insurer is included in Column (1).

Q: How many members belong to each of these group self-insurers?

A: The approximate number of active members in each group self-insurer as of the report date is included in Column 1.

Q: What is a group administrator?

A: A group administrator is that individual or entity that is responsible for assisting the group self-insurer in complying with the provisions of the Workers' Compensation Law (WCL) and the rules and regulations promulgated thereunder and for the coordination of services including, but not limited to, claims processing, insurance purchasing, loss control, legal, accounting and actuarial services. The group administrator noted is the administrator of record with the Board. If the group self-insurer has been transferred to a State contracted group administrator, it is noted.

Q: If a group self-insurer is inactive and has had multiple group administrators, which administrator is listed on the Report of Group Self-Insurers?

A: If a group self-insurer is inactive and has been transferred to a State contracted group administrator, the last group administrator on file with the Board is listed. It is possible that a group self-insurer could have had multiple group administrators over the time it was active and inactive.

Q: What is a State contracted group administrator?

A: A State contracted group administrator is a qualified contractor that performs a range of services on behalf of the group self-insurer assumed by the Board. The services are obtained through a competitive bid process adhering to NYS procurement rules and include the day-to-day management of operations, claims handling, safety and loss control services, contractual liaison services and overall handling of the financial affairs attributable to the group self-insurer.

Q: When is a group self-insurer transferred to a State contracted group administrator?

A: If the financial position of the group self-insurer is such that the Board has concerns regarding the uninterrupted payment of any obligations under the WCL,

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particularly those to claimants, the Board may take over the administration of the group self-insurer.

Q: How can I find out more information regarding the Trust's regulatory funding position?

A: Any active or inactive member of a group self-insurer is entitled to obtain information about the funding position of the group self-insurer in which they participate or participated. Members can request financial and actuarial information from the group administrator including a copy of the most recent financial review performed by the Board.

Q: What does the term "insolvent" mean?

A: An insolvent group self-insurer has shown an inability to pay its outstanding obligations under the WCL as they mature in the regular course of business. Insolvency can be demonstrated by: (1) the group self-insurer being deemed under funded as defined by the WCL and corresponding regulations; and (2) the sum of the group self-insurer's assets plus the available security deposit posted with the Board being less than the total cost of all of the group self-insurer's anticipated workers' compensation liabilities that will accrue within the next six months.

Q: What is a forensic accounting review and when is it required?

A: Services are obtained through a competitive bid process adhering to NYS procurement rules for "on-call" assistance of qualified contractors, with the necessary accounting and technical background to conduct three-part reviews of group self-insurers: 1) a financial and forensic accounting review, 2) a performance/operational review, and 3) a claims review. These reviews may be performed on both group self-insurers whose privilege to self-insure has been revoked as well as any group self-insurer whose privilege to self-insure remains intact, but for whom the Board feels will benefit from some level of review of all or part of the various financial and programmatic components of a group self-insurer. A forensic review is required for each group self-insurer that transfers to a State contracted group administrator.

Q: What if I have additional questions?

A: Please contact the Self Insurance Office at SelfInsurance@wcb.ny.gov