

SELF-INSURERS' SECURITY FUND

Resolution No. 25-1

The following resolution memorializes the policy of the Security Fund regarding adjustments to member participation levels in the Alternative Security Program (ASP) during the course of the ASP Plan Year.

The Security Fund makes credit determinations once a year, based on the published credit rating of each eligible member as of May 15 of each year or, if a published rating does not exist, an equivalent rating (using Moody's RiskCalc or CreditEdge) based on financial statements provided to the Security Fund prior to May 15 of each year. The Security Fund may make credit determinations based on financial statements received after May 15 to accommodate members with non-calendar fiscal years.

If a published formal rating thereafter declines to a level where additional collateral is required under the Partial Participant tiering, or due to exclusion entirely from the ASP, the Security Fund, following Credit Committee review, ordinarily will request that the Office of Self-Insurance Plans obtain additional collateral consistent with that published formal rating, unless in the Security Fund's discretion additional collateral is not necessary.

While the Security Fund reserves the right to request additional collateral on a mid-ASP Plan Year basis, under no circumstances is the Security Fund required to request or obtain additional collateral beyond that required by a published formal rating, or to obtain additional collateral from companies without published formal ratings on a mid-year basis or based on interim financials.

Policy Revisions

This policy may be revised by the Board whenever necessary, and shall be reviewed by the Board annually.

Date Originally Adopted: 3/18/25

Date of Last Revision: _____

Replaces Resolution No.: _____

Date Reviewed: _____

Date Approved: _____