
Assessment Structure

Q. What is the Security Fund's assessment structure?

A. The Security Fund collects an annual deposit assessment from all private self-insurers participating in the alternative composite deposit. The pro-rata amount of the deposit assessment is made up of two separate component fees: Default Loss Fund Fee and Excess Liability Protection Fee.

Q. What is the Default Loss Fund ("DLF") Fee?

A. The DLF is a pro-rata cash contribution to build the net worth of the Security Fund to pay existing or future defaults on covered workers' compensation liabilities of eligible private self-insured employers under the alternative composite deposit. Fully and Partial participating members will be charged the DLF based on deposit size and creditworthiness (i.e. credit level). Excluded members will only be charged a portion of the DLF based on the security deposit.

Q. What is the Excess Liability Protection ("ELP") Fee?

A. The ELP is a pro-rata cash contribution to pay the cost of any aggregate loss protection in excess of the level of liability provided through the DLF. The fee covers the anticipated costs of risk transfer, placement, general administration, and legal. Fully and Partial participating members will be charged the ELP based on deposit size creditworthiness (i.e. credit level).

Q. Can I get an estimate of my assessment before I become self-insured?

A. Yes. Contact the Security Fund for a free estimate.