
The Benefits of Self Insuring

There are many benefits to self-insuring your workers' compensation claims. Among them is the ability to better control your losses and manage your injured workers in a compassionate manner. We offer a wealth of information about self insurance and how to become a member of SISF. Insurance involves the transfer of risk to admitted insurance carriers, who take responsibility for paying the claims in exchange for an annual premium. Self-insurance involves the company retaining the risk, and being responsible to pay the claims. Self-insured claims may be administered by a third-party claims administrator or, with permission from the State, self-administered.

Q. What are the benefits of self-insurance over guaranteed cost insurance programs?

A. There are several. First, self-insurance provides employers a better understanding and control of their claims and claims program over an insured program. The cost of self-insurance can be considerably less than an insured program. Depending on the member's credit profile, the collateral requirements may be less onerous as well.

Q. What are the benefits of self-insurance over high deductible programs?

A. Self-insurance can afford more visibility into, and control over, claims and the claims process. Members can self-administer their claims in some instances. Cost and collateral requirements are often less burdensome.