
The Self-Insurers' Security Fund ("SISF") - Overview

Q. What is the Security Fund?

A. The Security Fund is a non-profit organization responsible for administering and paying the workers' compensation claims of self-insured private companies who cannot pay the claims due to insolvency. It is a guaranty fund for workers' compensation self-insurers in California.

Q. What are the total open private-sector workers' claim liabilities that the Security Fund oversees?

A. As of 2018, nearly \$8.5 billion in claims liabilities associated with 515 individual member companies and 25 self-insured groups. Since the Security Fund's inception, about 80 companies have defaulted. The Security Fund currently administers about 900 open claims with a net reserve of about \$67 million.

Q. When was the Security Fund established?

A. The Security Fund was established on July 6, 1984 by the California State Legislature.

Q. Is the Security Fund a state agency?

A. No. The Security Fund is an independent, non-profit 501 (c) 6 mutual benefit corporation. It receives no tax money. The Director of the Department of Industrial Relations sits on the Board of Trustees in an *Ex Officio* capacity.

Q. Is the Security Fund subject to regulation?

A. Yes. California law requires ongoing regulatory coordination and oversight of both the Security Fund and its self-insured member entities. The Director of the Department of Industrial Relations (DIR) and Office of Self-Insurance Plans (OSIP) provides regulatory enforcement and administrative control over all workers' compensation self-insured entities operating in California.

Q. How is the Security Fund governed?

A. The Security Fund is governed by seven (7) representatives who are elected from among the member entities, to serve four-year terms on the Fund's Board of Trustees. An eighth member, the Director of the Department of Industrial Relations (or the Director's Designee), serves as an *Ex Officio* member of the Board.

Q. How do I become a member of the Security Fund?

A. All companies that hold active Certificates of Consent to Self-Insure are, by law, members of the Security Fund. This membership continues until all claims have been paid, or the company has defaulted. The requirements to become self-insured are addressed in the section, Becoming Self-Insured.

Q. Are public entities members of the Security Fund?

A. No. No cities, counties, local governments, public power authorities, etc. participate in the Security Fund.

Q. How can I participate in the governance of the Security Fund?

A. There are several ways to participate. Interested members are eligible for appointment to Fund committees, to serve as informal advisors. Members can also nominate other members to participate on the Board of Trustees, as set forth in the Security Fund Bylaws.

Q. Is the Security Fund financially solvent?

A. Yes. As of June 30, 2023, the Fund's gross assets were \$746,398,766 with liabilities of \$54,939,039.

Q. How can I obtain a copy of the Security Fund's financial statements?

A. Financial statements are available to Security Fund members through the Member-Only portal of the Security Fund website.

Q. How do I obtain a copy of the Bylaws?

A. The Bylaws can be found on the Security Fund website.