

ESIF Q&A for Agents

1/13/06

My client has received the assessment notice and has questions about the calculations. Who should I call?

Agents should call ESIF's service company, CompSolutions, and ask for the ESIF ASSESSMENT DEPARTMENT at 985-781-1444. To streamline the process, member businesses should work directly with their agents and the agents should contact us with questions.

What percentage of the assessment is going toward commissions or fees?

We project that approximately 11% of the assessment will be utilized to cover administration and servicing of the assessment plan and agent commissions. Another 9% is projected to cover legal costs associated with the assessment.

What will ESIF do if a business refuses to pay?

A letter will be sent to be certain the assessment was not overlooked. If the business still does not pay the assessment, the account will be turned over to a law firm that is handling collections on behalf of ESIF. Pursuant to state law, we will be aggressive in collecting the assessment from all parties.

Why hasn't ESIF been put into liquidation?

In order to protect the injured workers who rely on this fund, and because group self insurers like ESIF play an important role in Louisiana's workers' compensation insurance market, the idea of a liquidation is not being considered at this time. A successful rehabilitation is the only acceptable outcome. Members should keep in mind that a true liquidation would be more expensive than this remedial plan and would not relieve them of the joint and several liability agreement.

Couldn't the Louisiana Insurance Guaranty Association pay the claims?

Workers' Compensation SIFs are not covered by LIGA.

Does the assessment plan build reserves?

No, the assessment plan only addresses the deficit.

Who had regulatory oversight of ESIF during the years for which there are deficits?

The Louisiana Department of Insurance has regulatory oversight of group self-insured workers' comp funds.

How long can ESIF stay in operation?

Without the assessment, it is estimated that ESIF will run out of money in 2007. With the assessment, we have every confidence that the company will continue to pay benefits through satisfaction and conclusion of the claims.