DEPARTMENT OF INDUSTRIAL RELATIONS
OFFICE OF SELF INSURANCE PLANS

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Self Insurance Group Definitions

Actuarial Summary
Also referred to as a 'summary.' This is a summary of the study prepared by the same qualified actuary that prepared the study. The summary is taken directly from the actuarial study, electronically filed with the Office of Self-Insurance Plans, and shall include the data specified in section 15481 for self-insured groups.

Actuarial Study
Also referred to as a 'study.' This is a complete actuarial study prepared by a qualified actuary presenting the full and complete results of the actuarial analysis and study performed by the actuary including, but not limited to, the requirements specified in 15481 for self-insured groups. The study will also serve as the basis for the completion of the actuarial

Deficit Correction Plan
The deficit correction plan is a financial plan, submitted by the Group Administrator to the Office of Self Insurance Plans, designed to correct the shortfall and bring the SIG to full funding status.

Excess Insurance
California requires that all SIGs maintain excess insurance to pay for the cost of any individual claim that exceeds $500,000. This allows the SIG to limit its exposure to large losses on any individual claim.

Funding %
SIGs are required to maintain enough funding to pay all estimated future workers compensation claims.

OSIP Ordered Audit
An independent assessment of a deficit correction plan to determine whether the submitted plan, if followed, will summary and required to be filed along with the actuarial summary.

Qualified Actuary
A qualified actuary is any actuary that meets the minimum standards of experience, certification, licensure, insurance, and qualifications set forth in section 15209, subdivisions (a)(2) and (3), for private self-insurers or section 15481, subdivisions(a)(3) & (4), for self insured groups.

Revoked
A self insured group (SIG) that is revoked no longer provides coverage for new injuries. Members seek individual insurance coverage. Every SIG in California that has gone through revocation has done so voluntarily for business reasons.

Role of Third Party Administrator (TPA)—TPAs are independent of the group administrators and employers. They decide if a workers' compensation claim should be paid and how much the claim will cost. This cost is used to estimate future liabilities.

Role of Group Administrator

The group administrator determines the contribution level (premium) of each SIG member in order to pay injured worker claims and associated expenses. They submit annual reports of estimated future liabilities, actuarial reports and audited financial reports on the SIG to the Office of Self Insurance Plans.