

Member Assessments

The Association may assess member self-insurers in four instances:

1. The Association shall annually operate an Association Aggregate Security System (“AASS”) and shall assess eligible member self-insurers in lieu of posting an individual statutory deposit. Please click on the AASS tab for a complete description of the current AASS Implementation Plan.
2. Initial Assessments for Individual Self-insurers – An individual self-insurer upon receiving its license from the Commissioner is a member of the Association and is required to pay an initial assessment to the Association in an amount and over a period as determined by the Board. On October 21, 2020, the Board adopted a Resolution modifying the new member assessment policy for individual self-insurers which is detailed below.
3. Special Assessments - In the event there are covered claims against an insolvent member or members and the assets of the Fund are not sufficient to pay the obligations of the Association, then the Association may collect a special assessment from the members in an amount sufficient to pay the aggregate value of such covered claims. Each member special assessment shall be determined by the Board and shall be based on the proportion of its outstanding liabilities under the Act to the aggregate total of all member outstanding liabilities under the Act.
4. Initial Assessments for Member Group Self-Insurers– The Association may annually assess each member group self-insurer in an amount not to exceed two percent (2%) of the group self-insurer’s annual gross premiums for the preceding calendar year, as determined under G.S. 105-228.5(b), (b1), and (c). On April 24, 2008, the Association Board adopted a resolution for the initial assessments of new group self-insurers and remains unchanged. Group self-insurers pay an initial new member assessment deposit of \$10,000.00 that is due and payable on the date that the group self-insurer is admitted as a member of the Association. During the first partial calendar year of membership, new group self-insurer members are assessed at the rate of 1.28% of the group self-insurer’s estimated first year Premium. The estimated first year Premium is determined by pro-rating the Premium for the portion of the year that the group self-insurer is a member to produce an estimated Premium for the entire calendar year. The assessment deposit is credited against the assessment due. Any excess deposit is applied to the second-year assessment. For the remainder of the first full calendar year of membership, the group member self-insurer is assessed at the rate of 1.47% of the Premium and the second-year assessment is due and payable at the end of the first full calendar year of membership.

**RESOLUTION
(NEW MEMBER ASSESSMENT POLICY FOR INDIVIDUAL MEMBER SELF-
INSURERS)**

October 21, 2020

RESOLVED, THAT, pursuant to the Plan of Operation, the following policy governs the initial assessment of member self-insurers that are licensed by the North Carolina Department of Insurance (“Department”) and become members of the North Carolina Self-Insurance Security Association (“Association”) on or after July 1, 2020.

Individual self-insurers that are admitted as members of the Association on or after July 1, 2020 will pay an initial assessment to the Association based on an adjustment factor established by the Association multiplied by the Association Aggregate Security System (“AASS”) rates set by the Association in the first four (4) years of the member’s period of self-insurance (including the first year waiting period and years 1 – 3 of membership in the AASS).

During the first year of membership in the Association, the new member will deposit its initial collateral, which will be held until the member participates in the AASS. The initial collateral will be released upon payment of the first installment of the member’s initial assessment in year 1 of its participation in AASS. The initial assessment will be calculated and paid over years 1 – 3 of the member’s participation in AASS

Initial assessments will vary between members such that new self-insurers with positive creditworthiness may pay less than those new self-insurers with weaker credit ratings.

The minimum initial assessment for any new member will be \$10,000.

The policy set forth herein is applicable only to initial assessments from new individual member self-insurers. All individual member self-insurers are subject to AASS assessments and other assessments in accordance with North Carolina law.

Adopted by an affirmative vote of a majority of the Board of Directors of the Association on October 21, 2020.