October 22, 2014

Ms. Jane Koenigsman  
Life and Health Financial Analysis Manager  
NAIC  
1100 Walnut Street, Suite 1500  
Kansas City, MO 64106-2197

Dear Jane:

Thank you for inviting NCIGF to comment on provisions of the Property and Casualty Insurance Guaranty Association Model Act. The National Conference of Insurance Guaranty Funds (NCIGF) is a non-profit, member-funded association which provides national assistance and support to the property and casualty guaranty funds located in each of the 50 states and the District of Columbia.

For your information, we have attached a chart depicting covered claim limits country-wide for workers compensation business and other property casualty lines. We shared these same charts with the Federal Insurance Office (FIO) in response to the recommendation in the FIO insurance modernization report that there should be uniformity in state statutory guaranty fund limits.

In the District of Columbia and all but one of the states with a private workers compensation market, workers compensation benefits are not subject to statutory caps and are paid in full. Workers compensation claims make up a significant part of the guaranty fund claims portfolio. In our most recent analysis – for the years 2008-2010 – 60% of guaranty fund claims were workers compensation. (see our most recent Expense Review at www.ncigf.org.) (also please note that in most states claimant protection is provided by a property casualty guaranty fund which covers various lines of property casualty business – in a few states there is a separate fund that provides benefits for injured workers or the protection is provided by a facility that, while not technically a guaranty fund, provides the same type of protection. For purpose of this analysis all of the aforementioned mechanisms are referred to as “guaranty associations.”)

For other lines of business all but 4 states have claim caps of at least $300,000 and several states are higher.
While we continue to strive for no limit on workers compensation in all jurisdictions and a claim cap for other lines of business of at least $300,000, our current statistics demonstrate a high level of uniformity in consumer protection.

Thank you for considering this information.

Very truly yours,

Barbara F. Cox
Vice President
Legal and Regulatory Affairs
**Policyholder Protection: Property & Casualty Guaranty Association Benefits**

**for All Lines of Business (Except Workers' Compensation)**

- **At Least $300,000 Coverage**
  - 47

- **$150,000 Coverage**
  - 2

- **$100,000 Coverage**
  - 2

**The Safety Net**

92% (47 of 51) of Guaranty Associations Provide At Least $300,000 Or More Coverage Benefits

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**Policyholder Protection: Property & Casualty Guaranty Association Benefits**

**for Workers' Compensation**

- **Unlimited Coverage**
  - 47

- **$300,000 Coverage**
  - 1

- **Insured by State Facility**
  - 3

**The Safety Net**

97% (47 of 48) of Guaranty Associations Provide Unlimited Workers' Compensation Coverage Benefits. Benefits provided through State Facility in 3 States.