

**NATIONAL CONFERENCE OF INSURANCE GUARANTY FUNDS  
2024 SUMMARY OF PROPERTY AND CASUALTY INSURANCE GUARANTY ASSOCIATION STATUTES**

## Assessment Information

<u>State</u>	<u>Maximum Annual Assessment Percentage</u> The maximum percentage of a member insurer's premiums that a guaranty association may assess each year.	<u>Base Year</u> The designated year used to determine a member insurer's share of an assessment., based on the premiums written during that year.	<u>Recoupment Provisions</u> Mechanisms that enable a member insurer to recover part of the assessment costs from external sources.	<u>Additional Information</u>
NAIC	2% Total Premiums	Preceding Year	Various Options	
NCIGF	2% / Account	Preceding Year	Not Specified	
AL	1% / 2% Worker's Compensation	Preceding Year	Premium Tax Offset 20% Per Year	
AK	2% / Account	Preceding Year	Policyholder Surcharge	
AZ	1% / Account	Preceding Year	Premium Tax Offset 20% Per Year  Limit Applies to Assessments Paid in 1995 and Beyond, 1994 Limit: 13%; 1993 Limit: 11%; and 1992 Limit: 13%	Up to \$200/year Administrative Assessment
AR	2% Total Premiums	Preceding Year	Premium Tax Offset 20% Per Year	
CA	2% / Account  Unless Bonds Are Outstanding then 1%	Preceding Year	Policyholder Surcharge	Catastrophe Borrowing Provision & Additional Assessment Authority
CO	2% / Account	Preceding Year	Rates & Premiums	
CT	2% / Account	Preceding Year	Premium Tax Offset 20% Per Year	
DE	2% Total Premiums	Preceding Year	Either Premium Tax Offset or Rates & Premiums	Up to \$150/Year Administrative Assessment
DC	2% / Account	Preceding Year	Rates & Premiums	
FL	2% / Account	Preceding Year	Policyholder Surcharge	4% Additional Emergency Assessment Capacity Available If Needed
FL WC	2% Total Premiums	Preceding Year	Policyholder Surcharge	Additional 1.5% Assessment Capacity Available If Needed, Must be Certified by the Board

GA	2% / Account	Preceding Year	Policyholder Surcharge	
HI	2% Total Premiums	Preceding Year	Policyholder Surcharge	
ID	1% / Account	Preceding Year	Premium Tax Offset 20% Per Year	
IL	2% / Account	Preceding Year	Rates & Premiums	Up to \$500/Year Administrative Assessments Authority to Increase up to 3% To Pay Off a Loan Obtained to Pay Covered Claims When the Repayment of That Loan Would Exceed 3 Years
IN	1% / Account	Preceding Year	Either Premium Tax Offset or Rates & Premiums	Up to \$50/Year Administrative Assessments
IA	2% Total Premiums	Preceding Year	Rates & Premiums	Up to \$50/Year Administrative Assessments
KS	2% Total Premiums	Preceding Year	Either Premium Tax Offset or Rates & Premiums	
KY	2% Total Premiums	Preceding Year	Rates & Premiums	
LA	2% Total Premiums	Preceding Year	Premium Tax Offset 10% Per Year	
ME	2% / Account	Preceding Year	Rates & Premiums	“Spillover” Provision Payment by Fund to Workers’ Compensation Residual Market to be Recouped Through Assessment
MD	2% / Account	Preceding Year	Rates & Premiums	
MA	2% Total Premiums	Preceding Year	Rates & Premiums	
MI	1% Total Premiums	Most Recent Annual Statement	Rates & Premiums	
MN	2% / Account	Preceding Year	Premium Tax Offset 20% Per Year or Rates & Premiums	For Insolvencies After 7/31/1994
MS	1% Total Premiums	Preceding Year	Rates & Premiums	
MO	2% / Account	Preceding Year	Premium Tax Offset 33 1/3% Per Year	
MT	2% Total Premiums	Preceding Year	Rates & Premiums	
NE	1% / Account	Preceding Year	Premium Tax Offset 20% Per Year	Up to \$50/Year Administrative Assessments
NV	2% Total Premiums	Preceding Year	Premium Tax Offset 20% Per Year (18)	Up to \$1,000/Year Administrative Assessments

NH	2% Total Premiums	Preceding Year	Rates & Premiums or Policyholder Surcharge	A New Act (NH Act of 2004) Was Enacted for Insolvencies Occurring After 8-6-2004 and Allows for Either Rates and Premiums or Policyholder Surcharge Methods of Recoupment
NJ	2% Total Premiums	Preceding Year	Policyholder Surcharge	Total Premiums Shall Not Include Medical Malpractice Liability Premiums to Which an Additional Charge Has Been Applied for Deposit in the New Jersey Medical Malpractice Reinsurance Recovery Fund
NJ WC	1% Total Premiums	Pre-Insolvency Fund: Assessments are triggered when the amount in the fund is below 5% of loss reserves	Not Specified	
NM	2% / Account	Preceding Year	Rates & Premiums	
NY	No Limit	Pre-Assessment Fund: Assessments are triggered when the funds value falls below \$150 million	Rates & Premiums	
NC	2% / Account	Preceding Year	Premium Tax Offset 20% Per Year	
ND	2% Total Premiums	Preceding Year	Rates & Premiums	
OH	1.5% / Account	Preceding Year	Rates & Premiums	
OK	Formula: Lesser of 2% Premiums or 1% Policyholders' Surplus	Preceding Year	Either Premium Tax Offset or Rates & Premiums	
OR	2% Total Premiums	Preceding Year	Policyholder Surcharge	Beginning January 1, 2003, Policyholder Surcharge (Referred to as Recoupment Assessment) If Not Previously Recouped or Offset Against Corporate Excise Taxes or Fire Insurance Gross Premium Taxes

PA	2% / Account	Preceding Year	Premium Tax Offset and Rates & Premiums	1 <sup>ST</sup> 1%- Rates & Premiums 2 <sup>ND</sup> 1% Premium Tax Offset First 1% Of Assessment Made During Year and Premium Tax Offset for Assessment Amounts Greater than 1%
PA WC	Pre-Insolvency Fund – Members Are Assessed When Fund Balance is Below \$500 Million	Preceding Year	Not Specified	
PR	2% / Account	Preceding Year	Rates & Premiums	
RI	2% / Account	Preceding Year	Rates & Premiums	“Spillover” Provision
SC	1% / Account	Year Before Insolvency	Rates & Premiums	Director May Increase Assessment to 2%
SD	2% / Account	Preceding Year	Rates & Premiums	Up to \$500/Year Administrative Assessments
TN	2% / Account	Preceding Year	Premium Tax Offset 25% Per Year	Catastrophic Borrowing Provision
TX	2% Total Premiums	Preceding Year	Premium Tax Offset 10% Per Year	Additional Assessment May Be Authorized for Natural Disaster or Catastrophic Event
UT	2% / Account	Preceding Year	Premium Tax Offset 20% Per Year	
VT	2% / Account	Preceding Year for Insolvencies After June 3, 1993	Rates & Premiums	
VI	3% Total Premiums	Preceding Year	Rates & Premiums	If Assessment Exceeds .25%, then Surcharge
VA	2% / Account	Preceding Year	Premium Tax Offset 10% Per Year	Disaster Borrowing Provision
WA	2% / Account	Preceding Year	Premium Tax Offset 20% Per Year For Assessments Paid Prior to April 1, 1993, and After July 27, 1997	Maximum Assessment of 3% /Account for Longshore & Harbor Worker’s Compensation
WV	2% / Account	Preceding Year	Rates & Premiums	
WI	2% / Account	Preceding Year	Rates & Premiums	Up to \$500/Year Administrative Assessments
WY	1% Total Premiums	Preceding Year	Rates & Premiums	

## *Definitions*

### **Maximum Annual Assessment Percentage**

- **% Per Account:** the guaranty association maintains multiple separate accounts (e.g., workers' compensation, auto), and assesses each insurer based on a percentage of the total premiums the insurer writes within a specific account.
- **% Total Premiums:** the assessment limit is set as a percentage of the total premiums an insurer writes for covered lines of business.
- **Administrative Assessment:** refers to the fees or charges imposed on insurance companies to cover the operational costs of the guaranty fund.

### **Base Year**

- **Preceding Year** means the assessment is based on the insurer's premiums written during the calendar year before the assessment year.
- **Year Before Insolvency** means the assessment is calculated based on the insurer's premiums written during the calendar year before the insolvency occurred.
- **Pre-Assessment/Insolvency Funds** are funded in advance by collecting assessments from member insurers before an insolvency occurs—typically when the fund's balance falls below a specified threshold.\*

\*The majority of guaranty funds are post-funded meaning they levy assessments after an insolvency occurs and when funding is needed.

- **Most Recent Annual Statement** refers to using the latest annual statement filed by the insurer to determine premium volume for the purpose of calculating the assessment.

### **Insurer Recoupment Provisions**

- **Policyholder Surcharge** generally refers to an extra charge added to insurance premiums, paid by policyholders, which allows member insurance companies to recoup some of the cost of guaranty fund assessments. The charge typically must be shown as separate and distinct from the regular premium.
- **Rates & Premiums** generally refer to the practice where insurers incorporate the cost of assessments directly into the overall price of their insurance policies. This recovery method typically does not require a separately identifiable charge but is instead built into the cost of the regular premium.
- **Premium Tax Offset** is a tax credit that allows insurance companies to recover a portion of the assessments they pay to guaranty associations. In many states, insurers can only recoup a specified percentage of the assessment each year.

## *Disclaimer*

*Although NCIGF has made every effort to produce the most complete, up-to-date, and accurate law summaries possible, this work is meant to be used for reference purposes only. It is not meant as a substitute for an official version of a state statute or for legal advice.*

*Future updated copies of this summary may be obtained by contacting NCIGF Legal ([legal@ncigf.org](mailto:legal@ncigf.org)) of the National Conference of Insurance Guaranty Funds, 300 N Meridian St, Ste 1020, Indianapolis, Indiana, 46204, (317) 464-8136.*