



National Conference  
*of Insurance Guaranty Funds*

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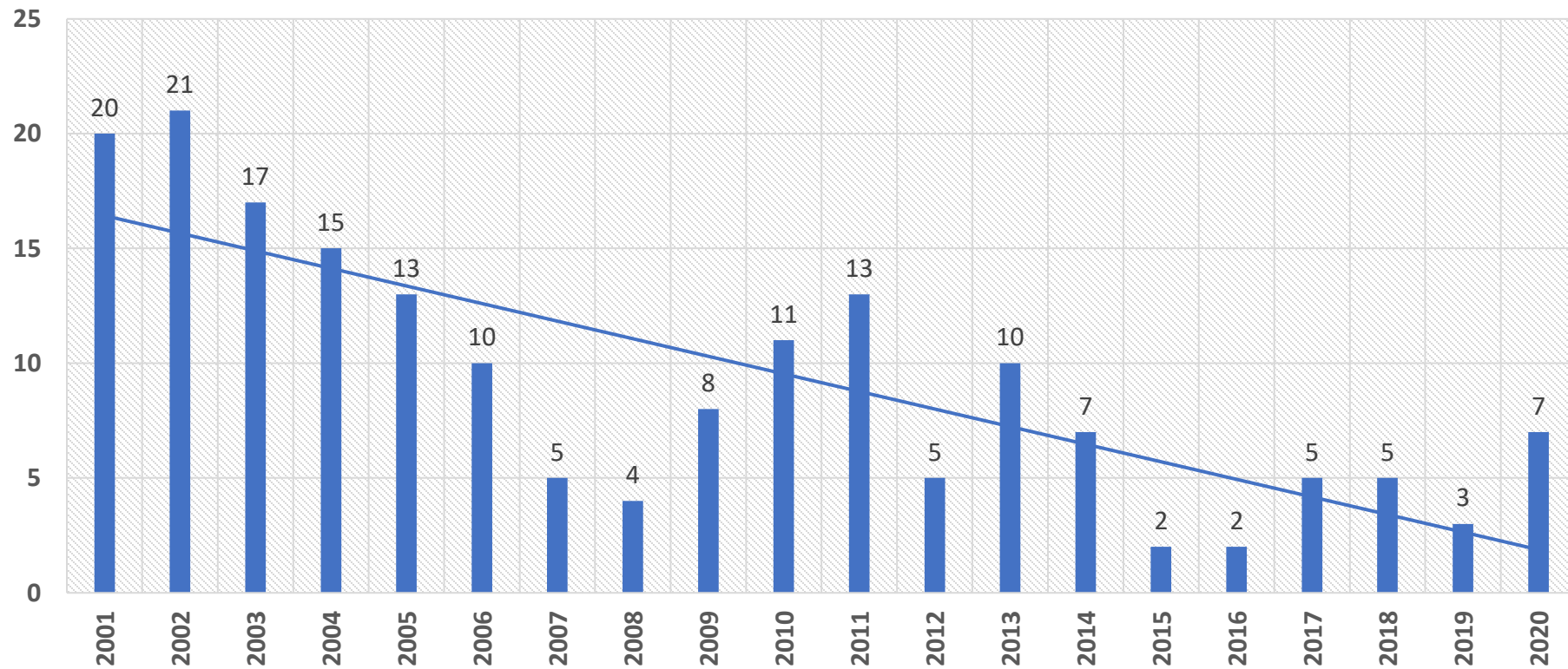
# What are Guaranty Funds?

Guaranty Funds pay “covered claims” when an insurance company becomes insolvent and is ordered into liquidation.

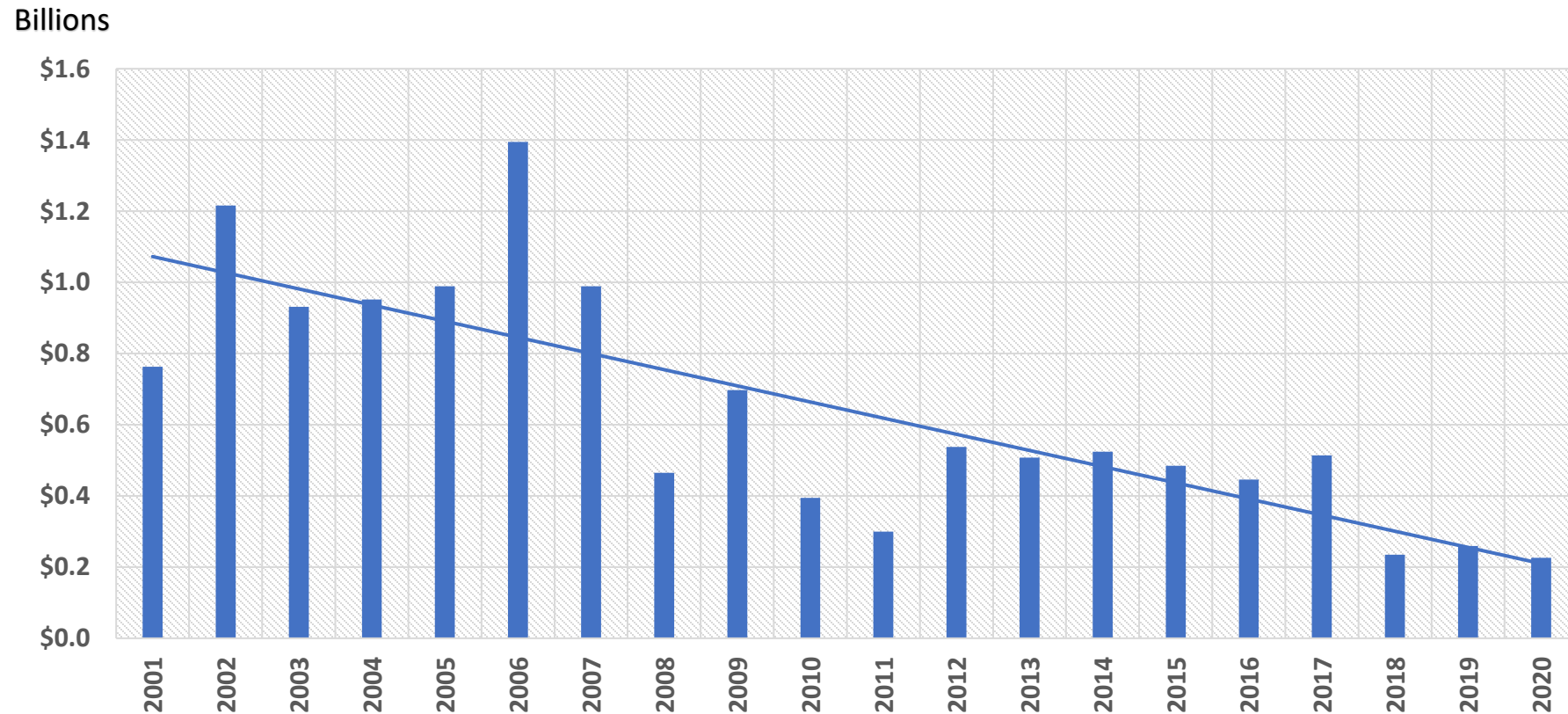
# Funded By?

- Assessments on industry guaranty fund “members”
- Available Assets of the insolvent insurance company estate
- Statutory Deposits

# Property and Casualty Insurance Guaranty Fund System Number of Insolvencies 20 Years (2001-2020)



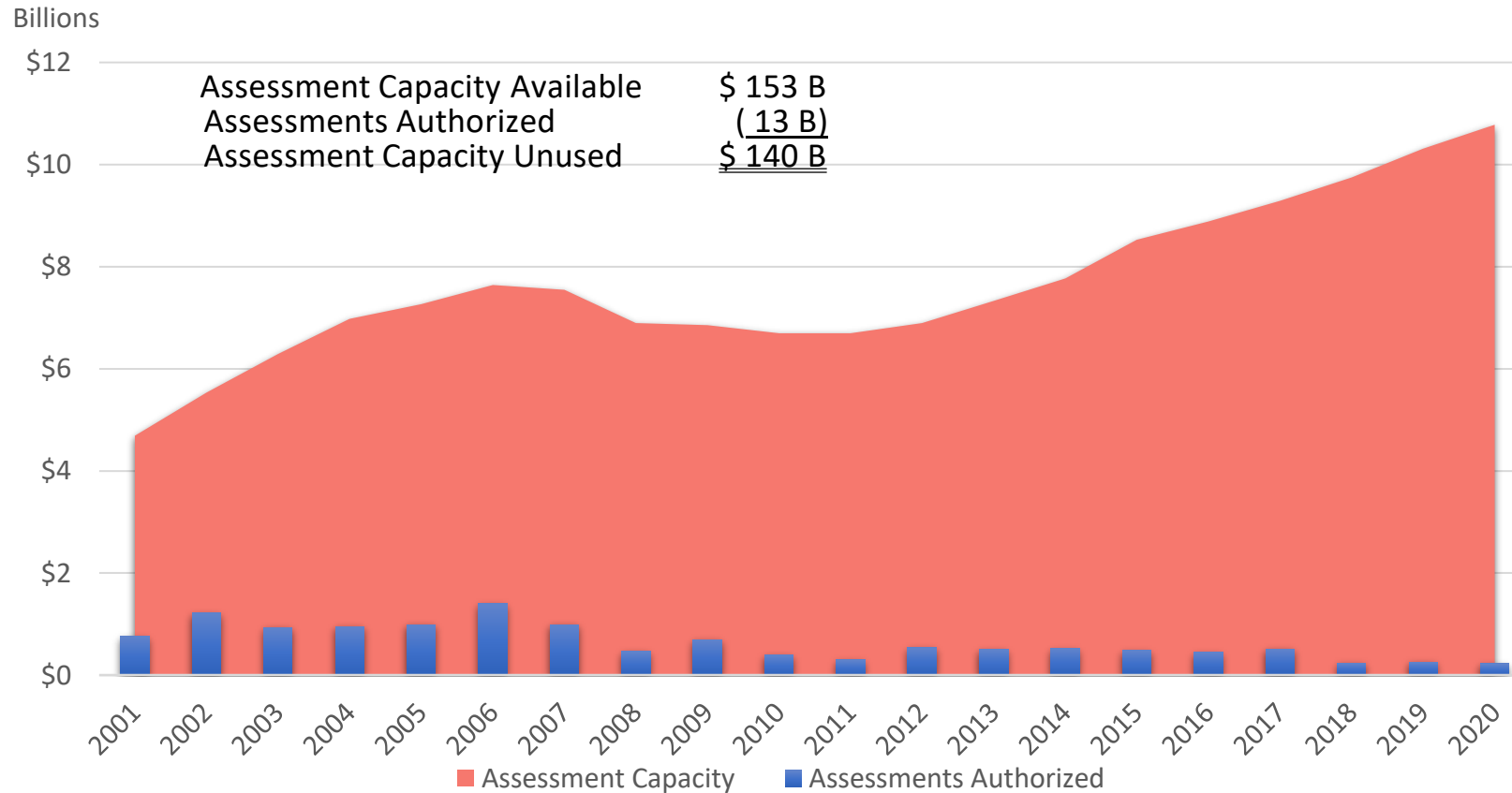
# Property and Casualty Insurance Guaranty Fund System Assessments 20 Years (2001-2020)



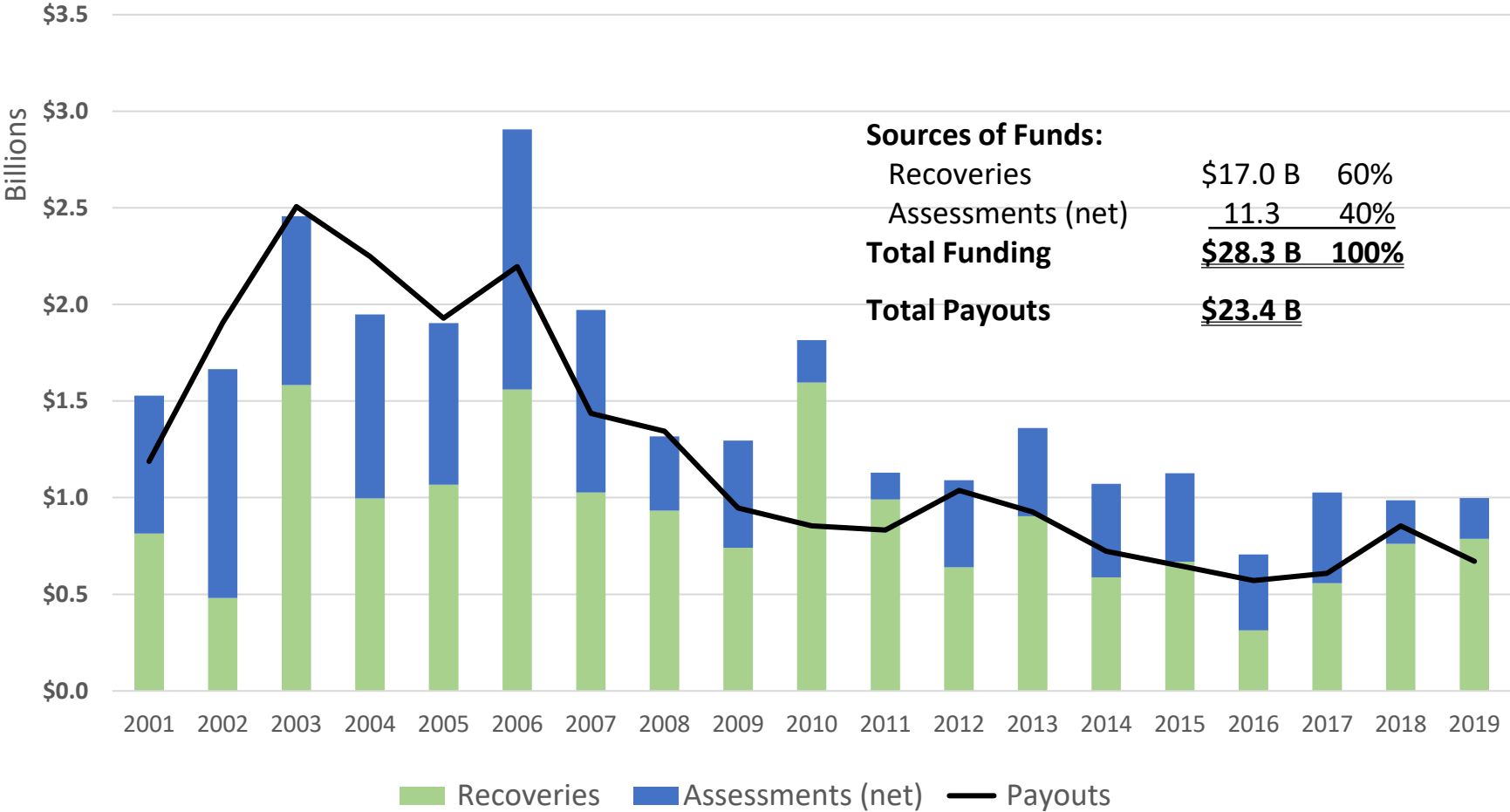
# Property and Casualty Insurance Guaranty Fund System

## Assessments authorized averaged 8% of total assessment capacity available

### 20 Years (2001-2020)



# Property and Casualty Insurance Guaranty Fund System Financial Insolvency Information - Payouts and Recoveries 2001-2019



# Captives

- **§ 6913. Prohibited associations**
- No captive insurance company shall be permitted to join or contribute financially to any plan, pool, association, or guaranty or insolvency fund in this State, nor shall any such captive insurance company, or any insured or affiliate thereof, receive any benefit from any such plan, pool, association or guaranty or insolvency fund for claims arising out of the operations of such captive insurance company
- [64 Del. Laws, c. 454, § 1](#); [75 Del. Laws, c. 150, § 1](#)



# Future Challenges

**Keeping the Guaranty Fund  
System in an  
“always ready”  
status**

# Electronic Claims Data

- Security and Privacy
- Transition of Data
- Partnership with Regulators: Early Involvement by Guaranty Funds

# New Business Models

- Divisions and IBTs
- Keeping pace with a dynamic insurance environment