LCPIC has the statutory right to generate funds using two types of assessments.

They are as follows:

REGULAR ASSESSMENTS

Collected when plan year has a deficit. LCPIC has the right to assess up to 10% of Statewide Direct Written Premium to cure the deficit.

Citizens may levy more than one Regular Assessment in a calendar year. The total may not exceed 10%

Regular Assessments are made against Affected Insurance Companies. Companies are permitted to recoup Regular assessments from policyholders. Recoupment is NOT mandatory.

Process:

1. LCPIC declares a deficit.
2. Board approves the Regular Assessment.
3. LCPIC sends out bills.
4. Companies required to pay LCPIC within 30 days.

EMERGENCY ASSESSMENTS

Aggregate amount of Emergency Assessments levied in any one calendar year for a Plan year Deficit shall not exceed 10% of the aggregate statewide direct written premium. Used when longer term assessments are required. (Examples are bond issues and plan year deficits that exceed limits of Regular Assessments)

Levied by Governing Board. Verified by DOI.

Assessment is against insured not companies. Insurance Companies collect from the policyholders and remit to LCPIC.

May levy only one Emergency Assessment per year, but can assess the following years until the debt is paid. E.g. we will assess for 16 more years to pay the Katrina/Rita bond debt.

Insurance companies must remit assessment collections on a quarterly basis.