

TECHNICAL ADVISORY

TA 168

December 7, 2000

SUBJECT: CREDIT GENERAL INSURANCE COMPANY LIQUIDATION

BACKGROUND: IIAL has received a number of telephone calls from members asking about the liquidation of Credit General Insurance Company. IIAL contacted Craig Gardner, Deputy Commissioner for Company Solvency and Receivership at the Louisiana Department of Insurance (LDI) to get additional information.

MAIN POINTS: Attached is a summary of the NAIC Status Report, dated November 29, 2000, which provides information about the status of Credit General.

Gardner stated that LDI expects court liquidation of Credit General during the first two weeks of January. According to Gardner, the Louisiana Insurance Guaranty Association (LIGA) will start payments after the declaration of liquidation. In the meantime, Credit General is paying loss of wages wage claims under Workers' Compensation policies, but they are not paying medical claims.

Insurance agents should immediately notify policyholders of the liquidation status of Credit General. Agents should also replace coverage with other Workers' Compensation carriers. Finally, make sure your policyholders preserve claims for LIGA which provides coverage for returned premiums up to \$10,000 and statutory coverage for unpaid Workers' Compensation claims.

NECESSARY ACTION: Distribute this Technical Advisory and the attached report summary to appropriate commercial lines providers and staff members.