

# Mission & History

## Mission Statement

“The mission of SDIC is to provide high quality loss control and Claims Management Services to our members at a premium which reflects effective cost containment and savings”.

The administration and staff of the School Districts Insurance Consortium is dedicated to foster the spirit of cooperation, confidence and open communication for all it's members.

These values are mutual and beneficial to all the school districts we serve.

## Security

You may have heard about the recent dissolution of some self-insured groups due to inadequate funding and reserving levels or bankrupt insurance companies. This is a factor that you will not have to worry about as a member of the School Districts Insurance Consortium.

Largest and oldest group self-insured fund in Pennsylvania.

The Actuarial analysis for year ending 12/31/12 indicated the SDIC Status of the Trust's fund balance places us at the 99% confidence level, the highest in the Commonwealth. Our excess insurance carrier and auditors review our reserving levels quarterly every year to guarantee that they are adequate to fund your claims to their closure.

Our Claims staff has an average of 20 years of experience in the area of Workers Compensation Claims management. We offer on-site Claims Reviews and Consultations for Safe Workplaces.

Members enjoy Free Safety Services including training, staff development, workplace safety inspections and Safety Committee

training and Free Workplace Safety Certification Training on-site or at the SDIC office in Lansdale conducted by PATHS.

SDIC negotiates cost effective Group Discounts for Medical Bills, Prescriptions, Physical Therapy, Radiology services, and Medical Management, Surveillance and Vocational Rehabilitation services.

Premium Discounts are available to members with Safety Committees, A Safety Policy, Provider Panels and Alternative Duty options.

Workers Compensation Administration  
Run by School Districts for School Districts

## **History**

In the late 1970's, the concept of self-insurance pools for Workers' Compensation was in its infancy. However, at this time the commercial insurance rates for Workers' Compensation were on the rise. It seemed a natural course of events to look at the idea of pooling resources together to fund a Self-Insured trust as an alternative to the commercial market. Dexter Gresh was an insurance professional that worked for Alexander and Alexander and handled all types of insurance coverages for school districts. In 1978, he became an employee of Sandy (Samuel) Palley at Palley Simon Associates and began to develop the groundwork for one such pool as a way to combat rising insurance costs.

Sandy Palley hired Mr. Gresh to have him assist with clients and Dexter went off to visit some former client school districts. He began to plant the seed for the Delaware Valley School Districts (DVSD) and what would eventually become the School Districts Insurance Consortium (SDIC). Mr. Palley recognized the value in this pooling concept and the interest being generated so he began to work with Legal Counsel to develop the outline for a Trust Agreement among the School

Districts. Mr. Palley's strong ties with the education insurance industry led him to engage the services of Barry Smith, an insurance professor and statistician to develop a financial model for the pool.

In 1979 Sandy Palley and Dexter Gresh launched their project with nine School Districts: Abington, Hatboro-Horsham, Lower Merion, Norristown, Perkiomen Valley, Pottstown, Springfield, Upper Dublin and Lower Moreland. The basic framework for SDIC had been designed. Construction of the Pool began shortly thereafter and on July 1, 1979 the Trust Agreement and Bylaws was adopted.

We are proud to continue to serve these original nine districts and to serve an additional seventy-one school districts for a total of eighty members in SDIC, the oldest and largest self-insurance pool in the Commonwealth.

## **Group Self-insurance**

NOTE: The following information was taken from the PA Dept. of Labor and Industry Bureau of Workers' Compensation brochure titled Employer's Guide to Self-Insuring Workers' Compensation (LIBC-300 4-98)

Group self-insurance is available when five or more employers pool their resources for the purpose of satisfying the workers' compensation liability of each member of the group.

Group self-insurance gives members the opportunity to realize the advantages of self-insurance, which includes a stabilization of costs and improved loss control.

Five or more homogeneous employers with aggregate net worth of no less than \$1.0 million and a combined annual premium of \$500,000 or more may be allowed by the Bureau to form a group self-insurance fund. The Workers' Compensation Act defined homogeneous employers to be employers assigned to the same classification series or employers engaged in the same or

similar types of business.

Each fund member must execute a trust agreement making it jointly and independently liable for the payment of each and every other member's workers' compensation obligations.

A prospective group self-insurance fund must submit an application to the Bureau for authorization to operate under the Act. The application must include the trust agreement, information on the aggregate workers' compensation losses of the prospective members and excess insurance proposals.

Each prospective member of a fund must also file an application with the Bureau. If the Bureau determines that the applicant-fund complies with the Act, demonstrates with reasonable certainty that it will meet all obligations incurred under the Act by its members, and meets the conditions outlined, the Bureau may approve the application.

Approximately 1,300 employers in Pennsylvania are participating in 25 approved group self-insurance funds, paying about \$60 million in contributions into the group funds.

[Contact us](#) for more information