

# LIGA FAQs

## **What is LIGA?**

The Louisiana Insurance Guaranty Association (LIGA) is a private association of insurance companies established by Louisiana law to provide certain benefits to the policyholders and claimants of insolvent insurers.

## **What does insolvency or liquidation mean?**

An “insolvent insurer” means that a company is unable to pay all the amounts owed to claimants and creditors. “Liquidation” is a court proceeding in which the affairs of an insurer will be decided. Everyone who has claims against the insurer must file a “proof of claim” with the court appointed receiver.

## **What is Southern Casualty Insurance Company?**

Southern Casualty Insurance Company is a Georgia insurance company which was admitted to sell automobile insurance in the state of Louisiana. Southern Casualty was recently determined to be insolvent by the Georgia Commissioner of Insurance, and is now in liquidation.

## **I received a notice, what do I need to do?**

The Georgia receiver sent out many notices alerting people who may have insurance with, a claim against, or have done business with Southern Casualty. If Southern Casualty is currently insuring your vehicle(s), you should contact your insurance agent immediately to arrange replacement coverage.

Anyone owed money from Southern Casualty should file the proof of claim form as instructed. If you are unsure whether you are owed money or not, please consult with your agent or attorney.

## **Is there a deadline to file claims?**

All claims against Southern Casualty or LIGA must be filed by September 17, 2013. Claims filed after September 17, 2013 may not be considered. This “Bar date” is a separate requirement from that of any prescriptive period. PLEASE BE AWARE THAT THIS DATE MAY BE SOONER THAN THE LOUISIANA PRESCRIPTIVE PERIOD.

## **What benefits does LIGA provide?**

Subject to Statutory Limitations, LIGA provides three policyholder benefits: 1.) Pays unearned premium claims owed by southern Casualty. 2.) Pays automobile accident claims of Southern Casualty which cannot be paid by any other insurer. 3.) Defends lawsuits against Southern Casualty's policyholders.

## **What is meant by other insurance?**

Louisiana law states that any other available insurance coverage such as uninsured motorist coverage, collision coverage, workers compensation, health insurance and even Medicaid must pay claimants prior to or in place of Southern Casualty and LIGA. Depending upon the limits of the primary coverage, LIGA may have no responsibility.

## **I have an open lawsuit, what will happen to that proceeding?**

A permanent injunction and stay has been granted for all claims against Southern Casualty. LIGA is afforded a separate statutory six month stay. While LIGA is hopeful that many claims can be resolved without litigation, the proper procedure to move a pending case forward at the end of the stay is to amend the instant case to name LIGA.

## **My claim will prescribe during the Stay; will be barred if I wait until the LIGA stay is lifted? How do I protect my rights?**

If you would like to avoid prescriptive issues, you should file your suit naming LIGA but you should not take any further action during the stay. Your petition should reference the stay, thereby advising the court that no answer is expected in the normal periods.

## **What is the claim process for auto claims?**

The receiver is forwarding claims to LIGA. This may take several days or weeks. Upon receipt, LIGA will assign each case to an adjuster who will be responsible for: 1.) investigation of the claim, and 2.) payment of covered claims as defined by statute.

## **What is the claim process for unearned premium claims?**

Claimants should file claims for return of unearned premium with the Georgia receiver. The receiver will check the records of the receiver and forward to LIGA information regarding any amounts due you. LIGA will pay claims based on the receiver's information and recommendation.

## **What if I am a vendor who provided services to the insolvent insurance company and has invoices that are not paid?**

LIGA does not fund general creditor claims against Southern Casualty. Agents, Attorneys and other vendors are encouraged to file a proof of claim with the receiver if they are owed any amounts.

## **How can I contact LIGA?**

Louisiana Insurance Guaranty Association  
2142 Quail Run Drive  
Baton Rouge, LA 70808-4126  
Phone: 225-757-1688  
Fax: 225-757-1699  
Email: [scic@laiga.org](mailto:scic@laiga.org)

## **How do I contact the Georgia receiver?**

Southern Casualty Insurance Company  
3635 Peachtree Industrial Boulevard, Ste. 200  
Duluth, GA 30096-2806