

## ARTICLE 2.

### Certificate of Consent to Self Insure

#### §15203. Applications and Required Forms.

(a) Application forms for individual Certificates of Consent to Self Insure and other required self insurance forms are available on the website of the Office of Self Insurance Plans at <http://sip.dir.ca.gov/>. Every employer desiring to procure an initial, individual private or public Certificate to Self Insure its workers' compensation liabilities shall make application on:

(1) Form A4-1 (Rev. 2/92) for private individual employer applicants seeking an individual Certificate to Self Insure;

(2) Form A4-2 (Rev. 2/92) for public employer applicants;

~~(3) Form A4-3 (Rev. 1/94) for a private group employer and their members seeking an group Certificate to Self Insure.~~

~~(4) Form A4-3M (Rev 1/94) for each member of a group seeking an affiliate certificate.~~

~~(5)~~(3) Form A4-5 (Rev. 11/97) for an interim self insurer seeking a permanent Certificate to Self Insure.

~~Note 1: The current application forms for private and public employers are contained in Plates A-1, A-2, A-3 and A-4 of the Appendix following the last article in these Group 2 regulations.~~

~~Note 2:~~ (b) A new application may be required when an existing, individual self insurer reincorporates, merges, changes ownership, or adds a new or separate subsidiary or affiliate to its existing workers' compensation self insurance program. In some cases, it may be possible to amend and transfer an existing certificate without a new application.

~~(b)~~ (c) A complete application to self insure by an individual, private employer [(Form A4-1 (Rev. 2/92))] shall include all attachments requested on the application form itself, and, as applicable, the following:

(1) A current, certified, independently audited financial statement complete with all schedules and notes for the past three years;

~~Note:~~ The application of a private sector subsidiary or affiliate may include the consolidated financial statement of its parent in lieu of the subsidiary's financial statement;

- (2) An unaudited financial statement or published quarterly report, or a consolidated financial statement for the current year or portion thereof;
- (3) An Agreement of Assumption and Guarantee of Liabilities for each self insurer and subsidiary or affiliate applicant executed by the parent employer or majority owner, or partners; insurer and subsidiary or affiliate applicant executed by the parent employer or majority owner, or partners;
- (4) A Resolution authorizing the application to self insure and empowering employees or officers of the applicant employer to sign the application form and any other necessary documents on behalf of the applicant employer;
- (5) A Resolution by the general partners, or parent corporation authorizing the execution of the Agreement of Assumption and Guarantee of Liabilities on behalf of a subsidiary or affiliate applicant employer;
- (6) Original Certificates of Status or other appropriate registration documents showing that the applicant employer is licensed or registered to do business in California;
- (7) ~~A~~ written evaluation of the applicant's injury and illness prevention program or proof of a DOSH inspection pursuant to Section 15353 of these regulations; and
- (8) Payment of any required application filing fee.

~~(e)~~ (d) A complete application to self insure by a public employer (Form A4-2) (Rev. 2/92) shall include all attachments requested on the public sector application form and, as applicable, the following:

- (1) An Agreement of Assumption and Guarantee of Liabilities for the predecessor agency due to a unification, merger, realignment of the boundaries of an existing self insured public agency, or name change by the successor or surviving public agency;
- (2) A Resolution authorizing the application to self insure and empowering employees or officers of the applicant employer or joint powers authority to sign the application form and any other necessary documents on behalf of the applicant;
- (3) ~~All~~ Each public applicants shall indicate the proposed start up date of its self insurance program as part of its application.

~~(d)~~ (e) A complete application to self insure on a Form A4-3 (Rev. 1/94) by a private group of employers shall include ~~all the attachments requested in the application form itself, and, as applicable, the following:~~ all information and documents as indicated in Section 15482 of these regulations.

~~(1) A proforma financial statement prepared by an independent, certified public accountant with all schedules and notes for the group applicant;~~

~~(2) A current, certified, independently audited financial statement with all schedules and notes for each proposed group member for the past two years;~~

~~Note: The application of a private sector subsidiary or affiliate of any group member may include the consolidated financial statement of its parent in lieu of the subsidiary or affiliate financial statement;~~

~~(3) An unaudited financial statement or published quarterly report, or consolidated financial statement for the current year or portion thereof;~~

~~(4) An Agreement of Assumption and Guarantee of Liabilities of Workers' Compensation Liabilities For Group Members [Form A4-3G (Rev 1/94)] for each or listing each proposed group member and any subsidiary or affiliate of each proposed group member executed by the group administrator of the group applicant, as required in Section 15203.1 of these regulations;~~

~~(5) A Resolution by the Board of Trustees [Form GR-1 (Rev. 1/94)] of the group applicant authorizing the application to become a group self insurer and empowering the group administrator and other employees or officers or Trustees of the group applicant to sign the application form and any other necessary documents on behalf of the group applicant, and, if granted a Certificate to Self Insure, the group self insurer as required in Section 15203.3(d) of these regulations.~~

~~(6) A Resolution by the Board of Trustees of the group applicant authorizing the execution of an Agreement of Assumption and Guarantee For Workers' Compensation Liabilities on behalf of the proposed group members and any future members of the group self insurer granted an Affiliate Certificate;~~

~~(7) An original Certificate of Status or other appropriate registration documents showing the group applicant and each group member is licensed or registered to do business in California;~~

~~(8) An evaluation of the group applicant and group members injury and illness prevention program or proof of a DOSH inspection pursuant to Section 15353 of these regulations;~~

~~(9) An original, executed Indemnity Agreement and Power of Attorney of Joint and Several Liability between the group applicant and each proposed member pursuant to Section 15479 of these regulations.~~

~~(10) Payment of the required application fee as required by Section 15204 of these regulations.~~

~~(11) A copy of the Initial Feasibility Study as required in Section 15471 of these regulations.~~

~~(12) Agreement and Undertaking for Security Deposit.~~

~~(13) Completed application forms from proposed members.~~

~~(e) (f)~~ A complete application to self insure on a Form A4-43M (Rev. 1/94) by each member of a group shall include ~~the attachments requested in the application form itself, and, as applicable, the following:~~ all information as indicated in Section 15482.1 of these regulations.

~~(1) A current copy of the applicant's certified, independently audited, financial statement complete with all schedules and notes; or~~

~~(2) A current copy of the applicant's reviewed financial statement prepared by a certified public accountant, complete with all schedules and notes, provided the private group self insurer can demonstrate and maintain a consolidated minimum net worth twice that required in Section 15203.2(f).~~

~~Note: If the report of the financial condition is dated more than 12 months prior to the date of this application, the Director may require interim financial statement certified by the appropriate finance officer and dated not less than 3 months from the date of this application.~~

~~(3) Resolution to be Self Insured as a Member of the Group Self Insurer.~~

~~(4) Indemnity Agreement and Power of Attorney, as required in section 15479.~~

~~(f) (g)~~ To any joint powers authority which pools the workers' compensation liabilities of its public agency members, the The Manager shall issue a Certificate of Consent to Self Insure to the an approved joint powers authority that pools the workers' compensation liabilities of its public agency members and the master certificate number shall be assigned to the joint powers authority. All Each approved members of the joint powers authority shall be issued an affiliate certificate number under the certificate number issued to the joint powers authority.

~~(g) An applicant for self insurance filing a private group employer application, an interim self insurer application or a public employer application will be notified in writing within 14 days, that an application is complete or deficient. An applicant for self insurance filing a private group member application, will be notified in writing within 30 days, that an application is complete or deficient. A notice indicating that the application is deficient will include a list of items required to be included or completed.~~

~~(h) Upon receipt of a complete private individual employer application or an interim self insurer application, the applicant will be notified within 45 days of the Director's decision to allow or deny self insurance or to advise that the application is deficient. The maximum processing time for a private individual employer application is 45 days, the minimum time is 21 days and the median time is 30 days. A notice indicating that the application is deficient will include a list of items required to be included or completed.~~

(i) Upon receipt of a complete public entity application, the applicant will be notified within 30 days of approval or denial of application. ~~The maximum processing time for a public employer application is 30 days, the minimum time is 7 days, and the median time is 14 days.~~

(j) ~~Upon receipt of a complete private group employer application, the applicant will be notified within 90 days of the approval of the application. The maximum processing time for a private group employer application is 90 days, the minimum time is 30 days and the median time is 60 days.~~

#### NOTE

Authority cited: Sections 54, 55, 59 and 3702.10, Labor Code. Reference: Sections 3700, 3700(b), 3701, 3702, 3702.5 and 6401.7(a), Labor Code; and Sections 15374-15378, Government Code.

### **§15203.1. Agreement of Assumption and Guarantee of Subsidiary's or Affiliate's Liabilities.**

~~(a) Each private subsidiary or affiliate applicant for a Certificate to Self Insure of an individual private self insurer shall provide an Agreement of Assumption and Guarantee of Liabilities executed by the holding company, ultimate parent corporation company, controlling general partners, owners, or owners having other controlling entity ownership in accordance with Section 15211.2 of these regulations. If the parent entity, general partner(s), or owners having controlling ownership holding company, ultimate parent corporation, controlling partners, owners, or other controlling entity will not execute the Assumption and Guarantee agreement, the Director may:~~

~~(1) (a) Require a deposit level of 200% of the master certificate holder's, subsidiary's or affiliate's estimated future liabilities for the payment of compensation, or higher, in lieu of the Agreement of Assumption and Guarantee of Liabilities; or~~

~~(2) (b) Deny the application to self insure by the private applicant.~~

~~(b) Private group self insurers shall provide an individual Agreement of Assumption and Guarantee of Liabilities of Workers' Compensation Liabilities For Group Members for each group member or a single agreement listing all group members and all subsidiary or affiliates of each group member executed by the group administrator of the group applicant. If the group self insurer or group applicant will not execute the Agreement of Assumption and Guarantee of Liabilities of Workers' Compensation Liabilities For Group Members for each group member, the Director:~~

~~(1) may require a deposit level of 200% of the group self insurer's estimated future liabilities for the payment of compensation, or higher, in lieu of the Agreement of Assumption and Guarantee of Liabilities; or~~

~~(2) may deny the application to self insure by the private group applicant or group member.~~

NOTE

Authority cited: Sections 54, 55 and 3702.10, Labor Code. Reference: Sections 59, 3550, 3700, 3701, 3701.5, 3702, 3702.10 and 3705, Labor Code.

**§15203.2. Continuing Financial Capacity for Individual Private Self Insurers.**

(a) ~~All~~ Each individual private self insurers holding an active or revoked Certificate of Consent to Self Insure and all private group self insurers, shall submit annually to the Manager two copies of the employer's a current, certified, independently audited financial statement complete with all notes and schedules. If the individual private self insurer or former self insurer did not prepare a current, certified, independently audited financial statement of its financial condition, or of a parent or holding company's financial condition if an Agreement of Assumption and Guarantee of Workers' Compensation Liabilities (Form A4-6 (Rev. 11/97)) has been executed on its behalf by that parent or holding company pursuant to Section 15211.2 of these regulations, the self insurer or former self insurer shall advise the Manager of that fact in writing and submit a consolidated financial statement prepared by an independent certified public accountant that is acceptable to the Manager. Failure to submit a qualifying financial statement pursuant to this section may result in an increased security deposit requirement pursuant to subsection (c) and/or revocation of the Certificate of Consent to Self Insure for good cause pursuant to Labor Code Section 3702.

(b) Any joint powers authority which is solely responsible for the self insurance claims of its public members shall submit annually to the Manager a consolidated report of its financial condition, and/or, if available, a current, certified, independently audited financial statement complete with all notes and schedules.

~~(c) All private group members of a private group self insurer shall annually submit a current, certified, independently audited financial statement complete with all notes and schedules to the Board of Trustees of the group self insurer. The group administrator shall make any of the financial statements available to the Manager upon request and shall advise the Manager of any group member not having a certified, independently audited financial statement.~~

~~Exception: A private group member authorized to self insure pursuant to Section 15203(e)(2), shall annually submit a current, reviewed financial statement to the Board of Trustees of the group self insurer.~~

~~(d)~~ (c) Impairment of solvency of a current or former private individual self insured employer, indicated by a marked reduction in financial strength or the lack of an independently prepared, audited financial statement, or the lack of the minimum net worth requirement set forth in subsection (e) of this section, or the lack of an independently prepared, audited financial statement, is good cause for an increased security deposit pursuant to Section 15210.1 of these regulations and/or involuntary revocation of any a Certificate of Consent to Self Insure, an Affiliate Certificate, or a Subsidiary Certificate by the Director pursuant to Labor Code Section 3702.

~~(e)(d)~~ After July 1, 1994, all private individual employer applicants for a master Certificate of Consent to Self Insure shall demonstrate and maintain a current net worth of at least \$5,000,000 and average net income for the ~~past~~ preceding 5 years of at least \$500,000.

~~(e) Exception:~~ Any ~~existing~~ private self insurer granted a Certificate to Self Insure prior to July 1, 1994, ~~that has continued as a self insurer shall only need to~~ shall demonstrate and maintain a net worth of at least \$2,200,000 and an average net income for the ~~past~~ preceding 5 years of at least \$300,000.

~~(f) All private group self insurers shall demonstrate and maintain a consolidated net worth of the group members of at least \$5,000,000 and a consolidated annual net income of the group members of \$500,000, and sufficient income to fund:~~

~~(1) the group self insurer's actuarially projected claim liabilities at the 80% confidence level;~~

~~(2) to pay the expected administrative expenses to operate the group self insurer's business operations; and~~

~~(3) to post the security deposit required.~~

~~Note: Consolidated net worth and consolidated net income of group members shall be determined only from members with current certified, independently audited financial statement.~~

#### NOTE

**Note:** Authority cited: Sections 54, 55 and 3702.10, Labor Code. Reference: Sections 59, 3700, 3701, 3702 and 3702.10, Labor Code.

### **§15203.3. Resolution To Authorize Self Insurance for ~~an Private Sector Applicant or Group Applicant~~ an Individual Private Employer.**

(a) The resolution to authorize self insurance of workers' compensation required pursuant to Section 15203 (c) of these regulations as part of the application for a certificate to self insure by any individual private sector applicant employer applying for ~~or private group~~ a Certificate of Consent to Self Insure ~~self insurer~~ shall be adopted by the private employer's Board of Directors ~~of each corporation~~, or the general partners of an applicant partnership or joint venture, or owner of an applicant sole proprietorship, ~~or Board of Trustees of an applicant group self insurer~~. The resolution to authorize self insurance shall include the following:

(1) A statement identifying the individual private employer by corporate or other legal name, the state of registration, and the date that the resolution was adopted;

(2) ~~Identify~~ Identification by title of appointed officers or other company employees ~~who have the authority~~ authorized to sign the application, execute any and all documents required for the application, and do subsequent acts as required to maintain self insurance approval.

(b) If an individual private self insurer ~~or group self insurer~~ reincorporates, merges, or changes its identity, a new resolution shall be submitted to the Manager within 30 days of the change. ~~to ratify~~ The resolution shall confirm and authorize the maintenance of the self insured's self insurer's responsibility under the successor's identity. The Manager may extend the period of time to submit the resolution for good cause.

(c) The Manager shall provide a A-model corporate resolution ~~shall be included as part of the application form and the Manager shall will provide a separate-model resolutions to self insurers which are partnerships or other~~ for a non-corporate structures entity upon request.

(d) ~~A group self insurer resolution Form GR-1 (Rev. 1/94) shall be attached as part of the private group employer application and executed by the group applicant Board of Trustees.~~

~~Note: The current group self insurer resolution, Form GR-1 (Rev. 1/94), is contained in Plate B of the Appendix following the last article of these Group 2 regulations.~~

**Note: Authority cited: Sections 54, 55 and 3702.10, Labor Code. Reference: Sections 59, 3700, 3701, 3702 and 3702.10, Labor Code.**

#### **§15203.4. Resolution to Self Insure for Public Entities.**

(a) The resolution of the governing body of a public entity or joint powers authority seeking approval for a ~~e~~Certificate of Consent to ~~s~~Self insure shall be executed by the governing board and attached to the application form. The resolution shall be sealed with the seal of the adopting agency or the resolution's signatures shall be notarized.

~~NOTE: (b) The officers of the joint powers authority which is the holder of the master Certificate to Self Insure may sign documents, including the Self Insurer's Annual Report, on behalf of the affiliated members of the JPA for self insurance purposes; including the Self Insurer's Annual Report.~~

~~NOTE: Authority cited: Sections 54, 55 and 3702.10, Labor Code. Reference: Sections 59, 3700, 3702 and 3702.10, Labor Code.~~



### **§15203.5. Agreement and Undertaking for Security Deposit.**

(a) ~~All~~ Each private individual employer applicants for self insurance shall execute an Agreement and Undertaking For Security Deposit as part of the application process.

(b) ~~All~~ Each security deposits shall be posted in accordance with the provisions of the Agreement and Undertaking.

(c) The form of such Agreement and Undertaking shall be supplied by the Manager as part of the application (Form A4-1 (Rev. 2/92) for an individual private ~~individual~~ employer and Form A4-GAU (1/94) for a private group self insurer).

(d) The Agreement and Undertaking for Security Deposit (Form A 4-32 (Rev. 12/92)), included as part of the application) shall confirm the applicant employer's agreement to secure incurred liability for the payment of compensation as a condition to issuance of a Certificate of Consent to Self Insure by posting a security deposit with the State of California to be held by the Department of Industrial Relations in trust for the applicant employer, with power to the Director of Industrial Relations to order the sale or use of said security deposit to pay any compensation that may become due and of which said employer may be in default.

~~Note: The current agreement and undertaking form is contained in Plate H of the Appendix following the last Article of these Group 2 regulations. This agreement is contained in the application form for applicants to be self insured after January 1, 1993. The Agreement and Undertaking for Security Deposit Form for a Group Self Insurer (Form A4-GAU (1/94) is in the Appendix following the Application for a Certificate of Consent to Self Insure By A Group of Employers.~~

#### NOTE

Authority cited: Sections 54, 55 and 3702.10, Labor Code. Reference: Sections 59, 3701, 3701.5 and 3702.10, Labor Code.

### **§15203.6. Delayed Start-up of a Self Insurance Program.**

(a) The Certificate of Consent to Self Insure for a public or ~~and~~ individual private employers shall be initially valid for six months after the date of approval by the Director. If the self insurer has not initiated its self insurance program within the initial six month period, the approval of the certificate to self insure shall be void and a new application shall be filed for approval. ~~Once the self insurance program has been initiated in the initial six (6) month period, the certificate to self insure shall be valid until revoked by order of the Director.~~

(b) ~~Note:~~ An individual private employer applicant ~~which~~ that fails to initiate a self insurance program within three months of notification of approval by the Director may be

required to establish current good standing with the Secretary of State and to provide current financial information before issuance of a Certificate of Consent to Self Insure.

NOTE

Authority cited: Sections 54, 55 and 3702.10, Labor Code. Reference: Sections 59, 3700 and 3702.10, Labor Code.

**§15203.7. Issuance Documentation of the Certificate Consent to Self Insure and Notice to Employees of Self Insured Status.**

~~(a) Upon the Director's approval of a employer's application and, if required, the posting of an assumption agreement and adequate security deposit with the Department, within seven days the self insurer shall receive conformation of its self insured status by receipt of a Certificate to Self Insure issued and signed by the Manager.~~

~~(b)~~ (a) The original Certificate of Consent to Self Insure or a copy of the original Certificate of Consent to Self Insure issued to each private individual self insured employer or public self insured employer shall be prominently displayed at the self insurer's principal place of business in California.

~~(c)~~ (b) Notice to employees of workers' compensation coverage as required by Labor Code Section 3550 shall be accomplished by display of a copy of the self insurer's Certificate of Consent to Self Insure accompanied by a notice stating the name of the person(s) or administrative agency responsible for claims adjustment.

~~(d)~~ (c) If a self insurer is required to provide evidence of its approved self insured status to prove compliance with Labor Code Section 3700, the Manager shall provide a Certification of Self Insurance upon request from the certificate holder. Whether or not an employer is self insured can be determined electronically at the website of the Office of Self Insurance Plans at <http://sip.dir.ca.gov/>. Beginning July 1, 2008April 1, 2009, there is a ten dollar (\$10) fee for signed certification of self insured status requested by third parties.

~~Note: A sample Certificate of Self Insurance is contained in Plate C of the Appendix following the last article in these Group 2 regulations.~~

NOTE

Authority cited: Sections 54, 55 and 3702.10, Labor Code. Reference: Sections 59, 3602, 3700, 3701, 3702, 3702.10 and 3550, Labor Code.

Reference: Section 3602(d), Labor Code.

**§15203.8. Change in Status.**

(a) ~~The self insurer,~~ A public or individual private self insured employer shall notify the Manager in writing within 30 days of any of the following actions:

(1) Any amendment to the self insurer's articles, charter, or agreement of incorporation, association, or co-partnership which changes its identity or business structure or ownership in a material manner from the status as it existed at the time of issuance of its Certificate of Consent to Self Insure; or

(2) ~~The~~ ~~If the~~ self insurer proposes to cease doing business entirely, proposes to cease doing business in California, or proposes to dispose of, by sale or otherwise, the controlling interest of the business for which the Certificate of Consent to Self Insure was issued.

(b) If any public or individual private self insured employer desires to retain its self insured status following any amendment to the articles, charter, or agreement of incorporation, association, or co-partnership which changes its identity or business structure or ownership, the self insurer shall provide to the Manager the following information:

(1) A written description of the change and of the date the event(s) occurred;

(2) Copies of Certificates of Status or other appropriate registration documents filed with the Secretary of State in which the self insurer is incorporated concerning the change of the self insurer's status; and

(3) Written notice indicating that the certificate holder will continue to provide an annual financial statement or that a financial statement will be issued by a parent corporation.

(c) If a self insured corporation reincorporates, merges, or changes its identity, a new resolution shall be submitted to the Manager in accordance with Section 15203.3 of these regulations.

**Note:** Authority cited: Sections 54, 55 and 3702.10, Labor Code. Reference: Sections 59, 3700, 3701, 3701.5, 3702, 3702.3, 3702.10 and 3703, Labor Code.

### **§15203.9. Validity of Certificate of Consent to Self Insure.**

(a) A Certificate of Consent to Self Insure shall be valid only to the individual private corporation, partnership, limited liability corporation, limited liability partnership, company, subsidiary, sole proprietorship, individual or affiliate public entity, or joint powers authority, ~~group self insurer, or private group member~~ to which the Certificate of Consent to Self Insure, a Affiliate cCertificate, iInterim cCertificate, or sSubsidiary cCertificate was issued. Each subsidiary or affiliate shall be issued its own Certificate of Consent to Self Insure.

(b) Except as provided in Labor Code Section 3701.7, the Manager ~~shall~~ may not issue a ~~new~~ Certificate of Consent to Self Insure with an effective date ~~no~~ earlier than the date the application and all other documents or information required by these regulations were submitted and deemed a complete application.

(c) Other than for an employer issued an Interim Certificate pursuant to Section 15205, once the self insurance program has been initiated by the employer, the Certificate of Consent to Self Insure shall be valid until revoked by order of the Director.

#### NOTE

Authority cited: Sections 54, 55, 3700, and 3702.10, Labor Code. Reference: Sections 59, 3700, 3701, 3701.5 and 3702.10, Labor Code.

#### **§15203.10. Reinstatement of a Certificate of Consent to Self Insure.**

(a) A The Certificate of Consent to Self Insure of an individual private or public self insurer that has had its self insurance privilege terminated, who because of a legal change in business or corporate structure or in its legal name, has had its self insurance privilege terminated may be have its certificate to self insure reinstated without lapse, providing the employer can re-qualify for self insurance.

(b) To request reinstatement of a Certificate of Consent to Self Insure, the applicant shall submit to the Manager a complete application and a statement that the applicant assumes and guarantees all workers' compensation liabilities incurred during its prior period of self insurance; and will be responsible for any additional self insured liabilities incurred after termination of its Certificate of Consent to Self Insure. The Manager shall may accept the statement of the employer's assumption of all past liabilities if signed by a corporate officer, attested to by the corporate secretary, and sealed with the corporate seal. ~~This must be confirmed within 90 days by execution of the standard Agreement of Assumption and Guarantee of Liabilities and an Assumption Resolution~~ If the statement is approved by the Manager, the applicant must then submit within 90 days of the approval as part of the application an Agreement of Assumption and Guarantee of Workers' Liabilities fully executed pursuant to Section 15211.2 of these regulations. The Agreement of Assumption and Guarantee of Workers' Liabilities must be submitted before the Certificate to Self Insure can may be reinstated.

#### NOTE

Authority cited: Sections 54, 55 and 3702.10, Labor Code. Reference: Sections 59, 3700, 3701, 3702 and 3702.10, Labor Code.

#### **§15204. Application Filing Fee.**

(a) Each private employer making application for an individual Certificate of Consent to Self Insure shall at the time of filing the application, pay a non-refundable filing fee ~~on the following basis as follows:~~

~~(1) A filing fee to accompany a single application or the first of more than one application submitted together shall be of \$500;~~

~~(2) For each additional application submitted with the first application, the filing fee shall be an additional \$100~~ For each application submitted to replace an Interim Certificate that has previously been issued to the applicant and is in effect at the time the application is submitted, the filing fee shall be \$400;

~~(3) Any subsequent applications, determined by the Manager to be necessary but not submitted with the original filing of an application, shall be considered a new application and the filing fee will be \$500; There shall be a \$100 filing fee for each Request for an Interim Certificate submitted pursuant to Section 15205 of these regulations.~~

(b) Any subsequent filing of an application by an existing private individual self insurer to add a new subsidiary or affiliate, or required due to merger, acquisition, or reincorporation shall be considered a new application and shall be subject to the payment of the fees set forth in subsection (a).

(c) No application filing fee shall be required from a public entity making application for a Certificate to Self Insure.

~~(d) Each private group self insurer making an application to obtain a certificate to self insure for the group shall at the time of filing of the group application, pay a non-refundable filing fee on the following basis:~~

~~(1) A filing fee for the group applicant as set forth in subsection (a)(1) of this section;~~

~~(2) An additional filing fee for each proposed group member submitted at the same time as the group application as set forth in subsection (a)(2) of this section;~~

~~(3) Any subsequent group member filings determined by the Manager to be necessary but not submitted with the original group application will pay a non-refundable application fee as set forth in subsection (a)(3) of this section; and~~

~~(4) Any subsequent filing of an application by an existing group self insurer to add new group members, or required due to merger, acquisition, or reincorporation shall be considered a new application and shall be subject to the payment of fees as set forth in subsection (a) of this section.~~

NOTE

Authority cited: Sections 54, 55 and 3702.10, Labor Code. Reference: Sections 59, 3700, 3702.5 and 3702.10, Labor Code.

### **§15205. Interim Certificates.**

(a) The Manager may issue an Interim Certificate of Consent to Self Insure issued to a subsidiary or affiliate of an existing private individual self insurer or an existing public agency self insurer. The Interim Certificate of Consent to Self Insure will be issued for a period not to exceed 180 days. ~~An application for a permanent Certificate to Self Insure as set forth in Section 15203 and the application filing fees as set forth in Section 15204 just be submitted within 90 days of issuance of an Interim Certificate. A Certificate of Consent to Self Insure to replace the Interim Certificate shall not be issued unless a completed application and accompanying documents required by Section 15203 and the application fee required by Section 15204 are submitted to the Manager within 180 days of the effective date of the Interim Certificate. However, the Manager may extend the Interim Certificate for an additional period of up to 90 days upon a showing of cause by the Interim Self Insurer.~~

(b) To qualify for an Interim Certificate, the existing private individual self insurer must demonstrate the following:

(1) Net worth on the last financial report filed with the Manager of Self Insurance Plans, pursuant to Section 15203.2, that shows at least \$10 million in net worth.

(2) The private individual self insurer holding the Master Certificate of Consent to Self Insure has furnished proof satisfactory to the Manager of financial responsibility and ability to guarantee the payment of any compensation due.

(3) The subsidiary or affiliate being added to the self insurance program does not represent more than 50% of the annual payroll of the existing self insured employer as reported on the most recent Self Insurers' Annual Report.

(c) A request for an Interim Certificate shall be made by the existing ~~private~~ public agency or individual private self insurer in writing to the Manager and provide the following information on each subsidiary or affiliate new to the self insurance program:

(1) The full legal name, state of incorporation, and Federal Tax Identification Number;

(2) The requested effective date of the Interim Certificate;

(3) ~~The~~ Documentation of the total annual payroll of the subsidiary or affiliate during the last 12 months; and of the dates for which the payroll information represents, or, for the latest 12-month period for which payroll figures are available ~~and what 12-month period is being reported.~~

(4) A statement that the Master Certificate holder shall be financially responsible ~~to~~ for payment of all workers' compensation claims arising out of the period of time its subsidiary or affiliate is granted an Interim Certificate;

~~NOTE: The Manager shall prepare a model letter that will contain all the necessary information to permit the private self insurer to request issuance of an Interim Certificate. The Manager shall provide this model letter to the self insurer upon request.~~

~~(d) Upon receipt of a written request for an Interim Certificate from a private self insurer meeting the requirements set forth in Section 15205(b) and (c), the Manager shall issue the Interim Certificate within 14 days.~~

~~(1) An applicant for an interim certificate will be notified in writing within 14 days if the application is incomplete and what specific information is required.~~

~~(e) To qualify for a permanent Certificate of Consent to Self Insure, the master self insurer will be required to comply with the requirements in Article 2 of these regulations, including submittal of application forms and filing fees as specified in subsection (a).~~

(e) To qualify for a permanent Certificate of Consent to Self Insure, the Interim Self Insurer will be required to comply with subsections 15203(b)(3)-(b) and (b)(8) and to submit Application Form A4-5 (Rev. 11/97)

NOTE: Sections 54, 55 and 3702.10, Labor Code. Reference: Sections 59, 3700, 3702.5 and 3702.10, Labor Code.