

Title 8. Industrial Relations  
Division 1. Department of Industrial Relations  
Chapter 8. Office of the Director  
Subchapter 2. Administration of Self-insurance  
Article 5. Self Insurer's Annual Report  
15251. Self Insurer's Annual Report.

(a) Each self insurer shall file a Self Insurer's Annual Report every year as required by subsections (b) through (g) of this section and shall continue to file a Self Insurer's Annual Report annually after revocation of the Certificate of Consent to Self Insure until a final Self Insurer's Annual Report has been filed showing all claims have been closed and there are no remaining claims with the expectation of future liabilities. Each year no later than 60 days before the deadline for filing the Self Insurer's Annual Report pursuant to subsection (b) or subsection (c) of this section, whichever applies, the Manager shall post the Annual Report form, along with instructions for completing the form and showing the years to be reported, on the website of the Office of Self Insurance Plans at <http://sip.dir.ca.gov/>. Each self-insurer shall file a Self-Insurer's Annual Report on forms supplied by the Manager as follows:

- (1) Form A4-40a (Rev. 6/2001) for individual private and private group self insurers;
- (2) Form A4-40b (Rev. 4/92) for all public self insurers, including those that are members of a Joint Powers Authority;

(b) For private self insurers, individual or with a group, the report shall be filed on or before March 1 of each year and shall include the following information:

(1) General Information.

(A) Certificate to Self Insure number, status of certificate, and period of report.

(B) Name and address of master certificate holder, state of incorporation, federal tax identification number, and first four digits of North American Industry Classification System (NAICS).

(C) List of all subsidiaries or affiliate companies that are covered by the master certificate to self insure, their state of incorporation, and their subsidiary/affiliate certificate number.

(D) Notification of any reincorporation, merger, change in name or identity or any additions to the self insurance program by the master certificate holder or any subsidiary/affiliate company during the reporting period.

(E) Name and address of person to whom all correspondence related to self insurance should be addressed.

(F) Employment and wages paid in that calendar year as reported to Employment Development Department on the employer's Form DE-6 Quarterly Report [or other similar Employment Development form used to report employment and wages in that calendar year](#).

Exception: A Certificate to Self Insure that is revoked for three full years is not required to submit this employment and wage information.

(2) Claims Liability and Administrator Information.

A Liabilities by Reporting Location report shall be submitted by each claims administrator administering claims for the said self insurer and shall include:

(A) All claims reported on or before December 31 of each of the five prior calendar years (January 1 through December 31), showing indemnity and medical payments grouped as incurred liability, paid to date and future liability.

(B) All open claims reported prior to the five years shall also be reported as in subsection (b)(2)(A), but in a single line entry;

(C) For the reporting year of the annual report the total of indemnity and medical future liability, the total estimated future liability of claims, the total benefits paid, number of medical only cases reported, number of indemnity cases reported; number of fatality cases, number of claims for which the employer or administrator was notified of representation by an attorney or legal representative in the reporting year, and number of new applications for adjudication received for any claims that year.

(D) Total number of open indemnity cases in all years.

(E) Name, address and Certificate to Administer number of the self insurer's claims administrator.

(F) Notification of any change in administrator during the period covered by the report and, if applicable, the name and address of the prior administrator.

(G) A certification by the qualified claims administrator that the report is true, correct and complete with respect to the workers' compensation liabilities incurred and paid, signed and dated with the name and address of the said administrator completing the Liabilities by Reporting Location page.

(3) Location of Claims Records Information. The name and address of any location other than the current administrator where self insurance claims records are stored.

(4) Insurance Information. Name and policy number of any standard workers' compensation insurance policy, specific excess workers' compensation insurance policy,

or aggregate worker's compensation insurance policy held by the self insurer along with policy issue date and retention levels of liability of the policies.

(5) Open Indemnity Claims Information. A list of all open indemnity claims by reporting location by year, and alphabetically within each year. The list shall:

(A) Show the name of each claimant, date of injury, description of injury, amount of benefits paid-to-date in indemnity and medical payments and estimated future liability of claim for indemnity and medical benefits.

Note: Computer Loss Runs showing the information requested and organized as set forth in this subsection will be acceptable in lieu of the List of Open Indemnity Claims, a section of Form A4-40a (Rev. 6/2001) or Form A4-40b (Rev. 4/92) provided by the Manager.

(B) Show any open claim reported to the carrier of a specific excess insurance policy, and for which the carrier has not denied in writing the claim liability in whole or part above the retention level of the policy. The list shall include the name of the claimant, claim number, date of injury, description of injury, carrier name and policy number, policy coverage period, retention level of policy and paid to date in indemnity or medical benefits, and the estimated future liability of the claim minus the total unpaid employer retention, which equals the total unpaid carrier liability. The list shall also indicate whether the claim has been reported to a carrier, if the claim has been accepted by the carrier, if the carrier has denied any part of the liability of the claim.

(6) Specific Excess Coverage Calculation. A calculation which includes a total of all unpaid carrier liability times the applicable deposit rate for the self insurer. This number will be included in the deposit calculation as provided for in Section 15251(b)(7).

(7) Deposit Calculation Information. A Deposit Calculation which includes the estimated future liability from the Liabilities Report multiplied by the deposit rate factor to determine a minimum deposit required for known liabilities; plus a deposit in advance for the current new year based on the average estimated future liability of claims for the past five years to secure average unpaid liability in the current year's new claims; less any credit for claims exceeding the retention level of any specific excess insurance policy for which the carrier has accepted liability in writing to arrive at the deposit required calculation. The specific excess credit shall be not exceed \$500,000 per occurrence unless the excess carrier or its parent company has as of December 31 of the last year covered by the Self Insurer's Annual Report an acceptable credit rating as set forth below:

(A) Standard and Poors Insurer Financial Strength Rating of A or better rating, or

(B) A.M. Best Company, Financial Strength Rating of B+ or better rating.

The total of the current security deposit is then subtracted from the minimum deposit required to determine if a deposit increase is due or a deposit decrease is indicated.

(8) Company Officer Certification Information. The name, title, address, phone number and original signature of the company officer authorized by Board Resolution to certify that the report is true, correct and complete and acknowledging the company's responsibility to post and maintain the required security deposit that is due as a result of this report.

(c) For all public self insurers, whether or not a member of a joint powers authority, the report shall be filed by October 1 of each year to cover liabilities during the July 1-June 30 fiscal year and shall include:

(1) General Information.

(A) Name and address of master certificate holder (individual agency or joint powers authority as applicable), federal tax identification number, and type of public agency.

(B) Agency name and certificate numbers of all of the joint powers authority's members.

(C) A certification by the individual public agency or joint powers authority official that the report is true, correct and complete.

(D) Notification of any reincorporation, merger, change in name or identity or any additions to the self insurance program by the master certificate holder or any subsidiary/affiliate company during the reporting period, and identification of any employees not included in the self insurance program.

(E) Name and address of person to whom all correspondence related to self insurance should be addressed.

(F) Employment and wages paid in that fiscal year as reported to Employment Development Department on the employer's Form DE-6 Quarterly Report [or other similar Employment Development form used to report employment and wages in that fiscal year.](#)

Exception: A public employer whose Certificate of Consent to Self Insure has been revoked is not required to submit employment and wage information.

(2) Liability Report and Administrator Information.

A Liabilities Report which shall include:

(A) All claims reported shall be on a fiscal year basis (starting July 1 and ending June 30 of the reporting years), with all claims reported on or before June 30 of each of the five prior fiscal years, showing indemnity and medical payments grouped as incurred liability, paid to date and future liability.

(B) All open claims reported prior to the five years shall also be reported as required in (b)(2)(A), but in a single line entry.

(C) Each Joint Powers Authorities (JPA) shall report the consolidated liabilities of all members of the JPA on one Liabilities Report.

(D) A Liabilities by Reporting Location Report shall be completed in full for each claims adjusting location in addition to the consolidated report totaling liabilities from all locations.

(E) For any Joint Powers Authority, one list of all open indemnity claims may be consolidated into a single listing for the entire JPA, as long as the individual JPA member is identified for each claim.

(3) Claims Information for each year shall meet the requirements of subsection (b), except that no deposit calculation page shall be submitted as required for private self insurers pursuant to subsection (b)(7).

(d) The Manager may, for good cause, require any self insurer to submit a Self Insurer's Annual Report covering a six-month interim period, in addition to the annual report specified in subsection (b) and (c) of this section.

(1) For private self insurers, such interim reports, when required, shall cover the period starting January 1 and ending June 30 of each year and shall be due on September 1 of each year.

(2) Public self insurer's interim reports shall cover July 1 through December 31 and shall be due on March 1 of each year.

(e) The Manager shall assess the civil penalty set forth in Labor Code Section 3702.9(a) against any self insurer for failure to file a complete and timely Self Insurer's Annual Report. Continued failure to file an Annual Report sixty days after assessment of civil penalties pursuant to Section 3702.9(a) shall be good cause for revocation of a certificate to self insure.

(f) For good cause shown by the self insurer or its administrative agency, the Manager may grant additional time to a self insurer to file the report without penalty.

(g) Unless otherwise approved by the Manager, the consolidated liabilities report (page 2 of the annual report) and reporting location reports (page 3 of the annual report) shall be signed by a competent person, as demonstrated pursuant to Section 15452(b) of these regulations, in the employment of the self insurer or administrative agency for the self-insurance plan.

(h) The employer's certification on the Self Insurer's report shall be signed by:

- (1) an officer or employee of the self insurer authorized by the Board of Director's Resolution to sign documents for self insurance matters; or
- (2) an authorized public self insurer officer or employee; or
- (3) an authorized officer or employee of the joint powers authority to which the public agency is a member; or
- (4) an authorized officer or employee of the Self Insurer's Security Fund where the Director has turned over responsibility for an insolvent private self insurer's claim liability to the Fund pursuant to Labor Code Section 3701.5(c).

Note: Authority cited: Sections 54, 55 and 3702.10, Labor Code. Reference: Sections 59, 129, 3700, 3701.5, 3702.2, 3702.3, 3702.9 and 3702.10, Labor Code; and Sections 1063.1 and 1063.3, Insurance Code.