
CLAIMS ADMINISTRATION

List the third party administrator the Group proposes to use:

Name: _____ Title: _____

Company Name: _____

Address: _____

City: _____ State: _____ Zip + 4: _____ - _____

Administrative Agency's Certificate to Administer #: _____

Will ALL Group claims be administered at the ONE adjusting location above Yes No

If NO, and there will be multiple adjusting locations, identify additional locations below. Attach additional pages if necessary.

Name: _____ Title: _____

Company Name: _____

Address: _____

City: _____ State: _____ Zip + 4: _____ - _____

Administrative Agency's Certificate to Administer #: _____

Name: _____ Title: _____

Company Name: _____

Address: _____

City: _____ State: _____ Zip + 4: _____ - _____

Administrative Agency's Certificate to Administer #: _____

CHECK LIST FOR A COMPLETE SELF INSURED GROUP APPLICATION

The California Code of Regulations, Title 8, Chapter 8, Subchapter 2, Article 2, provides the requirements for submitting a complete Group Self Insurer's Application and Group Affiliate Member's Application. The following forms and documents are required by this section to be included with the application.

All required information must be submitted with the application form.

Group Self Insurer Requirements:

¾ The group is a California non-profit, mutual benefit corporation formed for the sole purpose of operating a group workers' compensation self-insurance fund to pool compensation liabilities of two or more private employers.

¾ All group members have the same predominant, first 3-digit North American Industry Classification System Code (NAICS Code).

Group Application Forms and Fees:

- Completed Group application (Form S-1 (1-2016)) for the group's non-profit mutual benefit corporation.
- Certificate of Status in good standing for Group Corporation from Secretary of State.
- Completed application form(s) from all proposed initial Affiliate members (Form S-2A & S-2B) with attachments.
- Filing fee of \$1000 for group applicant.
- Filing fee for each member filed with this group application is \$500.

Feasibility Study:

A copy of the Initial Feasibility Study as required in Section 15471 of these regulations. The feasibility study must include the following:

1. The advantages and disadvantages of group self-insurance for the proposed group members as compared to the options of individual self-insurance, or coverage under a policy issued by a carrier(s).
2. Identification of all proposed group members and the combined total payroll for the proposed group self-insurer.
3. A consolidated summary of the historical workers' compensation claims loss experience and the allocated loss expenses of the proposed group members for the three most recent, completed, full policy years, as well as the current partially completed policy year to the most current quarter under the current policy.

A five year proforma financial statement including, as a minimum, an income statement, balance sheet, projected cash flows, and claims payout projections. The proforma financial statement must include a detailed separation of assets, liabilities, retained earnings, taxes and dividends. If any claims costs are discounted, the interest rate assumptions and payout patterns must be described and based on reasonable assumptions.

A summary of the specific details of the group self insurer's operating plan, including but not limited to:

- a. The legal and organizational structure.

- b. Method of governance.
- c. General management of the pool, including underwriting policies, insurance coverage, billing.
- d. Rating plans or premiums or other means by which group funding during the first five years of operation will be generated, and the amounts to be generated by the methods proposed for each of the first 5 years of operation.
- e. The first 12 month budget of the group self-insurer.
- f. Excess insurance coverage including estimated cost, attachment point of specific excess coverage policy and aggregate excess policy (if any), and maximum liability of each excess policy.
- g. Summary of the third party claims administration agency chosen to handle the group self-insurer's claims.
- h. Safety and loss control services that will be available from the group self-insurer to group members.
- i. Underwriting requirements for initial and subsequent member selection into the group self-insurer, including particular emphasis as to whether any underwriting requirement would be excluded from coverage by the specific excess or aggregate excess insurance coverage.
- j. Name of certified public accountant that will prepare annual financial reports for the group self-insurer.
- k. Name of actuary and their professional actuarial designation who will prepare actuarial reports for the group self-insurer and the frequency of such evaluation reports.
- l. Means by which the group self-insurer will post the required security deposit.
- m. Any fidelity coverage and errors and omissions coverage that will be maintained by the group self-insurer and the frequency of such evaluation reports.

Assumption and Guarantee:

- An Agreement of Assumption and Guarantee of Liabilities of Workers' Compensation Liabilities for Group Members (Form S-5 (1-2016)) executed by the group applicant, as required in Section 15203.1 of these regulations.

Resolution:

- Resolution by the Board of Trustees (Form S-3 (1-2016)) 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.

The application must identify the following:

- Excess Insurance coverage (Required by CCR §15478)
- Fidelity coverage (Required by CCR §15475(d)(2))
- Errors and omissions coverage (Required by CCR §15475(d)(2))

Other Requirements:

- 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.
- Agreement and Undertaking for Security Deposit (Form S-6 (1-2016)).

Group Affiliate Member Application:

- Application (Form S-2A & S-2B (1-2016)) from each initial member of the group.
- Resolution to be Self-Insured as a Member of the Group Self-Insurer (Form S-3 (1-2016)).
- An original, executed Indemnity Agreement and Power of Attorney of Joint and Several Liability (Form S-4 (1-2016)) by each proposed initial member pursuant to CCR §15479.