

INSTRUCTIONS FOR RENEWING STATUS AS A SELF-INSURED EMPLOYER IN ALASKA

REQUIREMENTS

8 AAC 46.010, 8 AAC 46.040, and 8 AAC 46.080 provide that a company may maintain its Certificate of Self-Insurance in Alaska if it has:

- (1) a safety/loss control program;
- (2) in combination with its parent company or subsidiary companies of the employer, a minimum of 100 employees either in Alaska or in another state or states;
- (3) a tangible net worth of at least \$10,000,000;
- (4) the financial ability to meet the self-insured's financial obligations in Alaska;
- (5) available claims facilities through its own staffed adjusting facilities located within the state or through independent, licensed, resident adjusters with power to effect settlement within the state. For purposes of this paragraph, insurance companies with a certificate of authority from the Department of Commerce and Economic Development's Division of Insurance, and with staff adjusters in this state, are considered independent, licensed, resident adjusters;
- (6) a security deposit in the amount of \$600,000 or 125% of the total outstanding accrued self-insured workers' compensation liabilities for the year immediately preceding the application, whichever amount is greater. The security deposit must be in a form of an irrevocable letter of credit from a financial institution authorized to conduct business in Alaska under AS 06.01.010-06.40.190, with the State of Alaska, Department of Labor and Workforce Development listed as the beneficiary; and
- (7) submit an independent actuary's review at least once every three years.

FILING REQUIREMENTS

An application for Renewal of Certificate of Self-Insurance must be made on Form 07-6130.

An applicant that has multiple subsidiaries must list each subsidiary to be covered under the certificate of self-insurance, including the legal name, mailing address, federal identification number, and ownership information for each subsidiary.

When the applicant is a wholly owned subsidiary of another company, a Parent Company Guarantee must be included with the Renewal of Certificate of Self-Insurance.

If the applicant is a joint venture, the partner with the majority interest in the venture must be self-insured in Alaska, or qualified to be self-insured in this state. The joint venture application must include financial information for each partner in the venture, and the application must be accompanied by a copy of the joint venture's operating agreement.

The application must be accompanied by the applicant's audited financial statements for the previous fiscal or calendar year immediately preceding the year in which the self-insured applies for renewal. The applicant may submit consolidated financial statements of its parent company if the applicant does not have its own audited financial statements and the employer is a majority or wholly-owned subsidiary. A public entity must submit audited comprehensive annual financial reports, including detailed schedules.

The applicant shall provide a summary of the employer's or the employer's parent company payroll and loss runs for the fiscal or calendar year immediately preceding the filing of the application. The summary must include the number of employees, amount of payroll, number of medical-only claims, number of indemnity claims, number of fatalities, the dollar amount of total incurred losses, the dollar amount of paid losses, the dollar amount of reserves for incurred but unpaid losses, the dollar amount of losses within the retention limit, the dollar amount of losses subject to reinsurance or excess recovery, and the dollar amount of losses subject to subrogation recovery.

The applicant shall submit a description (binder) of its proposed excess insurance coverage, including effective dates, type of coverage, conditions and exclusions, with specific and aggregate retentions and policy limits. Excess coverage must be written by a casualty insurance company or reinsurance company authorized to transact business in Alaska, and must be rated A- or higher with a stable outlook by a nationally recognized rating organization. If approved, the applicant shall provide excess policy insurance coverage to the Division.

The application for self-insurance must be accompanied by a security deposit in the form of an irrevocable letter of credit from a financial institution authorized to conduct business in Alaska under AS 06.01.010-06.40.190, with the State of Alaska, Department of Labor and Workforce Development listed as the beneficiary. The amount of the security deposit must be in the amount of \$600,000 or 125% of the total outstanding accrued self-insured workers' compensation liabilities for the year immediately preceding the application, whichever amount is greater. If the employer has been self-insured in Alaska for five or more years, the employer may submit a written request for an exemption from posting a security deposit. The exemption request should state the reasons why the employer should not be required to post a security deposit.

Each self-insurance renewal applicant is required to submit an independent actuary's report once every three years, accompanied by a letter signed by an officer of the company that reserves are adequate and have been accounted for in the company's balance sheet.

The applicant shall submit with the application a detailed outline of its safety/loss control program.

The above material shall be mailed to the Division of Workers' Compensation at least 60 days prior to the expiration of its Certificate of Self-Insurance.

**STATE OF ALASKA
 DIVISION OF WORKERS' COMPENSATION
 P. O. Box 115512
 Juneau, AK 99811-5512**

RENEWAL OF CERTIFICATE OF SELF-INSURANCE

All questions must be answered, and requested material submitted. If not applicable, use symbol N/A.

1. Legal Name of Alaskan Employer _____
2. Mailing Address of Alaskan Employer _____
3. Name and Address of Person Responsible for the Self-Insured Program
 Name _____ Title _____
 Mailing Address _____
 Telephone Number _____ Fax Number _____
 Email Address _____

4. List past fiscal year's compensation experience in Alaska

Reporting Year	
Number of Alaskan Employees	
Total Alaskan Payroll	
Number of Incident Only & Medical Claims	
Number of Time-Loss Claims	
Number of Fatalities	
Total Amount of Incurred Losses in Year	
Total Amount of Paid Losses in Year	
Total Outstanding Loss Reserves at Year End	
Total Amount Within Retention Limit	
Total Amount Subject to Excess Coverage	
Total Amount Subject to Subrogation Recovery	
Annual Alaskan Workers' Compensation Premium	

5. An independent actuary's report is due once every three years, accompanied by a letter signed by an officer of the company that reserves are adequate and have been accounted for in the company's balance sheet.
6. A security deposit is required for each Alaskan self-insured employer, unless the employer has sought and obtained an exemption from this requirement. The amount of the security deposit must be in the amount of \$600,000 or 125% of the total outstanding accrued self-insured workers' compensation liabilities for the year immediately preceding the application, whichever amount is greater. The employer may submit a written request for an exemption from posting a security deposit after five or more years of self-insurance in Alaska. The exemption request should state the reasons why the employer should not be required to post a security deposit.
7. Description of proposed excess insurance
 Name of proposed excess insurance carrier _____
 Proposed Self-Insurance Retention Specific: _____ Aggregate: _____
 Proposed Policy Limits Specific: _____ Aggregate: _____
8. Name and address of the Alaska Employer's adjuster handling claims in the State of Alaska

9. Applicant must provide the following documents with this application for renewal of their Certificate of Self-Insurance
- Audited financial statements for the year immediately preceding the year in which the self-insured applies for renewal. If the employer is a joint venture, financial statements must be submitted for each partner in the joint venture.
 - A list of subsidiaries to be covered under this application, including the legal name of each subsidiary, the mailing addresses of each, federal employer identification number, and the self-insured's ownership information in each subsidiary.
 - Security Deposit, if applicable
 - Actuary Report, if applicable
10. In consideration of the approval of this application, the applicant expressly agrees
- To comply with the excess insurance coverage retentions and limits required by the Alaska Workers Compensation Board.
 - To comply with the security deposits required by the Board.
 - That this privilege may be revoked at any time for cause at the discretion of the Alaska Workers Compensation Board.
 - That the applicant will promptly provide benefits within the time limits specified by the Alaska Workers Compensation Act.
 - That the applicant will discharge liability for compensation to injured employees or their dependents in accordance with the requirements of the Alaska Workers Compensation Act.
 - That the application or its adjuster will provide annual reports no later than March 1st of each calendar year, and pay applicable Second Injury Fund and Workers' Safety and Compensation Administration Account assessments due thereon.
 - That a request for renewal of the Employers Certificate of Self-Insurance will be made annually on a form prescribed by the Alaska Workers Compensation Board.
 - That the applicant will notify the board within 30 days of any change in conditions which would affect the applicant's ability to administer its self-insurance program, including sale, merger, or other organic changes in ownership interest.

 (Signature of Authorized Person)

 (Title of Authorized Person)

State of _____ County of _____

_____, being first duly sworn, appeared personally and declared that the facts set forth in the foregoing application are true to the best of his/her knowledge, information and belief.

Sworn to and affirmed this _____ day of _____, _____

 (Notary Public)

(Notary seal)

My commission expires on _____

PARENT COMPANY GUARANTEE

_____ (Parent), a corporation duly incorporated under the laws of the State of _____, for and in consideration of the Alaska Workers' Compensation Board (Board) authorizing _____ (Subsidiary), a corporation, to operate as a self-insurer under the provisions of the Alaska Workers Compensation Act (Act), hereby guarantees the payment by the Subsidiary of any and all valid claims for compensation and other benefits made against it under the Act. If the Subsidiary does not pay or cause to be paid directly to claimants the benefits due or that may become due under the Act, then the Parent covenants and agrees it will pay to the claimants all the benefits due. These benefits include reasonable attorney's fees incurred by claimants in any action brought on this guarantee. The Parent enters this agreement with the express knowledge and understanding that the execution and acceptance of this guarantee is for the benefit of unknown and unnamed employees and former employees of the Subsidiary; the Parent hereby recognizes this as a direct financial guarantee to these employees or former employees.

The Parent has the right to cancel and terminate this guarantee upon giving the Board at least 60 days written notice of its intent to do so.

A cancellation does not affect the liability of the Parent for any benefits payable for injuries occurring before the date of cancellation specified in the notice of cancellation.

This guarantee is effective as of _____, _____.

(Signature of Authorized Person)

(Title of Authorized Person)

State of _____ County of _____

_____, being first duly sworn, appeared personally and declared that the facts set forth in the foregoing application are true to the best of his/her knowledge, information and belief.

Sworn to and affirmed this _____ day of _____, _____

(Notary Public)

(Notary seal)

My commission expires on _____