

**2780.2200 FINANCIAL STANDARDS.**

A group proposing to self-insure shall have and maintain:

A. A combined net worth of all of the members of at least equal to the greater of ten times the retention selected with the WCRA or one-third of the current annual modified premium of the members. The requirements of this item shall be modified if the self-insurer can demonstrate that through excess insurance, other than coverage provided by the WCRA, that it can pay expected losses.

B. Sufficient assets, net worth, and liquidity to promptly and completely meet all obligations of its members under the Workers' Compensation Act. In determining whether a group is in sound financial condition, consideration shall be given to the combined net worth of the member companies; the consolidated long-term and short-term debt to equity ratios of the member companies; the particular industry that the member companies are engaged in; any excess insurance other than reinsurance with the WCRA, purchased by the group from an insurer licensed in Minnesota or from an authorized surplus line carrier; other financial data requested by the commissioner or submitted by the group; and the combined workers' compensation experience of the group for the last four years.

**Statutory Authority:** *MS s 176.181*

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