

4 MCAR 1

1 Department of Commerce

2 Insurance Division

3

4 Adopted Amendments to Rules Governing Self-Insurance for

5 Workers' Compensation (4 MCAR SS 1.9285-1.9294)

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7 Rules as Adopted

8 4 MCAR S 1.9288 Acceptable securities and surety bonds.

9 H. Any securities deposited with the State Treasurer or
 10 surety bonds held by the commissioner may be exchanged or
 11 replaced by the depositor with other acceptable securities or
 12 surety bonds of like amount so long as the market value of the
 13 securities or amount of the surety bond equals or exceeds the
 14 amount of deposit required. If securities are replaced by a
 15 surety bond the self-insurer shall be required to must maintain
 16 securities on deposit in an amount sufficient to meet all
 17 outstanding workers' compensation liability arising during the
 18 period covered by the deposit of the replaced securities subject
 19 to the limitations on maximum security deposits established in 4
 20 MCAR S 1.9291 G. and S 1.9292 H.

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21 4 MCAR S 1.9289 Filing of reports.

22 A. Incurred losses, paid and unpaid, specifying both
 23 indemnity and medical losses by classification, and payroll by
 24 classification, and current estimated outstanding liability for
 25 workers' compensation shall be reported to the commissioner by
 26 each self-insurer on a calendar year basis, in a manner and on
 27 forms available from the commissioner. Payroll information must
 28 be filed by April 1 of the following year, and loss information
 29 and total workers' compensation liability must be filed by
 30 August 1 of the following year.

31 C. Each self-insurer shall report to the commissioner any
 32 workers' compensation claim from the previous year where the
 33 full, undiscounted value is estimated to exceed \$50,000 with the
 34 annual loss report due August 1 and in a manner and on forms
 35 prescribed by the commissioner.

1 E. Each group self-insurer shall, within four months after
 2 the end of the fiscal year for that group, annually file a
 3 statement showing the combined net worth of its members based
 4 upon either each individual member's annual certified financial
 5 statement or an accounting review performed by a certified
 6 public accountant if the requirements for use of an accounting
 7 review specified in 4 MCAR S 1.9292 B- are met, together with
 8 such other financial information the commissioner may require to
 9 substantiate data in the group's summary statement. This
 10 subdivision shall not apply if the applicable financial
 11 requirements have been waived pursuant to 4 MCAR S 1.9292 R.

12 4 MCAR S 1.9291 Requirements for individual self-insurers.

13 M. Any individual self-insurer that voluntarily terminates
 14 its self-insurance authority shall give notice to the
 15 commissioner not less than 30 days before any such the
 16 termination is to take place occur. ---

17 4 MCAR S 1.9292 Requirements for group self-insurers.

18 B. After the initial application and the bylaws or plan of
 19 operation have been approved by the commissioner, or at the time
 20 of the initial application the group shall then submit: the
 21 names of employers that will be members of the group; an
 22 indemnity agreement providing for joint and several liability
 23 for all group members for any and all workers' compensation
 24 claims incurred by any member of the group as set forth in
 25 Appendix II signed by an officer of each member; and a certified
 26 financial statement of each member, provided that an accounting
 27 review performed by a certified public accountant may be
 28 substituted for a certified financial statement if the group
 29 selects the lower retention from the Workers' Compensation
 30 Reinsurance Association and deposits a one million dollar
 31 (\$1,000,000.00) bond in place of the deposit requirement of
 32 subdivision H. A certified financial audit may be filed in lieu
 33 of an accounting review. -----

34 R. The financial requirements of B. and C. of this section
 35 rule shall be waived if the group self-insurer has purchased

1 aggregate excess insurance from an insurer licensed to do
2 business in the State of Minnesota, and that excess insurance
3 indemnifies all losses of the group self-insurer, other than
4 those reimbursable by the Workers' Compensation Reinsurance
5 Association, in excess of the annual premiums collected by the
6 group less the sum of annual administrative costs, premiums
7 payable to the Workers' Compensation Reinsurance Association and
8 premiums payable to the excess insurer. If aggregate excess
9 insurance is terminated, the service company shall inform the
10 commissioner within two days after receipt of notice of
11 cancellation.

12 S. Any group self-insurer that voluntarily terminates its
13 self-insurance authority shall give notice to the commissioner
14 not less than 30 days before any such the termination is to take
15 place occur.

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17 Repealer. Rule 4 MCAR S 1.9292 D. is repealed.
