

# GUIDELINES FOR SELF-INSURANCE FOR PRIVATE EMPLOYERS AND HOSPITAL AUTHORITIES

The State Board of Workers' Compensation and the Georgia Self-Insurers Guaranty Trust Fund evaluate each applicant for self-insurance on an individual basis. Therefore, the information outlined below is provided as a helpful guideline only, when considering the option to self-insure. Please visit the Georgia Self-Insurers Guaranty Trust Fund website at [www.gaguaranty.com](http://www.gaguaranty.com) for an application and detailed instructions regarding security language and excess insurance requirements.

## General Guidelines for Application

- 150 Employees
- \$1,500,000 Annual Payroll
- Minimum of \$250,000 Workers' Compensation Insurance Premium
- Viable Safety Program
- Claims Administration by a licensed claims company or a qualified employee of the self-insured company
- A full financial audit performed by an independent CPA firm for the most recent year is required. The audit must reflect the applicant's solvency, stability and no "going concern" problem.

## Security

The required security amount will be determined by the Georgia Self-Insurers Guaranty Trust Fund and the State Board of Workers' Compensation. The minimum amount is \$250,000. Surety bonds and irrevocable letters of credit are the only acceptable security forms. Letters of Credit must be either issued or confirmed by a Georgia depository.

## Excess Insurance

Specific Excess Insurance is required for statutory liability limits, with an SIR not to exceed \$750,000. The SIR requirement is determined by the State Board of Workers' Compensation and the Georgia Self-Insurers Guaranty Trust Fund, taking into consideration the amount of security required.

## Fees

An Application Fee of \$500 is payable to the Georgia Self-Insurers Guaranty Trust Fund.

## Assessments

Georgia Self-Insurers Guaranty Trust Fund: The initial assessment for each new participant is \$8,000. Each year thereafter the company is assessed 1.5% of the previous year's indemnity and medical benefits paid, with a maximum amount of \$8,000 and a minimum amount of \$2,000.

State Board of Workers' Compensation: The total expenses of the Board are prorated among the qualified insurance companies writing workers' compensation insurance and by the Board qualified self-insurers. In the case of insurers, such proration shall be on the basis of the gross earned premium, and in the case of self-insurers, on the basis of the amount of premium which they would have had to pay in the event they had insured their liability with an insurer. Questions regarding the State Board of Workers' Compensation assessment should be directed to Mr. Thomas M. Risko, 270 Peachtree Street, NW, Atlanta, GA 30303-1299. His telephone number is 404-656-2314.

Subsequent Injury Trust Fund: The annual assessment for the Subsequent Injury Trust Fund shall equal an amount of 175% of the total disbursement made from the Fund during the preceding calendar year as of December 31 of the preceding calendar year. This amount is prorated among carriers and self-insurers based upon their total paid losses for workers' compensation cases made in the preceding calendar year. Questions regarding the Subsequent Injury Trust Fund assessment

should be directed to Georgia Subsequent Injury Trust Fund, Marquis Two Tower, Suite 1250, 285 Peachtree Center Avenue, NE, Atlanta, GA 30303. The telephone number is 404-656-7000.

### **Annual Required Reports**

Georgia Self-Insurers Guaranty Trust Fund: Member Information Update Form, current year's financial audit, and current excess insurance certificate.

State Board of Workers' Compensation: Report form mailed in January of each year to insurers and self-insurers requiring sworn information stating the amount of compensation premiums written by the insurers and sworn payroll statements of self-insurers for the preceding calendar year. This report must be filed with the Board no later than March 1st of each year.

Subsequent Injury Trust Fund: Report form mailed in January of each year to insurers and self-insurers asking for total dollars of claims paid during the preceding calendar year, excluding administrative and legal fees. The report must be returned to the Fund no later than March 1st of each year.