

## TO WHOM IT MAY CONCERN:

Re: Guidelines for Self-Insurance for Individual Self-Insurers

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 stated below is to be considered as a guideline only.

### GUIDELINES FOR APPLICATION

- 150 Employees.
- \$1,500,000 Annual Payroll
- Not less than \$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. Indemnity Checks must be drawn on a Georgia depository.

A full financial audit performed by an independent CPA firm for the most recent year is required. It is preferable to submit an application with full financial audits for the last three years. The audit must reflect the applicant's solvency, stability and no "going concern" problem.

### SECURITY

- Security to be determined by the State Board of Workers' Compensation.
- Minimum Amount of \$250,000.
- Surety Bonds and Letters of Credit are the only acceptable security. Letters of Credit must be either issued or confirmed by a Georgia depository. The State Board of Workers' Compensation or the Georgia Self-Insurers Guaranty Trust Fund can be contacted for the correct language for the letter of credit or surety bond. You can access the Georgia Self-Insurers Guaranty Trust Fund web site at [www.gaguaranty.com](http://www.gaguaranty.com) for surety bond form and letter of credit language.

### EXCESS INSURANCE

Specific Excess Insurance is required for statutory liability limits and an SIR between \$250,000 and \$3,000,000. 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

Application Fee of \$500.00 payable to the Georgia Self-Insurers Guaranty Trust Fund.

Assessments:

- Georgia Self-Insurers Guaranty Trust Fund: Initial Assessment of \$4,000.00. Each year company is assessed at 1-1/2% of the previous year's indemnity payments with a maximum payment of \$4,000.00 and a minimum payment of \$1,000.00.

- The 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 companies who qualify with the Board to act as self-insurers. In the case of insurers, such proration shall go 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 Thomas M. Risko, 270 Peachtree Street, NW, Atlanta, GA 30303-1299. Mr. Risko's direct number is 404/656-2314.
- Subsequent Injury Trust Fund: The assessment for the Subsequent Injury Trust Fund is an annual assessment and is determined by the following: The total assessment for the Fund shall equal an amount of 175% of the total disbursement made from the Fund during the preceding calendar year, less the amount of the net assets in the Fund 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.

#### 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 to insurers and self-insurers in January of each year 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 1<sup>st</sup> 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 1<sup>st</sup> of each year.