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

REQUIREMENTS:
8 AAC 46.010 and 8 AAC 46.080 provide that an employer may renew their Certificate of Self Insurance in Alaska if the employer

(1) demonstrates the financial ability to meet the employer’s liability under the Alaska Workers’ Compensation Act (Act);

(2) maintains a claims adjusting facility through its own staffed adjusting facilities located within this state, or through independent, licensed, resident adjusters with power to effect settlement within this state. For purposes of this paragraph, insurance companies with a certificate of authority from the Division of Insurance, Department of Community, Commerce and Economic Development, and with staff adjusters in this state, are considered independent, licensed, resident adjusters;

(3) maintains a safety/loss control program;

(4) in combination with its parent company or subsidiary companies, continues to employ a minimum of 100 employees either in Alaska or in another state or states; and

(5) maintains a net worth of at least $10,000,000.

FILING REQUIREMENTS:
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.

If the applicant is a joint venture, the 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-owned 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 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.

The application for renewal of 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 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 year’s compensation experience in Alaska

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<tr>
<th>Reporting Year</th>
<th>Number of Alaskan Employees</th>
<th>Total Alaskan Payroll</th>
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<tr>
<th>Reporting Year</th>
<th>Number of Incident Only &amp; Medical Claims</th>
<th>Number of Time-Loss Claims</th>
<th>Number of Fatalities</th>
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<tr>
<th>Reporting Year</th>
<th>Total Amount of Incurred Losses in Year</th>
<th>Total Amount of Paid Losses in Year</th>
<th>Total Outstanding Loss Reserves at Year End</th>
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<tr>
<th>Reporting Year</th>
<th>Total Amount Within Retention Limit</th>
<th>Total Amount Subject to Excess Coverage</th>
<th>Total Amount Subject to Subrogation Recovery</th>
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<thead>
<tr>
<th>Reporting Year</th>
<th>Annual Alaskan Workers’ Compensation Premium</th>
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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.

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 that 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)

   My commission expires on ________________