

State of Maine  
Bureau of Insurance  
Workers' Compensation Group Self-insurance  
Initial Application

1. Self-insured Group Name: \_\_\_\_\_
2. Proposed Effective Date: \_\_\_\_\_
3. Contact Information:  
Authorized Representative: \_\_\_\_\_
- Mailing Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- Telephone: \_\_\_\_\_  
Facsimile: \_\_\_\_\_  
e-mail: \_\_\_\_\_

4. Do you authorize Bureau staff to contact your service company pursuant to Rule Chapter 250 II (D)(2)?  
Yes: \_\_\_\_\_ No: \_\_\_\_\_ N/A: \_\_\_\_\_

**Please attach separate schedules for the requested information referencing the corresponding item number.**

4. Enclose a check for payment of the \$1,000.00 Initial Application Fee. Upon self-insurance approval an additional \$100.00 license will be due.
5. In addition to this completed application form, the initial application, as submitted by the governing body of the group, must include the following for the group as a whole:
- a. A copy of the bylaws and other governance documents of the proposed program;
  - b. Evidence of the financial ability of the group to meet its obligations under the Act including a pro-forma statement of operations for the group's initial year of operations;
  - c. A distribution of all projected administrative costs by class of expense for the upcoming fund year stated in dollar amount and as a proportion of projected premium income;
  - d. A composite listing of the estimated standard premium to be developed for each member individually and in total for the group. Such premium for the initial year must at least equal four times all expenses other than retained loss and loss adjustment expenses;
  - e. A description of proposed specific and aggregate reinsurance;
  - f. Copies of binders or cover notes evidencing effective specific and aggregate reinsurance, or a request for a waiver of the requirement with a justification. Each final reinsurance contract must be filed within 90 days of the effective date of the contract;
  - g. Designation of the initial governing body, including any officers, directors, trustees, general managers, or administrators, and a narrative describing the responsibilities of the governing body which are delegated to an administrator, manager or other service agent. The duties of the governing body must be described and the description must include procedures for new member approval and existing member termination pursuant to Title 39-A M.R.S.A. A majority of the officers, directors, and the governing body must be members of the group self-insurer;

- h. Acceptable standards for the approval of new members and the group as a whole which must include financial as well as underwriting criteria for new and continuing members;
  - i. Proof of a fidelity bond adequate to protect the interests of any required funds, in a form and amount acceptable to the Superintendent, covering any person who will have access to the funds, who is not otherwise licensed pursuant to Title 24-A M.R.S.A.;
  - j. Proof of adequate facilities and competent personnel to service its program in compliance with Rule Chapter 250 §III (H) and a description of the safety plan maintained by the group for the prevention of injuries;
  - k. The name and license number of the licensed Maine adjuster or adjusters who will be adjusting claims;
  - l. Proof of required security after determined by the Superintendent pursuant to Rule Chapter 250 §III (D) and §III (E), on the Superintendents' prescribed forms;
  - m. An actuarial review and proposed funding model for the prospective fund year;
  - n. A current valuation of each security which is posted as part of a security deposit; and
  - o. Proof that the person signing the application has authority to do so.
6. The initial application, as submitted by the each initial member, must include the following:
- a. Audited or reviewed financial statements for the most recently completed fiscal year and for each of the two immediately preceding fiscal year;
  - b. Payroll data for each of the 3 preceding years by risk classification based on the classification plan of the principal advisory organization licensed in the State of Maine;
  - c. The experience modification rating calculation and supporting worksheets as determined by the principal workers' compensation advisory organization in this state and approved by the Superintendent. An experience modification must be determined annually on an intrastate basis on the same basis as if the employer was insured;
  - d. An executed indemnity agreement; and
  - e. Proof that the person signing the application has authority to do so.
7. Enclose two copies of a final Actuarial Review pursuant to pursuant to Rule Chapter 250 §1 (D)(4).
8. Attach the proposed rating plan in support of actuarial assumptions, if not included in the actuarial report.

### **GENERAL INSTRUCTIONS**

The group of employers must file a complete group application on a form prescribed by the Superintendent and pay the appropriate application fee. Each member of the group must file a complete member application. Each application must contain complete responses to all questions and be signed by an officer director or trustee authorized to sign. The Superintendent must approve or deny the application within ninety (90) days after the application is deemed complete. An application will not be considered complete until all requested data has been filed.

The certificate of authority issued by the Superintendent of Insurance is a license within the definition of the Administrative Procedures Act, Title 5 M.R.S.A.. The statute provides under section 10002, "When a licensee has made timely and sufficient application for renewal of a license, the existing license shall not expire until the application has been finally determined by the agency." A timely and sufficient application is one that is complete.

**DECLARATIONS**

The undersigned self-insured group comprised of employers in the State of Maine hereby makes application to become authorized to self-insurer benefits pursuant to the Maine Workers' Compensation Act, and understands that the self-insured group will notify the Superintendent 30 days prior to the occurrence of any of the following events:

1. Premium revenue of the group is reduced by more than 25% as a result of discontinued membership, whether by termination of members or otherwise, or by reduction in members' payrolls;
2. Failure to obtain renewal of reinsurance coverage consistent with the funding model applicable to the relevant fund year;
3. A change in service providers;
4. Any proposed change in the approved reinsurance program, including, but not limited to, retention or attachment point, limits of coverage, carrier, policy forms, or endorsements. Notice must also be given to the Maine Self-Insurance Guarantee Association;
5. Consolidation, merger, or combined treatment of two or more members; and
6. The addition of any participating employer or employers as new members of the self-insured group.

\_\_\_\_\_   
 Self-insured Group Name

Signed: \_\_\_\_\_   
 (Signed Name of Authorized Individual of the Governing Body)

Name: \_\_\_\_\_   
 (Printed Name of Authorized Individual of the Governing Body)

Date: \_\_\_\_\_