RULES GOVERNING QUALIFICATIONS OF SELF-INSURED EMPLOYERS.

Self-Insured Employers. In order to be considered for gain approval by the Industrial Commission to self-insure under Section 72-301, Idaho Code, an employer shall comply with the following requirements: (4-7-11)

01. Payroll. Have an average annual Idaho payroll over the preceding three (3) years of at least four million dollars ($4,000,000). However, if the applicant is approved to apply under the exception to this requirement provided by Section 72-301A, Idaho Code, for employers at Idaho National Laboratory working under a cost reimbursement contract with the federal government, the employer must have an annual Idaho payroll of at least four million dollars ($4,000,000) as of the effective date of the Commission's approval to act as a self-insured employer in Idaho. (4-11-15)

02. Application. Submit a completed application, available from the Industrial Commission’s Fiscal Bureau, along with the application fee of two hundred fifty dollars ($250), to the Idaho Industrial Commission, Attention: Fiscal Bureau, telephone (208) 334-6000. (3-20-14)

03. Documentation. Submit documentation satisfactory to the Commission demonstrating the sound financial condition of the employer, such as the most recent CPA reviewed or, if available, audited, financial statement. (4-7-11)

04. Claims Adjusting. Designate in writing a claims administrator employing an Idaho licensed resident adjuster including name and address. Each claims administrator shall have only one (1) mailing address on record at the Commission for claims adjusting purposes. (3-25-16)

05. Previous Claims. Provide a history of all workers’ compensation claims filed with the employer or the employer’s workers’ compensation carrier, as well as all compensation paid, during the previous five (5) calendar years. (3-29-12)

06. Excess Insurance. Provide an insurance plan that must include excess insurance coverage and copies of all proposed policies of excess workers’ compensation insurance coverage, unless the applicant is approved by the Commission as qualified under the exception to this requirement provided by Section 72-301A, Idaho Code, for employers at Idaho National Laboratory working under a cost reimbursement contract with the federal government. (4-11-15)

07. Actuarial Study. Provide an actuarial study prepared by a qualified actuary determining adequate rates for the proposed self-funded worker’s compensation plan based upon a fifty percent (50%) confidence level. (3-29-12)

08.
h. **Feasibility Study.** Provide a self-insurance feasibility study that includes an analysis of the advantages and disadvantages of self insurance as compared to current coverage, and the related costs and benefits.

i. **Custodial Agreement.** Set up a custodial agreement with the State Treasurer for securities required to be deposited under Sections 72-301 and 72-302, Idaho Code, unless the applicant is approved by the Commission as qualified under the exception to this requirement provided by Section 72-301A, Idaho Code, for employers at Idaho National Laboratory working under a cost reimbursement contract with the federal government.

j. **Supplemental Information.** Provide supplemental information as requested.

k. **Initial Security Deposit.** Prior to final approval, deposit an initial security deposit with the Idaho State Treasurer in the form permitted by Section 72-301, Idaho Code, or a self-insurer's bond in substantially the form set forth in Subsection 014.02, of this rule as the Commission’s self-insurer’s compensation bond, available on the Commission’s website, in the amount of one hundred fifty thousand dollars ($150,000), plus five percent (5%) of the first ten million dollars ($10,000,000) of the employer’s average annual payroll in the state of Idaho for the three (3) preceding years; along with such additional security as may be required by the Commission based on prior claims history, unless the applicant is approved by the Commission as qualified under the exception to this requirement provided by Section 72-301A, Idaho Code, for employers at Idaho National Laboratory working under a cost reimbursement contract with the federal government.

l. **Initial Guaranty Agreement.** The Commission may allow or, where financial reports or other factors such as the high risk industry of the employer indicate the need, require an employer that is organized as a joint venture or a wholly owned subsidiary to provide a guaranty agreement from each member of the joint venture or the parent company. This guaranty agreement confirms the continuing agreement of each of the joint venture members or the parent company to guarantee the payment of all Idaho workers’ compensation claims of employees of that joint venture or subsidiary employer seeking to become self insured. The guaranty agreement shall be in substantially the same form as the current sample Indemnity and Guaranty Agreement and, as applicable, the companion Consent of the Board of Directors, available from the Commission and posted on the Commission’s website at www.iic.idaho.gov.

m. **Written Approval.** Obtain written approval from the Industrial Commission.

n. **Idaho National Laboratory.** An employer meeting the requirements of Section 72-301A, Idaho Code, does not have to comply with the requirements of Paragraph 02.a, 02.f, 02.i, and 02.k, above.