CONTINUING REQUIREMENTS FOR SELF-INSURED EMPLOYERS.

Upon receiving the approval of the Industrial Commission to be a Self-Insured Employers, a self-insured employer approved under Section 72-301A, Idaho Code, to continue such approval a self-insured employer shall comply with the following requirements:

1. Payroll Requirements. Maintain an average annual Idaho payroll over the preceding three (3) years of at least four million dollars ($4,000,000), unless the applicant was 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. Any self-insured employer that does not meet the payroll requirement of this rule for two consecutive semi-annual premium tax reporting periods shall be allowed to maintain their self-insured status for six (6) months from the end of the last reporting period in order to permit them time to increase their payroll or obtain workers’ compensation coverage with an insurance carrier authorized to write workers’ compensation insurance in the state of Idaho.

2. Security Deposit with Treasurer. Maintain a primary security deposit with the Idaho State Treasurer in the form permitted by Section 72-301, Idaho Code, a self-insurer’s bond form available on the Commission’s website, or in substantially the same form set forth below, or in such other form approved by the Commission, in the amount of one hundred fifty thousand dollars ($150,000), plus five percent (5%) of the employers' average annual payroll in the state of Idaho for the three (3) preceding years, not in excess of ten million dollars ($10,000,000), unless the applicant was 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. If a surety bond is deposited, the surety company shall be completely independent of the principal and authorized to transact such business in the state of Idaho. In addition thereto, the self-insured employer shall deposit additional security in such amount as the Commission determines is necessary to secure the self-insured employer’s total unpaid liability for compensation under the Workers’ Compensation Law. No approved security shall be accepted for deposit above its par value. Additional deposits of approved security may be required semi-annually if the market value of an approved investment falls below its par value or if the total value of the employer’s security deposit falls below the total security required to be maintained on deposit when calculated in accordance with this rule.

Self-insured employers shall receive a credit for the primary security deposit against the self-insured employer’s obligation to post the additional security required by Subsection 014.02.a. of this rule.

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iii. Excess insurance coverage approved by the Commission may apply as a credit against the self-insured employer’s obligation to post the additional security required by Subsection 014.02.a.b.i. of this rule. The Commission must be provided with thirty (30) days advance written notice of any change or cancellation of an approved excess insurance policy. No credit will be given for any excess insurance coverage provided by a surplus lines carrier, as described in Chapter 12, Title 41, Idaho Code.——(3-20-14)

diy. All security deposited by the self-insured employer shall be maintained as provided by Section 72-302, Idaho Code.—(4-7-11)

ev. Any withdrawal or partial release of security deposited hereunder must be requested in writing and approved by the Commission.—(4-7-11)

SELF-INSURER’S COMPENSATION BOND

KNOW ALL MEN BY THESE PRESENTS, THAT _____________________________, a corporation of the State of ___________, hereinafter called the Principal, as Principal, and the _____________________________, a surety corporation authorized to transact a surety business in the State of Idaho, as Surety, are held and firmly bound unto the State of Idaho, for the use and benefit of all those employees of the Principal to whom or to the dependents of whom the Principal may, during the life of this bond, become liable for benefits under the Idaho Workers’ Compensation Law, as hereinafter more fully referred to, in the sum equal to and limited by the sum or sums that may become due and/or payable by said Principal to said employees under the terms, provisions and limitations of said Workers’ Compensation Law, and in accordance with the terms, agreements, conditions and limitations of this obligation not exceeding, however, the sum of ____________ dollars, for the payment of which, well and truly made, the Principal well and truly binds itself, its successors and assigns, and the Surety binds itself, its successors and assigns, jointly and severally, well and truly by these presents.

WHEREAS, in accordance with the provisions of Idaho Code, Title 72, Chapters 1 to 8, both inclusive, known as the Workers’ Compensation Law and all amendments thereto, and Principal has elected to secure compensation to its employees by depositing and maintaining with the Industrial Commission of Idaho a surety bond issued and executed by the surety herein named, which surety is duly qualified to transact such business in the state of Idaho subject to the approval of the Industrial Commission of the State of Idaho:

NOW, THEREFORE, the condition of this obligation is such that if the said Principal shall pay compensation according to the terms, provisions, and limitations of Idaho Code, Title 72, Chapter 1 to 8, both inclusive, known as the Workers’ Compensation Law and all amendments thereto, to its injured employees or the dependents of its killed employees contemplated by the terms of and covered under the said law, and shall furnish medical, surgical, nursing and the hospital services and attention and funeral expenses as provided for in said law (all of which shall be understood to be included in the term “compensation” as hereinafter used), then this obligation shall be null and void, otherwise to remain in full force and effect, subject, however to the following express conditions and agreements:
That any employee or the dependent of any employee of the Principal entitled to compensation under said Workers’ Compensation Law, shall have the right to enforce in his own name the liability of the Surety hereunder, in whole or in part, for such compensation, either by at any time filing a separate claim against the Surety or by at any time making the Surety a part of the original claim against the employer; provided, however, that payment in whole or in part of such compensation by either the Principal or the Surety shall, to the extent thereof, be a bar to the recovery against the other of the amount so paid.

That as between the employee and the Surety, notice to or knowledge of the occurrence of injury on the part of the employer shall be deemed notice to or knowledge, as the case may be, on the part of the Surety; that the obligation of the Surety, and the Surety, shall in all things be bound by and subject to the orders, findings, decisions or awards rendered against the Principal for the payment of compensation under the provisions of the Workers’ Compensation Law aforesaid, and that the insolvency or bankruptcy of the Principal and its discharge therein, shall not relieve the Surety from the payment of compensation for injuries, including death resulting therefrom, sustained during the life of this bond by an employee of the Principal covered under the Workers’ Compensation Law.

That upon request of the Industrial Commission of Idaho, it will make such changes in this form of bond by endorsement to be attached hereto or by the execution of a surety bond replacing this one, as the said Commission may deem requisite, to bring this bond into conformity with its rulings as to the form of surety bond required of employers under Idaho Code, Title 72, Chapters 1 to 8, both inclusive, known as the Workers’ Compensation Law and all amendments thereto.

This bond is issued for an indefinite term to begin on the _____ day of _______________, 20__, and will continue in full force and effect until terminated in either of the following two manners: This bond may be cancelled by the Surety by filing sixty (60) days written cancellation notice by registered mail with the Industrial Commission of the State of Idaho. This bond may be cancelled by the Industrial Commission of the State of Idaho by written notice to the Surety hereon, which notice shall specify the date of termination of the bond.

IN TESTIMONY WHEREOF, the said Principal and said Surety have caused these presents to be executed in due form this _____ day of ________________, 20__.

Countersigned

By

Resident-Agent

Principal

SEAL

By
By

__________________________

Samples of this form are available from the Fiscal Bureau of the Industrial Commission; Telephone (208) 334-6000, or on the Commission’s website at www.iic.idaho.gov. (3-20-14)

03. Continue or Provide Guaranty Agreement. (3-20-14) c. Continue or Provide Guaranty Agreement.

ai. A self-insured employer that is organized as a joint venture or a wholly owned subsidiary shall continue in effect any guaranty agreement that the Commission has previously allowed or required, until termination is permitted by the Commission. (3-20-14)

bii. Where an adverse change in financial condition or other relevant factors such as claims history or industry risk indicates the need, a self-insured employer that is organized as a joint venture or a wholly owned subsidiary may be allowed to, or shall upon request, 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 self-insured employer. 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. (3-20-14) on the Commission’s website.

04. d. Maintain a Licensed Resident Adjuster. Maintain an Idaho licensed, resident claims adjuster located within the state of Idaho who shall have full authority to make decisions and to authorize the payment of all compensation on said claims on behalf of the employer including, but not limited to, the following: (3-25-16)

ai. Investigate and adjust all claims for compensation; (4-7-11)

bii. Pay all compensation benefits due; (4-7-11)

ciii. Accept service of claims, applications for hearings, orders of the Commission, and all process which may be issued under the Workers’ Compensation Law; (4-7-11)

div. Enter into compensation agreements and lump sum settlements with Claimants; (4-7-11)

ev. Provide at the employer’s expense necessary forms to any employee who wishes to file a claim under the Workers’ Compensation Law. (4-7-11)
05. e. **File Reports.** Report to the Industrial Commission semi-annually, or more often as required by the Commission, total unpaid liability on all open claims. *(3-29-12)*

 ai. The semi-annual report of total unpaid liability shall be filed with the Industrial Commission by the end of the months of January and July. *(3-29-12)*

 bii. The report shall provide the aggregate number of open claims, including indemnity with medical and medical only claims, along with the amount of any compensation paid on open claims, as of the end of each June and December. *(3-29-12)*

 eiii. The report shall be filed even if there are no open claims. In that event, the employer shall certify the fact that there are no open claims to be reported. *(3-29-12)*

 div. The report shall be submitted on or in a format that is substantially the same as the current Form IC-211, “Self-Insured Employer Report of Total Unpaid Liability,” available from the Fiscal Bureau of the Industrial Commission or on the Commission’s website at www.iic.idaho.gov. The report may be produced as a computerized spreadsheet or database printout and shall be submitted to the Commission in writing on paper no larger than eight and one-half inches by eleven inches (8 ½” x 11”) in size. *(3-20-14)*

 ev. The report shall be signed and certified to be correct by a corporate officer. If an employer has designated more than one adjuster for workers’ compensation claims in Idaho, a corporate officer of the employer shall prepare, certify, and file a consolidated report of all unpaid liability. *(3-29-12)*

 fvi. A self-insured employer shall also make, within the time prescribed, such other reports and respond to such information requests as the Commission may require from time to time concerning matters under the Workers’ Compensation Law. *(3-25-16)*

06. **f. Submit to Audits by Industrial Commission.** Each year a self-insured employer shall provide the Industrial Commission with a copy of its annual financial statements, or other acceptable documentation. Each self-insured employer shall submit to audit by the Commission or its designee at any time and as often as it requires to verify the amount of premium such self-insured employer would be required to pay as premium to the State Insurance Fund, and to verify compliance with the provisions of these rules and the Idaho Workers’ Compensation Law. For the purpose of determining such premium for uninsured contractors of a self-insured employer, the most recent proof of coverage information contained in the Industrial Commission’s database shall be presumed to be correct for the purpose of determining such coverage. *(3-20-14)*

07. **g. Comply with Law and Rules.** Comply with the statutes of the state of Idaho and the rules of the Industrial Commission to the end that payment of compensation shall be sure and certain and not unnecessarily delayed. The Commission may withdraw its approval of any employer to operate as a self-insurer if it shall appear to the Commission that workers secured by said self-insured employer are not adequately protected and served, or the employer
is failing to comply with the provisions of these rules or the Workers’ Compensation Law.

(4.7-11)

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