

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
BUREAU OF INSURANCE
RICHMOND, VIRGINIA

APPLICATION FOR LICENSE AS GROUP SELF-INSURANCE ASSOCIATION
Pursuant to Section 65.2-802 of
The Virginia Workers' Compensation Act

The undersigned, a duly authorized representative of two or more employers subject to the provisions of the Virginia Workers' Compensation Act and organized under the laws of the State of Virginia for the purpose of qualifying as a group self-insurance association, certifies that such employers have duly entered into agreements to pool their liabilities in accordance with Section 65.2-802, Code of Virginia, and the applicable "Rules Governing Group Self-Insurers of Liability under the Virginia Workers' Compensation Act" and that a certified copy of such agreement is attached hereto, and hereby makes application for the issuance of a license as a group self-insurance association.

1. Name of Group Self-Insurance Association _____

2. Address-Principal Office _____

3. Address-Administrative Office _____

4. Name of Bank Designated as Association's Depository _____

5. Association's Balance in this Depository as of date of this Application:

\$ _____

6. Estimated amount of First Year's Gross Premium \$ _____

and Amount of Estimated Premium at time of Application \$ _____.

7. Name of duly qualified service organization, if any, approved by the Commission, with which the Association has contracted to service their workers' compensation self-insurance program:

NOTE: If a service organization is not used, then proof of adequate servicing is to be attached hereto to satisfy the Commission that the Association has within its own organization ample facilities and competent personnel to service its program with respect to underwriting matters, claims adjusting, and industrial safety engineering.

8. Name of administrator of the Association to whom Association members have granted Power of Attorney as the representative of the members of the Association in the pooling of their liabilities under the Virginia Workers' Compensation Act and matters incidental thereto:

In consideration of the approval of this application, the applicant hereby agrees to the following:

- a) That this license may be revoked at any time at the discretion of the Commission as provided in 14 VAC 5-370-150 of the "Rules Governing Group Self-Insurers of Liability under the Virginia Workers' Compensation Act".
- b) That the applicant, on behalf of its members, will fully discharge by cash payments all amounts required to be paid in accordance with the provisions of the Virginia Workers' Compensation Act.
- c) That the applicant will deposit acceptable securities or post an acceptable surety bond as required in 14 VAC 5-370-60 of the "Rules Governing Group Self-Insurers of Liability under the Virginia Workers' Compensation Act".
- d) That the applicant will pay to the Commission such maintenance assessments as may be levied by the Commission for Administration of the law, in accordance with Chapter 4 of Title 38.2, subject to the requirements of Section 65.2-802, Code of Virginia.
- e) That the Members' Supervisory Board will accept as members of this Association only financially sound employers in the Commonwealth of Virginia who have a "common interest" as defined in the "Rules Governing Group Self-Insurers of Liability under the Virginia Workers' Compensation Act" adopted by the State Corporation Commission, and have been approved by the Commission as members of such Association, and further that such employers have paid into the Association the required amount of premium, and that all monies collected for the Association shall be segregated from and not comingled with any other funds whatsoever and that a detailed analysis of the Association shall be filed in the offices of the Commission, in such manner and on such dates as may be prescribed by the Commission, and that any and all records of the Association will be maintained in Virginia and made available for inspection and examination by the Commission.
- f) That the applicant will furnish to the Commission evidence of a fidelity bond covering the service organization, the administrator, or their representatives handling the collections and disbursements for the Association and shall be in such amount to adequately protect the members of the Association against any losses on account of misuse or misappropriation of monies.
- g) That this application will not be considered by the Commission unless accompanied by applications of at least two (2) members of the group who are ready and available for coverage immediately upon the inception date of the Association, and each of these original members shall complete an application for coverage on a form prescribed by the Commission. The financial ability of these original members will be a determining factor

when being considered by the Commission for the licensing of such Association.

- h) That each member of the group who is ready and available for coverage immediately upon the inception date of the Association has executed an affidavit, on a form prescribed by the Commission, stating under oath that it is solvent and has the financial ability to meet its obligation as a member of such Association.
- i) It is further agreed and understood that the approval by the Commission will be on the condition that, in addition to the aforementioned security deposit or surety bond, the applicant will furnish positive proof that the members have paid into the Association cash premiums in an amount of not less than twenty-five percentum (25%) of the first year's estimated annual contribution, and that the Association will maintain at all times sufficient monies in the designated depository to meet all of its current obligations under the Act with respect to the payment of compensation and medical benefits, including burial benefits and physicians' fees.
- j) That the Association had executed on its behalf by (two duly authorized representatives of the members,) an affidavit, on a form prescribed by the Commission, stating under oath that the Association has determined that each prospective original member is solvent and has the financial ability to meet its obligations as a member, and that the group has the ability to pay or cause to be paid the compensation in the amount and manner and when due as provided for in the Virginia Workers' Compensation Act.
- k) That the members of the Members' Supervisory Board, the administrator and members agree to comply with all rules of the Commission and the Virginia Workers' Compensation Commission, and all lawful Orders of the Commission and the Virginia Workers' Compensation Commission.

WE RESPECTFULLY REQUEST THAT A LICENSE BE GRANTED FOR THE PRIVILEGE OF SELF-INSURING AS A GROUP, IN ACCORDANCE WITH SECTION 65.2-802, CODE OF VIRGINIA, AND THE ESTABLISHMENT OF A GROUP SELF-INSURANCE ASSOCIATION TO BE EFFECTIVE AT 12:01 a.m. ON THE _____ DAY OF _____, _____: We further state that to the best of our information and belief the answers to all questions herein contained are true and complete.

APPLICANT

Name of Association

BY _____
Member of Members' Supervisory
Board or Administrator

BY _____
Member of Members' Supervisory
Board or Administrator

SUBSCRIBED AND SWORN to before me this
_____ day of _____, _____

My commission expires: _____

NOTARY PUBLIC

This application to be presented to the State Corporation Commission, sixty (60) days prior to the desired effective date.