**STATE OF NEW MEXICO**

**WORKERS’ COMPENSATION ADMINISTRATION**

***GROUP SELF-INSURANCE APPLICATION***

**A non-refundable filing fee of $500.00 is required with this application.**

The undersigned, hereafter referred to as the Group, hereby applies to the Director of the Workers’ Compensation Administration for the authority to act as a Self-Insured Group under the provisions of the Group Self-Insurance Act, §52-6-1 through §52-6-25 NMSA 1978.

**All questions must be answered.**

1. Group Name:

2. Date of Organization:

3. Name of the sponsoring trade or professional association:

4. Date sponsoring trade or professional association founded:

5. Type and nature of sponsoring trade or professional association in New Mexico:

6. Are all members of the Group members of the sponsoring trade or professional organization?

7. Please designate in writing for the Director, a general category from the Standard Industrial Classification Manual, designated as a lettered division heading, which most closely fits the type of business represented by the sponsoring trade or professional association. Additional two-digit Major Group codes, three-digit Industry Group codes or four-digit Industry codes may be requested as prescribed in 11 NMAC 4.9.8.A.(4)(c), and must be explained as prescribed in 11 NMAC 4.9.8.A.(4)(d).

8. Location and mailing address of Group’s principal office, and the address in this state where the books and records of the Group will be maintained at all times:

9. Phone Number of Group’s principal office:

10. Person(s) responsible for the Group’s self-insurance program and agent for service of process:

 Name(s):

 Address(es):

 Phone Number(s):

11. Provide a list of the initial Board of Trustees including addresses, occupations, and the offices they hold on the Board.

12. Provide a listing of each proposed member’s name, mailing address, contact person, phone number, number of employees, experience modification factor, payroll by classification, and total annual gross payroll.

13. Each member of the proposed Group shall submit a current financial statement, attested to by the member applicant. It is required that the combined net worth of the Group’s members totals $3,000,000 or more.

14. Provide loss runs for the previous three years for each member of the Group.

15. Provide copies of the following items:

 A. The Group’s articles of association, if any;

 B. The Group’s agreements with the administrator, and with any service company;

 C. The bylaws of the proposed group;

 D. The Group’s proposed underwriting guidelines, if any.

16. Provide a pro-forma financial statement of the Group, which follows generally accepted accounting principles, showing the financial ability of the group to pay the workers’ compensation and occupational disease disablement obligations of its members.

17. Provide a copy of the actuarial report/study that has been based on at least 3 years loss

 history of the group’s proposed members, including loss projections for the group.

18. Premium information.

 To qualify for group self-insurance, a proposed group must have an estimated standard premium of at least $250,000 during its first year of operation. Thereafter, the group’s standard premium shall be at least $500,000.

 A. Please provide the estimated annual payroll for the combined members of the group by classification.

 B. Please list the standard rates by classification. Note: According to 11 NMAC 4.9.8.C.(4), the Group shall use rates comparable to National Council of Compensation Insurance rates, uniform classification system, uniform experience rating plans, and manual rules filed with the Superintendent of Insurance.

 C. Please submit the developed premium by classification.

 D. It is required that the Group submit proof of payment to the Group by each member of not less than 25% of that member’s first-year estimated annual net premium on a date approved by the director. Please list the proposed date for providing proof of payment: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. Please provide an estimate of the payment amounts expected from each member.

19. Upon approval, the Group will be required to provide security in a form and amount prescribed by the Director, as required in §52-6-5 (B) (2). The amount required will be calculated based on information provided in your application, and the Group will be notified of the amount required by the Director prior to approval. The security must be in place no later than the effective date of self-insurance.

 **For your convenience, samples of the acceptable formats for Letters of Credit and Surety Bonds are attached**.

 Proposed Provider:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Proposed Format: \_\_\_\_\_\_\_\_\_\_Letter of Credit \_\_\_\_\_\_\_\_\_\_Surety Bond

 20. Specific and aggregate excess insurance with statutory upper limits, written by an acceptably rated domestic company approved and regulated by the New Mexico Department of Insurance which has been approved to write excess insurance in the State of New Mexico, or a company that is otherwise approved by the Director. The policy must include the current New Mexico amendatory endorsement. Please provide the following information on the Group’s proposed self-insurance plan:

 Insurer:

 Policy Term:

 Specific Retention:

 Specific Limits:

 Aggregate Retention:

 Aggregate Limits:

 Please attach a copy of the proposed policy, including declarations page, and any and all endorsements limiting or broadening coverage.

21. Fidelity Bonds

 A. Please provide a copy of the proposed Fidelity Bond for the Administrator. According to 11 NMAC 4.9.8.A.(1)(i), this bond must be written at a minimum of $250,000.

 B. Please provide a copy of the proposed Fidelity Bond for the Service Company, if any. According to 11 NMAC 4.9.8.A.(1)(f) and (g), this bond must be written at a minimum of $250,000.

 C. A Fidelity Bond is required for any member of the Board of Trustees having signatory authority with respect to the Group’s funds or investments, or as a condition precedent to any Board of Trustees action creating or changing such signatory authority. This bond must be written at a minimum of $250,000 as prescribed by 11 NMAC 4.9.8.A.(1)(h). If required, please provide a copy of the proposed Fidelity Bond for any Trustee with signatory authority.

1. Member Agreements

 Please provide copies of the following documents:

 A. Membership applications for proposed members of the Group;

 B. Indemnity agreements for proposed members, jointly and severally binding the Group and each member thereof to meet the workers’ compensation and occupational disease disablement obligations of each member.

 C. Member agreements between the Group and each member securing the payment of workers’ compensation and occupational disease disablement benefits, which shall include provision for payment of assessments as provided in §52-6-20 NMSA 1978.

 D. Each member shall be given a written description of the refund plan at the time of application for membership, as prescribed in §52-6-18 NMSA 1978. Please provide a copy of the refund plan, as given to members.

23. Claims administration information

 A. Responsible person at Service Company (third party administrator) or for in-house claims adjusting:

 Name:

 Title:

 Phone:

 B. If using a Service Company:

 Name of Service Company:

 Address:

 Phone:

 C. If using a Service Company, please provide a copy of agreement between the Group and the Service Company.

 D. If using a Service Company, please provide a copy of Service Company’s claims handling procedures and/or service standards.

 E. If the Group does not plan to use an adjusting company, please describe the plan for adjusting claims for your Group. Such explanation shall include the name of the person directly in charge of the adjusting activities, a detailed description of the claims handling procedures, and evidence of licensure for adjusters handling the Group’s claims.

 The Director may require the use of an adjusting company if he does not feel that the Group’s procedure would be adequate to serve the injured worker.

24. Does the Group understand that the Director may examine the affairs, transactions, accounts, records, assets, and liabilities of each Group as often as he deems advisable, as provided for in §52-6-7 NMSA 1978? \_\_\_\_\_Yes \_\_\_\_\_No.

25. A. Provide a copy or detailed description of the Group’s safety program.

 B. Person responsible for Group Safety Program:

 Name:

 Title:

 Phone:

26. As a condition of and in consideration for certification as a Group Self-Insurer under the Group Self-Insurance Act §52-6-1 through §52-6-25, NMSA 1978, the undersigned hereby agrees:

1. To comply with ALL aspects of the Group Self-Insurance Act (§52-6-1 through §52-6-25, NMSA 1978) as well as ALL aspects of the Director’s Rules Governing Group Self-Insurance (11 NMAC 4.9).
2. To promptly discharge all of the Group’s liabilities to injured employees or their dependents in accordance with the requirements of the New Mexico Workers’ Compensation Act and any regulations of the Director adopted thereunder.
3. To notify the Director in case of material change in Group operations.
4. To notify the Director prior to making any material change in any excess insurance policy or bond or other security required by the Director as a condition of self-insurance.
5. To notify the Director of any change in the kind or amount of services provided by any service company named in the application.
6. To promptly notify the Director of any material adverse change in the Group’s financial condition.
7. To comply with ALL aspects of the Group Self-Insurance Act (§52-6-1 through §52-6-25, NMSA 1978) as well as ALL aspects of the Director’s Rules Governing Group Self-Insurance (11 NMAC 4.9)
8. To make the required premium tax payments to the New Mexico Department of Insurance at the appropriate rate (currently 0.9%).
9. To provide full disclosure to the Director, or his delegates or agents and the staff of the Workers’ Compensation Administration of all matters required to be disclosed and to cooperate fully with them, as set forth by the New Mexico Workers’ Compensation Act or regulation, in any lawful review, evaluation, examination, or audit on any or all matters pertaining to the Group’s compliance with the provisions of the New Mexico Workers’ Compensation Act, as amended, the rules and regulations of the Director pertaining to self-insurance and any lawful order or communication of the Director.

 Group\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 By \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Title\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Corporate seal

Note: This application must be signed.

**AFFIDAVIT**

**STATE OF \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**COUNTY OF \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

I, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, being duly sworn upon my oath, depose and state that

I am the person who signed the foregoing application; that I am the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 (Title)

of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, that I have read the application, know the contents

 (Group)

thereof, and that the representations and statements therein are true to the best of my knowledge,

information, and belief.

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 SUBSCRIBED AND SWORN to before me by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

This \_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_\_.

My commission expires:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Notary Public