

**Rules of**  
**Department of Labor and**  
**Industrial Relations**  
**Division 50—Workers’ Compensation**  
**Chapter 3—Self-Insurance**

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**Title 8—DEPARTMENT OF  
LABOR AND  
INDUSTRIAL RELATIONS  
Division 50—Workers' Compensation  
Chapter 3—Self-Insurance**

**8 CSR 50-3.010 Rules Governing Self-Insurance**

*PURPOSE: This rule sets forth requirements and standards for authority to self-insure an employer's liability under the Workers' Compensation law.*

(1) Definitions.

(A) For the purposes of this rule, the following terms shall mean:

1. Association—An organization of persons, businesses, firms or corporations joined together for a certain or common purpose;

2. Estimated annual premium—The premium collected from a trust member that is computed by applying the appropriate payroll code classification rates to the trust member's annual payroll and multiplying the results by the experience modification factors of the trust member as developed by the advisory organization approved by the Department of Insurance and including any other discounts and surcharges;

3. Executive director—Person designated by the board of trustees of that trust to oversee all operations of the trust and who is not an owner or employee of any service company;

4. Foreign corporation—A corporation for profit organized under laws other than the laws of this state;

5. Group—Not less than ten (10) private employers not commonly owned or ten (10) governmental entities of the same type;

6. Pure premium rate—That portion of the rate which represents the loss cost per unit of exposure including loss allocated and unallocated adjustment expenses;

7. Rate—The cost of insurance per exposure base unit, prior to any application of individual risk variations based on loss or expense considerations, and does not include minimum premiums;

8. Regular member—Those persons, businesses, firms or corporations which meet all eligibility requirements and are approved for full membership into an association and which are also accorded all voting and membership privileges of the association;

9. Same industry—A group with employer members of a similar nature, in the same line of business and using the same class codes pursuant to the uniform classification system filed by the advisory organiza-

tion with the director of the Department of Insurance in compliance with section 287.955, RSMo;

10. Security—A surety bond or escrow deposit to assure the fulfillment of payment or performance of any workers' compensation liability or obligation of an employer;

11. Service company—Any person, business, firm or corporation that provides insurance or other workers' compensation administrative services, which includes, but is not limited to, plan administrators, claims administrators, loss control consultants, brokers and agents;

12. Surplus or surplus monies—The excess of total premium paid by trust members plus investment income over losses paid, administrative expenses, actuarially substantiated outstanding reserves, actuarially developed incurred but not reported losses, and previously paid surplus distributions; and

13. Trust—A combination of persons, businesses, firms or corporations bound together to secure, jointly and severally, workers' compensation liability by holding the individual interests of each subservient to a common authority for the common interests of all. This shall also include the written instrument that creates the trust.

(2) Individual Employer Self-Insurance—Application. An employer seeking exemption from insuring his/her risk under the Workers' Compensation Act by obtaining the privilege of becoming an individual self-insurer shall apply on the specified form titled Application for Self-Insurance. The initial application is to be presented at the office of the Division of Workers' Compensation in Jefferson City, Missouri by a representative of the employer and service company, if applicable. Each corporation or legal entity desiring to self-insure shall submit a separate application. Such application shall be sworn and executed by an executive officer of the applicant.

(3) Individual Self-Insurance—Additional Requirements.

(A) In addition to the application, compliance with all of the following shall be required:

1. Balance sheets and income statements for the last four (4) years; the balance sheets and income statements must be provided for each entity seeking self-insurance;

2. A statement or report setting forth the total of workers' compensation benefits paid to date and current case reserves (including medical) for a minimum of the last three (3) claim years;

3. A statement or report reflecting the current experience modification factor calcu-

lated pursuant to the Uniform Experience Modification Plan as approved by the Missouri Department of Insurance;

4. A description of the administrative organization to be maintained by the employer or service company to handle workers' compensation matters, including the reporting of injuries, authorization of medical care, providing payment of compensation, handling of claims for compensation, and the safety program, together with the name and location of each such office and qualifications of the personnel in such office to perform such services. If a service company provides loss control services it must be certified by the division. If a service company provides claims administration services it must be licensed through the Missouri Department of Insurance. Designation of a service company to administer workers' compensation claims, who is licensed by the Missouri Department of Insurance, with a copy of the signed service agreement which shall include a commitment to handle claims to their conclusion.

In the event an employer wishes to change claims service companies, the employer may elect to contractually have the current service company continue to handle existing claims to their conclusion or it may elect to transfer that responsibility in an orderly fashion to the new service company. Any partner, member of a limited liability corporation, or officer or director of any corporation or an immediate family member of such person shall not be an owner or employee of the service company;

5. All applicants, whether a corporation or other legal entity, both foreign and domestic, shall file with the application the appropriate Certificate of Good Standing, or its equivalent, regarding that particular entity as issued by its respective state in which organized, along with a certified copy of the applicant's authority to do business in Missouri as issued by the Missouri Secretary of State and copies of all relevant corporate resolutions;

6. A chart of the organizational structure of the company, including any parent, subsidiary or related entities; and

7. Other information including supporting documentation as requested by the division. In accordance with the provisions of section 287.660.2, RSMo, the division shall fix and collect from the employer the reasonable expenses of any investigation necessary to determine its ability to carry its own insurance; therefore, each application for authority to become a self-insurer shall be accompanied by a remittance in the amount of two hundred fifty dollars (\$250), payable to the Division of Workers' Compensation, to cover



the costs of such investigation and the applicant shall be charged when the investigation costs are in excess of two hundred fifty dollars (\$250). This fee will not be refunded, regardless of the disposition of the application.

(B) The division shall make a preliminary determination based on the factors set out in paragraph (3)(I)1. to approve or deny the application and shall notify the applicant. Upon preliminary approval of the application, the employer shall comply with the following:

1. Provide security in the minimum amount of two hundred thousand dollars (\$200,000) and the division may, if it deems advisable in any particular case, require a larger amount. Security will be furnished in one (1) of two (2) ways: by filing with the Division of Workers' Compensation an approved surety bond; or by depositing in escrow approved securities as defined in this section. In exceptional instances the division may require additional security deposits equal to actuarially determined incurred losses.

A. If a surety bond is given, the surety shall be by a company admitted by the Missouri Department of Insurance to transact such business in this state and shall be AM Best rated A- or better or shall have reserves acceptable to the department for a new and unrated company. The bond shall be on a form prescribed by the Division of Workers' Compensation. Any such bond shall be perpetual and shall not be released by the division unless additional replacement security approved by the division is provided. In the case of insolvency, the proceeds of the surety bond shall be transferred to Missouri Private Sector Individual Self-Insurers Guaranty Corporation, if applicable, in anticipation of payment for compensation obligations which the employer has not paid; but no funds shall be used to make payments of compensation until the division has given the employer and surety company thirty (30) days' written notice.

B. If the securities are deposited in escrow, they shall be in the form of United States Government Obligations, which are limited to treasury bills, notes or bonds. Securities deposited in escrow or trust shall be deposited only in a bank or trust company in the state of Missouri. When securities are deposited as provided above, the employer shall file with the division an agreement on a form approved by the division, providing that upon failure or neglect of the employer to make payment of compensation all, or any part of such securities, as the occasion may require, may be sold. The proceeds of this sale shall be transferred to Missouri Private

Sector Individual Self-Insurers Guaranty Corporation, if applicable, in anticipation of payment for compensation obligations which the employer has not paid; but no securities shall be sold or funds shall be used to make payments of compensation until the division has given the employer and bank or trust company thirty (30) days' written notice.

C. After an employer has secured his/her liability by any one (1) of the methods provided by these rules and desires to substitute one (1) form of security for the other, substitution may be done with prior approval of the division thirty (30) days before the effective date;

2. All subsidiary corporations or other subsidiary legal entities shall have the parent corporation or other legal entity guarantee its liability for payment of benefits under Chapter 287, RSMo, and shall file such guarantee with the division along with a resolution of the parent entity authorizing such guarantee. The parent corporation or other legal entity must be in business for at least four (4) years. The form and substance of such guarantees shall be approved by the division;

3. Provide confirmation of specific excess insurance or aggregate excess insurance or both types of insurance, issued by an insurance carrier admitted by the Department of Insurance to do business in this state with specified policy limits and retention amounts approved by the division. The insurance carrier shall be AM Best rated A- or better or shall have reserves acceptable to the department for a new and unrated company. The terms and conditions of the insurance contract shall be applicable only to Missouri. This coverage cannot be canceled or nonrenewed unless written notice by certified mail is given to the other party to the policy and to the division not less than sixty (60) days before termination by the party desiring to cancel or not renew the policy; and

4. In accordance with section 287.860, RSMo, each applicant seeking to become a self-insurer, other than self-insured trusts, or individual public sector self-insurers, as defined in section 287.280 or 537.620, RSMo shall become and remain members of the Missouri Private Sector Individuals Self-Insurers Guaranty Corporation.

(C) If preliminary approval is given, the employer shall be given thirty (30) days from the date of notice of preliminary approval in which to comply with the requirements included in the notice. If the requirements are not met within the time prescribed, plus any approved extension, the application shall be considered withdrawn.

1. At the discretion of the division, the employer may be granted additional time to

meet the requirements for approval of the self-insured program. A request for an extension of time shall be made in writing by the employer within the thirty (30)-day compliance period.

(D) The division shall make a final determination to approve or deny the application of the employer. Upon meeting and maintaining the above requirements, an employer shall receive a formal certificate approving its status as a self-insured employer. The privilege shall continue upon filing of annual reports and required tax payments and assessment, until revoked by the division or withdrawn by the employer.

(E) The employer shall file with the division annually a sworn statement of all outstanding death and disability claims as provided in subparagraph (3)(G)2.B. of this rule. The security filed by the employer shall be at least one-half (1/2) of the outstanding liability shown on the report and shall not be less than required by paragraph (3)(B)1. of this rule.

1. After considering all of the facts and circumstances, if the division finds that it is not reasonably certain that the employer's condition is such as to ensure the payment of the employer's outstanding liability, the employer shall be required to give additional security of the same character as required in paragraph (3)(B)1. of this rule.

2. The division shall also have the right at any time to require additional security in the event of a catastrophe or a change in conditions of the employer, with respect to the financial condition of the employer, its outstanding liabilities for unpaid compensation, an increase in the payroll exposure, or otherwise. When the division determines that the amount of security should be increased, proper notice of such finding shall be given and reasonable opportunity afforded to comply with any added requirements. If the increase in the amount of security is required pursuant to paragraphs (3)(E)1. or 2. of this rule, the employer shall have the right to request a meeting with the division to discuss the increase.

(F) When an employer ceases to be self-insured under Chapter 287, RSMo the employer may apply to the Division of Workers' Compensation for the release of the securities held in escrow or trust.

1. Such employer shall file a sworn statement of—

- A. All of its outstanding liabilities of compensation;

- B. All pending claims for compensation; and



C. All accidents occurring in its establishment for a period of three (3) years prior to the date of such application.

2. The division shall have the right to require that all of the securities held in escrow or trust be retained for a period of three (3) years from the date of closure of all cases of workers' compensation liability, and after three (3) years, the division shall have the right to require that all or any part of the securities held in escrow be retained, as deemed advisable by the division and the securities shall be released only on written order of the division.

(G) Reports, upon forms provided by the division and the Missouri Department of Insurance, along with all of the below listed reports, shall be filed by the self-insurer. Any reports of a self-insurer who operates one or more divisions under different trade names, or who operates at different locations under the same name, shall make a consolidated report under its own name. Separate reports in the name of the divisions or of the operations at different locations will not be accepted. Separate reports are required for each legal entity for which there is a separate self-insurance authority.

1. The following report shall be submitted within ninety (90) days of the end of the calendar year, or fiscal year, whichever is appropriate—

A. An itemized sworn statement of the self-insured employer's assets and liabilities.

2. The following reports shall be submitted within ninety (90) days at the end of the calendar year:

A. A classified workers' compensation payroll report for the prior calendar year;

B. A sworn statement of all outstanding death and disability claims as of December 31 of each year; and

C. A sworn statement of indemnity and medical payments made by the employer for the prior calendar year.

3. On an annual basis each employer shall procure an experience rating sheet from the Uniform Experience Modification Rating Plan of the advisory organization, at the expense of the employer.

4. The employer shall notify the division at least thirty (30) days prior to any change in ownership, operations, service company, address, security or any other change that affects the employer's self-insurance status.

5. The division may require additional reports, including reports required by the Missouri Department of Insurance and the Missouri Private Sector Individuals Self-Insurers Guaranty Corporation, on an annual or as-needed basis. (Forms provided or

approved by the division must be used in making all required reports).

(H) The employer shall permit the division, or its duly authorized representative, to make an examination of the employer's assets and liabilities and of its books of accounts for the purpose of verifying any financial statement submitted. The division may, in its discretion, accept the report of an independent certified public accountant as proper compliance with this rule. If the division has concerns about the financial condition of an employer after review of any report, a special examination or audit at the expense of the employer may be required by the division.

(I) The division may decline to approve an application for self-insurance or terminate the self-insurance privilege if the employer is unable to demonstrate that the employer will be able to meet all obligations under the Workers' Compensation Act.

1. The following factors shall be used in determining if the employer can meet those obligations:

A. Profitability, efficiency, solvency and liquidity ratios;

B. Profit and loss history;

C. Organizational structure and management background;

D. Workers' compensation loss history;

E. Source and reliability of financial information;

F. Ratio of tangible net worth to annual workers' compensation premium;

G. Number of employees;

H. Excess insurance coverage;

I. Guarantee by parent company;

J. Surety bond or other security;

K. Claims administration;

L. Safety program;

M. Experience modification factor;

and N. Other relevant factors as determined by the division.

2. Notice of a denial or termination of self-insured status, except where a self-insurer has failed to continuously maintain security in an amount required by the division, shall be mailed to the employer. Failure to maintain security will result in immediate termination of self-insurance authority. The notice shall include the grounds for denial or termination. If the employer disagrees with this action, it may request a hearing before the director to review the denial or termination. The decision of the director may be reviewed according to the provisions of sections 287.470 and 287.480, RSMo.

(J) The privilege of self-insurance may be revoked by the division at any time upon reasonable notice for good cause shown. Failure

to comply with any portion of this rule or with the rules of practice and procedure of the division or of the Labor and Industrial Relations Commission of Missouri, or with an order or decision of the division, or the Labor and Industrial Relations Commission, or Court of Appeals, within the time prescribed therein, may be considered *prima facie* cause for revocation. Disregard of any of the provisions of Chapter 287, RSMo as to the time, method of payment of compensation benefits, the furnishing of medical treatment, the filing of all accident and compensation reports, or failure to make payment of taxes or assessments or surcharges as required by law, or willful and intentional violation with intent to defraud employees of their compensation rights, may also be cause for revocation. Insolvency of the employer, or fraud or material misrepresentation in procuring the certificate of authority, shall also constitute cause for revocation. Upon failure of a self-insurer to continuously maintain security, in the amount required by the division, the self-insurance privilege shall immediately terminate without notice. The employer may file for a review of a revocation according to paragraph (3)(I)2. and subsection (9)(C) of this rule.

(4) Trust Self-Insurers—Application.

(A) Application for group coverage for the express purpose of establishing a group self-insurers' trust, to be administered under the direction of an elected board of trustees, and to provide workers' compensation coverage shall be made to the division. The application shall be made on a form prescribed by the division and shall contain answers to all questions. The following groups may apply:

1. A group of at least ten (10) members with separate ownership;

2. Private employers in the same industry, bona fide, or regular members of a Missouri chartered association that has filed its annual registration report with the secretary of state for at least eight (8) years; or

3. Public employers of the same type of unit including, but not limited to, groups organized pursuant to section 537.610, RSMo.

(5) Trust Self-Insurers—Additional Requirements.

(A) The application, as submitted by the board of trustees of the self-insurers' trust, shall be accompanied by all of the following:

1. A copy of the bylaws and trust agreement of the proposed group self-insurers' trust which shall be approved by the division. The trust agreement shall include an indemnity clause which jointly and severally binds

the group and each member thereof for payment of benefits to employees of members of the group and all other liability pursuant to Chapter 287, RSMo. A copy of the bylaws of the association or organization, if applicable, shall also be submitted. If there is a conflict between these bylaws or trust agreement and any rule or statute, such statute or rule shall supersede the bylaws or trust agreement;

2. An individual application of each member of the group applying for coverage in the trust, including acceptance or execution of the trust agreement, current financial statements, experience modification worksheet from the uniform experience modification plan of the advisory organization, premium worksheet and three (3) years prior loss runs for all members. The loss runs shall be filed separately and combined;

3. A current financial statement of each member of a self-insurers' group which taken collectively depicts the combined net worth of all members applying for coverage on the inception date of the trust which shall not be less than five million dollars (\$5,000,000);

4. A composite listing of the estimated annual premium to be developed by each member of the group individually and in total as a group. The trustees shall provide proof, satisfactory to the division that the total estimated annual premium of the trust will be at least one million dollars (\$1,000,000);

5. Proof of payment by each member of not less than twenty-five percent (25%) of the estimated annual premium into a designated depository in the state of Missouri at inception, with the remainder paid in equal monthly or quarterly payments during the premium year, however, a member may make premium payments in advance of this schedule;

6. A nonrefundable filing fee in the amount of five hundred dollars (\$500) payable to the Division of Workers' Compensation;

7. Designation of the board of trustees and executive director of the trust. The executive director may be the chairman of the board of the trust or another person, so long as the designee meets the requirements of paragraph (1)(A)3.;

8. A breakdown of all projected administrative expenses for the trust year in an amount and as a percentage of the estimated annual premium. Expenses shall not exceed thirty percent (30%) of actual premium collected;

9. Proof shall be provided to demonstrate that, within its own organization, the trust has ample facilities and competent personnel to service its own program with

respect to underwriting matters and safety/loss control services or shall contract with an approved service company to provide these services. A service company shall have personnel or a safety/loss control service program certified by the division's Missouri Workers' Safety Program. Underwriting guidelines and the safety/loss control service program shall be submitted to the division; and

10. Other relevant information including any supporting documentation as requested by the division.

(B) The division shall make a preliminary determination based on the factors set out in paragraph (3)(I)1. to approve or deny the application and shall notify the applicant. Upon preliminary approval of the application, the trust shall comply with the following:

1. Security shall be furnished in the amount set by the division, which may be changed if it is deemed advisable. The security will be provided in accordance with paragraph (3)(B)1. of this rule except the minimum amount is set at five hundred thousand dollars (\$500,000). Any trust in existence on the effective date of this rule shall comply with this requirement by December 31, 1997. Any collateralization of security shall be provided by the members of the trust or governing association or organization, if applicable, and shall not encumber the assets of the trust;

2. Provide confirmation of specific and aggregate excess insurance in a form and amount approved by the division and issued by a company admitted by the Department of Insurance to transact business in this state or a substitute arrangement approved by the division. The insurance carrier shall be AM Best rated A- or better or shall have reserves acceptable to the department of a new and unrated company. The terms and conditions of the insurance contract shall be applicable only to Missouri. This coverage cannot be canceled or nonrenewed unless written notice by certified mail is given to the other party to the policy and to the division not less than sixty (60) days before termination by the party desiring to cancel or not renew the policy; and

3. Provide proof of a fidelity bond or employee dishonesty policy of not less than one million dollars (\$1,000,000) for trustees and service companies, as well as proof of an errors and omissions policy or professional liability policy for the service companies, and directors and officers liability policy for trustees of the plan in a form and an amount acceptable to the division.

(C) If preliminary approval is given, the trustees shall be given thirty (30) days from the date of notice of preliminary approval in

which to comply with the requirements included in the notice. If the requirements are not met within the time prescribed, the application shall be considered withdrawn.

1. At the discretion of the division, the trust may be granted additional time to meet the requirements for approval of the self-insured program. A request for an extension of time shall be made in writing by the trust within the thirty (30)-day compliance period. If the division does not receive proof that all requirements for the self-insured program have been met within the time prescribed, the application shall be considered withdrawn.

2. The division shall make a final determination to approve or deny the application of the trust. Upon meeting the requirements, the trust shall receive a formal certificate approving its status as a self-insured trust. The privilege shall continue until revoked by the division or withdrawn by the trust.

(D) Any trust that is finally approved under the provisions of subsection (5)(C) or has been approved prior to the effective date of this rule, shall also be required to remain in compliance with the provisions of paragraphs (5)(A)1. and 6.-10., the provision of subsections (5)(E) and (5)(F), and the provisions of sections (6)-(9) of this rule during the continued existence of the trust.

1. Any trust that is finally approved under the provision of subsection (5)(C) or has been approved prior to the effective date of this rule, shall also be required to maintain a minimum annual audited collected premium of at least one million dollars (\$1,000,000), except as set out in paragraph (5)(D)2.

2. Any trust approved prior to the effective date of this rule that does not have a minimum annual audited collected premium of at least one million dollars (\$1,000,000) on the effective date of the rule shall not be required to comply with the provisions of paragraph (5)(D)1. Any such trust shall be required to maintain a minimum estimated annual premium level not less than ninety-five percent (95%) of the amount of that trust's annual audited collected premium as of July 1, 1997. Any such trust shall maintain a surplus to annual audited collected premium ratio of at least twenty-five percent (25%). This ratio shall be determined annually beginning July 1, 1997, based on the trust's most recent audited financial reports. The trust may elect to comply with the provisions of paragraph (5)(D)1. by July 1, 1997, in lieu of the requirements of this paragraph.

(E) The trust shall have authority to admit and terminate members subject to the following:

1. After the inception date of the trust, prospective new members of the trust shall

submit an application for membership to the board of trustees, on a form approved by the division. If approved by the trustees, the trust may immediately bind the new member. The application for membership with all documents required by paragraph (5)(A)2. and proof of compliance with subsection (5)(A), shall within fifteen (15) days of the effective date of the application, be filed with the division for approval or denial. The division shall approve or deny the application, and notify the trust, within twenty (20) days of receipt of the application; and

2. Individual members of a group shall be subject to cancellation by the division for failure to comply with any of these rules, or by the trust pursuant to the bylaws of the trust. Additionally, individual members of the trust may elect to terminate their participation in the trust subject to the provisions of their respective trust agreement or bylaws. However, such termination or cancellation shall not be effective for thirty (30) days, or such longer period as may be provided for in the trust agreement, after all parties have been notified of the termination or cancellation.

(F) The privilege of the trust to self-insure may be revoked by the division at any time upon reasonable notice for good cause shown. Failure of the trust or any member of the trust to comply with any portion of this rule or with the rules of practice and procedure of the division or of the Labor and Industrial Relations Commission of Missouri, or with an order or decision of the Division of Workers' Compensation, or the Labor and Industrial Relations Commission or Court of Appeals within the time prescribed therein, may be considered *prima facie* cause for revocation. Disregard of any of the provisions of Chapter 287, RSMo, as to the time, method or payment of compensation benefit, the furnishing of medical treatment, the filing of all accident and compensation reports, or failure to make payment of tax or assessments as required by statute, or willful and intentional violation with intent to defraud employees of their compensation rights, may also be cause for revocation. Insolvency of the trust, fraud or material misrepresentation in procuring the certificate of authority, or the misappropriation of trust funds by the executive director or trust shall also constitute cause for revocation. Upon failure of the trust to continuously maintain security in the amount required by the division, the self-insurance privilege shall immediately terminate without notice and hearing. The trust may file for review of a revocation according to paragraph (3)(I)2. and subsection (9)(C) of this rule.

(6) Trust Self-Insurers—Reports.

(A) Reports as to financial standing, excess coverage, coded workers' compensation payroll records, accident experience, premium collections, and compensation payments, shall be made by each trust at the times and manner, and upon such forms as the division may require, as follows:

1. A statement of financial condition of the trust audited by an independent certified public accountant shall be filed annually with the division and within one hundred twenty (120) days after the end of the trust's fiscal year. The division may grant additional time to file upon application of the trust for good cause shown. The financial statement, not limited to actuarially appropriate reserves, shall include as liabilities: all known claims and expenses associated therewith; all claims incurred but not reported and expenses associated therewith; all unearned premiums; and all bad debts. The division reserves the right to prescribe the type of audits to be made and a uniform accounting system to be used by self-insurers' trusts and service companies to determine the solvency of the group self-insurers' trust;

2. An annual actuarial study regarding reserves for all known claims and expenses associated therewith, and claims incurred but not reported and expenses associated therewith, which shall be included in the actuarial study. The study shall be given by a member in good standing of the American Academy of Actuaries or of the Casualty Actuarial Society and shall have experience in Missouri workers' compensation. The opinion shall be issued with a Statement of Actuarial Opinion as to the adequacy of the losses, loss adjustment expenses and rates contained in the study;

3. Annually, or for a shorter term which must be approved by the division all rates utilized by the trust for each term must be filed. The rates must be accompanied by a report of estimated annual premium and projected expenses. Projected expenses should include estimated administrative expenses and estimated workers' compensation liabilities. The statement of estimated workers' compensation liabilities shall be actuarially developed and may be combined with the opinion required in paragraph (6)(A)2. Estimated annual premiums shall exceed projected expenses. Upon acceptance of the filed rates by the division, the accepted rate shall remain constant for the full term. The rates may be calculated as follows:

A. Rates actuarially developed on the trust's own experience; or

B. From the pure premiums rates developed and published by the advisory

organization or the Department of Insurance; or

C. From the rates calculated by the Department of Insurance based on rates filed by the twenty (20) insurance companies providing the greatest volume of workers' compensation insurance coverage;

4. A quarterly claim activity summary report listing paid and reserved indemnity, medical and claims expenses for each trust year. A trust year is considered open as long as one (1) claim for that trust year remains unsettled;

5. A copy of the minutes of all trustee meetings shall be submitted within thirty (30) days of the meeting;

6. A quarterly financial statement;

7. Annual tax and assessment reports of the Department of Insurance which shall be filed with the department. The uniform experience rating plan promulgated by the advisory organization shall be used in determining the modified premium;

8. Additionally, on an annual basis each employer in the trust shall procure an experience rating sheet from the Uniform Experience Modification Rating Plan of the advisory organization, at the expense of the employer or trust;

9. All advertising and informational brochures shall be submitted to the division for review and comment within thirty (30) days after distribution and use. If the division disapproves, the trust shall revise the material and distribute only the new material, which shall include an explanation of all changes to be sent to all persons that received the new material;

10. The trust shall notify the division at least thirty (30) days prior to any change in ownership, officers, trustees, operations, service company, address, security or any other change that affects the trust's self-insurance status. If a member of the trust changes address or ownership, the trust shall notify the division within thirty (30) days of the change; and

11. Other reports as determined by the division.

(B) Any trust which fails or refuses to file the above reports within the time limits prescribed in these rules may be notified that its authority to be self-insured will be terminated according to the provisions of subsection (5)(E).

(7) Trust Self-Insurers; Trustee Responsibilities. To ensure the financial stability of the operation of each self-insured trust, the board of trustees shall be responsible for all operations of the trust. The board of trustees shall have at least five (5) persons elected from the

membership of the trust, association or organization for stated terms of office, to direct the administration of the trust. The board's duties shall include responsibility for approving application for membership in such trust. A trustee, employee of the trust or immediate family member shall not be an owner, officer or employee of the trust's service company(ies). The board of trustees of each trust shall take all necessary precautions to safeguard the assets of the trust, including but not limited to, all of the following:

(A) Where the trust has designated a fiscal agent to administer the financial affairs of the trust, the fiscal agent as obligee, shall furnish security as provided by paragraph (5)(B)3. in an amount sufficient, but not less than one million dollars (\$1,000,000), to protect the trust against the misrepresentation or misuse of any monies or securities. The amount of the bond or policy shall be determined by the division and evidence of such shall be filed as one of the conditions required for approval of the establishment and continued operation of a self-insurers' trust;

(B) Retain responsibility for all monies collected or disbursed from the trust and separate all monies into a claims trust account and an administrative trust account. At least seventy percent (70%) of the net premium shall be placed into the claims trust account in a designated depository for the sole purpose of paying incurred and contingent workers' compensation liabilities, allocated expenses, and special loss related expenses, such as funeral expenses, as imposed by Chapter 287, RSMo. The remaining thirty percent (30%) premium shall be placed into an administrative trust account in a designated depository for the payment of excess insurance premiums, taxes, general regulatory fees and assessments, bonds, and administrative costs. The division, in its discretion, may allow a minor deviation in expenses as a percentage of net premium collected on an annual basis. Such designated depository shall be a Missouri bank or trust company. Interest earned shall accrue to its respective account. Such accounts shall be invested in United States treasury bills, notes or bonds, certificates of deposit issued by a duly chartered commercial bank, or a transaction account of the designated depository. The executive director of the trust shall establish a revolving trust or account for use by the authorized service company, for use in claims payments;

(C) An audit of the accounts and records of the trust shall be conducted annually or at any time required by the division, at the expense of the trust unless the audit is conducted by the division. Audits shall be made by inde-

pendent certified public accountants or by authorized representatives of the division. The division reserves the right to prescribe the type of audits to be made and a uniform accounting system to be used by self-insurers' trusts and service companies to determine the solvency of the group self-insurers' trust;

(D) Monies collected as premiums shall not be utilized by the board of trustees or its fiscal agent, service company or executive director for any purpose unrelated to workers' compensation. Further, monies shall not be borrowed from the trust, or in the name of the trust, without prior approval of the division which shall be based on the nature and purpose of such loan. Surplus monies from a prior trust year not needed for current obligations may be invested as set out in subsection (7)(B) of this rule. Upon approval of the division, up to twenty-five percent (25%) of these surplus monies may be invested in securities designated by the Office of the State Treasurer as acceptable collateral to secure state deposits pursuant to section 30.270.1, RSMo;

(E) Deposits in commercial banks shall be limited to institutions in Missouri and shall not exceed the federally insured amount in any one (1) account, except that the federally insured amount on any one (1) account may be exceeded if the amount involved in such an account is fully collateralized under banking rules for political subdivisions, but may not otherwise exceed either of the following factors:

1. Five percent (5%) of the combination of surplus and undivided profits and reserves as currently reported for each bank in this state in the biennial report of the Division of Finance of the Department of Economic Development; and

2. Five hundred thousand dollars (\$500,000) per institution;

(F) The board of trustees may delegate authority for specific functions to the plan administrator of the self-insured trust. The functions which may be delegated include, but are not limited to, contracting with a service company, determining the premium charged and refunds payable to members, and approving applications for membership. All delegated authority shall be specifically defined in the written duly adopted bylaws of the trust and shall be subject to final approval by the division; and

(G) The trustees shall not have authority to extend credit to individual members for payment of premium.

(8) Trust Self-Insurers Trusts—Discounts, Surcharges, Surplus Distribution, Deficits.

(A) The trust shall not authorize total discounts for any individual member exceeding fifteen percent (15%). All discounts shall be based on objective quantitative factors and applied uniformly to all trust members

(B) The trustees of any trust may apply a surcharge in excess of the estimated annual premium to any member with an unfavorable loss experience.

(C) Any surplus monies for a trust year in excess of the amount necessary to fulfill all obligations under the Chapter 287, RSMo, for that trust year, including a provision for claims incurred but not reported, may be declared to be refundable by the trustees one (1) year after the close of the trust year and shall be payable to the members after having been approved by the division. Any request for distribution of surplus monies must be accompanied by the actuarial opinion required by paragraph (6)(A)2. of this rule. The division will grant the application if sufficient monies are retained to assure that total assets are greater than total liabilities for each trust year.

(D) In the event of a deficit in any trust year, the trust shall immediately notify the division and the deficit shall be made up immediately from any of the following:

1. Unencumbered surplus from trust year other than the current trust year;
2. Administrative account;
3. By assessment of the membership of the deficit trust year if ordered; and
4. By such alternative method as the division may approve. The division shall be notified before any transfer of unencumbered surplus monies.

(9) Individual Self-Insured Employers and Trust Self-Insurers—Location of Administration or Service Office, Miscellaneous.

(A) The division shall have the authority to conduct audits relating to safety, claims and any other audits deemed necessary and appropriate as determined by the division, and such audits will be performed at the expense of the employer or trust, unless the audit is conducted by the division.

(B) Employee leasing arrangements shall comply with rules promulgated by the Department of Insurance.

(C) Any order of the division may be reviewed on application of the self-insured employer or trust. The director or the director's designee shall review the matter, including the discretion to take evidence, if necessary in the review.

1. Any review by the director or the director's designee that involves the taking of evidence shall be conducted as a hearing according to the provisions of 8 CSR 50-



2.010. Any order of the director or the director's designee shall be subject to review according to the provisions of sections 287.470 and 287.480, RSMo.

2. Any review by the director or the director's designee that does not involve the taking of evidence shall be conducted informally. Any order of the director or the director's designee shall be subject to review by the director of the Department of Labor and Industrial Relations.

*AUTHORITY: sections 287.280 and 287.650, RSMo (1994). \* Original rule filed Dec. 28, 1953, effective Jan. 3, 1954. Amended: Filed Jan. 15, 1960, effective Jan. 26, 1960. Amended: Filed Sept. 4, 1963, effective Sept. 15, 1963. Amended: Filed Jan. 8, 1971, effective Jan. 19, 1971. Amended: Filed Dec. 14, 1972, effective Dec. 26, 1972. Amended: Filed Aug. 26, 1975, effective Sept. 5, 1975. Rescinded: Filed Oct. 27, 1982, effective March 11, 1983. Readopted: Filed Jan. 11, 1982, effective June 11, 1982. Rescinded and readopted: Filed March 6, 1996, effective Nov. 30, 1996.*

*\*Original authority: 287.280, RSMo (1939), amended 1957, 1965, 1974, 1980, 1981, 1993 and 287.650, RSMo (1939), amended 1949, 1961, 1980, 1993.*





STATE OF MISSOURI  
APPLICATION FOR AUTHORITY TO SELF-INSURE

DIVISION OF WORKERS' COMPENSATION  
P.O. BOX 58  
3315 W. TRUMAN BLVD.  
JEFFERSON CITY, MISSOURI 65102

**(TO BE EXECUTED AND SWORN TO IN TRIPLICATE)  
ALL INFORMATION CALLED FOR ON APPLICATION MUST BE IN TYPEWRITTEN FORM**

The undersigned (hereinafter referred to as the Applicant) hereby makes application to carry his own liability without insurance as provided in the Missouri Workers' Compensation Law. In connection with such application he/it makes the following declaration for the purpose of enabling the Division of Workers' Compensation to determine whether he/it possesses sufficient financial ability to render certain the payment of compensation which his/its employees and their dependents may be entitled to under the Missouri Workers' Compensation Law.

Applicant hereby agrees that if this application be approved, such approval shall be subject to his/its furnishing such security as may be required by the Division of Workers' Compensation. Applicant further agrees to abide by all of the provisions of the Missouri Workers' Compensation Law and by the rules governing self-insurers under said law.

1. NAME OF APPLICANT (IF A CORPORATION IS ORGANIZED UNDER THE LAWS OF A STATE OTHER THAN MISSOURI, A CERTIFIED COPY OF CERTIFICATE OF AUTHORITY TO DO BUSINESS IN MISSOURI SHOULD ACCOMPANY THE APPLICATION.)			3. NATURE OF BUSINESS A. DESCRIBE BRIEFLY THE GENERAL CHARACTER OF THE OPERATIONS PERFORMED AND THE ARTICLES MANUFACTURED OR COMPOUNDED AT THE PLANT OR ON THE PREMISES OF THE EMPLOYER.		
2. ADDRESS (PRINCIPLE OFFICE)			B. DESCRIBE BRIEFLY ALL CLASSES OF WORK PERFORMED AWAY FROM THE EMPLOYER'S PLANT OR PREMISES, INCLUDING THE DEMONSTRATION, IF ANY, OF THE EMPLOYER'S PRODUCT AND ALL GENERAL OPERATIONS OF CONSTRUCTION, INSTALLATION OR EXCAVATION.		
CITY		STATE	ZIP CODE		
TELEPHONE NUMBER					
ADDRESS (MISSOURI OFFICE)					
CITY		STATE	ZIP CODE		
TELEPHONE NUMBER					
4. PARENT COMPANY NAME					
5. PARENT COMPANY ADDRESS					
6. STATE WHERE INCORPORATED					
7. NAME AND ADDRESS OF EXCESS INSURANCE CARRIER					
8. WHAT COMPANY NOW IS CARRYING YOUR COMPENSATION INSURANCE?					
9. TOTAL WORKERS' COMPENSATION PAID IN PAST YEAR?				INSURANCE MODIFICATION FACTOR	
10. DESCRIBE FULLY IN AN ATTACHED STATEMENT THE SAFETY ORGANIZATION MAINTAINED WITHIN YOUR FIRM FOR THE PREVENTION OF ACCIDENTS AS WELL AS A DESCRIPTION OF THE ADMINISTRATIVE ORGANIZATION MAINTAINED TO HANDLE WORKERS' COMPENSATION MATTERS. INCLUDE THE REPORTING OF INJURIES, AUTHORIZATION OF MEDICAL CARE, PAYMENT OF COMPENSATION, AND THE HANDLING OF CLAIMS FOR COMPENSATION. TOGETHER WITH THE NAME AND ADDRESS OF EACH SUCH OFFICE AND THE QUALIFICATIONS OF THE PERSONNEL IN EACH OFFICE TO PERFORM THIS SERVICE.					
11. DATE YOU WISH AUTHORITY TO BECOME EFFECTIVE					



12. LOCATION OF FACTORIES, OFFICES, OR OTHER WORKPLACES IN STATE OF MISSOURI, AND NUMBER OF EMPLOYEES ENGAGED IN EACH PLACE.		13. CLASSIFICATIONS AND PAYROLL IN MISSOURI			
PLANT LOCATION	NO. OF EMPLOYEES	CLASSIFICATION CODE NUMBER - IF KNOWN, & DESCRIPTION OF JOB (EXAMPLE) CLERICAL DRIVERS OUTSIDE SALES	CLASS CODE	AVERAGE NUMBER OF EMPLOYEES	ESTIMATED PAYROLL OF EMPLOYEES FOR ONE YEAR - THE TWELVE MONTHS PRECEDING DATE OF APPLICATION. THIS PAYROLL SHALL INCLUDE ALL EMPLOYEES
<b>TOTAL</b> .....		<b>TOTAL</b> .....			

**GO TO PAGE 3: (REMAINDER OF THIS PAGE FOR DIVISION USE ONLY)**

APPLICATION GRANTED ON CONDITION THAT THE APPLICANT FILE ESCROW AGREEMENT AND DEPOSIT SECURITIES OR CASH IN THE AMOUNT OF \$ \_\_\_\_\_ OR PROVIDE SURETY BOND IN THE PRINCIPLE SUM OF \$ \_\_\_\_\_. SELF-INSURANCE AUTHORITY WILL BECOME EFFECTIVE AS OF DATE APPROVED SECURITY, IN THE AMOUNT REQUIRED, IS FILED AT THE OFFICE OF THE DIVISION IN JEFFERSON CITY.

ESCROW AGREEMENT FILED (DATE) \_\_\_\_\_, SHOWING SECURITIES OR CASH IN THE AMOUNT OF \$ \_\_\_\_\_ DEPOSITED IN ESCROW IN THE (NAME OF BANK) \_\_\_\_\_ OF (ADDRESS OF BANK) \_\_\_\_\_

SURETY BOND FOR \$	DATE EFFECTIVE	NAME OF SURETY COMPANY	SELF-INSURANCE AUTHORITY EFFECTIVE ON (DATE)
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AUTHORITY APPROVED: SIGNATURE (DIVISION OF WORKERS' COMPENSATION)	DATE
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MO 625-0245 (10-90)



FINANCIAL STATEMENT

NOTE THE DIVISION REQUIRES THAT ALL ITEMS LISTED BELOW BE COMPLETED.

CONFIDENTIAL REPORT MADE TO THE DIVISION OF WORKERS' COMPENSATION FOR THE PURPOSE OF SHOWING FINANCIAL ABILITY TO PAY COMPENSATION THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 19 \_\_\_\_ DATE FISCAL YEAR ENDS:

1. NAME 2. ADDRESS

ASSETS

Table with columns for asset categories (3. CURRENT ASSETS, 4. INVESTMENTS, 5. SINKING FUNDS AND OTHER FUNDS, 6. FIXED ASSETS, 7. DEFERRED CHANGES, 8. TOTAL ASSETS) and dollar amounts.

MO 625-0245 (10-90)

LIABILITIES			
9. CURRENT LIABILITIES - NOTES PAYABLE			
FOR MERCHANDISE	\$		
FOR MONEY BORROWED	\$		
	\$		\$
ACCOUNTS PAYABLE			\$
OTHER CURRENT LIABILITIES (ITEMIZED)			
<b>TOTAL CURRENT LIABILITIES</b>			<b>\$</b>
10. FIXED LIABILITIES (DESCRIBE FULLY)			
<b>TOTAL FIXED LIABILITIES</b>			<b>\$</b>
NET WORTH			
11. (IF A CORPORATION) CAPITAL STOCK, ISSUED AND OUTSTANDING			
			\$
SURPLUS (AVAILABLE FOR DIVIDENDS)			\$
SURPLUS RESERVES			\$
			\$
(IF AN INDIVIDUAL OR PARTNERSHIP)			
CAPITAL			\$
UNDIVIDED PROFITS			\$
<b>12. TOTAL LIABILITIES AND NET WORTH</b>			<b>\$</b>
13. NAME BANKS IN WHICH COMPANY HAS ACCOUNTS _____			
14. (A) INSURANCE ON INVENTORIES _____			
(B) INSURANCE ON PLANT _____			
15. AMOUNT OF ANNUAL BUSINESS		16. NATURE OF BUSINESS	
17. WHEN INCORPORATED		UNDER LAWS OF WHAT STATE	18. IF NOT A CORP., WHEN ESTABLISHED?
19. DID YOU SUCCEED ANYONE <input type="checkbox"/> YES <input type="checkbox"/> NO (IF YES, WHOM)			
<b>NAMES OF OFFICERS</b>	20. PRESIDENT		22. VICE-PRESIDENT
	21. TREASURER		23. SECRETARY
<p>I, _____, being duly sworn, says that he is the _____ of the above-named applicant for leave to pay compensation for its/his self, pursuant to the Missouri Workers' Compensation Law; that he has carefully examined the foregoing statement and the facts therein set forth are true; that the applicant's assets are correctly set forth and there are no other liabilities against the applicant than those set forth therein.</p>			
NOTARY PUBLIC EMBOSSEER SEAL	STATE OF _____		SIGNATURE
	SUBSCRIBED AND SWORN BEFORE ME, THIS _____ DAY OF _____ 19____		<b>USE RUBBER STAMP IN CLEAR AREA BELOW</b>
	NOTARY PUBLIC SIGNATURE _____	MY COMMISSION EXPIRES _____	
	NOTARY PUBLIC NAME (TYPED OR PRINTED) _____		
<p><b>NOTE</b> ▶ If the employer is a corporation, signature should be made and seal used according to the laws of Missouri and the official taking this acknowledgment is cautioned to see that it is properly taken. Do not omit official title of affiants, if corporation.</p>			

MO 625-0245 (10-90)

Issued by the DIVISION OF WORKER'S COMPENSATION



STATE OF MISSOURI
Department of Labor and Industrial Relations
DIVISION OF WORKERS' COMPENSATION
Box 58, Jefferson City, MO 65102

Guaranty To Satisfy Compensation Claims
Under Workers' Compensation Law of Missouri

IN THE MATTER OF

\_\_\_\_\_ , to
guarantee prompt and full payment of any and all of its liabilities under or by virtue of the Workers' Compensation
Law of Missouri.

KNOW ALL MEN BY THESE PRESENTS:

That the Undersigned, \_\_\_\_\_
a corporation organized and existing under and by virtue of the Laws of the State of \_\_\_\_\_
\_\_\_\_\_, being financially interested in the \_\_\_\_\_
\_\_\_\_\_, a corporation organized and existing under and by virtue of the Laws of
\_\_\_\_\_, and desiring to enable said \_\_\_\_\_
\_\_\_\_\_ to comply with the Laws of the State of Missouri,
known as "Workers' Compensation Law", in consideration of the granting of the right of self-insurance or to
continue as a self-insurer if authority has been granted under said Law to \_\_\_\_\_
\_\_\_\_\_, by the State of Missouri, Division of Workers'
Compensation, does hereby agree and guarantee on behalf of said \_\_\_\_\_
\_\_\_\_\_, that any and all liabilities against said \_\_\_\_\_
\_\_\_\_\_, under or by virtue of said "Workers' Compensation Law" will be promptly
and fully paid. This guarantee shall enure to the benefit of and may be enforced by the State of Missouri and any and
all employees or dependents of said \_\_\_\_\_
\_\_\_\_\_ having a claim or which may have a claim against it under said Law or by

WC-82A (7-85)



the State of Missouri Division of Workers' Compensation, as established by said Law, for the benefit of any such employee or employees of their dependents of said \_\_\_\_\_

\_\_\_\_\_,  
IN WITNESS WHEREOF said \_\_\_\_\_

has caused this instrument to be signed by its president and its corporate seal to be hereunto affixed and attested by its secretary, this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_.

SIGNED: \_\_\_\_\_  
Corporation

by: \_\_\_\_\_  
President

(Seal)

Attest:

\_\_\_\_\_  
Secretary

STATE OF \_\_\_\_\_ ( \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ( \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_, before me, personally came \_\_\_\_\_, to me known who, being duly sworn, did depose and say that he resides in \_\_\_\_\_, that he is \_\_\_\_\_ of the \_\_\_\_\_

the corporation described in and which executed the foregoing instrument; that he knows the seal of the said corporation; that he knows the seal affixed to said instrument is such corporate seal, that it was affixed by order of the Board of Directors of said corporation and that he signed his name thereto by like order.



WITNESS my hand and seal the day and year aforesaid.

\_\_\_\_\_  
Notary Public

My Commission expires \_\_\_\_\_

(NOTARY SEAL)

This instrument must be accompanied by a certified copy of the resolution duly adopted by the Board of Directors (or stockholders) authorizing and directing the execution of this agreement.



MISSOURI DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS  
DIVISION OF WORKERS' COMPENSATION  
**ESCROW AGREEMENT**

3315 W. Truman Blvd.  
P.O. Box 58  
Jefferson City, Missouri 65102

**NOTE ► REQUIRED OF SELF-INSURERS UNDER THE MISSOURI WORKERS' COMPENSATION LAW, TO BE EXECUTED IN TRIPLICATE, ONE COPY OF SAME TO BE FILED WITH THE DIVISION.**

WHEREAS, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_  
(NAME) STREET NUMBER)

\_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, has made  
(CITY) (STATE) (ZIP CODES)  
application to the Division of Workers' Compensation for the privilege of carrying its/his own liability without insurance as prescribed by Section 287.280 RSMo, and

WHEREAS, the Division of Workers' Compensation, in order to insure the payment of all obligations which may arise under the Missouri Workers' Compensation Law, requires as a condition precedent to the granting of such authority that the Applicant place in escrow with a responsible bank or trust company in the State of Missouri, direct obligations (either bonds or notes) of the United States or of the State of Missouri, in the amount of \$ \_\_\_\_\_ .00 value, or cash in said sum, and to comply with said requirements, the \_\_\_\_\_

\_\_\_\_\_  
(APPLICANT)  
party of the first part, and the \_\_\_\_\_  
(BANK OR TRUST COMPANY)

That the party of the first part has placed in escrow with the party of the second part the following securities and/or cash, as here designated:

TYPE OF INVESTMENT	DENOMINATION OR VALUE

and which upon maturity shall be reinvested in the same form of security; and

That the party of the first part and the party of the second part expressly agree that should the party of the first part, after the final adjudication of any compensation claim or claims and after ten (10) days' written notice by the Division of Workers' Compensation to said party of the first part to make payment of any and all amounts due, neglect, refuse or fail to pay any such obligation imposed upon said party of the first part by the Missouri Workers' Compensation Law as the result of being granted the privilege to carry his/its own liability under said Law, then upon written order of the Division of Workers' Compensation, reciting such default,



the party of the second part shall within ten (10) days (selling at the current market price if necessary any or all securities deposited) pay to the Division of Workers' Compensation out of the case deposited, and out of the funds obtained from the sale of the securities, if sold, the amount specified by said Division in said order, sufficient to pay the obligations which the party of the first part has neglected, failed or refused to pay, so that said Division may apply the same to the unpaid obligations of the party of the first part: Provided, that the obligation of the party of the second part to make payment hereunder shall in no event exceed the amount of cash and the actual proceeds received from the sale of the deposited securities; and provided further, that if said party of the second part on account of acts or facts beyond said party's control, as for example, bank moratoriums or holidays, be prevented from making sale of said securities, then and in that event said party of the second part shall have additional time to make said sale or sales and shall sell said securities as above provided as soon after said ten (10) day period as may be reasonably possible.

It is further expressly agreed by and between the party of the first part and the party of the second part that in the event the amount of securities or cash in escrow shall subsequently be increased by order of the Division of Workers' Compensation, such additional securities or cash deposited with the party of the second part shall be subject to the same regulations as heretofore and hereafter set out for the initial deposit; and

It is further expressly agreed by and between the party of the first part and the party of the second part that as interest becomes due upon the securities or cash placed in escrow said interest shall be collected by the party of the second part and paid over to the party of the first part; and

It is further expressly agreed by and between the party of the first part and the party of the second part that the securities or cash placed in escrow by the party of the first part cannot be removed, withdrawn or replaced except for reinvestment as herein provided or on written order of the Division of Workers' Compensation, and

It is expressly understood and agreed by and between the party of the first part and the party of the second part that the said party of the second part shall act upon the written order of the Division of Workers' Compensation as herein provided without being held responsible for, or being required to make investigation as the existence or non-existence of, any preliminary requirements to justify the order of the Division, it being understood that the Division of Workers' Compensation shall be charged with the duty of seeing that all preliminary requirements are complied with and the said Division shall be charged with the proper application of any and all funds received by it.

Executed in triplicate at \_\_\_\_\_, State of \_\_\_\_\_.

This \_\_\_\_\_ day of \_\_\_\_\_, A.D. 19 \_\_\_\_\_.

FIRST PART		OFFICIAL CAPACITY	
PARTY OF THE FIRST PART SIGNATURE		OFFICIAL CAPACITY	
PARTY OF THE SECOND PART SIGNATURE		OFFICIAL CAPACITY	
ADDRESS	CITY	STATE	ZIP CODE
		MO	



MISSOURI DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS  
DIVISION OF WORKERS' COMPENSATION  
**BOND OF EMPLOYER CARRYING HIS OWN RISK**

P.O. BOX 58  
JEFFERSON CITY,  
MISSOURI 65102

Know All Men By These Presents: That \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_  
as principal, and \_\_\_\_\_ of \_\_\_\_\_

\_\_\_\_\_ as surety, are held and  
firmly bound unto the State of Missouri for the use and benefit of the employees of the principal and to the dependents of such  
employees, in the sum of \_\_\_\_\_ (\$ \_\_\_\_\_ )  
Dollars, current money of the United States, to be paid to the State of Missouri to the payment whereof we firmly bind ourselves  
and each of us, our and each of our heirs, executors, successors and assigns, jointly and severally, firmly, by these presents.

Sealed with our seal and dated, this \_\_\_\_\_ day of \_\_\_\_\_ A. D., 19 \_\_\_\_\_

WHEREAS, the above bounden \_\_\_\_\_  
has heretofore filed with the Division of Workers' Compensation of the State of Missouri his, her, their or its application for the  
privilege, under Chapter 287 of the Revised Statutes of Missouri, entitled "Workers' Compensation," of carrying his, her, their or  
its liability under said law without insurance; and

WHEREAS, the Missouri Division of Workers' Compensation has heretofore granted this privilege upon condition, among  
other things, that the said principal enter into bond in the penalty of \_\_\_\_\_  
(\$ \_\_\_\_\_ ) Dollars, and that said principal shall abide by and perform the requirements of the  
aforesaid Law with reference to paying compensation and furnishing medical or surgical services, funeral expenses, etc., and the  
rules and regulations that now or may hereafter be adopted by said Division with respect to the same.

NOW, THEREFORE, the condition of this obligation is such that if the above bounden \_\_\_\_\_  
\_\_\_\_\_ shall well and truly, from time to time, and at all times hereafter, abide by and perform all requirements of the aforesaid Law, and  
of any amendments thereto, respecting the payment of compensation and furnishing at its own cost and expense, of medical,  
surgical and other services and funeral expenses to said employees and their dependents on account of injuries or death (including  
occupational disease) occurring during the life of this obligation, then this obligation shall be void, otherwise to remain in full  
force and effect, subject, however, to the following express conditions:

1. It is expressly understood and agreed that in the event said principal shall fail to pay any award or awards which shall be rendered against \_\_\_\_\_ by the Division of Workers' Compensation within thirty (30) days after the same becomes, or become, final (after employer has exhausted his rights of review and appeal under the Missouri Workers' Compensation Law), the said surety shall forthwith pay, to the extent of its liability under this bond, said award or awards, to the parties entitled thereto upon the written order of the Division of Workers' Compensation.

2. Surety herein, by and in the execution of this bond, expressly agrees that upon the certificate of the Division of Workers' Compensation of the State of Missouri that there has been default in the payment of compensation for thirty days or that the principal has become insolvent, the Attorney General of the State of Missouri may enforce this bond in the name of the people of the State of Missouri for the benefit of any and all persons who may be entitled to such sum for medical, surgical and other services, funeral expenses or compensation.

3. The undersigned are held and firmly bound for the payment of all legal costs, including reasonable attorney fees, incurred in all or any actions or proceedings taken to enforce payment of this bond.

4. This bond to become effective on \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_.

5. This bond may be cancelled at any time by the surety, upon giving thirty (30) days' written notice by registered United States Mail to the Missouri Division of Workers' Compensation and to the principal, in which event the liability of the surety shall, at the expiration of said thirty (30) days from receipt of said notice by the Division of Workers' Compensation, cease and determine, except as to such liability of the principal on account of injury or death (including occupational disease) to any of its employees, as may have accrued prior to the expiration of said thirty days, it being understood that the surety shall be liable, within the penal sum mentioned herein, for the default of the principal in fully discharging any liability on its part accruing during the life of this obligation.

IN WITNESS WHEREOF, the parties hereto have caused their names to be signed and this instrument to be sealed by the respective parties thereunto duly authorized this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_.

Attest:

[Seal]

\_\_\_\_\_  
*Secretary*

\_\_\_\_\_  
*Principal*

By \_\_\_\_\_

Attest:

[Seal]

\_\_\_\_\_  
*Secretary*

\_\_\_\_\_  
*Surety*

By \_\_\_\_\_



STATE OF MISSOURI  
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS  
DIVISION OF WORKERS' COMPENSATION  
JEFFERSON CITY, MISSOURI

APPLICATION FOR GROUP SELF-INSURANCE  
(To be executed and sworn to in triplicate)

ALL INFORMATION CALLED FOR ON APPLICATION MUST BE IN TYPEWRITTEN FORM

The undersigned Group Fund hereby makes application to carry its own liability without insurance as provided in the Missouri Workers' Compensation Law. In connection with such application it makes the following declaration for the purpose of enabling the Division of Workers' Compensation to determine whether it possesses sufficient financial ability to render certain the payment of compensation which its employees and their dependents may be entitled to under the Missouri Workers' Compensation Law.

Applicant hereby agrees that if this application be approved, such approval shall be subject to its furnishing such security as may be required by the Division of Workers' Compensation. Applicant further agrees to abide by all of the provisions of the Missouri Workers' Compensation Law and by the rules governing self-insurers under said law.

APPLICANT GROUP FUND \_\_\_\_\_ (Effective Date)

1. Address of principal office \_\_\_\_\_  
(Number) (Street) (City) (State) (Zip Code)

2. Trustees

Name	Business Address
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

3. Administrator \_\_\_\_\_  
(Name) (Address) (Telephone Number)

4. Claims Program \_\_\_\_\_  
(Name of Service Company) (Address) (Telephone Number)

5. Safety Program \_\_\_\_\_  
(Name of Person Responsible) (Telephone Number)

WC-81A



6. Total number of employer members \_\_\_\_\_ Total Estimated Premium \_\_\_\_\_  
 (Attach List of Members) \_\_\_\_\_  
 Excess Carrier \_\_\_\_\_ Group Experience Mod. \_\_\_\_\_  
 Policy Number \_\_\_\_\_ Standard Premium \_\_\_\_\_  
 Estimated Collectible Premium After Discount \_\_\_\_\_

7. Applicant Will Submit:

A. Specific Excess Insurance

Policy Limit \$ \_\_\_\_\_  
 Retention \$ \_\_\_\_\_  
 Term \_\_\_\_\_ to \_\_\_\_\_

B. Aggregate Excess Insurance

Policy Limit \$ \_\_\_\_\_  
 Term \_\_\_\_\_ to \_\_\_\_\_  
 Loss Fund \_\_\_\_\_ % of collectible premium after any discount  
 Loss Fund \$ \_\_\_\_\_  
 Loss Limit \$ \_\_\_\_\_  
 Est. Min. Loss Fund \$ \_\_\_\_\_

C. Surety Bond

Amount \$ \_\_\_\_\_  
 Bond Number \_\_\_\_\_  
 Carrier \_\_\_\_\_

D. Fidelity Bond

Amount \$ \_\_\_\_\_  
 Bond Number \_\_\_\_\_  
 Carrier \_\_\_\_\_

In consideration of the privilege of being a self-insurer, we hereby agree:

- a. That we will discharge our liability for compensation to injured employees or their dependents in accordance with the requirements of the Workers' Compensation Act of the State of Missouri.
- b. That we will follow the Administrative Rules of the Division and any additional conditions imposed by the Division as part of our approval.
- c. That we will promptly furnish all reports to the Division of Workers' Compensation which it may lawfully require under the Workers' Compensation Act.
- d. That we will notify the Division of Workers' Compensation promptly of any unfavorable turn in our financial condition which might reasonably reduce our ability to carry our own risk under the Workers' Compensation Act.

We affirm all information submitted as being true.

\_\_\_\_\_  
(Group Fund)

by

\_\_\_\_\_  
(Official Title)

Date \_\_\_\_\_





STATE OF MISSOURI  
Department of Labor and Industrial Relations  
Division of Workers' Compensation

**APPLICATION FOR MEMBERSHIP IN THE**

\_\_\_\_\_ (Group Fund Name)

Name \_\_\_\_\_ Corporation ( ) Co-Partnership ( ) Individual ( )

Address \_\_\_\_\_  
Number Street City State Zip

Nature of business \_\_\_\_\_

List partners or corporate officers:

_____ (Name)	_____ (Title)
_____ (Name)	_____ (Title)
_____ (Name)	_____ (Title)
_____ (Name)	_____ (Title)

Insurance Coverage is now carried by: \_\_\_\_\_

We hereby formally apply for continuing membership for workers' compensation self-insurance coverage in the above-name Fund, to be effective 12:01 A.M. \_\_\_\_\_, 19 \_\_\_\_\_, and, if accepted by its duly authorized representative, do hereby constitute and appoint (if applicable, Service Company) \_\_\_\_\_ to act as Administrators of the Fund and as our agents-in-fact in all matters relating to the Workers' Compensation Law.

We further agree as follows:

- (a) To accept and be bound by the provisions of the Missouri Workers' Compensation Act
- (b) That, by this reference, the terms and provisions of the Indemnity Agreement and/or Amendments thereto filed or which may hereafter be filed with the Missouri Division of Workers' Compensation are hereby adopted, approved, ratified and confirmed by us; and further, we agree to assume all of the obligations set forth therein, including our joint and several liabilities for payment of any lawful awards against any member of the Fund; and in the event we fail to pay any premium or lawful assessment within thirty (30) days of the date the same shall become due, we will pay all costs of the collection thereof, including reasonable attorneys' fees
- (c) To abide by the rules and regulations of the Trustees of the Fund and to conform to the terms of the agreements they may enter into with any authorized service company as long as we remain a member of the Fund
- (d) That, in the event of any changes in corporate structure, or in legal entity, or if any locations are to be added to or deleted from this coverage, we agree to notify (Name of Trust Fund or Service Company) \_\_\_\_\_

(Address) \_\_\_\_\_ immediately.

- (e) That should we desire to cancel our coverage, we will give written notice at least 30 days prior to cancellation, and that the Fund will give written notice 20 days prior to cancellation should the Fund desire to cancel our coverage
- (f) That coverage under this membership shall be for Missouri operations only
- (g) That the Wage Declaration Schedule and/or Certificates, when completed and returned to us by (Service Company) \_\_\_\_\_, become a part of this agreement.

\_\_\_\_\_  
(Type Name of applicant)

\_\_\_\_\_  
(Title) (Owner, Partner, Corporate Officer)

\_\_\_\_\_  
(Signature of applicant)

WITNESSES:

(1) \_\_\_\_\_  
(Type Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Address)

(2) \_\_\_\_\_  
(Type Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(Corporate President)

\_\_\_\_\_  
(Date)

The above applicant is a member of \_\_\_\_\_  
and is hereby approved for membership in this Fund, and coverage is effective the \_\_\_\_\_ day of \_\_\_\_\_ 19 \_\_\_\_\_.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 19 \_\_\_\_\_

By: \_\_\_\_\_  
(Fund Administrator of Trustee)



