STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
Department of Labor and Training
Workers' Compensation Division

LEGAL NOTICE OF PROPOSED RI SELF-INSUIRANCE RULES AND REGULATIONS

The Workers' Compensation Division, under the authority granted by Chapters 29-37 of Title 28 and Title 42 Chapter 16.1 of the General Laws of Rhode Island, 1956, as amended, granting the Workers' Compensation Division the power to adopt, amend, modify and reject general and special rules and regulations under Chapter 35 of Title 42 of the General Laws of Rhode Island as amended, proposes amendment of the current rules of the Workers' Compensation Self-Insurance Rules and Regulations issued pursuant to R.I.G.L 28-29-22, 28-29-26, & 28-36-1.

In the development of the proposed amendments consideration was given to: (1) alternative approaches; (2) overlap or duplication with other statutory and regulatory provisions; and (3) significant economic impact on small businesses as defined in Chapter 42-35 of the General Laws, which may result from the proposed amendments. Based on available information, no significant economic impact was identified nor are there any alternative approaches, duplications or overlaps with other state regulations.

Notice is hereby given in accordance with the provisions of Section 42-35-3(a)(2) of the Rhode Island General Laws, as amended, that the Director is affording all interested persons the opportunity to submit data, views, or arguments in writing on this matter.

In accordance with the Rhode Island General Law, Section 42-35-3, an oral hearing on these proposed amendments will be granted if requested by twenty-five (25) persons or a governmental subdivision or agency, or by an association having not less than twenty-five (25) members. A request for an oral hearing must be made within thirty (30) days of the date of publication of this notice. Such input or requests should be addressed to Matthew Carey, Workers' Compensation Unit, P. O. Box 20190, Cranston, RI 02920-0942. Written comments regarding the proposed amendments are welcomed and will be accepted within thirty (30) days of the date of publication of this notice and should be submitted to this same address or by e-mail to mcarey@dlt.state.ri.us.

Copies of the aforementioned proposed Rules are available for public inspection at the Rhode Island Department of Labor and Training, Workers' Compensation Unit, Bldg.71, 1st Floor, 1511 Pontiac Avenue, Cranston, RI 02920, between the hours of 9:00 am to 3:00 pm. Please call (401) 462-8094 to schedule a time to review the rules. You may also request a copy by e-mailing mcarey@dlt.state.ri.us.

Signed this 3rd day of May , 2011
Matthew P. Carey, III
Assistant Director, Division of Workers' Compensation

State of Rhode Island and Providence Plantations
Department of Labor & Training
Workers' Compensation Self-Insurance Unit
P.O. Box 20190
Cranston, RI 02920-0942
Telephone: (401) 462-8100
Fax: (401) 462-8095

RI SELF-INSURANCE RULES AND REGULATIONS

Section 1 - Call Order of Security Posted.

(a) Effective January 1, 2012, if a certified employer has more than one type of security posted with the director to secure different periods of the employer's self insured workers' compensation liabilities, the security in effect on the date of injury is liable for claims related to the injury.

(b) Should there be more than one security posted for the same period of the employer's self insured workers' compensation liabilities, each security posted is jointly and severally liable for the entire liability for claims related to the injury. The director may in his or her discretion require payment from the security posted.

Section 2 - Security

(a) Failure by a certified employer to post and maintain the required amount of security and in an acceptable type as determined by the director shall be good cause for terminating or non-renewal of the employer's self insurance certificate.

(b) New applicants for self insurance shall submit along with the Application For Approval of Workers' Compensation Self-Insurance Form RI SI-2, a summary of annual incurred losses experienced by their Rhode Island operations for the previous three full calendar years with the loss experience being current to within 120 days prior to the application filing date prepared by their carrier or insurance broker. Initial security deposit after January 1, 2012, shall be calculated as the higher of the following:

(1) the minimum security deposit required by the director, currently $500,000;

(2) two times the average incurred liability of the applicant's Rhode Island operations over the previous three years plus any adjustment for self insured retention level of the proposed specific excess insurance policy the applicant intends to purchase; or

(3) the amount of initial security required by the director in his or her discretion.

(c) Renewing certified employers during their first three years in self insurance shall submit along with the Renewal Application for Approval of Workers' Compensation Self-Insurance Form RI SI-2a, their loss experience in self insurance from the inception date of the self insurance program. Security deposit after January 1, 2012, shall be calculated as the higher of the following:

(1) the minimum security deposit required by the director, currently $500,000; or

(2) two times the average incurred liability of the applicant's Rhode Island operations over the most recent three years (insured and self insured periods) times the quantity (1 + the

number of years they have been self insured). In addition the security should be adjusted for the self insured retention level of the proposed specific excess insurance policy the applicant has to purchased;

(3) Two times the expected unpaid liabilities of all open claims from the inception date of self insurance plus any adjustment for self insured retention level of the proposed specific excess insurance policy the applicant intends to purchase; or

(4) the amount of security required by the director in his or her discretion.

(d) Renewing certified employers after their first three full years in self insurance shall submit along with the Renewal Application For Approval of Workers' Compensation Self-Insurance Form RI SI-2a, their loss experience in self insurance from the inception date of the self insurance program. Security deposit after January 1, 2012, shall be calculated as the higher of the following:

(1) the minimum security deposit required by the director, currently $500,000; or

(2) Two times the expected unpaid liabilities of all open claims from the inception date of self insurance plus any adjustment for self insured retention level of the proposed specific excess insurance policy the applicant intends to purchase; or

(3) the amount of security required by the director in his or her discretion.

(e) For good cause and after providing at least tem days advanced written notice to the certified employer or formerly certified employer, the director may audit or review or cause to be audited and reviewed any claim or claims reported in the renewal application, or the claims detail reported on any claim or claims, as well as, the case reserves posted on any claim or claims by a certified employer, or to evaluate any actuarial report provided on the liabilities of any certified employer or formerly certified employer to determine the adequacy of the security posted with the director to secure the liabilities of the employer. Should the results of the audit or review determine the security is not adequate in the sole determination of the director; the director may adjust the amount of required security posted. Any cost to the director to conduct such an audit or review or to cause such an audit or review to be conducted shall be reimbursed by the certified employer or formerly certified employer.

(f) Effective January 1, 2012, the director shall require an additional security adjustment from certified employers based on the self insured retention level of the employer's specific excess insurance policy during the initial or renewal period of self insurance as follows:

Security Adjustment Based on Self Insured Retention (SIR) Level of Specific Excess Policy

SIR Range	Additional Security Required
Less than $350,000	None
$350,000 - $499,999	2 times (SIR - $350,000)
$500,000 - $749,999	3 times (SIR - $350,000)
$750,000 or more	4 times (SIR - $350,000)

(g) The director may call in whole or part any security posted by a certified employer to secure the employer's self insured workers' compensation liabilities and services under Chapter 33 and 34 of Title 28 by providing a signed statement by the director on departmental letterhead to certify that that the named certified employer has failed in whole or part on its self insured workers' compensation obligations under Chapter 33 and 34 of Title 28.

(h) The director shall not reduce the amount of security posted by a formerly certified employer during the first ten years after the date of termination of the employer's workers' compensation self insurance program. After the tenth year, the director may agree to a reduction in the required amount of security to not less than 200% of the remaining unpaid liabilities plus the minimum deposit amount of $500,000 or to any higher amount the director in his or her sole discretion shall determine appropriate to secure the known and unknown liabilities of the employer. The adjusted deposit amount shall remain in place for an additional ten years at which time the former certified employer may petition the director for a reduction in security. Accompanying such petition shall be a report prepared by an actuary acceptable to the director addressing the potential of any occupational health claims being filed that have long latency periods to develop before being diagnosed, such as from asbestos, silica, chemical, or similar hazardous occupational exposures to the employees of the formerly certified employer during the period of workers' compensation self insurance in Rhode Island. The director shall make a decision on the petition and grant or deny an adjustment in the security required. The director may hold security for a period of up to 50 years from the date of program termination to secure occupational health exposures to the employees of the former certified employer.

(i) Any certified employer or formerly certified employer may petition the director for a reduction in the amount of security required to be posted to secure the employers\'s workers' compensation self insurance program. The director in his or her sole discretion may grant such a request provided that the new security amount that would be required of the employer fully meets all the requirements of Section 28-36-1 and these rules and regulations on the amount of security required to be posted.

(j) A certified employer or a formerly certified employer may sell off all or any part of the employer's remaining claim liabilities to an insurance carrier duly licensed to write primary workers' compensation insurance in Rhode Island via a workers' compensation loss portfolio transfer policy. Such loss portfolio transfer policy shall assume all liability of each claim that is being transferred, including any liability that may be subject to reimbursement from an excess carrier. If the policy proposes to wrap up all remaining compensation liabilities for an employer to release the posted security deposit, then the loss portfolio transfer policy must clearly indicate in its declarations that the policy covers all remaining past, present or future unpaid liabilities, whether known and unknown, including any future occupational health claims for the period of self insurance that may yet be filed against the certified employer incurred during the self insured period in Rhode Island. Any loss portfolio transfer policy shall meet the requirements to be an assumed claims transaction covered by the Rhode Island Property & Casualty Insurers' Guaranty Association under Article 27-34 of the General Laws of the State of Rhode Island.

Section 3 - Surety Bond.

(a) A surety bond posted as security by a certified employer to secure self insured workers' compensation liabilities with the director shall be on a bond form approved by the director. Any

extension agreements, increase riders, decrease riders, name change riders, or release of surety shall also be on forms approved by the director. [See Attached bond form RI SI 5b and bond extension form RI SI 5a.]

(b) Effective, January 1, 2012, any new surety bond provided as security for a certified employer's workers' compensation self insurance liabilities to the director, or any extension rider, increase rider, decrease rider, or name change rider on an existing or new surety bond provided as such security, shall pay up to the full amount of the penal sum for the payment of workers compensation liabilities of the certified employer without deducting any of the surety's costs for legal, administrative, or claims handling expenses related to the certified employer's workers' compensation claims. Such costs or expenses shall be in addition to the compensation benefits and services paid from the penal sum of the bond as set forth in this section. [See attached new surety bond for RI SI 5b – Jan 2012 and new bond extension form RI SI 5a –Jan 2011.]

(c) Each cancelled surety bond remains responsible to pay the unpaid workers' compensation liabilities of the certified employer for claims with dates of injury that occurred during the period of coverage of the surety bond up to the cancellation date. Cancellation eliminates liability accruing after the date of cancellation, but the bond remains in full force and effect to cover liability accrued from and including the date of issuance of the bond up to the date of cancellation.

(d) Any bond may be released of its liability only if it is replaced by another acceptable security in the full amount that may be required by the director at that time and the director executes a signed, written release document for the surety bond which will accompany the original bond that will be returned to the surety company.

Section 4 - Excess Insurance.

(a) Every applicant for initial approval of workers' compensation self insurance and every applicant for renewal of its certified employer status shall purchase and maintain a specific excess insurance policy with:

(1) an upper minimum coverage limit of at least $10,000,000 or higher per occurrence in excess of the self insured retention level of the policy; and

(2) a self insured retention level specifically approved by the director.

(b) New applicants for self insurance and certified employers during their first five years of self insurance may also be required to carry aggregate (stop loss) insurance with a carrier and limits acceptable to the director.

(c) All excess policies issued to certified employers or applicants to become certified employers after December 31, 2010, shall:

(1) include in the policy declarations, the name of the self insurer (principal); self insured retention limits; policy coverage limits; policy period; policy number; and name of issuing carrier;

(2) state that the policy covers and will reimburse all workers compensation liability benefits and services paid above the retention level of the policy including all administrative, legal, claims handling, expenses related to a covered claim;

(3) include an insolvency clause that requires the carrier to reimburse up to the policy limits regardless of the financial condition of the policy holder, and that in the event of an insolvency or default of the policy holder, to reimburse any surety carrier or the director that subsequently becomes responsible for to run off the claims of the policy holder by order of the director of the Rhode Island Department of Labor and Training;

(4) not contain an exclusion clause for acts of terrorism, domestic or foreign;

(5) require at least 30 days advance written notice to the director before excess policy cancellation for any reason or any other amendment issued by the carrier to the excess policy;

(6) contain a clause stating that notwithstanding any other provisions of the policy or representations made by the parties, the excess policy will conform to the laws and regulations of Rhode Island;

(7) require the excess carrier to bear its responsibility for the policy obligations unless claims nonconformance by the certified employer is substantial and severely prejudices the ability of the excess carrier to mitigate its losses; and

RENEWAL APPLICATION FOR APPROVAL OF WORKERS' COMPENSATION SELF-INSURANCE PROGRAM

STATE OF RHODE ISLAND
DEPARTMENT OF LABOR & TRAINING
RI WORKERS' COMPENSATION SELF-INSURANCE
PO BOX 20190
CRANSTON, RI 02920-0942
TELEPHONE (401) 462-8100
FAX (401) 462-8095
TDD (401) 462-8084

RI SI-2a (January 2012)

SECTION I

Applicants Name Street Address

City or Town State Zip Code Telephone

Name and Address of Business in Rhode Island (if different from above):

The above business herby requests authorization to make payments of compensation directly to injured employees in accordance with and pursuant to provisions of the General Laws of Rhode Island, Title 28, Chapters 29-38, inclusive, as amended.

In support of this application, the said business submits the following information:

1. State of Incorporation:
2. Principal Rhode Island business activity:
3. Date of qualification to do business in Rhode Island:
4. OFFICERS: Name: Residence Address

   President:

   Vice-Pres:

   Secretary:

   Treasurer:

5. Total number of persons employed or assigned to offices, agencies, or places of business within Rhode Island:
6. Name, Address, and Telephone Number of Agent for Service of Process in **RHODE ISLAND:**

SECTION II

1. The most recent corporate year-end financial statement; the annual report of stockholders; and a copy of the Rhode Island Business Tax Return.

2. Loss experience from **inception date** of self-insurance to include:
   - A listing of claims experience to include: number of claims by medical only and lost work-day cases; expenditures to date; and reserves for all outstanding and anticipated claims. The losses are to be at a valuation date no later than one (1) month prior to application. **APPLICANT MUST BE DAY TO DAY ON RESERVES FOR CLAIMS.**
   - A narrative of any loss paid or outstanding greater than $10,000. Such narrative to include date of injury, cause of loss, medical diagnosis, prognosis for return to work, details of any litigation pending, and if the claim has been reported to the excess carrier.
   - **FEASABILITY STUDY OR STUDIES FROM SOURCES SUCH AS ADVISORS, AGENTS, BROKERS OR ACTUARIAL SERVICE MAY BE CALLED FOR AT EXPENSE OF APPLICANT.**

3. Method of Administration:

   A. Are you contemplating a change in claims handling service?
      - NO CHANGE can be made on claims handling services without the Departments permission. The company must be approved, and their personnel must be certified by the Department before the expiration of current expiration.
      - Claims processing and payments may be allowed by the Department's Self-Insurance Unit for non-licensed individuals and internally by the individual self-insured company personnel (and/or Parent personnel) IF SUCH PERSONNEL HAS BEEN APPROVED AND CERTIFIED BY THE SELF-INSURANCE UNIT. Such personnel must meet requirements of the Department to include but not limited to minimum once a year update refresher claims class work and testing by the Department. ONLY CERTIFIED PERSONNEL CAN PROCESS RI CLIAMS FOR A SELF-INSURED.

   B. Who provides legal services for WC Court in RI?

   C. Are you contemplating any change in management, or a reduction or expansion of business activities in RI?

      - Proposed Acquisition: Any additional liability for workers' compensation contemplated must be approved by the Director or designee prior to implementation and inception into the self-insurance program. The Department will need new acquisition's loss information, payrolls, and financial information before approval can be given.

   D. You must report recent or current EPA allegations, lawsuits, violations and abatements.

4. The following information must be submitted on or before the expiration date of current self-Insured certification:

   A. Proof of surety renewal.
   B. Proof of excess policy renewal.
   C. Proof of general liability policy renewal.

CERTIFICATION

This certification must be executed and the application must be sworn to before a person authorized to administer oaths.

I, the undersigned, Treasurer (or other duly authorized officer) of the corporation or company for which this application is made, hereby certify that I have personal knowledge of the statements and other information constituting this application, that the same are true, correct, and complete to the best of my knowledge and belief, and that this application is made under the penalty of perjury.

Date: _____ _____

Signature of Treasurer or other duly authorized officer
(title)

Subscribed and sworn to before me this _____ day of _____, _____

_____

NOTARY PUBLIC

State of Rhode Island and Providence Plantations
Department of Labor & Training
Workers' Compensation Self-Insurance Unit
P.O. Box 20190
Cranston, RI 02920-0942
Telephone: (401) 462-8100
Fax: (401) 462-8095

SURETY BOND EXTENSION AGREEMENT

Know All Men By These Presents: That _____ residing (or having its' principal office) at _____ as Principal, and _____ Insurance Company, a corporation of the State of _____, and duly authorized to do business in the State of _____, as Surety, in a certain Workers' Compensation Self-Insurers Bond numbered and identified as _____ dated the _____ day of _____. _____, in the penalty sum of _____ dollars ($) in favor of the State of Rhode Island (Department of Workers' Compensation or Department of Labor or Department of Labor & Training as successor in law) by the execution hereof, do hereby extend the obligation of said bond for an additional term of _____ months or _____ year (s) from the _____ day of _____, _____, **Provided,** however, that said bond, as hereby extended, shall be subject to all of it's' terms and Conditions, except as herein modified, and the liability of said _____ Insurance Company under said bond and any and all extensions thereof shall in no event exceed in the aggregate the above named penalty for the payment of the Principal's compensation benefits and services under Chapter 33 and 34 of Title 28.

Signed, and sealed and dated this _____ day of _____, _____.

WITNESS:

_____ INIDIVIDUAL _____ (seal)
principal

_____ PARTNERSHIP _____ (seal)
Principal

By: _____
A partner

CORPORATION: _____

ATTEST:

_____ By: _____
(title)

_____ _____
Insurance Company Representative Attorney – in – fact

State of Rhode Island and Providence Plantations
Department of Labor & Training
Workers' Compensation Self-Insurance Unit
P.O. Box 20190
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BOND OF EMPLOYER
AUTHORIZED TO PAY WORKERS' COMPENSATION BENEFITS DIRECTLY TO EMPLOYEES OR THEIR DEPENDENTS

PENAL AMOUNT: BOND NO:

KNOW ALL MEN BY THESE PRESENTS, that _____ having an office and principal place of business as Principal in _____ and _____, an insurance corporation organized under the laws of _____ and licensed to do business in the State of Rhode Island, as Surety, are held firmly bound unto the Department of Labor & Training of the State of Rhode Island and Providence Plantations for the use and benefit of the employees of said Principal whose employment is subject to the laws of Rhode Island in the penal sum of $_____ for the payment of which well and truly to be made, the said corporation bind themselves, their successors and assign – jointly and severally – firmly by these presents.

WHEREAS the said Principal in accordance with and pursuant to the provisions of **General Laws of Rhode Island, 1956, 28-36-2**, has filed with the Department of Labor & Training an application for a certificate of compliance with the provisions of 28-36-1(b) to authorize the said Principal to pay compensation as per RI Workers' Compensation Act, Chapters 29 to 38, inclusive of **Title 28** and as amended directly to injured employees and/or their dependents.

NOW THEREFORE the condition of this obligation is such, that if said application shall be granted by the Department of Labor & Training and the said Principal shall well and truly pay directly to the person entitled thereto within the twelve (12) months from and after the _____ day of _____, A. D. _____, the compensation benefits and services, provided by **General Laws of Rhode Island, Chapters 33 and 34 of Title 28**, as amended, for the period of self-insurance certification from _____ up to and including _____, then this bond shall be void, otherwise to be and remain in full force and effect.

IT IS FURTHER STIPULATED AND AGREED that this bond is and shall be construed to be a direct obligation by the said Principal and the said Surety to the persons who may be entitled to such sums for the compensation benefits and services provided by the said **Chapters 33 and 34 of Title 28**, as amended, and may be sued upon or enforced in the name of such persons, or in the name of the Department of Labor & Training for the use and benefit of the employees or their Dependents.

IT IS FURTHER STIPULATED AND AGREED that the liability of the Surety shall not be discharged by any payment or succession of payments hereunder, unless and until such payment of compensation benefits and services payments penal sum of the bond. The obligation of the Surety to also pay administrative, legal and claims handling expenses among other expenses to service, to pay, to pay and to defend the compensation obligations of the Principal hereunder shall be over and above the amount of said penal sum that is dedicated solely to the payment of compensation benefits and services payments.

IT IS FURTHER STIPULATED AND AGREED that this bond may be cancelled by the said Surety at any time prior to the expiration of twelve (12) months from and after the _____ day of _____, A.D. _____, upon giving thirty (30) days notice in writing to the Department of Labor & Training, in which event the liability of the said Surety shall at the expiration of the said thirty (30) days cease and determine, except as to such liability for the default of the said Principal in fully discharging all liability for the compensation benefits and services provided by said **Chapters 33 and 34 of Title 28**, as amended, which accrued during the period from and after the _____day of _____, A.D. _____, to the date of expiration hereof. Cancellation eliminates liability accruing after the date of cancellation, but the bond remains in effect to cover liability accrued prior to cancellation. The bond may be released of liability only if it is replaced by an amount of surety approved by the Director and a signed release is executed and the original bond is returned to the bond company.

IT IS FURTHER STIPULATED AND AGREED that in the event the Principal defaults on paying the compensation benefits and services referenced herein within the twelve month period from and after the _____ day of _____, A.D. _____, the Department of Labor & Training will call on the Bond, in full, pursuant to Section 28-36-1 of the General Laws of Rhode Island.

IN WITNESS WHEREOF, the said _____
(Surety)
and the said _____ have caused their respective officers
(Principal)
thereunto duly authorized to sign and the respective corporate seals to be hereunto affixed this
_____ day of _____, A.D. _____.

(Principal)_____

ATTEST: By: _____

(Surety) _____

By: _____

State of Rhode Island and Providence Plantations
Department of Labor & Training
Workers' Compensation Self-Insurance Unit
P.O. Box 20190
Cranston, RI 02920-0942
Telephone: (401) 462-8100
Fax: (401) 462-8095

Claims Loss Summary Report

Year of Injury	Insured or Self Insured "I or SI "	TOTAL INDEMNITY PAID	TOTAL MEDICAL PAID	TOTAL EXPENSES PAID	TOTAL PAID	TOTAL CASE RESERVES	TOTAL INCURRED
						$ -	
						$ -	
						$ -	
						$ -	
						$ -	
						$ -	
						$ -	
						$ -	
						$ -	
						$ -	
						$ -	
						$ -	
						$ -	
						$ -	
						$ -	
						$ -	
						$ -	
						$ -	
						$ -	
						$ -	
						$ -	
Total Self-Insured Years		$ -	$ -	$ -	$ -	$ -	$ -
Total Last 3 years							
Grand Total							

NOTES:

CASE RESERVES MUST INCLUDE **ALL EXPENSES INCLUDING LEGAL**

THIS REPORT SHOULD SHOW TOTALS ONLY

THIS SUMMARY REPORT SHOULD SHOW CLAIMS EXPERIENCE FOR **ALL** SELF-INSURED YEARS AND AT LEAST 3 YEARS (EVEN IF SOME ARE INSURED)

A COMPLETE REPORT ON ALL CLAIMS MUST BE INCLUDED WITH THE SUMMARY REPORT

RI SI-14a (Janurary 2012)

State of Rhode Island and Providence Plantations
Department of Labor & Training
Workers' Compensation Self-Insurance Unit
P.O. Box 20190
Cranston, RI 02920-0942
Telephone: (401) 462-8100
Fax: (401) 462-8095

Required Data Fields
Claims Listing[1]

1. Claimant Name
2. Claim Number
3. Date of Injury
4. Date Reported
5. Date Closed (if applicable)
6. Claimant Year of Birth
7. Permanent Disability Rating (if applicable)
8. Weekly Compensation Rate
9. # of Weeks of Permanent Disability Paid (if applicable)
10. Has Claimant Returned to Work (Y/N)?
11. Date Claimant Returned to Work (if applicable)
12. Latent Exposure Indicator (if applicable): ("A") Asbestos, ("S") Silicosis, ("C") Chemical, ("O") Other
13. Payments to Date: Medical
14. Payments to Date: Indemnity
15. Payments to Date: Allocated Loss Adjustment Expense
16. Case Reserves: Medical
17. Case Reserves: Indemnity
18. Case Reserves: Allocated Loss Adjustment Expense
19. Excess Insurance Recoveries
20. Other Insurance Recoveries

[1] Listing of open and closed claims from all self insured years with incurred valued greater than $10,000 or with any latent exposure cause (such as asbestos)

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Calculated Security Requirement

		Amount	Source
Security Based on Case Reserves			
(1) Case Reserves (All Self-Insured Years)	100,000		RI SI-14a
(2) Case Reserve Multiplier	2		Regulation
(3) Security Based on Case Reserves		200,000	(1) x (2)
Minimum Security for all Self-Insurers			
(4) Minimum Security for all Self-Insurers		500,000	Regulation
Minimum Security for New Self-Insurers			
(5) Number of Years Self-Insured	1		
(6) Total Incurred Losses in Past 3 Years	100,000		RI SI-14a
(7) Projected Annual Losses	66,667		(6) x 2 / 3
(8) Minimum Security for New Self-Insurers		133,333	[(5) +1] x (7)
Unadjusted Calculated Security			
(9) Unadjusted Calculated Security		500,000	Maximum of (3),(4),(8)
SIR Adjustment			
(10) Maximum SIR over past 3 years	500,000		Provided by self-insurer
(11) SIR Multiplier	3		Based on (10) & limit chart

Limite Chart

Lower SIR Limit	R Multiplier
0	0
350,000	2
500,000	3
750,000	4

(12) SIR Adjustment		450,000	[(10)-350,000] x (11)
Calculated Security Adjusted for SIR			
(13) Calculated Security Adjusted for SIR		950,000	(9) + (12)