



LOUISIANA DEPARTMENT OF INSURANCE  
TIMOTHY J. TEMPLE  
COMMISSIONER

**INSTRUCTIONS FOR  
APPLICATION TO ACT AS A  
WORKERS' COMPENSATION SELF-INSURANCE FUND  
IN THE STATE OF LOUISIANA**

**GENERAL INSTRUCTIONS**

This packet is designed to assist the individual preparing the application in complying with all statutory and administrative requirements and to facilitate review of the application by the Louisiana Department of Insurance (LDI). Therefore, it is extremely important that all applicants comply fully with the instructions and requirements set forth in this packet. This package should be used for application for Certificate of Authority as a workers' compensation self-insurance fund pursuant to La. R.S. 23:1191-1200.17.

Direct all communication to:

Louisiana Department of Insurance  
Company Licensing  
PO Box 94214  
Baton Rouge, LA 70804-9214

Physical Address:  
1702 N. 3<sup>rd</sup> St.  
Baton Rouge, LA 70802

Phone: (225) 342-1251  
Fax: (225) 219-9322  
E-Mail: [companyapps@ldi.la.gov](mailto:companyapps@ldi.la.gov)

While our Department will be happy to assist you and answer any questions you may have, we ask that you thoroughly review all instructions and forms before contacting us.

The Louisiana Department of Insurance (LDI) accepts electronic submission of the application. The applicant should contact the LDI prior to submission to make arrangements for a secure portal for such a submission. Submission of sensitive or confidential information via standard email is not recommended. After submission of the application electronically, the payment of the fees must be submitted hard copy to the address above. All payments must be made payable to the Louisiana Department of Insurance.

If the application is submitted hard copy, all submittals in association with this application must reach the LDI via the United States Postal Service or a carrier with interstate business. Hand delivery is not acceptable and any information arriving in this manner will be returned without review. In addition, all correspondence must be sent to the attention of Company Licensing to assure prompt receipt and handling.

Submit only a fully completed application. Submittal of a partially completed application will cause processing delays and may result in disapproval.

Do not alter the forms contained in this packet. If you feel the requirements do not apply to your company, notify us. We will supply the proper form, if appropriate, and/or answer any questions you have about the forms.

All original items submitted become the property of the LDI and will not be returned.

All certified documents required in the application must be dated within ninety (90) days of submittal of the application. If an application is submitted hard copy rather than electronically, all certifications must be original.

All entries in the application forms must be typed or printed. Illegible entries or responses will be considered incomplete and may result in the disapproval of the application.

When designating a contact person for the application process, please remember that our staff will communicate only with this individual. The application process is considered confidential and will not be discussed with any person other than the named contact person. The applicant must notify the LDI in writing of any change in contact person.

The applicant must notify the LDI of any changes in the company or the information submitted in association with this application which occur while the application is under review. This includes changes in officers and directors; changes in address or domicile; and changes to the financial statements submitted in support of this application. Failure to notify the LDI of such changes may result in disapproval of the application.

### **SPECIAL INSTRUCTIONS REGARDING THIRD PARTY VERIFICATION REPORTS**

In association with this application, the LDI requires that all applicants make arrangements for third party verification reports for all persons for whom biographical affidavits are required. This must include all officers, all directors, all individuals who own ten percent or more of the applicant and all other persons responsible for the conduct of affairs of the applicant.

The reports must be prepared by one of the firms approved by the National Association of Insurance Commissioners. A list of those approved firms is available at [http://naic.org/documents/industry\\_ucaa\\_third\\_party.pdf](http://naic.org/documents/industry_ucaa_third_party.pdf). The applicant should advise the firm that the reports are being prepared for the LDI and make the necessary arrangements for payment.

### **SPECIAL INSTRUCTIONS REGARDING FINGERPRINTING**

In association with this application, all officers, directors, trustees and all individuals who control, directly or indirectly ten percent or more of the applicant, are required to be fingerprinted and the results transmitted to the LDI.

Detailed instructions on the fingerprinting process are posted on the LDI website at [Fingerprinting Requirements for Company Licensing Applications](#).

Any individual that is currently serving as an officer or director of another domestic regulated entity or has previously submitted fingerprints in association with a resident producer or adjuster license application may request a waiver of the fingerprinting requirements. Requests for such a waiver should be sent to [companyapps@ldi.la.gov](mailto:companyapps@ldi.la.gov). The request must provide a full explanation of the application to be filed, the names of all individuals for whom the waiver is requested and clearly explain the grounds for the request.

## **INITIAL FINANCIAL EXAMINATION AND CONFIRMATION OF ASSETS**

Prior to the issuance of a Certificate of Authority to a group self insurance fund, the LDI will conduct an initial financial examination and confirmation of the assets of the applicant.

The applicant must be properly funded, including the advance payment from each initial member of applicant of not less than twenty-five percent of that member's first year estimated annual premium. Those funds must be invested in compliance with the applicable statutes and in the name of the applicant upon submission of the application. If the funds are not properly invested and verifiable, the application will be disapproved.

The applicant must provide written notice to all depositories authorizing the release of information to the LDI.

## **LICENSING OF THIRD PARTY ADMINISTRATORS**

All third party administrators or service companies as described in La. R.S. 23:1196C to be used by the applicant must be licensed prior to issuance of a Certificate of Authority for the fund and must have in place the deposit required by [La. R.S. 23:1196C](#).

## **INSTRUCTIONS FOR ATTESTATION PAGE**

The Attestation Page of this application must be completed by two officers (or the equivalent) of the applicant. Each signature must be witnessed by two individuals and notarized. The same two individuals may witness both signatures, but a signatory of the document may not also act as a witness. The Attestation Page may also be signed in codicil by reproducing the form.

## **COMMON QUESTIONS**

The following are some of the most commonly asked questions regarding the application package and process.

*Q: Where can I find the laws and regulations governing workers' compensation self-insurance funds in Louisiana?*

A: The statutes governing formation and operation of a workers' compensation self-insurance fund can be found in the Louisiana Revised Statutes Title 23 Subpart J. In addition, the Louisiana Department of Insurance has issued Regulation 42 on this matter.

*Q: What is the timeframe for the review of an application?*

A: This Department makes every effort to review all applications as soon after submittal as possible. The review process can be expected to take from ninety (90) to one hundred twenty (120) days from receipt of a complete application. Please take this timeframe into account when considering deadlines and operation schedules for the applicant.

*Q: Can the forms in the application packet be recreated on a word processor for completion by the applicant?*

A: No. The forms in this packet are designed for ease of recognition by our staff and, in many cases, in strict compliance with statutory wording requirements. Therefore, any changes in the format or wording of the forms will cause delays in the review and may lead to the disapproval of the application.

**COMMON QUESTIONS (continued)**

*Q: Can the statutory deposits be made after an approval is given on the application?*

A: No. All deposits must be in place at the time that the application is submitted. Failure to make these deposits prior to application review will result in the disapproval of the application.

*Q: Is there a particular financial institution which the Department prefers for the statutory deposit?*

A: No. Statutes require only that the deposit be placed in a savings and loan or banking institution doing business in Louisiana. Any institution which meets this requirement is acceptable to this Department.

*Q: Can we meet with the Department for a preliminary review of our application prior to submission?*

A: Yes. Our staff will be happy to meet with representatives of the applicant to review the application before it is submitted. This courtesy review is to help assure completeness only and the LDI will not issue a preliminary approval or disapproval of the application prior to submission. Any application sent to this Office via U.S. Mail or a carrier with interstate business will be considered submitted for review and will not be eligible for a preliminary review. Preliminary reviews will be performed only with an appointment. To schedule an appointment, contact the Company Licensing Division.



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**APPLICATION TO ACT AS A  
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GENERAL INFORMATION (Type or Print)	
FUND NAME: _____	
FEDERAL EMPLOYER IDENTIFICATION NUMBER _____ PROPOSED EFFECTIVE DATE OF FUND: _____	
HOME OFFICE ADDRESS: _____ _____ _____	
CONTACT NAME†: _____ CONTACT TITLE: _____	
PHONE: _____ FACSIMILE: _____	
CONTACT ADDRESS: _____ _____	
E-MAIL: _____	
† This Office will only communicate with the named contact person.	
TRADE ASSOCIATION INFORMATION	
Louisiana law requires that all initial members of a self-insurance fund must also be members of a bona-fide trade association. Provide the name of the association with an address and contact person.	
ASSOCIATION NAME: _____	
ADDRESS: _____ _____ _____	
FEES (Payable to the Louisiana Department of Insurance)	
Application Fee	\$ 1,500.00

## ADDRESS AND CONTACT INFORMATION

<b>DOMICILE ADDRESS: Provide the domiciliary (registered office) address of the applicant.</b>		
Address:		
City:	State:	Zip:

<b>MAILING ADDRESS: Provide the mailing address of the applicant.</b>		
Address:		
City:	State:	Zip:

<b>ADMINISTRATIVE OFFICE ADDRESS: Provide the physical address of the main administrative office of the applicant.</b>		
Address:		
City:	State:	Zip:

<b>BOOKS AND RECORDS LOCATION: Provide the physical address where the books and records of the applicant are available for inspection by the Louisiana Commissioner of Insurance.</b>		
Address:		
City:	State:	Zip:

<b>PRIMARY CONTACT: Provide the name, address, phone number and email address for the primary contact person with whom the LDI should communicate after completion of the licensing process.</b>		
Name:		
Address:		
City:	State:	Zip:
Phone Number:	Email Address:	

## ADDRESS AND CONTACT INFORMATION – Continued

<b>COMPLAINT CONTACT: Provide the name, address, phone number and email address for the contact person to whom consumer complaints should be directed.</b>		
Name:		
Address:		
City:	State:	Zip:
Phone Number:	Email Address:	

<b>REGULATORY COMPLIANCE CONTACT: Provide the name, address, phone number and email address for the contact person to whom regulations or other directives from the commissioner should be directed.</b>		
Name:		
Address:		
City:	State:	Zip:
Phone Number:	Email Address:	

<b>ANNUAL STATEMENT CONTACT: Provide the name, address, phone number and email address for the contact person regarding the financial condition of the applicant should be directed.</b>		
Name:		
Address:		
City:	State:	Zip:
Phone Number:	Email Address:	

<b>PREMIUM TAX CONTACT: Provide the name, address, phone number and email address for the contact person to whom inquiries from the department regarding tax payments should be directed.</b>		
Name:		
Address:		
City:	State:	Zip:
Phone Number:	Email Address:	

## ADDRESS AND CONTACT INFORMATION – Continued

**CYBERSECURITY CONTACT: Provide the name, address, phone number and email address for the contact person responsible for the receipt of and response to inquiries from the department regarding data security and data breaches should be directed.**

<b>Name:</b>		
<b>Address:</b>		
<b>City:</b>	<b>State:</b>	<b>Zip:</b>
<b>Phone Number:</b>		<b>Email Address:</b>

**CATASTROPHE/DISASTER COORDINATION CONTACT: Provide the name, address, phone number and email address for the contact person for receipt of and response to inquiries from the department in the event of a catastrophe or disaster should be directed.**

<b>Name:</b>		
<b>Address:</b>		
<b>City:</b>	<b>State:</b>	<b>Zip:</b>
<b>Phone Number:</b>		<b>Email Address:</b>

**MARKET CONDUCT CONTACT: Provide the name, address, phone number and email address for the contact person to whom market conduct issues should be directed.**

<b>Name:</b>		
<b>Address:</b>		
<b>City:</b>	<b>State:</b>	<b>Zip:</b>
<b>Phone Number:</b>		<b>Email Address:</b>

**ATTORNEY: Provide the name, address, phone number and email address for the attorney representing the fund.**

<b>Name:</b>		
<b>Address:</b>		
<b>City:</b>	<b>State:</b>	<b>Zip:</b>
<b>Phone Number:</b>		<b>Email Address:</b>



## ADDRESS AND CONTACT INFORMATION – Continued

<b>ACTUARY: Provide the name, address, phone number and email address for the qualified actuary of the fund.</b>		
Name:		
Address:		
City:	State:	Zip:
Phone Number:	Email Address:	

<b>CERTIFIED PUBLIC ACCOUNTANT: Provide the name, address, phone number and email address for the certified public accountant who will be auditing the annual financial statements of the fund.</b>		
Name:		
Address:		
City:	State:	Zip:
Phone Number:	Email Address:	

<b>AGENT FOR SERVICE OF PROCESS: Provide the name and physical address of the agent for service of process of the fund.</b>		
Name:		
Address:		
City:	State:	Zip:

<b>CONTACT PHONE NUMBERS Provide the appropriate phone number for the indicated function. If the applicant has designated numbers for specific functions, include that information below.</b>	
FUNCTION	PHONE NUMBER
Primary Phone Number of Applicant	
General Consumer Inquiries	
Other (explain) _____	
Other (explain) _____	
<b>WEB ADDRESS: If the applicant maintains a web site, give the URL or World Wide Web address of the site.</b>	



## LIST OF MANAGEMENT

Below give the full legal name (no initials) and position with the applicant of all natural persons responsible for the conduct of affairs of the applicant. This list should include all officers, all directors, all trustees, all executive committee members and any other natural person who exercises control or influence over the affairs of the applicant.

FULL LEGAL NAME (No Initials)	POSITION WITH APPLICANT

## EXHIBITS

- EXHIBIT A** – A copy of the articles of incorporation or articles of association, partnership agreement or other such organizational documents and all amendments thereto of the of the trade association of which all initial members of the fund are members certified by the Louisiana Secretary of State domiciliary official. The certification must be original and dated within ninety (90) days of submission.
- EXHIBIT B** – A statement of services offered by the sponsoring association which explains all of the services which the sponsoring trade or professional association performs for or provides to its members along with an estimate of approximately what percentage of the resources of the association are allocated to perform each service.
- EXHIBIT C** – Copies of the minutes of the meetings of the board of directors of the sponsoring association for the five years prior to submission of this application. The copies shall be certified as true and correct by the secretary of the sponsoring association.
- EXHIBIT D** – Copies of the newsletters of the sponsoring association for the five years prior to submission of this application.
- EXHIBIT E** – A copy of the by-laws or other governing documents of the fund certified as true and correct by the secretary of the fund.
- EXHIBIT F** – Copies of the completed and signed application forms and indemnity agreements of the fund for each initial member.
- EXHIBIT G** – A copy of the trust agreement of the fund if different than the indemnity agreement.
- EXHIBIT H** – A copy of a feasibility study, or other analysis by a qualified actuary utilizing the actual loss history of the initial members of the fund.
- EXHIBIT I** – An estimated breakdown of policy year expenses. The proper form is enclosed.
- EXHIBIT J** - Pro forma financial statements projecting the first three years of operation of the fund based on a feasibility study. The statements must include balance pro forma balance sheets, income statements and cash flow statements. The statements shall be prepared in accordance with generally accepted accounting principles.
- EXHIBIT K** - Audited financial statements of at least two initial members of the fund showing a minimum combined net worth of one million dollars (\$1,000,000.00). The audited reports must be for a time no more than one year from the application. If the audited financial statements are for a period more than three months prior to the application, also include unaudited financial statements for the entities which are certified as true and correct by two officers of the member.
- EXHIBIT L** – Current balance sheets for all initial members for which an audited financial statement was not supplied. Each balance sheet shall be certified as true and correct by two officers of the member.

## EXHIBITS - Continued

EXHIBIT M – Combined summary financial statement for all initial members which shows the following:

- The ratio of current assets to current liabilities of all members combined is greater than one-to-one.
- The working capital of all members combined is of an amount establishing financial strength and liquidity of the members to pay compensation claims promptly.
- The net worth of all members combined is not less than one million dollars.

EXHIBIT N - Copies of canceled checks or receipts as evidence that each initial fund member has paid not less than twenty-five percent (25%) of that member's first year estimated annual net premium.

EXHIBIT O – Signed certification form the designated depository(ies) attesting to the amount of monies on hand in the accounts of the applicant.

EXHIBIT P – Copies of the signed contracts with the attorney representing the fund, the qualified actuary for the fund and the certified public accountant who will be auditing the annual financial statement.

EXHIBIT Q - Evidence of a statutory deposit as indicated below. (Mark the appropriate description.)

- A one hundred thousand dollar (\$100,000.00) surety bond issued by a surety company licensed to do business in the state of Louisiana. The appropriate bond form is available at <http://www.ldi.la.gov/docs/default-source/documents/licensing/producers/suretybonduniform-other.pdf?sfvrsn=26>. The original bond must be submitted.
- A safekeeping or trust receipt from a bank doing business within the state or from a savings and loan association chartered to do business in this state verifying that the applicant has deposited one hundred thousand dollars (\$100,000.00) in money or acceptable bonds with that institution and pledged said deposit to the Commissioner of Insurance. The banks have the necessary pledge forms. Do not contact this Office to request one.

EXHIBIT R – A copy of all proposed specific excess and aggregate excess insurance in compliance with [La. R.S. 23:1196A\(5\)](#)

EXHIBIT S - Copy of the schedule of rates to be used by the fund along with an explanation of the actuarial justification of the rates.

EXHIBIT T - A description of the procedure for review of the rating system for aggrieved members as required by [La R.S. 23:1200](#)

EXHIBIT U – A plan of operation which addresses the following points:

- What markets does the fund intend to target? What geographic areas?
- Who will produce business for the fund?
- What is the anticipated number of agents the fund plans to have selling its products?
- Briefly, what are the underwriting controls to accept or reject a potential policyholder?
- What procedures or processes does the fund have for reviewing the business produced by individual agents or general agents? What action is taken in association with agents who consistently produce unprofitable business?
- Provide a copy of the fund's billing policy indicating whether the premium payments to the fund will be paid by members on an annual, monthly or quarterly basis.

## EXHIBITS - Continued

**EXHIBIT V** – Completed biographical affidavits for all persons responsible for the conduct of affairs of the applicant. This should include all officers, all directors, all partners (in the case of a partnership), all trustees, all executive committee members and any other person who exercises control or influence over the affairs of the applicant. Only the most recent version of the affidavit adopted by the National Association of Insurance Commissioners is acceptable and all affidavits must be executed no more than 180 days prior to submission. This form can be obtained from the NAIC web site ([http://naic.org/documents/industry\\_ucaa\\_form11.pdf](http://naic.org/documents/industry_ucaa_form11.pdf)).

**EXHIBIT W** – Written confirmation from the applicant that the fingerprints have been submitted as indicated in the special instructions in this application.

**EXHIBIT X** – Written confirmation from the applicant that third party verification reports have been requested as indicated in the special instructions in this application. Include the name of the firm from which the requests were made and the date of the request and payment.

**EXHIBIT Y** – A Conflict of Interest Statement completed and signed by every officer, director and trustee. You may find a copy of the Conflict of Interest Statement at <http://www.lds.la.gov/docs/default-source/documents/licensing/companies/conflict-of-interest-statement-for-reg-66>. A copy of the Conflict of Interest policy of the applicant must be supplied with the statement.

## DEPOSITORY INFORMATION

Provide the name, contact information and account information for all depositories with which the applicant has a relationship.		
<b>Bank/Broker Name:</b>		
<b>Contact Name:</b>		
<b>Address:</b>		
<b>City:</b>	<b>State:</b>	<b>Zip:</b>
<b>Phone Number:</b>		<b>Email Address:</b>
<b>Account Number:</b>		
<b>Bank/Broker Name:</b>		
<b>Contact Name:</b>		
<b>Address:</b>		
<b>City:</b>	<b>State:</b>	<b>Zip:</b>
<b>Phone Number:</b>		<b>Email Address:</b>
<b>Account Number:</b>		
<b>Bank/Broker Name:</b>		
<b>Contact Name:</b>		
<b>Address:</b>		
<b>City:</b>	<b>State:</b>	<b>Zip:</b>
<b>Phone Number:</b>		<b>Email Address:</b>
<b>Account Number:</b>		

# ATTESTATION

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

COUNTY OR PARISH OF \_\_\_\_\_

BEFORE ME, the undersigned authority, personally appeared \_\_\_\_\_

and \_\_\_\_\_ who, after being duly sworn, did depose and say that all

information contained in this application is, to the best of his knowledge, true, complete and correct.

\_\_\_\_\_  
Witness' Signature

\_\_\_\_\_  
Fund Trustee's Signature

\_\_\_\_\_  
Witness' Printed Name

\_\_\_\_\_  
Fund Trustee's Printed Name

\_\_\_\_\_  
Witness' Signature

\_\_\_\_\_  
Fund Trustee's Signature

\_\_\_\_\_  
Witness' Printed Name

\_\_\_\_\_  
Fund Trustee's Printed Name

SWORN TO and subscribed before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Notary Public or Bar Roll Number

\_\_\_\_\_  
Notary Public's Signature

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public's Printed Name



**Estimated Breakdown of Fund Year Expenses**

Fund Name: \_\_\_\_\_

DESCRIPTION	AMOUNT	DESCRIPTION	AMOUNT
<b>INCOME</b>		<b>ADMINISTRATIVE EXPENSE - CONTINUED</b>	
1. Standard Premium		22. Inspection/Underwriting Services	
2. Discount Allowed		23. Legal Services	
3. Normal Premium (Subtract Line 2 from Line 1)	\$	24. Actuarial Services	
4. Investment Income		25. Audits/accounting Services	
5. Expense Constants		26. Travel and Entertainment	
6. Other Income (Itemize on separate sheet)		27. Rental of Office or other Space	
7. Total Income (Add Lines 3 thru 6)	\$	28. Furniture and Equipment	
<b>CLAIM EXPENSE</b>		29. Depreciation of Furniture and Equipment	
8. Allocation to Claims Fund	\$	30. Excess Insurance Coverage	
9. DLES Special Disability Assessment		31. Other Insurance or Bonds	
10. DLES Administrative Assessment		32. Postage, Express and Telephone	
11. Investigation and Settlement of Policy Claims		33. Utilities	
12. Total Claim Expenses (Add Lines 9 thru 11)	\$	34. Payroll Taxes	
13. Projected Claim Surplus or Deficit (Subtract Line 12 from Line 8)	\$	35. Income Taxes	
<b>ADMINISTRATIVE EXPENSE</b>		36. Other Taxes	
14. Total Allocated to Administrative Fund	\$	37. Printing and Stationery	
15. Service Fees		38. Sundry General Expense	
16. Administrator Fees		39. Total Administrative Expenses (Add Line 15 thru Line 39)	\$
17. Boards, Bureaus and Association Fees		40. Projected Administrative Fund Surplus or Deficit (Subtract Line 39 from Line 14)	\$
18. Examination Fees		41. Total Fund Projected Surplus or Deficit (Add Line 13 and Line 40)	\$
19. Agents/Brokers Commissions			
20. Advertising and Promotion			