



STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE

Insurance Division - Self-Insurance
500 James Robertson Parkway
Nashville, Tennessee 37243-1132

**DOCUMENTATION REQUIRED FOR DEPARTMENT TO BEGIN REVIEW OF
SELF-INSURED WORKERS' COMPENSATION POOLS**
(per Tenn. Comp. R. & Reg. Ch. §0780-01-54)

Organizational documents and information:

1. "Self-Insurance Group Application" (Form included in this packet) along with a \$675.00 review fee. Payments are to be made payable to the Tennessee Department of Commerce and Insurance.
2. The articles of incorporation, trust agreement, or any other similar document from which the pool is formed;
3. The by-laws of the pool;
4. The mailing addresses and physical location of all of the pool's offices in Tennessee, including the address where the books and records of the pool will be located;
5. The name, address, and telephone number of each member; and Documentation evidencing designation of the board of trustees, administrator, and, if applicable, third party administrator. (Note: A pool must be comprised of ten (10) or more employers of the same trade or professional association)

Written contracts:

1. "Administrator Application" (Form included in this packet) and all contracts between the pool and the pool's administrator;
2. All contracts between the pool and the pool's expected third party administrator;
3. Any and all royalty agreements or contracts;
4. Any and all service fee agreements or contracts; and
5. The errors and omissions insurance policies for the board of trustees issued to protect the pool from damages, if any.

Operational documents:

1. Any operational and/or claims manual to be used by the pool;
2. Documentation establishing the rate at which insurance producers will be commissioned to solicit members to join the pool; and
3. Underwriting guidelines established by the board of trustees.

Financial documents:

1. Documentation in a form acceptable to the Commissioner evidencing the financial ability of the pool to pay the obligations of the pool and to pay the workers' compensation obligations of its members, as provided in this Chapter; and
2. Documentation evidencing proof of payment to the pool by each member of the initial premium due for such member in an amount of at least twenty-five percent (25%) of the member's first year premium.



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Member documents:

1. "Application for Group Membership" (Form included in this packet);
2. Indemnity agreements (Form included in this packet) between the pool and each member establishing each member's joint and several liability to the pool for all expenses, liabilities, and claims asserted against the pool by any person or entity;
3. Documentation evidencing the current experience modifier of each member, if the member's premium size makes it available;
4. Documentation evidencing loss run data for each member for the past four (4) years or loss run data for all prior years the member has been in business, whichever is less; and
5. A financial statement for the most recent fiscal year ended over ninety (90) days prior to the application and for each quarter ended more than thirty (30) days prior, if such quarterly statement is available. The pool may file the following types of financial statements in order to comply with this Rule:
 - (i) Audited financial statement prepared by a certified public accountant;
 - (ii) Compilation report prepared by a certified public accountant;
 - (iii) Tennessee Franchise and Excise Tax Return including Form 1120; or
 - (iv) Such other financial statements as the Commissioner may accept.

Sponsoring association documents:

1. The articles of incorporation or other similar document from which the sponsoring association is formed;
2. The by-laws, constitution, and procedures of the sponsoring association;
3. Documentation evidencing the fact that the sponsoring association has members that support the association by regular payment of dues on an annual, semiannual, quarterly or monthly basis;
4. A certification signed by the president of the sponsoring association that the association was created in good faith for purposes other than that of creating a self-insurance pool; and
5. Documentation evidencing that the sponsoring association has reviewed the pool's application for a certificate of authority and believes and represents to the Commissioner that the statements made in the application and the documents accompanying the application comply with the sponsoring association's constitution, by-laws and procedures and applicable state statutes and regulations.



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SELF-INSURANCE GROUP APPLICATION

To The Commerce and Insurance Commissioner of Tennessee:

The undersigned, a duly authorized representative of a group of employers subject to the provisions of The Tennessee Workers' Compensation Act and organized under the laws of the State of Tennessee for the purpose of qualifying as a Group Self-Insurer, certifies that such employers have duly entered into agreements to pool their liabilities in accordance with Tennessee Statute T.C.A. Section 50-6-405 (c) and the applicable Rules for Group Self-Insurers of the Act and that such agreement is attached hereto and does make application for approval of the establishment of a Group Self-Insurer to pay compensation benefits direct to the employees of such employer members.

1. Name of Group Self-Insurer _____
2. Address —Principal Office _____

3. Address of Principal Office of Association or Group _____

4. Desired Effective Date of the Group _____, 20 _____
5. Name and Address of Designated Depository _____

6. Fund Balance in Depository as of Application Date _____
7. Estimated Number of First Year Members _____
8. Estimated Amount of First Year Premium _____
9. Field of Common Interest _____
10. Name and Address of Administrator _____

11. Name and Address of Duly Qualified Service Company _____

Therefore, we respectfully request that authority be granted to our named Group for the privilege of receiving a Certificate of Authority to act as a Self-Insurer under the Tennessee Workers' Compensation Law to be effective on the _____ day of _____ 20 _____.

(Name of Group)

By

(Chairman, Board of Trustees)

State of Tennessee

County of _____

Subscribed and sworn to me by _____

on this _____ day of _____,

20 _____.

(Notary Public)

My Commission Expires: _____



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APPLICATION FOR GROUP MEMBERSHIP

Application For Membership In The _____
 _____ Group Self-Insurer.

1. Name _____
2. Address _____
3. Federal Employer Identification Number _____
4. Applicant is: () Corporation () Partnership () Individual
5. Nature of Business _____
6. List of Partners, Owners or Corporate Officers:

NAME	ADDRESS	TITLE	PERCENTAGE OWNERSHIP

7. Number of Employees Working for Applicant in Tennessee at This Time _____.
8. Amount of Annual Payroll During Past Year for Applicants' Employees Working in Tennessee _____.
9. Current Payroll or Projected Payroll for Applicants' Employees Working in Tennessee _____.
10. Give the Following Payroll Facts for the Past Twelve Months Period Ended _____
 20_____.

AMOUNT OF TENNESSEE PAYROLL BY OCCUPATIONAL CLASSIFICATION

No. of Employees	Classification	Payroll	Manual Code	Rate Per \$100	Annual Premium
Total premiums paid for the above period _____					\$

11. Tennessee Workers' Compensation and Employer's Liability Insurance coverage prior to effective date carried by: _____

12. We hereby formally apply for continuing membership in the above named Group, to be effective on _____, 20 _____, and if accepted by its duly authorized representative, do hereby designate and appoint the named manager of the Group as our agent-in-fact in all matters relating to the Workers' Compensation Act and/or employer's liability. We further agree as follows:

- A. To accept and be bound by the provisions of the Tennessee Workers' Compensation Act.
- B. That by application and reference, the terms and provisions of the group Indemnity Agreement and/or Amendment thereto filed, or any renewal Indemnity Agreement which hereafter be filed with the Tennessee Insurance Commissioner are hereby adopted, approved, ratified and confirmed by us: and further, we agree to assume all of the obligations set forth therein, including but not limited to our joint and several liabilities for payment of any lawful awards against any member of the Group.
- C. To abide by the rules and regulations of the Trustees of the Group and to conform to the term of the agreements they may enter into with any authorized service company as long as we remain a member of the Group.
- D. We agree to give at least thirty (30) days written notice to the Group prior to our withdrawal as a member. Too, in the event, of any change in ownership, corporate structure, legal entity, nature of business or if any locations are to be added or deleted, we agree to so notify the Group immediately. The Group will give written notice thirty (30) days prior to cancellation or expulsion of any member.

(Applicant)

By _____
(Official and Title)

State of Tennessee
County of _____

Subscribed and sworn to me by _____
on this _____ day of _____, 20 _____.

(Notary Public)

My Commission Expires: _____

Application and supporting documents of _____ have been properly received and noted. Said applicant is hereby approved and accepted for membership in the Group effective _____ day of _____, 20 _____

(Name of Group)

By _____
Chairman, Board of Trustees

Date of Signing _____

AFFIDAVIT

County _____

State _____

I. _____, the undersigned, being the _____

_____ of the _____
(Title) (Name of Administrator)

_____, swear (or affirm) that to the best of my knowledge and belief, the statements contained in the application, including the accompanying documents are true and complete.

By: _____

Sworn before me this _____ day of _____, 20_____.

(Notary Public)

My Commission Expires: _____



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ADMINISTRATOR APPLICATION

In accordance with Tenn. Comp. R. & Reg. 0780-1-54-.07(1), no person shall act as an administrator for a pool without a license issued by the Commissioner of Commerce and Insurance.

Name of Applicant - Administrator: _____

Address: _____

Telephone Number(s): _____

Name of Pool: _____

Status of Applicant - Administrator: () Corporation () Partnership () Individual

The following must be submitted as part of this application:

If the applicant is not a natural person, the most recent financial condition of the applicant in the form of an audited financial statement, a compilation report prepared by a certified public accountant, or a Tennessee Franchise and Excise Tax Return.

Evidence that the applicant has obtained a fidelity bond in the amount of two hundred thousand dollars (\$200,000) written by a company licensed to transact insurance in the State of Tennessee. Said fidelity bond may be obtained by either the administrator or the pool on the administrator's behalf.

Evidence that the applicant has obtained an errors and omissions insurance policy for the protection of the pool in the amount of two hundred thousand dollars (\$200,000) written by an insurance company licensed to transact business in the State of Tennessee.

NAIC Biographical Data form(s) containing original signature(s) and notary must be completed by the officers and directors of the applicant.

Each pool shall enter into a written contract with the administrator setting forth with specificity the functions of the administrator in their entity, and the method of calculating the entire amount of compensation to be paid to the administrator for the services rendered to the pool. Please attach this contract.

An affidavit concerning if the administrator or its employee(s) or the pool's board of trustees have accepted or will accept or be the beneficiary of, any fee, brokerage, commission, gift or other consideration for or on account of any loan, deposit, sale, payment, exchange, or reinsurance transaction made by or on behalf of such pool, or be peculiarly interest in any such purchase, sale, loan, either as borrower, principle, co- principle, agent or beneficiary, except that if a member, such person shall be entitled to all of the benefits accruing under the terms of the membership. The affidavit should state that the applicant is aware that the above would be in direct violation of Tenn. Comp. R. & Reg. 0780-1-54(6).

An affidavit concerning if the administrator or its employee(s) or the pool's board of trustees have taken or received for their own use any fee, brokerage, commission, gift or other consideration of the pool except for reasonable compensation for services performed or sales or purchases made to or for the pool in accordance with the terms of the administrator contract approved by the Department of Commerce and Insurance Commissioner. In addition, a statement should be included concerning if the administrator or its employee(s) or the pool's board of trustees shall collect a commission for the procurement of excess insurance of the pool. The affidavit should state that the applicant is aware that the above would be in direct violation of Tenn. Comp. R. & Reg. 0780-1-54(7).

I hereby declare that the statements made in the application and the documents attached to this application are true, correct and complete to the best of the person's knowledge and belief and upon penalty of perjury.

(Signature of the Applicant - Administrator)

(Print Name)

(Print Title)

(Date)



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Bond No. _____

Effective
Date _____

GROUP SELF-INSURANCE BOND

KNOW ALL MEN BY THESE PRESENTS, that _____
_____, a group self-insurance pool as defined in the laws of the State
of _____ as Principal, _____ a corpora-
tion duly incorporated under the laws of the State of _____ as Surety, are
held and firmly bound unto the State of Tennessee in the full and just sum of _____
dollars, current money of the United States, to be paid to the State of Tennessee, to the payment we hereby bind
ourselves and each of us, our and each of our successors and assigns, jointly and severally, firmly by these
presents, sealed with our seals and dated this _____ day of _____
A.D., 20 _____

WHEREAS, the above bounden _____
did on the _____ day of _____, A.D., 20 _____, file with the
Commissioner of Commerce and Insurance of the State of Tennessee its application for a certificate of authority
for group Self-insurance pool under T.C.A. Section 50-6-405 (c), of the laws of Tennessee.

AND WHEREAS, the Commissioner on the _____ day of _____
A.D., 20 _____, granted the application for the certificate of authority upon condition that _____
_____ group self-insurance pool enter into bond in the penalty of
dollars conditioned among other things that the pool shall abide by and perform the requirements of the
aforesaid law with reference to paying or furnishing Compensation, medical or surgical services, etc., and the
rules and regulations that are now or may hereafter be adopted by the Commissioner of Commerce and
Insurance and the Workers' Compensation Division.

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 the requirements of the aforesaid Act 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, then this obligation shall be void, otherwise to remain in full
force and effect.

This Bond is and shall be construed to be a direct obligation by the Principal and Surety herein either jointly or severally, to the person who may entitle to such sum for medical, surgical and other services, funeral expenses of Compensation and may be sued upon and enforced in the name or names of such person or persons.

This Bond may be cancelled at any time by the Surety upon giving thirty (30) days written notice to the Commissioner of Commerce and Insurance of the State of Tennessee, in which event liability of the Surety shall, at the expiration of the said thirty (30) days, cease and determine, except as to such liability of the Principal on account of injury or death to any covered employees, as may have accrued prior to the expiration of the thirty (30) 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 said pool has caused these presents to be executed by the signature of the Chairman of its Board of Trustees, and the Surety has caused there presents to be executed by the signature of its President, and its corporate seal attached hereto, attested by its Secretary.

Per _____

Chairman, Board of Trustees

Attest as to seal:

Per _____

President

Secretary

INDEMNITY AGREEMENT

This agreement, made and entered into as of this _____ day of _____, 20____
by and among _____ and _____
the SELF-INSURED WORKERS' COMPENSATION POOL, hereinafter referred
to as the "POOL," acting by and through its Board of Trustees, and all undersigned
persons, partnerships, corporations, or other entities, hereinafter referred to as the
"MEMBER."

Under the Tennessee Workers' Compensation Act, **Tenn. Code Ann. §50-6-405(c)**,
and **Tenn. Comp. R. & Reg. 0780-1-54** of the Tennessee Department of Commerce
and Insurance, the Member wishes to combine their liabilities with other members
of the pool in which the Pool shall pay all workers' compensation benefits.

The member agrees that the Pool and each Member that has entered into this
agreement will, jointly and severally, assume and discharge by payment; all
expenses, liabilities, and claims asserted against the Pool by any person or entity.

The Pool shall cancel the Member if the Member is more than one hundred twenty
(120) days late in making a premium payment or if the Member does not pay an
assessment when due. A Member who elects to terminate its membership or is
cancelled by the Pool remains jointly and severally liable for the financial
obligations of the Pool and its members incurred during any fund year in which the
person was a Member of the Pool.

This agreement shall be irrevocable and remain in effect for the entire year in which
the Member receives any workers' compensation coverage through the Pool, shall
bind any successor in interest, and shall remain in effect as long as there is any
obligation or liability of the Pool in this State.

(Applicant)

State of Tennessee
County of _____

Subscribed and sworn to before me this _____
day of _____, 20____

(Print Name and Title)

(Notary Public)

My Commission Expires: _____

(Witness)

By: _____
(Chairman, Board of Trustees)