STATE OF INDIANA – Mike Braun, Governor
WORKER'S COMPENSATION BOARD Linda Peterson Hamilton - Chairman
402 West Washington Street, Room W 196
Indianapolis, Indiana 46204-2753
Telephone: (317) 233-3009
www.in.gov/wcb

To: Indiana Self-Insured Employers
From: Linda Peterson Hamilton, Chairman
Re: 2025 Applications

Attached are the 2025 guidelines and renewal application for self-insuring in the State of Indiana. Please keep in mind that it is important that you answer all of the questions on the application fully. All of the attachments and additional information requested in item 7 must be provided. Incomplete applications cannot be processed and will not be approved. The completed application should be returned to our office no later than **August 8th, 2025. Late and incomplete applications are subject to a late fee as described below.**

Please note the following regarding the supplemental forms attached to the application.

- Form SI-4 (Indemnity Agreement by the Parent Corporation for Wholly Owned or Majority Subsidiary) should be completed if you are adding or revising any subsidiaries.

- A valid surety bond or other approved security must be on file with the Board at all times. If we already have a bond (on the revised 2003 form) or other approved security, it is not necessary to include another with this application.

- A current SI-3 (Certificate of Excess Insurance) must be on file with the Board at all times. If we already have a current SI-3 on file for your company, it is not necessary to include another with this application.

- Only if you are specifically involved in the trucking industry, is it necessary to complete the Form SI-7 (Truckers Supplemental Application).

Pursuant to IC 22-3-5-1(b), renewal applications must be accompanied by a payment of $250.00. Please use the State's electronic payment system, which can be accessed at http://www.in.gov/wcb. If you do not already have one, you may obtain a "unique identifier" to pay electronically by contacting the Board. This will allow a debit transaction directly from your company's bank account for a $1.00 State user fee. The fee for using the credit card option will be higher because it is a percentage of your payment. Please include the appropriate FEIN with your payment.

All renewal applications and enclosures should be sent to the attention of Mary Taivalkoski at the above address. If you have any questions, she can be reached at (317) 232-3811 or via email at mtaivalkoski@wcb.in.gov. **Per IC 22-3-5-1(b)(3), incomplete new and renewal applications received after August 10th, 2025, will be charged an additional $250.00 late fee unless the Board has been notified before the deadline for filing that an impediment to timely filing has arisen.**

(Revised 2025)

SELF-INSURANCE GUIDELINES
WORKER'S COMPENSATION BOARD OF INDIANA

Authority: Indiana Code 22-3-5-1 and 22-3-7-34

DEFINITIONS
As used in these guidelines, the following terms shall be construed as follows:

a. "Employer" includes any individual, firm, association or corporation, or the receiver or trustee of same, or the legal representatives of a deceased person, using the services of another for pay.

b. "Employee" includes every person, including a minor, in the service of another, under any contract of hire or apprenticeship, written or implied, except one whose employment is both casual and not in the usual course of the trade, business occupation or profession of the employer.

c. "Acts" includes the Worker's Compensation Act and the Occupational Diseases Act as found in IC 22-3.

d. "Rules" refers to the rules of the Worker's Compensation Board of Indiana as found in the Indiana Administrative Code (IAC) at Title 631.

e. "Board" refers to the Worker's Compensation Board of Indiana.

A. Applications

(1) An employer seeking waiver from insuring its risk under the Acts by receiving Board approval of becoming an individual self-insurer shall apply on the form prescribed by the Board.

(2) Initial and renewal applications shall contain answers to all questions and be executed by a qualified officer of the corporation, a partner or the sole proprietor.

B. Additional Requirements

As part of the application, compliance with all of the following shall be required:

(1) The applicant shall provide an audited financial statement disclosing the assets and liabilities of the business, prepared within the last six (6) months and signed by an officer, general partner or sole proprietor as is applicable to applicant's form of business. An annual report to the stockholders, if prepared within the last six (6) months and signed by an officer of the corporate applicant, is acceptable to fulfill this requirement. Such financial statement or annual report shall become part of the application. This information, upon receipt by the Board, shall be treated as confidential and shall not be released to any other entity.

(2) An employer shall have been in business for a period of not less than five continuous years and shall demonstrate sufficient financial strength and liquidity of the business to assure that all obligations concerning employees injured in the course and scope of their work for applicant shall be promptly met. An employer in business for less than five years may be considered if its liability is guaranteed by a parent corporation, provided such parent corporation has been in business for five continuous years or more, or upon other terms satisfactory to the Board.

(3) Specific and aggregate excess insurance, with acceptable policy limits and retention amounts, may be required in each self-insured program as a condition of approval.

(4) A surety bond shall be required as part of a self-insured program in a minimum amount of Five Hundred Thousand Dollars ($500,000.00).

(a) No corporate surety shall be eligible to write self-insurance surety bonds unless authorized to transact such business in the State of Indiana by the Commissioner of Insurance.

(b) Surety bonds shall be issued on a prescribed form and may be exchanged or replaced with another surety bond if 60 days notice of termination of liability is given and the replacement is approved by the Chairman.

(c) Receipt by the Board of notice of cancellation of an employer's surety bond shall be grounds for termination of the employer's self-insured status unless a replacement surety bond acceptable to the Board is filed with the Board prior to the effective date of the cancellation.

(5) All parent companies must guarantee their subsidiary companies liability for payment of benefits. The form and substance of such guarantee shall be prescribed by the Board.

(6) Each individual self-insurer or its approved service company shall provide facilities and competent personnel to service its own program with respect to claims administration.

C. Compliance with Requirements, Notice, Additional Time, Certification and Renewal Application

(1) After considering the application and all supportive data, the Board will either grant approval or advise the employer in writing of the requirements to be met, and the time frame in which must be done, before approval will be granted. Self-insured status shall not become effective until all requirements for self-insured approval have been met and a certificate issued.

(2) The employer may be granted additional time to meet the requirements for the self-insured program provided it supplies security acceptable to the Board, at the sole discretion of the Board. A request for an extension of time shall be made in writing by the employer prior to the end of any period described in Section (C)(1). If the Board does not receive proof that all requirements for the self-insured program

have been met within the time prescribed, or any extension thereof, the application shall be denied.

(3) Upon meeting the requirements, an employer shall receive a certificate approving its status as a self-insured employer. The certificate shall expire on the 31st day of August of the following year. The employer shall submit a renewal application no less than thirty (30) days before expiration of its self-insured status, together with a current financial statement that meets the Board's requirements. Upon approval of a renewal application, the self-insured status shall be extended for one year.

D. Evaluating Employer- Factors for Approval, Notice of Denial or Termination

(1) In its sole discretion, the Board may decline to approve an application for self-insurance or terminate the self-insurance status if the employer is unable to demonstrate that it will be able to meet all obligations under the Acts, if it cannot supply security acceptable to the Board, or for failure to comply with the provisions of the Acts or Rules. The following factors may be used in determining if the employer can meet those obligations under the Acts.

(a) Profit and loss history.
(b) Organizational structure and management background.
(c) Compensation loss history and proposed excess insurance coverage.
(d) Source and reliability of financial information.
(e) Number of employees.
(f) Excess insurance.
(g) Guarantee by parent company.
(h) Surety bond.
(i) Claims administration.
(j) Dunn and Bradstreet rating, if any.

(2) Notice of denial or termination of self-insured status shall be given to the employer in writing. The notice will include the grounds for denial or termination.

E. Specific and Aggregate Excess Insurance

(1) No contract or policy of specific or aggregate excess insurance shall be recognized in considering the ability of an applicant to fulfill its financial obligations under the Acts unless such contract or policy complies with all of the following:

(a) Is issued by a casualty insurance company authorized to transact such business in this state.
(b) Is not subject to cancelation or nonrenewable unless written notice by registered or certified mail is given to the other party to the policy and to the Board at least thirty (30) days before termination is to occur.
(c) Regarding any type of commutation clause, shall provide that any commutation effected thereunder shall not relieve the underwriter or underwriters of further liability in respect to claims and expenses

unknown at the initial commutation which is subsequently reopened by or through the Board or court. If the underwriter proposes to settle its liability for future payments payable as a lump sum to the employer, to be fixed as provided in the commutation, notice shall be given by the underwriter(s) or its (their) agent by registered or certified mail to the policy owner and the Board. If any commutation is effected, then the Board shall have the right to direct that such sum be placed in trust for the benefit of the injured employee(s) entitled to such future payments of compensation.

(d) Must state that, a self-insured employer becomes insolvent and is unable to make compensation payments, the excess carrier shall make, directly to claimants or their authorized representatives, such payments as would have been made by the excess carrier to the employer after it has been determined that the retention level has been reached on the excess contract.

(e) Shall contain language stating all of the following shall be applied toward achieving the retention level in the aggregate excess policy.

(f.) Payments made by the employer (ii.) Payments due and owing to claimants of the employees (iii.) Payments made on behalf of the employer by any surety required by the Board.

(g) Must contain certification that such policy fully complies with the policies of the Board and the directive of the Acts.

F. Third Party Administrators - Application, Requirements, Noncompliance

(1) Any individual, partnership, or corporation desiring to engage in the business of providing services through an approved compensation program for a self-insured employer shall, before entering into a contract with the employer, apply to the Board and satisfy the Board that it has adequate facilities and competent staff to administer the self-insurance program in such a manner as to fulfill the employer's obligations under the Acts and policies of the Board. Service may include, but is not limited to, claims adjusting, underwriting, and the capacity to provide required reporting, if any.

(2) Application for approval to act as a servicing company for self-insured employers shall be made on the required form. The application shall contain answers (under the penalties for perjury) to all questions propounded. Proof shall be furnisher that the applicant has within its organization, or has contracted on a full-time basis with, at least one person who has the knowledge and experience necessary to handle claims involving the Acts. The applicant must be approved before the third-party administrator (herein after TPA) service company enters into a contract with an approved self-insurer. Approvals shall be granted for an indefinite period, subject to revocation at the discretion of the Board Chairman.

(3) If the TPA seeks approval to provide underwriting services to self-insurers, proof shall be furnished that it has within its organization, or has contracted on a full-time basis with, at least one person who has the knowledge and experience necessary to provide underwriting services for workers' compensation excess insurance coverage.

(4) TPA shall maintain adequate staff and the staff shall be authorized to act for the service company on all matters covered by the Acts and Rules.

(5) The TPA shall make available to the Board, upon demand, copies of all contracts entered into with Indiana self-insured employers. Such contracts, if requested, will be kept confidential by the Board. The TPA shall handle all claims with dates of injury or disease within the contract period until their conclusion, unless the TPA is relieved of the responsibility by subsequent agreement, an approved substitute TPA or administration by the self-insured entity is approved by the Board.

(6) Failure to comply with the provisions of the Acts or Rules shall be considered good cause for revocation of the approval to act as a TPA for Indiana self-insurers. Thirty (30) days notice of revocation shall be given and notice shall be served by certified or registered mail upon the employer and TPA.

(7) If incorporated, the service company must show proof that it is duly authorized to do business within the State of Indiana.

WORKERS COMPENSATION BOARD OF INDIANA

Date: 5/25/ 2025

Linda Hamilton

Linda Peterson Hamilton, CHAIR

(Revised 2025)