



## INSTRUCTIONS FOR COMPLETING THE WORKERS' COMPENSATION LIABILITY FORM

### General Instructions:

1. Attach per claim data to support the current authorization year and prior years summary information entered in columns "A," "B," and "C."
2. **For current year's claims, a cut-off date may be used, but should be within 60 days of your anniversary date. Only those claims actually open on the cut-off date should be shown.**
3. Form must be signed by either the Chief Financial Officer or Chief Executive Officer (R20-5-1103(B)(4)).
4. Return this form with attach claim summary by your anniversary date.
5. **Remember, the required security deposit must be received by the Industrial Commission by your anniversary date.**

After all renewal requirements have been met, you will be notified of your authorization to continue to self-insure workers' compensation liabilities in Arizona.

### Specific Instructions:

1. Enter the self-insured company's formal name.
2. Column A - Number of Open Claims: Should contain all open cases for the years of self-insurance authorization. (see item #11 for further detail)
3. Column B - Incurred Medical Liability: Should contain the total amounts incurred for all claims accepted, that are open, for each period indicated, for both medical and compensation (lifetime liability). (see item #11 for further detail)
4. Column C - Paid Medical: Should contain the total amounts paid on the reported open claims, through the latest reporting period, for period of self insurance authority. (see item #11 for further detail)
5. Column D – Owed Medical: Should contain the amounts of unpaid liability. Calculate this by subtracting Column C from Column B.
6. Column E – Incurred Compensation Liability: Should contain all open cases for the years of self-insurance authority.
7. Column F – Paid Compensation: Should contain the total amounts paid on the reported open claims, through the latest reporting period, for the period of self-insurance authority.

8. Column G – Owed Compensation: should contain the amounts of unpaid liability. Calculate this by subtracting column F from column E.
9. Column H – Add Columns D and G. (Total Medical Owed + Total Comp. Owed)
10. Enter the total from Column H onto the “Total Owed” line.
11. **For information provided in columns A, B and C, you must also provide supporting schedules on a per claim basis. The supporting schedules should include at a minimum the following information: Name of claimant, claim number, date of injury, amount of total liability,(DO NOT reduce the total liability by the amount of excess insurance to be received) amount paid on the claim, amount owed on the claim. Totals on this report must be the same as the totals reported on the Workers Compensation Liability Form.**
12. **Excess insurance ceded: If a credit for excess insurance is taken to offset the amount of the “Total Owed” calculation, then enter the total amount of excess reimbursement *REQUESTED ANNUALLY* (statutory limits apply) at the time, the Workers Compensation Liability form is completed. To support the amount of credit taken, the following information must be submitted: the name of the claimant, date of injury, amount of credit taken which should equal the amount to be reimbursed by the excess insurance carrier, name of the insurance carrier(s) and the policy years that the credit is being taken for. (Credits can not be taken for Expense, Legal and Administrative fees) In addition, If a credit for “Excess insurance ceded” is taken, then please provide proof of insurance for the years that the credit is taken (R20-5-1108(A)(5). Remember, a credit for excess insurance cannot be taken, if the self-insured company has an affiliate relationship with the self-insured (R20-5-1109(D)(5).**
13. Net remaining liability: Difference between “Excess insurance ceded” and “Total Owed.”
14. Multiply 125% of the “Net remaining liability” amount.
15. Enter your security deposit amount, which cannot be less than \$100,000.00.
16. Employee Count