

# WORKERS' COMPENSATION AGENCY SERVICE COMPANY APPLICATION

Michigan Department of Energy, Labor & Economic Growth  
Workers' Compensation Agency  
Self-Insured Programs  
7150 Harris Drive (48913)  
PO Box 30016  
Lansing, Michigan 48909

Authority: Workers' Disability Compensation Act of 1969, as amended Completion: Mandatory Penalty: Revocation of Service Company Status	The Department of Energy, Labor & Economic Growth will not discriminate against any individual or group because of race, sex, religion, age, national origin, color, marital status, disability, height, weight, or political belief.
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Name of Applicant
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hereby applies for approval to operate as a servicing company for qualified self-insurers under the Michigan Workers' Disability Compensation Act and submits the following report in support of said application:

1. a. The name, address, etc., of the office that the Agency may contact for Service Company licensing and regulation concerns, including questions regarding this application.

Contact Person	Title	Phone # (    )	Fax # (    )
Street/P O Box	City	State	ZIP Code

- b. The name, address, etc., of the MICHIGAN office pursuant to R408.43m (6). (R 408.43m (6) states, "A service company shall maintain adequate staff in the state. The service company shall authorize staff to act for the service company on all matters covered by the act and the rules of the bureau.")

Contact Person	Title	Phone # (    )	Fax # (    )
Street/P O Box	City	State	ZIP Code

2. Applicant is:      Individual       Partnership       Corporation       LLC

3. Federal I.D. Number:

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4. Is applicant a subsidiary?

Yes     No

a. Parent company is

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b. Percent of voting stock owned by parent

	%
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5. Name and address of the partners, officers or members.

Name	Address	Title
Name	Address	Title
Name	Address	Title
Name	Address	Title

6. Individual, partners, principal stockholders or principal managers and percentage of stock owned by each.

	%
	%
	%
	%

7. Does the applicant seek approval to provide claims services for qualified self-insurers in the state of Michigan?  
YES  NO  If yes, the service company must provide the name of the principal individual the applicant will use to fulfill the requirements of Rule 13m regarding claim services, and **a resume covering prior experiences must be attached to this application.**
8. Does the applicant seek approval to provide underwriting services for qualified self-insurers in the state of Michigan?  
YES  NO  If yes, the service company must provide the name of the principal individual the applicant will use to fulfill the requirements of Rule 13m regarding underwriting services, and **a resume covering prior experiences must be attached to this application.**
9. Does the applicant seek approval to provide loss control services for qualified self-insurers in the state of Michigan?  
YES  NO  If yes, the service company must provide the name of the principal individual the applicant will use to fulfill the requirements of Rule 13m regarding loss control services, and **a resume covering prior experiences must be attached to this application.**
10. Does applicant have in-house facility for providing loss data reporting for the client and the Agency?  Yes  No  
If **NO**, list the name of the facility that will be used to compile loss data.

11. **Attach a copy of the applicant's most recent annual financial statement (certified financial statements are preferred).**
12. **Attach a copy of the applicant's standard service contract.** (Must include provisions for handling claims to conclusion and reporting to the excess insurer. See sections d and e below.)

**NOTE: IF THE SERVICE COMPANY DEVIATES FROM THIS STANDARD CONTRACT FOR ANY MICHIGAN CLIENT, PRIOR WRITTEN APPROVAL MUST BE RECEIVED FROM THE MICHIGAN WORKERS' COMPENSATION AGENCY.**

In consideration of the privilege of being an approved service company, we hereby certify that:

- a. We will abide by all provisions of the Michigan Workers' Disability Compensation Act and Administrative Rules.
- b. We will promptly furnish all reports to the Workers' Compensation Agency which it may lawfully require including, upon request, a copy of our service agreement for each approved self-insurer that contracts for our services.
- c. In case of the insolvency of a self-insured employer, we will make our records available to an agent of the Self-Insurers' Security Fund.
- d. Our contract for services complies with the Workers' Disability Compensation Act and the Administrative Rules including, but not limited to Rule 13m, which provides in part, "The service company shall handle all claims with dates of injury or disease within the contract until conclusion of the claims, unless the service company is relieved by the Bureau, in writing, of the responsibility for handling claims."
- e. Pursuant to Rule 13m, the service company certifies that its standard service contract provides for the reporting to and placing on notice, the self-insurers' specific and/or aggregate excess insurer, of all claims, as required by the specific and/or aggregate excess insurance contracts purchased by the self-insurer.
- f. Should we deviate from the standard service contract, we will advise and request the Agency's approval before entry into such a contract.

I affirm all information submitted as being true.

BY: \_\_\_\_\_  
Type Name of Person Signing

TITLE: \_\_\_\_\_  
Title of Person Signing

SIGNATURE: \_\_\_\_\_

NOTARY SIGNATURE: \_\_\_\_\_

COUNTY OF: \_\_\_\_\_

MY COMMISSION EXPIRES: \_\_\_\_\_

DATE: \_\_\_\_\_

AFFIX STAMP:

# WORKERS' COMPENSATION AGENCY

## R408.43m-EFFECTIVE MARCH 1, 2007

### **R 408.43m Servicing self-insured employers or groups; application; requirements; noncompliance.**

Rule 13m. (1) An individual, partnership, limited liability company, or corporation that desires to engage in the business of providing 1 or more services for an individual self-insurer or a self-insurers' group shall apply to the bureau before entering into a contract with the individual or group self-insurer and shall satisfy the bureau that it has adequate facilities and competent staff with Michigan workers' compensation adjusting experience within the state to service a self-insured program in a manner that fulfills the employers' obligations under the act and the rules of the bureau. Workers' compensation claims of Michigan individual or group self-insured employers shall be handled within the state of Michigan by its staff, except that the director, at his or her discretion, may permit an approved service company to handle the claims of a Michigan individual self-insurer outside of this state upon specific written request by the individual self-insurer and the service company. The request for permission shall set forth documentation sufficient to the agency that claims will be handled pursuant to Michigan law, administrative rules, and agency policy. The director will respond to the request in writing, giving the reasons for denial, or if approved, the conditions of approval. The approval may be withdrawn by the director at any time based upon the failure of the service company and/or employer to comply with the conditions of the approval. Service may include claims adjusting, loss control services, underwriting, and the capacity to provide required reporting. Any individual, partnership, limited liability company, or corporation that provides claims adjusting or loss control services to an approved self-insured employer, where the self-insured employer has designated within its own organization an individual to be responsible to the bureau for its claims program or loss control services, or both, shall not be considered a service company for purposes of this rule.

(2) An applicant shall apply to the bureau for approval to act as a servicing company for self-insured employers or group funds on a form prescribed by the bureau. The application shall contain answers to all questions. An applicant shall give the answers under oath. The bureau shall approve the application prior to the service company entering into a contract with an approved self-insurer. Approval to act as a service company for self-insurers is granted for a period of 1 year and is subject to renewal annually.

(3) If a service company seeks approval to service claims for self-insurers, then it shall submit proof that it has, within its organization at least 1 person who has the knowledge and Michigan workers' compensation adjusting experience necessary to handle claims involving the act. The service company shall attach a resume covering the principal person's background to the application of the service company. The principal individuals adjusting workers' compensation claims shall hold a current workers' disability compensation adjuster's license under chapter 12 of 1956 PA 218, MCL §500.1201.

(4) If a service company seeks approval to provide underwriting service to self-insurers, then it shall submit proof that it has, within its organization or under contract on a full-time basis, at least 1 person who has the knowledge and experience necessary to provide underwriting services for workers' compensation excess liability insurance coverage. The service company shall attach a resume detailing the principal person's background to the application of the service company.

(5) If a service company seeks approval to furnish loss control services to self-insurers, then it shall submit proof that it has, within its organization or under contract on a full-time basis, at least 1 person who has the knowledge and background necessary to adequately provide loss control and health services.

(6) A service company shall maintain adequate staff in the state. The service company shall authorize staff to act for the service company on all matters covered by the act and the rules of the bureau.

(7) A service company shall attach to the application a copy of its standard service agreement that it will enter into with self-insured employers or group funds. The service company shall certify, in writing, that the service agreement is in compliance with the act and these rules. The service company shall certify, and include a provision in its standard service contract which states, that the contract provides for the handling of all claims with dates of injury or disease within the contract until conclusion of the claims, unless the service company is relieved by the bureau, in writing, of the responsibility for handling claims. If the service contract calls for additional fees for any reason, then the service company shall clearly define the additional fees in the contract. For a service company to be relieved of the responsibility of handling claims to conclusion, the client, the previous service company, and the new service company shall sign a claims transfer agreement. The claims transfer agreement shall be completed on a form prescribed by the bureau and shall include a written request made by the previous service company to be relieved of its claims handling responsibilities to the bureau. A requesting company is relieved of its claims handling responsibility only after receiving a written response from the bureau approving a request. The service company shall certify that it will report to the specific excess insurance carrier or aggregate excess insurance carrier, or both, and put the specific excess insurance carrier or aggregate excess insurance carrier, or both, on notice of all claims as required by the self-insurers' or group self-insurers' insurance policies. The standard service contract filed with the bureau for approval and renewal of the service company authority shall include language specifically stating that the service company is responsible for reporting to the excess insurance carrier. The bureau may waive the reporting requirement upon written request to the bureau. Any dispute involving late reporting of excess liability insurance claims and potential penalties shall be reported to the bureau immediately.

(8) A service company shall certify, and provide for in all service contracts, that all documents generated or prepared by the service company for the group or the individual self-insurer or any materials relating to an individual or group self-insurer held by a service company are the property of the individual or group self-insurer and shall be surrendered to the individual or group self-insurer within 10 days of termination of the service contract, subject to written request by the individual or group self-insurer.

(9) Failure to comply with the provisions of the act constitutes good cause for withdrawal of the approval to act as a service company for self-insurers. The bureau shall give 30 days' notice of withdrawal. The bureau shall give the notice by certified or registered mail, upon all interested parties.