



**REQUIREMENTS FOR AUTHORIZATION TO WRITE INSURANCE UNDER THE  
LONGSHORE AND HARBOR WORKERS' COMPENSATION ACT AND/OR EXTENSIONS**

The following information and instructions pertain to the requirements for authorization to write insurance coverage under the Longshore and Harbor Workers' Compensation Act, and extensions, the Defense Base Act, the Outer Continental Shelf Lands Act, and the Nonappropriated Fund Instrumentalities Act.

INFORMATION AND MATERIAL WHICH MUST BE SUBMITTED along with the  
completed Application Form:

- (1) A letter signed by a corporate officer requesting authority to write coverage, including a statement of the company's underwriting intentions;
- (2) Statutory Annual Statements for the three most recent years;
- (3) Copy of the company Articles of Incorporation;
- (4) Copy of the Corporate by-laws;
- (5) Copy of the Certificate of Authority issued by a State insurance department granting authority to write workers' compensation insurance;
- (6) Copy of the most recent examination report of the company by a State Insurance Commissioner's office;
- (7) Copy of the forms of policies and endorsements that will be used;
- (8) The employer's Identification Number (EIN) for each applicant company. This should be furnished in the letter signed by the corporate officer requesting the authority to write coverage.
- (9) A certification by the corporate officer stating that the applicant company will perform the following:
  - a. comply with all statutory and regulatory obligations; including meeting timeliness requirements for paying benefits and reporting information [Section 14(a) -(i)];

- b. utilize the informal dispute resolution mechanisms in good faith by bringing only issues that are ready for resolution (i.e., all documentation is available) and sending representatives who are both prepared and have authority to resolve issues;
- c. participate and cooperate with all efforts by professional and trade associations to self-police industry compliance;
- d. monitor and be held responsible for the performance in numbers 1 - 2 above of their Third Party Administrator (TPA) or other claims handlers; and
- e. respond to all penalty assessments in a timely manner.

The statements of fact and supporting evidence shall be verified by the notarized oath of the officer of the Applicant Company who signs the application.

In conjunction with this application, any insurance carrier seeking to be exempt from depositing a security with the Department of Labor must provide documentation that demonstrates that they have been awarded the highest financial ratings for both the current rating year and the immediately preceding year by the following rating organizations: the A. M. Best Company; Standard & Poor's; and Weiss Ratings. Additionally, those applicants submitting documentation that verifies that the carrier's obligations are fully secured by state guaranty funds will not be required to deposit security. Note: Any insurance carrier not fully secured by state guaranty funds will be required to submit a security deposit with the Department of Labor; the amount will be determined based on Form LS-276, Application for Security Deposit Information, which must accompany this application.

In any state where the state guarantee, or analogous, fund will not fully protect all of the Longshore obligations of an insolvent carrier, insurance carriers will be required to post security to secure these obligations. Security must be in a form of a surety bond issued by a surety company holding a Certificate of Authority from the U.S. Treasury Department as acceptable sureties on federal bonds, or a deposit of fully guaranteed negotiable securities with a Federal Reserve Bank, or a bank issued letter of credit from an approved bank.

Any insurance carrier having the highest available rating by all three of the above-mentioned rating companies may apply for an exemption of the above requirement for posting securities. Check the appropriate box in Form LS-276 and attach copies of the three ratings reports to support your application. NOTE: The highest available rating by the A. M. Best Company is "A++", Standard & Pooors is "AAA" and Weiss Reports is "A". On receipt of a written

request accompanied by supporting documentation, this requirement will also be considered for waiver for all business written through the National Reinsurance Pool operated by the National Council on Compensation Insurance or any other assigned risk pool providing full protection for Longshore Act benefits. Finally, this requirement will also be considered for waiver on receipt of a written request supported by supporting documentation for state insurance funds which are agencies of the state government with the full faith and credit of the state.

Upon receipt and review of a complete Form LS-276 Application for Security Deposit Determination, the amount of security to be required will be determined by this Office.

The request and supporting information should be sent to the following address:

U.S. Department of Labor  
ESA/OWCP/DLHWC, Room C-4315  
200 Constitution Ave., NW  
Washington, DC 20210

For further information, please contact Cheryl Jordan at (202) 693-0289.

Michael Niss  
Director, Division of  
Longshore and Harbor  
Workers' Compensation