

U.S. Department of Labor

Office of Workers' Compensation Programs
Division of Longshore and
Harbor Workers' Compensation
Washington, DC. 20210



**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) Most recent Statutory Annual Statement;
- (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:

1. Comply with all statutory and regulatory obligations, including timely paying benefits and reporting information [Sections 14(a) - (i) and Sections 30 (a) - (f)];

2. Utilize the informal dispute resolution mechanisms in good faith by raising 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 disputes;

3. Monitor and be held responsible for the performance in items 1 - 2 above of their Third Party Administrator (TPA) or other claims handlers acting on their behalf.

4. Respond to all penalty assessments in a timely manner. [Sections 14(g), 30(e), and 48a];

5. Comply with data reporting and proof of coverage processes including submitting each policy and endorsement issued by the carrier to an employer and providing notice of cancellation of a contract or policy of insurance to NCCI and the applicable Independent Rating Bureaus.

6. Comply with annual Industry Notices for Advance and Final Assessment for the Special Fund, posted on the DLHWC website at: <https://www.dol.gov/owcp/dlhwc/>, to ensure timely payment of Section 44 annual assessments. To the greatest extent possible, make payments to the Special fund through Electronic Funds Transfers (EFTs).

7. Provide DLHWC with all information necessary, including access to the carriers' automated claims system, for DLHWC to audit and confirm the accuracy of the carrier's Report of Payments (LS-513) and Report of Injury Experience (LS-274).

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.

All business written under the Longshore and Harbor Workers' Compensation Act, and its extensions, is subject to a security deposit. 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 Fitch Ratings. NOTE: The highest available rating by the A. M. Best Company is "A++", Standard & Poors is "AAA" and Fitch Ratings is "AAA".

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 the 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.

This request 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 waiver request will also be considered on receipt of supporting documentation demonstrating that the company is a state insurance fund or agency of the state government with the full faith and credit of the state.

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

U.S. Department of Labor
OWCP/DLHWC, Room C-4319
200 Constitution Ave., NW
Washington, DC 20210
ATTN: Cheryl Jordan

For further information, please contact Cheryl Jordan at (202) 354-9634.

Douglas Fitzgerald
Director, Division of
Longshore and Harbor
Workers' Compensation