

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact § 65.2-801 of the Code of Virginia, relating to workers' compensation;*
 3 *individual self-insurers.*

4 [S 503]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**

7 **1. That § 65.2-801 of the Code of Virginia is amended and reenacted as follows:**

8 § 65.2-801. Insurance or proof of financial ability to pay required.

9 A. Every employer subject to this title shall secure his liability thereunder by one of the following
 10 methods:

11 1. Insuring and keeping insured his liability in an insurer authorized to transact the business of
 12 workers' compensation insurance in this Commonwealth;

13 2. Receiving a certificate pursuant to § 65.2-808 from the Workers' Compensation Commission
 14 authorizing such employer to be an individual self-insurer; or

15 3. Being a member in good standing of a group self-insurance association licensed by the State
 16 Corporation Commission.

17 B. An employer who satisfies the requirements of this section shall be certified by the Workers'
 18 Compensation Commission as an individual self-insurer and permitted to pay direct the compensation in
 19 the amount and manner and when due as provided for in this title. The Commission shall not certify an
 20 employer as a self-insurer unless it receives in such form as it requires satisfactory proof of the solvency
 21 of such employer, the financial ability of the employer to meet his obligations and the ability of the
 22 employer to pay or cause to be paid the compensation in the amount and manner and when due as
 23 provided for in this title. The Commission shall establish reasonable requirements and standards for
 24 approval of an employer as a self-insurer including, without limitation, the quality and amount of
 25 security deposits, bonds or indemnity, the amount of advance payments and reserves required, the
 26 investment of such funds, and the form and content of financial information to be submitted by the
 27 employer and the frequency of such submissions. *For the purposes of any debt/equity ratio (total*
 28 *liabilities to net worth) minimum standard, a ratio of less than 2.2 shall be deemed satisfactory.* The
 29 Commission shall, after notice and hearing, embody such requirements and standards and such other
 30 requirements as may be reasonably necessary for the purposes of this section in regulations. The Bureau
 31 of Insurance of the State Corporation Commission shall, at the request of the Commission, assist the
 32 Commission in establishing the reasonable requirements and standards for approval and certification of
 33 an employer as a self-insurer. The Workers' Compensation Commission may in its discretion require the
 34 deposit of an acceptable security, indemnity, or bond to secure the payment of compensation liabilities
 35 as they are incurred.

36 C. The State Treasurer shall be the custodian of securities deposited by the employer under the
 37 requirements of this section, or under § 65.2-802, and for such services he shall receive a compensation
 38 of one-tenth of one percent per year of the amount of securities deposited with him, payable by or on
 39 behalf of such employers.

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