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## SENATE BILL NO. 1223

Offered January 21, 1999

*A BILL to amend and reenact §§ 65.2-101, 65.2-800, and 65.2-801 of the Code of Virginia, relating to workers' compensation; professional employer organizations.*

Patrons—Edwards and Trumbo

Referred to Committee on Commerce and Labor

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

**1. That §§ 65.2-101, 65.2-800, and 65.2-801 of the Code of Virginia are amended and reenacted as follows:**

§ 65.2-101. Definitions.

As used in this title:

"Award" means the grant or denial of benefits or other relief under this title or any rule adopted pursuant thereto.

"Average weekly wage" means:

1. a. The earnings of the injured employee in the employment in which he was working at the time of the injury during the period of fifty-two weeks immediately preceding the date of the injury, divided by fifty-two; but if the injured employee lost more than seven consecutive calendar days during such period, although not in the same week, then the earnings for the remainder of the fifty-two weeks shall be divided by the number of weeks remaining after the time so lost has been deducted. When the employment prior to the injury extended over a period of less than fifty-two weeks, the method of dividing the earnings during that period by the number of weeks and parts thereof during which the employee earned wages shall be followed, provided that results fair and just to both parties will be thereby obtained. When, by reason of a shortness of time during which the employee has been in the employment of his employer or the casual nature or terms of his employment, it is impractical to compute the average weekly wages as above defined, regard shall be had to the average weekly amount which during the fifty-two weeks previous to the injury was being earned by a person of the same grade and character employed in the same class of employment in the same locality or community.

b. When for exceptional reasons the foregoing would be unfair either to the employer or employee, such other method of computing average weekly wages may be resorted to as will most nearly approximate the amount which the injured employee would be earning were it not for the injury.

2. Whenever allowances of any character made to an employee in lieu of wages are a specified part of the wage contract, they shall be deemed a part of his earnings. For the purpose of this title, the average weekly wage of the members of the Virginia National Guard, the Virginia Naval Militia and the Virginia State Defense Force, registered members on duty or in training of the United States Civil Defense Corps of this Commonwealth, and forest wardens shall be deemed to be such amount as will entitle them to the maximum compensation payable under this title; however, any award entered under the provisions of this title on behalf of members of the National Guard, the Virginia Naval Militia or their dependents, or registered members on duty or in training of the United States Civil Defense Corps of this Commonwealth or their dependents, shall be subject to credit for benefits paid them under existing or future federal law on account of injury or occupational disease covered by the provisions of this title.

3. Whenever volunteer firefighters, volunteer lifesaving or volunteer rescue squad members, volunteer law-enforcement chaplains, auxiliary or reserve police, auxiliary or reserve deputy sheriffs, volunteer emergency medical technicians and members of volunteer search and rescue organizations are deemed employees under this title, their average weekly wage shall be deemed sufficient to produce the minimum compensation provided by this title for injured workers or their dependents. For the purposes of workers' compensation insurance premium calculations, the monthly payroll for each volunteer firefighter or volunteer lifesaving or volunteer rescue squad member shall be deemed to be \$300.

4. The average weekly wage of persons, other than those covered in subdivision 3 of this definition, who respond to a hazardous materials incident at the request of the Department of Emergency Services shall be based upon the earnings of such persons from their primary employers.

"Change in condition" means a change in physical condition of the employee as well as any change in the conditions under which compensation was awarded, suspended, or terminated which would affect the right to, amount of, or duration of compensation.

"Client company" means a person, as defined in § 1-13.19, that enters into a contract with a staffing firm by which the staffing firm, for a fee, provides professional employer organization (PEO)

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60 *services or temporary help services.*

61 *"Co-employee" means an employee performing services under a PEO services contract.*

62 *"Commission" means the Virginia Workers' Compensation Commission as well as its former*  
63 *designation as the Virginia Industrial Commission.*

64 *"Contract employee" means an employee performing services under a PEO services contract or*  
65 *temporary help services contract.*

66 *"Employee" means:*

67 1. a. Every person, including a minor, in the service of another under any contract of hire or  
68 apprenticeship, written or implied, except (i) one whose employment is not in the usual course of the  
69 trade, business, occupation or profession of the employer or (ii) as otherwise provided in subdivision 2  
70 of this definition.

71 b. Any apprentice, trainee, or retrainee who is regularly employed while receiving training or  
72 instruction outside of regular working hours and off the job, so long as the training or instruction is  
73 related to his employment and is authorized by his employer.

74 c. Members of the Virginia National Guard and the Virginia Naval Militia, whether on duty in a paid  
75 or unpaid status or when performing voluntary service to their unit in a nonduty status at the request of  
76 their commander.

77 Income benefits for members of the National Guard or Naval Militia shall be terminated when they  
78 are able to return to their customary civilian employment or self-employment. If they are neither  
79 employed nor self-employed, those benefits shall terminate when they are able to return to their military  
80 duties. If a member of the National Guard or Naval Militia who is fit to return to his customary civilian  
81 employment or self-employment remains unable to perform his military duties and thereby suffers loss  
82 of military pay which he would otherwise have earned, he shall be entitled to one day of income  
83 benefits for each unit training assembly or day of paid training which he is unable to attend.

84 d. Members of the Virginia State Defense Force.

85 e. Registered members of the United States Civil Defense Corps of this Commonwealth, whether on  
86 duty or in training.

87 f. Except as provided in subdivision 2 of this definition, all officers and employees of the  
88 Commonwealth, including forest wardens, judges, clerks, deputy clerks and employees of juvenile and  
89 domestic relations district courts and general district courts, who shall be deemed employees of the  
90 Commonwealth.

91 g. Except as provided in subdivision 2 of this definition, all officers and employees of a municipal  
92 corporation or political subdivision of the Commonwealth.

93 h. Except as provided in subdivision 2 of this definition, (i) every executive officer, including  
94 president, vice president, secretary, treasurer or other officer, elected or appointed in accordance with the  
95 charter and bylaws of a corporation, municipal or otherwise and (ii) every manager of a limited liability  
96 company elected or appointed in accordance with the articles of organization or operating agreement of  
97 the limited liability company.

98 i. Policemen and firefighters, sheriffs and their deputies, town sergeants and their deputies, county  
99 and city commissioners of the revenue, county and city treasurers, attorneys for the Commonwealth, and  
100 clerks of circuit courts and their deputies, officers and employees, who shall be deemed employees of  
101 the respective cities, counties and towns in which their services are employed and by whom their  
102 salaries are paid or in which their compensation is earnable.

103 j. Members of the governing body of any county, city or town in the Commonwealth, whenever  
104 coverage under this title is extended to such members by resolution or ordinance duly adopted.

105 k. Volunteers, officers and employees of any commission or board of any authority created or  
106 controlled by a local governing body, or any local agency or public service corporation owned, operated  
107 or controlled by such local governing body, whenever coverage under this title is authorized by  
108 resolution or ordinance duly adopted by the governing board of any county, city, town, or any political  
109 subdivision thereof.

110 l. Except as provided in subdivision 2 of this definition, volunteer firefighters, volunteer lifesaving or  
111 rescue squad members, volunteer law-enforcement chaplains, auxiliary or reserve police, auxiliary or  
112 reserve deputy sheriffs, volunteer emergency medical technicians and members of volunteer search and  
113 rescue organizations, who shall be deemed employees of (i) the political subdivision or state institution  
114 of higher education in which the principal office of such volunteer fire company, volunteer lifesaving or  
115 rescue squad, volunteer law-enforcement chaplains, auxiliary or reserve police force, auxiliary or reserve  
116 deputy sheriff force, volunteer emergency medical technicians or members of volunteer search and  
117 rescue organizations is located if the governing body of such political subdivision or state institution of  
118 higher education has adopted a resolution acknowledging such volunteer firefighters, volunteer lifesaving  
119 or rescue squad members, volunteer law-enforcement chaplains, auxiliary or reserve police, auxiliary or  
120 reserve deputy sheriffs, volunteer emergency medical technicians, members of volunteer search and  
121 rescue organizations as employees for the purposes of this title or (ii) in the case of volunteer

122 firefighters or volunteer lifesaving or rescue squad members, the companies or squads for which  
 123 volunteer services are provided whenever such companies or squads elect to be included as an employer  
 124 under this title.

125 m. Volunteer firefighters, volunteer lifesaving or rescue squad members, volunteer law-enforcement  
 126 chaplains, auxiliary or reserve police, auxiliary or reserve deputy sheriffs, volunteer emergency medical  
 127 technicians, members of volunteer search and rescue organizations and any other persons who respond to  
 128 an incident upon request of the Department of Emergency Services, who shall be deemed employees of  
 129 the Department of Emergency Services for the purposes of this title.

130 n. Any sole proprietor or all partners of a business electing to be included as an employee under the  
 131 workers' compensation coverage of such business if the insurer is notified of this election. Any sole  
 132 proprietor or the partners shall, upon such election, be entitled to employee benefits and be subject to  
 133 employee responsibilities prescribed in this title.

134 When any partner or proprietor is entitled to receive coverage under this title, such person shall be  
 135 subject to all provisions of this title as if he were an employee; however, the notices required under  
 136 §§ 65.2-405 and 65.2-600 of this title shall be given to the insurance carrier, and the panel of physicians  
 137 required under § 65.2-603 shall be selected by the insurance carrier.

138 o. The independent contractor of any employer subject to this title at the election of such employer  
 139 provided (i) the independent contractor agrees to such inclusion and (ii) unless the employer is  
 140 self-insured, the employer's insurer agrees in writing to such inclusion. All or part of the cost of the  
 141 insurance coverage of the independent contractor may be borne by the independent contractor.

142 When any independent contractor is entitled to receive coverage under this section, such person shall  
 143 be subject to all provisions of this title as if he were an employee, provided that the notices required  
 144 under §§ 65.2-405 and 65.2-600 are given either to the employer or its insurance carrier.

145 However, nothing in this title shall be construed to make the employees of any independent  
 146 contractor the employees of the person or corporation employing or contracting with such independent  
 147 contractor.

148 p. The legal representative, dependents and any other persons to whom compensation may be payable  
 149 when any person covered as an employee under this title shall be deceased.

150 q. Jail officers and jail superintendents employed by regional jails or jail farm boards or authorities,  
 151 whether created pursuant to Article 3.1 (§ 53.1-95.2 et seq.) or Article 5 (§ 53.1-105 et seq.) of Chapter  
 152 3 of Title 53.1, or an act of assembly.

153 2. "Employee" shall not mean:

154 a. Officers and employees of the Commonwealth who are elected by the General Assembly, or  
 155 appointed by the Governor, either with or without the confirmation of the Senate. This exception shall  
 156 not apply to any "state employee" as defined in § 51.1-124.3 nor to Supreme Court Justices, judges of  
 157 the Court of Appeals, judges of the circuit or district courts, members of the Workers' Compensation  
 158 Commission and the State Corporation Commission, or the Superintendent of State Police.

159 b. Officers and employees of municipal corporations and political subdivisions of the Commonwealth  
 160 who are elected by the people or by the governing bodies, and who act in purely administrative  
 161 capacities and are to serve for a definite term of office.

162 c. Any person who is a licensed real estate salesperson, or a licensed real estate broker associated  
 163 with a real estate broker, if (i) substantially all of the salesperson's or associated broker's remuneration is  
 164 derived from real estate commissions, (ii) the services of the salesperson or associated broker are  
 165 performed under a written contract specifying that the salesperson is an independent contractor, and (iii)  
 166 such contract includes a provision that the salesperson or associated broker will not be treated as an  
 167 employee for federal income tax purposes.

168 d. Any taxicab or executive sedan driver, provided the Commission is furnished evidence that such  
 169 individual is excluded from taxation by the Federal Unemployment Tax Act.

170 e. Casual employees.

171 f. Domestic servants.

172 g. Farm and horticultural laborers, unless the employer regularly has in service more than two  
 173 full-time employees.

174 h. Employees of any person, firm or private corporation, including any public service corporation,  
 175 that has regularly in service less than three employees in the same business within this Commonwealth,  
 176 unless such employees and their employers voluntarily elect to be bound by this title. However, this  
 177 exemption shall not apply to the operators of underground coal mines or their employees. An executive  
 178 officer who is not paid salary or wages on a regular basis at an agreed upon amount and who rejects  
 179 coverage under this title pursuant to § 65.2-300 shall not be included as an employee for purposes of  
 180 this subdivision.

181 i. Employees of any common carrier by railroad engaging in commerce between any of the several  
 182 states or territories or between the District of Columbia and any of the states or territories and any

foreign nation or nations, and any person suffering injury or death while he is employed by such carrier in such commerce. This title shall not be construed to lessen the liability of any such common carrier or to diminish or take away in any respect any right that any person so employed, or the personal representative, kindred or relation, or dependent of such person, may have under the act of Congress relating to the liability of common carriers by railroad to their employees in certain cases, approved April 22, 1908, or under §§ 8.01-57 through 8.01-62 or § 56-441.

j. Employees of common carriers by railroad who are engaged in intrastate trade or commerce. However, this title shall not be construed to lessen the liability of such common carriers or take away or diminish any right that any employee or, in case of his death, the personal representative of such employee of such common carrier may have under §§ 8.01-57 through 8.01-61 or § 56-441.

k. Except as provided in subdivision 1 of this definition, a member of a volunteer fire-fighting, lifesaving or rescue squad when engaged in activities related principally to participation as a member of such squad whether or not the volunteer continues to receive compensation from his employer for time away from the job.

l. Except as otherwise provided in this title, noncompensated employees and noncompensated directors of corporations exempt from taxation pursuant to § 501 (c) (3) of Title 26 of the United States Code (Internal Revenue Code of 1954).

m. Any person performing services as a sports official for an entity sponsoring an interscholastic or intercollegiate sports event or any person performing services as a sports official for a public entity or a private, nonprofit organization which sponsors an amateur sports event. For the purposes of this subdivision, "sports official" includes an umpire, referee, judge, scorekeeper, timekeeper or other person who is a neutral participant in a sports event. This shall not include any person, otherwise employed by an organization or entity sponsoring a sports event, who performs services as a sports official as part of his regular employment.

*"Employee benefits" means wages, salaries, payroll taxes, payroll deductions, workers' compensation costs, benefits, and similar expenses.*

*"Employee leasing" means an arrangement whereby a PEO assigns its co-employees to a client and may allocate the direction of and control over the leased employees between the PEO and the client under the PEO services contract. The term does not include the following:*

*a. A temporary help arrangement, whereby an organization hires its own employees and assigns them to a client to support or supplement the client's workforce in special work situations such as employee absences, temporary skill shortages, seasonal workloads, and special assignments and projects.*

*b. An arrangement in which an organization employs only one category of employees and assigns them to a client to perform a function inherent to that category and which function is separate and divisible from the primary business of the client.*

*c. A facilities staffing arrangement, whereby an organization assigns its employees to staff, in whole or in part, a specific client function or functions, on an ongoing, indefinite basis, provided that the total number of individuals assigned by that organization under such arrangements comprises no more than fifty percent of the workforce at a client's worksite and provided further that no more than twenty percent of the individuals assigned to staff a particular client function were employed by the client immediately preceding the commencement of the arrangement.*

*d. An arrangement in which an organization assigns its employees only to a commonly controlled company or group of companies as defined in § 414 of the Internal Revenue Code and in which the organization does not hold itself out to the public as a PEO.*

"Employer" includes (i) any person, the Commonwealth or any political subdivision thereof and any individual, firm, association or corporation, or the receiver or trustee of the same, or the legal representative of a deceased employer, using the service of another for pay and (ii) any volunteer fire company or volunteer lifesaving or rescue squad electing to be included and maintaining coverage as an employer under this title. If the employer is insured, it includes his insurer so far as applicable.

*"Employer" shall also include a PEO and staffing firm as defined in this section; however, nothing in this provision shall alter the obligations of the client company under this title, except as specifically provided in this title.*

"Executive officer" means (i) the president, vice president, secretary, treasurer or other officer, elected or appointed in accordance with the charter and bylaws of a corporation and (ii) the managers elected or appointed in accordance with the articles of organization or operating agreement of a limited liability company. However, such term does not include noncompensated officers of corporations exempt from taxation pursuant to § 501 (c) (3) of Title 26 of the United States Code (Internal Revenue Code of 1954).

*"Experience rating modification" means a factor applied to a premium to reflect a risk's variation from the average risk. The experience modification is determined by comparing actual losses to expected losses, using the risk's own past experience.*

"Filed" means hand delivered to the Commission's office in Richmond or any regional office

maintained by the Commission; sent by telegraph, electronic mail or facsimile transmission; or posted at any post office of the United States Postal Service by certified or registered mail. Filing by first-class mail, telegraph, electronic mail or facsimile transmission shall be deemed completed only when the application actually reaches a Commission office.

"Injury" means only injury by accident arising out of and in the course of the employment or occupational disease as defined in Chapter 4 (§ 65.2-400 et seq.) of this title and does not include a disease in any form, except when it results naturally and unavoidably from either of the foregoing causes. However, such term does not include any injury, disease or condition resulting from an employee's voluntary participation in employer-sponsored off-duty recreational activities which are not part of the employee's duties.

*"Leased employee" means a person performing services for a lessee under a PEO services contract.*

*"Lessee" means an entity which obtains all or part of its workforce from another entity through an employee leasing arrangement or which employs the services of an entity through an employee leasing arrangement.*

*"Professional employer organization" or "PEO" means a sole proprietorship, partnership, corporation, or other form of business entity as set forth in this section, engaged in the business of or holding itself out as being engaged in, the business of employee leasing.*

*"PEO services" or "professional employer organization services" means an arrangement whereby a staffing firm assumes employer responsibility for payroll, benefits, and other human resources functions with respect to co-employees of the client company and the PEO with no restrictions or limitations on the duration of employment.*

*"PEO services contract" means a contract pursuant to which a staffing firm provides PEO services for a client company.*

*"Staffing firm" means a person, as defined in § 1-13.19, that provides PEO services or temporary help services.*

*"Temporary help services" means an arrangement whereby a staffing firm temporarily assigns employees to support or supplement a client company's workforce.*

*"Temporary help services contract" means a contract pursuant to which a staffing firm provides temporary help services for a client company.*

§ 65.2-800. Duty to insure payment of compensation; effect of insurance.

A. Every employer subject to the compensation provisions of this title shall insure the payment of compensation to his employees in the manner hereinafter provided. While such insurance remains in force he or those conducting his business shall only be liable to an employee for personal injury or death by accident to the extent and in the manner herein specified.

B. To ensure that all employers who are required to have workers' compensation insurance under this title have notice of such requirement, the appropriate official of a county, city, or town who licenses employers to conduct business under Chapter 37 (§ 58.1-3700 et seq.) of Title 58.1 or the State Corporation Commission who charters employers to conduct business under § 12.1-12 shall provide employers requesting such licenses or charters on and after January 1, 1989, with information concerning statutory requirements for such insurance coverage. The Workers' Compensation Commission shall prepare such information and distribute it to such licensing or chartering officials. The failure of the local official or the State Corporation Commission to give such notice to an employer shall not relieve the employer of the duty of acquiring insurance as required by this title.

C. As used in this section, the words "those conducting his business" shall include any person whose act results in an injury or death compensable under this title and arises out of and in the course of employment by an employer who is or may be liable for the payment of compensation. A person other than an employer or statutory employer, or a person employed by either, whose acts result in such injury or death shall be deemed an "other party" within the meaning of § 65.2-309.

*D. To ensure that an employer who leases some or all of its workers properly obtains workers' compensation insurance coverage for all of its employees, including those leased from or co-employed through a PEO, and that premium paid by a PEO is commensurate with exposure and anticipated claim experience for all employees:*

*1. A PEO that obtains coverage in the voluntary workers' compensation market may elect, with the voluntary market insurer's knowledge and consent, to secure the coverage on leased employees through a workers' compensation policy issued to the PEO. The insurer of the PEO may take all reasonable steps to ascertain exposure under the policy and collect the appropriate premium by:*

*a. Requiring the PEO to provide a complete description of lessee's operations,*

*b. Requiring periodic reporting by the PEO of covered lessee's payroll, classifications, jurisdictions with exposure and to the extent possible, claims information and loss data,*

*c. Requiring the PEO to submit to the insurer Internal Revenue Service Form 941 or its equivalent of the lessee's operations on a quarterly basis,*

d. Auditing the PEO's payroll and operations records as related to individual lessee operations and the lessee's operations, and

e. Using other reasonable measures to determine the appropriate premium.

2. A PEO that applies for coverage or is covered through the voluntary market shall also maintain and furnish to the insurer on an annual basis, and as the insurer may otherwise reasonably require, sufficient information to permit the calculation of an experience modification factor for each lessee upon termination of the employee leasing relationship. Information accruing during the term of the leasing arrangement which is used to calculate an experience modification factor for a lessee upon termination of the leasing relationship shall continue to be used in the future experience ratings of the PEO. Such information shall include:

a. The lessee's corporate name.

b. The lessee's taxpayer or employer identification number.

c. Payroll summaries and class codes applicable to each lessee, and, if requested by the insurer, a listing of all leased employees associated with a given lessee.

d. To the extent possible, claims information grouped by lessee, and any other information maintained by or readily available to the PEO that is necessary for the calculation of an experience modification factor for each lessee.

3. The insurer shall furnish to the Workers' Compensation Commission, the PEO and the lessee a certificate or other writing evidencing the effective coverage afforded the PEO and lessee.

4. Notwithstanding any provision of this title, any material violation of this section by a PEO is grounds for cancellation or nonrenewal of the PEO's insurance policy, provided that the PEO has been provided a reasonable opportunity to cure the violation. No policy of insurance hereafter issued under the provisions of this title shall be canceled or nonrenewed by the insurer issuing such policy except by thirty days' notice to the Workers' Compensation Commission, the PEO and all of the lessees for which there is a PEO services contract covered under the policy to be canceled unless the PEO has obtained other insurance and the Workers' Compensation Commission is notified of the fact by the insurer assuming the risk, or unless, in the event of cancellation, said cancellation is for nonpayment of premiums; then ten days' notice shall be given the Workers' Compensation Commission, the PEO and all of the lessees for which there is a PEO services contract covered under the policy to be canceled.

5. If the employee leasing arrangement with a lessee is terminated, the lessee shall be assigned an experience modification factor which reflects its experience during the experience period specified by the approved experience rating plan, including, if applicable, experience incurred for leased employees under the employee leasing arrangements. The PEO shall notify the insurer of its intent to terminate any lessee relationship prior to termination when feasible. When prior notice is not feasible, the PEO shall notify its insurer within five working days following actual termination.

6. This section shall not have any effect on the statutory obligation, if any, of a lessee to secure workers' compensation coverage for employees that the lessee does not co-employ or lease pursuant to a PEO services contract.

7. Notwithstanding any provision of § 38.2-1904, insurers shall conduct annual audits of a PEO's payroll and operations records as related to individual lessee operations and the lessee's operations to include classifications of PEOs in order to ensure that the appropriate premium is charged for workers' compensation coverage. The audits shall be conducted to ensure that all sources of payment by PEOs to employees, subcontractors, and independent contractors have been reviewed and the accuracy of classifications of employees have been verified. Insurers may provide for more frequent audits of lessors based on such factors as amount of premium, type of business, loss ratios, or other relevant factors. Payroll and classification verification audit rules of insurers must include, but need not be limited to, use by the insurer of state and federal reports of employee income, payroll and other accounting records, certificates of insurance maintained by subcontractors, and duties of employees.

8. This section shall take effect July 1, 1999, and shall apply to any workers' compensation insurance policy issued to or renewed with a PEO on or after October 1, 1999.

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

A. ~~Every~~ Except as provided in § 65.2-800, every employer subject to this title shall secure his liability thereunder by one of the following methods:

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

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

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

B. An employer who satisfies the requirements of this section shall be certified by the Workers' Compensation Commission as an individual self-insurer and permitted to pay direct the compensation in the amount and manner and when due as provided for in this title. The Commission shall not certify an

368 employer as a self-insurer unless it receives in such form as it requires satisfactory proof of the solvency  
369 of such employer, the financial ability of the employer to meet his obligations and the ability of the  
370 employer to pay or cause to be paid the compensation in the amount and manner and when due as  
371 provided for in this title. The Commission shall establish reasonable requirements and standards for  
372 approval of an employer as a self-insurer including, without limitation, the quality and amount of  
373 security deposits, bonds or indemnity, the amount of advance payments and reserves required, the  
374 investment of such funds, and the form and content of financial information to be submitted by the  
375 employer and the frequency of such submissions. For the purposes of any debt/equity ratio (total  
376 liabilities to net worth) minimum standard, a ratio of less than 2:2 shall be deemed satisfactory. The  
377 Commission shall, after notice and hearing, embody such requirements and standards and such other  
378 requirements as may be reasonably necessary for the purposes of this section in regulations. The Bureau  
379 of Insurance of the State Corporation Commission shall, at the request of the Commission, assist the  
380 Commission in establishing the reasonable requirements and standards for approval and certification of  
381 an employer as a self-insurer. The Workers' Compensation Commission may in its discretion require the  
382 deposit of an acceptable security, indemnity, or bond to secure the payment of compensation liabilities  
383 as they are incurred.

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