

Self-Insurance Billing and Reporting Training

Email: CertificationSvcs@Lni.wa.gov

Presenter: James Vest, Certification Services
Supervisor



Agenda

- Introduction
- Safety Topic
- Training Covers:
 - Funding Orders
 - Bonded Pension Billings
 - Cash Funded Excess Deficiency
 - Audited Financials Overview
 - Quarterly Reporting
 - SIF-7 Annual Report

Self-Insurance: Pension Funding Orders

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Pensions

- Permanently and totally disabled.
- Funding order process.

Delivery

- Order mailed to your address.
- Pension Unit

Pension Funding Options

- State takes over adjudication of the claim.
- Funding options – cash or bond

Cash Funded

- Full reserve of the claim.
- We use those funds to make payments.
- Annual Experting – more to come!

Bonded Funding

- Undetermined amount
- 3 month deposit
- Bond amount
- Quarterly billing

What if I don't fund a pension?

- Letter sent 15 days after the due date
 - 15 day grace period before penalty
- 25% of the total unpaid amount.
- Each quarter, we will reassess and issue another penalty.
- Refer to management for corrective action

Self-Insurance Bonded Pension Billing

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What is it?

- Record of current pensions funded as bonded
- Request for reimbursement of pension payments
 - RCW 51.44.073
- Billed quarterly for reimbursement

Billing Statement

- Read top to bottom, left to right
 - Mailing date
 - Account information
 - Current quarter
 - Pension information
 - Total amount due
 - Due date

Delivery Method

- Email
 - Email containing password-protected Excel Sheet
 - Secure email containing password for billing
 - Both sent to email addresses on file

What if I don't pay?

- Letter sent on due date
 - 15 day grace period before penalty
- Re-send billing with additional penalty amount
 - RCW 51.44.073
 - 25% of total unpaid amount
- Refer to management for corrective action

Self-Insurance Cash Funded – Excess/Deficiency

Email CertificationSvcs@Lni.wa.gov

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What is it?

- Experting: Re-reserve our claims.
- Adjust the balance to include interest earned.
- Compare final balance against the new reserve.
- Excess vs deficient.

Delivery Method

- Completed in the fall.
- Emailed
 - Email containing password-protected Excel Sheet
 - Secure email containing password for billing
 - Both sent to email addresses on file
- 30 day timeframe.

Cash Funded Excess/Deficiency report

- Employer details.
- Each entry on the report.
- Grand total, deficient or excess.

What if I don't pay?

- Letter sent on due date
 - 15 day grace period before penalty
- Re-send billing with additional penalty amount
 - RCW 51.44.073
 - 25% of total unpaid amount
- Refer to management for corrective action

Self-Insurance Audited Financial Reporting

Email CertificationSvcs@Lni.wa.gov

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What is it?

- Each year, we require a copy of the audited financials from all Self-Insured employers in order to maintain certification.
- We review these as part of our credit monitoring.
- Both public and private.

When are they due?

- Your audited financials are due no more than 6 months after the close of your fiscal year.
- We will also send a reminder letter after 3 months.
- Financials must be audited, not reviewed.

How do you send them in?

- You can do the following:
 - Email a copy to CertificationSvcs@Lni.wa.gov.
 - You may contact us directly for a secure email link.
 - Mail them into the department.
- Not part of public disclosure.

What if it rolls up to a parent?

- If your audited financials roll up to a parent or ultimate parent company, we require a signed parental guarantee from that entity in order to accept the audited financials.

How do we use them?

- Review the credit rating.
- Make any adjustments to surety as needed.

Lack of Audited Financials

- If you do not have audited financials, or do not provide the required parental guarantee, your surety will be increased the maximum amount (25%).

Self-Insurance Quarterly Reporting Training

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Time Frames

- Quarter 1: Jan 1 – March 31
- Quarter 2: April 1 – June 30
- Quarter 3: July 1 – Sept 30
- Quarter 4: Oct 1 – Dec 31
- Sent 3rd week after the quarter

Delivery

- Email distribution list
- Excel Calculator
- Assessment Notification
- Typically 30 days provided

Assessment Overview

- www.lni.wa.gov/insurance/self-insurance/employers/self-insurance-assessments
- Our Website provides details for each assessment as well as a current copy of the assessment notice and rates.
- Look out for these in the quarterly report email.

Employee Deductions

- The Supplemental Pension Fund assessment rate notice contains the amounts for employee deductions.
- Same across all employees and risk classes.

Box 1 – State Fund Claim Costs

- Pension payments
- Prior entities' claims in State Fund
- Not dollar for dollar

Box 2 – Self-Insured Claim Costs

- What to include? (reportable claim costs)
 - Time-Loss payments
 - PPD awards
 - Medical bills
 - Prescriptions
 - Medical appliances
 - IME and Consultations
 - Loss of earning power benefits

Box 2 – Self-Insured Claim Costs

- What to include? (reportable claim costs)
 - Travel Expenses incurred by IW for treatment or rehab
 - Vocational rehab expenses
 - Penalties paid out to IW
 - Interest on Board Orders
 - Full Structures Settlement amounts
 - Excess Reimbursements – Do not deduct

Box 2 – Self-Insured Claim Costs

- What to exclude? (Non-reportable claim costs)
 - Legal fees
 - Investigation fees
 - Nurse Consultant and case management costs
 - Program operating expenses
 - Service organization fees
 - Pension payments to L&I (part of box 1 already)

Let's do one together

- Claim Costs
 - Box 1 is prefilled
 - Fill out Box 2
 - Calculate

Let's do one together

- Hours
 - Fill out the risk class hours
 - New classes? Reach out!
 - Add any volunteer hours
 - Calculate

Box 24 - Documentation

- Employers are entitled to reimbursement for all increased and retroactive payment of Temporary Total Disability made to injured workers.
- Exception is for cases where an employer continued an injured worker on wages.
- LEP claims must be paid at the higher of method A or B.
 - If method B is used, no supplemental reimbursement is payable.

Wrap up

- Employees, payroll, and claims
- Add the assessments for final total
- Email to CertificationSvcs@Lni.wa.gov your finished report

Payment

- Mail the payment to:
Labor and Industries
Attn: Self Insurance (4891)
7273 Linderson Way SW
Tumwater, WA 98501

Labor and Industries
PO Box 24442
Seattle, WA 98124-0442

What if I don't pay?

- Letter sent 15 days after due date.
 - 15 day grace period before penalty
- Re-send billing
 - RCW 51.48.210
 - 5% penalty of amount due for the first month.
 - 10% penalty of amount due for the second month.
 - 20% penalty of amount due for the third month.
 - In addition, 1% interest per month after the due date.
- Refer to management for corrective action.

Questions

- Thank you!

Self-Insurance SIF-7 Annual Report

Email CertificationSvc@Lni.wa.gov

James Vest, Certification Services Supervisor



What is it used for?

- Collects your annual claims data.
- Part of your surety development.
- Required of all employers.

Delivery

- Prefilled
 - Includes your pension information.
 - Q1-3.
 - Sent out in the first quarter.
 - Sent to the email contacts.

Gather Information

- Quarterly reports for the current year.
- Claims Costs for the current year.
- Number of open claims.
- Reported reserves for open claims.
- Claims incurred for previous and current years.
- Bonded pensions information, if applicable.
- Excess deficiency reports, if applicable.
- Reinsurance information, if applicable.

Annual Report Entry SIF7 – Quarterly Data



2021 Annual Report of Self-Insured Business (SIF7)



Washington State Department of Labor & Industries

Employer: TESTING ACCOUNT
 123 FIRST AVE
 OLYMPIA, WA 98513

WA UBI: 123 456 789

L&I Account ID: 700000

Contact Name: CONTACT PERSON

Email: CERTIFICATIONSVC@LNI.WA.GOV

2021 Claims Cost by Quarter	
Qtr. Ending Mar. 31	
Qtr. Ending Jun. 30	
Qtr. Ending Sep. 30	
Qtr. Ending Dec. 31	
Cash Pension Adjustment	
Total Adjusted Claims Costs	\$0.00

Total must equal column 2 on page 1 of "Worksheet SIF-7"
USE WHOLE NUMBERS IN CELLS

2021 Year of Injury

Number of claims incurred (open and closed):	<input type="text"/>	Previously reported claims costs:	<input type="text" value="\$0.00"/>
Number of open claims:	<input type="text"/>	Reportable claims costs for 2021:	<input type="text"/>
		Reported reserves:	<input type="text"/>

Annual Report Entry SIF7 – Years of Injury



2021 Annual Report of Self-Insured Business (SIF7)



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Employer: TESTING ACCOUNT
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Cash Pension Adjustment	
Total Adjusted Claims Costs	\$0.00

Total must equal column 2 on page 1 of "Worksheet SIF-7"

USE WHOLE NUMBERS IN CELLS

2021 Year of Injury

Number of claims incurred (open and closed):	<input type="text"/>	Previously reported claims costs:	<input type="text" value="\$0.00"/>
Number of open claims:	<input type="text"/>	Reportable claims costs for 2021:	<input type="text"/>
		Reported reserves:	<input type="text"/>

Annual Report Entry SIF7 – Pensions

- Section: Worksheet SIF-7 (page 2).
- Prefilled pension information on the SIF-7.
- Verify the information.

Reinsurance

- Section: Worksheet SIF-7 (page 2).
- Identify the claim information
- Retention layer
- Complete section

Credits

- Section: Worksheet SIF-7 (page 2).
- Negative values in the reportable claim costs.
- Justify
- Only allowed claim costs

Worksheet

- Breaking down each column.

Review

- Negative column 2.
- Reserves and open claims.
- Difference not allowed total.

Submitting

- Complete the “prepared by”, “Phone”, and “Email” sections.
- Email to: CertificationSvc@Lni.wa.gov

What if I don't submit the form?

- Letter sent 15 days after the due date.
 - 15 day grace period before penalty
- Refer to penalty for a rule violation.
- Refer to management for corrective action if continue to not submit.