

**REQUIREMENTS FOR AUTHORIZATION TO BE SELF-INSURED UNDER THE  
LONGSHORE AND HARBOR WORKERS' COMPENSATION ACT  
AND/OR EXTENSIONS**

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

**ATTACHMENT:**

Form LS-271, Application for Self-Insurance

**INFORMATION AND MATERIAL WHICH MUST BE SUBMITTED:**

- 1) Completed Form LS-271, Application for Self-Insurance. A separate application must be completed under each Act for each separately incorporated subsidiary. A parent company must guarantee the obligations of each subsidiary. The guaranty must be submitted on parent company letterhead.
- 2) Certified audited financial statements for the most recent three years.
- 3) Loss information under the Act for the most recent five years, showing loss information for each year, including total incurred, paid and outstanding losses.
- 4) Information pertaining to specific excess insurance. The net retention and maximum limit should be shown, and a specimen copy of the policy should be included.
- 5) Statement showing amount of annual payroll under the Act by insurance classification code.
- 6) Statement pertaining to the proposed administration of claims. If claims are to be self-administered, a statement should be submitted showing the qualifications of those individuals who will process claims. If a self-insurance service organization is to be used, a profile of the organization should be submitted, showing the experience of claims handling personnel managing cases under the Act.
- 7) Employer Identification Number (EIN) for each applicant company. This can be furnished in item 2 of the application.

- 8) A certification by a corporate officer on company letterhead stating that the applicant company will perform the following:
  - a. Comply with all statutory and regulatory obligations, including meeting timeliness 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 to 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.

There is no filing fee or other cost associated with filing an application for self-insurance authorization. You should allow about 30 to 60 days for processing upon receipt of a completed application.

If a third party is filing on behalf of a client company then the application should contain the name of the responsible person and the address of the client company to whom notification of the decision should be sent. If all correspondence is to be sent to the third party, the application should so indicate.

The completed application form and all related material should be submitted to:

U.S. Department of Labor  
OWCP/DLHWC, Room C-4319  
200 Constitution Avenue, N.W.  
Washington, D.C. 20210

Questions relating to self-insurance should be addressed to the Longshore Insurance Branch at the same address. The telephone number is (202) 693-0039.

Antonio Rios, Director Division  
of Longshore and Harbor  
Workers' Compensation

(2/12)

PLEASE TYPE THIS STATEMENT ON PARENT COMPANY LETTERHEAD

PARENT COMPANY GUARANTY

Guaranty made on (date) by (parent company) of (address) as guarantor of all obligations incurred by (subsidiary company) of (address) under the Longshore and Harbor Workers' Compensation Act and/or its extensions, the Outer Continental Shelf Lands Act; the Defense Base Act and the Nonappropriated Fund Instrumentalities Act.

In consideration of the granting of self-insurance authority under the Longshore and Harbor Workers' Compensation Act and/or its extensions, the Outer Continental Shelf Lands Act; the Defense Base Act and the Nonappropriated Fund Instrumentalities Act to (subsidiary company), (parent company) unequivocally guarantees the payment of all obligations incurred by (subsidiary company) under the Longshore and Harbor Workers' Compensation Act and/or its extensions, the Outer Continental Shelf Lands Act; the Defense Base Act and the Nonappropriated Fund Instrumentalities Act. This guaranty is absolute and unconditional and continuous except as specifically provided below.

(Parent company) may revoke this guaranty, effective on the last day of any annual period of authorization or reauthorization by the Secretary of Labor or designee of (subsidiary company) to act as a self-insurer under the Longshore and Harbor Workers' Compensation Act and/or its extensions, by giving notice to the Division of Longshore and Harbor Workers' Compensation by registered mail not less than 60 days prior to the effective date of such revocation; provided, that any such revocation shall not affect (parent company's) continuing obligation to guarantee all obligations of (subsidiary company) whenever accruing, for which (subsidiary company) is liable under the Longshore and Harbor Workers' Compensation Act and/or its extensions, the Outer Continental Shelf Lands Act; the Defense Base Act and the Nonappropriated Fund Instrumentalities Act, on the basis of its conduct of employment during the period this guaranty was in effect.

I, being the duly elected and acting Secretary of (parent company) do hereby certify that the foregoing was duly adopted by the Board of Directors of (parent company) at a meeting thereof duly called and held on (date), at which a quorum was present and acting throughout, and that said guaranty is in full force and effect.

\_\_\_\_\_  
Corporate Seal

\_\_\_\_\_  
Notary Seal

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Typed Name and Title

\_\_\_\_\_  
Date