

**WAC 200-100-02001 Standards for operation and management—Rules for individual self-insurance program.** Each individual self-insurance program that self-insures is exempt from the rules applicable to joint self-insurance programs. Individual self-insurance programs shall meet the following standards:

(1) The individual self-insurance program must notify the state risk manager of its existence or termination.

(2) The program may contract for claims handling and investigation services, or the program may choose to provide these services internally. In either case, the person responsible for the program shall establish sufficient contract monitoring and internal control procedures to provide adequate oversight over the claims handling and investigation process.

(3) The program shall establish standards requiring each claim be reserved for settlement, legal and loss adjustment expense. Settlement (indemnity) reserves shall be established by a reserving process which may include estimates of jury verdict value.

(4) The program shall establish claims reserving processes that include a periodic review of case reserves.

(5) The individual self-insurance program may obtain the services of an independent claims auditor to evaluate the claims handling procedures of its contractor or internal staff.

(6) The program may use the services of an actuary to determine the funding levels necessary to fund reserves restricted for payment of claims and related claims expenses.

[Statutory Authority: 2011 c 43. WSR 11-23-093, recodified as § 200-100-02001, filed 11/17/11, effective 11/17/11. Statutory Authority: RCW 48.62.061. WSR 10-01-072, § 82-60-02001, filed 12/14/09, effective 1/14/10.]