

Informational Bulletin:

Notice to Actuaries Submitting Actuarial Summaries and Studies for Private Self-Insured Employers

Under 8 Cal. Code Regs. Section 15209(a), actuarial studies and summaries are due to OSIP from active and former private self-insurers no later than [May 1, 2016](#). Under the electronic filing platform, copies of these summaries and studies are simultaneously transmitted to the Self-Insurers' Security Fund. These required summaries and studies are expressly relied upon by OSIP and the Self-Insurers' Security Fund to determine collateral requirements and assessments.

Pursuant to 8 Cal. Code Regs. Section 15209(e), "[t]he actuary shall declare in the study and the summary that the study and report may be used by the State of California and the Self-Insurers' Security Fund to set appropriate collateral and deposit amounts, and for any other regulatory purpose under these regulations." Further, "[t]he actuarial study and summary shall specify that it is prepared for use by the Department of Industrial Relations, Office of Self Insurance Plans and the Self Insurers' Security Fund. The Office of Self Insurance Plans and the Self Insurers' Security Fund may share the study and report with consultants retained by the Department of Industrial Relations or the Self Insurers' Security Fund for official purposes in accomplishing the purposes of these regulations." 8 Cal. Code Regs. Section 15209(f).

Actuarial reports and summaries submitted under these regulations must contain this required language, and **MUST NOT** contain other disclaimers or disclosures that are contradictory or inconsistent with this required language. For example, standard actuarial disclaimers prohibiting all third party distribution, stating that the reports cannot be relied upon by third parties other than the client, or declaring that nothing in the report may create a legal duty to any third party recipient, will not be allowed and may cause the summary and study to be rejected by OSIP. Such disclaimers are permissible only if OSIP and the Self-Insurers' Security Fund are expressly excluded from them.

In the event an actuarial study and summary is rejected, OSIP may require a second study and summary that does conform with the regulatory requirements be prepared and submitted by another qualified actuary at the self-insurers' expense. 8 Cal. Code Regs. Section 15209(i). Unless a corrected conforming study and summary is timely submitted, the self-insurer may be subject to adverse regulatory action, including but not limited to revocation of its Certificate of Consent to Self-Insure and/or imposition of a higher assigned collateral requirement in the discretion of OSIP. Additionally, the Self-Insurers' Security Fund may downgrade or exclude the self-insurer from participation in the Alternative Security Program ("ASP") and/or assess additional fees based on a higher collateral requirement.