



OKLAHOMA INSURANCE DEPARTMENT

BULLETIN NO. OEIBA 2014-01

TO: All Employers Seeking Qualified Employer Status

RE: Low SIR Safe Harbor Requirements

FROM: John D. Doak, Insurance Commissioner

DATE: September 4, 2014

An employer electing to be a Qualified Employer under the Oklahoma Employee Injury Benefit Act must demonstrate financial ability to pay claims by either:

1. Purchasing an insurance policy that shifts the entire obligation to pay benefits from the employer to an insurance carrier; or
2. Posting security (in the form of a surety bond or irrevocable letter of credit that meets the requirements of O.A.C. Title 365: 25-25-12) in an amount determined to be adequate, on an employer-by-employer basis, by the Oklahoma Insurance Department; or
3. Satisfying the “**LOW SIR SAFE HARBOR REQUIREMENTS**” listed below.

LOW SIR SAFE HARBOR REQUIREMENTS: Employers that insure to reimburse them for payments under their benefit plan with an insurance policy that has a self-insured retention (“SIR”) with a retained risk no higher than \$25,000 per person will be deemed to have “fully insured” their compensation obligation as required under 85A O.S. § 204(B)(1) and will not be required to post any security deposit with or provide any financial data to the Oklahoma Insurance Department.

PLEASE NOTE: THIS LOW SIR SAFE HARBOR OPERATES AS A STATEMENT OF INTENT ONLY AND NOT AS A WAIVER OF RIGHTS OR RESPONSIBILITIES. THE OKLAHOMA INSURANCE DEPARTMENT HAS FINAL AUTHORITY TO DETERMINE IF AN EMPLOYER MUST POST SECURITY REGARDLESS OF WHETHER OR NOT THE EMPLOYER’S PROGRAM MEETS THE REQUIREMENTS OUTLINED IN THIS BULLETIN.

Questions or comments applicable to this bulletin should be directed to Dan Byrd (Dan.Byrd@oid.ok.gov) or Donald Ashwood (Donald.Ashwood@oid.ok.gov), Oklahoma Insurance Department, Five Corporate Plaza, 3625 NW 56th, Suite 100, Oklahoma City, OK 73112.

The Oklahoma Insurance Department encourages readers of this notice to periodically check the Department's website <http://oid.ok.gov> for news and updates to **bulletins** and other relevant material.