

34A-2-202 Assessment on self-insured employers including the state, counties, cities, towns, or school districts paying compensation direct.

- (1)
 - (a)
 - (i) A self-insured employer, including a county, city, town, or school district, shall pay annually, on or before March 31, an assessment in accordance with this section and rules made by the commission under this section.
 - (ii) For purposes of this section, "self-insured employer" is as defined in Section 34A-2-201.5, except it includes the state if the state self-insures under Section 34A-2-203.
 - (b) The assessment required by Subsection (1)(a) is:
 - (i) to be collected by the State Tax Commission;
 - (ii) paid by the State Tax Commission into the state treasury as provided in Subsection 59-9-101(2); and
 - (iii) subject to the offset provided in Section 34A-2-202.5.
 - (c) The assessment under Subsection (1)(a) shall be based on a total calculated premium multiplied by the premium assessment rate established pursuant to Subsection 59-9-101(2).
 - (d) The total calculated premium, for purposes of calculating the assessment under Subsection (1)(a), shall be calculated by:
 - (i) multiplying the total of the standard premium for each class code calculated in Subsection (1)(e) by the self-insured employer's experience modification factor; and
 - (ii) multiplying the total under Subsection (1)(d)(i) by a safety factor determined under Subsection (1)(g).
 - (e) A standard premium shall be calculated by:
 - (i) multiplying the prospective loss cost for the year being considered, as filed with the insurance department pursuant to Section 31A-19a-406, for each applicable class code by 1.10 to determine the manual rate for each class code; and
 - (ii) multiplying the manual rate for each class code under Subsection (1)(e)(i) by each \$100 of the self-insured employer's covered payroll for each class code.
 - (f)
 - (i) Each self-insured employer paying compensation direct shall annually obtain the experience modification factor required in Subsection (1)(d)(i) by using:
 - (A) the rate service organization designated by the insurance commissioner in Section 31A-19a-404; or
 - (B) for a self-insured employer that is a public agency insurance mutual, an actuary approved by the commission.
 - (ii) If a self-insured employer's experience modification factor under Subsection (1)(f)(i) is less than 0.50, the self-insured employer shall use an experience modification factor of 0.50 in determining the total calculated premium.
 - (g) To provide incentive for improved safety, the safety factor required in Subsection (1)(d)(ii) shall be determined based on the self-insured employer's experience modification factor as follows:

EXPERIENCE MODIFICATION FACTOR	SAFETY FACTOR
Less than or equal to 0.90	0.56
Greater than 0.90 but less than or equal to 1.00	0.78
Greater than 1.00 but less than or equal to 1.10	1.00

Greater than 1.10 but less than or equal to 1.20 1.22

Greater than 1.20 1.44

(h)

- (i) A premium or premium assessment modification other than a premium or premium assessment modification under this section may not be allowed.
 - (ii) If a self-insured employer paying compensation direct fails to obtain an experience modification factor as required in Subsection (1)(f)(i) within the reasonable time period established by rule by the State Tax Commission, the State Tax Commission shall use an experience modification factor of 2.00 and a safety factor of 2.00 to calculate the total calculated premium for purposes of determining the assessment.
 - (iii) Prior to calculating the total calculated premium under Subsection (1)(h)(ii), the State Tax Commission shall provide the self-insured employer with written notice that failure to obtain an experience modification factor within a reasonable time period, as established by rule by the State Tax Commission:
 - (A) shall result in the State Tax Commission using an experience modification factor of 2.00 and a safety factor of 2.00 in calculating the total calculated premium for purposes of determining the assessment; and
 - (B) may result in the division revoking the self-insured employer's right to pay compensation direct.
 - (i) The division may immediately revoke a self-insured employer's certificate issued under Sections 34A-2-201 and 34A-2-201.5 that permits the self-insured employer to pay compensation direct if the State Tax Commission assigns an experience modification factor and a safety factor under Subsection (1)(h) because the self-insured employer failed to obtain an experience modification factor.
- (2) Notwithstanding the annual payment requirement in Subsection (1)(a), a self-insured employer whose total assessment obligation under Subsection (1)(a) for the preceding year was \$10,000 or more shall pay the assessment in quarterly installments in the same manner provided in Section 59-9-104 and subject to the same penalty provided in Section 59-9-104 for not paying or underpaying an installment.
- (3)
- (a) The State Tax Commission shall have access to all the records of the division for the purpose of auditing and collecting any amounts described in this section.
 - (b) Time periods for the State Tax Commission to allow a refund or make an assessment shall be determined in accordance with Title 59, Chapter 1, Part 14, Assessment, Collections, and Refunds Act.
- (4)
- (a) A review of appropriate use of job class assignment and calculation methodology may be conducted as directed by the division at any reasonable time as a condition of the self-insured employer's certification of paying compensation direct.
 - (b) The State Tax Commission shall make any records necessary for the review available to the commission.
 - (c) The commission shall make the results of any review available to the State Tax Commission.

Amended by Chapter 212, 2009 General Session