

OKLAHOMA WORKERS' COMPENSATION COMMISSION
1915 NORTH STILES AVENUE
OKLAHOMA CITY, OK 73105
(405) 522-3222 or In-State Toll Free (855) 291-3612

APPLICATION FOR INDIVIDUAL OWN RISK EMPLOYER PERMIT

Date August 23, 2016

The undersigned, an employer subject to the provisions of the Administrative Workers' Compensation Act, hereby applies for permission to carry its own risk without insurance. To enable the Workers' Compensation Commission to determine whether or not the applicant possesses sufficient financial ability to render certain the payment of any award made by the Commission, said applicant hereby states the following:

1. Employer's Legal Business Name City of Norman
2. If the Employer does business, or has done business under another name in Oklahoma, including any trade name, list those other names _____

3. Own Risk # (if a renewal applicant) 10970
4. Employer's Federal Identification Number (FEIN) 73-6005350
5. Home Office Mailing Address P.O. Box 370, Norman OK 73070

(Please include City, State, Zip)
6. Home Office Physical Address (if different) 201 West Gray, Norman OK 73069

(Please include City, State, Zip)
7. Oklahoma Principal Office Address (if different) N/A

(Please include City, State, Zip)
8. If the Employer is an out-of-state company, give year licensed to do business in Oklahoma N/A
9. Nature of business Municipal Government
10. Name of the Employer's Medicare Reporting contact (*If managed through a third party vendor, list company's name and contact*) Tom Szold

11. Primary contact for Employer (*Whom we should contact for additional information about this application*)

Clint Mercer

Chief Accountant

Name

Title

Email address

Telephone Number

12. Secondary contact for Employer (*Whom we should contact if the primary contact is not available*)

Jeff Bryant

City Attorney

Name

Title

jeff.bryant@normanok.gov

(405) 366-5428

Email address

Telephone Number

13. General Company Information:

- a. Years engaged in continuous business 121 In Oklahoma Since 1895
- b. Number of employees presently employed 903 In Oklahoma _____
- c. Estimated payroll in Oklahoma for the next twelve (12) months \$78,860,376
- d. Payroll in each of the preceding three (3) years:
- | <u>Overall</u> | <u>In Oklahoma</u> |
|--|--|
| Year: <u>16</u> , \$ <u>73,763,930</u> | Year: <u>16</u> , \$ <u>73,763,930</u> |
| Year: <u>15</u> , \$ <u>71,173,376</u> | Year: <u>15</u> , \$ <u>71,173,376</u> |
| Year: <u>14</u> , \$ <u>69,157,539</u> | Year: <u>14</u> , \$ <u>69,157,539</u> |

14. a. Is the Employer applying for an Oklahoma Own Risk License owned by another employer or parent company? (Check appropriate answer) ☐ Yes ☒ No
If yes, list owner name: _____
- b. Does the Employer want to cover other employers/companies under the permit? (Check appropriate answer) ☐ Yes ☒ No
If yes, list other employers/companies; _____
Attach a list of other employers/companies, with the employer/company FEIN, address, and covered locations.
- c. Does the Employer own other employers/companies that it does not want to cover under the permit? (Check appropriate answer) ☐ Yes ☒ No
If yes, list other employers/companies; _____
Attach a list of other employers/companies, with the employer/company FEIN, address, and covered locations.
15. a. Does the Employer use a Third-party Administrator (TPA) or an In-house Benefit Administrator to service self insurance claims? (Check appropriate answer) ☐ TPA ☒ In-house Benefit Administrator
- b. If the Employer uses a TPA, provide the name and address (including City, State, and Zip) of the TPA, contact name, contact phone number, and contact email address: _____

- c. If the Employer uses an In-house Benefit Administrator, provide the name and Oklahoma adjuster's license number: Clint Mercer, CPA

16. In the section below, state the loss history for the past five (5) years. Copy the requested information from your loss runs. **Also include the current year's history, indicating how many months of the current year are included.**
Note: An actuarial report may be requested by the Commission.

a. Total incurred losses in Oklahoma (include for all injuries, both open and closed claims):
(Please report by date of injury, not date reported or date paid)

Calendar Yr or Fiscal Yr Ending	Medical \$ Paid	Indemnity \$ Paid	Total \$ Paid (including any expenses)	\$ Total Reserves Outstanding
2016 __ # mos.	242,643	69,716	311,815	264,055
2015	379,448	72,352	462,322	114,265
2014	529,335	535,964	1,094,322	44,413
2013	633,037	684,726	1,330,438	102,068
2012	882,512	1,025,280	1,918,276	0
2011	473,399	795,867	1,278,492	57,300

Calendar Yr or Fiscal Yr Ending	# of Cases Opened	# of Cases Reopened	# of Cases Closed	# of Cases Currently Open
2016 __ # mos.	98	0	73	25
2015	110	0	105	5
2014	115	0	114	1
2013	142	0	140	2
2012	139	0	139	0
2011	148	0	147	1

- b. Total Self Insurance Net Reserves Outstanding for All Years of Self Insurance: \$794,587
(Net Reserves Outstanding = Current Reserves Minus Any Expected Excess Carrier Reimbursements)
- c. Total Self Insured Open Cases for All Years of Self Insurance: 33
- d. Estimated manual premium: \$2,218,500
(This information may be available from the Employer's excess insurance carrier, agent or broker)

17. Excess Insurance Information:

- a. Name of Carrier N/A Policy # _____
- b. Policy dates: Effective _____ Expiration _____
- c. Self Insured Retention _____
- d. Does the Employer carry Aggregate Excess Insurance? (Check appropriate answer) ☐ Yes ☐ No
 If yes: Aggregate Retention _____ Aggregate Limits _____

Note: A certificate of excess insurance or a valid binder issued by said carrier must be attached to this application. If coverage renews during the permit year, please send a copy of the certificate for the renewed coverage.

18. For governmental entities:
 a. Amount appropriated for the current fiscal year \$2,218,500

b. Amount appropriated for the next fiscal year (if available) N/A

c. Amount any other reserved funds allocated for payment of prior years' open claims: N/A

19. Include the **nonrefundable annual application fee of \$1,000**, made payable to the **OK Workers' Compensation Commission**, the financial worksheet attached to this application, and any required attachments indicated below with this application.

☒ Signed Application

☒ Nonrefundable annual application fee **\$1000** made payable to: **Oklahoma Workers' Compensation Commission**

☒ Financial Worksheet

☐ Proof of Excess Insurance (the most current certificate; a current certificate is required for final approval)

☒ A completed **Designation of Service Agent** CC-Form 7 (even if there are no changes from last year)

☒ The Employer's most recent audited financial statements, including balance sheet, income statement, statement of cash flows, and notes (If the company does not have audited financial statements, unaudited financial statements signed by two company executives may be submitted)

☐ *If* the Employer is owned by another company, the audited financial statements for the parent company

☒ The most recent interim financial statements available for the Employer and any parent company, including balance sheet, income statement, and statement of cash flows.

☐ *If* the Employer has employees at multiple Oklahoma locations, a list of all locations, with the full address for each location.

☐ A list of any additional employers/companies to be included under the permit, including their Federal Identification Number (FEIN) and list of covered Oklahoma locations.

☐ If the Employer owns other employers/companies that should **not** be included on the permit, a list of the names, addresses, and federal employer identification numbers (FEIN) of ALL employers/companies to be excluded from the permit, including subdivisions. Advise whether those employers/companies are included under another Own Risk License, or if workers' compensation obligations are Insured and by what Insurance Carrier Name.

☒ Loss runs for the past five years. **Data that identifies individual employees may be redacted.** Actuarial reports are not required but are helpful if available.

☐ *If* the renewing Employer has a parental guaranty of funds and there are **any changes to the named insureds** on the permit applicant/renewal; then **you must provide a new, notarized original parental guaranty** from the parent or principal employer.

☒ **For Governmental Entities** A copy of the minutes from the board meeting where the budgeted amount was approved.

20. **PLEASE READ CAREFULLY –**

In consideration of the approval of this application, **the applicant hereby expressly agrees as follows:**

- a. The applicant's privilege to carry its own risk without insurance may be revoked at any time for good cause by the Workers' Compensation Commission.
- b. The applicant agrees to notify the Commission of any change in its financial condition or ownership in the interim period between applications, such as a net financial loss, which may impact the applicant's financial ability to pay its workers' compensation obligations.

- c. The applicant agrees to comply with all applicable statutes and the rules of the Workers' Compensation Commission.

Administrative Workers' Compensation Act, 85A O.S., §6(A)(1)(a): "Any person or entity who makes any material false statement or representation, who willfully and knowingly omits or conceals any material information, or who employs any device, scheme, or artifice, or who aids and abets any person for the purpose of: (1) obtaining any benefit or payment ... shall be guilty of a felony."

Any person who commits workers' compensation fraud, upon conviction, shall be guilty of a felony punishable by imprisonment, a fine or both.

I declare under penalty of perjury that I have examined this application and all statements contained herein, and to the best of my knowledge and belief, they are true, correct and complete.

Signed this _____ day of August _____, 20 16 _____.

Signature

(NOTE: the person signing MUST be authorized to bind the Own Risk Employer to the agreements contained herein)

Lynne Miller

Mayor

Print Name of Person Signing Above

Title of Person Signing Above

P.O. Box 370

Norman

OK

73070

Mailing Address

City

State

Zip Code

201 West Gray Street, Building C

Norman

OK

73069

Street Address, if different from Mailing Address

City

State

Zip Code

clint.mercer@normanok.gov

(405) 217-7720

E-mail Address of Person Signing Above

Telephone Number of Person Signing Above

Send application to:
OKLAHOMA WORKERS' COMPENSATION COMMISSION
INSURANCE SERVICES DIVISION
1915 NORTH STILES AVENUE, SUITE 231
OKLAHOMA CITY, OK 73105

FINANCIAL WORKSHEET

Please complete the following based on the Employer's financial statements. All amounts should be US Dollars.

	Most Recent Period	Last Complete Fiscal Year	Prior to Last Complete Fiscal Year
Time Period (i.e., 3 rd quarter 2014, Jan-Dec 2015, July 2014-June 2015)	7/1/2015 to 6/30/2016	7/1/2014 to 6/30/2015	7/1/2013 to 6/30/2014
Total Inventory, Net (include raw materials, work in process, and final)	Unknown at this time	\$26,642	\$47,128
Current Assets	Unknown at this time	201,626,453	155,165,992
Total Assets	Unknown at this time	758,622,364	657,427,047
Current Liabilities	Unknown at this time	42,367,306	32,757,712
Long-Term Debt (excluding amounts in Current Liabilities)	Unknown at this time	228,127,525	113,073,478
Owners Equity (including any noncontrolling interests)	Unknown at this time	524,409,304	511,806,030
Net Sales or Revenue	Unknown at this time	197,050,674	160,965,184
Operating Income	Unknown at this time	N/A	N/A
Interest Expense	Unknown at this time	3,800,018	3,858,274
Net Income (not Comprehensive Net Income)	Unknown at this time	62,153,426	19,459,517
Net Cash from Operating Activities	Unknown at this time	20,875,424 - Proprietary Funds Only	11,019,511 - Proprietary Funds Only
Net Cash from Investing Activities	Unknown at this time	3,078,707 - Proprietary Funds Only	3,946,825 - Proprietary Funds Only
Net Cash from Financing Activities	Unknown at this time	(28,129,857) - Proprietary Funds Only	(15,001,026) - Proprietary Funds Only
Net Increase in Cash and Cash Equivalents	Unknown at this time	(4,175,726) - Proprietary Funds Only	(34,690) - Proprietary Funds Only
Cash and Cash Equivalents, Beginning of Year	Unknown at this time	23,672,514 - Proprietary Funds Only	23,707,204 - Proprietary Funds Only
Cash and Cash Equivalents, End of Year	Unknown at this time	19,496,788 - Proprietary Funds Only	23,672,514 - Proprietary Funds Only

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 INSURANCE SERVICES DIVISION
 1915 NORTH STILES AVENUE, SUITE 231
 OKLAHOMA CITY, OK 73105



The City of **NORMAN**

201 West Gray, Bldg. C • P.O. Box 370
Norman, Oklahoma 73069 • 73070

OFFICE OF THE FINANCE DIRECTOR
Phone 405-366-5413
FAX: 405-366-5417

August 23, 2016

Andrea Bair
Worker's Compensation Commission
Insurance Services Division
1915 North Stiles
Oklahoma City, OK 73105

Dear Ms. Bair:

Please see the enclosed own risk application for the City of Norman ("City"). The City has budgeted \$2,218,500 for Worker's Compensation for fiscal year ending June 30, 2017. Below is a breakdown of some of these accounts:

Worker's Compensation Claim Settlements	\$510,000
Worker's Compensation Medical Costs	1,159,000
Worker's Compensation Weekly Payments	400,000
Administrative Fees for W/C	141,500
Worker's Compensation Patient Mileage	8,000

Please find the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015 and the application check for \$1,000 as requested. The CAFR report represents our most current audited financial statements. The CAFR for fiscal year ended June 30, 2016 will not be available until December 31, 2016. Please find our June 30, 2016 preliminary general ledger account information. These figures are preliminary and will change during the audit due to adjustments.

Workers' compensation claims are funded via appropriations as noted above. Awarded settlements are placed on the Cleveland County property tax rolls and collected over three years.

The City's Medicare Reporting contact is Mr. Tom Szold.

If you have any further questions, please contact me at (405) 217-7720. My e-mail address is clint.mercer@normanok.gov.

Sincerely,

Clint Mercer, CPA
Chief Accountant

Encl:



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Norman, Oklahoma 73069 • 73070

OFFICE OF THE FINANCE DIRECTOR
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August 23, 2016

Andrea Bair
Worker's Compensation Commission
Insurance Services Division
1915 North Stiles
Oklahoma City, OK 73105

RE: Workplace Safety Plan

Dear Ms. Bair:

Pursuant to your request, the City of Norman's Workplace Safety Plan is as follows:

1. Monthly Safety Meetings

We conduct monthly safety meetings at each division. The meetings take place within each division's break room and cover topics such as the following:

Lock-Out-Tag Out	Personal Protective Equipment
Safe Driving Procedures	Heat Stress Safety
Blood Borne Pathogen Safety	Safe Lifting Procedures
Electrical Safety	Slips, Trips & Falls
Fire Extinguisher Safety	Hazard Communication (SDS – Right to Know)
Tornado Safety	Ergonomic Risk Factors

2. Orientation Safety Training

Orientation Safety Training consists of training on preventing injuries and vehicular accidents. All new employees go through this training before reporting to their Departments for work. Subjects include:

Back Injury Prevention	OJI Reporting
NFPA Rating Diagram	Driving Safety
Personal Protective Equipment	Preventing Slips, Trips & Falls
Blood Borne Pathogen Safety	Hazard Communication (SDS – Right to Know)
General Office Safety/Housekeeping	Cell Phone Safety

Vehicle collisions are classified by the Safety Manager as either chargeable (our fault) or non-chargeable. The driver may challenge this finding, and request an Accident Review Committee be convened. At this meeting the driver states his case to his Department Head, and the Department Head determines whether it is chargeable or not.

Currently the City has two Safety Committees who meet regularly. One is a committee comprised of solely Division Heads who meet monthly to "ensure safe work practices, so that we can prevent accidents, injuries and property damage; in order to save money needlessly spend on repairing our

people, vehicles and property.” The other committee meets quarterly and is comprised from the safety coordinators from each Division. Supervisors, workers, union representatives and other key management personnel participate in the committee. The City also maintains a comprehensive safety manual.

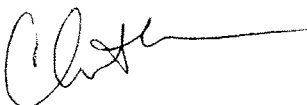
The City has an Employee Assistance Program, which helps employees overcome personal conflicts, drug, or alcohol abuse. The City’s Police Department conducts high-speed pursuit driver’s training at the Lloyd Noble parking lot as well as the Burns Flat Course on an annual basis. The following is the sequence in which worker’s compensation claims originate and are processed:

1. Receive phone call of injury
2. Authorize treatment at the appropriate medical facility (i.e., Norman Regional Hospital for serious injuries or Norman Regional Occupational Health Medicine and Concentra, for routine injuries).
3. Receive a written on-the-job (OJI) report of circumstances from supervisor.
4. Generate Form 2 and send to the Worker’s Compensation Commission.
5. Open and maintain a file for the injury.
6. Log all medical expenses within Micro Niche database software.
7. Request purchase orders for expenses using purchase requisitions.
8. Transition of the entire file is handed off to the City Attorney’s Office once the OJI becomes a Worker’s Compensation claim.

The primary City staff responsible for worker’s compensation cases is Jeanne Snider, Assistant City Attorney. The primary safety staff member responsible for the safety plan is Gala Hicks. I am responsible for the OJI duties of the City.

If you have any further questions, please contact me at (405) 217-7720.

Sincerely,

A handwritten signature in black ink, appearing to read 'Clint Mercer', with a long horizontal flourish extending to the right.

Clint Mercer, CPA
Chief Accountant