



# COMMONWEALTH OF MASSACHUSETTS

## Office of Consumer Affairs and Business Regulation

### DIVISION OF INSURANCE

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<http://www.mass.gov/doi>

MAURA HEALEY  
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MICHAEL T. CALJOUW  
COMMISSIONER OF INSURANCE

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LIEUTENANT GOVERNOR

**TO:** All Approved Workers' Compensation Self-Insurance Groups (211 CMR 67.00) and  
Municipal Property-Casualty Insurance Groups (M.G.L. c. 40M)

**FROM:** James A. McCarthy, AFE, Director and Chief Examiner of Financial Examinations  
*JAM*

**DATE:** December 20, 2024

**RE:** \*\*\*2024 ANNUAL STATEMENT NOTICE for Self-Insurance Groups\*\*\*

This notice contains instructions for filing the 2024 Annual Statement with The Commonwealth of Massachusetts, Division of Insurance. Unless otherwise indicated, all filings must comply with **2024 NAIC Annual Statement Instructions - Property and Casualty ("Instructions")**, including the required quarterly filings. Copies of these instructions and of the **Accounting Practices and Procedures Manual for Property and Casualty Insurance Companies ("AP&P")** can be obtained from the Publications Department of the NAIC (816) 783-8300. The differences between the Annual Statement requirements of property casualty insurers and for workers' compensation self-insurance groups are shown in Exhibit A.

In addition to the requirements in the Instructions, all Workers' Compensation Self-Insurance Groups must comply with the following:

We are requiring Groups to provide a copy of their **signed** Annual and Quarterly Statements submitted by email as a PDF attachment. The **signed** PDF will be available to the public. The Annual Statement should include the signed copy and should also include the Actuarial Certification. **All draft Quarterly Statements should be submitted as an email attachment in PDF format rather than hard copy. The electronic PDF signed statements must be filed within 30 days of the due date.**

**No need to send hard copies of any of the reports and statements. We will accept electronic PDF signed copies (and notarized when required) of all these.**

### **FILING DATES AND SIZE**

Annual Statements, as well as enclosures and special forms, shall be 9" x 14" in size. All schedules due with the Annual Statement must be securely attached to the appropriate pages. Annual Statements must bear original notarized signatures of **two** principal officers of the Group. The provisions of 211 CMR 67.08(3)(a) require that the Annual Statement be **received on or before the first day of the third month after the end of a Group's fiscal year (e.g., March 15 for Groups with a fiscal year ending December 31).** The filing date for the Quarterly Report of Membership will be the fifteenth of the month. In addition to monetary penalties, Groups failing to file within 30 days of the due date will not be permitted to pay dividends, nor will they be allowed to use any approved premium discounts until the statements are filed.

**Please email a PDF copy of the signed (as noted above), Annual Statement. No need to send a hard copy.** The Self-Insurance Group may file an unsigned Annual Statement PDF photocopy with an email to the Division on the due date. A letter or email from the administrator stating that this is a true copy should accompany the submission. Preliminary Quarterly Statements should be sent as a PDF email attachment with a signed copy. The final signed PDF statements must be filed within 30 days of the due date. A complete schedule of all due dates and filing requirements for Workers' Compensation Self-Insurance Groups is attached to this notice as **Exhibit B.**

Failure to meet these deadlines may result in penalties being assessed from the original due date.

### **NUMBER OF REQUIRED STATEMENTS AND MAILING ADDRESSES**

Two electronic copies of the Annual and one copy of the Quarterly Statement are required (**one copy sent to DOI and one copy to WCRIB**).

**The first copy of each should be emailed to:**

Commonwealth of Massachusetts  
Division of Insurance  
James.A.McCarthy@mass.gov

**The second copy of only the Annual Statement and Actuarial Opinion should be emailed** to the Commissioner's Statistical Agent, even if the Group is not a member of the Workers Compensation Rating and Inspection Bureau of Massachusetts ("WCRI"):

The Workers Compensation Rating and Inspection Bureau of Massachusetts  
101 Arch Street, 5<sup>th</sup> Floor.  
Boston, MA 02110  
Attn.: **Ms. Laura Kirchberg**  
E-mail: [LKirchberg@wcribma.org](mailto:LKirchberg@wcribma.org)

### **CROSS-CHECKS**

All statements must be cross-checked. Annual Statement software packages automatically perform cross-checks. Please explain any non-trivial cross-check errors.

### **PENALTIES**

The provisions of 211 CMR 67.08(6) provide for a penalty of \$100 per day if the Annual Statement and all other related filings are not received in the proper form and by the date required. In addition, any company that neglects to file in the proper form and by the date required may be required to cease writing new business as long as the filing deficiency continues.

### **STATEMENT OF ACTUARIAL OPINION**

All Workers' Compensation Self-Insurance Groups, when sending the Annual Statement, shall include a **signed** Statement of Actuarial Opinion. The Actuarial Opinion must comply with standards contained in the NAIC's Annual Statement Instructions; however, Self-Insurance Groups are permitted by regulation to discount reserves at the rate set by the Internal Revenue Service. Please note the following:

The Actuarial Standard Board of the American Academy of Actuaries adopted a revision of Actuarial Standard of Practice (ASOP) No. 20. The Standard applies to actuaries when performing actuarial services that involve the discounting of claim estimates for property and casualty coverages to present value.

The preferred language on the Actuarial Opinion is:

**"The discounted reserves as reported on Page 3, Lines 1 and 3 of the Company's statutory Annual Statement, and identified as the sum of items 1 and 2 as shown in Exhibit A, have been discounted using the discount factors promulgated by the Internal Revenue Service for tax year 2023, as permitted by Massachusetts Regulations, 211 CMR 67.00. In my judgment, it is reasonable to use the discount rates prescribed by the Internal Revenue Service and selected by a regulatory body to satisfy the accounting requirements of that regulator."**

### **REINSURANCE CREDIT**

Credit for reinsurance must be recorded in accordance with the provisions of Massachusetts General Law ("M.G.L."), Chapter 175, Section 20, and 211 CMR 67.21.

### **CLAIMS IN SUIT**

**This schedule relates only to policyholders' suits against the Group, not suits against an insured defended by the Group under workers' compensation policies.**

In accordance with M.G.L. Chapter 175, section 27, the Group shall prepare a schedule showing all Massachusetts claims for losses in suit during the year, including suits disposed of during the year and those outstanding at year end. We are simplifying the requirement. On page 15.6 of the Blank, insert the following:

43. "Claims in Suit" is a required filing for all Groups. Does this filing accompany the Annual Statement? Yes ☐  
No Claims in Suit ☐

If there are any such suits, please prepare a report as follows: the schedule may be prepared on Group letterhead since the Division does not provide forms for this purpose. The schedule shall reflect the following information:

1. Policy/Bond Number
2. Date of Loss
3. Date of Notice of Suit
4. Amount Claimed
5. Amount Paid Claimant to Date
6. Name of Local Attorney in Charge of Case
7. Reason for Resisting Claim

Insert the amount presented in the proof of claim if Ad Damnum and amount claimed differ.

### **FILING REQUIREMENTS**

As noted above, we require a **signed** copy of all statements in PDF format. Statements can be submitted by email as a PDF attachment to James McCarthy at the Division of Insurance.

Should you have any questions, please e-mail me at [James.A.McCarthy@mass.gov](mailto:James.A.McCarthy@mass.gov)

**DIFFERENCES BETWEEN THE ANNUAL STATEMENT REQUIREMENTS FOR  
INSURANCE COMPANIES AND WORKERS' COMPENSATION SELF-INSURANCE  
GROUPS AND CHANGES IN THE ANNUAL STATEMENT**

**SPECIFIC CHANGES**

There are no specific changes in the **Annual Statement** for the year which affects Self-Insurance Groups ("SIGs").

**Page 14 – Notes to Financial Statements**

SIGs will again be required to include answers **only** to the following:

Note (1) **"Summary of Significant Accounting Policies & Going Concern"**

Note (2) **"Accounting Changes and Corrections of Errors"**

Note (5) **"Investments"** (If applicable)

Note (7) **"Investment Income"** (If applicable)

Note (9) **"Income Taxes"**, only if the SIG books any deferred tax assets or deferred tax liabilities. Otherwise, simply note that the question is not applicable.

Note (13) **"Capital & Surplus, Dividend Restrictions and Quasi Reorganizations"** THIS APPLIES ONLY TO STOCKHOLDER DIVIDENDS, NOT POLICYHOLDER DIVIDENDS.

Note (14) **"Liabilities, Contingencies and Assessments"**

Note (21) **"Other Items"** If there are none, simply state "none" (**Do not** note that you are rounding to whole dollars: we already know that.)

Note (22) **"Events Subsequent"** If there are none, simply state: "none."

Note (23) **"Reinsurance"** If some or all of these do not apply, simply state "not applicable."

Note (24) **"Retrospectively Rated Contracts & Contracts subject To Redetermination"** This applies only to municipal property-casualty groups operating under **M.G.L. c. 40M**.

Note (25) **"Changes in Incurred Losses and Loss Adjustment Expenses"**

Note (27) **"Structured Settlements"**

Note (32) **"Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjusting Expenses"**

Note (33) **"Asbestos/Environmental Reserves"**

**Page 15 - General Interrogatories**

SIGs only need to answer the questions in this section noted below:

**Pages 15 to 15.6, Part 1 - Common Interrogatories**

SIGs only need to answer the following interrogatories Nos.:

**General** - 2.1, 2.2, 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 9, 11, 14.1, 14.11, 14.2, 14.21, 14.3 14.31

**Board of Directors** - 16, 17, and 18

**Financial** - 19

**Investment** - 25.01 to 25.09, 26.1 to 26.3, 28.1, 28.2, 29, 29.01 to 29.06, 30.01 to 30.3, 31 to 31.4, 32.1 to 32.3, 33.1, and 33.2.

**Other** - 40.1, 40.2, 41.1, 41.2, 42.1, 42.2, **43 and 44 (see next page)**.

**DIFFERENCES BETWEEN THE ANNUAL STATEMENT REQUIREMENTS FOR  
INSURANCE COMPANIES AND WORKERS' COMPENSATION SELF-INSURANCE  
GROUPS AND CHANGES IN THE ANNUAL STATEMENT**

**DO NOT FORGET TO ADD THE "CLAIMS IN SUIT" INTERROGATORY AS #43:** Since this replaces a separate filing, failure to include this subject's the group to a separate \$100 per day penalty until the error is corrected.

**Current year's Final Standard Premium #44**

SIGs need to include the current year's final audited standard premium with the annual statement on the last page of Part 1 - Common Interrogatories page 15.6, item # 44. If the amount is not available at that time, please include last year's completed final audited standard premium amount. Please note the year as follows: "The 202X policy year final audited standard premium is: \_\_\_\_\_."

**Pages 16 to 16.3- Part 2 – Property & Casualty Interrogatories**

SIGs do not need to answer any of these interrogatories, since they are covered by the law and regulation.

**Pages SI01-SI15– Summary Investment**

SIGs are only required to complete pages SI01, SI03 to SI10 and SI15 which are unchanged from last year.

**Pages E01- E29 - Investment**

SIGs are only required to complete pages E07 to E17 and E27 to E29 which have not changed from last year. If a Group is using a surety bond or letter of credit as its security deposit, the information must be reported on *Schedule E, Part 3 – Special Deposits*.

**Please note: The total of the amounts listed as security on pages E10, E17, E27 and E28 should be listed on page E29 - *Schedule E, Part 3 – Special Deposits*.**

**Recap – pages to be completed by SIGs for their Annual Statement**

1 to 15.6, 17 to 19GT, 22 to 29, 33, 34, 38, 57, 62, 67, 75, 84, 93, 94, 100, SI01, SI03 to SI10, SI15, E07 to E17 and E27 to E29.

**None of the Annual Statement Supplements (Pages SUPP 210 to SUPP 600.1) need to be filed since they do not apply to SIGs.**

**Exhibit B**

**Workers' Compensation Self-Insurance Groups**  
**Calendar of Required 2022 Filings with the Division of Insurance**

	<b><u>Number of Copies</u></b>	<b><u>Due Dates for Groups Operating on a:</u></b>	
		<b><u>Fiscal Year</u></b>	<b><u>Calendar Year</u></b>
<b><u>Annual Statement</u></b> , including jurat page with <b><u>two</u></b> original signatures, and on page 19GT - Exhibit of Premiums and Losses (Statutory Page 14)	2*	Fifteenth day of the third month after the end of a Group's fiscal year Include email with signed PDF Copy	3/15/2025
<b><u>Statement of Actuarial Opinion</u></b> One signed PDF copy	2	Same	3/15/2025
<b><u>Claims in Suit</u></b>	1	If there are none, add Interrogatory #43 to the Annual Statement (See above)	3/15/2025
<b><u>CPA Audit Report</u></b> One signed PDF copy	1	<b><u>Last</u></b> day of the <b><u>sixth</u></b> month after the end of a Group's fiscal year (One signed PDF copy)	6/30/2025
<b><u>Quarterly Statements</u></b> Bound, printed, and signed copy must be filed within 30 days of the due date	1	60 days after the end of the first, second and third fiscal quarters File a draft copy <u>on this date</u> as a PDF attachment to an email and send a signed PDF final copy	5/30/2025 8/29/2025 11/28/2025
<b><u>Quarterly Report of Membership</u></b> An email attachment. If there is no change in membership, just send an email saying that there is no change.	1	Same as calendar year Groups	1/13/2025 4/11/2025 7/14/2025 10/10/2025

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- \* **Annual Statement** and **Statement of Actuarial Opinion**: One electronic final notarized copy (AS) and a signed final copy (SAO) should be sent to the Division of Insurance and to the Workers Compensation Rating and Inspection Bureau of Massachusetts as the Commissioner's Statistical Agent (**Laura Kirchberg**). Her email address is listed on page 3.
- All the above documents are required filings. 211 CMR 67.08(6), provides for a penalty of \$100 per day for late filings.