

## **HOW DO I CONVERT COVERAGE TO SELF INSURANCE?**

Please be advised that there are certain requirements for being self-insured:

- 1 Complete a self insured application. (Self-Insured Application)
- 2 Pay appropriate surcharge as outlined in the PCF rate manual and table.
- 3 Post security deposit (Certificate of Deposit, Letter of Credit, etc.) in the amount of \$125,000.00, which has been deemed acceptable by the PCF Oversight Board.
- 4 Sign a security pledge agreement (this will be mailed to you upon receipt of the application, surcharge and security).

If previous coverage was claims made, an extended reporting endorsement (tail) would have to be purchased from the primary insurance carrier or you may post a **second \$125,000.00** security deposit to represent the tail coverage. The extended reporting endorsement (tail) for the Fund may be deferred until within 30 days of the date on which the self insurance coverage is terminated with the Fund. However, please be advised that the deferment must be requested in writing addressed to Mr. Ken H. Schnauder, Executive Director. Please note that if a tail surcharge is required at the time of termination that the quote will be based on the current rate package. If you do not wish to ask for the deferment of the PCF tail, you may go ahead and purchase the tail coverage.

**Please note that the securities posted will have to remain on file with the PCF for a minimum of 3 years, or as long as there are pending claims against it, following the cancellation of the self insured policy.**

Self insurance coverage through the Fund will start the date that the Fund has in its possession the application, the applicable surcharge **and** the security deposit. For further information, refer to our rules and regulations. (Paragraph 507)