

## § 703.001

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### AUTHORIZATION OF SELF-INSURERS

- 703.301 Employers who may be authorized as self-insurers.
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- 703.310 Reports required of self-insurers; examination of accounts of self-insurer.
- 703.311 Period of authorization as self-insurer.
- 703.312 Revocation of privilege of self-insurance.

### ISSUANCE OF CERTIFICATES OF COMPLIANCE

- 703.501 Issuance of certificates of compliance.
- 703.502 Same; employer operating temporarily in another compensation district.
- 703.503 Return of certificates of compliance.

AUTHORITY: 5 U.S.C. 301, 8171 et seq., Reorganization Plan No. 6 of 1950, 15 FR 3174, 3 CFR, 1949-1953, Comp. p. 1004, 64 Stat. 1263; 33 U.S.C. 939; 36 D.C. Code 501 et seq., 42 U.S.C. 1651 et seq., 43 U.S.C. 1331. Secretary's Order 1-93, 58 FR 21190.

SOURCE: 38 FR 26873, Sept. 26, 1973, unless otherwise noted.

### § 703.001 Scope of part.

This part 703 contains the regulations of the OWCP governing the authorization of insurance carriers, the authorization of self-insurers, and the issuance of certificates of compliance. Such provisions are required by the LHWCA, but in almost every instance apply, and hereby are applied, to the extensions of the LHWCA. In those few instances where a separate provision is required, tailored to meet the specific requirements of one of the extended acts, such separate provisions are placed in the succeeding parts of this subchapter.

### § 703.002 Forms.

Any information required by the regulations in this part to be submitted to the OWCP shall be submitted on such forms as the Director may deem appropriate and may authorize from time to time for such purpose.

### § 703.003 Failure to secure coverage; penalties.

(a) Each employer is required to secure coverage under this Act either through an authorized insurance carrier or by becoming an authorized self-insurer. An employer who fails to secure coverage by either manner described in section 32(a), (1) or (2) of the Act, 33 U.S.C. 932(a), is subject, upon conviction, to a fine of not more than \$10,000, or by imprisonment for not more than one year, or both.

(1) Where the employer is a corporation: the president, secretary and treasurer each will also be subject to this fine and/or imprisonment, in addition to the fine against the corporation and each is personally liable, jointly with the corporation, for all compensation or other benefits payable under the Act during the time failure to secure coverage continues.

(b) Any employer who willingly and knowingly transfers, sells, encumbers, assigns or in any manner disposes of, conceals, secretes, or destroys any property belonging to the employer after an employee sustains an injury covered by this Act, with the intention to avoid payment to that employee or his/her dependents of compensation under this Act shall be guilty of a misdemeanor and punished upon conviction by a fine of not more than \$10,000 and/or imprisonment for one year.

(1) Where the employer is a corporation: the president, secretary and treasurer are also each liable to imprisonment and, along with the corporation, jointly liable for the fine.

[50 FR 406, Jan. 3, 1985]

#### AUTHORIZATION OF INSURANCE CARRIERS

##### **§ 703.101 Types of companies which may be authorized by the OWCP.**

The OWCP will consider for the granting of authority to write insurance under the Longshoremen's and Harbor Workers' Compensation Act and its extensions the application of any stock company, mutual company or association, or any other person or fund, while authorized under the laws of the United States or for any State to insure workmen's compensation. The term "carrier" as used in this part means any person or fund duly authorized to insure workmen's compensation benefits under said Act, or its extensions.

##### **§ 703.102 Applications for authority to write insurance; how filed; evidence to be submitted; other requirements.**

An application for authority to write insurance under this Act shall be made in writing, signed by an officer of the applicant duly authorized to make such application, and transmitted to

the Office of Workmen's Compensation Programs, U.S. Department of Labor, Washington, DC 20210. Such application shall be accompanied by full and complete information regarding the history and experience of such applicant in the writing of workmen's compensation insurance, together with evidence that it has authority in its charter or form of organization to write such insurance, and evidence that the applicant is currently authorized to insure workmen's compensation liability under the laws of the United States or of any State. The statements of fact in each application and in the supporting evidence shall be verified by the oath of the officer of the applicant who signs such application. Each applicant shall state in its application the area or areas, in which it intends to do business. In connection with any such application the following shall be submitted, the Office reserving the right to call for such additional information as it may deem necessary in any particular case:

(a) A copy of the last annual report made by the applicant to the insurance department or other authority of the State in which it is incorporated, or the State in which its principal business is done.

(b) A certified copy from the proper State authorities of the paper purporting to show the action taken upon such report, or such other evidence as the applicant desires to submit in respect of such report, which may obviate delay caused by an inquiry of the OWCP of the State authorities relative to the standing and responsibility of the applicant.

(c) A full and complete statement of its financial condition, if not otherwise shown, and, if a stock company, shall show specifically its capital stock and surplus.

(d) A copy of its charter or other formal outline of its organization, its rules, its bylaws, and other documents, writings, or agreements by and under which it does business, and such other evidence as it may deem proper to make a full exposition of its affairs and financial condition.

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