



**Risk Management**  
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City of Surprise

COUNTY OF MARICOPA

I, Sherry Aguilar, City Clerk of the City of Surprise, Maricopa County, within the State of Arizona, do hereby attest that the attached is the original Request for Exemption from Requirement to Post Statutory Deposit for the City of Surprise in accordance with the Arizona Administrative Code and for its Self-insured Workers' Compensation Program, has been duly approved and signed by the City Council on \_\_\_\_\_.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the official seal of the City of Surprise to be affixed hereunto this \_\_\_\_\_ day of February 2017.

\_\_\_\_\_  
Sherry Aguilar, City Clerk of the City of Surprise

## Request for Exemption from Requirement to Post Statutory Deposit

Pursuant to the Arizona Administrative Code, subsection R20-5-1114 (A & B), this document constitutes a certified statement from the City of Surprise, an Arizona Municipality, duly qualified and authorized Arizona Workers' Compensation Self-insurer.

The City of Surprise hereby requests the Industrial Commission of Arizona (ICA) approve an alternate (exemption) from the posting of a statutory deposit, of which the current approved types are as follows: Letter of credit; a surety bond; U.S. Treasury notes or establishing a local government investment pool (LGIP) account. This request is made in accordance with A.A.C. R20-5-1114 and shall cover the City of Surprise unpaid Workers' Compensation claims liability, as outlined in the foregoing statement.

The City of Surprise, Arizona states:

1. The City of Surprise has established a self-insurance trust pursuant to A.R.S. 11-981 (A-F), Section 4-4 of the Surprise Arizona Code of Ordinances, and expressed authorization by the Surprise City Council.
2. The City of Surprise shall conduct an actuary report on an annual basis. The City will attempt to maintain a Workers' Compensation Trust Fund reserve fund balance equivalent to 85% confidence interval of the projected total outstanding claims liability as recommended by the Workers' Compensation Trust. The fund balance will comply with the exemption mandate and not fall below the actuary recommended funding levels of 50-55 percent of the ultimate liability.
3. The Workers' Compensation Trust Fund is sufficient to cover actuarial liabilities for workers' compensation as determined by the self-insurer in accordance with Government Accounting Standards Board Statement #10 (replaced by GASB No. 34); and
4. The City of Surprise provides funding to the Workers' Compensation Trust Fund established pursuant to A.R.S. 11-981 (A-F) each year. The amount held for workers' compensation purposes within the trust is sufficient to cover actuarial liabilities for workers' compensation claims as determined by the self-insurer's actuary in accordance with Government Accounting Standards Board Statement #10 (replaced by GASB No. 34).
5. The City's governing body, or designee, shall immediately notify the ICA and provide security as provided by and in this Article, if the governing body, or designee, learns that the Workers' Compensation Trust Fund has insufficient funds to cover all workers' compensation liabilities of the City of Surprise.
6. Pursuant to items 1 through 4, the City of Surprise meets the conditions required under A.R.S. 11-981 (A-F) and the Arizona Administrative Code, Subsection R20-5-1114 (A&B).
7. The Signatures below represent a majority of the governing body (City Council) members.

Signed \_\_\_\_\_ Date \_\_\_\_\_

Signed \_\_\_\_\_ Date \_\_\_\_\_