



## **FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION**

### **GENERAL INSTRUCTIONS FOR SELF-INSURANCE APPLICATION**

1. This application must be filed in accordance with the provisions of 49 C.F.R. 387.309. Qualifications as self-insurer and other securities or agreements. This regulation appears on the reverse side of these general instructions.
2. Exhibits must be typewritten on paper 8½ by 11 inches or folded to conform. The applicant's name should appear on the top of each page thereof.
3. The name of each person signing this application must be typed or printed beneath the signature.
4. All information required must be given, unless neither known nor available to applicant without unreasonable effort or expense. In such case, explicit statements to such effect shall be provided in lieu of the omitted material, setting forth the reasons why the information is not known or available.
5. A filing fee must accompany the application. (Since these fees are subject to change, please contact the Federal Motor Carrier Safety Administration (FMCSA) regarding current fees.)
6. There should be filed with the FMCSA ten true copies of the application for use by the FMCSA.

§387.309 Qualifications as a self-insurer and other securities or agreements.

(a) As a self-insurer. The Federal Motor Carrier Safety Administration will consider and will approve, subject to appropriate and reasonable conditions, the application of a motor carrier to qualify as a self-insurer, if the carrier furnishes a true and accurate statement of its financial condition and other evidence that establishes to the satisfaction of the FMCSA the ability of the motor carrier to satisfy its obligation for bodily injury liability, property damage liability, or cargo liability. Application Guidelines: In addition to filing Form B.M.C. 40, applicants for authority to self-insure against bodily injury and property damage claims should submit evidence that will allow the Federal Motor Carrier Safety Administration to determine:

(1) The adequacy of the tangible net worth of the motor carrier in relation to the size of operations and the extent of its request for self-insurance authority. Applicant should demonstrate that it will maintain a net worth that will ensure that it will be able to meet its statutory obligations to the public to indemnify all claimants in the event of loss.

(2) The existence of a sound self-insurance program. Applicant should demonstrate that it has established, and will maintain, an insurance program that will protect the public against all claims to the same extent as the minimum security limits applicable to applicant under §387.9 and §387.33 of this part. Such a program may include, but not be limited to, one or more of the following: Irrevocable letters of credit; irrevocable trust funds; reserves; sinking funds; third-party financial guarantees, parent company or affiliate sureties; excess insurance coverage; or other similar arrangements.

(3) The existence of an adequate safety program. Applicant must submit evidence of a current “satisfactory” safety rating by the United States Department of Transportation. Non-rated carriers need only certify that they have not been rated. Applications by carriers with a less than satisfactory rating will be summarily denied. Any self-insurance authority granted by the Federal Motor Carrier Safety Administration will automatically expire 30 days after a carrier receives a less than satisfactory rating from DOT.

(4) Additional information. Applicant must submit such additional information to support its application as the Federal Motor Carrier Safety Administration may require.

(b) Other securities or agreements. The Federal Motor Carrier Safety Administration also will consider applications for approval of other securities or agreements and will approve any such application if satisfied that the security or agreement offered will afford the security for protection of the public contemplated by 49 U.S.C. 13906.

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OMB No.:2126-0017  
EXPIRES:

The collection of this information is authorized under the provisions of 49 U.S.C. 13906 and 49 CFR 387.

Public reporting for this collection of information is estimated to be 40 hours per response, including the time for reviewing instructions and completing and reviewing the collection of information. All responses to this collection of information are mandatory, and will be provided confidentiality to the extent allowed by law. Notwithstanding any other provision of law, no person is required to respond to nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a current valid OMB Control Number. The valid OMB Control Number for this information collection is 2126-0017. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Information Collection Clearance Officer, Federal Motor Carrier Safety Administration, MC-MBI, U.S. Department of Transportation, Washington, D.C. 20590.

**BEFORE THE FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION**

**Docket No.** \_\_\_\_\_  
**(For Office Use Only)**

**APPLICATION FOR AUTHORITY TO SELF-INSURE**  
**UNDER 49 U.S.C. 13906**  
**(Note: Read Instructions Before Answering)**

To the Federal Motor Carrier Safety Administration, Washington, D.C.

1. (a) Applicant (Legal Name) \_\_\_\_\_

(b) Business Address \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ (Actual Street Address)\_

\*Mailing Address (If different) \_\_\_\_\_  
\_\_\_\_\_

Telephone Number ( Include Area Code) \_\_\_\_\_

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(c) Form of Business--Applicant must check one of the following and provide any additional information, if pertinent, in the space below:

**CORPORATION (If so, give State of incorporation)**

\_\_\_\_\_

**PARTNERSHIP (If so, identify each of the partners)**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**SOLE PROPRIETORSHIP**

**OTHER (Please Specify)**

(d) Applicant's representative to whom inquiries may be made (If you are the \_\_\_\_\_ applicant you may represent yourself; if so, put your name and address here):

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
\_\_\_\_\_  
(Street Address)

\_\_\_\_\_  
\_\_\_\_\_  
(City) (State) (Zip Code)

Telephone Number (Include Area Code) \_\_\_\_\_

**\*Mailing address may be given but actual street address must be shown.**

2. (a) This is an application to self-insure under the provisions of 49 U.S.C. 13906 security requirements, for operations conducted or pending under the FMCSA Certificate \_\_\_\_\_ Permit \_\_\_\_\_ Docket No. \_\_\_\_\_.

(b) Applicant hereby applies for authority to self-insure:  
\_\_\_\_\_ Bodily Injury and Property Damage (BI&PD) Liability  
\_\_\_\_\_ Cargo Liability  
\_\_\_\_\_ Both BI&PD and Cargo Liability

3. Where self-insurance authority for bodily injury and property damage is requested for an amount less than the full required limits of liability, state the amount of coverage desired:

\_\_\_\_\_

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4. Exhibits \_\_\_\_\_ to \_\_\_\_\_, inclusive, are attached hereto and made a part hereof.

WHEREFORE, applicant prays that the Federal Motor Carrier Safety Administration will authorize the self-insurance proposed herein.

Dated the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_

Applicant

\_\_\_\_\_  
By \_\_\_\_\_

\_\_\_\_\_  
Title

Address:  
\_\_\_\_\_

**ATTENTION: A FALSE STATEMENT IN THIS APPLICATION IS PUNISHABLE BY LAW.**

**Each person by whom this application is signed certifies that the representations appearing in said application and exhibits attached thereto (including any accompanying schedules or statements) are, to the best of his/her knowledge and belief, true, correct, and complete, based on all the information required to be included therein, of which he/she has any knowledge, and these representations are made in good faith.**

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_

\_\_\_\_\_  
Applicant

By \_\_\_\_\_

\_\_\_\_\_  
Title

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**EXHIBIT A**  
**GENERAL INTERROGATORIES**

Name of applicant:

\_\_\_\_\_  
\_\_\_\_\_

1. Have you qualified as a self-insurer in any State? Yes\_\_\_ No\_\_\_ If "yes furnish full particulars \_\_\_\_\_

\_\_\_\_\_

2. Has your authority to self-insure in any State ever been revoked: Yes\_\_\_ No\_\_\_\_\_  
If "yes" give reasons. \_\_\_\_\_

\_\_\_\_\_

3. Has your application to any State for permission to qualify as a self-insurer ever been declined? Yes\_\_\_ No\_\_\_\_\_. If "yes" give reasons: \_\_\_\_\_

\_\_\_\_\_

4. Have you made or will you make application to all States, in which you operate, for authority to self-insure to the same extent application is made herein  
Yes\_\_\_ No\_\_\_\_, if "no" explain: \_\_\_\_\_

\_\_\_\_\_

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5. Attach statement giving the following information for each of the past three years for each class of insurance you desire to self-insure:

- (a) Names and addresses of insurance companies who have insured your operations.
- (b) Provide information concerning the following:
  - 1. Premium history;
  - 2. Losses and loss expenses paid by insurer, broken down to show those claims settled and those in reserve; and
  - 3. Breakdown of claims within your proposed self-insured retention and those in excess thereof, by number of claims and aggregate of losses;
- (c) Your sources of information for the above data.

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6. Give complete details of your present insurance coverage for each type of insurance you desire to self-insure, including the name of insurance company, limits of liability, and deductibles, if any. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

7. If you presently handle any of your own claims under a deductible provision, state the amount of said deductible, and type of coverage involved. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

8. If your application to self-insure is approved, what excess insurance, if any, do you intend to carry thereafter? \_\_\_\_\_

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- (a) With what insurer? \_\_\_\_\_  
(b) Have you obtained a firm commitment from an excess insurer? Yes\_\_\_ No\_  
\_\_\_\_\_ Name of insurance company\_
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9. Has your insurance on any type of risk been canceled by any insurance company during the past 5 years? Yes \_\_\_\_\_ No\_\_\_\_\_, if “yes” give full particulars

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10. Attach a statement outlining, in detail, the nature and scope of your operation, including (a) the commodities you intend to transport; (b) the territory to be served (general description); (c) number and type of equipment to be operated; and (d) location of headquarters and terminal facilities.

11. (a) Attach a statement outlining, in detail, the operation of your present safety program, if any. This must include, as a minimum, the names, duties, experience, and length of service of each person devoting full-time to safety. Also furnish the same information for those persons engaging in safety work-part-time (giving approximate percentage of time).





**EXHIBIT B**  
**INSTRUCTIONS RELATING TO INFORMATION TO BE INCLUDED IN**  
**EXHIBITS B AND C**

Applicant should submit the following information:

1. Balance sheets, income statements and statements of cash flows, in conformance with generally accepted accounting principles, for the latest available period of the current year and the previous two calendar years. If two or more affiliates are requesting self-insurance approval in a single application, separate financial statements for each applicant should be submitted.

2. If available, an outside auditor's most recent financial statements, including accompanying notes to these statements.

3. If an individual or a corporation will act as a surety for applicant's self-insurance claims, the proposed surety's latest financial statements (balance sheets, income statement and statement of case flows) in conformance with generally accepted accounting principles.

4. Full disclosure of receivables due from affiliated companies and stockholders, and payables due to affiliated companies and stockholders. This includes disclosure of amounts, names, terms and conditions.

5. Full disclosure of terms and conditions in regard to liabilities to financial institutions. This includes interest rates, maturity dates, assets pledged and restrictive covenants.

In addition to the financial statement data described above, the applicant should attach a statement describing the sources of funds that will be used to pay self-insurance claims. Specifically, applicant should indicate if an irrevocable letter of credit or an irrevocable trust fund will be established and maintained for the sole purpose of paying such claims. Pertinent details should be provided, such as amount of the letter of credit or trust fund, the financial institution where funds will be deposited, and the terms and conditions of the arrangement, if available.

**EXHIBIT C**

Attach the following as separate exhibits identifying them as follows:

Exhibit "C 1"

Copies of all resolutions of stockholders or director authorizing this application. If the charter or bylaws require approval by the stockholders, copies of resolutions of the stockholders authorizing this application for self-insuring under 49 U.S.C. 10927 and indicate the percentage of stock voting for such authorization.

Exhibit "C 2"

Copies of all resolutions of stockholders or director, or duly authorized committees thereof, designating by name and for that purpose the executive officer by whom the application is signed and verified, and filed on behalf of the applicant.

Exhibit "C 3"

If an organization other than a corporation is an applicant, there shall be furnished documentary evidence showing authorization and designation of the individuals signing, verifying, and filing on behalf of the applicant.