

**EXAMINATION REPORT  
of  
UNITED CONTRACTORS OF VIRGINIA  
GROUP SELF-INSURANCE ASSOCIATION  
RICHMOND, VIRGINIA  
as of  
DECEMBER 31, 2022**

# COMMONWEALTH OF VIRGINIA



SCOTT A. WHITE  
COMMISSIONER OF INSURANCE  
STATE CORPORATION COMMISSION  
BUREAU OF INSURANCE

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I, Scott A. White, Commissioner of Insurance of the Commonwealth of Virginia, do hereby certify that the annexed copy of the Examination Report of United Contractors of Virginia Group Self-Insurance Association as of December 31, 2022, is a true copy of the original report on file with this Bureau.

IN WITNESS WHEREOF, I have hereunto set my hand  
and affixed to the original the seal of the Bureau at the City  
of Richmond, Virginia this 5<sup>th</sup> day of February 2024

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Scott A. White  
Commissioner of Insurance



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Richmond, Virginia  
December 18, 2023

Honorable Scott A. White  
Commissioner of Insurance  
Richmond, Virginia

Dear Sir:

Pursuant to your instructions and by authority of Section 38.2-1317 of the Code of Virginia, an examination of the records and affairs of

**UNITED CONTRACTORS OF VIRGINIA  
GROUP SELF-INSURANCE ASSOCIATION**

Richmond, Virginia

hereinafter referred to as the Association, has been completed. The report is hereby submitted for your consideration.

**SCOPE OF THE EXAMINATION**

This is a full scope financial condition examination initiated and conducted under the provisions of Article 4, Chapter 13 of Title 38.2 of the Code of Virginia. The last examination of the Association was made by representatives of the State Corporation Commission's Bureau of Insurance (the "Bureau") as of December 31, 2017. This examination covers the period from January 1, 2018 through December 31, 2022.

The Bureau planned and performed the examination to evaluate the Association's financial condition and operational activities. All accounts and activities of the Association were considered generally in accordance with the risk-focused examination process contained in the NAIC Financial Condition Examiners Handbook.

The examination report includes findings of fact and general information about the Association and its financial condition.

## DESCRIPTION

The Association is a group self-insurance association licensed to provide workers' compensation coverage and employers' liability coverage to its members pursuant to Section 65.2-802 of the Code of Virginia and 14 VAC 5-370-10 et seq. (Rules Governing Group Self-Insurers of Liability Under the Virginia Workers' Compensation Act) promulgated by the Bureau.

## HISTORY

The Association was licensed by the Bureau effective August 1, 1981. On July 1, 1990, the Bureau revised the Association's license to authorize employers' liability coverage. According to its indemnity agreement, the Association was formed to allow members to self-insure and to pool their separate liabilities arising pursuant to the terms of the Virginia Workers' Compensation Act and for certain other types of employers' liabilities.

## MANAGEMENT AND CONTROL

Control of the Association is vested in a Members' Supervisory Board (the "Board") elected by the members of the Association. The by-laws provide for no less than three nor more than nine board members, three-fourths of whom shall be members in good standing of the Association. Board members serve until their successors are elected.

The Board and officers were as follows at December 31, 2022:

<u>Representative</u>	<u>Member</u>
Roderick V. Davoud	Old Dominion Insulation, Inc. Midlothian, Virginia
David R. "Chip" Dustin, Jr.	Thalhimer, Inc. Richmond, Virginia
F. Thomas Evans	Southwood Builders, Inc. Ashland, Virginia
William G. Hollowell	Century Construction Co. Richmond, Virginia
Dudley H. Marks	Century/Dornin-Adams, Inc. Richmond, Virginia

Bill G. Mitchell

Damuth Services, Inc.  
Richmond, Virginia

Officers

F. Thomas Evans  
William G. Hollowell  
David Dustin

Chairman  
Vice Chairman/Secretary  
Treasurer

**TERRITORY AND PLAN OF OPERATION**

The operation of the Association is confined to Virginia where it is licensed to transact the business of workers' compensation and employers' liability group self-insurance. Membership in the Association is available to employers engaged in a similar type of business, upon the approval of the Board and the Bureau.

All members are required to enter into an indemnity agreement in which each member jointly and severally agrees to assume and discharge members' employers' liabilities and any members' liabilities under the Virginia Workers' Compensation Act. No formal insurance policy is issued to the members.

An administrator is responsible for assisting the board in managing the affairs of the Association. Claims are processed and paid by a service agent under a contractual agreement with the Association. The Association's operations are conducted on a calendar year basis.

**ADMINISTRATIVE AGREEMENT**

Effective January 1, 1996, the Association entered into an administrative agreement with Self Insurance Services, LLC, ("SIS"). The original term of this agreement was for a period of eight months and the agreement continued thereafter subject to termination by either party by 90 days advance written notice.

According to the agreement, SIS shall administer the financial affairs of the Association as established and adopted by the Board, maintain necessary records of accounts, advise the Board on policy matters, contract for claims handling and with advisors and consultants, pay all items of expense to the extent funds are available, direct the solicitation and enrollment of new members, file necessary reports, and conduct other managerial duties.

As compensation for its services, SIS shall receive 7½% of all members' contributions calculated under the provisions of 14 VAC 5-370-110, without reduction as a result of premium discounts, experience ratings, deviations, or other adjustments. In

addition, SIS retains 100% of the commission received for placement of excess insurance coverage. The Association incurred \$378,512 in fees relating to this agreement in calendar year 2022.

### **CLAIMS CONSULTING SERVICE AGREEMENT**

Effective January 1, 1994, the Association entered into a claims consulting service agreement with SIS. The agreement is subject to termination by either party upon 60 days advance written notice. According to the agreement, SIS shall provide claims consulting services including the review of monthly loss reports, approval of all medical and compensation payments over \$2,000, monthly review of all open claim files, evaluation of members' claim experience and assistance to the service agent in settlement of claims.

As compensation, the Association shall pay SIS  $\frac{1}{2}$  of 1% of all members' contributions calculated under the provisions of 14 VAC 5-370-110, without reduction as a result of premium discounts, experience ratings, deviations, or other adjustments. The Association incurred \$25,234 in fees relating to this agreement in calendar year 2022.

### **CLAIMS SERVICE AGREEMENT**

Effective January 1, 1998, the Association entered into a claims service agreement with Trigon Administrators Inc., currently known as Sedgwick CMS ("Sedgwick"). The original term of this agreement was for a period of 12 months and the agreement continued thereafter, subject to termination by either party by written notice 60 days in advance of the effective date of termination.

Under the terms of the agreement, the services provided by Sedgwick include: full claims handling and adjusting for all claims incurred during the period of the agreement until their conclusion, unless otherwise transferred; claims counseling; loss control consulting; furnishing monthly reports; preparation for all scheduled hearings before regulatory bodies and other claims-related duties.

As compensation for its services, Sedgwick shall receive an amount equal to 5.6% of all members' contributions calculated under the provisions of 14 VAC 5-370-110, without reduction as a result of premium discounts, experience ratings, deviations, or other adjustments. Additionally, Sedgwick will be compensated 25% of the savings generated by inpatient bills, the inpatient utilization review process and any reductions from the application of any fee schedules and negotiations generated from the cost containment program. The Association incurred \$295,599 in fees relating to this agreement in calendar year 2022.

## DIVIDENDS TO MEMBERS

Any surplus assets accumulated within a plan year may be declared refundable by the Board. Payment of this surplus in the form of dividends, however, may not be made until the Association has received approval from the Bureau. During the examination period, the Bureau approved the following dividends:

<u>Fiscal Year</u>	<u>14-Sep-18</u>	<u>9-Sep-19</u>	<u>1-Sep-20</u>	<u>27-Aug-21</u>	<u>13-Sep-22</u>
1994	\$0	\$5,000	\$5,000	\$0	\$0
1996	10,000	0	5,000	10,000	20,000
1999	8,938	0	0	0	0
2000	0	0	0	0	0
2001	0	0	0	0	0
2002	0	0	0	0	0
2003	50,000	20,000	8,938	0	0
2004	10,000	6,774	70	0	0
2005	10,000	0	0	0	75,000
2006	75,000	75,000	75,000	47,793	0
2007	25,000	21,556	0	0	0
2008	75,000	75,000	25,000	19,141	0
2009	75,000	25,000	25,000	19,349	0
2010	0	50,000	50,000	30,000	50,000
2011	50,000	50,000	50,000	40,000	20,000
2012	25,000	75,000	75,000	100,000	10,000
2013	25,000	100,000	100,000	100,000	75,000
2015	50,000	50,000	50,000	200,000	225,000
2016	50,000	50,000	50,000	75,000	50,000
2017	0	100,000	200,000	200,000	250,000
2018	0	0	100,000	200,000	300,000
2019	0	0	0	100,000	0
2020	<u>0</u>	<u>0</u>	<u>0</u>	<u>100,000</u>	<u>200,000</u>
<b>Totals</b>	<b><u>\$538,938</u></b>	<b><u>\$703,330</u></b>	<b><u>\$819,008</u></b>	<b><u>\$1,241,283</u></b>	<b><u>\$1,275,000</u></b>

## **SPECIAL RESERVES AND DEPOSITS**

At December 31, 2022, the Association had a United States Treasury Note with a par value of \$256,000 on deposit with the Treasurer of Virginia as required by 14 VAC 5-370-60 A.

## **EXCESS INSURANCE COVERAGE**

The Association had both specific excess and aggregate excess insurance agreements in force at December 31, 2022, with the following limits:

	<u>Association's Retention</u>	<u>Excess Insurer's Limits</u>
Specific Excess	\$1,000,000 for each accident and each employee for disease	Workers' Compensation Statutory Employers' Liability \$1,000,000
Aggregate Excess	105.00 % of normal premium subject to a minimum retention of \$5,951,068	\$5,000,000

## **FINANCIAL STATEMENTS**

There follows a statement reflecting the financial condition of the Association at December 31, 2022, a statement of income for the year ended December 31, 2022, a reconciliation of members' equity for the period under review, a statement of members' account by fiscal year inception to date and a statement of Examiners' changes in members' equity.

**BALANCE SHEET**  
**DECEMBER 31, 2022**

**ASSETS**

Bonds, short term	\$14,810
Bonds, long term	12,542,828
Other invested assets	675,905
Cash on deposit	32,650
Premiums receivable	498,547
Interest due and accrued	56,976
Amounts recoverable on unpaid losses	26,638
Prepaid administrative fees	51,828
Other prepaid expenses	<u>9,008</u>
 Total assets	 <u>\$13,909,190</u>

**LIABILITIES AND MEMBERS' EQUITY**

Losses unpaid	\$6,843,550
Loss adjustment expenses unpaid	416,704
Contingency reserve	1,478,401
Unearned premiums	1,329,603
Excess insurance premiums payable	18,016
Premium refunds payable	181,923
Taxes, licenses and fees payable	340,000
Dividends payable	3,740,922
Professional fees payable	21,000
Investment fees payable	6,000
Payroll audit fees payable	<u>14,580</u>
 Total liabilities	 <u>\$14,390,699</u>
Restricted members' equity	\$256,000
Unrestricted members' equity	<u>(737,509)</u>
 Total liabilities and members' equity	 <u>\$13,909,190</u>

**STATEMENT OF INCOME**  
**FOR YEAR ENDED DECEMBER 31, 2022**

**UNDERWRITING INCOME**

Premiums earned	<u>\$3,457,274</u>
Deductions:	
Losses incurred	\$1,424,380
Loss expenses incurred	460,516
Other underwriting expenses incurred	1,660,725
Contingency reserve	<u>138,684</u>
Total underwriting deductions	<u>\$3,684,305</u>
Net underwriting gain	<u>(\$227,031)</u>

**INVESTMENT INCOME**

Net investment income earned	<u>\$225,196</u>
Net realized capital (losses)	<u>145,059</u>
Net investment gain	<u>\$370,255</u>

**OTHER INCOME**

Dividends applied to deficit fund years	<u>\$146,477</u>
Total other income	<u>\$146,477</u>
Net income before federal income taxes	<u>\$289,701</u>
Federal income taxes incurred	<u>0</u>
Net income	<u>\$289,701</u>

**RECONCILIATION OF MEMBERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	2018	2019	2020	2021	2022
Members' equity, previous year before undistributed dividends	*	\$11,192	\$1,288,160	\$1,874,677	\$3,895,630
Adjustment for previous examination changes		(248,092)			
Net income (loss)	2,090,953	1,335,549	2,430,827	2,032,904	289,701
Net unrealized capital gains (losses)	(131,087)	179,843	233,951	(289,601)	(747,676)
Dividends paid to members	<u>(434,806)</u>	<u>(928,875)</u>	<u>(643,825)</u>	<u>(992,248)</u>	<u>(977,537)</u>
Restricted and unrestricted members' equity, end of year	\$1,288,160	\$1,874,677	\$3,895,630	\$4,646,685	\$3,211,173
Less: Restricted members' equity, end of year	<u>254,897</u>	<u>257,001</u>	<u>261,891</u>	<u>257,669</u>	<u>256,000</u>
Unrestricted members equity, end of year before undistributed dividends	\$1,033,263	\$1,617,676	\$3,633,739	\$4,389,016	\$2,955,173
Less: Dividends declared but unpaid	<u>3,244,783</u>	<u>3,019,238</u>	<u>3,146,187</u>	<u>3,395,224</u>	<u>3,692,682</u>
Unrestricted members' equity, end of year	<u>(\$2,211,520)</u>	<u>(\$1,401,562)</u>	<u>\$487,552</u>	<u>\$993,792</u>	<u>(\$737,509)</u>

\* Adjusted members' equity from previous examination.

**Members' Account By Fiscal Year Inception to Date December 31, 2022**

	All Other Fiscal Years Preceding 1981-2017	Fourth Fiscal Year Preceding 2018	Third Fiscal Year Preceding 2019	Second Fiscal Year Preceding 2020	First Fiscal Year Preceding 2021	Current Calendar Year 2022	Total Inception to Date (1981-2022)
<b><u>Income Received</u></b>							
Premiums written	\$173,130,405	\$5,490,595	\$5,315,761	\$5,077,085	\$4,690,878	\$5,529,702	\$199,234,426
Less: Excess insurance	<u>17,935,538</u>	<u>494,334</u>	<u>472,791</u>	<u>441,850</u>	<u>334,473</u>	<u>459,496</u>	<u>20,138,482</u>
Net premiums written	\$155,194,867	\$4,996,261	\$4,842,970	\$4,635,235	\$4,356,405	\$5,070,206	\$179,095,944
Investment income	17,255,730	286,201	200,511	168,314	67,438	385,308	18,363,502
Allocation between years	109,693	51,162	13,277	61,573	104,051	(339,756)	0
Other	<u>2,392,106</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(761,039)</u>	<u>1,631,067</u>
Total income collected	<u>\$174,952,396</u>	<u>\$5,333,624</u>	<u>\$5,056,758</u>	<u>\$4,865,122</u>	<u>\$4,527,894</u>	<u>\$4,354,719</u>	<u>\$199,090,513</u>
<b><u>Less: Expenses Paid</u></b>							
Losses paid	\$90,437,343	\$1,939,469	\$3,063,326	\$1,348,463	\$1,649,655	\$730,205	\$99,168,461
Allocated loss adjustment expenses paid	6,952,290	400,520	506,110	389,075	376,593	149,523	8,774,111
Administrative fees	15,907,886	538,268	526,276	509,819	454,349	460,176	18,396,774
Service agent's fees	11,609,852	376,788	378,827	356,873	307,612	295,600	13,325,552
Taxes, licenses, and fees	4,317,009	164,192	155,836	91,040	158,174	0	4,886,251
Federal income tax	1,329,556	0	0	282,474	5,705	191,000	1,808,735
Other expenses	<u>2,734,412</u>	<u>38,774</u>	<u>95,432</u>	<u>132,306</u>	<u>86,916</u>	<u>58,394</u>	<u>3,146,234</u>
Total expenses	<u>\$133,288,348</u>	<u>\$3,458,011</u>	<u>\$4,725,807</u>	<u>\$3,110,050</u>	<u>\$3,039,004</u>	<u>\$1,884,898</u>	<u>\$149,506,118</u>
Net cash income	<u>\$41,664,048</u>	<u>\$1,875,613</u>	<u>\$330,951</u>	<u>\$1,755,072</u>	<u>\$1,488,890</u>	<u>\$2,469,820</u>	<u>\$49,584,394</u>
<b><u>Add: Receivables</u></b>							
Premiums receivable	\$0	\$0	\$0	\$0	\$0	\$498,547	\$498,547
Interest due and accrued	16,203	7,565	1,963	9,105	15,386	6,754	56,976
Amounts recoverable on paid losses	26,638	0	0	0	0	0	26,638
Other	0	0	0	0	0	60,836	60,836
Total	<u>\$42,841</u>	<u>\$7,565</u>	<u>\$1,963</u>	<u>\$9,105</u>	<u>\$15,386</u>	<u>\$566,137</u>	<u>\$642,997</u>
<b><u>Deduct: Liabilities</u></b>							
Losses unpaid	\$530,433	\$237,709	\$412,289	\$1,111,237	\$1,634,812	\$2,917,070	\$6,843,550
Loss adjustment expenses	47,147	23,056	9,372	49,743	146,198	141,188	416,704
Contingency reserve	805,163	164,718	89,473	152,313	140,726	126,008	1,478,401
Unearned premiums	0	0	0	0	0	1,329,603	1,329,603
Excess insurance premiums payable	0	0	0	0	0	18,016	18,016
Premium refunds payable	0	0	0	0	0	181,923	181,923
Taxes, licenses and fees payable	0	0	0	0	0	340,000	340,000
Other expenses payable	0	0	0	0	0	41,580	41,580
Total	<u>\$1,382,743</u>	<u>\$425,483</u>	<u>\$511,134</u>	<u>\$1,313,293</u>	<u>\$1,921,736</u>	<u>\$5,095,388</u>	<u>\$10,649,777</u>

**Members' Account By Fiscal Year Inception to Date December 31, 2022**

	All Other Fiscal Years Preceding 1981-2017	Fourth Fiscal Year Preceding 2018	Third Fiscal Year Preceding 2019	Second Fiscal Year Preceding 2020	First Fiscal Year Preceding 2021	Current Calendar Year 2022	Total Inception to Date (1981-2022)
Restricted and Unrestricted Members' Equity to date by fiscal year before dividends	\$40,324,146	\$1,457,695	(\$178,220)	\$450,884	(\$417,460)	(\$2,059,431)	\$39,577,614
Less: Dividends paid inception to date by fiscal year	35,471,542	492,463	88,924	265,273	0	0	36,318,202
Less: Restricted Members' Equity by fiscal year	0	51,200	51,200	51,200	51,200	51,200	256,000
Unrestricted Members' Equity undistributed by fiscal year	\$4,852,604	\$914,033	(\$318,344)	\$134,411	(\$468,660)	(\$2,110,631)	\$3,003,413
Less: Dividends declared but unpaid	3,587,582	107,537	11,076	34,727	0	0	3,740,922
Unrestricted Members' Equity 12/31/22	<u>\$1,265,022</u> *	<u>\$806,496</u>	<u>(\$329,420)</u>	<u>\$99,684</u>	<u>(\$468,660)</u>	<u>(\$2,110,631)</u>	<u>(\$737,509)</u>

\*Although the cumulative unrestricted members' equity for the fiscal years 1981-2017 at December 31, 2022 was \$1,265,022, the 2004, 2005, 2006, and 2016 fiscal years had a members' equity deficits of \$105, \$150, \$9,982 and \$25,413, respectively.

**STATEMENT OF EXAMINERS' CHANGES IN MEMBERS' EQUITY**  
**DECEMBER 31, 2022**

	<u>Amount Per Association</u>	<u>Amount Per Examiner</u>	<u>Increase (Decrease) Members' Equity</u>
<b><u>Assets:</u></b>			
Premiums receivable	\$0	\$498,547	\$498,547
Prepaid administrative fees	56,430	51,828	(4,602)
Other prepaid expenses	14,874	9,008	(5,866)
<b><u>Liabilities:</u></b>			
Contingency reserve	1,467,481	1,478,401	(10,920)
Premiums refunds payable	0	181,923	(181,923)
Excess insurance premiums payable	0	18,016	(18,016)
Dividends payable	3,692,682	3,740,922	(48,240)
Professional fees payable	19,000	21,000	<u>(2,000)</u>
Examiners' changes in members' equity			<u>\$226,980</u>
Restricted and unrestricted members' equity per Association			(\$708,489)
Restricted and unrestricted members' equity per Examiners			<u>(481,509)</u>
Increase in restricted and unrestricted members' equity			<u>\$226,980</u>

## **RECOMMENDATIONS FOR CORRECTIVE ACTION**

### Management and Control

1. The results of this examination reflect an unrestricted members' equity deficit for the 2004, 2005, 2006, 2016, 2019, 2021, and 2022 fiscal years of \$105, \$150, \$9,982, \$25,413, \$329,420, \$468,660 and \$2,110,631, respectively.

The Board is reminded of its responsibility to assure that the Association is financially sound and able to fulfill its obligations under the Virginia Workers' Compensation Act. The Board must recognize the Association's financial condition and take necessary steps, which may include assessments, to eliminate all deficits.

### Accounts and Records

2. Other prepaid expenses \$9,008

The above asset is \$5,866 less than the amount reported by the Association in its 2022 Annual Statement. The Examiners' change is based on actual payments made in 2022 for fees incurred in 2023.

### Payroll Audit Changes

The adjustments in the following recommendations were determined by utilizing each member's final 2022 fiscal year payrolls which were not fully completed until after the Association's 2022 Annual Statement filing to the Bureau.

3. Premiums receivable \$498,547
- Premium refunds payable \$181,923

The above amounts are \$498,547 and \$181,923 more, respectively, than the amounts reported by the Association in its 2022 Annual Statement. The Examiners' amounts are based on subsequent 2022 member payroll audits and reflect differences between audited contributions and contributions paid December 31, 2022.

<u>4. Prepaid amnинistrative fees</u>	<u>\$51,828</u>
<u>Professional fees payable</u>	<u>\$21,000</u>

The above assets and liability are \$4,602 less, and \$2,000 more, respectively, than the amounts reported by the Association in its 2022 Annual Statement. The Examiners' amounts are based on the actual fees paid compared to the fees required by the agreements at December 31, 2022.

<u>5. Contingency reserve</u>	<u>\$1,478,401</u>
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The above liability is \$10,920 more than the amount reported by the Association in its 2022 Annual Statement. The Examiners' change is a result of an increase in earned premium based on a review of subsequent 2022 member payroll audits, which is the basis for the calculation of the contingency reserve.

<u>6. Dividends Payable</u>	<u>\$3,740,922</u>
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The above liability is \$48,240 more than the amount reported by the Association in its 2022 Annual Statement. The Examiners' amount is a result of reviewing Member dividends approved by the BOI from inception to December 31, 2022, less dividends paid, noting the discrepancy appears to be attributed to the 2005 fiscal year.

<u>7. Excess Insurance Premiums Payable</u>	<u>\$18,016</u>
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The above liability has been established by the Examiner. The Examiners' amount reflects an increase in the modified normal premium, as defined by the excess insurer, and developed from subsequent 2022 member payroll audits, which is the basis for computing excess insurance premiums.

**SUBSEQUENT EVENT**

On August 31, 2023, the Bureau approved dividends for the Association totaling \$1,200,000 for fiscal years 1996, 2005, 2010 through 2013, 2015, 2017 through 2018, and 2020 through 2021.

**ACKNOWLEDGEMENT**

The courteous cooperation extended by the Association's administrator and service agent during the course of the examination is gratefully acknowledged. In addition to the undersigned, Gerald Hicks II, CFE and Alyssa Marinoble participated in the work of the examination.

Respectfully submitted,

*Chris Collins*

Chris Collins  
Senior Insurance Examiner

UNITED CONTRACTORS OF VIRGINIA GROUP SELF INSURANCE  
ASSOCIATION  
*Administered By*  
SELF INSURANCE SERVICES, LLC  
COST CONTROL THROUGH SERVICE

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January 29, 2024

Mr. David H. Smith, CFE, CPA, CPCU  
Chief Examiner  
State Corporation Commission  
Bureau of Insurance  
P. O. Box 1157  
Richmond, VA 23218

Dear Mr. Smith:

Enclosed are the responses to your recommendations for corrective action for United Contractors of Virginia Group Self Insurance Association during the examination period January 1, 2018 through December 31, 2022.

Please let me know if you have any questions concerning our responses.

Sincerely,



F. Thomas Evans  
Chairman  
Members' Supervisory Board  
United Contractors of Virginia  
Group Self Insurance Association



Travis Miller  
Administrator  
United Contractors of Virginia  
Group Self Insurance Association

Enclosures

## **United Contractors of Virginia Group Self Insurance Association**

### **Responses to Recommendations for Corrective Action**

#### **Management and Control**

1. The Association is aware of and will make every effort to assure that the Association is financially sound and able to fulfill its obligations under the Virginia Workers' Compensation Act.

#### **Accounts and Records**

2. The Association agrees with this adjustment. The adjustment was made with the benefit of subsequent audit information not available at the time the financial statement was filed.

#### **Payroll Audit Changes**

3. The Association agrees with this adjustment. The adjustment was made with the benefit of subsequent payroll audit information not available at the time the financial statement was filed.
4. The Association agrees with this adjustment. The adjustment was made with the benefit of subsequent payroll audit information not available at the time the financial statement was filed.
5. The Association agrees with this adjustment. The adjustment was made with the benefit of subsequent payroll audit information not available at the time the financial statement was filed.
6. The Association agrees with this adjustment. The adjustment was made with the benefit of dividend information not available at the time the financial statement was filed.
7. The Association agrees with this adjustment. The adjustment was made with the benefit of subsequent payroll audit information not available at the time the financial statement was filed.

