

SPAR Article 2 Financial Responsibility Proposed Amendments Frequently Asked Questions

Questions from the public have been gathered along with the department's responses. Substantially similar questions have been aggregated.

1. Why has a renewal application requirement specific to self-insurance and guaranty applicants been added?
 - a. Renewals will be required to be submitted no later than four calendar months after the end of the applicant's fiscal year so the department has the most recent end of year financial documents when reviewing the renewal application.

2. Why is the department proposing to repeal the applicant's ability to submit an affidavit under 18 AAC 75.245(d)?
 - a. The affidavit described in this subsection is infrequently used by applicants. Eliminating it will streamline the procedures.

3. What are the proposed changes for Article 2?
 - a. The definition of "working capital" has been modified to exclude petroleum inventory that may be affected by an oil discharge at the covered facility.
 - b. Financial statements that do not specify which portion of the net worth and working capital are located in the U.S. must be supplemented by an affidavit from the applicant's CFO or treasurer, or by a sworn statement by the CPA who prepared the audit.
 - c. The addition of who may sign the affidavits or sworn statements for joint ventures and LLCs.
 - d. Self-insurers must submit renewal applications no later than 4 calendar months after the end of the applicant's fiscal year.
 - e. The option to use quarterly affidavits showing sufficient liquid assets and cash flow [18 AAC 75.245(d)] will be removed.

4. When do you anticipate filing the revision?
 - a. The date of filing is unknown at this time.

5. When do you anticipate that the revision would be effective?
 - a. Unless later effective dates are proposed in the regulation revision, the revision will be effective on the 30th day after it is filed by the lieutenant governor. Later effective dates are not proposed in the regulation package.

6. Once the revisions become effective, how many days will an applicant have to comply with the new revisions?
 - a. Applicants must comply with the regulations when they become effective.