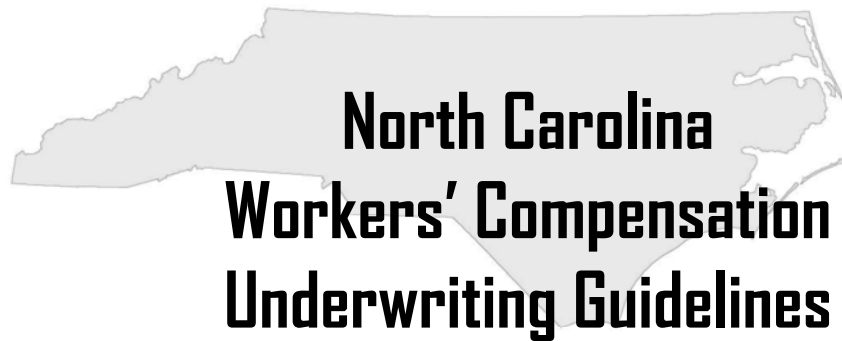




A Mutual Insurance Company Providing North Carolina Workers' Comp

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**One Product. One State. Focused On You.**



### **Mission Statement**

Our mission is to provide FBI Agents with:  
a **quality** product, **exceptional** service, and  
**competitive** commission.



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A Mutual Insurance Company Providing North Carolina Workers' Comp

**F**irst Benefits Insurance Company (FBI) is a mutual insurance company specializing in providing workers' compensation coverage for North Carolina employers. Since 1992 we have maintained disciplined underwriting, aggressive claims management, A+ reinsurance, and prudent investing; resulting in a gross premium to surplus ratio of **1.75 to 1**.



Our **claims staff** has over **80 years** of experience managing claims in North Carolina. Couple that with quality medical care and exceptional treatment to injured workers, it is no wonder that our company consistently provides excellent claims management to its policyholders.

First Benefits Insurance offers a wide range of **class codes; monthly, quarterly and annual payment plans; and a surety bond** program.

**Created by North Carolina employers for North Carolina employers**, we are large enough to provide quality service and small enough to respond to each agent individually. Once appointed as an **official "FBI Agent,"** you will enjoy working with a financially strong, local insurance company that values each of the clients you represent.

## Vision Statement

We will be a progressive, profitable company that continuously works to improve its product, and is:

**Recognized by our agents** for disciplined underwriting and aggressive claims management,

**Appreciated by our insureds** for providing a quality product and service, and

**Respected by the industry** for our integrity.

# AGENCY COMMISSION

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## Standard Commission

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All FBI Agencies receive the standard 7% commission on total premium paid monthly.

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## 2011 Key Broker Commission Scale

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Additional Bonus Commissions are paid to qualifying agencies in the fourth quarter of the following year after the completion of annual payroll audits. Some agencies will receive both the New Business Bonus (additional 2%) and the Quality Retention Bonus (additional 3%). Those qualifying for both programs will be financially recognized by a total of 12% commission on New Business.

### 2% New Business Bonus Program:

Agencies need a minimum of **\$35,000** new business premium written in the calendar year to qualify for the additional 2% New Business Bonus commission.

### New Business Bonus Criteria:

Throughout the calendar year, Agencies will receive monthly commission at our standard **7%** commission rate for both new and renewal premium.

In the fourth quarter of the following year (after the completion of payroll audits), and upon verification of the qualifying criteria (**\$35,000** of new written premium), Agencies will receive a “True Up” Commission of the previous year’s written business to reflect **9%** on new business.

*To receive the New Business Bonus the agency must be active at the time of payment.*

### 3% Quality Retention Bonus Program:

Agencies need **85%** of the previous year’s written premium to renew (minimum \$75,000), **\$5,000** of New Business, and less

than **55%** Loss Ratio to qualify for the additional 3% Quality Retention Bonus commission.

### Quality Retention Bonus Criteria:

Throughout the calendar year, Agencies will receive monthly commission at our standard **7%** commission rate for both new and renewal premium.

In the fourth quarter of the following year (after the completion of payroll audits), and upon verification of the qualifying criteria (**\$5,000** of new accounts written, **85%** of premium renewed, with a **\$75,000 minimum** renewal premium and aggregate maximum **55% loss ratio**), Agencies will receive a “True Up” Commission of the previous year’s business to reflect **10%** of the total premium (when qualifying for both programs, **12%** commission will be paid on new business and **10%** on renewals).

*To receive the Quality Retention Bonus the agency must be active at the time of payment.*

FBI retains the right to amend and/or eliminate the New Business Bonus and/or the Quality Retention Bonus program at any time. Written notification of such amendment and/or elimination will be mailed to the Agency’s last known address.

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## Membership Requirements For Agents

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Each FBI appointed agency is required to maintain membership in a partnering Chamber of Commerce (see page 14) or in the North Carolina Retail Merchants Association. NCRMA dues are calculated on a sliding scale tied to the number of active accounts:

0-2 Accounts	\$200
3-5 Accounts	\$135
6-7 Accounts	\$100
>8 Accounts	\$ 0

# UNDERWRITING

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## Submissions

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**Submissions** are **EASY**; you need:

- Completed **ACORD 130 and ACORD 125**
- 3 years of Loss Runs executed within the last 60 days

### FBI's "Ten Most Wanted" Classes of Business

	<u>Class Code</u>
Daycare	8869
Electrical Wiring	5190
Farm	0005-0037
Hotels	9052
Landscaping	0042
Light Manufacturing	2000, 3000, 4000
Offices	8803, 8810, 8820, 8832
Plumbing	5183
Restaurants / Taverns	9082-9084
Stores	8001-8072

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## Rate Guide

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A current, **sample list** of **class codes** is inserted in the front of this guide and is also available on our website. To obtain the rate for a specific class code not listed, please contact our underwriter.

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## Ineligible Operations/Exposures

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- Airport
- Airport Authorities
- Air-Traffic Control Authorities
- Amusement Parks
- Arms and Munitions Manufacturing
- Asbestos Work
- Caisson or Cofferdam Work
- Carnival Workers
- Commercial Airlines Personnel
- Dams, Dikes, Locks or Revetment
- Demolition Work
- Explosives
- Federal Acts
- Fuse Manufacturing
- Manufacturing, Production, and Refining of Petroleum Products
- Mining
- Offshore Drilling
- PEO's and Temporary Staffing Services
- Pharmaceutical / Chemicals Manufacturing
- Professional Athletic Teams
- Railroad or Railroad Maintenance
- Roofing
- Trucking
- Tunneling Operations
- Underwater Work

# QUOTE PROCESS

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## Coverage Page

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The FBI Quotation for Coverage Page includes:

- Premium Due
- Expense Constant
- Policy Effective Date
- Endorsing Organization Membership Option Form

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## Agent Online Quoting

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Visit FBI's website [www.firstbenefits.org](http://www.firstbenefits.org) for access to online quoting.

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## Incomplete or Inaccurate Paperwork

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To ensure prompt coverage for your clients, send in complete paperwork. If FBI receives incomplete paperwork, the premium deposit check will **not be posted** until all required paperwork is received. If **not received within seven (7) days from initial receipt**, coverage under the binder **will be revoked** and the check returned to the agency. FBI can reconsider coverage only if a new application is submitted.

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## Expense Constant

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The FBI Expense Constant is \$210.

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## Binding Coverage

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Coverage cannot be bound via phone or voicemail; **written** notification (fax or email is accepted).

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## Membership Requirements for Insured

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First Benefits Insurance is an association-based workers' compensation program. Policyholders are required to maintain an active membership in one of the following endorsing organizations:

- **North Carolina Retail Merchants Association** (accepts membership from all types of businesses) (*For insureds who choose NCRMA membership, the **first year's dues are waived**; NCRMA bills on a calendar year basis; **recognizes one membership per owner with multiple business locations***)
- **Chambers of Commerce** - any of the **participating** Chambers throughout North Carolina, see **page 14**.
- **Carolinas Food Industry Council**
- **North Carolina Tire Dealers and Retreaders Association**
- **Turfgrass Council of North Carolina** or
- **North Carolina Mutual Drug**

A complete list of participating Chambers is found on page 14 as well as our website. Online you will find a link to each participating chamber and each association's website, so that a membership application may be downloaded for the insured.

# PREMIUM PAYMENT PLANS

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## Annual Payment

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- Annualized Premiums of **\$1000 or less require annual premium** (up-front payment)
- **No security deposit required**

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## Monthly Self-Reporting Option (MSR)

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- Available for premiums **over \$1,000**
- **25% deposit required\*** (adjusted annually against prior year's audit and current payrolls) and held in escrow against termination
- Policyholder receives a **monthly self-audit worksheet due by the 15th**
- Payroll adjusted, premium calculated and payment submitted
- **No installment fee**
- Annual Audit
- **Late fee:** Completed worksheets (including those reporting zero payroll) and premium payments are **due by the 15<sup>th</sup>** of each month. Worksheets and checks received on the 16<sup>th</sup> (or later) will be charged a **\$25 late fee** assessed immediately

\* (See Surety Bonds section on this page.)

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## Monthly Payment Plan (25/10)

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- Available for **premiums over \$1,000**
- **25% down with 10 equal payments**
- **No security deposit** required
- **No installment fee**
- **Late fee of \$25** for payments received after the installment due date
- Annual Audit

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## Quarterly Payment Plan

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- Available for **premiums over \$1,000**
- **25% down with three equal payments**
- **No security deposit** required
- **No installment fee**
- **Late fee of \$25** for payments received after the installment due date
- Annual Audit

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## Surety Bonds

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Insureds have the option to purchase a **Surety Bond** in lieu of the monthly self-reporting **25% deposit**. Request a Surety Bond application or download from our website (includes examples and instructions); the **minimum annual bond premium is \$150**.

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## "Pay-By-Fax" (No Fee) Option

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**Only three items are needed (complete instructions on website):**

- Completed **Authorization Form**
- Xerox copy of **voided check**
- Monthly worksheet **faxed to: 704.752.4854**

# RENEWAL PROCESS

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## Annual Renewal Worksheets

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Ninety-days prior to expiration, policyholders will receive an **ANNUAL RENEWAL WORKSHEET** allowing them to update policy information before their Estimated Bill (EB) is generated for the upcoming policy year. The insured must verify the information on the renewal worksheet to ensure complete accuracy:

Name of Business	Type of Business
Contact	Type of Entity
Mailing Address	Tax ID#
Physical Address	Last Audited Payroll
Phone	Inclusions/Exclusions
Fax	Estimated Payroll

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## Estimated Bill (EB)

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In the month prior to expiration, policyholders will receive an **Estimated Bill (EB)** for the upcoming policy term which will reflect changes taken from the renewal worksheet. For those on the monthly payment plan who realized a premium increase, the EB will include an increase to the 25% deposit as well. If the policyholder has a bond in lieu of the 25% deposit, the bond premium will appear on the EB as well as the annual Expense Constant.

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## Payroll Audits

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Annual payroll audits, as required by NCCI, are performed by an outside auditing company. Because policies are issued based on estimated payroll, any temporary labor and amounts paid to subcontractors without Certificates of Insurance may result in adjustments to final premium. Some insureds will receive a telephone audit, while others will experience a physical audit. We require Employer's Quarterly Tax and Wage Reports,

Form NCUI 101. If subcontractors have been employed, Certificates of Insurance must be included or the policyholder will be responsible for the payroll. Final audit bills will reflect any discrepancies.

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## Audit Advice

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**Tips and gratuities** are **EXCLUDED** from the workers' compensation **premium calculation**. Make sure when your client is reporting payroll, that tips and gratuities are identified but **not** included in the calculations.

Encourage the policyholder to identify overtime pay per employee and to maintain accurate records. Premium is due **only** on the "straight time" portion of overtime (meaning if an employee is paid "time and a half," the half portion of the payroll is **not applicable** to workers' compensation premium calculation).

North Carolina law requires that an employer's calculation of worker's compensation premium **INCLUDE: commissions, bonuses, holiday, vacation, sick pay, and cafeteria plans.**

# CLAIMS REPORTING

## Claims Reporting is EASY!

Complete a **Form 19** within 24 hours of injury (forms and instruction found on our website at [www.firstbenefits.org](http://www.firstbenefits.org)) and fax to **704.752.4854**.

Direct questions to **800.360.7867** or send e-mail to [claims@firstbenefits.org](mailto:claims@firstbenefits.org).

### Emergency After-Hours Contact: **1.800.524.0604**

**NOTE:** *Under North Carolina law, employers must report an employee injury within five days of notification but we strongly encourage employers to **report an employee injury within 24 hours**. Prompt reporting of claims aids in quality management of medical recovery and minimizes claim losses, benefiting all of our insureds.*

FBI's staff has over **80 years** of experience in North Carolina Claims Management. Our **licensed professionals** are always courteous and exhibit genuine concern for both the claimant and the employer. Our **Board-Certified Adjusters** and **Registered Nurses** respond promptly to employers, employees, and physicians.

Our goal is to provide the smallest possible **disruption to the employer's workplace**. We do this by focusing on aggressive claims management, achieving optimum medical care, and vigorously investigating fraudulent claims. Because of our outstanding claims closure rate, few claims are carried over from prior years.

## Claims Management

Phone: 800.360.7867 ♦ Fax: 704.752.4854

Reporting a claim (Form 19) ♦ Medical & Indemnity Payments ♦ Mediation

**Mark Weaver, Claims Manager**

[claims@firstbenefits.org](mailto:claims@firstbenefits.org)

## Designated Medical Provider

Policyholders of First Benefits, have access to **two major PPO networks - Beech Street and First Health**. These lists are extensive and your clients should be able to easily find the right person located near their place of business. If a client calls you after an accident, direct them to use either of the websites listed below or to call our Charlotte Claims office at: 800.360.7867.

Remember to remind your clients that the Emergency Room is for emergencies or off-hour treatment. If an employee must visit the ER always re-direct them to your client's Designated Medical Provider the **next business day**, and be sure to **inform First Benefits Insurance** if a specialist referral was made by the ER. Do not allow employees to re-visit the ER or make appointments for their claim with their own family physician.

### [www.beechstreet.com](http://www.beechstreet.com)

Select "Search for Doctor/Hospital"  
Under "Type of Plan" select "Workers' Comp"  
Search parameters – choose either by "location" or "doctor name"

### [www.firsthealth.com](http://www.firsthealth.com)

Select Members  
Select Locate Provider  
Select Locate a First Health Provider now Choose the type of provider

# CANCELLATION PROCESS

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## Notice of Cancellation

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**15-Day Notice** of Cancellation:

Non-payment of premium

**30-Day Notice** of Cancellation:

Change of exposure

Failure to furnish year-end audit information

Failure to submit monthly payroll reports

Non-renewal of association membership

**45-Day Notice** of Cancellation:

Non-compliance with loss control recommendations

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## Insured Request

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Agents must provide a completed Cancellation Request/Policy Release Form, **ACORD 35**, or submit on the insured's letterhead a cancellation request that includes:

- the **signature of owner**
- **reason** for termination
- **effective date** of cancellation.

**Mid-policy** cancellations will result in a **short-rate penalty** calculated on the NCCI table.

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## Reinstatements

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- Reinstatement requests will be determined by the FBI Underwriting Department.
- Reinstatement consideration **must** be received within **20 days** following the effective date of cancellation.
- Documents required for **consideration of reinstatement**:
  - o Written request to reinstate
  - o No loss letter from the cancellation date to current date
  - o Payment of outstanding monies owed

If the request is **not** received within 20 days, a **new** application **must** be submitted to FBI.

# ENDORSEMENTS

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## Changes Requiring an Endorsement

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- Name Change/Address Change
- Changes in Legal Entity
- Change in Federal Employer ID Number
- Additional Locations
- Ownership Change (*may require new application*)
- Exposure Changes

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## Agent of Record Change Procedures

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Please submit an **ACORD 36** or have the insured request this change in writing on company letterhead (include a **date** and **signature of corporate officer or owner**). A **new ACORD 130 application** will be required from the **newly appointed agent**. **FBI WILL ACCEPT AGENT OF RECORD CHANGES MID-TERM.**

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## Corporate Officers

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Executive Officers of a corporation are defined as the “President, Vice President, Secretary, Treasurer” or any other officer appointed in accordance with the by-laws of the corporation. Under North Carolina law, **officers** are automatically **INCLUDED** in workers’ compensation coverage **unless** an **Exemption Form** has been filed.

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## Certificate of Exemption From Coverage

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Executive officers covered under the policy have the same status as the other employees under the policy. In North Carolina, Executive Officers may **elect** not to be subject to coverage by signing a **Certificate of Exemption From Coverage Form**. This form **must** be processed and filed with First Benefits Insurance. Once an Exemption Form has been filed, it remains in effect until a Revocation of Exemption is filed. Please make sure that an **Appropriate Exemption Form is completed and returned** according to your coverage request.

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## Partners, Sole Proprietors & Owners

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Partners, Sole Proprietors, and Owners are automatically **EXCLUDED** from workers’ compensation coverage unless an **Inclusion Form** has been filed. Once covered, they will have the same status as employees under the policy. When covered partners, sole proprietors, or owners are considered employees, their **payroll will be assigned to classifications** and rates under the rules which apply to employees.

Premium for each partner, sole proprietor, or owner treated as an employee shall be based on an annual payroll amount. Changes in status of coverage for Partners, Sole Proprietors and Owners requires the signing of a **Notice of Election of Coverage Form**. The Election Form once filed remains in effect until a **Withdrawal of Election Form** is filed.

# LOSS CONTROL

First Benefits Insurance encourages its agents to promote the importance and value of a **safe work place** environment to employers at every opportunity.

We hope that you will remind your insureds that *“the best way to avoid a claim is to prevent it”* and *“the best way to manage claims is prompt reporting.”*

First Benefits Insurance will make available upon request (**at no cost to the insured**) a safety professional who can help **identify potential hazards** and **propose low cost alternatives** to reduce or eliminate potential hazards.

Implementing these alternatives, focusing on a safer work environment, and training employees to work safely, can reduce both the **frequency** and **severity** of employee injuries.

Examples of low cost safety measures include: eliminating slippery floors, ensuring that **basic equipment** is maintained for safe operation, and requiring **protective gear** when operating hazardous equipment and machinery.

Additionally, First Benefits Insurance provides a selection of **safety signs** that are made available in **English and Spanish**. Displaying the signs, serves as a reminder for employees to put safety first and may be used in employer safety meetings. Employers are encouraged to print their choice(s) of signs from our website at **www.firstbenefits.org** under “Policyholders.” If preferred, call us at 888.393.2667, and we will be glad to send you a set. (*See choices below.*)

Safety Signs Available				
				
				
				
				

# ASSOCIATION & CHAMBER MEMBERSHIP OPTIONS

## Participating Associations

North Carolina Retail Merchants Association (NCRMA)

Carolinas Food Industry Council (CFIC)

North Carolina Tire Dealers and Retreaders Association (NCTDRA)

North Carolina Turfgrass Council (NCTC)

North Carolina Mutual Drug

## Participating Chambers of Commerce

Alamance County	Gaston	Roanoke Valley
Alleghany County	Granville County	Smithfield-Selma Area
Archdale-Trinity	Greenville-Pitt County	Southport-Oak Island Area
Asheboro-Randolph County	Haywood County	Stanly County
Boone Area	Henderson County	Statesville
Cabarrus Regional	Jacksonville-Onslow	Tarboro Edgecombe
Caldwell County	Kinston-Lenoir County	Topsail Area
Carteret County	Laurinburg-Scotland County	Tyrrell County
Catawba County	Lumberton Area	Wake Forest
Chapel Hill-Carrboro	Martin County	Warren County
Currituck	Moore County	Washington Beaufort County
Dunn Area	Morrisville	Wayne County
Durham	Outer Banks	Wilkes
Edenton-Chowan	Pamlico County	Wilson
Elizabeth City Area	Raleigh	Winston-Salem
Fayetteville	Reidsville	
Fuquay-Varina Area	Richmond County	



## FBI KEY STAFF CONTACT INFO

**Agency Services**

**888.393.2667  
919.832.0811**

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**Audits**

**800.360.7867**

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**Claims**

**800.360.7867  
Fax 704.752.4854**

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**Policy Services**

**800.360.7867**

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**Underwriting**

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