



FIRST Benefits
INSURANCE MUTUAL
WORKERS COMPENSATION

Underwriting Procedures



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About Us

Businesses committed to protecting their employees trust in the power of First Benefits Insurance Mutual.

For over 25 years, we've delivered the personalized customer service, professional underwriting, competitive pricing, and efficient claims management needed to help injured workers return to work quickly. Today, we insured over 2,100 business represented by over 200 independent agencies statewide, and we're growing. What sets us apart is our ability to deliver superior workers' compensation coverage with a local, hands-on feel. Our underwriters and claims adjustors are accessible, easy to work with and go above and beyond.

First Benefits Insurance Mutual offers a wide range of class codes; monthly, quarterly and annual payment plans; Employers Liability limits up to \$5,000,000; and online quoting for agents.

First Benefits Insurance Mutual is a different kind of insurance company. We partner with industry associations as well as Chambers of Commerce to provide workers' compensation coverage to their members, delivering service, efficiency, and responsiveness. We deliver a personal touch to every client and insurance agent we serve, and that's why more and more businesses choose First Benefits first.

Experienced.
Responsive.
Efficient.

"In this business, people rarely stop to say thanks. You usually only hear from policyholders when something has gone wrong. So, when one of our policyholders stopped by recently to sign paperwork, we were so pleased when he shared with us that everyone at First Benefits Insurance Mutual has been so accommodating and responsive since he filed his claim. He truly felt that when someone asked questions about how he was doing they were genuine in their concern. And went on to say that while this has been an indescribable, traumatic event both physically and emotionally at no point has the workers' comp process added to his frustrations. Thanks for making us look good! We could not be more proud of our relationship with First Benefits Insurance Mutual and look forward to many more years working together."

**Bryan D. Miranda, Partner –
Darden, Miranda & Associates
Insurance**

"I am very pleased with the quality of workers' comp coverage First Benefits provides to our company. I truly believe we have found a partner committed to meeting our workers' comp and workplace safety needs. From competitive rates to timely response and claims efficiencies, First Benefits continuously provides incomparable customer service"

**Jay McLamb, CFO –
Carlie C's**

Our Mission

To provide experienced leadership, responsive customer service and efficient claims management to our insurance agents, business owners, and their employees.

Underwriting

Submissions

Submissions are EASY; you need:

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

First Benefits Insurance Mutual's *Hit List*

Every quarter, First Benefits Insurance Mutual reviews its book of business to produce a preferred class of business or *Hit List*. Below is an example:

- Alarm System Contractor
- Auto Repair
- Car Dealerships
- Food Processing
- Golf Courses
- Grocery Stores
- HVAC Contractor
- Hotels
- Metal Works Manufacturing
- Plumbing Contractor
- Property Management
- Restaurants
- Warehouse

Rate Guide

First Benefits Insurance Mutual's *Preferred Classes Rate Guide* is available on our website. To obtain the rate for a specific class code not listed, please contact us at (888) 393-2667.

Ineligible Operations/Exposures

- Airport, Airport Authorities & Air-Traffic Control
- Amusement Parks
- Any asbestos related work

- Arms and Munitions Manufacturing
- Aviation risks
- Caisson or Cofferdam Work
- Carnival Workers
- Chemical manufacturing
- Commercial Airlines Personnel
- Dams, Dikes, Locks or Revetment
- Demolition Work
- Employee Leasing
- Explosives
- Federal Acts
- Flint or Spar Grinding & Drivers
- Foundry(s)
- Fuse Manufacturing
- Manufacturing, Production, Refining of Petroleum Products
- Manufacturing, storage or transportation of fireworks, ammunition, nitroglycerin or other explosive devices
- MGA/MGU business
- Mining
- Nuclear fission, fusion or radioactive materials
- Offshore Drilling
- PEO's and Temporary Staffing Services
- Pharmaceutical / Chemicals Manufacturing
- Professional Sports Teams
- Radiator or Heater Manufacturing
- Railroad operations & construction
- Refractory Products Mfg. & Drivers
- Roofing
- Stone Crushing, Cutting or Polishing & Drivers
- Trucking
- Tunneling Operations
- Underwater Work
- U.S. Longshore and Harbor Workers' Exposures
- Wrecking or demolition of buildings, structures or vessels

Quote Process

Agency Portal

Visit First Benefits Insurance Mutual's website www.firstbenefits.org for access to the Agency Portal for online quoting, insured billing information and loss runs.

Incomplete or Inaccurate Paperwork

To ensure prompt coverage for your clients, complete paperwork and payment is required. If First Benefits Insurance Mutual does not receive complete paperwork and required payment *within 7 days* of policy effective date, First Benefits Insurance Mutual will issue the new business policy and process cancellation according to standard notification requirements.

Expense Constant

The First Benefits Insurance Mutual Expense Constant is \$210.

Binding Coverage

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

Membership Requirement for Insured

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



Accepts membership from *all* types of businesses. For insureds who choose NCRMA, the balance of the current year's dues will be waived; then only \$200 per year.



Carolinas Food Industry Council
Accepts membership from grocery retailers and distributors. Membership is only \$30 per store.



North Carolina Auto Dealers Association

Call (919) 828-4421 for annual dues.



North Carolina Beer and Wine Wholesalers Association

Call (919) 828-1161 for annual dues.



North Carolina Christmas Tree Association

Call (800) 562-8789 for annual dues.



North Carolina Craft Brewers Guild

Email operations@ncbeer.org for annual dues.



North Carolina Mutual Drug

Call (800) 800-8551 for up-to-date investment opportunities.



North Carolina Tire Dealers Association

Membership is \$150 per year.



North Carolina Tomato Growers Association

Call (828) 685-3989 for annual dues.



Turfgrass Council of North Carolina

Membership is \$125 per year.

Participating NC Chambers of Commerce

A complete list of over 70 participating chambers is found on our website. Online you will find a link to each participating chamber and each association's website.

Visit our website @ www.firstbenefits.org

Premium Payment Plans

Payment Plans and Installments	Payment Plan Details	Installment Fees	Late Fees
Annual Pay	Full annual premium. Annualized premiums of \$1,000 or less require full annual payment. Annual audit.	\$0.00 per Installment	\$25 Late Fee
Quarterly Payment	Available for premiums over \$1,000. 25% down plus Expense Constant. Three equal payments. Annual Audit.	\$0.00 per Installment	\$25 Late Fee
Monthly Payment	Available for premiums over \$1,000. 25% down plus Expense Constant. Ten equal payments. Annual Audit.	\$0.00 per Installment	\$25 Late Fee
Twelve Equal Payments	Available for premiums over \$25,000 (subject to Underwriting approval).	\$0.00 per Installment	\$25 Late Fee
Monthly Self Reporting	Available for premiums over \$2,500. 25% down plus Expense Constant. Down payment held in escrow against termination. Escrow deposit may be returned to policyholder after five continuous years of coverage (subject to company discretion). Policyholder receives monthly self-audit worksheet to calculate payment and submit premium.	\$0.00 per Installment	\$25 Late Fee
Monthly Payment for Accounts in Excess of \$10,000 Annual Premium	Available for premiums over \$10,000. 10% down plus Expense Constant. Ten equal payments. Annual Audit.	\$0.00 per Installment	\$25 Late Fee
Monthly Self Reporting for Accounts in Excess of \$10,000 Annual Premium	Available for premiums over \$10,000. 10% down plus Expense Constant. Down payment held in escrow against termination. Escrow deposit may be returned to policyholder after five continuous years of coverage (subject to company discretion). Policyholder receives monthly self-audit worksheet to calculate payment and submit premium.	\$0.00 per Installment	\$25 Late Fee

How payments may be made:

- EFT (Bank draft) - One time or recurring
- Credit Card
- Check

For EFT and Credit Card transactions contact Policy Services at 855-228-4931



New Business Procedures

Quoting

Agents may secure quotes either online or by submitting ACORD applications to underwriting. NOTE: Agents have no binding authority.

- Quote completed and submitted via online portal at www.firstbenefits.org or ACORD 125 and 130 completed and submitted to underwriting for quote
- 3 years of currently valued loss runs required. May require 5 years based on experience modification factors
- Explanation of all losses more than \$5,000 and what safety measures have been implemented to avoid similar losses in the future
- Supplemental application completed and submitted
- Description of operations
- Premium history to determine account loss ratio
- Target premium

Binding New Business

Agents should email underwriting requesting that an account be bound. The following information should be provided when a bind request is made:

- Email to underwriting with bind request (including effective date of coverage)
- Approved quote signed by prospective insured
- Payment Plan choice of prospective insured

Incomplete or Inaccurate Paperwork

To ensure prompt coverage for your clients, complete paperwork and payment is required. If First Benefits Insurance Mutual does not receive complete paperwork and required payment within 7 days of policy effective date, First Benefits Insurance Mutual will issue the new business policy and process cancellation according to standard notification requirements.

Issuing New Policies

Issuing of new policies is no later than 10 days after the policy effective date.

The following items are required for a policy to be issued:

- ACORD 125 to be completed and signed by insured and appointed producer. Countersignature of appointed producer is acceptable
- ACORD 130 to be completed and signed by insured and appointed producer. Countersignature of appointed producer is acceptable
- Complete contact information for the applicant to include name, address, telephone number, and valid email address
- Properly signed inclusion and/or exclusion form for owners and executive officers.
- Completed Association Membership Identification Form (include email address for NCRMA member)
- Completed Payment Plan Form signed by applicant
- Down payment of 25% (or 10% if \$10,000 or greater annual premium) of policy premium PLUS \$210 Expense Constant received.
- Down payment may be made by mailing check or by calling 1-855-228-4931 for payment by credit card or ACH.

Renewal Process & Loss Control

Annual Renewal Worksheets

Ninety-days prior to expiration, policyholders will receive an Annual Renewal Worksheet allowing them to update policy information before their Estimated Premium Invoice 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

Estimated Premium Invoice

In the month prior to expiration, policyholders will receive an Estimated Premium Invoice 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 Estimated Premium Invoice will include an increase to the 25% or 10% deposit as well.

Payroll Audits

Annual payroll audits 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 mail/voluntary audit, while others will experience a physical audit. We require Employer's Quarterly Tax and Wage Reports, IRS Form 941 and Form NCU 101.

If subcontractors have been utilized, Certificates of Insurance must be included, or the policyholder will be responsible for the subcontractor portion of workers' compensation premium. Final audit invoices will reflect any discrepancies.

Audit Advice

- 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.

Loss Control

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

Please impress upon 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 Mutual will offer loss control services for accounts as needed. Services include:

- Site surveys for hazard identification and work practices evaluation;
- Written reports with summary of activities, hazards and loss problems with recommendations for improvement;
- Information to assist with OSHA compliance;
- Web-based safety training;
- And, other safety resources.

Visit website @ www.firstbenefits.org/policyholders.

Claims Reporting

First Benefits Insurance Mutual'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 experienced 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.

How to Report A Claim

Employers should complete a Form 19 within 24 hours of injury (forms and instruction found on our website at www.firstbenefits.org) and submit via fax to (919) 977-5844.

Direct questions to (800) 360-7867 or send e-mail to claims@firstbenefits.org.

Claims Contact:

claims@firstbenefits.org

Phone: (800) 360-7867 Fax: (919) 977-5844

Contact our Claims Department for:

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

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 our insureds.

Designated Medical Provider

First Benefits Policyholders have access to two major PPO networks:

- Prime Health Services
- Coventry Workers' Comp Services

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 the website listed below or to call our claims office at (800) 360-7867.

Remember to remind your clients:

- The Emergency Room (ER) is for emergencies or off-hour treatment.
- Urgent Care facilities and Occupational Medical Clinics are usually much more cost effective and typically take less time than a trip to the ER.
- If an employee must visit the ER always re-direct them to your client's Designated Medical Provider the next business day. Be sure to inform First Benefits Insurance Mutual 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.primehealthservices.com



www.coventrywcs.com

Cancellation Process & Endorsements

Notice of Cancellation

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

Reinstatements

Reinstatement requests will be determined by the First Benefits Insurance Mutual Underwriting Department.

Insured Request

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.

ENDORSEMENTS

Changes Requiring an Endorsement:

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

Agent of Record Change Procedures

Submit an ACORD 36 or have the insured request this change in writing on company letterhead (include effective date and signature of corporate officer or owner) within fourteen days of the effective date at a minimum. A new ACORD 130 application will be required from the newly appointed agent.

Corporate Officers

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.

Certificate of Exemption from Coverage

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 Mutual. 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.

Partners, Sole Proprietors & Owners

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. Once the election form is filed it remains in effect until a Withdrawal of Election Form is filed.

First Benefits Insurance Mutual Key Staff Contacts

Agency Services

(888) 393-2667
or
(919) 832-7215

Audits

(855) 228-4931

Claims

(800) 360-7867
Fax (919) 977-5844

Memberships

(888) 393-2667
or
(919) 832-7215

Policy Services

*All Billing Questions

(855) 228-4931

Underwriting

(888) 393-2667
or
(919) 832-7215



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First Benefits Insurance Mutual, Inc.

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