

# SERVICE LLOYDS INSURANCE COMPANY UNDERWRITING GUIDELINES

All agents (producers) participating in the program will be appointed by Service Lloyds Insurance Company.

## GENERAL UNDERWRITING GUIDELINES:

- Classification descriptions identified as "Eligible" or "Referral" can be written through this program.
- A minimum, annual premium of \$500 (rates X payroll) is required.
- Loss ratio of 50% or less for prior 3 years is required. If the loss ratio is in excess of 50% due to a single occurrence, it may still be eligible.
- Experience modifier must be 1.25 or less. Exceptions to this can be made by special request only and if approved by underwriting.
- Eligible New ventures and Non-Subscribers must submit a completed New Venture/Non-Subscriber form.
- Texas Operations only, no out of state exposure.
- Eligibility for excessive use of contract labor will be determined at the discretion of the underwriter
- **BUSINESSES WITHOUT EMPLOYEES ARE NOT ELIGIBLE FOR COVERAGE unless at least one owner or officer is included in the WC coverage with payroll assigned to the governing classification code. This exception will not apply if the included owner or officer payroll is assigned to any of the standard exception classifications codes.**
- Producer and managing general agent may issue certificates and provide list of certificate holders to Service Lloyds. NOC notifications to certificate holders are the responsibility of the producer and the managing general agent.
- One full time employee with a \$10,000 minimum payroll (excluding owner) is required. All class codes on application must be eligible.
- Service Lloyds will perform audits once policy has expired.
- Increased Limits of Liability to \$500,000 at 1% increase; \$1,000,000 will be applied at 2% increase. No other limits available.
- Blanket Waiver of Subrogation only is available at 2% charge. Specific Waivers of Subrogation are not available.
- Small Employer Premium Incentive will be applied on application if proper loss information is submitted with application. Annual premium must be less than \$5,000 and will not apply if the final audited premium exceeds \$5,000.
- No exclusion of executive officers having less than 25% ownership unless he or she is classified as Executive Officer (8809)

## INELIGIBLE EXPOSURES:

- Businesses with any exposure related to the oil & gas industry
- Businesses with aircraft exposures
- Businesses with watercraft exposures
- Convenience Stores
- Restaurants with 24-hour operations
- Businesses identified as a General Contractor
- Businesses identified as Bank operations
- Businesses with hunting exposures
- Logging operations
- Operations involving wrecking or demolition of buildings, structures or vessels
- Tunneling operations
- Businesses with any exposure to hazardous or explosive substances and/or devices
- Businesses with any exposure to asbestos-related work
- Pharmaceutical or chemical manufacturing operations
- Amusement Parks or devices and exhibitions including fireworks, carnivals or circuses
- Caissons or coffer dam work, dams, dikes, locks or revetment construction operations
- Roofing contractor operations
- Railroad and/or railroad construction operations
- PEO's or Employee Leasing operations
- Temporary Employment Agencies
- Mining operations
- Businesses with any nuclear exposures
- Professional sports teams
- Businesses with Maritime or USL&H exposures
- Businesses with sand-blasting exposures
- Foundries

\*\*Underwriter's discretion is not limited to these guidelines

Revised: 10-01-2010

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## APPLICATION SUBMISSION REQUIREMENTS FOR RECEIPT OF QUOTE:

1. A completed Acord Workers Compensation Application with legible print or type and all sections satisfactorily completed.
2. The Applicant's AND the Agency's Federal Tax ID Number (FEIN) must be included on the Application. If the applicant is a new venture or the legal status is a Sole Proprietorship, a Social Security Number can be provided in lieu of the FEIN.
3. A description of operations and number of employees per classification code must accompany application.
4. Copy of claims summaries for each of the past 3 completed policy years valued within the prior 90 days. A "No Loss" letter reflecting no known losses for the prior 3 years may be accepted at the underwriter's discretion. The "No Loss" letter must reflect a current date, be on the applicant's company letterhead, and signed by an owner or officer of the company.
5. Verification of payroll by submitting TEC totals is desired but not required for initial submission. This will be mandatory during mid-term review of policy.
6. A copy of the Experience Rating Worksheet (if applicable) is desired by not required.

All applications should be mailed to: Service Lloyds Insurance Company

Attn: Underwriting Dept.

6907 Capital of Texas Highway, Ste 290

Austin, TX 78731

**Underwriting Fax Number: (512) 485-2654**

Additional Company Fax Numbers: (800) 539 5424; (512) 343 8062; (512) 527 0841

## BINDING:

Once quoted and accepted by insured, coverage will be bound upon receipt of the request to bind and a completed & signed Acord Workers Compensation Application. The down payment must be collected by the agency at the time of binding and received in our office within 10 days to avoid cancellation of coverage. **The producer has no binding authority in this program.** Binders will be faxed to producer. Policies will be sent to producer.

## PREMIUM PAYMENT:

- Service Lloyds offers a direct billing program and all payments must be sent to Service Lloyds.
- Payment in Full is required if premium is less than \$500.
- 10% down payment submitted with application followed by 10 monthly installments is available for accounts with premium over \$500. Billings will be produced on the 10<sup>th</sup> of the month and due the 1<sup>st</sup> of the following month.
- Monthly premium reporting is available for accounts with premium over \$5,000 if the insured has prior experience with reporting payroll on a monthly basis. A deposit premium of 10% must be submitted with application followed by 12 monthly reports.
- **PREMIUM FINANCING IS NOT ACCEPTABLE.**

## CANCELLATION FOR NON-PAYMENT PROCEDURES:

- Cancellations for non-payment will be promptly issued.
- Reinstatement will be issued if premium billed is received on or before the cancellation effective date.
- Copies of Cancellations and reinstatements will be sent to the producer.
- Reinstatement **WILL NOT** be issued for any reason if cancellation notice has been issued 3 times within any 12-month period.

## RENEWAL GUIDELINES:

Service Lloyds will renew risks with acceptable loss history using expiring payrolls. However, if audit on prior year's policy produces an increase in payroll, current policy will be endorsed reflecting audited payroll. Policies will be issued 30 to 45 days prior to inception and mailed, with a bill, to the producer. The down payment will be due on or before the inception date.

## COMMISSIONS:

Commission is 12% on new business and 10% on renewal policies. Return commissions for cancellations or other return premiums will be deducted from the Producer's monthly commission statement.

## AGENT OF RECORD (AOR) CHANGES:

All AOR changes will require a mandatory 7-Day waiting period and **WILL NOT** be made effective prior to the waiting period.