



YOUR WORKSAFE POLICY GUIDE South Carolina

We look forward to serving you and thank you for your business. Enclosed is valuable information related to your policy; please read carefully and retain with your policy. If you have any questions about your WorkSafe workers' compensation policy – or any other matter related to Builders Mutual – please contact your Agent or our Company.

For your convenience, below is a quick reference listing of departments and extensions you may need to call. Our main number is 1-800-809-4859.

Builders University	ext. 397
Claims	ext. 303
Premium Accounting (bills and payments)	ext. 554
Premium Accounting (credit card payments)	ext. 375
Premium Audit (audit information)	ext. 478
Risk Management	ext. 544

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Also enclosed in this policy jacket:	
Your Policy	
Post Injury Drug/Alcohol Policy (post for employees)	
BMIC Drug Testing Acknowledgement	
Estimated Billing (invoice for any premium due)	

PREMIUM ACCOUNTING

Payment Plans

Builders Mutual offers the following payment plans; policyholders may change plans at renewal only:

Monthly Reporting

Policyholders who are on the monthly self-reporting payment plan will receive a Monthly Self-Reporting Worksheet. This worksheet provides an opportunity for maximum control of cash flow, and projects a more realistic final audit as a result of **accurate** monthly reporting. All policyholders must submit the Monthly Self-Reporting Worksheet together with the appropriate premium regardless of account size. Instructions to calculate premium are also included on each Worksheet.

To complete the Worksheet(s), enter GROSS payroll by classification(s) for the period during the month coverage was in effect and compute monthly premium following the instructions on the report(s). The completed report(s) should be returned with the appropriate premium payment to Builders Mutual no later than the 20th of the month. Checks should be made payable to Builders Mutual.

For complete directions to aid in filling out your Monthly Self-Reporting Worksheet, visit www.buildersmutual.com and click on Workers' Comp Worksheet Instructions under Hot Topics.

Monthly Bill 10-Pay

For those whose annual premium is greater than \$1,000, have steady payroll and want a fixed payment plan. This plan allows for 20% of the total amount (premium + expense constant) to be due at application and we will bill for the remaining 9 installments.

4-Pay, Quarterly

For those whose annual premium is greater than \$1,000. This plan allows for 25% of the total amount (premium + expense constant) to be due at application. We will bill for the remaining 3 installments.

2-Pay, Semi-Annual

For those whose annual premium is greater than \$1,000. This plan allows for %50 of the total amount (premium + expense constant) to be due at application. We will bill for the remaining installment.

Annual

Policies that are less than \$1,000 in annual premium are required to be on the annual pay plan. In addition, policyholders who wish to pay one annual premium may select this plan. No deposit is required.

Credit Card Payments

Credit cards may be used to pay monthly pay plan installments, monthly self-reporting worksheet premium, audit balances, and collections. To make a payment via credit card, simply call 1-800-809-4859 and ask for ext.375.

Returned Checks

All checks that are returned for insufficient funds or any other reasons will subject the policyholder to a \$25.00 charge per check.

Renewals

The policy will renew on the renewal date listed on the declaration page. However, policies that incur losses are subject to review by BMIC's Underwriting department for continued acceptability.

Cancellation

Cancellation of insurance coverage may result because of the following:

- Non-Payment of premium, including NSF returned check, failure to submit monthly self-audit worksheets, failure to submit to or pay year-end audit, failure to pay deposit balance
- Failure to meet Risk Management or Underwriting requirements and standards
- Determination that continuation would jeopardize solvency or place insurer in violation of insurance laws
- Violation of policy terms or conditions
- Material misrepresentation on the application
- Substantial change in the risk assumed if such change should not have been foreseen by the insurer or contemplated in the rate
- Substantial breach of contractual duties, warranties, or conditions
- If the insurer loses its reinsurance for the risk

Please note that, should a policyholder request the cancellation of its workers' compensation policy prior to its renewal date, there will be a short rate penalty assessed according to the National Council on Compensation Insurance (NCCI) table. Please contact your agent for more details.

Termination - Policyholder's Request

Requests for termination of coverage must be received in writing by BMIC and must include:

- Signature of an Owner or Officer
- Reason for Termination

Termination - Duplicate Coverage

In the event that a policyholder replaces coverage with a new carrier, the policyholder must send proof of coverage (letter of assumption or copy of new policy) in order to cancel the BMIC policy on the effective date of the new coverage.

PREMIUM AUDIT

The premium shown on your policy is an estimate based on your business's classifications and premium basis at the time your policy is issued. An audit will be conducted at the conclusion of the policy period to determine the "final" audited premium using the actual premium basis and classifications that apply to your business covered by this policy. You may be contacted by a BMIC representative to conduct a physical onsite audit of your financial records or you may be requested to voluntarily submit information to BMIC to determine the "final" premium. WorkSafe policyholders with policies less than \$5,000 may qualify for voluntary audits. Premium Audit staff will determine accounts that qualify based on the previous year's audit and the current year's monthly reporting forms, and will mail forms to qualified policyholders. Your failure to cooperate with any audit request may result in BMIC estimating your final premium.

Variables affecting your audit

Classifications

If at any time you have questions about properly classifying your operations, please contact Premium Audit at 800-809-4860, ext. 478.

Subcontractors

Subcontractors can represent an additional exposure to loss for you and the insurance company. Policyholders are required to pay premiums for all uninsured subcontractors, whether or not they have fewer than four employees. The following information outlines premium determination for subcontractors.

Workers' Comp

Policyholders will not be charged for the payroll of subcontractors if they provide Certificates of Insurance for all subcontractors to Builders Mutual. Without a Certificate of Insurance the amount paid to the subcontractors will be treated as remuneration and a premium charge will be made. This requirement includes subcontractors who do not have employees.

Subcontractor waivers are *not* accepted.

Your records

As a business owner, you know the importance of keeping accurate records. After the expiration of each policy period, a Builders Mutual auditor will contact you for an appointment. Completing the audit helps to ensure you are paying the right price for your Builders Mutual insurance coverage. Remember, records that are properly maintained allow for a fair audit to be completed.

When it's time for your annual audit, the following records will be required by your auditor:

- Cash disbursement journal showing monthly totals for:
 - (1) materials
 - (2) subcontractors
 - (3) casual labor
- Payroll journal and summary showing:
 - (1) monthly and quarterly totals
 - (2) separate totals by type of work
 - (3) separate overtime records
 - (4) check register
 - (5) federal quarterly reports and NC employer's quarterly tax & wage report
 - (6) W2s and W3s, 1099s and 1096s
- Also necessary for payroll are individual earning records showing:
 - (1) type of work performed
 - (2) gross payroll by month and quarter
 - (3) overtime by month and quarter.

Basis of premium is the entire remuneration, cash or non-cash. This can include overtime, bonuses, vacation pay, commissions, and sick pay. Exceptions to remuneration include the premium portion of overtime, tips, severance pay, and payment to group insurance or pension plans.

RISK MANAGEMENT

When you define, identify, analyze and plan for the risks associated with your company's operations, you are protecting your bottom line. That's risk management. Builders Mutual has an entire risk management department dedicated to helping you do just that.

Our risk management team focuses on safety, injury prevention and other business-related losses. We have adopted a proactive approach to controlling losses through education and empowerment.

Resources

Visit the Builders Mutual Risk Management micro-site and find numerous resources to help you develop your own safety program. Navigate to www.buildersmutual.com/RM; all the tools you need are right at your fingertips. Resources include:

- Selection of Tool Box talks to use during safety meetings.
- Sample safety policy to use as a baseline and customize to meet your needs.
- Selection of sample safety program modules to customize.
- Details on BMIC's Fall Protection Program and educational opportunities.
- Safety STUFF – Builders Mutual's online ordering site allows you to purchase necessary safety equipment at discounted prices.

Spanish Website

Builders Mutual offers online risk management resources in Spanish and created a Spanish-only Risk Management micro-site. Tool box talks, the safety policy and safety program modules, Fall Protection Certification Program requirements and more are at your fingertips and are designed to be used by Spanish-speaking policyholders or Spanish-speaking employees. Additionally, you can request a job site safety consultation from a Spanish-speaking Risk Management consultant.

Builders University

Builders Mutual created Builders University (BU) as the industry's center for educational excellence, to assist policyholders in being proactive about safety and risk management.

Our BU instructors help your business strengthen its safety program and address risks that eat away at profits. We provide the tools necessary to develop a comprehensive, high-impact risk management strategy for your business.

Courses offered include:

- Fall Protection (4 hours)
- Enterprise Risk Management for Contractors (3 hours)
- Safety Pays: A Practical Approach to Safety on Your Jobsite (4 hours)
- OSHA 10-Hour Construction Industry Safety Course (10 hours usually broken into two days)
- OSHA 30-Hour Construction Industry Safety Course (30 hours usually broken into five days)
- Defensive Driving Course (4 hours)
- Safety Talks (2 hours)

For complete course descriptions, details and a list of upcoming courses, go to buildersmutual.com/bu.

CLAIMS

Our claims department is known for providing exceptional customer service. Once a claim is filed, one adjuster is assigned to the account as the single point of contact. That adjuster handles the claim from beginning to end through the entire claims experience. The BMIC claims department is thorough and detailed to ensure you, your employees and your business are taken care of from the time the claim is reported to the time it is closed.

Reporting Claims

To report a claim, call 800-809-4862 or contact your agent.

Drug testing

BMIC maintains a policy requiring post-injury drug and alcohol testing arising out of any alleged work-related accident. In order to receive workers' compensation coverage, **BMIC expects each employer to notify its employees of this Policy in order that they may be potentially eligible to receive workers' compensation benefits.**

Enclosed is a Notice of this Policy and an Acknowledgment Form which should be made available to all employees. In the event of an alleged on-the-job injury arising out of an alleged work-related accident, the employee will be tested at the time medical treatment is first administered. Pursuant to our policy, BMIC shall pay the cost of this Drug and Alcohol Test as a reasonable expense incurred at BMIC's request.

If the provider refuses to administer a drug and alcohol test, contact the Claims department at 1-800-809-4862 while the injured person is at the medical facility. This will enable the Claims department to contact the medical provider to make arrangements to have a drug and alcohol test administered.

FORMS AND THEIR PURPOSE

Sole Proprietors/Partners – Sole proprietors/partners are excluded from a workers' comp policy but may elect to be covered by notification to BMIC via either written communication or on the ACORD 130 application.

The following information includes an outline of forms that are necessary to administer or change a policyholder's coverage.

Compliance Poster (Form 2) - The South Carolina Workers' Compensation Act requires this notice be posted in a conspicuous location where *all* employees can see it.

Corporate Officer Notice to Reject (Form 5) - Corporate officers are automatically included for coverage pursuant to the South Carolina Workers' Compensation Act unless exemption is made on this form. Withdrawal of a previous rejection must be submitted to BMIC in writing.

Report of Injury (Form 12-A) – The law requires you as the employer to report any injury within 10 business days of occurrence and knowledge. Failure to do so will result in fines of between \$10 and \$100. Prompt reporting will aid with prompt payment of compensable claims. A claims representative will complete this form if the injury is reported by telephone. Copies of the form will be mailed to the employer.

Statement of Earnings of Injured Employee (Form 20) – When reporting an accident that requires the injured employee to be out of work for more than seven days, this form must be completed. A copy of the completed form must be provided to the injured employee within 30 days of the date compensation begins. The employer shall report *gross* wages and shall include *gross* pay allowed for vacations, bonuses, overtime and allowances of any kind made to an employee in lieu of wages as specified in a wage contract. Failure to file and/or serve this form as set forth above may result in a \$100 fine and the possibility of an inflated compensation rate determined by a Commissioner.

Second Injury Fund

The Second Injury Fund functions within the South Carolina Workers' Compensation System. It protects employers from having a higher cost for an employee's injury when that injury, combined with a prior injury or disability, produces medical costs or a disability that is substantially greater than the accident alone would have produced.

South Carolina Post Offer-of-Employment Medical Inquiry – Completion of this form by employees is requested to assist employers in meeting the knowledge requirement of the South Carolina Second Injury Fund.