



Underwriting Guidelines

Midwestern Insurance Alliance
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(09/17)

UNDERWRITING SUBMISSION PROCEDURES

The following guidelines apply to all Midwestern Insurance Alliance wood products and forestry workers compensation submissions. These guidelines will allow us the opportunity to provide timely review of all agency submissions.

New Business applications should be received a minimum of 30 days before the effective date or “need by date”. Larger more complex accounts that may need pre-inspection will require at least 60 to 90 days lead time. Accounts that may require quick turnaround are not a problem, if a complete submission is provided. We want to be your market for wood products and forestry work comp and will work with you to help write new business in your agency.

Midwestern Insurance Alliance accepts **ACORD applications** for all workers compensation submissions. Applications must be complete and be accompanied by the necessary supporting documentation. The following information is considered critical. Submissions missing required information are considered incomplete.

- **Loss Information** – a minimum of 4 years hard copy loss information is needed, valued within the past 90 days, to include details of any loss exceeding \$25,000. 5 years hard copy loss information is preferred.
- A complete description of the operations should be provided. Submissions with multiple named insured’s need a description of operations for each entity listed.
- **Federal ID Number (FEIN)**
- Supplemental applications are needed on all new business submissions and with renewals when updated applications have been requested by the underwriter.
- Agents signature is required on all applications
- Copy of most current experience mod worksheet

UNDERWRITING GUIDELINES AND RISK SELECTION CRITERIA

The following is a synopsis of the underwriting guidelines and risk selection criteria used by Midwestern Insurance Alliance when considering an account for our wood products workers compensation program. Our goal to write above average accounts in each classification, that will develop a profitable loss ratio. Since there can be considerable variation between exposures of businesses within a homogenous group, each risk will be judged based on its individual merits.

ELIGIBLE WOOD PRODUCT CLASS CODES

CLASS CODE	CLASSIFICATION
2710	SAWMILL
2714	VENEER MFG.
2731	PLANING OR MOLDING MILL
2735	FURNITURE STOCK MFG
2759	PALLET MFG
2790	PATTERN MFG - WOOD
2797	MOBILE HOME OR TRAILER MFG.
2802	CARPENTRY-SHOP ONLY & DRIVERS, TRUSS MFG, ASSEMBLED MILLWORK
2841	WOODENWARE MANUFACTURING NOC
2881	FURNITURE MANUFACTURING AND CABINET SHOP-ASSEMBLY BY HAND-WOOD
2883	CABINET SHOP AND FURNITURE MFG - WOOD
2915	VENEER PRODUCTS MFG.
2916	VENEER PRODUCTS MFG-NO VENEER MFG
2960	TIE POST OR POLE YARD & DRIVERS
4206	PULP MFG - GROUND WOOD PROCESS
4207	PULP MFG - CHEMICAL PROCESS
4239	PARTICLE BOARD, CHIP BOARD MFG
8232	LUMBERYARD-NEW MATERIALS

ELIGIBLE FORESTRY/LOGGING CLASS CODES

Contact your underwriter or marketing rep for a complete list of forestry and logging class codes for your state.

BASIC UNDERWRITING GUIDELINES

- Eligible states see www.midwesterninsurance.com – “about us” for coverage map
- Minimum of three years in business
- Historically profitable loss results < 50% loss ratio
- Work comp experience mod <1.40 or >.70
- Demonstrate a good credit rating and payment history
- Established loss prevention program and demonstrates a positive attitude toward safety
- Have a stable experienced employee base with infrequent use of part-time or casual labor
- Subcontracting Exposures – Coverage can be provided for subcontracting exposures if proper controls are in place and less than 25% of total account exposure:
 - a. Does the insured obtain and monitor certificates of insurance?
 - b. Are certificates of non-coverage, state specific subcontractor exclusion forms or evidence of occupational accident policy obtained by the insured?

- c. Are proper premium charges made for contract haulers based on cost of contract?
- d. Does the insured actively supervise the work and job site of the sub contractor?
- e. Is there a long time working relationship with the sub- contractor, akin to an employer employee relationship?
- Minimum Account Premium criteria:
 - 1) Logging Contractors \$10,000
 - 2) Wood Products Mfg - \$5,000

COVERAGE

- 1) The only permissible coverage is workers compensation and Employers Liability
- 2) USL&H coverage and Jones Act coverage are not permissible
- 3) Additional states coverage is limited to approved states and provided under 3 c. of the policy declarations page
- 4) Coverage must be written on a guaranteed cost basis

UNACCEPTABLE RISKS in the wood products program:

Urban Logging

Tree Service

Logging- manual operations >15%

Night Logging

Portable Sawmills

Log Hauling – > 25% of total exposure, unless hauling exclusively for MIA insured

PAYMENT PLANS

- Annual
- 10 PAY - 25% down 9 installments (a service charge may apply per installment)
- Monthly Reporting ONLINE – 15% escrow deposit plus expense constant due at binding

AGENT OF RECORD PROCEDURES

The agent of record will be determined based on time of receipt of the first complete submission. A complete submission will be determined based on the requirements listed above for underwriting submissions.

Agent/Broker of Record letters will be accepted a minimum of 10 days before the policy effective date and must be submitted on the insured's letterhead and signed by a corporate officer, partner or individual owner of the business. If an Agent of Record letter is received, the current agent will be given 5 working days to obtain a countermanding letter.