



Kansas Builders Insurance Group

2101 SW 36th Street • Topeka, Kansas 66611 • 877-266-4540 • Fax 785-266-7953

INDIVIDUAL APPLICATION FOR MEMBERSHIP IN A GROUP FUNDED WORKERS COMPENSATION POOL

(To be completed with the Acord 130 Application)

COMPANY/INSURED NAME:	
FEIN:	
OFFICE PHONE:	
EMAIL FOR MONTHLY REPORTING FORMS:	
WEBSITE:	

CONTACTS

	↓ <u>DECISION MAKER</u> ↓	↓ <u>SAFETY PERSON</u> ↓
FIRST NAME:		
LAST NAME:		
BUSINESS PH.:		
CELL PH.:		
EMAIL:		
	↓ <u>ACCOUNTING</u> ↓	↓ <u>CLAIMS</u> ↓
FIRST NAME:		
LAST NAME:		
BUSINESS PH.:		
CELL PH.:		
EMAIL:		



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POLICIES AND PROCEDURES

DISCOUNT SCHEDULE

Advance discounts are determined annually by the Fund. Discounts are based upon experience modification factors and may vary with the final audit adjustment of premium.

MONTHLY PAYROLL REPORTS

Each month you will receive a monthly payroll reporting form. The monthly payroll report provides you the maximum control of cash flow and projects a more realistic final audit due to accurate monthly reporting. Monthly reporting is a condition of participation with KBIG, unless annual premium payment is approved by the Underwriting Department. Premium calculation instructions are included on each report.

If requested, each member must furnish a listing of all employees for the period just ended.

PAYMENT PLANS

- A. ACCOUNTS OF \$1,000 OR LESS
Firms developing less than \$1,000 in estimated annual premium may have to pay 100% of the estimated premium in advance.
- B. ACCOUNTS OF \$1,000 OR MORE
Firms developing an estimated annual premium of \$1,000 or more require a deposit of 25% of estimated annual premium. This deposit is retained by the Fund and is not applied towards premium except in the event of non-payment. Each employer is provided a payroll reporting form the last day of each month. Monthly payroll reports and premiums are due on the 15th day of the following month.

DEPOSITS

It is the policy of KBIG that members maintain a deposit equal to 25% of annual premiums. The deposit is adjusted annually, at renewal, and is only retained to apply towards premium in the event of non-payment. As monthly accounts pay premiums in arrears, this policy protects all participants, minimizes bad debt, and is simply a sound business practice for KBIG. Should coverage be terminated by either party, this deposit is refundable, should the member have no outstanding balances owed to KBIG.

Companies seeking to utilize a Letter of Credit in lieu of the 25% cash deposit must use the Non-Revocable form approved by the Kansas Insurance Department. A 30-day advance notice must be given to KBIG in the event this Letter of Credit is to be terminated.

MINIMUM PREMIUM POLICY

The Rating Bureau has established annual minimum premium amounts for each classification code. These minimum premiums are subject to change each time a rate change occurs. A minimum premium is used

whenever the premium (arrived at by multiplying the payroll times the rate) is less than the established minimum premium. If you have multiple class codes, the highest minimum premium will be used. If your policy is in force for less than a year, the minimum premium will be prorated.

PAYROLL

With few exceptions, the premium basis for workers compensation coverage is *payroll and remuneration*. Remuneration means money or substitutes for money and includes the following:

- Actual payroll
- Commissions
- Value of lodging/housing
- Bonuses
- Value of meals
- Pay for periods of sickness, holidays or vacations if records are **not** maintained
- Extra pay for overtime if records are **not** maintained

Remuneration excludes the following:

- Tips and other gratuities
- Employer's payments to group insurance or pension plans
- Severance Pay
- Pay for periods of sickness, holidays or vacation if records **are** maintained
- Overtime wages present a special case in calculating premium. The extra pay for overtime, over the regular rate, is generally excluded from the gross payroll. This exclusion is allowed provided your books and records are maintained to show overtime pay separately by employee and in summary by classification.

AUDITS

Audits are conducted annually and will be used to determine final premium charges. Participants contesting audited figures must send supporting documents in writing within 20 days of invoice. No changes will be made to an audit, at the request of a participant, beyond 12 months from the expiration date.

EXECUTIVE OFFICERS

Corporate officers or employees owning 10% or more of corporate stock of corporate employer may elect not to accept coverage under the Kansas Workers Compensation Act by signing a K-WC50 form. For Corporate Officers, premium is based on their total payroll, subject to limitations established by State regulation.

PARTNERS, SOLE PROPRIETORS AND LLC

While normally not considered employees, partners and sole proprietors can be covered under the policy by election. Once covered, they would have the same status as employees under the policy. When covered partners and sole proprietors are considered employees, their payroll will be assigned to classifications and rates under the rules that apply to employees. Premium for each partner or sole proprietor treated as an employee shall be based on an annual payroll amount as determined by state regulations. An Election of Coverage form, K-WC113, can be secured from the KBIG office.

CERTIFICATES OF INSURANCE

For Certificates of Insurance, please contact your agent.

SUBCONTRACTORS

Based upon past experience and court ruling, it is the policy of the Fund that all members require any entity engaged to do work for them, to have workers compensation insurance and provide a Certificate of Insurance at the time the work is started. Subcontractors must maintain continuous workers compensation coverage. If a Certificate of Insurance is not available to an auditor, the member will be charged premium for all payrolls of the entity in question. However, the member's coverage is subject to termination. This policy is to insure the financial integrity of the Fund and is a safeguard for its members.

OPERATIONS

The Kansas Builders Insurance Group covers ONLY operations in the state of Kansas and Kansas employees. This coverage excludes out-of-state operations (unless the work is temporary and incidental) and work performed on barges, vessels, docks or exposures under the USL&H Act.

EXPERIENCE MODIFICATION FACTOR

The experience modification factor is a method of adjusting YOUR workers compensation costs based upon YOUR own experience. This factor can increase or decrease your cost and is changed each year.

The formula used to develop an employer's experience modification factor includes several weights and balances. However, it is impacted the greatest by the number of claims you have and (and reserves for claims) during three of the last four years. Attention to job site safety can reduce your modification factor and significantly reduce your workers compensation cost.

EXPENSE CONSTANT

The expense constant is an additional premium cost established by state regulation. This charge is applied annually and is used to cover administrative costs of issuing the policy.

NEW MEMBER INFORMATION KIT

When your application for coverage has been processed, you will receive our New Member Kit which will contain more detailed information about your coverage.

ASSISTANCE

If you need assistance or desire more information about your coverage, please contact:

Kansas Builders Insurance Group
2101 SW 36th Street
Topeka, KS 66611
877-266-4540 or 785-266-4540
www.kbig.biz

We hereby formally apply for continuing membership for workers compensation self-insurance coverage with KBIG and, if accepted, do hereby constitute and appoint J. Douglas Hamilton to act as Administrator of the Fund as our agents-in-fact in all matters relating to the Workers Compensation Act. We further agree as follows:

- a) To accept and be bound by the provisions of the Workers Compensation Act.
- b) That, by this reference, the terms and provisions of the Indemnity Agreement and/or Amendments thereto are hereby adopted, approved, ratified and confirmed by us; and further, we agree to assume all of the obligations set forth therein, including but not limited to our joint and several liabilities for payment of any lawful awards against any member of the Fund, and in the event we fail to pay any premium or lawful assessment within thirty (30) days of the date the same shall become due, we will pay all late fees or reinstatement fees and all costs of the collection thereof, including reasonable attorney's fees;
- c) To abide by the Policies and Procedures of the Fund and to conform to the terms of the Agreements they may enter into with any authorized Service Company as long as we remain a member of the fund;
- d) That, in the event of any changes in corporate structure, or in legal entity, or if any locations are to be added to or deleted from this coverage, we agree to notify KBIG immediately;
- e) We agree that the undersigned officer(s) of the Member Corporation, or members of the member limited liability company, assume all of the obligations of KBIG membership, including but not limited to **joint and several liabilities for payment** of any lawful awards against any member of the Fund. We further agree to be personally liable for payment of any and all premium, lawful assessment, and fees incurred in collection of such amounts, including attorney fees, if we fail to pay any premium or lawful assessment within 30 days of the due date;
- f) That we may cancel this agreement. We must mail or deliver advance written notice to KBIG stating when the cancellation is to take effect;
- g) That coverage under this membership is limited to "in state" operations only;
- h) That I hereby certify that the information in this application is true, accurate and complete, and agree to abide by the Policies and Procedures of the Kansas Builders Insurance Group.

IMPORTANT INFORMATION FROM THE KANSAS DEPARTMENT OF INSURANCE:

ALL MEMBERS AND POTENTIAL MEMBERS PLEASE READ CAREFULLY.

The applicant or member hereby acknowledges that:

1. The "Pool" is a self-insured Workers Compensation Pool established pursuant to K.S.A.44-581.
2. The Pool is not an insurance company and is not governed by the same regulations, and is not subject to the same supervision, by the Kansas Insurance Department as an insurance company would be.
3. The Pool is not a member of, and its members are not eligible for any benefits from, the Kansas Insurance Guaranty Association.
4. The member will be JOINTLY AND SEVERALLY LIABLE with every other employer who is a member of the Pool for any unpaid claims and liabilities of the Pool if the Pool becomes insolvent.
5. The Pool only covers Kansas operations, along with incidental coverage in other states.
6. The member will comply with all provisions of K.S.A. 44-581, et. seq., the Kansas Workers Compensation laws, all rules and regulations of the Pool, and all lawful orders of the Commissioner of Insurance.
7. That the member will promptly pay all premiums, taxes, and assessments due as a member of the Pool.
8. That the member will give to the Pool notice prior to withdrawal from the Pool, as required by the Pool bylaws.
9. That the member will neither ask for, nor receive, credit from the trustees for payment of premium.

This is to certify that the above conditions have been explained to me, and I understand and acknowledge them. I affirm to the best of my knowledge and belief, the statements contained in the application, including any accompanying documents, are true and complete.

_____	_____	_____
Owner, Partner or Corporate Officer - Signature	Date	Printed Name of Owner, Partner or Corporate Officer
_____	_____	_____
Agent – Signature	Date	Printed Name of Agent
_____	_____	_____
Agency Name		Agency's KBIG Number

The above application is hereby approved for membership in the Trust.

Signed this _____ day of _____, 20_____

By: J. Douglas Hamilton: _____ (Fund Administrator)