



## **Access State Fund March 2014 Update**

We are fast approaching the end of the first quarter in 2014 and would like to give you a brief update on State Fund changes.

### **3/1/2014 Rate Changes**

Effective March 1, 2014, State Fund is introducing a fourth tier to their current tiered pricing. In addition to Tier A, B, and C, Tier D will be for customers with high loss experience. State Fund has added this new Tier to identify and properly price risks whose loss experience negatively impacts a Tier's overall performance. This rate change will apply to all policies with effective date 3/1/2014 and later. Please note that State Fund's PriceNow system applies the Tier for your Insured. Neither the State Fund Underwriter nor RIC Underwriter has the ability to change the Tier once the system assigns it. For specific information on State Fund's Tiered pricing, please refer to State Fund's rate filing with the Department of Insurance.

### **Specific Waivers of Subrogation, Additional Insured's, PUC, DMV/MCP, CSLB on New Business**

As a reminder, requests to add specific waivers of subrogation, additional insured's, issue PUC, DMV/MCP 65 Filings and CSLB certificates cannot be completed until after State Fund receives the physical deposit check and releases the policy. This can take up to 10 business days for State Fund to complete. We highly suggest overnighting the deposit check to State Fund if specific waivers, filings, endorsements or certificates are needed.

### **Monthly Payroll Reporting**

State Fund continues to offer monthly payroll reporting, but want to remind you of State Fund stipulations.

1. Monthly payroll reporting is only offered on accounts over \$25,000 in base premium.
2. A deposit of 25% of the estimated annual premium is required.
3. The insured is required to sign up for State Fund Online to report their payroll and premium online. It will be their responsibility to enroll.
4. Monthly payroll reporting should be requested prior to quoting.

### **Altering Terms of Insurance**

State Fund has requested that their Terms of Insurance and quotes are not to be altered in any way. State Fund and RIC will not honor any binds received with altered terms. Any broker fees or additional charge need to be billed to your client separately. Altering terms is cause for termination with RIC Insurance General Agency.

### **Time frames for Large Accounts (over \$250K), PEO, and Temp Agencies**

This is a friendly reminder that large accounts (over \$250K), PEO, and Temp Agencies must be submitted at least 45-90 calendar days prior to inception to State Fund. Please note that RIC needs time to evaluate the submission so please submit 5-10 days prior to the 45 day requirement. State Fund strives to quote

everything that is submitted; however, they can only guarantee timely quotes on submissions that they receive 45 days prior to policy inception. If you are not able to meet this timeline and there is no other market, please submit your application along with documentation that justifies the late submission (for example: copy of the incumbent's non-renewal letter). We understand that other situations might arise; and in those cases you are encouraged to have a discussion with your assigned RIC Underwriter.

## **Payment Plans**

Payment plans for additional premium endorsements and audits, that are generated by under-estimated payroll, are no longer an option with State Fund, at any time during the policy term. It is EXTREMELY important that you communicate to your State Fund policy holders that the payroll information that they provide to you, must be as accurate as possible. State Fund will not automatically endorse the policy to reflect the payrolls being reported by the insured and they are making it the responsibility of the insured to let you know. Please ask the policy holder to provide you with copies of their payroll reports that they submit to State Fund, so that you can review them for accuracy. Endorsing the policy early in the policy term, will allow them to spread out some of the additional premium over the remaining installments, and avoid large additional premium endorsements and audits.

## **Cancellations**

In December State Fund implemented the electronic delivery of Notices of Cancellation, Notices of Cancellation Withdrawal and notices confirmation cancellation, to broker/agents. While they strive to have every document delivered to us, we are finding that this is not the case. State Fund has advised that notices not received by RIC is not cause for reinstatement of the policy, because these notices have also been mailed directly to the policy holder. **Once a policy has been cancelled for any reason, it is not eligible for reinstatement.** The policy holder will need to take care of any outstanding issues with the expired policy, pay any outstanding amounts billed, and then resubmit the required documents for a new quote.

## **And this concludes our Access State Fund update.**

Your business is very important to us and we appreciate your continue assistance and cooperation. For more information please call our Access State Fund Department at 1-855-851-7827. If you have questions on other products and services RIC offers, please call 1-888-693-7892 or visit our website at [www.ric-ins.com](http://www.ric-ins.com).

Thank you,

RIC Insurance General Agency