

ACORD 130 Instructions

ACORD 130 - Workers Compensation Application

ACORD's Workers Compensation Application is a self-contained Commercial Lines application that does not require the completion of the Applicant Information Section (ACORD 125). Therefore, complete the entire Identification section of this form.

The Workers Compensation Application provides for workers' compensation, employer's liability, and voluntary compensation coverages.

The Policy Information and Rating Information sections have been designed to follow workers' compensation rules published by the National Council on Compensation Insurance (NCCI). Other plans may be used with this form as well. Please refer to the NCCI manual for coverage definitions.

This form may not be used in Florida. Refer to Florida Workers Compensation Application, ACORD 130 FL.

IDENTIFICATION

- Date (MM/DD/YYYY) Month/day/year in which the form is completed.
- Producer Producer's name and address.
- Code "Identification code assigned to your agency or brokerage firm by the insurance company receiving this form."
- Phone (A/C, no., ext.) Telephone number where the producer may be reached.
- Fax (A/C, no.) Facsimile number where the producer may be reached.
- E-mail Address Indicate e-mail address of the producer.
- Subcode "If your agency uses a sub-code identification system with the company, enter the appropriate code."
- Agency Customer ID Customer's identification number assigned by the agency.
- Company Name of the applicable insurance company. Use the actual name of the company within the group in which you wish to have the policy issued. Do not use group names.
- Underwriter Field used to direct the application to a specific company underwriter by name.
- Applicant Name "Full name of the applicant as it appears on the policy. (The First Named Insured is given certain rights and responsibilities by the policy contract language. If more than one insured is named, the one intended to receive these rights and responsibilities is named first.) If joint ownership is claimed, the name used may include both names (e.g., John and Mary Smith). Phrases such as ""et al."" or ""As their interests may appear"" are not legal entities and therefore unacceptable."
- Internet Address Provide the internet address for the applicant, if applicable.

- Mailing Address Address at which the First Named Insured is to receive all mail. (include zip code)
- Years in Business Number of years the applicant has been in business.
- SIC Appropriate Standard Industry Class code assigned to the particular type of business (if known).
- Form of Business Organization "Identify the applicant as an Individual, Partnership, Corporation, Sub Chapter "S" Corporation, LLC, or Other. If Other, provide a description, e.g., Professional Association.
If there is more than one Named Insured, list each along with its form of organization (e.g., The Green Thumb Co., a corporation, John Jones and Bill Smith, a partnership; or A joint venture composed of ABC Contracting Inc. and XYZ Contracting Inc.)."
- Credit Bureau Name Provide the name of the credit bureau.
- ID Number Provide the ID number for this applicant.
- Federal Employer ID Number FEIN is assigned by the IRS to specifically identify the applicant and is required in most states before a policy can be issued. A separate FEIN may apply to each entity named as an insured. For individuals with no FEIN, use Social Security Number.
- NCCI ID Number A nine-digit number assigned to the applicant by the National Council on Compensation Insurance (NCCI). This number is required in most states before a policy can be issued. It also helps insure timely and accurate calculation of experience modifications. The NCCI is a rating bureau operating in most states that also provides interstate experience rating for risks occurring in more than one state.
- Other Rating Bureau ID or State Employer Registration Number A state's rating bureau may assign a separate identification number if the applicant is subject to experience rating in an independent bureau state. In Minnesota, use this box to record the applicant's unemployment account number, as required by the state. In New Jersey, use this box to record the applicant's state employer registration number.

STATUS OF SUBMISSION

Use the Quote/Issue Policy/Bound boxes to indicate whether the response to this application from the company is expected to be a quote or an issued policy. Also indicate if the risk is bound. Include the date coverage began and attach a copy of the binder. This application is not a substitute for a binder.

You may check more than one box (e.g., if the underwriter indicated by telephone that the risk is acceptable and coverage can be bound, check both Bound and Issue).

For Assigned Risk business check the "Assigned Risk" box and complete an ACORD 133 Workers Compensation Insurance Plan Assigned Risk Section. Rules for binding assigned risk policies apply. The Quote, Issue Policy and Bound options do not apply when submitting an assigned risk application. Please refer to the instructions for the ACORD 133 for specific uses of the ACORD 130 elements as they apply to assigned risk business."

BILLING/AUDIT INFORMATION

- Billing Plan Indicate whether the agency or the company (direct) will bill the insured or other payor for the policy.
- Payment Plan Indicate the plan to be used to pay the company for the policy. For the Other option, use the company's specific designation for the plan being used (e.g., Bi-monthly or 40-30-30).
- % Down For bound policies, list the percentage of the total estimated annual premium that has been (or will be) received as a down payment.
- Audit Indicate the frequency with which audits should be undertaken for this policy.

LOCATIONS

- Number (#) Number the locations for reference in the Rating Section below.
- Street, City, County, State, Zip Code List all usual work places of the applicant. Provide the physical address, not post office boxes.

POLICY INFORMATION

- Proposed Policy Eff Date Date on which the terms and conditions of the policy will commence. For assigned risk business being submitted with the ACORD 133 use the effective date on that form, following state mandated rules.
- Proposed Exp.date "Date on which the terms and conditions of the policy will expire. The normal policy period (effective date to expiration date) is one year. However, a policy may be issued for any length of time up to a maximum of three years. Certain rules and endorsements must be used if the policy is written for more than one year. It may be necessary to use Effective and Expiration Dates that do not indicate a one year term, to concur with other policies."
- Normal Anniversary Rating Date Normally, the rates used are in effect on the effective date of the policy. NCCI Manual rules require that the rates apply for a period of one year. If a policy is cancelled or short-termed, the rating bureau requires the original effective date to be considered the Normal Anniversary Rating Date for both rates and experience modifications. This is temporary and will last until the next renewal when the new policy effective date will again determine the rates. The rule is intended to prevent wholesale cancellations by insureds and companies to take advantage of rate and/or rule changes. For cancelled or short-termed policies, enter the original effective date.
- Participating/Non-Participating A Participating policy may result in reduced premiums through the payment of policyholder dividends declared by the insurer. Some policyholder dividends are based on actual experience of the applicant. If such a program is available through the company in the covered state, indicate whether the policy is to be on a Participating or Non-Participating basis. Check with your company on the availability of plans.
- Retro Plan Retrospective Rating Plans Permits the adjustment of the final premium based on the actual premiums and losses of the applicant, subject to the plan's minimum and maximum premium limits. One to three year plans may be available.

Check with your company on the availability of plans.

- Part 1 Workers Compensation (States) States in which Part 1 will apply. Part 1 refers to the workers' compensation law and/or occupational disease law in states where the applicant has operations.
- Part 2 - Employers Liability Requested limits for Part 2 of the policy (Employers Liability Insurance). The basic limits of liability under Part 2 are: Bodily Injury By Accident - \$100,000 per accident; Bodily Injury by Disease - \$500,000-policy limit; Bodily Injury by Disease - \$100,000 per employee. Express limits with full dollar amount (all zeros shown) on the application.
- Part 3 - Other States Insurance Indicate the states in which Part 3 will apply. Part 3 refers to states not listed in Part 1 where the applicant has the potential for operations during the policy term, but none currently exists as of the effective date of the policy.
- Deductibles If a deductible option exists in the state where coverage is being applied for check the appropriate deductible type. (In Pennsylvania, the deductible is "per claim". The deductible choices are \$1,000, \$5,000 and \$10,000.)
- Amount / % Indicate the amount of the deductible as a whole dollar amount or as a percentage. For percentages indicate the percentage amount followed by the percent (%) sign.
- Other Coverages Use this space to request optional United States Longshoremen's & Harbor Worker's (USL&H) coverage and Voluntary Compensation coverages. Exposures for these optional coverages as well as additional coverages should be described in the Specify Additional Coverages/Endorsements section.
- Dividend Plan or Safety Group Identify the specific plan or safety group of which the applicant is a member. This field is related to the participating plan. Check with your company on the availability of plans.
- Additional Company Information Any additional company or state specific information should also be listed in this section.

RATING INFORMATION

- Information in the Rating section must be entered by state and location. If there are multiple named insureds, information must be shown by individual entity.
- State State abbreviation for the associated location.
- LOC # Location Number for each entry corresponding to the locations listed in the Locations section above.
- Class Code Code which best describes the applicant's business. Remember that it is the business of the employer, not the individual employees, that is being classified. Consult the proper rating manual to determine the code. Rating bureaus may exercise control over classification assignment.
- Description Code Use this column to include any applicable company description code for this type of risk.
- Categories, Duties, Classifications Single class code may include several related descriptions of activities/operations. It is extremely important to enter the specific classification description or, at least, a brief statement regarding the duties of the

employees. Enter as much information as necessary to avoid mis-classifying the operations.

- No. of Employees, Full Time/Part Time Number of employees to whom the classification applies. The average number is sufficient when the total number fluctuates during the year. Underwriters use this number to determine if the payroll estimates appear adequate. Show full time and part time employees separately.
- Estimated Annual Remuneration Total annual payroll for the class. Payroll means money or substitutes for money, such as the value of meals or lodging if provided. Accurate payroll estimates help avoid additional premium requirements being discovered during an audit. Do not include overtime premium.
- Rate Manual Rate for the classification from the appropriate state manual.
- Estimated Annual Premium The rate is applied (multiplied) to every \$100 of remuneration (payroll) and the result is the Estimated Annual Premium for this classification.

RATING COLUMNS

- State State abbreviation for the associated location.
- Factor Column The Factor column is used to calculate the total estimated annual premium. Agents completing the rating process should fill out this section of the application.
- Factored Premium Column The Factored Premium column is used to calculate the total estimated annual premium. Agents completing the rating process should fill out this section of the application.
- Total Add the amounts for each class to obtain the total estimated pre-modified premium.
- Increased Limits Enter the factor and modified total premium if limits other than the standard limits for Part 2 Employers Liability are requested.
- Deductible If a state deductible option is available and chosen, enter the deductible factor and the modified total premium.
- Experience or Merit Modification If the applicant is subject to experience or merit rating, enter the modification factor and the modified total premium. Generally the business has to have been in operation for at least two years under present ownership and the premium must meet or exceed a level which is established by the state to qualify for experience or merit rating. If more than one modification factor applies to the applicant, explain in the Specify Additional Coverages/Endorsements section. Attach the most recent experience or merit rating data sheet.
- Loss Constant If a Loss Constant is applicable due to low premium levels enter the flat amount as per the rating manuals.
- Assigned Risk Surcharge Applicable only to assigned risk accounts. A state specific surcharge may apply for placement of business into an assigned risk pool.
- ARAP Assigned Risk Adjustment Program - A state specific adjustment for Assigned Risk policies.

PREMIUM

- Schedule Rating If schedule rating applies, enter the factor and the modified total premium.
- CCPAP Contracting Class Premium Adjustment Program - Not applicable in all states. If CCPAP applies, enter the factor and modified premium.
- Standard Premium Total premium before applying premium discount.

RATING COLUMNS

- Premium Discount If a Premium discount is applicable due to large premium levels, enter the discount rate and the modified total premium.
- Expense Constant Enter the flat amount of the expense constant as applicable per state rating manual.
- Taxes/Assessments Enter any applicable state taxes or assessments.
- Optional Lines (Blank Spaces) If any optional factors, charges or credits are required or applicable, enter the option title, factor (if applicable) and adjustment amounts in these available spaces.
- Estimated Annual Premium Amount resulting from applying all modifications, discounts, taxes and other rating criteria to the estimated pre-modified premium.
- Total Estimated Annual Premium Amount resulting from applying all modifications, discounts, taxes and other rating criteria to the total estimated pre-modified premium.
- Minimum Premium Found on state rate sheets opposite the class code; they apply by policy. If two or more classifications with different Minimum Premiums are included on one policy, the highest usually applies. Check the appropriate rate manual.
- Deposit Premium Dollar amount due the insurer at inception.
- Specify Additional Coverages/Endorsements Explain the applicant's exposures and payroll for any other coverage requested, including USL&H and Voluntary Compensation.

INDIVIDUALS INCLUDED/EXCLUDED

- Based on state laws, certain positions within an organization, such as sole proprietors and partners, may not be covered by the applicable workers' compensation law, and may elect to be brought under such law. Conversely, executive officers of corporations are usually considered to be employees, but may elect to be excluded from coverage. Refer to the NCCI or applicable state workers' compensation manual for specific state details. Since the inclusion or exclusion affects coverage and premium, this section must be fully completed.
- LOC # Location Number for each entry corresponding to the locations listed in the Locations section above.
- State - State abbreviation for the associated location.
- Name Partner, executive officer or relative to indicate whether or not the individual is to be covered by the policy.
- Date of Birth Individual's birth date.
- Title/Relationship Either the individual's title within the organization or relationship to

the organization's owners.

- Ownership % Percentage of ownership the individual has in the organization, if applicable.
- Duties Briefly identify the duties of the individual.
- Inc/Exc Indicate if the individual is to be Included or Excluded under the policy's coverages.
- Class Code For individuals to be included based on the duties described above.
- Remuneration "Estimated annual Remuneration for individuals to be included. Minimum or Maximum remunerations may apply based on state laws.(Enter the class code and remuneration in the Rating Information section of the application for all included individuals)."

PRIOR CARRIER INFORMATION/LOSS HISTORY

- Either this section should be completed or a loss history report should be attached covering the last five years.
- Loss Run Attached Check this box if a loss history report is attached.
- Year Year of inception or policy period. The most recent policy period should be listed first.
- Carrier & Policy Number Carrier's name (CO) and policy number (POL #) for the corresponding policy.
- Annual Premium For the corresponding policy. Use the final audited premium when available.
- Mod. If the risk was subject to experience rating, enter the Experience Modification in this column for the corresponding policy.
- # Claims Total number of Claims for the corresponding policy term.
- Amount Paid The total dollar amount actually paid for all open or closed claims.
- Reserve Enter the amount in Reserve for any open claims, with the valuation date of the reserves. Estimates are acceptable; enter zero if none.

NATURE OF BUSINESS/DESCRIPTION OF OPERATIONS

This section informs the underwriter of each applicant's business and the way it is conducted by premises. Operations, which may not be apparent in a general description, may be segmented by location. For example, location #1 may be the general offices while location #2 may be the warehouse. The section should include enough detail to enable the underwriter to understand and classify each operation. Do not use the classification phraseology from the Commercial Lines Manual or Workers' Compensation Manual, because they do not provide adequate detail. For example, a manufacturer of pulley wheels used in sewing machines should be described as such and not as ""Metal Goods Mfg. N.O.C."

- If the applicant is a manufacturer, describe the:
 - * Raw materials used
 - * Process of work performed
 - * Products manufactured; who uses them and how they are used
- If the applicant is a contractor, describe the:

- * Type of contractor
- * Work performed
- * Specialized equipment used
- * Nature of sub-contracts
- If the applicant is a merchant, describe the:
 - * Type of operation, wholesale or retail (if both, give the percentage of each)
 - * Merchandise sold; indicate if it is domestic or foreign product
 - * Services provided
 - * Whether or not the applicant delivers
- If the applicant is a service organization, describe the:
 - * Type of service performed
 - * Location
 - * The applicant's clients (e.g., general public, dentists, banks)

GENERAL INFORMATION

Use the Remarks section to provide additional information for any questions answered "Yes".

1. Does applicant own, operate or lease aircraft/watercraft? Describe any aircraft exposure excluding commercially scheduled flights. Name any employee who is a licensed pilot. Explain his or her duties and describe the type of license. Describe any watercraft which is owned, leased or operated, and explain its use.
2. Do operations involve storing, treating, discharging, applying, disposing or transporting of hazardous material? (E.g., landfills, asbestos, wastes, fuel tanks, etc.)" Explain the exposure and the precautionary measures implemented to handle hazardous materials. Exposures include: flammables, explosives, radioactivity, caustics or fumes and their storage, disposal or transportation, or any other material with a known occupational disease exposure.
3. Any work performed underground or above 15 feet? Detail the frequency and nature of such work, and the number of people involved.
4. Any work performed on barges, vessels, docks or bridge over water? Describe any work on barges, vessels or docks and the location, frequency and number of people involved.
5. Is applicant engaged in any other type of business? List all other businesses and the carrier for that business's workers' compensation coverage.
6. Are subcontractors used? Explain the nature and frequency of any subcontracted work. Give the percent of work subcontracted. Are Certificates of Insurance required?
7. Any work sublet without certificates of ins. Describe the nature and frequency of the subcontracted work and indicate if the classifications and remuneration for such work have been included in the Rating Information section.

8. Is a formal safety program in operation? Describe the safety program. Does it involve meetings, classes or incentives?
9. Any group transportation provided? Is a van pool program in effect? Does the employer shuttle employees to job sites? What type of conveyance is used? How many employees are transported? How often? Over what distance?
10. Any employees under 16 or over 60 years of age? Specify the number of employees in each category and the duties they perform.
11. Any seasonal employees? How many employees? How many hours do they work? At what time of the year are they employed? What are their duties?
12. Is there any volunteer or donated labor? Explain the circumstances under which volunteer labor is used and the nature of the work.
13. Any employees with physical handicaps? Describe the nature of the work and explain the circumstances under which physically handicapped workers are employed. Indicate the number of employees and the type of handicaps. Is the applicant involved in a special community program for handicapped people? If eligible, has the employee been registered in a second injury fund?
14. Do employees travel out of state? Describe the nature of the travel and indicate the number of employees, frequency and mode of transportation.
15. Are athletic teams sponsored? Describe the nature of the athletic activities and indicate the number of employees involved (if any). Indicate whether the applicant provides an accident and health policy to cover athletic activities. This may include company, school or community teams or leagues, such as Little League.
16. Are physicals required after offers of employment are made? Are employees required to undergo a physical examination after they have been made an offer for employment? Describe the extent of the physical examination and indicate which applicants are required to take them.
17. Any other insurance with this insurer? If other insurance policies of any kind are in force with this insurer, identify the coverages, policy numbers and terms. You may also note other submissions for this account being considered.
18. Any prior coverage declined/cancelled/non-renewed (last 3 yrs.)? The fact that such action occurred is not as important as the reason for the action. Provide all details.
19. Are Employee health plans provided? Indicate the carrier name and policy number for the health plan.
20. Is there a labor interchange with any other business/subsidiary? Indicate who the interchange is being done with and their relationship to the insured.

21. Do you lease employees to or from other employers ? For leasing employees indicate who you are leasing them to. For leased employees indicate who you are leasing them from and if you have a certificate of insurance from the lessor.
22. Do any employees predominantly work at home? Indicate who works at home and what their hours of operation are.
23. Any tax liens or bankruptcy within the last 5 years? If yes, describe in detail.
24. Any undisputed and unpaid workers compensation premium due from you or any company managed or owned enterprises? If yes explain, including entity name(s) and policy number(s).

CONTACT INFORMATION

- Inspection (Name) Enter the name of the contact person who will assist the insurer in conducting a physical inspection survey.
- Inspection (Phone) Enter the telephone number of the contact person who will assist the insurer in conducting a physical inspection survey.
- Inspection (E-Mail Address) Enter the e-mail address (if applicable) of the contact person who will assist the insurer in conducting a physical inspection survey.
- Accounting Records (Name) The insurer may need to contact the applicant for audit purposes. Provide the name of the individual responsible for such records.
- Accounting Records (Phone) The insurer may need to contact the applicant for audit purposes. Provide the telephone number of the individual responsible for such records.
- Accounting Records (E-Mail Address) The insurer may need to contact the applicant for audit purposes. Provide the e-mail address (if applicable) of the individual responsible for such records.
- Claims Information (Name) Provide the name of the person the insurer is to contact regarding any potential claims inquiries.
- Claims Information (Phone) Provide the telephone number of the person the insurer is to contact regarding any potential claims inquiries.
- Claims Information (E-Mail Address) Provide the e-mail address (if applicable) of the person the insurer is to contact regarding any potential claims inquiries.
- Remarks Add any additional rating information, comments or other items that will assist in the classification and rating of this risk.

SIGNATURE

- Applicant's Signature Applicant must sign this form.
- Date Date applicant signed the form.
- Producer's Signature Producer must sign this form.
- National Producer Number Number assigned to the Producer by the NAIC.